

## MEDIA BACKGROUNDER

### HIGHLIGHTS OF THE URUGUAY ROUND AGREEMENT

The Uruguay Round was the largest, most complex and most comprehensive trade negotiation ever undertaken. By the conclusion of the negotiations on April 15, it included about 120 participating governments, more than twice the number in any of the previous seven rounds negotiated under the auspices of the General Agreement on Tariffs and Trade (GATT).

The final Uruguay Round package includes more than 25 separate agreements, all contained within a strengthened World Trade Organization (WTO).

Countries have made commitments to lower or eliminate tariffs and other barriers to trade. New areas have been brought into the ambit of world-trade rules, including intellectual property, trade-related investment and services.

A major achievement was the introduction of a common set of rules to govern trade in agriculture.

Strengthened trade rules, particularly on subsidies and countervailing duties, and a more effective system of dispute settlement will bring greater certainty to world trade in goods and services, currently valued at more than US\$4 trillion annually.

Agreement on the Uruguay Round will provide the impetus for economic growth, investment and jobs around the world.

For Canada, where one in five jobs is generated by exports, the Uruguay Round is an important achievement.

#### TARIFFS

One of the most important achievements of the Uruguay Round is the reduction or elimination of trade barriers (tariffs and non-tariff barriers) between countries. This opens markets further for Canadian exports -- especially to the rapidly growing Asia-Pacific and Latin American markets -- and cuts costs to consumers.

Canada and its major trading partners have agreed to broad-based tariff reductions averaging 40 percent or more on a wide range of industrial and resource products. Included in these packages of reductions is the total elimination of tariffs on the following product sectors: paper and paper products, pharmaceuticals, beer, brandies and whiskies, steel, construction equipment, agricultural equipment, medical equipment, office furniture and toys. For most of the products, duty-free entry will be achieved over periods of 5 or 10 years to allow for industry adjustment. Tariffs on chemicals and plastic products will be reduced and harmonized at low rates.