

WORLD TRADE ORGANIZATION

WT/MIN(98)/ST/73

18 May 1998

(98-2051)

MINISTERIAL CONFERENCE
Second Session
Geneva, 18 and 20 May 1998

Original: English/
French

CANADA

Statement Circulated by the Honourable Sergio Marchi,
Minister for International Trade

I. THE IMPORTANCE OF TRADE AND INVESTMENT TO CANADA

Canada's economic prosperity depends heavily on an active and outward-looking trade strategy.

Canada is the most trade-dependent major economy in the world. Forty per cent of Canada's GDP (gross domestic product) depends on trade. One job in three in the Canadian economy is directly tied to our exports. International trade fuels our economic prosperity. Between 1992 and 1996, Canadian exports grew roughly four times as fast as our GDP. In good measure because of our strong trade performance in this period, the Canadian economy created almost 1 million new jobs as our total labour force grew from 14.5 million to 15.4 million Canadians.

Foreign investment also plays a key role in Canada. Every \$1 billion in foreign direct investment creates some 45,000 jobs, so the total of \$188 billion that foreigners have invested in Canada means a brighter future for all Canadians. Similarly, the profits, technologies and jobs that come to Canada from our investments abroad, which totalled \$194 billion in 1997, underline the importance of developing rules that promote and protect foreign investments.

It is no wonder that, from the beginning, Canada has put the highest priority on an international economic and trade system that is based not on power but on the rule of law set out in a network of rights and obligations.

II. TRADE,

economic activity was based on trade. Today, that figure averages 22 per cent and is higher for a number of countries.

This tripling of the role of trade illustrates two facts: nations are becoming more interdependent in their economic relations, and our work is not finished. There is still room for growth.

The GATT and the World Trade Organization (WTO) provide an invaluable network of rules in key areas such as trade in goods, services, agriculture, intellectual property, government procurement and (most recently) telecommunications and financial services. The prosperity that this has brought to our peoples underpins our economic development and makes a substantial contribution to global peace and security. This is one of the major achievements we are celebrating this week on the occasion of the 50th Anniversary of the GATT. The global community needs to appreciate and hear more about this unique contribution made by the GATT and the multilateral trading system. Canada g

The impact of bilateral and regional agreements can be more immediate and more measurable than is the effect of broad multilateral rules. When the impact is as positive as it has been for the Canada–United States FTA and the NAFTA, there is a clear demonstration effect of the role of trade in economic well-being, and hence a base on which to build broader support for general trade liberalization.

IV. THE WTO: ENGAGEMENT AND TRANSPARENCY

The WTO is addressing a new and more challenging trade agenda that demands much greater engagement and communication at national levels, and new levels of transparency internationally.

In 1948, the GATT was launched with 19 founding members. Now the multilateral trading system is a global undertaking of 132 countries, with about 30 countries at various stages of negotiating accession to the WTO.

The trade policy agenda has not stood still. The new agenda goes beyond traditional border measures, tariffs and quotas. It presents considerable challenges, not the least in the need for greater transparency in shaping and conducting negotiations, and in the day-to-day work of the WTO.

The most recent meeting of Quadilateral Ministers encouraged the Director-General to explore means within the WTO to enhance consultations with representatives of civil

WT/MIN(98)/ST/73

- How can we facilitate and improve trade through more efficient customs procedures and border measures?
- How should we deal with the unjustified use of anti-dumping and other trade remedy measures?
- In what ways can we promote better rules for service providers?
- How can we build on WTO work to address issues affecting investment and competition?

As mentioned earlier, in considering all options, we must continue to engage civil society to carefully define our long-term objectives. Our actions must be governed by openness and flexibility, not by rigid ideologies or institutions. We must increase the transparency of the WTO and build broad-based constituencies with a thorough understanding and confidence in the multilateral trading system. We also ~~We~~ cannot proceed without respecting and engaging the interests of all WTO Members. In particular, we must recognize the special concerns of the less-developed or least-developed Members.

All this wiBT1 0 0 1 126.96 525.1.28 Tm/F17 11 Tf(In) TjETBT1 0 0 1 84.7(of) TjETBT1 0 0 1 2 Tf(In)