

# Canada and The World Trade Organization

Presentation to the Ontario Bar Association –  
International Law Section

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# Overview

- WTO Doha Round – State of Play
  - What is at Stake?
    - Agriculture
    - Non-Agricultural Market Access (NAMA)
    - Other Issues (Services, Rules, Intellectual Property, Trade Facilitation, Environment)
- Next Steps
  - Continuation of Doha
  - WTO Regular Work
- Canada's Bilateral Trade Policy Agenda



# WTO Doha Development Agenda – State of Play

## **WTO Doha Round – launched in November, 2001 – with ambitious agenda**

- Agriculture – the key driver
- Other issues play important part – market access for industrial, fish and forest products, trade in services, trade rules

## **Progress has proven difficult – numerous deadlines missed – uneven engagement by leading countries over the years**

- Hong Kong Ministerial Conference, December, 2005 provided roadmap, but
- July 2006 and 2008 Geneva ministerial meeting did not succeed
- Consultations intensified and progress made but not enough to hold Ministerial in December, 2008

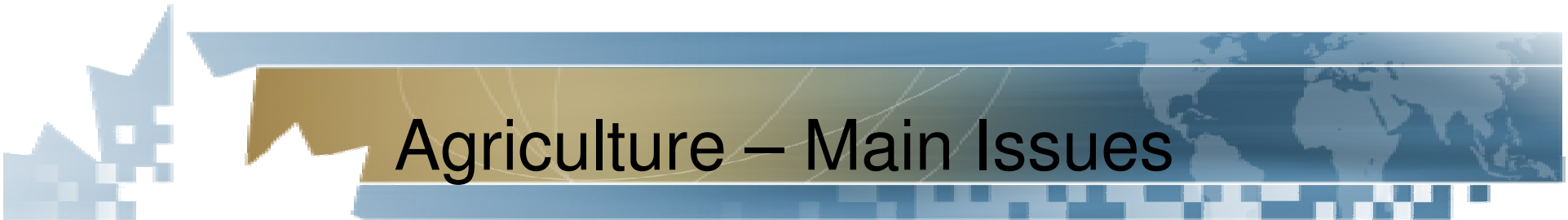
## **November 2008 G-20 and APEC Leaders Commitment**

- Current economic context
- Political landscape in other countries



# Doha Negotiations – Canada's Objectives

- Generally, in the core negotiations of the Doha Round, Canada is seeking an outcome that will:
  - Level the playing field for the agriculture and agri-food sector
  - Increase market access for goods and services providers
  - Strengthen rules on anti-dumping, countervail and subsidies
  - Facilitate trade by cutting red tape at the border; and
  - Better integrate developing countries into the multilateral trade system



# Agriculture – Main Issues

- Elimination of export subsidies and export monopoly powers
- Significant reduction in domestic support
  - 70-80% for US and EU
  - 50% for others
- **Market Access**
  - Tariff cuts ranging from 50-70% for developed countries
  - Developing countries to apply 2/3 of the cuts for developed countries
- **Sensitive Products for developed countries**
  - Designation (4-6% of tariff lines) and treatment (tariff cut and TRQ expansion)
- **Special Products for developing countries**
  - Designation (10-18% of tariff lines) and treatments for tariff cuts
- **Special Safeguard Mechanism**
  - Trigger and remedies
- Others (cotton, bananas, tariff preferences)

# Non-Agricultural Market Access (NAMA)

## – Main Issues

- **Reductions to industrial tariffs through a “Swiss” formula would result in deeper cuts for higher tariffs**
  - **One coefficient for developed countries, but a menu of options for developing members, combined with a scale of flexibilities**
  - **The latest text contains the following coefficients:**
    - Developed countries – coefficient of 8
      - No single tariff higher than 8
      - No exception
    - Developing countries – coefficients of 20 / 22 / 25
      - Ability to make smaller or no tariffs cuts on a certain percentage of tariff lines depending on coefficient selected
      - 5 to 7.5% for no cuts and 10 to 14% with half cuts for coefficients of 20 / 22 respectively
      - No flexibility for coefficients of 25

### **Sector-specific Agreements:**

- Will eliminate or reduce tariff cuts further than formula cuts in key sectors (e.g. chemicals, industrial machinery, forest, fish products, gems and jewelry, electronics, sports equipment, toys, hand tools, health care products)

**Others – e.g. country specific issues, preference erosion, recently acceded Members (e.g. China)**



# Other Issues

- **Services**
  - Signalling Conference last July to lead to revised offers
- **Rules**
  - Text driven negotiations on Anti-dumping and Subsidies/ CVD Agreements
  - New Disciplines on Fisheries Subsidies
- **Intellectual Property (IP)**
  - GI Registry for wines and spirits
  - Extension to other products
  - Work program on CBD
- **Trade Facilitation**
  - Border Facilitation Measures
  - Technical Assistance
- **Environment**
  - Goods and Services Liberalization
  - Relationship to Multilateral Environment Agreements



# Next Steps - Doha

- **Next Steps**

- **Work will continue:**

- Agriculture – Meetings to continue early in the new year including bottom-up run through new text
- NAMA – Chair to continue consultations / new December text
- Rules – New Chair's text released
- Other areas – plans to continue the work

- **WTO Members remain committed** to seek agreement in the near term

- So far, work had been focussed on modalities; not sure if this focus will change
- Lamy unopposed for a second term

- **Early Harvest?**

- Potential early outcomes in areas such as Trade Facilitation, DFQF, Cotton, Bananas



# WTO - Other Work

## Regular WTO Work:

- Accessions and trade policy reviews (TPRs)
- Monitoring of actions taken in the wake of the financial crisis
- Reviewing developments in the area of trade finance
- Identification of new issues
- Dispute resolutions
  - More effected?
  - Currently, Canada is actively involved as:
    - a complainant in 4 cases
    - a respondent in 1 cases; and
    - a third party in 5 cases

**Discussion on holding a regular “mandated” Ministerial Conference in 2009**

# Canada's Bilateral Trade Policy Agenda

<b>Implemented Free Trade Agreements (FTAs)</b>	Canada-US; NAFTA; Israel; Chile; & Costa Rica.
<b>Concluded FTA Negotiations</b>	European Free Trade Association (Iceland; Norway; Switzerland and Liechtenstein); Peru; Colombia; & Jordan. All signed except Jordan.
<b>Ongoing FTA Negotiations</b>	Republic of Korea; Panama; Dominican Republic; CARICOM; Central America Four (Guatemala, El Salvador, Honduras and Nicaragua); & Singapore.
<b>Prospective FTAs &amp; Other Initiatives</b>	Scoping discussions with the European Union; Initial discussions with Morocco; & Trade Policy Dialogue with Japan.
<b>Foreign Investment Protection &amp; Promotion Agreements (FIPAs)</b>	23 in force, most recent with Peru. Concluded with Jordan; India; Madagascar and Kuwait. China at an advanced stage. Negotiations ongoing with Vietnam; Mongolia; Indonesia; & Tanzania. Exploring launch of further negotiations in Asia Pacific; Middle East; & Africa.
<b>Air Transport Agreements</b>	In the last 2 years, concluded new or expanded agreements with Japan; United States; Ireland; Kuwait; Jordan; Iceland; New Zealand; Singapore; Mexico; Panama; Philippines; the Dominican Republic; Barbados; & the EU. Current focus on Asia Pacific; Latin America; & Caribbean regions.



# Further Information

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