



**Report of the Canadian Parliamentary Delegation
respecting its participation at the
Regional Trade Knowledge Workshop for
Parliamentarians of the Americas
Congress of the United Mexican States**

**Canadian Section of the Inter-Parliamentary Forum
of the Americas (FIPA)**

**Mexico City, Mexico
May 20-22, 2010**

Report

INTRODUCTION

A parliamentary delegation representing the Canadian Section of the Inter-Parliamentary Forum of the Americas (FIPA) participated in FIPA's Regional Trade Workshop for Parliamentarians, "The Doha Development Round: Challenges and Opportunities for the Region", held in Mexico City, Mexico from May 20-22, 2010. The delegation was led by the Chair of the Canadian Section of FIPA, Mr. Randy Hoback, MP. Also participating were the Honourable Céline Hervieux-Payette, PC, Senator, and Mr. Peter Goldring, MP. The Canadian delegation was assisted by Mr. Leif-Erik Aune, Secretary to the Delegation, and Mr. Michael Holden, Library of Parliament Analyst.

The Regional Trade Workshop in Mexico City was the sixth such event presented by FIPA and the first to incorporate a hemisphere-wide focus since the inaugural Trade Knowledge Workshop, held in Ottawa in March 2007. Attendance at the Mexico City workshop was high and reflected the growing recognition within the hemisphere of the value of these workshops to parliamentarians. While 16 parliamentarians from eight FIPA member countries were present at the Ottawa workshop in 2007, the event in Mexico City was attended by 39 parliamentarians representing 16 countries across the hemisphere.

FIPA places a great deal of importance on international trade, given its role of international trade in generating economic growth, prosperity and development, it is critical for parliamentarians to have sound knowledge of international trade rules and negotiations as well as of their wider policy implications. Through workshops such as these, FIPA has made it a priority to help parliamentarians from across the hemisphere build their technical capacity in matters of international trade and trade policy. By participating in this regional workshop, the Canadian Section hoped to advance that goal.

The regional trade workshop was a three-day event, consisting of an opening ceremony, which took place in the Central Courtyard of the Senate of Mexico, eight working sessions and two roundtable discussions among parliamentarians. The event was hosted by the Senate of Mexico and coordinated by FIPA and the World Trade Organization (WTO), which provided several speakers for the working sessions.

THE REGIONAL TRADE WORKSHOP FOR PARLIAMENTARIANS

A. Opening Ceremony

The Regional Trade Workshop for Parliamentarians of the Americas began with an opening ceremony held at the central courtyard of the Senate of Mexico. Four speakers gave presentations at the ceremony. Senator Adriana González Carrillo (Secretary of the Foreign Affairs Committee (North America) of the Senate of Mexico and Member of the Executive Committee of FIPA) outlined some of the areas in which she thought progress was needed at the Doha Round. These subjects included equitable trade, labour rights, poverty and labour mobility. The second speaker, Maria Pérez-Esteve (Counsellor, Information and External Relations Division, Secretariat of the World Trade Organization), summarized the objectives of the workshop: to increase knowledge of

the multilateral trading system; to provide an update on the progress of the Doha Round; and to discuss the rise of regional trade agreements and other policy issues related to trade liberalization.

The third speaker was Ambassador Eréndira Araceli Paz Campos (Director General for Regional and Multilateral Economic Organizations, Ministry of Foreign Affairs of Mexico). Ambassador Araceli talked about the importance of the WTO as an instrument to facilitate the opening of markets, and its value in creating disciplines against unilateral trade actions and in ensuring compliance with the agreed-upon rules of trade. He noted that the WTO is the only multilateral organization with a true enforcement mechanism, one that includes the possibility of sanctions being levied against countries found to have violated WTO rules.

The final speaker at the opening ceremony was Eduardo Javier Ramos Dávalos (Head of the International Negotiations Coordination Unit, Ministry of Economy of Mexico). He spoke about Mexico's participation in the WTO negotiating process and the importance of trade liberalization for Mexico, both in terms of the value of advancing multilateral negotiations at the WTO as well as of Mexico's concurrent policy of pursuing bilateral and regional trade agreements.

B. Workshop Sessions and Roundtable Discussions

The sessions of the first day of the regional trade workshop were intended to provide parliamentarians with information on the role and function of the WTO and to update those present on the current status of Doha Development Round negotiations. As such, the three workshop sessions focused on each of the three main subjects of the Doha Development Round of negotiations: agriculture, services and non-agricultural market access. Sessions on the second and third days were devoted to broader trade-related policy issues.

1. Session 1: The Doha Development Agenda: Current State of Negotiations (including Agriculture)

The first workshop session started with an opening presentation by Roberto Zapata (Director General for Multilateral and Regional Negotiations, Ministry of Economy of Mexico). Mr. Zapata began his discussion by setting out the context in which the Doha Development Round of multilateral trade negotiations are taking place; he provided a summary of the timeline and contents of the previous eight negotiating rounds of the General Agreement on Tariffs and Trade (GATT). In particular, Mr. Zapata highlighted the outcomes of the 1986–1994 Uruguay Round of GATT talks, including – most notably – the creation of the WTO.

Mr. Zapata also summarized the agenda of the ongoing Doha Development Round of WTO negotiations. He noted that a particularly important feature of the current negotiations is that WTO members agreed to negotiate using a “single undertaking” approach; that is, the entire Doha agenda would be negotiated concurrently and nothing would be agreed upon until everything is agreed upon. This approach, Mr. Zapata stated, could be considered an advantage or a constraint: a constraint because it prevents agreements from being reached on less controversial subjects, and an

advantage because it allows for negotiation and compromise across a range of subjects.

Most of Mr. Zapata's presentation focused on the current state of agriculture negotiations at the WTO. He provided an overview of the negotiations to date, including a discussion of the WTO Ministerial meetings as they related to agricultural issues, and the progress and setbacks which have arisen in agriculture negotiations since the Doha Development Round began in 2001. Mr. Zapata gave a detailed analysis of the state of negotiations in each of the three "pillars" of agriculture negotiations: market access, export subsidies and domestic supports.

On the subject of market access, Mr. Zapata noted that, while there is a general desire to open agriculture markets, many countries have specific sensitivities or concerns that greatly complicate market access negotiations. These sensitive areas include: the issue of special and differential treatment in agricultural market access; the proposed stratified tariff-reduction formula, whereby higher tariffs would be subject to larger reductions; allowances for "sensitive" products in each country; "special products" in developing countries which may be important for food security or rural development; and safeguards against a sudden increase in imports that damages local producers.

Concerning export subsidies, Mr. Zapata indicated that there is agreement among WTO members to reduce export subsidies by 50% by 2010, and to eliminate them completely by 2013. However, given the precarious state of WTO negotiations generally, and the fact that negotiations are taking place as a "single undertaking," parliamentarians heard that it is far from certain that this agreement on export subsidies will be implemented.

Finally, on the issue of domestic supports, Mr. Zapata stated that, while considerable challenges remain in reaching an agreement, there is general consensus on a proposed system of reducing domestic supports according to three distinct bands: one for the European Union; one for the United States and Japan; and the third for all remaining developed and developing countries.

Mr. Zapata ended his discussion with a brief look ahead at the future of agriculture negotiations at the WTO. He noted that, although meetings continue to be held, it is unlikely that a deal can be reached by the end of 2010 because of the considerable political roadblocks and challenges that need to be overcome.

Following the presentation, parliamentarians were invited to ask questions of the speaker. A number of parliamentarians expressed their concern about the lack of progress in agriculture negotiations and suggested that more effort was needed in order to achieve meaningful progress. Some speakers focused their remarks on the importance of establishing a sense of fairness in agriculture trade; in their view, market access barriers in developed countries, including domestic price supports, need to be removed in order to allow developing countries to benefit from freer trade in agricultural products. Other subjects that were discussed included non-tariff barriers to trade and issues such as food safety, transportation, the environment and genetically-modified organisms, and aid-for-trade.

2. Session 2: The Doha Development Agenda: Current State of Negotiations – Trade in Services and the Mexican Position

The workshop's second session began with a presentation by Guillermo Malpica Soto (Director General of Negotiations in Services, Ministry of Economy of Mexico). Mr. Malpica spoke about the history of services trade negotiations at the WTO, described the current status and nature of services trade negotiations, and discussed the importance to Mexico of making progress in this area of WTO talks.

Mr. Malpica observed that the chief difference between goods trade and services trade is that services, unlike goods, cannot be accumulated. There are essentially four kinds of services that can be traded: those for which the transaction is completed without the physical movement of any person or object (for example, the outsourcing of medical interpretation and diagnostic services); those for which the consumer moves (such as medical tourism); those for which the service provider establishes a physical presence in another country (for example, a bank or a hospital); and those for which the person providing the service moves to another country (a doctor, for example).

Mr. Malpica noted that the mandate to negotiate services trade liberalization did not come from the Doha Development Round itself, but was a direct commitment made by WTO members at the completion of the Uruguay Round of negotiations. Services trade liberalization is negotiated at the WTO according to a "positive list" approach; only those services expressly identified by member countries are open to negotiation (by contrast, a "negative list" approach would be one in which all services were subject to negotiation, save those included on a list of exceptions).

Mr. Malpica also spoke about Mexico's policy regarding services trade liberalization and its negotiating priorities. Mexico places a high importance on making progress in services trade negotiations and has been an active participant in WTO services-related working groups. Mr. Malpica stated that there is considerable potential for developing countries to benefit from services trade liberalization. In particular, he highlighted the fact that, in many countries, domestic regulations can be a considerable barrier to services trade; negotiating disciplines on those regulations is a priority for Mexico.

In spite of the fact that the mandate to negotiate services trade liberalization dates to 1994, Mr. Malpica noted that little progress has been made in negotiations to date. He stated that countries' initial offers for their "positive lists" were modest and that progress in negotiations has suffered because services are considered to be the third priority in Doha Development Round negotiations, behind agricultural and non-agricultural market access.

While the general format of workshop sessions allows time for parliamentarians to ask questions of the speakers and to exchange views on what they heard, the workshop was behind schedule at this point and the question-and-answer period for the session on services trade was abbreviated. A delegate from Peru informed the group of impending legislation in his country that will increase access to Peruvian services for international suppliers. Some parliamentarians also expressed their concern at the lack of progress in services trade negotiations at the WTO. It was suggested that issues such as remote work (tele-commuting) as well as software services and support should be included in any future WTO agreement on services.

3. Session 3: The Doha Development Agenda: Current State of Negotiations – Non-Agricultural Market Access

The final session of the first day of the regional trade workshop focused on the third of the three primary negotiating subjects at the Doha Development Round: non-agricultural market access (NAMA). Josep Bosch (Counsellor, Information and External Affairs Division, WTO Secretariat) began the session with the observation that the key challenge facing multilateral trade negotiations is that the WTO is a member-driven, consensus-based organization and, as such, does not impose decisions on member states. In his view, this fact, combined with the decision to approach the Doha Development Round as a single undertaking, is a major reason why progress on NAMA and other negotiating subjects has been so slow.

Mr. Bosch gave a detailed overview of the status of NAMA negotiations and provided information about the issues surrounding non-agricultural trade negotiations and some of the solutions that have been proposed by WTO members. He noted that the primary goal of NAMA negotiations is to achieve a meaningful reduction in bound tariffs. A “bound tariff” is the maximum allowable tariff a country may apply on a given product and remain in compliance with its WTO commitments. Frequently, countries’ “applied tariffs” (those actually in place) are considerably below the bound tariff rates. Mr. Bosch stated that by negotiating reductions in bound tariffs and not applied tariffs, WTO members are able to preserve some flexibility in terms of the actual tariffs levied.

Parliamentarians heard that NAMA negotiations have progressed to the point of arriving at a proposed formula for tariff reductions. However, since the Doha Development Round is a single undertaking, no agreement on NAMA or any other subject is truly reached until such time as the entire Round is concluded.

The proposed formula, initially put forward by Mexico, calls on developed countries to reduce their bound tariffs on all NAMA goods to 8% over a period of five years. For their part, developing countries could choose to lower their maximum allowable bound tariff rates to 20%, 22% or 25% over a ten-year period. As an incentive to choose a lower bound tariff rate, developing countries would be able to exempt a certain percentage of tariff lines from any reduction in bound tariffs. If a developing country agreed to lower its bound tariffs to 20%, it would be allowed to exempt 14% of tariff lines from its tariff-reduction commitments. A country choosing the 22% bound tariff rate would be allowed to exempt 10% of tariff lines, while no exemptions would be allowed at the 25% bound tariff rate.

Mr. Bosch also provided an overview of some of the other negotiating priorities and proposals related to NAMA. These included: a proposal for a higher level of liberalization in certain non-agricultural goods (such as fish products); special consideration for certain regional blocs, like the Southern Cone Common Market (MERCOSUR) and the South African Union; and the possible inclusion of an “anti-concentration clause” that would prevent countries from using the exemptions described above to protect entire sectors from tariff reductions. He also called attention to a number of other suggested provisions that, if adopted, would offer special consideration to developing countries, over and above the proposed differences in tariff-reduction schedules described earlier. Special considerations are being proposed for: countries with already-low indices of bound tariffs; small and rural economies (those comprising less than 0.1% of global trade); recently-acceded WTO members; least-developed countries; and those poor countries for which a new deal on NAMA would erode their

existing preferential access to certain rich markets (for example, special market access concessions made by the United States to goods originating in Afghanistan).

Following Mr. Bosch's presentation, parliamentarians were given the opportunity to make observations and to ask questions on the subject of NAMA. In the discussions that followed, some of the topics included: the issue of tariff peaks and tariff escalation, and their importance in encouraging secondary industrial production in developing countries; and the relationship between the WTO and the International Labour Organization (ILO), especially as it relates to the potential for abuses of workers in certain countries. Parliamentarians also discussed how to incorporate environmental disciplines in WTO agreements, although it was noted that it is not the role of the WTO to determine environmental conservation policies, as well as issues such as resource scarcity and food sovereignty. Parliamentarians also touched upon issues such as the power imbalance between large, rich countries and small, poor ones when disputes arise between the two.

The final question put to Mr. Bosch was in regard to periodic cases of overproduction of agricultural and agri-food products in some countries, and how those goods could be exported to countries where food shortages exist without violating the WTO's anti-dumping provisions. It was suggested that two scenarios exist in which such deliveries would be exempt from a potential anti-dumping charge. First, if the food product in question was not produced in the country to which it would be exported, or if local industries were not harmed by the export, then no dumping could be considered to have taken place. Second, any delivery of food that was classified as aid and not a normal business transaction would also not be subject to dumping charges.

4. Roundtable Discussion: Day 1

At the end of the first day of the workshop, time was set aside for a roundtable discussion among parliamentarians to provide them with the opportunity to discuss, at length, some of the issues addressed earlier in the day, particularly those related to the multilateral trading system, and to exchange ideas and concerns regarding the scope, content and progress to date at the Doha Development Round of WTO negotiations. Participants touched upon a wide range of subjects during these discussions, many of which related to the particular challenges facing smaller countries, especially those in the Caribbean.

These challenges included the fact that tariffs are an important source of income for small countries. Moreover, in some cases, high tariffs can be used as a prohibition against the importation of undesired goods. Some parliamentarians also suggested that the track record of the WTO suggests that it has not been a friend to smaller countries in the past. In their view, it is impossible for a country like Antigua and Barbuda, for example, with a population of only 40,000, to compete in international markets with a country of 300 million. They argued that the WTO's Special and Differential Treatment (SDT) provisions, intended to address such imbalances, are not equal to the task. This statement started a debate among parliamentarians about the effectiveness of SDT provisions and about the fact that many small countries appear eager to join the WTO in spite of the reservations expressed by some.

Members also spoke about the importance of making progress on eliminating agricultural subsidies at the WTO. It was noted that, given the lack of progress in Doha Development Round negotiations, countries are increasingly turning to regional and bilateral trade agreements to pursue their trade liberalization agendas. However, these bilateral and regional agreements typically avoid the issue of agricultural subsidies. In the view of some parliamentarians, countries are using the impasse in the ongoing WTO negotiations in agriculture as an excuse for not making any commitments to address agricultural subsidies in regional and bilateral agreements.

Parliamentarians also discussed the issue of trade and gender. It was observed that trade provides opportunities for both men and women, but there is a need to incorporate gender considerations at every level of the process of negotiating and implementing trade agreements. Discussions on this topic were relatively brief, however, because trade, gender and poverty were scheduled to be the subject of a later workshop session.

Parliamentarians also talked about the importance of including special consideration for trade in environmental goods, services and technologies in any Doha Development Round agreement. Several believed that free trade in such products has the potential to improve environmental conditions by making it easier to obtain pollution-reducing technologies and other environmental products. In addition, it was suggested that free trade in environmental goods would encourage the development of such products.

5. Session 4: Agreement on Dispute Settlement: Introduction and Current State of Negotiations

While the first day of the regional trade workshop focused on the three major subjects of negotiation at the Doha Development Round – agriculture, NAMA and services – the second day's sessions looked in more detail at specific trade-related issues. The first of these sessions was on the subject of dispute settlement. It included presentations by two speakers: Jorge Castro (Counsellor, Legal Affairs Division, WTO Secretariat); and Carlos Vejar Borrego (Director General of Legal Advising on Negotiations, Ministry of Economy of Mexico).

Jorge Castro began his presentation with an overview of the guiding principles of the GATT, which established the rules-based trading system which forms the basis of the WTO today, and then provided a detailed overview of the WTO dispute-settlement mechanism (DSM). He noted that the purpose of the DSM is to provide certainty and predictability to WTO rules. The first path in the process is one of diplomacy; countries are encouraged to attempt to resolve their disagreements through bilateral consultations. Should such consultations fail, however, countries have recourse to an independent and impartial legal process to settle disputes. This dispute-settlement mechanism includes, as a last resort, the right to impose a temporary suspension of trade benefits (i.e., the right to apply retaliatory tariffs) in cases of continued non-compliance with DSM rulings.

Mr. Castro noted that about one half of all disputes brought to the WTO are settled amicably without recourse to the DSM. Of the approximately 50% of cases which do proceed to the DSM, compliance with legal decisions is the norm; penalties for non-

compliance are applied in only a small fraction of cases. In the 409 cases brought before the WTO since 1995, penalty tariffs have been applied in only 17 instances.

Although the WTO DSM allows countries to impose retaliatory tariffs in cases of non-compliance with WTO rulings, Mr. Castro stressed that the WTO does not have any direct enforcement capabilities. It cannot impose legislative changes on member governments.

Mr. Castro acknowledged that, in spite of the fact that the WTO operates an impartial DSM and that it has a fund to help offset the costs to poor countries of acquiring legal assistance with the dispute-settlement process, concerns remain about asymmetries in disputes. Larger and wealthier countries have access to a more developed legal framework and more legal resources compared to smaller countries. Furthermore, smaller countries may not have the financial or economic capacity to absorb the costs associated with imposing trade restrictions on larger economies in cases of non-compliance. According to Mr. Castro, one proposed solution to this ongoing issue during the Doha Development Round of trade negotiations is to enable countries to transfer, to a third-party country, the right to impose punitive measures in the event that they consider themselves unable to do so. This proposed solution, in his view, may not eliminate asymmetries between rich and poor countries, but has the potential to mitigate them.

Carlos Vejar, the second speaker during this session, covered four points in his presentation: the Doha Development Round negotiations as they pertain to the DSM process; WTO member countries' experience to date with the DSM as it exists at present; the importance of countries developing a robust national legal framework to assist with trade-related disputes; and the issue of retaliation/suspension of benefits.

Most of Mr. Vejar's presentation focused on the existing DSM and proposed improvements to that mechanism. Mr. Vejar noted that the experience to date with the existing mechanism has generally been good, although there are significant concerns about the length of time required for the dispute-settlement process to run its course. He stated that the issue of timely dispute settlement is a subject of negotiation at the Doha Development Round.

On the subject of potential improvements to the existing DSM, Mr. Vejar observed that, notwithstanding concerns about the length of time for the process to run its course, some countries prefer that changes to the mechanism not be made because, in their view, the DSM is working reasonably well. Moreover, many countries are reluctant to propose changes to a dispute-settlement process without knowing the result of Doha Development Round negotiations in other areas; it would be imprudent to make changes to a dispute-settlement mechanism when the subjects it will be adjudicating are not yet known. However, some modifications are being considered, including providing compensation to countries for damages resulting from violations of WTO rules by other member countries.

Following the two presentations, parliamentarians asked questions about the specifics of the dispute-settlement process and its appeal process, and about the possibility of creating a provision that would allow a quick assessment to determine whether a country was in clear and explicit violation of WTO rules. Another question related to

currency manipulation and whether the WTO considers such manipulation to be an actionable offence in dispute-settlement cases. The session moderators noted that the GATT does acknowledge that currency manipulation could potentially trigger a trade dispute, but that it is difficult to prove that currency manipulation is taking place, and even more difficult to prove that it is taking place for the purpose of extracting an unfair competitive advantage in export markets.

6. Session 5: The Multilateral System and New Regional Trade Agreements

The second session of the second day of the regional trade workshop addressed the recent rise in regional and bilateral trade agreements. The session began with a presentation by Dr. Gustavo Vega Cánovas (Director of the International Studies Centre, Colegio de México). He spoke about the debate surrounding the impact that the proliferation of these bilateral and regional trade agreements has had, and is having, on multilateral trade negotiations at the WTO.

For some, there is an incompatibility between multilateral and regional/bilateral trade liberalization. Regional and bilateral agreements create preferential trading arrangements between partner countries which, by their very nature, discriminate against non-participants, whereas the multilateral process is non-discriminatory across 153 member states. While regional and bilateral agreements promote trade and lower barriers to the free flow of goods and services, they may not give preference to the most efficient global producers, but rather to those producers in partner countries which have a tariff advantage resulting from the bilateral agreement. It was suggested that regional and bilateral agreements complicate and fragment the global trading system because they create a “spaghetti bowl” of overlapping agreements which vary in scope, comprehensiveness and even trade rules in some cases. These differences can complicate international commerce because businesses have to adapt to different conditions depending on the country from which they are importing or the country to which they are exporting.

On the other hand, parliamentarians heard that, in addition to the drawbacks to regional and bilateral agreements mentioned above, there are benefits to those trade agreements as well. To the extent that such agreements generate wealth through increased trade, that wealth could be used to increase trade with third-party countries. It was also suggested that regional and bilateral agreements are easier to negotiate when compared to multilateral agreements because fewer countries are involved. In addition, regional and bilateral agreements can, in some cases, lead to advances in, or act as a precursor to, broader negotiations at the multilateral level. For example, it was noted that the Canada–US Free Trade Agreement included a number of Uruguay Round issues that other countries were, at the time, reluctant to include in the multilateral agreement. Dr. Vega was of the opinion that, on the whole, regional agreements are useful, provided that they are WTO-compliant.

The remainder of Dr. Vega’s presentation focused on Mexico’s experience in multilateral, as well as regional and bilateral, trade agreements. He provided a chronology of Mexico’s participation in trade agreements, starting with its accession to the GATT in 1986, and gave an overview of the impact that increased trade has had on the Mexican economy. He noted that, while Mexico’s trade has grown, diversified to

new markets and helped to develop new domestic industries, there remain a number of restricted sectors in Mexico that prevent the country from further capitalizing on the benefits of free trade. In particular, he highlighted Mexico's closed oil and gas sector as one which could benefit from increased foreign direct investment.

Dr. Vega concluded his remarks by stressing that Mexico places a high priority on a successful outcome at the Doha Development Round. He stated that it is at the multilateral level where progress is most likely to be made on issues such as trade in services, agricultural subsidies and dispute settlement. He also stated that trade liberalization alone is not sufficient to ensure economic development in countries such as Mexico. Such agreements must be coordinated with complementary domestic policies such as agriculture reforms, the absence of which, in his view, are preventing Mexico from more completely realizing gains in trade, rural development and poverty reduction.

In the question-and-answer period following Dr. Vega's presentation, parliamentarians asked about Mexico's policies regarding foreign direct investment (FDI) and, specifically, the countries from which Mexico is looking to attract such investment. They also discussed the fact that some regional agreements incorporate non-trade provisions, highlighting MERCOSUR as an example of an organization that includes social, political and cultural components as well as a common external tariff. Parliamentarians also spoke about the basic conditions required to attract FDI, as well as issues such as the appropriate domestic policies and reforms needed to translate the benefits of trade liberalization into economic development and poverty reduction.

7. Session 6: Competition Policy and the Multilateral Trading System in the Context of the International Economic Crisis

The final session of the second day of the regional trade workshop was on the subject of competitiveness and competition policy. Eduardo Pérez Motta (President of the Federal Competition Commission in Mexico) was the speaker for this session. His presentation was shortened, however, as a result of delays in the previous sessions.

In his address, Mr. Pérez spoke about the relationship between competition policy and trade, with specific reference to Mexico's experience in that regard. He noted that Mexico has well-documented structural competitiveness problems which have limited domestic economic growth; Mexico scores below average in most international competitiveness indicators.

According to Mr. Pérez, Mexico's lack of competitiveness is not only hindering the country's economic growth potential; it is also a contributing factor to its persistent and growing income disparities, and is leading to a growing lack of trust in market-based economic policies in Mexico. In his view, appropriate domestic competition policies are critical to extracting benefits from multilateral trade agreements as well as to building a strong and vibrant domestic economy. He stated that the absence of a competition policy in Mexico is a major factor underlying that country's relative lack of international competitiveness. In his opinion, not having an appropriate competition policy in place imposes high costs on domestic manufacturing sectors and leads to political pressure to withdraw from multilateral trade agreements because of fear that the country's businesses will be unable to compete with foreign producers. Mr. Pérez noted that

international trade agreements are an important trigger for domestic competitiveness, but that they alone are not sufficient. Such agreements should act only as a supplement to appropriate domestic competition policies.

In the somewhat abbreviated question-and-answer period following Mr. Pérez's presentation, parliamentarians discussed issues such as the WTO's position regarding competition in industries like processed foods, sugar, oil and mining, which are restricted or heavily subsidized in many countries. They also spoke about the specific challenges facing small-scale producers in international markets and what assistance countries could give those producers to ensure that they are able to participate in global markets. As well, they commented on the need to ensure that consumers have all of the information needed to make informed decisions in the international marketplace. Finally, they highlighted the need to eliminate certain non-tariff barriers to trade as part of the process of encouraging greater competition. In particular, parliamentarians raised issues such as the need to eliminate certain customs procedures as well as barriers to the assignment of patents.

8. Roundtable Discussion: Day 2

Because of a lack of available time, the roundtable discussion at the end of the second day's sessions was limited to very few interventions. Parliamentarians debated the issue of why strong trade growth in Mexico since the 1990s, combined with a large trade surplus, has not led to higher economic growth in that country. It was noted that trade can be a tool to generate economic growth but is itself not sufficient to guarantee economic prosperity in the absence of appropriate domestic reforms and a suitable competition policy. The issue of small businesses competing in international markets was also raised again, with the specific example of small producers of high-quality organic coffee in Peru and their difficulty in penetrating international markets.

Other subjects raised by parliamentarians included the need for an effective and expedited dispute-resolution mechanism at the WTO and the benefit of alternative regional agreements that include non-trade components. On the latter point, some parliamentarians pointed to the Bolivarian Alliance for the Peoples of our America (ALBA) as an example of an alternative agreement which has a strong social component and through which countries work cooperatively for mutual benefit rather than compete with each other.

9. Session 7: Development Challenges and Trade Liberalization: Poverty and Gender Issues

The seventh session of the regional trade workshop featured a presentation by Alma Espino (President and Coordinator of the Gender and Development Unit, Inter-Disciplinary Development Studies Centre, Uruguay). However, the Canadian delegation was unable to attend this session because of a previously scheduled meeting with the Canadian Ambassador to the United Mexican States, Guillermo Rishchynski.

10. Meeting with Ambassador Rishchynski

The Canadian delegation had a positive and informative meeting with Ambassador Rishchynski, discussing a wide range of subjects related to the Canada–Mexico relationship and to the two countries' mutual relationship with the United States. Among

the subjects covered during the meeting were: the recent oil spill in the Gulf of Mexico and the potential implications for the Mexican economy; the importance of the oil and gas sector to Mexico, especially as a source of government revenue; Mexico–US border issues, especially related to worker migration and the transportation of goods; the importance of the Canada–Mexico economic relationship; the recent mutual imposition of visa requirements on travellers between Canada and Mexico, and the potential impact of those requirements on relations between the two countries; the need to improve labour mobility across North America, in part to address growing labour shortages in Canada; and the then-upcoming official visit of Mexican President Felipe Calderón to Canada. The Canadian delegation appreciated the opportunity to meet with Ambassador Rishchynski and to engage in a full, open and honest discussion of Canada–Mexico relations and other issues relating to the North American economic space.

11. Session 8: The Parliamentary Dimension of Trade

The final session of the regional trade workshop focused on the role of parliamentarians in trade policy. The format of this session differed considerably from that of previous sessions. The session began with a brief opening statement by María Pérez-Esteve. In her commentary, Ms. Pérez-Esteve asked the parliamentarians to consider the role for parliaments in trade policy as it relates to three specific themes:

1. What role could or should parliamentarians play in order to:
 - take advantage of the policy space that results from the WTO Agreements in order to reach national development objectives;
 - raise citizens' awareness on trade policy-related issues and effectively convey their interests; and
 - monitor the implementation of trade agreements?
2. What has been your parliament's experience to date with regard to trade-related matters and WTO negotiations?
3. What practical measures, including those taken at the national level or through various international fora such as FIPA and the WTO, would help you to take a more active role in this area?

Parliamentarians were invited to break into two groups – one of English-speaking participants and one of Spanish-speakers – for a free and open discussion of these three topics. With the aid of a rapporteur, each group then presented its findings to the entire group.

The discussions in the English-speaking group, in which all members of the Canadian delegation participated, were wide-ranging. Several parliamentarians noted that issues such as WTO negotiations are seldom discussed at the parliamentary level and that, in many cases, parliamentarians have a poor understanding of the WTO and multilateral trade issues generally. It was suggested that parliamentarians have an important role to play in informing citizens of the potential impacts of trade agreements and that more work is required to ensure that parliamentarians are well-informed about activities at the WTO as well as about the potential implications of WTO agreements and developments

for their constituents. Members agreed that there is considerable extant information on the WTO and its activities, but that more work is needed to ensure that this information is transmitted to parliamentarians. For many, access to information is a significant priority because parliamentarians need to have a good understanding of trade rules and the limitations they impose on domestic policies in order to ensure that they do not put forward legislation that may be in violation of international trade agreements.

It was generally acknowledged that parliamentarians cannot be technical experts in matters of trade. Nor, in the view of many participants, is it the role of parliamentarians to advocate on behalf of the WTO to their constituents. Several argued that doing so would be a considerable challenge, and could be perceived as campaigning against those local industries that want to be protected from foreign competition. Rather, parliamentarians believed that they needed to be in a position to understand the impact of trade agreements and the implications for different aspects of their domestic economies.

While the Canadian delegation found the entire trade workshop to be useful and informative, it was generally agreed that this final session was the most beneficial in that it offered the best chance to exchange ideas, issues and concerns with other parliamentarians from across the hemisphere. Parliamentarians took the opportunity to share their own views and to learn from those of their counterparts, many of whom had considerably different perspectives given the size, location and relative level of economic development in their countries.

CONCLUSION

The Canadian Section of FIPA has sent delegations to several of FIPA's trade workshops in the past. In all cases, parliamentarians have returned to Canada with a greater understanding of the multilateral trading system and complex trade policy issues. This regional workshop was no exception. The presence of experts from the WTO and the Mexican government provided the delegation with valuable insight into the current state of negotiations at the Doha Development Round as well as considerable and detailed information about the various negotiating topics.

In addition, the Canadian Section benefited greatly from the opportunity to meet with parliamentarians from other FIPA member countries who share an interest in international trade and trade-related policy issues. The exchanges between and among parliamentarians gave the Canadian delegation insight into the perspectives of other countries, especially those with very different economic, social and geographic contexts.

The Canadian Section of FIPA believes that these regional trade workshops are an important tool in building trade knowledge capacity among parliamentarians across the Americas. Consequently, these regional workshops are of considerable value and the Canadian Section feels that FIPA should consider holding such regional workshops on a more frequent basis.

Respectfully submitted,

Randy Hoback, M.P.
Chair, Canadian Section
of the Inter-Parliamentary Forum
of the Americas (FIPA)

Travel Costs

ASSOCIATION	Canadian Section of the Inter-Parliamentary Forum of the Americas (FIPA)
ACTIVITY	Regional Trade Knowledge Workshop for Parliamentarians of the Americas
DESTINATION	Mexico City, Mexico
DATES	May 20-22, 2010
DELEGATION	
SENATE	Hon. Céline Hervieux-Payette, Senator
HOUSE OF COMMONS	Mr. Randy Hoback, M.P. Mr. Peter Goldring, M.P.
STAFF	Mr. Michael Holden, Analyst Mr. Leif-Erik Aune, Secretary
TRANSPORTATION	\$ 5,773.46
ACCOMMODATION	\$ 2,697.44
HOSPITALITY	-
PER DIEMS	\$ 1,053.86
OFFICIAL GIFTS	\$ 75.00
MISCELLANEOUS FEES	\$ 302.96
TOTAL	\$ 9,902.72