

## **CANADA'S TRACK RECORD INTERNATIONAL TRADE**

### **What is international trade?**

International trade is the exchange of goods and services across state borders. Some regions have free trade agreements, like NAFTA, whereas, in other cases, tariffs and quotas are often levied. A tariff is a system of taxes imposed by a government on goods imported or exported.

### **What is the problem with the trade system?**

The current trade system tends to favour richer countries.

- Poorest 48 countries account for less than 0.4% of global exports.
- The richest countries in the world spend more on agricultural subsidies for their own farmers than the gross national product of all African countries combined.

By subsidizing their agricultural industries, rich countries are able to sell their goods below cost in poorer countries (called dumping). Farmers, the majority of the world's poor, cannot compete and are unable to meet the basic needs of their families.

### **What do we need? TRADE JUSTICE**

Developing countries should not be pressured to eliminate tariffs and liberalize trade. Import tariffs can be an important source of income to combat poverty, illiteracy and disease (Millennium Development Goals).

The practice of dumping must end. If we had better trade rules, farmers would have a higher quality of life.

- It is estimated that if the least developed countries could increase their share of agricultural exports by 1%, the resulting revenue would lift 128 million people out of poverty.

Access to public services is a right. Governments must keep the option of delivering critical services, like water and health care.

### **Why should Canada act?**

Canada has repeatedly committed to improving trade rules to help developing countries meet their Millennium Development Goals. Trade justice is essential to ending poverty.

### **How well is Canada doing?**

Canada has made many strides in improving trade with developing countries, including:

- Removing tariffs from all imported textiles and clothing in 2005.
- Changing patent law in 2004 to ensure the availability of life-saving generic drugs for poor countries.

However, no drugs have been delivered since the Government has not implemented the necessary regulations. Canada needs to make an explicit commitment to an equitable trade system. It's time for action!

To learn more about Canada's record on trade justice, visit the websites

[www.makepovertyhistory.ca/e/aim1.html](http://www.makepovertyhistory.ca/e/aim1.html)

[www.millenniumcampaign.org/site/pp.asp?c=grKVL2NLE&b=292090](http://www.millenniumcampaign.org/site/pp.asp?c=grKVL2NLE&b=292090)

[www.millenniumcampaign.org/site/pp.asp?c=grKVL2NLE&b=1344169](http://www.millenniumcampaign.org/site/pp.asp?c=grKVL2NLE&b=1344169)