

reached. The draft list covers a wide range of products, including, for example, machinery and equipment for manufacturing printed circuit boards; selected radar and navigational aid equipment; and certain inputs for IT manufacturing, such as distribution boards. Canada has actively supported the effort to expand the product coverage and will continue to do so. The launch of a new, broad WTO round may provide scope to breathe new life into ITA II.

In addition to establishing duty-free tariff treatment, the Information Technology Agreement also provides for the examination of non-tariff measures affecting the import of IT goods. The ITA Committee agreed in November 2000 to adopt a work program to identify and examine non-tariff measures (NTMs) having "undue trade-distorting effects." In this connection, ITA members have submitted a number of policy papers analysing problem areas. These could generate further consultations and point the way toward possible liberalization work. Canada has contributed to this activity by submitting two papers: one on "Import Licensing of IT Products" and another on "Conformity Assessment of IT Products & Components for Electro-Magnetic Compatibility." We will continue to promote the examination of these issues and to work with ITA members to explore topics covered in other issue papers that have been submitted. Topics include standards and technical regulations (particularly those relating to conformity assessment and testing procedures), rules of origin, customs procedures and government procurement.

### **Technical Barriers to Trade**

Canada's objective is to ensure that regulatory measures and standards relating to goods that exist in other WTO member economies meet legitimate objectives and do not unjustifiably discriminate against Canadian products. Such measures include mandatory technical regulations, voluntary standards and conformity-assessment procedures that determine whether a product meets the requirements of a particular regulation or standard.

The WTO Agreement on Technical Barriers to Trade (TBT) defines the international rights and obligations of members with respect to the development and application of standards-related measures that affect trade. The Agreement is based on the principle that countries have the right to adopt and apply mandatory technical regulations (i.e. to regulate), as long as these

do not restrict international trade more than is necessary to achieve a legitimate objective. TBT-related measures are subject to WTO rights and obligations, including dispute settlement provisions.

Canada promotes wide acceptance of and adherence to the TBT Agreement and its Code of Good Practice, which applies to voluntary standards. Canada also participates in the activities of many international standards bodies, including the International Organization for Standardization (ISO). Canada was among the first countries to develop the necessary infrastructure for Canadian companies to adopt ISO 14000 environmental management system standards, thus facilitating our exports by helping them meet the requirements of our foreign customers.

The role of precaution in regulation and its implications for trade are important issues that affect many areas of interest to Canada. The use of a science-based application of precaution is pervasive throughout Canada's regulatory regime, particularly for protecting the health, social, economic and environmental interests of our citizens, as well as our international reputation for safe high-quality products and services. However, in recent years, the term "precautionary approach" (or "precautionary principle") has also emerged, and this can have different interpretations both domestically and internationally, depending on the specific context. For this reason, the term has been open to misunderstanding and misuse. It has already been invoked in an attempt to justify trade-distorting measures, such as in the beef hormones dispute with the European Union, and in ways that undermine a science-based approach to regulation.

It is Canada's position that the precautionary approach should be based on science-based risk assessment/risk management parameters, and should not be susceptible to abuse or arbitrary decision making. Moreover, in Canada, legal advice indicates that we do not yet consider the precautionary approach to be a rule of customary international law. Canada is working to ensure (1) that there is a clear and coherent Canadian understanding regarding the application of the precautionary approach both at home and internationally and (2) that our rights related to international trade, including those defined under the WTO agreements, are respected by our trading partners. In this regard, the Government of Canada has been consulting with