

Market Access Results in 1999

- Partial access to the Australian market for uncooked salmon products has been agreed as an interim measure while a WTO ruling is implemented.

IMPROVING ACCESS FOR TRADE IN GOODS

Salmon

Since 1975, Australia has prohibited the importation of fresh, chilled and frozen salmon due to alleged concerns about fish health. Canada's position is that there is no scientific basis for the ban. In June 1998, a WTO dispute settlement panel found that the Australian ban is not based on a risk assessment, is maintained without scientific evidence and reflects an arbitrary and unjustified distinction in levels of protection that results in discrimination of a disguised restriction on trade, in violation of the WTO SPS Agreement. In October 1998, the Appellate Body confirmed the panel's rulings. Following arbitration, Australia was given until July 6, 1999, to implement the rulings.

Australia did not meet the July 6 deadline, but announced, on July 19, new fish import policies, which they claim constitute implementation of the WTO rulings. Canada considers the new Australian fish import policies to be unnecessarily trade-restrictive and not in conformity with Australia's WTO obligations. A WTO panel was set up to determine whether the fish import policies announced on July 19 were consistent with the SPS Agreement.

In parallel to the WTO process and in an effort to facilitate trade wherever possible, technical discussions took place between Canada and Australia following Australia's announcement of its new fish-import policies. In October 1999, Canada informed exporters that an agreement had been reached on an interim fish-health certificate allowing access for Canadian wild-caught pacific salmon, subject

to certain product form requirements. In December 1999, the interim fish-health certificate was revised to include Canadian farmed salmon, subject to the same product form requirements. Australia requires that products be in "consumer-ready form", defined as steaks of less than 450 g; skinless fillets of any weight; skin-on fillets of less than 450 g; eviscerated, headless fish of less than 450 g; or products further processed. Products not in consumer-ready form must be further processed in an Australian facility approved by the Australian Quarantine and Inspection Service. Canada has made it clear to Australia that the interim fish-health certificate was without prejudice to Canada's position before the WTO and that the Australian fish-import requirements continue to be unnecessarily trade restrictive.

On January 31, 2000, a WTO panel ruled that Australia's new fish import policies do not comply with its WTO obligations. Canada held discussions with Australia in an attempt to find a mutually acceptable solution that would improve market access for Canadian exporters. Unfortunately, the discussions were not successful. Canada will be allowed to retaliate against Australia following an arbitration over the amount of retaliation.

Current State of GM Foods

Australia and New Zealand continue to move toward mandatory labelling of GM foods. The Australia New Zealand Food Authority (ANZFA) has published a proposed standard for labelling of GM foods, which is currently undergoing public comments. As this requirement may affect Canadian exports, the situation will be monitored closely to protect Canadian trade interests.