

health or environmental risks. Although the Commission's approach to the GMO issue is science-based, this is not necessarily the case for all Member States, who can collectively determine approvals on the basis of a qualified majority vote. A blocking minority of Member States has developed, which virtually ensures the continuation of a *de facto* EU moratorium on further GMO approvals until such time as the revised EU GMO regulation 90/220 is approved (as late as 2002).

Canada's largest export markets for canola (Japan, the United States and Mexico) have accepted the varieties under cultivation in Canada. In 1999, some 60 percent of Canadian canola acreage was grown with canola with novel traits. Canada continues to express its concerns at the highest levels of the EU regarding this market access barrier for GM canola varieties currently cultivated in Canada.

Chrysotile Asbestos

In the European Union, ten Member States (Austria, Belgium, Finland, France, Germany, Italy, Luxembourg, Netherlands, Sweden and the United Kingdom) have severely restricted or banned the use of chrysotile asbestos. In the summer of 1999, the European Commission implemented an amended directive on asbestos calling for a total ban among its Member States by January 2005. Canada's exports to the EU of asbestos and asbestos products amounted to some \$44 million as recently as 1995.

The Canadian government, in partnership with the Government of Quebec, the asbestos industry, labour unions and the affected communities, seeks to maintain market access for chrysotile asbestos products to the EU.

Canada considers that the bans imposed by many EU Member States and the Commission cannot be justified by scientific risk assessments and are not proportional to the risks presented by chrysotile asbestos in specified applications. In Canada's view, the scientific evidence favours a controlled-use approach to chrysotile asbestos. In consequence, the federal government has pursued every opportunity to persuade the EU and individual Member States to maintain responsible-use policies instead of imposing bans.

At Canada's request, a WTO dispute settlement panel was established to resolve an ongoing dispute with France over market access for chrysotile asbestos. The panel's final report is expected to be released in the first half of 2000.

Bans and Restrictions on Certain Non-Ferrous Metals

The European Commission has proposed a number of directives (on batteries and accumulators; waste management of electrical and electronic equipment; and end-of-life vehicles) that provide, among other things, for restrictions and an eventual ban on the use of certain substances, including lead, mercury and cadmium, of which Canada is an exporter. These substance bans, if implemented in their proposed form, would have adverse trade implications for Canada with respect to both the non-ferrous metals in question and the manufactured products making use of them. Canada questions whether such product bans are proportionate to any attendant risks and whether these measures are more trade restrictive than necessary to achieve the proposals' objectives.

Canada supports the use of recycling to achieve broad health, safety and environmental objectives. However, Canada is concerned that the draft directives do not make it clear who is responsible for the creation of the end-of-life collection, the take-back and dismantling schemes, or the recycling, reuse and recovery programs that the draft directives set out. Moreover, Canada is concerned about the retroactive application of the directives. The draft directives also appear to contain export restrictions which may be inconsistent with international trade rules. To date, the European Commission has not outlined to third parties the scientific grounds that it believes justifies the proscriptive measures contained in the draft directives.

Concerns over the proposed directives have been raised by Canada, together with the United States, Japan and Australia, in recent meetings of the WTO Technical Barriers to Trade Committee. Canada has also raised its concerns directly with the European Commission and has requested information about the scientific considerations taken into account in drafting the proposed directives. Canada has called on the European Commission to conduct formal risk assessments and explore appropriate risk management options with a view to achieving its stated objectives.