

services. The other sectors are chemicals, energy, gems and jewellery, medical equipment and scientific instruments and toys. (For more background, see also the section on APEC).

Canada is also actively involved in preparatory work at the WTO that would clear the way for any future negotiations on market access, including tariffs on industrial products and fish. In 1999, Canada will continue to participate fully in WTO work to determine the scope, format, and content of any new industrial tariff negotiations, for discussion at the Third WTO Ministerial Meeting in December 1999.

Agriculture

Global annual trade for agricultural products is in the order of half a trillion U.S. dollars. Canada strives to ensure that market access and other commitments negotiated during the Uruguay Round are fully implemented through our participation in the notification and consultation process of the WTO's Committee on Agriculture. Canada's long-term objective is to strengthen the rules-based multilateral trading system for agriculture. Common rules that apply to all countries are important to enhance Canada's access to world markets, not only for bulk agricultural commodities, but also for the consumer-oriented and intermediate products that now contribute, respectively, 36 and 25 percent of our agri-food exports. During 1999, the Committee on Agriculture will continue the informal process of analysis and information exchange that it started in 1997. This process is serving as the preparatory work program toward the start of new multilateral agricultural negotiations in late 1999. Domestically, the Government is engaged in a broad process of consultations with stakeholders, including the agri-food sector and the provinces, to ensure that a full and informed discussion of the issues and of Canada's interests takes place prior to the start of those negotiations. These consultations will culminate with a conference in April 1999, hosted by federal and provincial Ministers of Agriculture, aimed at holding a discussion with industry representatives on Canada's objectives for new negotiations. Canada's initial negotiating position will be articulated in late 1999 and will reflect the domestic consultative process.

Technical Barriers to Trade

Canada's objective is to ensure that standards-related measures, which are generally put in place to protect health, the consumer, or the environment, do not unjustifiably discriminate against Canadian products. Standards-related 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 standards-related measures, as long as these do not restrict international trade more than is necessary. TBT-related disagreements are subject to WTO dispute settlement provisions. Canada was one of the first countries to initiate a WTO TBT-related dispute, successfully challenging unfair French regulations dealing with labelling of scallops. Canada has initiated WTO dispute settlement proceedings on France's ban on the use of chrysotile asbestos with a view to resolving this outstanding irritant.

Throughout the country-by-country chapters of this document, we will describe specific measures by individual countries that affect Canadian exports. We will also outline what the Canadian Government is doing to address such measures.

Canada promotes wide acceptance of, and adherence to, the TBT Agreement and Code of Good Practice (which applies to voluntary standards). For example, Canada has successfully pressed for foreign eco-labelling programs to follow TBT Code provisions. Under the WTO TBT Agreement, Canada will continue to facilitate access to markets by pressing for the removal of unnecessary standards-related trade barriers, and thus lower costs to producers and exporters. Improving transparency, promoting regulatory reform, aligning or harmonizing standards internationally and with trading partners, and negotiating mutual recognition agreements (MRAs) on conformity assessment are current activities directed