

In 2004, Canada issued 73 SPS notifications to the WTO Secretariat and provided comments on 26 notifications from other trading partners.

BIOTECHNOLOGY AND GM LABELLING

A number of countries have recently implemented mandatory labelling requirements for food products processed or produced using genetically modified (GM) organisms. The use of labelling to indicate health and safety issues is a legitimate objective, and Canada supports labelling to convey this important information to consumers. However, Canada is concerned about the increased trend toward mandatory method-of-production labelling that relates to neither health nor safety when other options are available that are less trade-restrictive. The use of mandatory labelling to indicate the method of production (when this does not pertain to the characteristics of a product) could be misused to discriminate against "like products" and could represent a technical barrier to trade. Non-discrimination is a key principle of the WTO Agreement.

It should be noted that the issue of mandatory method-of-production labelling is not limited to foods derived through biotechnology. Mandatory method-of-production labelling could have serious implications for other Canadian industries, including manufacturing, mining, forestry and fisheries.

Canadian industry, producers, consumers and food companies are cooperating to provide more information to consumers. These groups recently reached consensus through the Canadian General Standards Board on a voluntary standard that provides a framework for the voluntary labelling of foods derived through or not derived through biotechnology. This standard was approved by the Standards Council of Canada as a national standard in April 2004. Canada has been promoting this approach with trading partners, such as Argentina, Brazil, Chile, China, Hong Kong, Malaysia and Saudi Arabia, and will continue to do so with other countries as opportunities arise.

Canada recognizes the importance of working internationally on biotechnology policy development, and it will continue to monitor developments in other countries to learn from their successes and failures. Canada is playing a leading role in setting international standards for genetically modified foods and

their labelling through the Codex Alimentarius Commission. Canada chairs the Codex Committee on Food Labelling, which is developing guidance on the labelling of foods derived through biotechnology, and has chaired an international drafting group to provide further technical input on guidelines for the labelling of these foods.

TRADE REMEDIES

Bilateral Level

The Government of Canada plays an active role in monitoring trade remedy developments in countries of trade interest to Canadian industry. Specifically, the government identifies and analyzes changes in the trade remedy laws and practices of Canada's key trading partners and makes representations, as appropriate, in specific investigations against Canadian exports. The government assists Canadian exporters involved in trade remedy investigations by providing information and advice, and it participates as a direct respondent in countervailing duty (CVD) cases.

The government has made submissions to various foreign authorities conducting trade remedy investigations against Canadian products. For example, it has filed extensive responses and interventions with U.S. authorities in the context of the U.S. Department of Commerce (DOC) CVD investigation of alleged subsidies for certain types of wheat from Canada, in the U.S. DOC CVD investigation of alleged subsidization of live swine from Canada, and in the context of the DOC's new duty assessment policy, which could have serious adverse consequences for many Canadian exporters in future anti-dumping (AD) duty investigations. The government also continued to pursue its challenges to the U.S. trade actions against softwood lumber from Canada and its North American Free Trade Agreement (NAFTA) challenge of the U.S. wheat countervail decision (further details on these cases can be found in the U.S. section of Chapter 4). In addition, the government continues to follow developments in various disputes that involve Canadian products under Chapter 19 (Review and Dispute Settlement in AD and CVD Matters) of NAFTA. It also defended Canadian interests in the unsuccessful Extraordinary Challenge that was launched by the United States