

## Fish

Canadian exporters of fish, shrimp and seafood products continue to be disadvantaged by high EU tariffs. The EU groundfish tariffs on many items of interest to Canada fall within the range of 12 percent to 23 percent. Coldwater shrimp exports are faced with tariff rates of 12 percent to 20 percent, depending on the product form. Primarily because of these barriers, Canadian fish and seafood exports to the European Union have declined since the beginning of the decade, stabilizing around the \$300 million level. It will continue to be a priority for the Canadian government to seek improved access to the EU for Canadian fisheries exports.

In April 1999, the EU opened a 4,000-tonne autonomous TRQ for cooked and peeled shrimp, under which the product was subject to a reduced duty of 6 percent if imported for further processing in the EU. While of great value to Canadian shrimp processors, the TRQ was created primarily to supply the needs of the European food processing industry. Recognizing this domestic importance, EU Member State fisheries ministers decided in December 1999 to extend the TRQ for a further three years and to increase the quantity to 5,000 tonnes per year. Canada will actively pursue continued renewal and improvement of the TRQ until unrestricted duty-free access for this product can be obtained via WTO negotiations.

## Aluminium

Reduced tariffs on aluminium ingot and other non-ferrous metals remain a priority for Canada. With regard to aluminium, for example, the Government will support the Canadian industry's efforts to encourage like-minded producers and users of ingot in the EU to urge the European Commission to suspend the 6-percent tariff.

## TECHNICAL BARRIERS

A key element of the EU single-market program is the elimination of technical barriers to internal trade. This will be accomplished through mutual recognition of voluntary national standards, testing and certification of conformity, as well as through the legislation of EU-wide directives on essential technical requirements.

The directives cover a wide range of goods, including construction products, toys, machinery, electrical goods, telecommunications terminal equipment and medical devices. Compliance with EU technical directives, Member-State legislation and/or voluntary standards (where applicable) are prerequisites for access to EU markets for a growing range of goods.

The 1998 Canada-EU MRA on testing and certification of conformity with the signatories' respective technical requirements covers telecommunications equipment and electromagnetic compatibility, recreational boats, medical devices, pharmaceutical goods manufacturing practices and electrical safety. The MRA will help to reduce the costs of compliance by allowing Canadian exporters to have their products tested and certified by a designated Canadian agency. The MRA does not harmonize regulations between Canada and the European Union. The confidence-building phase for this agreement is now under way.

Canada is concerned that measures intended to protect the environment or the health and safety of consumers could, in fact, constitute unwarranted technical barriers to trade if they lack a firm scientific basis. Canadian exports in the agricultural and natural resources sectors are particularly vulnerable to such measures. Canada has raised concerns at the highest levels of the EU when faced with trade impediments of this kind and is prepared to pursue its rights under the TBT agreement. At the same time, Canada recognizes the complex challenge of protecting the public at large from health and environmental threats and is open to discussing common approaches with the EU.

## Genetically Modified Canola

The EU has yet to approve all of the types of genetically modified (GM) canola Canada currently has in production, and thus Canada is unable to export canola to the EU. Canadian canola exports to the EU peaked in 1994 at \$425 million. Canada's position is that there are no health, food safety or environmental reasons that the GM canola should not be approved for the EU market.

The EU Commission has taken a scientific approach on a case-by-case basis regarding GMO approvals. The Commission has released two favourable scientific reports, which state that two GM canola varieties already under cultivation in Canada do not pose