

Alfalfa Seed

China considers Saskatchewan to be an area infected with verticillium wilt and currently requires all shipments of alfalfa seed from this province to be chemically treated for this pathogen. This requirement has adversely affected the export of Saskatchewan alfalfa seed to China. The CFIA and Chinese authorities are currently discussing approaches to validate testing methods for verticillium wilt, and discussion will continue toward a mutually agreed testing protocol that will enable the eventual resumption of trade in this commodity.

Genetically Modified Organisms

China's Regulation on Biosafety Management for Agricultural Genetically Modified Organisms, established in 1993, was revised in 2002 to include new implementation measures on GMO safety evaluations, GMO imports and GMO labelling. Key elements of the current measures include the addition of an extra pre-product trial stage prior to commercial approval, new regulations for processing GMO products, mandatory labelling requirements for domestic and international use, new import and export regulations, and local and provincial GMO monitoring guidelines.

Under this new regulation, Canada was issued safety certificates for seven transgenic rapeseed events from China's Ministry of Agriculture (MOA) GMO office. These safety certificates have enabled Canadian canola exports to China to continue. However, the safety certificates are issued for a period of only three years, and Canada will have to renew the certificates prior to April 2007. The measure is intended to assess and monitor GMO products and to minimize the involuntary release of GM canola into the environment.

The Government of Canada has recently engaged in dialogue with both AQSIQ (the Administration for Quality Supervision, Inspection and Quarantine), the government body responsible for inspection, import/export and quarantine requirements in China, and MOA, which is responsible for implementing biosafety regulations for agriculture biotechnology. The intent is to initiate future technical and regulatory exchanges and to negotiate conditions in the development of a bilateral regulatory agreement.

Deer, Elk and Their Products

In August 2003, China had suspended the issuance of permits for the import of antler velvet from Canada, due to concerns about chronic wasting disease in deer and elk. Canada is trying to involve in technical discussions with Chinese authorities aimed at the resumption of trade.

STANDARDS AND TECHNICAL REGULATIONS

Since joining the WTO, China has been moving ahead with implementation of its WTO commitments on standards and technical regulations. These commitments include establishing contact points for enquiries about regulations, improving transparency by notifying the WTO of new regulations being put in place, and ensuring that standards, technical regulations and conformity-assessment procedures are the same for imported and domestic products. Canada will continue to monitor the impact of standards and technical regulations to ensure that they are both transparent and consistent with WTO commitments.

Canadian-style Wood-Frame Construction

In January 2004, China adopted a revised building code allowing for wood-frame construction. The code imposes restrictions on the size of buildings and the distance between these types of wood-frame structures. Consequently, only single-family dwellings are covered by the code. Canada is working with the Chinese Ministry of Construction and Ministry of Public Security to reduce some of the restrictions imposed by the codes and to introduce mixed-structure, higher-density construction.

The Canadian system of wood-frame construction has become a niche subsector for high-end villa developments in China. Canada is working to develop more opportunities in this market. The level of activity has remained modest in 2004 with approximately 1,000 wood-frame houses constructed in China's largest cities.

Value-added Tax on Aircraft

Large aircraft (above 25 tonnes) currently face a value-added tax of 4%, which is significantly lower than the 17% VAT applied to smaller aircraft, such as