

development, labelling, good regulatory practice, conformity assessment procedures, and technical assistance to developing countries. Canada expects that the discussion on these issues in the Technical Barriers to Trade Committee (as well as other WTO forums) over the next two years will result in a better understanding of their impact on the trade in goods and ultimately lead to principles and/or better understanding related to these issues enhancing Canadian exporters' efficient and effective access to markets overseas.

Sanitary and Phytosanitary Measures

The WTO Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures elaborates on countries' rights to apply measures necessary to protect human, animal and plant life or health, balanced with an obligation to base measures on scientific evidence. Where such evidence is insufficient, measures can be adopted on an interim basis until additional scientific information is obtained to allow a more objective assessment of risk.

The SPS Agreement has been in force since 1995 and is working reasonably well. Canada's position has been that there is no need to enter into further negotiations on the Agreement at this time, a position which is shared by most WTO Members.

The Agreement establishes the Committee on Sanitary and Phytosanitary responsible for the operation and implementation of the Agreement. The Committee generally meets three times a year. Canada continues to be an active participant in the Committee meetings.

Among its activities, the Committee has provided a useful forum for addressing SPS-related issues without resorting to formal dispute settlement procedures. Indeed, since 1995, 75 bilateral issues have been brought before and addressed by the Committee. In the past year, Canada has raised its concerns in the Committee regarding the European Union's proposed measures to treat wood packaging material, and India's ban on Canadian bovine semen imports.

One of the most significant benefits of the Agreement has been increased transparency with respect to SPS measures. Through the notification procedures in the Agreement, Members are now more aware of measures that are being proposed by

other Members and have the opportunity to comment at an early stage on the impact that the proposed measure could have on trade. Canada has provided comments on a number of SPS notifications by other WTO Members, often with positive results in avoiding trade problems.

Of note, after five years of negotiations, the SPS Committee this year adopted the guidelines to further the practical implementation of Article 5.5 of the Agreement. These guidelines are designed to assist national regulatory officials to avoid arbitrary or unjustifiable distinctions in the level of protection from risks to life and health they determine to be appropriate in different situations.

Over the past year, the SPS Committee has continued to focus its efforts on implementation concerns of developing countries. In particular the Committee addressed the provisions of the Agreement relating to special and differential treatment and equivalence with a view to making them more meaningful for developing countries. The Committee has also undertaken a review on how technical assistance can be delivered in a more co-ordinated and meaningful fashion. In these discussions, Canada has indicated that well co-ordinated technical assistance will provide the most meaningful results in assisting developing countries to fully take advantage of their rights, and comply with their obligations under the SPS Agreement.

The Agreement has also had some success in attracting attention to and promoting the development and use of international standards.

Biotechnology and GM Labelling

Over the past year, several countries have opted to respond to consumer concerns over the use of genetically modified organisms (GMOs) in food by implementing a mandatory labelling regime to indicate the method of production. The use of labelling to indicate health and safety concerns is a legitimate objective, and Canada supports labelling to convey this sort of important information to consumers. However, Canada is concerned over the increased use of the mandatory method of production labelling when there is no health and safety reason. The use of mandatory labelling to indicate the process and production method (when it does not pertain to the characteristics of a product) could be used to discriminate against "like products" and