EU have engaged in discussions covering all issues of interest to both sides, with a view to concluding satisfactory agreements as soon as possible. Secondly, the EU adopted regulatory changes, effective May 17, 2001, to allow access and marketing of Canadian ice wine into the EU market. Finally, both sides have obtained mandates from their respective governments to engage in negotiations to improve access for trade in wine and spirits. In this connection, the first negotiating session between Canada-EU officials took place in Ottawa on November 7 – 8, 2001.

Fish

Canadian fish and seafood exports to the EU have declined since the beginning of the decade, stabilizing around the $300 million level. In 1990, seafood exports to the EU represented about 20% of Canada's global fish and seafood exports; the 2000 figure was 8%. Major factors have been the reduced supplies of groundfish, high EU tariffs and the privileged access that Canada's major competitors have to the EU market. The EU groundfish tariffs on many items of interest to Canada fall within the range of 12% to 23%.

Shrimp

Cold water shrimp exports are faced with tariff rates of up to 20%, depending on the product form. Primarily because of these barriers, 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 4000-tonne autonomous tariff rate quota (ATRQ) for cooked and peeled shrimp, under which the product was subject to a reduced duty of 6%, if imported for further processing in the European Union. EU member state fisheries ministers have since extended the ATRQ to cover the years 2001-2003, and have increased the quantity to 5000 tonnes annually. In the medium term, Canada will address the broader seafood tariff issues during the current round of multilateral trade negotiations. In the short term, Canada is seeking to persuade the EU to make improvements to the ATRQ for cooked and peeled shrimp, including a further increase in the quota and a relaxation of the ATRQ's restrictive end-use requirements, which call for further processing in the European Union.

Aluminum

Reduced tariffs on aluminum ingot and other non-ferrous metals remain a priority for Canada. With regard to aluminum, the Government will continue to support the Canadian industry's efforts to encourage like-minded producers and users of ingot in the European Union to urge the European Commission to reduce or suspend the 6% tariff. Canada will pursue this issue in the WTO negotiations.

Genetically Modified Organisms: Canola

The EU approval process for genetically modified organisms (GMOs) has been stalled since March 1998. Six member states have acted together to form a blocking minority that prevented the restart of the EU GMO approval process. In an effort to unblock the approval process and gain public confidence in GMOs, the EU revised legislation for GMO approvals (EU 2001/18).

The EU has yet to approve all of Canada's genetically modified (GM) canolas varieties currently in production, and thus Canada is unable to export canola to the European Union. 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 GM canola varieties under commercial cultivation in Canada should not be approved for the EU market.

Canada's largest export markets for canola (Japan, China, the United States and Mexico) have accepted the varieties under commercial cultivation in Canada. Some 60% of Canadian canola acreage has been seeded to varieties with novel traits. Canada continues to express its concerns to the EU at the highest levels regarding this market access barrier for genetically modified canola currently cultivated in Canada.

Genetically Modified Organisms: Labelling and Traceability

In an effort to unblock the approval process and rebuild public confidence in EU food safety regimes, the European Commission proposed additional regulations on labelling and traceability. These regulations will require GMOs to be documented on a transformation event basis, and dictate that each point of contact in the food distribution chain must maintain documentation on all of the events (i.e. different GMOs) within each shipment throughout all stages of placing a product