



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 to 23 percent. Coldwater-shrimp exports are faced with tariff rates of 12 to 20 percent depending on product form. Due mainly to these barriers, Canadian fish and seafood exports to the European Union continued their decade-long decline with a further drop from \$304 million in 1996 to \$290 million in 1997. It will continue to be a priority for the Canadian Government to seek improved access to the European Union for Canadian fisheries exports, particularly coldwater shrimp. The Government is actively supporting the efforts of the Canadian shrimp industry to build a consensus in the EU-based food industry to advocate with the Commission and Member States an enlarged autonomous duty free quota for processed shrimp. Canada will seek elimination of the existing duties in any future multilateral negotiations.

Aluminum

Reduced tariffs on aluminum ingot and other non-ferrous metals remain a priority for Canada. The Government will support efforts of Canadian industry to encourage like-minded producers and users of aluminum in the EU to urge the European Commission to suspend the EU 6 percent tariff on aluminum pending our efforts to obtain its elimination in future WTO multilateral tariff negotiations.

TECHNICAL BARRIERS

A key element of the EU single-market program is the elimination of technical barriers to internal trade through mutual recognition of voluntary national standards, testing and certification of conformity, as well as 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.

Many Canadian exporters consider the complexity of these requirements, much less their substance, to be a technical barrier to trade. Some EU directives cover several sectors, such as the one dealing with electromagnetic compatibility (EMC). There are others such as the personal protective-equipment directive that apply to only one product or sector. However, there is also a third category, which includes telecommunications-terminal equipment, that stipulates compliance with both product-specific and horizontal requirements.

The 1998 Canada-EU MRA on testing and certification of conformity with their respective technical requirements covers telecommunications equipment and electromagnetic compatibility, recreational boats, medical devices, pharmaceutical good manufacturing practices and electrical safety. Implementation is now in progress, including certification of conformity assessment bodies and the implementation in Canada of ISO/IEC Guide 65, the international guide used by certification bodies in certifying products. The MRA should go some way to reducing costs of compliance with existing regulations in these sectors.

More could be done, however, to address the problem of some EU requirements, and the uncertainty created by overlap between EU and Member State requirements which are simultaneously applicable to some products. Under ECTI, officials have been tasked with identifying these measures and report to Ministers on areas for future action at the next Canada-EU Summit in Koln. Increasingly, the EU has employed measures which they claim protect the health and safety of consumers but are not always based on sound scientific research. These technical barriers are of concern to Canada, and we will continue to raise these concerns with the EU at the highest levels.

Measures alleged to protect the health and safety of consumers represent further technical barriers which the EU is increasingly employing. These are of major concern to Canada since they adversely affect Canadian exports and are not always based on science. Canada continued to raise these concerns with the EU during 1998 at the highest levels, as outlined below, and will pursue its rights under the WTO Agreement.