

in the activities of the International Organization for Standardization (ISO). Canada was among the first countries to develop the necessary infrastructure for Canadian industries to adopt ISO 14000 environmental system standards, thus facilitating our exports by meeting the requirements of our foreign customers.

The issue of precaution (sometimes cited as the precautionary approach or the precautionary principle) to regulation is becoming an increasingly important issue in a large number of areas of interest to Canada, such as health and safety and the protection of the environment and fisheries. The concept of precaution can take different forms both domestically and internationally, based on the specific context, and for this reason, it has been open to misunderstanding and misuse. It has already been invoked in an attempt to justify trade-distorting measures, such as the beef hormones dispute with the EU, and in ways that undermine a science-based approach to regulation. Canada will work to ensure that there is a clear and coherent Canadian position on the definition and operation of the precautionary approach both at home and internationally. The precautionary approach should be based on agreed principles, including science-based risk assessment, and should not be susceptible to abuse or arbitrary decision-making.

Under the TBT Agreement, Canada will continue to facilitate access to markets by pressing for the removal of unnecessary regulatory-based trade barriers, thus lowering costs to producers and exporters. We will also work to improve transparency, promote regulatory reform, align or harmonize standards internationally and with trading partners and negotiate mutual recognition agreements (MRAs) on conformity assessment. Canada is an active participant in the ongoing work program of the WTO Committee on Technical Barriers to Trade and is preparing for the second TBT triennial review in 2000, which will provide Canada with an opportunity to work toward further implementation of the agreement internationally.

Sanitary and Phytosanitary Measures

The WTO Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures is designed to prevent the misuse of SPS measures as disguised restrictions on trade, while safeguarding a country's right to take measures needed to protect the health of human, animal or plant life (including forestry).

The SPS Agreement has been in force since 1995 and is working reasonably well in making the trading system more transparent, in identifying the misuse of SPS measures, and in promoting the use of science-based risk assessments when establishing new measures. The agreement has also provided a basis for resolving SPS-related trade disputes both formally and informally. Through participation in the WTO SPS Committee, the body responsible for the operation and implementation of the agreement, WTO Members have been able to raise and resolve concerns about measures being applied by other WTO Members. The agreement has also had some success in promoting the development and use of international standards.

One of the most significant benefits of the agreement has been increased transparency in international trade. 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.

The SPS Committee was mandated to review the operation and implementation of the agreement three years after it came into force. It could then propose amendments to the text to the Council on Goods based on experience gained from implementation. The review began in March 1998, and a final report was agreed to at the March 1999 meeting of the committee. Although several problems were identified and discussed during the review, none were considered serious enough to warrant an amendment to the text.

Canada continued to be active in 1999 in using the WTO dispute settlement procedures to challenge unjustified SPS measures taken by our trading partners, most notably with respect to the EU's ban on Canadian beef meat produced from animals treated with growth-promoting hormones and Australia's ban on imports of Canadian fresh, chilled and frozen salmon.

Biotechnology (WTO)

As one of the global leaders in biotechnology research and development, Canada considers biotechnology as an issue of particular significance. Biotechnology, especially agricultural biotechnology and its products, is becoming a contentious issue in global trade, with possible implications for government, industry and consumers. It has engendered discussion in many international fora, such as Codex Alimentarius, Biosafety Protocol, the OECD, the FAO and the