

The government continues to consult the full range of Canadians and the provinces regarding the agriculture negotiations through a variety of means, including meetings with industry associations, provincial and industry advisory groups, DFAIT's trade policy Web site and Agriculture and Agri-Food Canada's trade policy Web site.

TECHNICAL BARRIERS TO TRADE

Canada's objective is to ensure that regulatory measures and standards relating to goods that exist in other WTO member economies serve legitimate objectives and do not unreasonably discriminate against Canadian products. Such measures include mandatory technical regulations, voluntary standards and conformity-assessment procedures that determine whether a product meets the requirements of a particular regulation or standard.

The WTO Agreement on Technical Barriers to Trade (TBT) defines the international rights and obligations of members with respect to the development and application of standards-related measures that affect trade. The agreement is based on the principle that countries have the right to adopt and apply mandatory technical regulations, as long as these regulations do not restrict international trade more than is necessary to achieve a legitimate objective. TBT-related measures are subject to WTO rights and obligations, including dispute settlement provisions.

Canada promotes wide acceptance of and adherence to the TBT Agreement and its Code of Good Practice, which applies to voluntary standards. Canada also participates in the activities of many international standards bodies, including the International Organization for Standardization (ISO). Canada was among the first countries to develop the infrastructure necessary for its companies to adopt ISO 14000 environmental management system standards, thus facilitating our exports by helping them meet the requirements of foreign customers.

The role of precaution in regulation and its implications for trade are important issues that affect many areas of interest to Canada. The science-based application of precaution is pervasive throughout Canada's regulatory regime, particularly for protecting the health, social, economic and environmental interests of our citizens, as well as our international

reputation for safe, high-quality products and services. It is Canada's position that the precautionary approach should be based on science-based risk assessment and/or risk management, and should not be susceptible to abuse or arbitrary decision making. Moreover, in Canada, legal advice indicates that we do not yet consider the precautionary approach to be a rule of customary international law.

Canada is working to ensure that there is a clear and coherent Canadian understanding regarding the application of the precautionary approach, both at home and internationally, and that our rights related to international trade, including those defined under the WTO agreements, are respected by our trading partners. In this regard, the government has been consulting with Canadians on "A Canadian Perspective on the Precautionary Approach/ Principle." The consultation document can be found on DFAIT's Web site (www.dfait-maeci.gc.ca), and we expect discussions on this issue to continue for some time, both domestically and in various international forums.

Under the WTO TBT Agreement, Canada will continue to press for the removal of unnecessary or inappropriate regulatory, standards-based and conformity assessment-based trade barriers, thus maintaining or enhancing market access and lowering costs to producers and exporters. Specifically, Canada has been raising concerns over other countries' proposals for unnecessary or unjustifiable barriers to products derived from biotechnology, as well as over mandatory requirements for non-product-related process and production method labelling. To assist the TBT Committee in addressing labelling issues, Canada has developed a framework for informal discussions, which covers issues such as policy instruments for labelling, mandatory versus voluntary measures, harmonization and equivalency, and developing country considerations. The document can be found on the WTO Web site (www.wto.org) under its official document number G/TBT/W/174.

We will also work to improve transparency; promote regulatory reform and good regulatory practice by WTO members; align or harmonize standards internationally and with trading partners; and, if appropriate, negotiate mutual recognition agreements (MRAs) on conformity assessment. On this point, Canada has developed a policy approach to MRAs