

BIOTECHNOLOGY AND GM LABELLING

A number of countries have recently implemented mandatory labelling requirements for food products processed or produced using genetically modified organisms. The use of labelling to indicate health and safety issues is a legitimate objective, and Canada supports labelling to convey this sort of important information to consumers. However, Canada is concerned over the increased tendency toward mandatory method-of-production labelling when other, less trade-restrictive options are available. The use of mandatory labelling to indicate the production method (when this does not pertain to the characteristics of a product) could be used to discriminate against "like products" and could represent a technical barrier to trade. Non-discrimination is a principle enshrined in the WTO Agreement.

It should be noted that the issue of mandatory method-of-production labelling is not limited to foods derived through biotechnology. Mandatory method-of-production labelling could have serious implications for other Canadian industries, including manufacturing, mining, forestry and fisheries.

Canadian industry, producers and consumers are cooperating to provide more information to consumers. Through the Canadian General Standards Board, these groups are developing a voluntary standard that would provide a framework for the voluntary labelling of foods derived through or not derived through biotechnology. Canada has been promoting this approach with our trading partners, such as the European Union, China, Hong Kong (China), Korea and Malaysia, and will continue to do so with other countries as the opportunities arise.

Canada recognizes the importance of working internationally on biotechnology policy development, and we will continue to monitor developments in other countries to learn from their successes and failures. Canada is playing a leading role in setting international standards for genetically modified foods and their labelling through the Codex Alimentarius Commission. Canada chairs and participates in the Codex Committee on Food Labelling, which is developing guidance on the labelling of foods derived through biotechnology, and has chaired an international drafting group to provide further technical input on guidelines for the labelling of these foods.

TRADE REMEDIES

Bilateral Level

The Canadian government continues to monitor trade remedy developments in countries of trade interest to Canadian industry and to assist Canadian exporters involved in trade remedy investigations by other countries. Specifically, the government analyses changes in trade remedy laws and practices of Canada's key trading partners and makes representations, as appropriate, in specific investigations. In 2002, the government made submissions to U.S. authorities in the safeguard investigation on steel, the anti-dumping investigations on tomatoes, mussels and cold-water shrimps, and the anti-dumping and countervailing investigations into wire rod. The outcome of these cases is found in Chapter 4 ("Opening Doors to the Americas"), in the section dealing with the United States. The government also actively participated in and made representations to Indian authorities in the safeguard investigation involving edible vegetable oil. On January 24, 2003, the Government of India determined that there was no evidence of injury and, consequently, terminated the investigation.

The Canadian government is currently working with affected provinces and with the Canadian Wheat Board to defend against the allegations of wheat subsidies currently under investigation by the U.S. Department of Commerce. This issue is discussed in more detail in the U.S. section of Chapter 4. It is worth noting that Canada made representations and continues to monitor India's anti-dumping investigation involving vitamin C and China's safeguard investigation into certain steel products. Other cases that the government is currently monitoring include Australia's anti-dumping investigation involving grinding liners, Russia's safeguard investigation into poultry imports, China's potential sunset review into newsprint, and NAFTA Chapter 19 disputes involving Canadian exports.

Multilateral Level

World Trade Organization

In the current multilateral trade negotiations, Canada is pursuing more specific disciplines and improved transparency and clarity in the use of trade remedy