

until more detailed directives have been introduced covering these foods, in particular ensuring that the labelling and the composition are suitable for the dietary purpose intended.

The framework directive on food inspection is intended to set out general rules to be followed by national authorities for inspection of foodstuffs for human consumption and materials and articles intended to come into contact with some foodstuffs.

Potential Impact

- i) Canadian exporters of food products such as canned and frozen fruit and vegetables could face additional costs in meeting these new standards.
- ii) On the other hand, once the standards are met, sales to all twelve Member States within the Community will be facilitated. (Currently, different standards exist in each Member State which makes Community-wide marketing difficult.)
- iii) As in the case of meat regulations, it is possible that the new EC regulations could be adopted as standards by third countries e.g., in terms of additive and residue levels.

3. MCA System

At this stage, it is not possible to predict whether the system of MCAs will be dismantled as part of the EC 1992 initiative. If exchange rates are relatively stable, the removal of MCAs could be envisaged. On the other hand, substantial changes in market exchange rates between now and 1992 could make it politically difficult to eliminate the MCA system.

The elimination of customs posts at internal borders would make it impossible to continue the present system of MCAs. The same situation would apply as in the case of health and sanitary inspections. The alternative would be to follow the same procedures to be used for animal and plant health certificates through transferring the required procedures to other locations, normally either the source or destination of the traded goods. Certificates would have to be produced on demand to ensure that MCAs were not being illegally claimed or avoided.

In its progress report of June 1989, the Commission makes little reference to the proposed abolition of MCAs except that they will be presenting a Communication to the Council proposing "a general framework and accelerated reduction in the use of MCAs with a view to their abolition from January 1, 1993".