

Technical Trade Barriers to Trade

Issue

Canada and many other countries are entering into what is called "Free Trade Agreements". While the intent of these agreements are to promote open trade between countries some countries erect technical trade barriers to protect their domestic markets. An acceptable methodology must be found to address this issue or why sign a "Free Trade Agreement"

Background

There are currently many hundreds of technical barriers to trade around the world, many in countries with which Canada has free trade agreements. Many of these technical barriers hold products exported from Canada to higher testing standards than domestic products and are not based on sound science. In many instances countries are attempting to provide support and protection to their domestic businesses through the general thickening of borders with arbitrary technical import requirements. Examples include the issues of black leg free canola into China and "Genetically Modified flax" into the European Union. Also, trade has been impeded into key markets due to administrative errors by those countries, such as the case with Canadian durum exports to Italy in 2009.

Canada is party to the "Agreement on Technical Barriers to Trade" which is an international treaty administered by the World Trade Organization and has been in force since 1995. In a nutshell, the TBT exists to ensure that technical regulations, standards, testing, and certification procedures do not create unnecessary obstacles to trade. The process has proven to be ineffectual and the extended length of time to resolve issues has been increasing since 2000. There are currently over 80 concerns being investigated up from 18 in the year 2000.

Recommendation

That Canada when negotiating all new trade agreements ensure Canadian trade negotiators include provisions:

- to enforce reasonable prior notice when technical trade barriers are to be raised by the importing country, and
- include during negotiations a formal dispute resolution processes that are capable of rapidly resolving technical issues and removing technical barriers to trade.