

Trade Matters

- Many external factors have contributed to the downward shift in industry. The implementation of the European Union (EU) ban on seal products, and more recently a ban in Russia, have been significant setbacks to the sealing industry. The delay in signing the Canada-China arrangement on edible seal products (including meat and oil) announced in January 2011 has slowed the development of this emerging market opportunity.
- The province is deeply disappointed that the EU Parliamentarians voted in favour of the seal product trade ban. They were misled by anti-sealing activists. They chose to vote without informing themselves of Canada's sustainable, humane and valuable sealing industry.
- The proposed ban is a violation of World Trade Organization (WTO) agreements. We understand that the EU has a legal opinion which supports this view. Newfoundland and Labrador believes that Canada will win a WTO challenge.
- The EU proposes to exempt the Inuit of Canada by allowing seal harvests for cultural and ceremonial purposes only. This is totally unacceptable – the Inuit have said so. Experience from the past (i.e., the ban on whitecoat harvest) has shown that the market for commercial seal products will collapse if there is an EU ban on seal trade. Banning the Inuit from participating in a legal and sustainable commercial harvest is not fair, nor is it acceptable.
- Many global leaders agreed at a G-20 summit that it is not the time for protectionism in light of the global economic crisis. Canada's own Prime Minister and EU representatives have all supported this view. They signed a declaration not to impose any new trade barriers – the EU ban would certainly be a serious trade barrier.



- Four initiatives currently exist which may resolve the industry's challenges. They are:
 - World Trade Organization challenge to the EU ban
 - European Court of Justice legal challenge to the EU ban
 - Access to the Chinese market through the Canada-China Agreement on Edible Seal Products.
 - Resolution of the Russian seal ban

All four options carry timelines of one to two years. If seal harvesting and processing cease, the momentum and the motivation to pursue these initiatives would likely stop. We cannot let this happen.

- The Government of Canada has committed to resolving these trade barriers, and, in the case of China and other Asian countries, opening up significant trade opportunities. We support this.
- The United States is currently considering repealing the 1972 *Marine Mammal Protection Act* (MMPA) to establish a new law called the Controlled Seal Population Plan. The MMPA prevents seal products from being exported to the United States from Canada and was introduced to prevent marine mammals from becoming in danger of extinction. Harp seal population levels have never been in danger of extinction.