

## CAFTA Trade Insights

CAFTA: The voice of Canada's Agriculture and Agri-Food Exporters

### The CETA is now (almost) finished

In late February, the Government of Canada and the European Commission completed the legal review of the EU-Canada Comprehensive Economic and Trade Agreement (CETA), including the portion covering investor protection. A resolution on a revised Investor State Dispute Settlement (ISDS) chapter was critical to arriving at an agreement, as the European Commission believed it was necessary to allow the CETA to pass in the European Parliament (EP).

On the occasion of the 40<sup>th</sup> anniversary of diplomatic relations between Canada and the European Union, Canadian and EU leaders issued public statements indicating that it is expected the Canada-Europe free trade agreement will be signed in 2016, thus paving the way for opening of the ratification process by the European Council and the European Parliament – as well as, potentially, the 28 national parliaments.

In this context, CAFTA participated in a business roundtable in Toronto with the Honourable Chrystia Freeland, Canada's International Trade Minister, to discuss the next steps for the CETA, which is expected to come into force early in 2017.

This provided an opportunity to reiterate that CAFTA has been a strong supporter of the CETA as it has the potential to result in significant benefits for Canadian agri-food exporters, this assuming that negotiated outcomes provide for commercially viable access for CAFTA members. As outstanding technical issues to allow real access remain, CAFTA strongly encourages the completion of the respective legal and political processes of the CETA, while simultaneously completing technical discussions so that the stated benefits of the agreement can be realized in the form of commercially viable access for all Canadian exporters.

This message was also reinforced in a recent meeting with Members of the European Parliament's International Trade Committee (INTA) while in Ottawa.

In Europe, once translated, the agreement will go to the European Council where it will require unanimous support. Once approved by the Council, the CETA can be submitted to the EP where it will undergo examination in the various committees, including trade and agriculture, before ratification. The CETA will likely require approval in individual EU member parliaments under the 'mixed competency' components of the agreement.



CAFTA and Canadian industry representatives discussing the CETA with EU Ambassador to Canada and Members of the European Union Parliament's International Trade Committee.

In Canada, the trade minister will request the Governor in Council's approval and, at the same time, submit an explanatory document setting out the details of the CETA. The treaty will be signed when approval is granted. The introduction of the necessary implementing legislation (to amend/modify customs tariffs related to the CETA) will be tabled in the House where it will be debated prior to ratification. The provinces will also need to submit legislation in their respective legislatures.

**Quick Facts:**

- The EU, with its 500 million people across 28 member states, is one of the most lucrative trade markets in the world.
- With almost 94% of EU Agriculture tariffs duty free upon entry into force, the CETA is expected to open new agriculture and agri-food markets for Canadian exporters and provide an advantage to Canadian exporters over competitors in countries that do not have a free trade agreement with the EU.
- For CAFTA members, the CETA could result in up to \$1.5 billion in new Canadian agri-food exports.
- Throughout the CETA, Canada and the EU have committed to work together to advance a number of non-tariff issues, including approval of meat processing facilities and timely approval of biotech traits. These issues will need to be fully resolved before the CETA's implementation.

**CAFTA on the lobbying trail**

Throughout March, CAFTA's Executive director and CAFTA members were on the Hill to meet with Members of Parliament (MPs). CAFTA met with most of the members of the House Standing Committees on Agriculture and International Trade and will continue to engage with officials and policy makers.



These meetings are part of ongoing efforts by CAFTA to ensure key influencers and new MPs are aware of the importance of trade for Canadian agriculture and agri-food exporters and can advocate for the critical importance of competitive access to foreign markets for agriculture.

These meetings provided an opportunity for new MPs to find out more about the agriculture and agri-food industry and the importance of competitive access to world markets.

As per the Lobbying Act, such meetings are recorded and on the website of the Office of the Commissioner of Lobbying of Canada.

## In case you missed it....

- **TPP Hearings in Western Canada**

The House Standing Trade Committee will be traveling across Canada to hold hearings from April 18th to 21st in Vancouver, Calgary, Winnipeg, and Saskatoon. Agriculture and agri-food stakeholders are encouraged to request to appear by writing to [CIIT@parl.gc.ca](mailto:CIIT@parl.gc.ca).

- **WTO Agriculture Negotiations**

On Mar. 8, the first meeting of the WTO Committee on Agriculture met in Special Session in Geneva to discuss the process for WTO agriculture negotiations post-Nairobi. New Zealand ambassador Vangelis Vitalis who chairs the WTO's agriculture talks said, "addressing farm subsidies could be key to a negotiating outcome next year on global trade." A number of WTO members reportedly see domestic support as the "clear priority" for talks on trade. To see Vitalis' full statement, click here: [https://www.wto.org/english/news\\_e/news16\\_e/statment\\_agng\\_09mar16\\_e.pdf](https://www.wto.org/english/news_e/news16_e/statment_agng_09mar16_e.pdf)

- **Talking up Trade**

CAFTA was pleased to chair the panel discussion on the TPP hosted by Université Laval in Québec City with speakers from CD Howe Institute, Quebec Manufacturers and Exporters Association, Commerce International Quebec and Université Laval. The guest speaker, Jean Charest, former Quebec Prime Minister, emphasized the importance of the Asia-Pacific region and global competitiveness for exporters in Quebec and Canada.

## In the news

**Canada having more free trade talks with China** – March 30, 2016

<http://www.dailymail.co.uk/wires/reuters/article-3516273/Canada-having-free-trade-dialogue-China-minister.html#ixzz44UVIUApE>

**Japan Cabinet approves TPP bills, to step up explaining pact's benefits** – March 8, 2016

<http://www.japantimes.co.jp/news/2016/03/08/business/economy-business/cabinet-approves-tpp-bills-step-explaining-pacts-benefits/#.Vv1SUXrKNWh>

## Did you know?

This month's "Did you know?" is all about the WTO Committee on Sanitary and Phytosanitary (SPS) Measures.

The primary purpose of this committee is to provide a forum for countries to exchange information on their SPS activities and trade measures so any trade restrictions do not go beyond what is needed to protect human, animal and plant health. The committee has reviewed over 400 trade concerns since 1995. Of these concerns, 31% relate to food safety, 25% to plant health, 39% to animal health, and 5% to all other issues such as certification requirements, control, or inspection procedures.

## Contact us

Do you have any questions or comments? Let us know by sending an email to [info@cafta.org](mailto:info@cafta.org).