

## CAFTA Trade Insights

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

### Trade Updates

#### Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)

CPTPP partners are preparing to gather in Chile for the signing of the CPTPP on March 8th. CAFTA members are travelling this week with International Trade Minister François-Philippe Champagne for the official signing of the agreement, which is a step towards ratification. It will take ratification from six signatory countries and 60 days for the CPTPP to enter into force. CAFTA stresses that Canada must be part of this first wave of countries.

CAFTA President Brian Innes said, "Securing preferential access to Japan is especially important, since it is the third-largest market for Canadian agriculture and agri-food products, accounting for \$4 billion in exports in 2016. Getting this agreement in place will go a long way towards meeting the government's ambitious goal of \$75 billion in agri-food exports by 2025."

In February, the Government of Canada released the [legal text of the CPTPP](#) and the [economic analysis](#) by the Office of the Chief Economist. The economic analysis of the agreement notes that it would provide a \$4.2 billion boost to Canada's GDP over the long term. In addition, Canadian exporters are set to realize tariff savings of \$428 million, \$338 million on exports to Japan alone.

- Read CAFTA's statement: [Canadian agri-food exporters welcome steps on CPTPP, urge Ottawa to implement quickly](#).

#### CAFTA at Seventh Round of NAFTA Negotiations

CAFTA members and CAFTA's special envoy traveled to Mexico City as NAFTA negotiations to modernize the agreement continued. US announcements of tariffs on steel and aluminum exports clouded talks, but did not stop the conclusion of multiple chapters. Foreign Affairs Minister Chrystia Freeland in her remarks noted the conclusion of discussions on the good regulatory practices chapter, the publication and administration chapter, the sanitary and phytosanitary measures chapter, the chemicals annex, and the proprietary food formulas annex.

After the sixth round of NAFTA negotiations in Montreal, a group of 36 United States Republican senators sent a letter to US President Donald Trump urging him to not withdraw from NAFTA.



(From L to R): Chris White (Canadian Meat Council), Sandra Marsden (Canadian Sugar Institute), John Masswohl (Canadian Cattlemen Association)



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Among the 36 senators was Majority Leader Mitch McConnell. The letter emphasized the need to retain NAFTA and to modernize it to reflect the 21<sup>st</sup> century economy.

### **CETA Regulatory Cooperation Forum Call for Proposals**

As part of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), parties agreed to work on a regulatory cooperation framework to identify areas for regulatory convergence and mutual recognition in order to increase the flow of goods and services between Canada and the EU. The Government of Canada published a [Gazette notice](#) requesting proposals regarding areas for regulatory cooperation with a deadline of April 11th.

### **On the Hill**

- The Government of Canada released Budget 2018 on February 27<sup>th</sup>. Of note is \$75 million over five years to increase the number of Canadian diplomats and trade commissioners in Asia. The budget also noted the government's commitment to trade discussions with the Pacific Alliance, MERCOSUR, and ASEAN.
- CAFTA [appeared before the House Standing Committee on International Trade for its study on a Potential Agreement Between Canada and the Pacific Alliance](#). It is essential that negotiations with the Pacific Alliance do not compromise Canada's ability to complete other agreements such as NAFTA and ratify others such as CPTPP, which CAFTA members view as being higher priorities.
- The Government [responded](#) to the Senate Committee on Foreign Affairs and International Trade report on [Free Trade Agreements: A Tool for Economic Prosperity](#)
- The Government also [responded](#) to the House Committee on Agriculture and Agri-Food's report on [Non-Tariff Trade Barriers to the Sale of Agricultural Products in Relation to Free Trade Agreements](#).

### **Other News**

#### **Prime Minister Trudeau and Prime Minister Modi discuss Pulses**

Pulses were high on the agenda between the two Prime Ministers during bilateral discussions as part of Prime Minister Trudeau's visit to India. The [joint statement](#) issued by the two countries said they were committed to finalizing an arrangement in 2018 to enable Canadian pulse exports to India. Pulse Canada released a statement which highlighted the progress made. Read Pulse Canada's full statement [here](#).

#### **CAFTA at Canadian Global Affairs Institute's State of Canadian Trade Conference**

CAFTA was among those that attended and presented at the [CGAI State of Canadian Trade Conference on February 13](#). CAFTA's Executive Director, Claire Citeau, spoke on the "Making Trade Deals work for Canada" panel and how FTAs provide vital competitive advantages to Canadian agriculture and agri-food exporters.



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### **Canadian Meat Industry unveils AG for CPTPP**

The Canadian Pork Council, Canadian Cattlemen's Association, Canada Pork International, and the Canadian Meat Council unveiled [AG for CPTPP](#). The website highlights the enormous benefits of the CPTPP to Canada's red meat industry. CAFTA is pleased to be involved in the effort.

### **Canada set to launch the Canadian Agricultural Partnership**

The Canadian Agricultural Partnership is set to launch on April 1<sup>st</sup>. The Partnership invests \$3 billion over five years and is part of the Government of Canada's effort to increase agri-food exports to \$75 billion by 2025. Additional information, guides, and application for federal programs can be found [here](#).

### **European Commission Brexit Draft Withdrawal Retains Northern Ireland**

The draft agreement outlining conditions for the UK's withdrawal from the EU says that Northern Ireland would remain in the single market and customs union after Brexit is finalized. Chief EU Negotiator Michel Barnier voiced concern regarding the slow speed of the talks and the remaining disagreements on the transition period. The full draft withdrawal agreement can be read [here](#).

### **In case you missed it**

[Ag sector wants quick action on \[CPTPP\], but auto industry fears cast shadow \[CAFTA President Brian Innes interviewed\]](#)

[Canada retaliation in U.S. tariff row 'like grabbing your own throat' \[CAFTA President Brian Innes interviewed\]](#)

[Mnuchin says Washington studying possible return to TPP through renegotiation](#)

[European Commission working on assessing impact of CETA on trade flows – Commissioner Malmström](#)

[United States grain exports surge because of free trade agreements](#)

[Farmers for Free Trade releases The Cost of Retaliation](#)

[EU and Mexico held its sixth round of talks to modernize its free trade agreement](#)

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