



## CAFTA Trade Insights

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

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### Trade updates

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

On July 19, Singapore became the third country to ratify the CPTPP. Now, only three more countries must ratify the agreement before it enters into force. Canada is now racing against the remaining countries to be among the six countries to ratify the agreement before it enters into force. In particular, Australia, Brunei, Chile and New Zealand continue to work toward ratifying the agreement this fall. Unlike Canada, which has a 12-week summer recess where no legislation is considered, these four either have a much shorter recess period or do not have one during this time. This makes the situation all the more urgent for Canada to ratify the CPTPP expeditiously.

The newly-appointed Minister for International Trade Diversification Jim Carr voiced his support for the CPTPP on Twitter stating, "We are absolutely on track to be among the crucial first six!" In an open letter in the National Post, Minister Carr stressed trade diversification as imperative for Canada's future, and the CPTPP was at the center to this push.

- Read Minister Jim Carr's open letter on Canada's fight for "more trade" [here](#).

Earlier the same week on July 19, Conservative Opposition leader Andrew Scheer called for an emergency session of Parliament to ratify the CPTPP in an open letter to Prime Minister Justin Trudeau posted to Twitter [here](#).

In late July, it was reported that the chief negotiators of the CPTPP met in Japan where they confirmed their co-operation for the early passage of the agreement. It was also reported that the CPTPP countries discussed the accession of new members once the deal is implemented, with Colombia and Thailand reportedly wanting to joining as early as 2019. Colombia is the first country to officially notify New Zealand of its intention to join the agreement while Thailand has begun public hearings to gather feedback on potentially joining the CPTPP. Multiple others have expressed interest in joining the agreement, including South Korea, Taiwan, and the United Kingdom, amongst others.

It remains critical for Canada to be among the first wave of countries to ratify the CPTPP to achieve access in important markets such as Japan, Malaysia and Vietnam. CAFTA president Brian Innes re-stated that as an initial signatory of the CPTPP, Canada must take an active role in not only shaping the discussion, but be among the initial six ratifying countries. "This will help us make critical decisions about potential new members, changes to the agreement and a host of other important trade-related topics," he said.

CAFTA works with all parties to advocate for the elimination of tariff and non-tariff barriers that will benefit Canadian agri-food exporters and urges all parliamentarians to adopt Bill C-79 and ratify the CPTPP quickly.

- Read more about the need for Canada to ratify the CPTPP in CAFTA's statement [here](#).



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## On the Hill

- On July 18, Prime Minister Justin Trudeau [shuffled his cabinet which now includes new ministers, portfolios and responsibilities](#). Among the moves is The Honorable Jim Carr, formerly the Minister of Natural Resources, who now heads the International Trade Diversification portfolio at Global Affairs Canada (previously International Trade). Minister Carr replaces Minister François-Philippe Champagne, who is now Minister of Infrastructure and Communities. The new name of International Trade Diversification signals a greater push for diversification.
- In an interview with *The Lobby Monitor*, CAFTA executive director Claire Citeau said of the July shuffle and the CPTPP, “It’s an excellent opportunity for us to not only look offshore, to diversify into new markets, but also get unprecedented access to important and fast-growing markets in Asia, like Japan, Malaysia and Vietnam through the CPTPP. Japan, in particular, is a key market for us.”
  - To date, Canada’s only Asia-Pacific FTA is with South Korea, worth an estimated \$736 million (2017) in agriculture and agri-food exports, including beef, canola oil, potato and soybean, among others.
- New Member of Parliament Mary Ng is now Minister of Small Business and Export Promotion (formerly Small Business and Tourism). Minister Ng’s mandate is to “help Canadian entrepreneurs and businesses grow, compete, and succeed, here in Canada and abroad.”

## Other news

### Cairns Group Farm Leaders disappointed at United States agricultural subsidies

On July 24, the United States announced a \$12 billion emergency aid package for American farmers amid ongoing trade disputes. In a [fact sheet](#) issued by the White House, the administration states that the aid will provide relief from “unfair retaliations.”

In response, CAFTA joined Cairns Group Farm Leaders to express its concerns about the agricultural measures. The Cairns Group Farm Leaders is a coalition of farm organizations from agricultural exporting countries. These new subsidies further distort global agricultural markets and hurt producers that receive little or no government support.

- Read the Cairns Group Farm Leaders full statement [here](#).

### Canadian Federal-Provincial-Territorial ministers of agriculture meeting

The Canadian Federal-Provincial-Territorial ministers of agriculture meeting was held in Vancouver, B.C., July 20, where they discussed a range of issues such as regulation, labour and trade. Ministers noted the importance of trade to Canadian agri-food exporters and the need to diversify markets. In addition, ministers reiterated their support for NAFTA modernization.

- Read the full outcome statement [here](#).

### G20 agriculture ministers meeting

Agriculture ministers from the 20 largest economies in the world met in Buenos Aires, Argentina, July 27-28. In their declaration, ministers noted their concern for the increasing use of protectionist non-tariff measures



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that are inconsistent with World Trade Organization (WTO) rules. The declaration also recognized the importance of the WTO and ministers agreed to continue the reform process of agricultural trade rules.

- Read the G20 meeting of agriculture ministers declaration [here](#).

## WTO Agriculture Committee

The Agriculture Committee of the WTO met on July 16 to discuss a multitude of issues, including market access, export competition and export restrictions. In the release following the meeting, it was indicated that members are willing to engage on market access, which was frequently mentioned as a link to other agricultural issues. However, Ambassador John Deep Ford of Guyana, chair of the Agriculture Committee, noted that many members believed that “agriculture should remain at the centre of any reform.”

- Read more about the WTO Agriculture Committee meeting [here](#).

[Bloomberg reports](#) that Canada’s Minister of International Trade Diversification will host a meeting of trade ministers in October. According to the article, the goal is to “identify concrete and tangible ways the operation and function of the WTO can be advanced and improved over the short-, medium-, and long-term,” said Stephen de Boer, Canadian WTO ambassador.

## WTO monitoring report shows an increase in trade restrictions by members

The WTO’s new monitoring report shows that between October 2017 and May 2018, members introduced more trade-restrictive measures compared to the previous review period. “The message of the Report before us today is serious,” said WTO Director-General Roberto Azevêdo, “We are heading in the wrong direction, and we seem to be speeding up.” The report shows members applied 75 trade-restrictive measures, such as includes tariff increases, quantitative restrictions and import taxes. However, like previous reports, import-facilitating measures (US\$107.3 billion) was larger than import restrictive measures (US\$84.5 billion).

- Read the WTO trade monitoring report [here](#).
- WTO Director-General Roberto Azevêdo’s full speech on the report [here](#).

## In case you missed it

[Cabinet shuffle adds ‘trade diversification’, CAFTA hopes for follow-through](#)

[CAFTA President Brian Innes on RealAg Radio to explain the importance of CETA](#)

[Canadian Gazette: Canada’s continued trade relationship with the United Kingdom post-Brexit](#)

[Cereals Canada: A year of loss under Italian COOL](#)

[Japan, EU sign free trade pact amid worries about Trump](#)

[Kazakhstan to host WTO’s next Ministerial Conference in 2020](#)

[Mexico and Canada insist on three-way NAFTA deal](#)

[Profiting from Canada’s International Trade Agreements](#)

[United Kingdom submits draft schedule to WTO outlining post-Brexit goods commitments](#)

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