



## CAFTA Trade Insights

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

---

### Trade updates

#### North American Free Trade Agreement (NAFTA)

On Sept. 30, 2018, the United States, Mexico and Canada announced the completion of negotiations toward a new United States–Mexico–Canada Agreement (USMCA). According to the Canadian government, this outcome preserves key elements of this trading relationship and incorporate new and updated provisions that seek to address 21<sup>st</sup>-century trade issues and promote opportunities for the nearly half-a-billion people who call North America home.

Brian Innes, president of the Canadian Agri-Food Trade Alliance (CAFTA), issued the following [statement](#) shortly after the new deal was announced: “We welcome an agreement to renew NAFTA. An agreement is an important step forward for the hundreds of thousands of farmers, ranchers, food manufacturers and agri-food exporters who rely on free and open trade and have felt the impact of continued uncertainty. At first glance, there will be some improved access for Canada’s agri-food exports to North American markets. Maintaining fair dispute settlement mechanisms is one success that is valuable for stable agri-food trade. We will be reviewing the details and working with the Canadian government to continue modernizing North American agri-food trade where success was not achieved. With this agreement, we look forward to stability returning to our integrated North American agri-food supply chains. The imposition of tariffs and uncertainty over the last several months has been challenging. In Canada, food and beverage is the largest manufacturing employer, more than the automotive and aerospace sectors combined. Agri-food manufacturing jobs and a prosperous agri-food sector go hand in hand.”

According to [Global Affairs Canada](#) “the United States-Mexico-Canada Agreement (USMCA) will preserve existing agriculture commitments between Canada, the U.S. and Mexico, and help bring together an already highly integrated industry. The agriculture and agri-food sector is a key driver of Canada’s economy, and the USMCA will help Canada reach the Government’s goal of increasing agri-food exports to \$75 billion annually by 2025.”

[Global Affairs Canada](#) started posting on its website summary backgrounders and various fact sheets. A summary of the Agricultural Chapter and negotiated outcomes for agri-food can be found [here](#).

#### Official statements:

- Sept 30, 2018: [Joint Statement by Joint Statement from United States Trade Representative Robert Lighthizer and Canadian Foreign Affairs Minister Chrystia Freeland](#)
- Oct 1, 2018: [Prime Minister of Canada welcomes new United States-Mexico-Canada Agreement](#)



**CAFTA ACCA**

Canadian Agri-Food Trade Alliance | Alliance canadienne du commerce agroalimentaire

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

CAFTA was very pleased to see Bill C-79, the legislation implementing the CPTPP, move efficiently through the House of Commons when Parliament returned for the fall session. Second reading commenced on Sept. 17, the first day the House resumed sitting and was referred to the Standing Committee on International Trade. Committee held two hearings on Sept. 20 and 25 and reported the bill back to the House on Sept. 26 without amendments. We are hopeful C-79 will pass third reading in the House early next week and be introduced in the Senate shortly thereafter.

Mexico, Japan and Singapore have already ratified the pact, Australia is on track to complete its ratification process before the end of October; New Zealand, Chile, Brunei and Peru are moving on a similar timeframe while Malaysia and Vietnam intend to ratify by the end of 2018. Canada's swift ratification can help ensure this agreement comes into force promptly unlocking significant benefits for Canadian farmers, agri-food workers and communities. Time is of the essence for Canada to secure the first-mover advantage.

This depends in large part on the expeditious passage of Bill C-79 in the Senate once the bill passes Third Reading in the House. CAFTA has been encouraging the Senate to pursue the objective of reviewing and approving the legislation to implement the CPTPP on a timeline that will both enable Canada to be one of the first six nations to ratify the agreement and bring it into force before Dec. 31, 2018.

Before Parliament resumed this fall, CAFTA sent an [open letter](#) to party leaders urging them to support a quick ratification of the CPTPP.

## Potential Canada-Association for Southeast Asian Nations (ASEAN) FTA

The Association of Southeast Asian Nations (ASEAN) is a regional bloc comprised of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. ASEAN represents a significant economic presence in Southeast Asia and a considerable market for Canadians. On September 8, 2017, during the 6<sup>th</sup> ASEAN Economic Ministers (AEM)-Canada meetings in Manila, Philippines, Canada and ASEAN agreed to launch exploratory discussions to examine the potential for a Canada-ASEAN Free Trade Agreement (FTA).

Global Affairs Canada reported that Canada's total bilateral merchandise trade with ASEAN reached \$23.3 billion in 2017 and is expanding quickly across many sectors, including agri-food, oil and gas, mining, tech, telecommunications, financial services, aviation and consumer goods.

The Asia Pacific Foundation estimates that a Canada's ASEAN FTA could generate between \$4.8 and \$10.9 billion in additional bilateral trade that would benefit a wide variety of industries.

In 2017, Canada's total agri-food exports to ASEAN countries reached \$1.95 billion. This makes ASEAN Canada's fourth largest market for agri-food goods, worth more than Mexico that year.

Canada launched a public consultation regarding the potential FTA with ASEAN through the [Canada Gazette](#). All interested parties are invited to submit their views via mail or email [by October 16, 2018](#).



**CAFTA ACCA**

Canadian Agri-Food Trade Alliance | Alliance canadienne du commerce agroalimentaire

## On the Hill

On Aug. 31, Prime Minister Trudeau announced changes to the government's parliamentary secretaries.

- Omar Alghabra, former Parliamentary Secretary to the Minister of Foreign Affairs (Consular Affairs) becomes Parliamentary Secretary to the Minister of International Trade Diversification.

Late September saw much CAFTA activity on the Hill. CAFTA and its members attended a number of meetings with Senators and Members of Parliament and had the chance to stress the importance of agri-food trade and the value of quickly ratifying the CPTPP deal.

## Other news

### WTO Reform Summit

In his speech supporting Bill C-79 to ratify the CPTPP, Minister of International Trade and Diversification Jim Carr stated that, "Canada will also carry the mantle of defender of the global rules-based order." This preceded the reference to the upcoming ministerial talks he will be hosting in Ottawa from Oct. 24 to 25. Canada will host a meeting in October of trade ministers from countries supporting reform of the World Trade Organization (WTO) and its rules for ensuring fair international trade. The October meeting is intended to launch the global discussion on updating the WTO.

[Bloomberg reported in September](#) that Canada was seeking to forge an alliance of countries that support a rules-based multilateral trading system and that will defend it against rising protectionism. CAFTA remains in close contact with officials at Global Affairs Canada on this initiative.

### New chief agriculture negotiator

As of Aug. 20, 2018, Canada has a new director general of the Trade Agreements and Negotiations Directorate (TAND) and chief agriculture negotiator, Aaron Fowler. Before joining Agriculture and Agri-Food Canada (AAFC), Fowler was a member of the executive team at Global Affairs Canada, where he notably served as the co-lead in the NAFTA negotiations on goods and led on energy negotiations.

## In case you missed it

[Vietnam to approve TPP-11 by November, prime minister says](#)

[UK would be welcomed to TPP 'with open arms'](#)

[Minister Carr discusses how trade benefits Canadians during a panel at UNGA](#)

[EU lays out ideas for WTO reform to keep the U.S. on board](#)

[Japan asks Colombia to join the CPTPP](#)

[South Korea decides to join the CPTPP](#)

[Taiwan works to change laws for CPTPP inclusion](#)

[Trade and Diversification Minister Jim Carr's updated mandate letter](#)

**Contact us:** [www.cafta.org](http://www.cafta.org) or [info@cafta.org](mailto:info@cafta.org)

**Follow us:** [@CAFTA\\_ACCA](https://twitter.com/CAFTA_ACCA) 