



## CAFTA Trade Insights

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

### Trade updates

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

On October 29, Canada completed its final steps of notifying New Zealand, the CPTPP secretariat, which marks the completion of Canada's processes to bring the agreement into force. CAFTA applauded the federal government's swift ratification of the agreement, noting that it is an historic moment. "We're taking a confident step forward to diversify our trade and seize opportunity in dynamic Asia-Pacific markets," stated CAFTA president Brian Innes.

Canada's agri-food exporters were pleased that Bill C-79, the legislation to implement the CPTPP, moved quickly through the House of Commons and Senate in order to pass the bill after the fall sitting had commenced. Following its passage through the Senate, the bill quickly received Royal Assent on October 25 and the Government of Canada on October 29 notified New Zealand, the CPTPP depository, of Canada's ratification of the Agreement.



CAFTA President Brian Innes (L) with Minister of International Trade Diversification Jim Carr (R) after Canada's ratification of the CPTPP.

As one of the first six countries to ratify the CPTPP, Canadian agri-food exporters will receive a head start over competitors as it has now secured its "first-mover advantage." Canada was the fifth country to ratify the CPTPP, following Mexico, Japan, Singapore, and New Zealand, leaving just one more, a sixth, needed to trigger the agreement coming into force 60 days following notification. Canadian agri-food exporters did not have to wait long, as Australia notified of its ratification on October 31. The CPTPP will now enter into force on December 30. Vietnam has since ratified the agreement, as well. CAFTA looks forward to agri-food export growth to CPTPP countries as tariff reductions under the agreement are realized.

Once the CPTPP is fully implemented, it is expected to increase Canadian agri-food exports by up to \$2 billion annually. This increase and the jobs that it brings to Canada will help meet the Government of Canada's goal of reaching \$75 billion in agri-food exports by 2025.

- Read CAFTA's statement on the Royal Assent of Bill C-79 [here](#).
- Read CAFTA's statement on Canada's ratification of the CPTPP [here](#).
- Read CAFTA's statement on Australia's ratification of the CPTPP [here](#).



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## Modernized Canada-Israel FTA

In May 2018, Canada and Israel signed the [Canada-Israel Free Trade Amending Protocol 2018](#), an update to the 1997 Canada-Israel FTA (CIFTA). Under the CIFTA update, new chapters on sanitary and phytosanitary measures, technical barriers to trade and trade facilitation were added. The chapters on dispute settlement, institutional provisions, market access, and rules of origin were also updated. In particular, the modernized CIFTA will eliminate or reduce tariffs on agri-food products, reduce technical barriers, and reduce transaction costs.

On November 7, the House of Commons passed [Bill C-85: An Act to amend the Canada-Israel Free Trade Agreement Implementation Act and to make related amendments to other Acts](#) during its second reading and referred the bill to the House Standing Committee on International Trade.

## On the Hill

CAFTA has remained active on the Hill, communicating with Members of Parliament and Senators about the importance of Canadian agri-food exports to the country's agri-food producers and economy.

- CAFTA appeared before the Standing Senate Committee on Foreign Affairs and International Trade to provide comment on Bill C-79. Read CAFTA's statement [here](#).
- During debates on Bill C-79 to implement the CPTPP, CAFTA was acknowledged by Members of Parliament and Senators.
  - Conservative Agriculture and Agri-food Critic [Luc Berthold](#) and MP [Garnett Genuis](#) cited CAFTA commissioned research which highlights that the CPTPP could increase Canadian agri-food exports by up to \$2 billion. [Senator Sabi Marwah](#) named CAFTA and the [Canadian Meat Council](#) as among the many associations that have come out in favor of the CPTPP.
- CAFTA met with Mexico's Secretary-designate of Agriculture Victor Villalobos and Undersecretary-designate Miguel Garcia Winder during their recent visit to Ottawa to discuss the importance of Canada-Mexico agri-food trade.

## Other news

### Ottawa Ministerial Meeting on World Trade Organization (WTO) Reform

Minister of International Trade Diversification Jim Carr hosted 12 members of the WTO at the Ottawa Ministerial on WTO Reform on October 24 and 25. The 12 members included Australia, Brazil, Chile, the European Union, Japan, Kenya, Korea, Mexico, New Zealand, Norway, Singapore, and Switzerland. Discussions at the meeting focused on three themes: immediate actions to improve the efficiency and effectiveness of the WTO; safeguarding and strengthening the dispute-settlement systems; and, re-invigorating the WTO's negotiating function.

- Read Canada's discussion paper: Strengthening and modernizing the WTO [here](#).

### Canada-China Agriculture Minister Exchange

China's Minister of Agriculture and Rural Affairs, Han Changfu, led a trade mission to Ontario and Quebec in October that included stops at a hog and pork processing facility and the China-Canada Agricultural and Fisheries Business Cooperation Forum. At the forum in Ottawa, Canada's Minister of Agriculture and Agri-



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Food Lawrence MacAulay hosted his Chinese counterpart, Han Changfu, where they signed multiple agreements.

This visit preceded Minister MacAulay's own visit to China from November 3-10, marking his third trip to the country. On the agenda were several trade shows and the Canada-China Economic and Financial Strategic Dialogue (EFSFD).

### Canada-China Economic and Financial Strategic Dialogue

Minister of Finance Bill Morneau and Minister of International Trade Diversification Jim Carr travelled to China November 10-13 to co-chair the EFSFD. Minister of Agriculture and Agri-Food Lawrence MacAulay and Treasury Board President Scott Brison were also in attendance. EFSFD was launched in 2017 to hold regular dialogue on strategic and long-term economic and financial cooperation between Canada and China.

At this latest EFSFD, Canada and China agreed to work together to double agricultural trade by 2025 and maintain exploration of a comprehensive trade agreement. China is one of the largest export markets for agri-food products. In 2017, Canada exported more than \$7 billion in agri-food products, a 20 per cent increase over 2016. China is a key market to help Canada achieve its goal of \$75 billion in agri-food exports by 2025. Clearly, agri-food is an essential sector to consider within the Canada-China trade relationship.

CAFTA President Brian Innes expressed, "We're thrilled that the dialogue recognized the huge potential for agri-food trade by making it a priority sector." However, a number of barriers remain. There exists significant potential for agri-food trade growth to China if tariffs and non-tariff barriers are addressed. Tariffs on agri-food products entering China are much higher than other goods, which makes tariffs a priority for agri-food exporters. It will be very difficult to address these tariffs under existing WTO rules other than by a comprehensive FTA. While FTA negotiations are key to this, CAFTA would welcome intensified focus on addressing sectoral issues.

- Read CAFTA's statement on the Potential in Sectoral Approach towards FTA with China [here](#).
- CAFTA Welcomes Commitments to Double Agri-food Trade with China by 2025, read more [here](#).
- Read CAFTA's *Chasing China: A Policy Paper on Expanding Canada's Agriculture and Agri-food Exports to China* [here](#).

### In case you missed it

[Barriers must fall for Canada to double trade to China: industry](#)

[Canada can avoid offending U.S. by pursuing sectoral trade with China](#)

[Farm groups delighted as CPTPP ratified](#)

[Most Canadian farmers praise quick passage of CPTPP](#)

[Ottawa says it's still pursuing broad trade deal with China](#)

[Power Play: The future of Canada-China trade](#)

[WTO Deputy-Director General: "It is essential that the WTO adapts to future changes in world trade."](#)

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