

TRADE INSIGHTS

CAFTA IS THE **VOICE OF CANADA'S** AGRI-FOOD EXPORTERS



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



#E1xn44 and What's Next for Global Trade

As was widely expected, Justin Trudeau visited the Governor General to dissolve parliament in mid-August leading to the most recent federal election which concluded on September 20th. In once again returning a Liberal minority, largely resembling the pre-election make-up of the House of Commons, Canadians have sent the clear message they want MPs across party lines to work together. And while no majority government means partisanship will remain intense, there will not likely be another election for at least two years as Canadians want politicians to focus on fighting the pandemic and rebuilding the economy.

As Justin Trudeau gets set to unveil a new cabinet, we will continue to advance the issues that matter most to agri-food exporters and show why our sector should be front and centre as Canada's economic recovery moves forward. And while we will continue to provide a variety of ideas and recommendations for the federal government to consider, our overarching message will be familiar: Trade can play a central role in Canada's post-pandemic recovery and our sector is a strength in global markets the federal government must play to as part of its wider plan to create jobs and economic growth across Canada.

IN CASE YOU MISSED IT

- [Agriculture subsidies after Brexit | The Institute for Government](#)
- [Fumio Kishida to become Japan's new prime minister after winning party leadership](#)
- [China asks Australia for help in joining CPTPP](#)
- [America Must Return to the Trans-Pacific Partnership](#)
- [The two Michaels are back home from China. Here's what we know about how that happened](#)



CAFTA PRIORITIES DURING #ELXN44

“5 to Thrive”

On August 16th, the day after the kick-off of #elxn44, CAFTA releases its top five recommendations for putting agri-food trade at the centre of job creation and economic growth.

Entitled “**5 to Thrive**”, CAFTA called on parties and candidates in #elxn44 to recognize and strengthen the value of trade to job creation and resilient agri-food supply chains by supporting the following:



- 1.** Resolve CETA implementation issues for Canada’s agri-food exporters and review free trade agreements to maximize trade opportunities.
- 2.** Create a Chief of Trade Implementation at Global Affairs Canada for agri-food exports to inform progress and better coordinate with industry.
- 3.** Task the Ottawa group to reinstate the WTO’s Appellate Body and shift from ‘business as usual’ policies to 21st century realities for the global agri-food sector.
- 4.** Immediately launch trade talks with the UK and ASEAN; and seek to conclude five FTA negotiations by 2023: UK, ASEAN, Indonesia, CPTPP expansion and India.
- 5.** Enhance Canada’s advocacy capacity within the diplomatic network to promote the science behind Canada’s world-class agri-food and to protect a trading environment based on rules, science and appropriate risk assessments.

We noted that “these five ideas are practical and actionable. They will help Canada seize opportunity and create the jobs and prosperity that are so critical to helping us recover from the COVID-19 pandemic.”

Now that the election is over, we will continue to advocate for these and other pro-trade measures that will secure growth and benefit farmers, workers, and families across Canada.

TRADE UPDATES

CPTPP Accession Gains Momentum

Liz Truss, the U.K. government's International Trade Secretary has indicated the U.K. hopes to conclude its bid to join the CPTPP by the end of 2022. Secretary Truss told [media](#) in August that joining the Asia-Pacific Pact was the UK's most ambitious post-Brexit trade priority. As bilateral discussions are part of the accession process, we will continue to track issues of interest as Canada's talks with the U.K. get underway.

China and Taiwan express interest in joining CPTPP

In an announcement in mid-September that will no doubt be debated and discussed at length for the foreseeable future, China's Commerce Minister Wang Wentao submitted China's application to join the CPTPP in a letter to New Zealand's trade minister, Damien O'Connor. New Zealand holds the secretariat of the CPTPP. Japan's Economy Minister reacted to the news saying more work would be needed to "determine whether China, which submitted a request to join the TPP-11, is ready to meet its extremely high standards." These developments will be important to monitor closely as one of the major intents of the pact was to set the rules for Asia-Pacific trade to counter a rising China. More information can be read [here](#).

Adding further intrigue was news that Taiwan is also interested in joining the pact which many observers believe was one of the main reasons for Beijing's preemptive and unexpected request to join. Unlike its response to China, Japan quickly [welcomed](#) Taiwan's interest, calling Taiwan an "extremely important partner of Japan" and praised it for sharing values such as the rule of law.

All current members of the CPTPP must approve new entrants so there are no guarantees for any of the countries that are expressing interest in joining the pact. Nevertheless, it will be interesting to watch especially with some suggesting the Biden administration may also seek to re-join the CPTPP.



India pledges to fast-track FTAs with six countries including Canada

In a somewhat surprising move, India announced in August that it is revamping its trade strategy so it can "re-engage with the world." It has announced it will be prioritizing six FTA including with the United Arab Emirates, United Kingdom, European Union, Canada and Australia. India's Ministry of Commerce & Industry has set ambitious targets to grow its exports to \$1 trillion by 2028. Canada's

WTO AND RELATED UPDATES

New Chair of WTO Committee on Agriculture

Mr. Marcos Da Rosa URANGA (Uruguay) is the new chair of WTO Agriculture Committee. The Committee oversees the implementation of the Agriculture Agreement and provides a forum for members to raise and address related questions and concerns. Read more [here](#).

EU Trade Officials Urge Progress on Appellate Body

Valdis Dombrovskis, European Commission Executive Vice President and Trade Commissioner said in mid-September that resolving the paralysis of the functionality of the WTO's Appellate Body is a must for the WTO's 12th ministerial conference to be considered a success. MC-12 is set to begin in late November. As long-time supporters of WTO modernization, CAFTA has repeatedly called for the restoration of this key dispute resolution mechanism at the WTO.

Draft farm trade text released

Ambassador Gloria Abraham Peralta (Costa Rica), the Chair of the WTO's Agriculture negotiations introduced a draft text in late summer aimed at facilitating consensus among members and seeking possible landing zones for an outcome on agriculture at the MC-12 Conference. The text sets out a suggested path forward on 7 agriculture negotiation topics: domestic support, market access, export restrictions, export competition, cotton, public stockholding for food security purposes, and a special safeguard mechanism; and one cross-cutting issue, transparency.

World Tariffs Publication

In late summer, the World Tariff Profiles report was released which is a co-publication of the WTO, the ITC and UNCTAD. The report is focused on market access for goods, and provides comprehensive information on the tariffs and non-tariff measures imposed by over 170 countries and customs territories. The report shows the cost of trade barriers to exporters and imports across leading sectors of the global economy. You can read the full report [here](#).

New Trade Podcast

As part of the #WTOPublicForum, a new trade podcast is being launched soon called "Let's talk trade". The podcast is part of the WTO's goal to make trade less impersonal and have it better connect with industry. It will feature various topics that show the relationship between the WTO and global business. You can subscribe to the new podcase at this [link](#).



ON PARLIAMENT HILL

Naming a Cabinet

Prime Minister Justin Trudeau has said he will name his full cabinet in October. However, he has already said that Chrystia Freeland will remain in the role of Deputy Prime Minister as well as Minister of Finance. To maintain gender balance, the PM will have to replace four female ministers: Catherine McKenna, who did not seek re-election, and three others who lost their seats in the recent election — Maryam Monsef, Bernadette Jordan and Deb Schulte.

In 2019, the post-election transition process took well over a month. This allowed for a short post-campaign rest for the Trudeau team and some critically important new appointments to the senior ranks of the PMO. Trudeau also took the time to meet individually with each incumbent minister. We expect a similar approach this time.

Mandate Letters

Mandate letters may take some time as the Liberals will want to reach out to opposition parties to identify a way forward that is likely to secure the confidence of the House of Commons. We will continue to keep you posted. In the meantime, CAFTA will be writing a letter to Prime Minister Trudeau with some suggestions for items to include in the mandate letters of ministers of interest to agri-food exporters.

House return, throne speech, Fall Economic Statement

The House of Commons is currently scheduled to return on Oct. 18, however, this date could be pushed. Cabinet and all MPs will need to be sworn in first and there is a lot of work to do in a short time.

The first order of business will be a Speech from the Throne to outline the government's priorities. The Liberals have already set some priorities for the first 100 days in their platform, so we expect them to be woven throughout the speech.

We also expect the government will table a Fall Economic Statement to give Canadians an updated snapshot of the country's finances since the 2021 Budget.

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