

CAFTA Trade Insights

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

In Brief

Canada-EU Text Now Complete

On February 29, 2016, the European Commission and the Canadian Government announced that the legal review of the Canada-European Union Comprehensive Economic and Trade Agreement CETA [English] text has been completed. The European Commission and the Canadian Government also agreed to include a new approach on investment protection and investment dispute settlement in the CETA. Global Affairs Canada published the legally scrubbed text along with a link of FAQ concerning changes made to CETA's investment chapter: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?lang=eng>

What's next? The legal text now needs to be translated in French and the other 21 official languages of the European Union (EU). It will need to proceed to the EU Council where it will require unanimous support for signature then the EU Parliament where it will be examined by the various committees before ratification. The text will only become legally binding after the entry into force of the Agreement.

In a statement, the Honourable Chrystia Freeland, Minister of International Trade said "we are confident that CETA will be signed in 2016 and will enter into force in 2017".

On Parliament Hill

Appearance before the House of Commons Standing Committee on Finance

On Feb. 19, CAFTA was invited to speak before the House of Commons Standing Committee on Finance regarding the pre-budget consultations and considerations.

CAFTA's executive director Claire Citeau, used this opportunity to reiterate to the Committee that, for Canada's export-oriented agriculture and agri-food sector, being competitive in international markets is not a choice, but a requirement. Through this lens, Citeau addressed the two trade agreements that have taken centre stage for Canada—the Trans-Pacific Partnership (TPP) and the CETA.

Regarding the TPP, Citeau emphasized the importance of ratifying the agreement quickly to ensure that Canada does not fall behind our largest trading partners and fellow TPP signatories. Citeau also encouraged the Committee to advocate for a rapid completion of the respective legal and political processes pertaining to the CETA while continuing technical discussions to ensure that negotiated outcomes result in commercially viable market access for Canadian agri-food exporters when the CETA is implemented.

Appearance before the House of Commons Standing Committee on International Trade on TPP

On Feb. 25, CAFTA was invited to speak before the House of Commons Standing Committee on Finance regarding the TPP. Citeau shared a sample of CAFTA members' projections of the opportunities seen to be provided by the TPP, explained the importance of the Japanese market for Canadian agrifood exporters and emphasized how the TPP secures access for Canadian farmers to certain markets and expands opportunities for our trade dependent sector.

As for the costs of not being in the TPP, Citeau asked the committee to consider two things: first the destructive experience of South Korea where a billion dollar market for Canadian agri-food exporters was cut in half as our competitors had their tariffs eliminated and we didn't; second the importance the supply chains in the TPP region "the rules of origin are such that our companies would be excluded from supply chains, because our products would not qualify as TPP originating".

The statements are available at cafta.org

In Case you Missed it....

With the House of Commons sessions now in full swing, the committees and committee work structures have now been announced going forward. Relevant to our sector, the International Trade Committee and Agriculture and Agri-Food Committees both released their membership and mandates this past month.

On the **International Trade Committee**, the membership is as follows:

- Chair: Liberal MP Mark Eyking
- Vice-Chairs: Conservative MP Randy Hoback and NDP MP Tracey Ramsey
- Members: Liberal MP Sukh Dhaliwal, Liberal MP Peter Fonseca, Liberal MP Linda Lapointe, Liberal MP Karen Ludwig, Liberal MP Kyle Peterson, Conservative MP Gerry Ritz, and Conservative MP Dave Van Kesteren.

The Committee will immediately begin studying the TPP, and will conduct at least six meetings on the topic—in addition to traveling across Canada holding hearings.

On the **Agriculture and Agri-Food Committee**, the membership is as follows:

- Chair: Liberal MP Pat Finnegan
- Vice-Chairs: Conservative MP Bev Shipley and NDP MP Ruth Ellen Brosseau
- Members: Liberal MP Pierre Breton, Liberal MP Francis Drouin, Liberal MP Alaina Lockhart, Liberal MP Lloyd Longfield, Liberal MP Joe Peschisolido, Conservative MP Jacques Gourde, Conservative MP Chris Warkentin.

The Committee is expected to explore the effects of the TPP on the Canadian agricultural industry.

Noteworthy

- **EU-Vietnam Text Published**

On February 1st, 2016 Vietnam and the EU published the near-final text of the Vietnam-EU free trade agreement, signed on December 2015.

On tariffs, Vietnam has agreed to fully liberalize most of its sectors (over 99%) apart from a few highly sensitive areas (such as sugar and eggs). Vietnam will liberalize tariffs over a 10-year period and the EU will liberalize tariffs over a 7-year period.

Vietnam will also open its market for most EU food products, both primary and processed, allowing EU high quality exports to reach its growing middle class consumers: Wines and spirits will be liberalised after 7 years; Frozen pork meat will be duty free after 7 years, beef after 3 years, dairy products after a maximum of 5 years and food preparations after a maximum of 7 years.

Vietnam has a population of 94 million. Vietnam is also part of the TPP Agreement.

- **SPS & TBT Notifications**

The Government of Canada's Market Access Secretariat has encouraged all trade associations and companies with export interests to review the **World Trade Organization's Sanitary and Phytosanitary (SPS) and Technical Barrier to Trade (TBT) notifications** in order to advise AAFC regarding any arbitrary policy or restriction of trade. To receive these notifications directly, visit https://www.wto.org/english/tratop_e/sps_e/sps_mailing_list_e.htm to subscribe for SPS notifications; and https://www.wto.org/english/tratop_e/tbt_e/tbt_mailing_list_e.htm to subscribe for TBT notifications.

- **APEC's Trade and Tariff Regime**

The Canadian Trade Commissioner's Service has also released a new online tool to make trade with APEC economies easier. For more information, visit <http://tradecommissioner.gc.ca/canadexport/0000177.aspx?lang=eng>

Looking ahead

As we head past the first 100 days of a new federal government, CAFTA will continue to prioritize opportunities to explain the importance of Canada's export-oriented agriculture and agri-food sector and a liberalized trade agenda.

Send us your questions or comments at info@cafta.org.