

TRADE INSIGHTS

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



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



#Elxn44 and What's Next for Global Trade

Following #elxn44, the re-elected Liberal government has now put its cabinet in place, unveiled a throne speech and Parliament is back in session. The opposition parties have also named their shadow ministers/critics. Committees will be called back next. More federal government-related updates can be found in the Return of Parliament section below.

Against this backdrop are reports that supply chain and logistics challenges continue to threaten the global recovery. Product shortages include cars, various consumer and industrial goods and other items. Thankfully, food shortages are not being widely reported and any spikes in prices are the result of creeping inflation that is at a 20-year high.

However, the need for pro-trade exporters to work alongside governments to demonstrate the positive role free and open trade can play in creating jobs and supporting economic recovery will remain a top priority. With MC12 now cancelled (more information below), the work to ensure a robust, rules-based trading system remains at the centre of global trade remains ongoing.

IN CASE YOU MISSED IT

- [À Washington, Justin Trudeau martèle son plaidoyer pour éviter le protectionnisme | Le Devoir](#)
- [Biden Joins the Lumber Trade Wars - WSJ](#)
- [Inflation is battering Canada's most vulnerable. It's time for Ottawa to step in | The Star](#)



CABINET MINISTERS NOW IN PLACE

In what some political observers described as a “major shake-up”, Prime Minister Justin Trudeau [unveiled](#) his latest cabinet in late October. For the most part, ministers of interest to CAFTA remained in place except for a change at Foreign Affairs:

- Justin Trudeau, Prime Minister of Canada
- Chrystia Freeland, Deputy Prime Minister and Minister of Finance
- Marie-Claude Bibeau, Minister of Agriculture and Agri-Food
- Mélanie Joly, Minister of Foreign Affairs
- François-Philippe Champagne, Minister of Innovation, Science and Industry
- Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development

You can read the full list of cabinet ministers [here](#). In the lead-up to the naming of cabinet, CAFTA wrote a letter to the prime minister suggesting a series of items be included in mandate letters. You can read these ministerial mandate recommendations [here](#).

TRADE UPDATES

Canada indicates success of bilateral talks important consideration for UK CPTPP Accession

In what it no doubt hopes will keep it in a position of negotiating strength, Canadian officials have [let it be known](#) that getting bilateral talks with the UK underway will be part of Canada’s decision to support the UK’s interest in joining the CPTPP. A spokesperson for Minister Ng said they expect the processes to run in parallel.

CAFTA is tracking both closely and will remain in constant contact with officials and other policy- and decision-makers.

Canada Launches Free Trade Talks with ASEAN

In mid-November, Canada officially [launched](#) free trade talks with the Association of Southeast Asian Nations (ASEAN).

While Canada already has free trade access to four of ASEAN’s 10 countries (Brunei, Malaysia, Singapore and Vietnam) through the CPTPP, the wider ASEAN markets includes many promising export opportunities to markets such as Indonesia, the Philippines and Thailand.

In a [media statement](#), CAFTA president Dan Darling praised the launched of talks saying “we have long believed this should be Canada’s top trade negotiating priority in Southeast Asia.”

As a market of over 640 million people with a GDP of \$3.6 trillion, Canadian agri-food exporters see huge potential in the fast growing and dynamic ASEAN countries. Several agriculture and agri-food segments stand to benefit from an ambitious Canada-ASEAN pact including canola, beef, pork, pulses, cereals, oilseeds, malt and processed foods. Removal of tariff and non-tariff barriers may also provide long term opportunity for sugar-containing products and processed food products.

We intend to work closely with Canada's negotiators as these talks get underway.

G20 and Summit on Global Supply Chain Resilience

In late October, the Summit on Global Supply Chain Resilience was hosted by U.S. President Joe Biden on the margins of the G20 leaders' Summit in Rome, Italy. In a [statement](#), Prime Minister Justin Trudeau warned against protectionism and unfair trade practices and stressed the need to ensure a predictable trade environment that upholds and respects trade rules. He also promoted the role Canada is playing on WTO modernization efforts through the Canada-led Ottawa Group.

Discussions to resume Canada-India FTA negotiations continue

According to [media reports](#) that feature on-the-record statements from senior officials, Canada and India are quietly setting the stage to resume long-stalled FTA talks.

As India looks to reboot and reinvigorate its free trade network, Canada is part of the mix alongside Britain, the EU, Australia and the United Arab Emirates.

India's deputy high commissioner to Canada confirmed that negotiators from both countries have held four "consultative meetings" in the last year via video, and the most recent one in October saw the two sides trade preliminary proposals and discussed a "possible path forward."

This is potentially good news for a variety of agri-food exporters and is one trade priority we are discussing with Canadian officials.

APEC Ministers highlight role trade can play in global recovery

In a two-day virtual meeting hosted by New Zealand in early November, ministers from all APEC countries expressed support for the key role global trade will play in creating long-term, sustainable and inclusive growth through the Asia-Pacific region. In the [joint statement](#), Ministers agreed that trade must be a "pillar for the development and future prosperity of our people" and pledged to work together to "ensure our trade and investment environment is free, open, fair, non-discriminatory, transparent and predictable."

Commitments were made to keep markets open, minimize supply chain disruptions, support the continued negotiation and ratification of trade agreements and support WTO modernization and reform.



WTO UPDATES

MC12 postponed

In a late November announcement, WTO Director General Ngozi Okongko-Iweala announced that the 12th Ministerial Conference (MC12) was being [postponed](#).

The announcement was made after an outbreak of a new highly transmissible strain of the COVID-19 virus led several governments around the world impose a new set of travel restrictions that would have prevented many ministers from reaching Geneva. No date has been officially set for the rescheduling of MC12. This is the second time the pandemic has forced the postponement of MC12 which was originally scheduled to take place in June 2020 in Nur-Sultan, Kazakhstan.

There were high expectations for a variety of meaningful outcomes at MC12 including a potential Sanitary and Phytosanitary Declaration, discussion about the restoration of the Appellate Body and perhaps even movement on agriculture and agri-food specific issues. We will continue to track all WTO developments closely including the rescheduling of MC12.

Agriculture negotiators discuss revised draft text

Despite the postponement of MC12, the Committee on Agriculture met in late November to discuss the best way to bridge the gaps that remain in reaching a “balanced and realistic” package. While the current draft isn’t as ambitious as many are hoping for, it is positive news that members are trying to secure outcomes on sensitive issues including domestic supports, and other trade-distorting measures. We’re watching proposals closely and will make CAFTA’s views known to Canadian representatives.

You can read more [here](#).

ON PARLIAMENT HILL

The Return of Parliament

Conservatives name shadow Ministers

Following Prime Minister Justin Trudeau's naming of his cabinet, Conservative leader Erin O'Toole named his own shadow ministers. Key assignments of interest to CAFTA include the following:

- John Barlow, Shadow Minister for Agriculture, Agri-Food and Food Security
- Michael Chong, Shadow Minister for Foreign Affairs
- Ed Fast, Shadow Minister for Innovation, Science and Industry
- Randy Hoback, Shadow Minister for International Trade and Supply Chain Resilience
- Lianne Rood, Shadow Minister for Rural Economic Development & Rural Broadband Strategy

You can read the full list [here](#).

Return of House and Throne Speech

Two months after the 2021 federal election, Parliament resumed on November 22nd followed by a Speech from the Throne on November 23.

Among the first orders of business was to elect a speaker. Liberal MP Anthony Rota was re-elected to this role. Rota, a long-time MP, is respected by members from all parties for his impartiality and his commitment to parliamentary traditions.

The second major order of business was the reading of the [Speech from the Throne](#) by recently appointed Governor General Mary Simon. The speech, entitled BUILDING A RESILIENT ECONOMY: A CLEANER & HEALTHIER FUTURE FOR OUR KIDS, unveiled a variety of government priorities including fighting the pandemic and economic recovery, combatting climate change and Indigenous reconciliation.

With respect to trade, the throne speech noted that "Canada's prosperity – and middle class jobs – depend on preserving and expanding open, rules-based trade and ensuring our supply chains are strong and resilient." The Speech did not address agri-food trade specifically.

The first pieces of legislation have also been introduced which are related to continuing to provide pandemic supports to businesses and individuals. Next up will be reconstituting official standing committees which play an especially important role during a minority Parliament. The House of Commons will break for Christmas on December 17 and will resume sitting at the end of January.

We'll continue to provide Parliamentary updates as they become known.

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