



Trade Insights

CAFTA Welcomes Long-Awaited Indo-Pacific Strategy

In late November, the federal government released its fulsome [Indo-Pacific Strategy](#) which had been a long time coming. As the government's [news release](#) rightly states, "the Indo-Pacific region will play a critical role in shaping Canada's future over the next half-century. Encompassing 40 economies, over four billion people and \$47.19 trillion in economic activity, it is the world's fastest growing-region and home to six of Canada's top 13 trading partners."

CAFTA has long called for deeper trade and investment ties throughout the Indo-Pacific region, and we welcome all efforts to grow Canada's presence and relations in markets that are vital to our long-term prosperity. We were especially pleased to see the creation of a Canadian Indo-Pacific Agriculture and Agri-Food Office (IPAAO) as well as enhanced resources, including in advocacy capacity, needed to help address the rise of non-tariff barriers, which have prevented Canada from achieving its full potential in the region. We look forward to engaging with officials and other policy- and decision-makers as the strategy is implemented. Additionally, we will continue to work alongside the federal government on several priority trade negotiations in the Indo-Pacific including bilateral talks with India, Indonesia, the Association of Southeast Asian Nations (ASEAN) and the continued expansion of the Comprehensive Progressive Trans-Pacific Partnership (CPTPP). You can read CAFTA's full statement about the Indo-Pacific Strategy [here](#).

FTA Updates

Canada-ASEAN

In mid-November, Canadian Prime Minister Justin Trudeau travelled to Phnom Penh, Cambodia, for the Association of Southeast Asian Nations Summit which also marked the 45th anniversary of Canada-ASEAN relations. Prime Minister Trudeau and ASEAN released a [joint statement](#) highlighting the strong bilateral relationship and reiterating support for the ongoing FTA negotiations. CAFTA will continue to urge the government to complete these talks as quickly as possible in pursuit of a comprehensive and ambitious pact. CAFTA will also continue to public state that should be Canada's top trade priority in the region.

Canada-UK FTA: Round 5 of Negotiations

The Canada-UK negotiations are still ongoing with the latest round taking place the week of December 12-16 in Ottawa. Prime Minister Justin Trudeau also held a bilateral meeting with the UK's new Prime Minister Rishi Sunak on November 14th in Bali on the margins of the G20 meeting in Bali.

Other Trade Updates

G20 Meeting in Bali

From November 15-16, the leaders of the world's twenty major economies met in Bali, Indonesia. The Group of 20 (G20) represents 80 per cent of global GDP, 75 per cent of global trade, and 60 per cent of the world's population. Food security was a major theme during discussions in Bali where leaders [expressed](#) concern for the challenges to global food security exacerbated by current conflicts and geopolitical tensions and reiterated their support to keep food supply chains functioning. You can read the Prime Minister's G20 statement [here](#).

APEC Economic Leaders' Meeting

Also in late November, Prime Minister Justin Trudeau [participated](#) in the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting hosted by Thailand. While at APEC, the first announcements about the Indo-Pacific Strategy were made including support for more Minister-led trade missions to the region as well as the establishment of the agriculture office noted above.

US: Midterm Elections

While pundits predicted a landslide victory for Republicans, the so-called red wave did not materialize in the U.S. midterms giving a boost to U.S. President Joe Biden and a blow to former U.S. President Donald Trump. While the Republicans did take the House of Representatives, the Senate provides a small edge to the Democrats meaning political gridlock is likely to ensue for the next two years. You can read more information and a full breakdown of results [here](#).

First Round of the US led Indo-Pacific Economic Framework for Prosperity Negotiations

Australia hosted the first round of in-person negotiations for the US led Indo-Pacific Economic Framework (IPEF) in Brisbane from December 10-15. IPEF brings together 14 of the largest and most dynamic regional economies, accounting for 40 per cent of global GDP. Round 1 is expected to be focused on digital trade, supply chains, the clean energy transition and issues related to tax and anti-corruption. We'll continue to track these negotiations closely.

WTO and related updates

Agriculture Committee Establishes Work Program for Food Security

In late November, a new [work program](#) was established by the WTO Committee on Agriculture to address the food security concerns of least-developed countries (LDCs) and net food-importing developing countries as part of efforts related to the MC12 Declaration on the same subject. The work plan is set to be launched in December. The UN Food and Agriculture Organization (FAO) and the World Food Programme (WFP) are stressing the need to keep food and input markets open as well as ensuring transparency through timely and quality data-sharing – views directly in line with what CAFTA has been saying about food security for the past several months. Read CAFTA's policy statement on global food security [here](#).

World Trade Report 2022

The WTO's World Trade Report 2022 is entitled [Climate change and international trade](#), and is focused on the role trade must play in helping countries reduce emissions, facilitate the distribution of cutting-edge technologies and ensuring the global trading system is predictable and rules-based so it can enable the trade in goods and services needed to effectively combat climate change. It also discusses the role trade plays in

generating emissions through various activities such as production and transport yet notes emphatically that trade and trade-related policies will be a leading solution and part of efforts to advance best practices, innovations and incentives that will help reduce and eliminate emissions.

The WTO at COP27

The WTO attended the 2022 United Nations Climate Change Conference, or COP27, in Egypt in mid-November where DG Ngozi Okonjo-Iweala [highlighted](#) the critical role trade plays in addressing climate change and supporting the transition to a sustainable food system. The DG also urged governments to [include](#) trade elements in their national climate adaptation plans as critical to wider global efforts. You can read more [here](#).

On the Hill

CIIT: Inflation Reduction Act Study

In late November, CAFTA Executive Director Claire Citeau was a witness before the House of Commons Standing Committee on International Trade (CIIT) as part of its review of the potential impacts the United States Inflation Reduction Act (IRA) might have on sectors and businesses here in Canada. In her remarks, Ms. Citeau noted that the IRA was a set of policies aimed at securing a competitive edge for the U.S. in a variety of sectors including agri-food, and that it reinforced the need for Canada to do all it can to remain globally competitive in the agri-food sector by increasing its investments in food manufacturing, strengthening industry-government collaboration and driving forward an agenda rooted in free- and rules-based trade.

AGRI: Food Security Study

In late October, CAFTA Executive Director Claire Citeau appeared before the House of Commons Standing Committee on Agriculture and Agri-Food (AGRI) to discuss issues related to food security. Key messages included that Canada as the fifth largest exporter of food has a vital role to play in feeding the world and that the best way to ensure food remained plentiful was to embrace free and open trade and through greater public and private sector cooperation. CAFTA subsequently shared that while we are pleased to see our exports growing, Canada's share of the global market remains stagnant. Overall, we need to be nuanced in our analysis of "increased exports" and how other factors impact our global competitiveness.

In case you missed it:

- [Members hold informal talks on WTO reform](#)
- [Ireland's Government remains committed to ratification of CETA](#)
- [Global nickel cartel off the table as Canada rebuffs Indonesia invite | Financial Post](#)

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