



May 2022

CAFTA Trade Insights

CAFTA is the voice of Canada's agri-food exporters

Free Trade is Critical to Global Food Security

In early May, more than two dozen WTO members signed onto a [joint statement](#) in Geneva pledging to keep agricultural markets “open, predictable and transparent” amid concerns about a global food crisis. The countries include Australia, Canada, the European Union, Korea, the UK and the United States.

CAFTA also recently release its own [policy statement](#) on food security which urges policy-makers to be guided by the principles of free, open and rules-based trade. CAFTA will continue to convey these messages in the lead-up to MC12 and beyond.

Facts on Ukraine's Agri-Food Trade

[The 2022 Global Food Report on Food Crises](#) revealed this month that levels of hunger remain alarmingly high, as trade disruptions stemming from the Russian invasion of Ukraine continue to wreak havoc on global supply chains. The UN Food and Agriculture Organization (FAO) recently [forecasted](#) that at least 20 percent of Ukraine's winter crops – wheat, most notably – may not be harvested or planted. We'll continue to track these developments closely and engage with Canadian officials accordingly.

FTA Updates

CPTPP Expansion Continues

In pursuit of its goal to formally join the Comprehensive Progressive Trans-Pacific Partnership (CPTPP), the UK continues to engage in official bilateral talks with CPTPP members, including [Canada](#), [Japan](#), [Mexico](#), and [Vietnam](#). We continue to track the UK's talks with Canada and make our recommendations known to Canadian negotiators and officials.

Canada-UK FTA

As negotiations toward an FTA between the United Kingdom and Canada continue, CAFTA members met with the UK Trade Minister on April 29th in Calgary. Members reinforced their support for a comprehensive pact that removes tariffs and non-tariff barriers, provides liberal rules of origin, and creates a level playing to enable increased trade. For more information, please read our most recent [statement](#) on the Canada-UK bilateral agreement.



CAFTA Members in the meeting with the UK Trade Minister.

EU and Canada committed to ensuring the full and effective implementation of CETA

The third [meeting](#) of the EU-Canada Joint Ministerial Committee took place in Brussels on May 16. Most notably, the meeting concluded in a [joint declaration](#) that both sides are committed “to ensuring the full and effective implementation of CETA and to pursuing joint work, including on outreach, to increase the use of the Agreement.” CAFTA will continue to make clear that CETA has so far failed to live up to its promise due to the persistence of non-tariff barriers.

Canada–Indonesia FTA

CAFTA was recently invited to a business forum hosted by the [Indonesian Chamber of Commerce and Industry](#) (KADIN) in Canada. The event featured the Deputy Minister of Global Affairs Canada, David Morrison, who rightly stated that it is “important to ensure barriers are not erected unnecessarily and we continue to engage with a region that is a key driver of stability and growth.” Perrin Beatty, CEO of the Canadian Chamber of Commerce, also attended. You can read more about CAFTA’s position on FTA talks with [Indonesia](#) and [ASEAN](#) and also track the negotiations on the Global Affairs [website](#).



CAFTA at the B20 event hosted by KADIN in Ottawa.

Minister Ng’s visit to Singapore and Thailand

As Canada continues to move forward with the ASEAN-Canada FTA negotiations, Mary Ng, Minister of International Trade, Export, Small Business and Economic Development, visited Singapore and Thailand, (both ASEAN members) where the federal government [announced](#) Canada’s intention to establish a [Canadian trade gateway](#) in Southeast Asia.

Other Trade Updates

Russian Invasion of Ukraine Leads to New Agri-Food Export Restrictions

Despite the WTO [urging](#) its members to keep markets open and avoid unjustified export restrictions, the International Food Policy Institute says in a new [report](#) that the number of countries imposing export restrictions on agri-food has climbed from 3 to 16, as of early April 2022. Since then, the WTO reports that “22 Members have announced or implemented export restrictive measures¹ This number is now relatively stable and under control. So, there are tensions, but not a proliferation of measures. Transparency is essential to help prevent a “crisis of confidence,” which could trigger a panic-driven proliferation of trade restrictions and fuel speculation on markets.

G7 Agriculture Ministers: Pathways Towards Sustainable Food Systems in Times of Crises

The G7 Agriculture Ministers met in Stuttgart, Germany on May 13-14 to address the global challenges that the agricultural sector faces. In a [communiqué](#), the Ministers recognized the intensified pressure on global food systems which are being exacerbated by export restrictions. The meeting also reiterated the commitment of G7 countries to “avoid any unjustified restrictive measure on exports” and the importance of predictable, well-functioning markets.

The U.S. Indo-Pacific Economic Framework (IPEF)

The U.S. announced on May 23rd the [launch of a plan](#) to create a new agreement with 12 Asian nations including India, Vietnam, Indonesia, Thailand, Japan, South Korea and Malaysia. Together, the grouping represents 40 percent of global GDP. As a centerpiece of President Biden’s trade policy, the IPEF is not a traditional trade agreement per se in that it’s not focused on [market access](#). It is more of an intention to create a pact that cooperates on core challenges and issues in the global economy including the digital economy, supply chains, clean energy, and anti-corruption.

WTO and related updates

Countdown to MC12

WTO Director-General (DG) Ngozi Okonjo-Iweala is [calling](#) on members to step up efforts to deliver substantive outcomes at the organization’s upcoming 12th Ministerial Conference (MC12) in Geneva which begins on June 12. The chair of the agriculture negotiations, Ambassador Gloria Abraham Peralta (Costa Rica), is [urging](#) WTO members to intensify their engagement so progress can be made towards identifying landing zones for possible outcomes on agriculture. The DG also [highlighted](#) the threat of a global crisis in food security, as prices for food, fertilizer and energy keep rising sharply from already high levels.

Major Multilateral Organizations Release Trade Report

The WTO, the International Monetary Fund (IMF), the World Bank (WB) and the Organisation for Economic Cooperation and Development (OECD) have taken the extraordinary step of publishing a [joint report](#) entitled *Subsidies, Trade and International Cooperation*. Key findings include that subsidies “are the most frequent form of (market) intervention” with governments around the world spending nearly \$450 billion annually in support to agriculture. Interestingly, nearly 85 per cent of that total (\$376 billion) is spent by the EU, China, the US and India alone. Overall, the report states that these market distortions are contributing to many of the global trade tensions that have been on the rise in recent years.

CAFTA's Participation in Other Notable Events

Canadian Global Affairs Institute Conference

CAFTA recently participated in the Canadian Global Affairs Institute conference on “Canada’s Role in a Highly Disrupted World.” The conference featured panels that included former Prime Minister, the Right Hon. Joe Clark, the Hon. Peter MacKay and other dignitaries. CAFTA highlighted the rise of non-tariff barriers as a major obstacle to getting products to market and noted the important role for Canada in issues related to global food security.

Brookings Institution Event on CUSMA

In mid-May, a round-table event on the Canada-United States-Mexico Agreement was held which discussed priorities, opportunities, and challenges in the North American trading relationship. The Brookings Institution also released its [2022 CUSMA report](#), alongside a [tracker](#) which provides statistics and other notable updates affecting trade in goods, services, investment, disputes and other information.

On the Hill

CAFTA remains active on Parliament Hill engaging with both elected and public service officials. For example, CAFTA’s Claire Citeau recently [appeared](#) before the House of Commons Standing Committee on International Trade (CIIT) to advance CAFTA’s views on opportunities for Canadians businesses in the Indo-Pacific. The House is expected to rise on June 23 although many expect it may rise early.



USTR Ambassador Tai’s visit to Canada

On May 5th, Ambassador Katherine Tai, the United States Trade Representative (USTR), met with Minister Mary Ng to discuss ways to strengthen the Canada-U.S. trade relationship. You can read the USTR’s statement [here](#).

In case you missed it:

[Food for thought: Globalization’s role in ending world hunger](#)

[EU Members states push for acceleration of negotiation and implementation of FTAs](#)

[The 2022 Global Food Report on Food Crises: Joint Analysis for Better Decisions](#)

[WTO launches new WTO data portal](#)

[CUSMA Tracker –Brookings Institute](#)

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