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

For immediate release

CAFTA praises tabling of CPTPP treaty, urges quick action on legislation

Ottawa, Ontario – May 24, 2018 - The Canadian Agri-Food Trade Alliance (CAFTA) praises the tabling of the Comprehensive and Progressive agreement for Trans-Pacific Partnership (CPTPP) in Parliament and urges swift implementation of enabling legislation. Tabling the treaty is the first step towards implementation which will require legislation to be tabled, debated, and passed by both chambers of Parliament before Canadians can benefit from increased access to the Asia-Pacific.

“With Minister François-Philippe Champagne tabling the treaty, we’ve taken a historic step closer to having competitive access to Asia-Pacific markets,” says CAFTA president Brian Innes. “It’s critical that we keep up the momentum so that Canada is not left behind by the first six countries who implement the CPTPP.”

The CPTPP will come into effect once six countries ratify the agreement. These countries will then see CPTPP tariff cuts come into effect and they will secure a first-mover advantage over other CPTPP members who have not ratified.

Other countries are moving fast to implement the agreement. Mexico ratified the deal in April, Australia tabled the treaty in its Parliament and vows to ratify soon and the deal has successfully made it through Japan’s Lower House with a clear plan to vote on it before the end of June. Malaysia and Chile are both expected to implement the agreement quickly and New Zealand, Singapore, Peru, Vietnam and Brunei are all working towards an autumn implementation date.

“Canada needs to be part of the first six countries who implement the CPTPP,” says Innes. “The longer we wait the longer we’ll face headwinds in the Asia-Pacific.”

Canadian agri-food exporters are currently at a competitive disadvantage because other countries have trade agreements that Canada does not. Mexico, Australia and Chile have free trade agreements with Japan and the Japan-EU Economic Partnership Agreement will soon slash 85 per cent of Japanese tariffs on European agri-food products.

Being part of the original six countries would also give Canada more influence in negotiating the terms for the many countries that have expressed interest in joining the CPTPP, including the United States.

For the agri-food sector that is growing through exports, the CPTPP is a big deal. According to research commissioned by CAFTA, the trade pact could increase agri-food exports by \$1.84 billion¹. Not being in the CPTPP could mean \$2.93 billion in opportunity costs for agri-food sector² - a significant blow to a sector

¹ Caught in the Cross-Fire: Canadian Agricultural Outcomes under Alternative Asia-Pacific Trade Scenarios; Ciuriak Consulting Inc, 2018

² Ibid.

that generates \$96 billion in GDP annually and supports about 1 million jobs in urban and rural communities across the country³.

“Asian markets are the key to agri-food growth,” says Innes. “Implementing the CPTPP is essential for industry to meet government’s target of \$75 billion in agri-food exports by 2025,” said Innes.

CAFTA members have predicted that the original TPP agreement would enable beef exports worth \$300 million, \$300 million more pork exports, an additional \$100 million in barley products, and \$780 million more value-added canola exports. In addition, pulses, soybeans, sugar and processed food products all stand to gain improved access. With the CPTPP not including the U.S., these benefits will be even greater.

“Whether you are a Canadian farm family who depends on world markets, a processor, an exporter, or someone who lives in a community supported by the sector, this agreement means more stability, economic growth and prosperity,” says Innes.

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³ “Why agricultural and agri-food exports matter to the Canadian economy,” CAFTA, October 28, 2016.