



**CAFTA ACCA**

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

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## ***CAFTA Trade Insights***

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

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### **What to Expect in 2022**

Following #eln44 which returned a Liberal minority, a new cabinet was put in place and a Throne Speech kicked off a new session of Parliament. The opposition parties have also named their shadow Ministers/critics and parliamentary committees have been constituted. Unfortunately, with new COVID-19 variants, international trade has taken a backseat to pandemic fighting.

However, agri-food issues remain very much in the news and on the public agenda due to ongoing supply chain and logistics challenges as well as inflation that is at a 20-year high. Against this backdrop is an opportunity to show why free and open trade benefits consumers while also protecting jobs and supporting overall economic recovery. Throughout 2022, we will continue to show Canadian policy- and decision-makers as well as Canadian consumers that open borders and open markets is the best way to keep food plentiful and prices stable. We will also showcase our sector as one at the forefront of innovation and sustainability while linking these issues back to the need for ensuring a robust, rules-based trading system remains at the centre of global trade.

### **Cabinet Minister Mandates Released**

Just before Christmas, Prime Minister Justin Trudeau released the [Ministerial Mandate Letters](#) which set the marching orders for the foreseeable future. Key shared priorities in [Minister Ng's letter](#) include:

- Reinforcing economic cooperation in our hemisphere, including by continuing enhanced trade engagement with the Pacific Alliance and pursuing bilateral trade agreements with key partners;
- Negotiating, as part of a new Indo-Pacific strategy, new bilateral and regional trade agreements, expanding Foreign Investment Promotion and Protection Agreements and building stronger economic linkages; and
- Advancing negotiations with the United Kingdom towards a fully realized Canada-UK Trade Agreement.
- Building off our success in negotiating new free trade agreements, lead their continued implementation to ensure they benefit Canadian consumers and businesses.



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- To protect Canadian supply chains and ensure that Canada's trading relationships are mutually beneficial economic relationships, work with the Deputy Prime Minister and Minister of Finance to introduce a reciprocal procurement policy that will ensure goods and services are procured from countries that grant Canadian businesses a similar level of market access.
- Continue to promote open and rules-based trade regimes around the globe, including by extending Canada's leadership of the Ottawa Group on World Trade Organization reform and by advancing Canada's inclusive free trade agenda.

## Trade Updates

### Notice to Parliament given to launch Canada-UK trade talks

In mid-December, Minister Ng gave [official notification to Parliament](#) of the Government of Canada's intention to enter into negotiations with the United Kingdom toward a new, comprehensive FTA within the next 90 days. Canada's negotiating objectives will also be tabled in the House of Commons no later than 30 days before the first round begins and we'll be tracking this closely in the weeks ahead.

### Canada's pivot to Asia continues

In addition to launching talks with Indonesia and ASEAN, Minister Ng is busy growing ties with other key partners including Taiwan and Vietnam.

Specifically, Minister Ng announced in mid-January that Canada is pursuing an [investment treaty](#) with Taiwan which would help businesses on both sides invest with more confidence and predictability.

Minister Ng also recently [announced](#) that a Canada-Vietnam Joint Economic Committee is being established that will seek to boost bilateral ties as well as Canada's wider footprint in the region. Both Canada and Vietnam are also members of the Comprehensive Progressive Trans-Pacific Partnership.

### CPTPP Expansion Gathers Steam

As the CPTPP celebrates its [third year in force](#), South Korea's trade minister says his country is looking to join in part to [strengthen supply chains](#) for semiconductors, batteries and electric vehicles.

Trade Minister Yeo Han-koo said in late December that "for CPTPP countries, it is a win-win if South Korea joins. As more and more countries participate, the benefits get bigger and bigger due to the network effect...The CPTPP] is not self-sufficient yet. It is missing South Korean companies which are in key positions in semiconductors, batteries and EVs." Minister Yeo said South Korea is looking to join the pact before the end of President Moon Jae-in's administration in May.

Additionally, Ecuador has become the latest country to apply for membership in the CPTPP submitting its application to New Zealand which acts as the pact's Secretariat.



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With Britain, Taiwan, China and now Ecuador looking to join, the CPTPP is once again becoming the standard-bearing trade pact for the Asia-Pacific everyone hoped would be the case. Whether the U.S. eventually seeks to rejoin is still unknown; however, many trade watchers have noted that rejoining it is one of the best ways for the U.S. to counter a rising China.

### **Canada-India poised to reboot trade talks**

As reported in a previous newsletter, we are watching closely to see if the long-stalled Canada-India talks get back on track. There indeed appears to be some momentum building as India's Commerce and Industry Minister, Piyush Goyal, said in early January that India was going to be actively boosting its trade and investment ties with several key partners and specifically named Canada as a country it wants to re-engage with over the next few months.

A [readout](#) released by Minister Ng confirmed both sides welcome a re-engagement on negotiations toward a Canada-India comprehensive economic partnership agreement as well as a Canada-India foreign investment promotion and protection agreement. She also noted Canada's long history of supplying high-quality pulses to India and a shared commitment to working on WTO-related issues.

Whether these talks would start from scratch or build on the previous negotiations isn't full known. We're continuing to watch developments closely and speaking regularly to Canadian trade officials.

## **WTO Updates**

### **Ottawa Group continues its push for WTO modernization and reform**

In mid-December, Canada hosted the final 2021 (virtual) meeting of the Ottawa Group. Members reaffirmed their commitment to seeing WTO reform through, which includes ambitious outcomes at the next WTO's 12<sup>th</sup> Minister Conference, resolving the dispute settlement body impasse, improving transparency and monitoring at the WTO, and advancing work on issues, such as trade and environment, trade and gender, and agriculture. The [first meeting of 2022](#) was held on January 20<sup>th</sup> and hopes are high that real results will be achieved this year especially with respect to resolving the Appellate Body impasse.

### **DDG Ellard stresses need to maintain WTO momentum, importance of dispute settlement reform**

In a mid-December speech to American trade watchers, Deputy Director-General Angela Ellard stated emphatically that "WTO rules, whether they are new or old, have only a limited usefulness if they can't be enforced." She noted further that resolving the current paralysis is "existential" for many members. Stressing the member-driven nature of the WTO, DDG Ellard observed that it's up to members to determine the next steps for the Appellate Body and what is needed to fix it.

And just yesterday, Minister Ng hosted the first Ottawa Group meeting of 2022 which is seeking to ensure the WTO remains a relevant and vital force in the global trading system.



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Specifically, the Ottawa Group of like-minded countries is working to put trade at the forefront of global economic recovery while advancing key reform efforts such as restoring the WTO's dispute-settlement system, improving transparency and supporting growth in both developing and developed countries. The federal government's leadership in advancing these reform efforts has been widely supported by Canada's export-reliant sectors and by its trading partners. You can read more [here](#).

### **WTO Launches Farm and Trade Policy Newsletter**

Coming soon is a newsletter from the WTO's Agriculture and Commodities division called *News Harvest*. The newsletter will aim to track and keep WTO members and exporters up to date on issues related to trade and agriculture. You can sign up to receive the soon-to-be-launched newsletter [here](#).

## **Parliamentary Updates**

### **Prime Minister Trudeau Names Parliamentary Secretaries**

In December, the Liberal government unveiled the latest roster of Parliamentary Secretaries. Key parliamentary secretaries of interest to CAFTA include:

- **Terry Beech**, Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance
- **Francis Drouin**, Parliamentary Secretary to the Minister of Agriculture and Agri-Food
- **Andy Fillmore**, Parliamentary Secretary to the Minister of Innovation, Science and Industry
- **Rob Oliphant**, Parliamentary Secretary to the Minister of Foreign Affairs
- **Arif Virani**, Parliamentary Secretary to the Minister of International Trade, Export Promotion, Small Business and Economic Development

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

\*\*The House of Commons is scheduled to reconvene on January 31<sup>st</sup> and will sit for the first three weeks of February. \*\*

### **Other news**

On December 15, 2021, Claire Citeau presented a webinar on the multifaceted relationship between building public trust and exporting Agri-Food in Canada to the Canadian Centre for Food Integrity (CCFI). The discussion highlighted CAFTA's priorities and vision for Agri-Food exports. You can find the webinar [here](#).

### **In case you missed it**

[Canada joins Mexico's official complaint arguing U.S. violating trade pact over auto parts provision](#)

[Ottawa eyes Indo-Pacific plan to shift trade away from China](#)  
[Grocery stores face temporary closures as staff fall sick, products delayed](#)  
[Canada's vaccine mandate for cross-border truckers is now in effect](#)  
[China's record trade gap a symptom of struggle to rebalance its economy](#)



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