



CAFTA Trade Insights

CAFTA: The Voice of Canada's Agriculture and Agri-Food Exporters

Trade updates

Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) Ratification

The CPTPP will enter into force this month on December 30 and secure access to such important markets for agri-food exporters as Japan, Malaysia, and Vietnam. Upon entry into force, Japan will eliminate 32% of tariff lines on agri-food products with additional cuts of 67% over 20 years, Vietnam will eliminate 31% with additional cuts over 15 years, and Malaysia will eliminate 92% with additional cuts of 7% over 15 years. Once all tariff cuts are in effect, Canadian agri-food exports are expected to increase by up to \$2 billion annually. CAFTA is also excited by the potential for expansion of the CPTPP to include other countries in the Pacific region; examples being Thailand, Korea, Indonesia and the Philippines.

- Read CAFTA's statement on Canada's ratification of the CPTPP [here](#).
- Read CAFTA's statement on CPTPP entering into force December 30 [here](#).

Canada, United States, Mexico Agreement (CUSMA)

The CUSMA was signed by the heads of government of the United States, Mexico, and Canada on November 30 during the Group of 20 summit in Buenos Aires, Argentina. With the CUSMA signed, the Government of Canada can move forward with ratification procedures. According to federal policy, an agreement typically must be tabled in Parliament for 21 days for debate before implementing legislation may be implemented. When compared to Bill C-79, the legislation to implement the CPTPP, it took 29 sitting days for the agreements to be passed in Parliament.

Prime Minister Trudeau stated that he does not want to present the text of the agreement prior to the United States proceeding with their own procedures, which may require amending to match any changes by the United States. Reports indicate a vote by Congress in the United States may not occur until February or March, which may mean USMCA implementation legislation may not be introduced to Parliament until spring. This would leave only a few months for Parliament to pass the legislation before it rises in June and Parliament will not resume sitting until after the October 2019 election.

- Read CAFTA's statement on the signing of the USMCA [here](#).

On the Hill

Fall Economic Statement

Minister of Finance Bill Morneau unveiled the government's Fall Economic Statement on November 21. As part of the statement, the new Export Diversification Strategy was announced to make Canada the world's most globally connect economy. Central to the Export Diversification Strategy is for Canada to increase its overseas exports by 50% by 2025, which coincides with the government's goal to increase agri-food exports to \$75 billion by 2025. To increase these exports, the government will seek to strengthen trade to Asia and Europe, increase support to companies exploring new markets, and increase trade services for exporters.



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CAFTA welcomes this news and the strategy to increase support to help exporters take advantage of new trade agreements and access new markets. CAFTA President Brian Innes said, “The new Export Diversification Strategy will provide much-needed additional support for Canada’s agri-food exporters to identify and take advantage of the new market opportunities provided by these new trade agreements.”

- Read CAFTA’s statement on the federal government’s new investments to expand exports [here](#).
- Read more about the Export Diversification Strategy and *Investing in Middle Class Jobs: Fall Economic Statement 2018* [here](#).

Other news

World Trade Organization (WTO) report shows in trade-restrictive measures by members

The WTO Director-General’s annual overview on trade-related developments was presented this month to the Trade Policy Review Body. The report shows a sharp increase in trade restrictive measures by WTO members since October 2017. In particular, the report shows that there were more than seven times as much import-restrictive measures than the previous period. During the 2017-2018 period, 137 new trade-restrictive, which includes tariff increases, quantitative restrictions, and import taxes and export duties. Conversely, 162 measures were implemented to facilitate trade, but the value of such measures were only half of those which restricted trade.

- Read more about the 2017-2018 Director-General annual overview [here](#).

In case you missed it

[Canada has the potential to be an agri-food superpower](#)

[EU-Singapore Free Trade Agreement Signed](#)

[Feds have little time to pass new NAFTA-implementation law before 2019 vote](#)

[For more agri-food exports Canada needs to push for reduced trade barriers](#)

[Japan-EU free trade pact to come into force February 1](#)

[WTO Director-General Azevêdo: “2019 will be a moment to renew and strengthen the WTO”](#)

[WTO has received notification of the CPTPP](#)

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