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# Standing Committee on International Trade

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Chair: The Honourable Judy A. Sgro





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• (1105)

[*English*]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I call the meeting to order.

This is meeting number 63 of the Standing Committee on International Trade. Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Therefore, members are attending in person in the room and remotely using the Zoom application.

I need to make a few comments for the benefit of witnesses and members. Please wait until I recognize you by name before speaking. When speaking, please speak slowly and clearly. For those participating by video conference, click on the microphone icon to activate your mike. Please mute yourself when you are not speaking.

With regard to interpretation, for those on Zoom, you have the choice at the bottom of your screen of floor, English or French. For those in the room, you can use the earpiece and select the desired channel. This is a reminder that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding. Please also note that during the meeting, you're not allowed to take pictures in the room or screenshots on Zoom. Should any technical challenges arise, please advise me. We will suspend in order to ensure that all members get to participate fully.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Friday, November 25, 2022, the committee is resuming its study of non-tariff barriers in Canada's existing and potential international trade agreements.

We have with us today Ian Laird, a lawyer, as an individual, by video conference; Jeff Nankivell, president and chief executive officer, Asia Pacific Foundation of Canada, by video conference; and Brian Kingston, president and chief executive officer, Canadian Vehicle Manufacturers' Association.

Welcome, Mr. Kingston. It's especially nice to have you in person.

From the National Cattle Feeders' Association, we have Janice Tranberg, president and chief executive officer, and William Lowe, chair of the board of directors, by video conference. From Pulse Canada, we have Mac Ross, director, market access and trade policy, by video conference.

Welcome to all of you. If you want to intervene on a question, raise your hand. Sometimes you'll have to raise it twice in order to get my attention, but we'll make sure you get your opportunity.

Again, welcome to everyone.

Mr. Laird, I invite you to make an opening statement of up to five minutes, please.

**Mr. Ian Laird (Lawyer, As an Individual):** Good morning.

Thank you very much for the invitation today. I very much appreciate it.

My name is Ian Laird, as Madam Chair mentioned. I'm a Canadian lawyer, but I'm also a partner at the international law firm of Crowell & Moring LLP in Washington, D.C. I've been practising international trade and investment law for over 25 years now and have been resident in Washington for 17 of those years.

It's indeed an honour to be able to speak to the committee this morning. In particular, it is a pleasure to see you again, Madam Chair, addressing this topic that is very important to the work of this committee and for Canada.

I have to add one disclaimer. I wish to mention that I'm speaking here in my personal capacity and not on behalf of any other person or organization. In particular, I'm not speaking on behalf of my law firm or any of my clients.

The topic is of particular interest, and when I heard that the committee was dealing in particular with the review of other irritants and concerns within existing trade deals, I felt that I could add to the discussion in light of my personal involvement with these treaties, and treaties like them, as both a practitioner and an academic.

I wanted to focus on two elements: in particular, the international investment law and dispute resolution provisions we find in these trade agreements, as well as with respect to investment by Canada's international resource and extractive industry abroad, another area that I've worked very closely with over the time that I've been working on investment and trade issues.

Now, it really goes without saying—and I don't really have to tell this committee—that investment and trade go hand in hand. There are certain types of international business, like mining and extractive industries, which by necessity can only occur where the resources are located, and that's abroad and in foreign jurisdictions.

It's a fact that many of these jurisdictions have developing legal systems and challenging environments legally speaking. That's where international law and our free trade agreements come into place. They help to protect our investors abroad and provide mechanisms for dispute resolution. We find these types of provisions in our foreign investment promotion and protection agreements, which, as you know, are FIPAs, and our free trade agreements.

Why am I focusing on natural resources and mining? The stats—this is from 2019 from Global Affairs' office of the chief economist—show that 44% of our foreign direct investment from Canada in Central and South America relates to the extractive industry. In Africa, the figure is over 50%.

MAC has stated in its material that Canadian mining companies operate in more than 100 countries around the world and, according to NRCan, 650 Canadian companies held mining assets abroad valued at \$174.4 billion in 2018. That's the most recent year for this data.

Let me put this briefly. Canadian miners are some of the best in the world and some of the most active. They represent a large proportion of the international extractive industry abroad. Seventy-five per cent of international mining companies are headquartered in Canada—in particular, in Toronto and Vancouver—and a great deal of the financing from Canada comes through the Toronto Stock Exchange.

What this means is that Canada and Canadians expend significant amounts of sweat and equity to supply the world with the essential materials to support the modern and future economy, including what is needed for the climate change transition. We have a natural competitive advantage in the world, and we should support it in our trade and investment agreements.

This is where we get to the “irritants” part. There is a concern—and I think it's one worth examining—that our investment agreements and related FTA provisions have become too defensive and don't support our industry abroad in the way that they could. We've seen recent examples of where the protections under these agreements have been diminished and in some cases even eliminated. If we are going to do what's necessary in the future to support the world economy, this is going in the wrong direction.

• (1110)

The final summary point on that is that Canada really needs to up its game in the investment area and engage more deeply with trading partners and the lead industries abroad in supporting these types of international investment protections.

To give you a couple of examples—I know my time is coming up very shortly—Canada is, in fact, behind in signing these types of treaties, these FIPAs and free trade agreements. If you look at other countries, like the U.K. or Italy, or even China, they have significantly more such agreements. We can see a starker example in the

recent signing of the USMCA. In fact, the protections for foreign investors were withdrawn in that treaty for Canada vis-à-vis the United States, so a Canadian mining investor can no longer seek investor-state dispute resolutions in the United States as it could under the previous NAFTA.

There are other worrying signs, which I think warrant some questioning. I imagine the minister will address this when she appears, but the pace of the negotiation of free trade agreements and foreign investment promotion and protection agreements has decreased dramatically over the last few years. There are significant gaps in Canada's treaty practice that should be addressed and could be addressed.

I'm going to stop at this point. I'm open to further questions, and I look forward to the discussion with the committee.

**The Chair:** Thank you very much, Mr. Laird.

We'll go to Mr. Nankivell, please, for up to five minutes.

[*Translation*]

**Mr. Jeff Nankivell (President and Chief Executive Officer, Asia Pacific Foundation of Canada):** Good morning, everyone.

[*English*]

Greetings from the head office of the Asia Pacific Foundation of Canada in Vancouver, on the traditional ancestral and unceded territories of the Squamish, Musqueam and Tsleil-Waututh peoples.

• (1115)

[*Translation*]

The Asia Pacific Foundation of Canada was created through an act of Parliament in 1984, with a mandate to promote Canada's engagement in the region.

[*English*]

Today, as we urgently seek to diversify our export markets and our sources of supply for imports, this mandate to promote engagement for Canadians is more relevant than ever.

At APF Canada, we can supply lots of quantitative and qualitative data about the Asia-Pacific. There is rich material available on our website, [asiapacific.ca](http://asiapacific.ca), which I commend to the committee. Today I will focus my opening remarks on the impact of NTBs—non-tariff barriers—in the Asia-Pacific region and situate their importance in free trade agreements.

I should preface the rest of my remarks by saying that while I have had.... I joined the Asia Pacific Foundation of Canada as president and CEO in September 2021, after a 33-year career as a diplomat for Canada, mostly in Asia. At times, it was with responsibility for all of Asia. At other times, I was on postings in China and Hong Kong. I have never done so in the capacity of a trade negotiator, but I think I am in a position to provide an overview on the situation in Asia, and I look forward to engaging with the committee.

I know that the committee has already heard from numerous witnesses about non-tariff barriers—I'll say "NTBs" from now on—in general. Here is a snapshot of the situation in Asia.

Asia-Pacific economies have reported over 14,000 technical barriers to trade—we call those TBTs—and sanitary and phytosanitary, or SPS, measures to the World Trade Organization in the last 23 years. China has the highest number of NTBs in the region, followed by Japan and South Korea. The number of reported non-tariff barriers in the region has been growing.

At the same time, most Asian economies are seeking to reduce trade barriers and harmonize standards, which has manifested in a steady rise in trade agreements over the last decade. These include various agreements that the Association of Southeast Asian Nations has negotiated with groupings in Asia—we call them "ASEAN plus" agreements—that culminated in the Regional Comprehensive Economic Partnership, or RCEP, which consists of ASEAN plus China, Japan, South Korea, Australia and New Zealand.

I know that the committee has already heard much about the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. Recent years have also seen various new bilateral FTAs. For example, Canada, as you know, is currently negotiating trade agreements bilaterally with ASEAN, India and Indonesia.

Chapters dealing with NTBs in regional free trade agreements have expanded over time, with the CPTPP today regarded as the global benchmark for regulating NTBs. The CPTPP goes further than other regional trade agreements in regulating these barriers. One study showed that NTB harmonization under CPTPP was found to reduce the prices of goods and increase GDP. NTBs are expected to remain an important feature of trade agreement negotiations in the region and will be important for our allies and partners in the Asia-Pacific.

While the incorporation of NTBs into FTAs restricts policy space—in other words, countries will find it harder to impose NTBs, as they will need to be consistent with their FTA obligations—it can improve trade access by aligning NTBs in these agreements across regulatory policies. This makes it easier for exporters to create products that can be sold in economies with aligned NTBs, due to a similarity of standards. This, in fact, is one of the big payoffs of ambitious regional trade agreements.

The 10 economies of ASEAN in Southeast Asia have recognized the need to streamline NTBs and have signed an ASEAN Trade in Goods Agreement with a chapter dedicated to NTBs. Australia also studies NTBs closely and published an NTB action plan in 2018.

It's important for Canada to get NTBs in trade agreements right and to help its partners in the region by building their technical ca-

pacities to implement and understand NTBs. Canada's FTAs under negotiations with ASEAN, India and Indonesia include provisions on NTBs, with Canada pushing for an ambitious agenda, while our negotiating partners are looking for policy flexibility on NTBs.

Canada should continue to provide technical assistance through initiatives such as the expert deployment mechanism for trade and development to help developing country trade partners understand Canada's trade clauses in comprehensive FTAs.

APF Canada has contributed to technical assistance training for ASEAN trade officials to understand and learn from the Canadian approach to the participation of micro, small and medium-sized enterprises, or MSMEs, in trade. We have provided technical information, for example, on the Canadian approach to FTAs to ASEAN policy-makers in areas such as rules of origin, customs and trade facilitation, and TBT and SPS measures.

In conclusion, NTBs are prevalent in Asia. They can have a distorting impact on trade. That being said, there are NTBs that protect public health and the environment, as well as societal goals in areas such as languages, diversity and inclusion. Canada should continue to negotiate NTB clauses in FTAs to increase the transparent and scientific use of these measures, balancing the legitimate use of NTBs with concerns about their use as a protectionist measure.

We should also support micro, small and medium-sized enterprises, both in Canada and in Asia, that are interested in exporting, as they often lack the resources to comply with NTBs. This discourages them from entering new markets, such as Asia for Canadians.

APF Canada has done detailed work in some of these areas. We're happy to share that with the committee.

• (1120)

[*Translation*]

Thank you for inviting me, and I look forward to our discussion.

[*English*]

**The Chair:** Thank you very much.

Mr. Kingston, you have up to five minutes, please.

**Mr. Brian Kingston (President and Chief Executive Officer, Canadian Vehicle Manufacturers' Association):** Great. Thank you.

Good morning, Madam Chair and committee members. Thank you for the invitation to take part in your study today on non-tariff barriers in Canada's existing and potential trade agreements. It's a pleasure to be here in person this morning.

The Canadian Vehicle Manufacturers' Association, or CVMA, is the industry association that represents Canada's leading manufacturers of light and heavy-duty motor vehicles. Our membership includes Ford Motor Company of Canada, General Motors of Canada Company and Stellantis, FCA Canada. In 2022 more than 1.2 million vehicles were produced in Canada. The industry directly employs approximately 136,000 Canadians, with another half a million employed in the aftermarket services and dealership networks.

CVMA members are at the forefront of new automotive investment in Canada. Over the past three years, Ford, General Motors and Stellantis have announced over \$13.5 billion in investment, which will create 6,000 direct jobs and tens of thousands throughout the auto supply chain. Most of this investment is dedicated to EV assembly and the battery supply chain to serve the North American marketplace.

These investments are all part of an unprecedented technological transformation that's taking place in the industry right now to fight climate change. Automaker investments into electrification are estimated at \$1.2 trillion U.S. through 2030.

Due to the highly integrated nature of the North American auto sector, the CVMA and our member companies support policies that align with and enhance North American integration. With over 90% of Canadian production exported to the United States, CUSMA is what underpins the success of this industry. The consistency of automotive regulations across the larger North American market has never been more important than today, when our companies are prioritizing investments of billions of dollars required to fund this shift to EVs, batteries and the associated supply chain.

It's for this reason that our top priorities are ensuring that CUSMA remains in force and every effort is made to align our automotive regulations with the United States. We recommend a number of actions.

First, prepare for the CUSMA review. Business investment thrives on certainty. CUSMA provides companies with the certainty required to invest in Canada knowing that they can access the U.S. market. In 2026 parties to CUSMA must renew the agreement or it will be sunset in 2036, pending an annual review process. A non-renewal would constitute a major non-tariff barrier, as it would remove the certainty required to enable new investment in Canada. We call on the federal government to launch a team Canada approach to building support for renewal of this agreement in 2026. This initiative should include governments at all levels, businesses and Canada's network of consulates across the U.S.

Second, maintain regulatory alignment with the United States. Canada's seat at the North American automotive table and the hun-

dreds of thousands of jobs the industry provides depend on continued regulatory alignment of vehicle safety and emissions standards. The federal government is currently advancing a regulated zero-emission vehicle sales mandate that constitutes a significant non-tariff barrier by micromanaging vehicle sales across Canada. This is a direct challenge to Canada's long-standing integration with the United States through CUSMA and our competitiveness as a zero-emission vehicle manufacturing jurisdiction. I would also note that it's a direct challenge to Canada's recently implemented inter-provincial trade agreement, the Canadian Free Trade Agreement, which aims to create a common market across Canada.

Finally, we must ensure reciprocity in all our trade agreements. This will allow domestic companies to receive, on an equivalent basis, the same opportunities to compete fairly in foreign markets as non-Canadian companies have coming into our domestic market. When non-tariff barriers do arise, dispute settlement mechanisms in free trade agreements are an indispensable tool to address them. It's critical that these mechanisms be functional in all our existing trade agreements and future trade agreements that we negotiate.

I look forward to answering any questions.

Thank you again.

• (1125)

**The Chair:** Thank you very much, Mr. Kingston.

Ms. Tranberg, you have up to five minutes, please.

**Ms. Janice Tranberg (President and Chief Executive Officer, National Cattle Feeders' Association):** Good morning. My name is Janice Tranberg. I'm the president and CEO of the National Cattle Feeders' Association. I'm joined today by Will Lowe, the chair of NCFA and a feedlot operator in Kyle, Saskatchewan.

NCFA is the national voice for cattle feeders. As a critical component of the beef value chain, feedlots effectively and efficiently produce consistent, high-quality beef in quantities that are required for both domestic and export markets year-round.

Canada's beef industry contributes \$21.8 billion to the national GDP annually. It's highly export-dependent. Each year Canada exports about half of the beef we produce. The United States counts for about 75% of these exports. Japan, China, Mexico and Korea are other key markets.

I'll turn it over to Will.

**Mr. Will Lowe (Chair of Board of Directors, National Cattle Feeders' Association):** Canada's recent BSE negligible risk status helps position Canada in export markets as a provider of world-class beef products at a competitive price point. Over the last 10 years, our Canadian live cattle exports have seen tremendous growth, from \$1.4 billion to \$4.5 billion. Not surprisingly, demand from the United States is behind much of that growth.

While this is a good news story for our industry, there is concern about Canada's dependence on the American market and our need to diversify our trade. Thus, our concerns on trade barriers fall into two categories: long-standing trade irritants with the United States, and persistent non-tariff trade barriers with our free trade agreements around the globe.

The cattle industry is a tremendously integrated North American market. Significant numbers of live cattle cross the border back and forth every day, destined to fill either a feedlot in the United States or Canada, or go into a finished market in both countries. In 2021, over 375,000 head of U.S. feeder cattle were brought into Canada from the United States. That's an increase of 247% since 2017.

However, there are multiple requirements at the border that negatively impact commerce as well as the welfare of live cattle. For example, cattle moving across the border in either direction need to be inspected by a certified vet at the country of origin and destination. Once the vet has inspected the cattle, the inspection reports then need to be sent up to CFIA and USDA. That can often take a week or more. This appears to be a duplication in the system. If we trust our certified veterinarians who provide inspection reports when the cattle are loaded onto trucks and sealed, why do these reports need to go up for further inspection before they can be moved?

In addition, the USDA has been reducing the time and location of certified veterinarians at the border crossings, causing significant issues with trucks crossing the border. We're now concerned with potential voluntary country of origin labelling again in the United States. A change in the "Product of USA" labelling regulations could result in higher costs for consumers at the grocery store. We need to advocate that together we are stronger and more resilient.

**Ms. Janice Tranberg:** Canada still requires the removal of specified risk material. Even though we've received BSE negligible risk status, the average cost for this disposal is around \$167 per metric ton. This is putting Canada at quite a significant disadvantage to the U.S.

When it comes to global trade of our beef, there are some additional concerning examples where it seems politics is trumping science. While new free trade agreements are exciting, in reality, it often takes months or years before Canadians are actually seeing the benefit. For our sector, this is especially true with CETA, as a non-tariff barrier on cattle carcass washing is leaving us with little to no access for our beef. With the U.K. accession to the CPTPP, we are extremely concerned that this disparity will continue.

For example, in 2021, the U.K. exported beef to Canada at a value of about \$16.3 million. In 2022, the U.K. exported beef to Canada, and it grew to \$33.2 million. In contrast, Canada exported beef to the U.K. at a value of only \$7.6 million in 2021, and none in

2022. Free trade agreements must not put the Canadian market at a disadvantage.

Another example is that our beef has been locked out of China since 2021 due to an atypical case of BSE. China has opened trade for other countries, including Brazil, which had the same finding of an atypical BSE case just this year, yet trade has already resumed.

We call upon the government to increase its efforts with the U.S. to create a seamless border that reflects an integrated North American commerce for cattle. We ask that the government deliver urgent resolution to non-tariff trade barriers that are presently impacting the agriculture sector, and proactively examine Canada's current free trade agreements to determine how to maximize the potential that lives within these agreements.

Thank you.

• (1130)

**The Chair:** Thank you very much.

Next, we have Mr. Ross for five and a half minutes, please.

**Mr. Mac Ross (Director, Market Access & Trade Policy, Pulse Canada):** Thank you, Madam Chair and members of the committee, for the invitation to be here. It's a pleasure to speak with you today on a very important topic for Canada's growing pulse industry. My name is Mac Ross, and I'm the director of market access and trade policy at Pulse Canada.

Pulse Canada is the national association representing growers, traders and processors of Canadian pulses, which include dry peas, lentils, beans, chickpeas and fava beans. On behalf of our members, we're proudly leading the future of healthy, sustainable food through the growth of Canada's pulse industry.

The success of our sector, like many agri-food sectors in Canada, relies heavily on free and open trade with the global market. Our competitiveness in each of these markets is dependent on predictable rules-based trade.

Canada is the world's largest exporter of pulses. Roughly 85% of pulses grown in Canada are exported to some 120 markets around the world. At Pulse Canada, we believe that pulses can pave the way to a healthier and more sustainable future, providing solutions for every link in the value chain. Achieving this directly relies on our ability to advance trade opportunities and eliminate barriers. When given a chance to compete, our industry is a Canadian success story. We see tremendous opportunity to grow and diversify Canadian pulse exports in markets like the EU, North America and the fast-growing Indo-Pacific region.

However, the increasing prevalence of market access issues, mainly in the form of non-tariff barriers or NTBs, continues to be the biggest roadblock to our industry's ability to compete and achieve market growth. Our success relies on strong trade agreements that ensure predictable access, but in Canada, it relies on a level playing field with our competitors. It also requires a responsive, flexible government with on-the-ground technical expertise to ensure that these free trade agreements are not hampered by the rise of NTBs.

Canada has done a good job signing free trade agreements. We've seen significant tariff reduction for exports in many of our key markets, but this has been met with an increasing level of NTBs in markets of key importance.

While many of these non-tariff barriers can be regulations and technical measures designed to address legitimate health and safety objectives, others, we know, are deliberately imposed to thwart competition and protect domestic producers. To complicate matters even further, this is all happening in the context of a weakened WTO and a clear shift away from multilateralism and the rules-based trading system. The nexus of trade and climate, while important, may also present new challenges by way of NTBs.

From a pulse industry perspective, we continue to face longstanding barriers with large pulse-importing markets like India. These include unpredictable and technically unjustified SPS requirements and India's unjustified imposition of a quantitative import restriction on peas, which has effectively closed off what was once our largest pea market. Over the past five years, we've also seen other markets increasingly introduce NTBs that impede trade. These range from fumigation requirements in Pakistan and unjustified wheat seed requirements in Vietnam to abrupt import bans in markets like Sri Lanka and Nepal.

The common feature among all these issues is that Canada has had no advance warning. These barriers only became apparent once shipments were denied entry at port or en route at the time of the measure's implementation, leaving both industry and government reacting.

These issues have occurred in markets where Canada has existing free trade agreements, like the CPTPP, and in several cases in markets where Canada is currently negotiating an agreement, like India. It really underscores the importance of focusing on addressing NTBs for those negotiating and implementing Canada's trade agreements. We feel that this can be done by ensuring that we have strong trade rules and effective dispute settlement mechanisms within these agreements, but also by increasing our capacity in these markets to proactively address NTBs before they arise.

We rely on our government partners to address and resolve these barriers. Quite frankly, we've really struggled in successfully addressing these issues before the point at which they're having real commercial impact. Pulse Canada continues to support strengthening Canada's advocacy capacity within the trade and diplomatic network to address NTBs. That's why we were very pleased to see the inclusion of a Canadian Indo-Pacific agriculture and agri-food office in the government's Indo-Pacific strategy. This is a great first step and something Canada needs to do more of. In-country resources to tackle NTBs in a strategic, coordinated manner with industry will help maintain and build market access for Canadian agri-food exports.

This will be a very important study for our sector. We really look forward to playing an active role as it takes shape. We thank all the members in advance for taking this important work seriously.

Thank you. I look forward to any questions.

• (1135)

**The Chair:** Thank you very much, Mr. Ross.

Now we move to Mr. Seeback for six minutes, please.

**Mr. Kyle Seeback (Dufferin—Caledon, CPC):** Thank you, Madam Chair.

Mr. Kingston, I just want to start with you. At one of our committee hearings, I put to Mr. Volpe something that you had said with respect to decoupling regulations with respect to autos in the United States. Mr. Volpe said:

While it may be attractive to create a bit of an island so that you can provide a narrative in Canada—a leadership narrative, noble as it is—it does put Canadian manufacturing at a disadvantage, because what will happen, which we've seen happen specifically, is that companies will either have to create a “subnational jurisdiction only” product or they'll pull the product.

You mentioned this—how we seem to be decoupling with the United States on zero-emission vehicle targets. How significant a problem is it if we do that? How many Canadian autos are exported to the United States and, therefore, how much would that be in effect if this decoupling continues?

**Mr. Brian Kingston:** Thank you.

It's a significant problem. Over 90% of what we produce in this country goes to the United States. That is the market. The reason manufacturers locate here is to access that market.



What we're seeing is a very concerning trend of decoupling, particularly on the ZEV file. The reason this industry has succeeded in Canada is that, since the Auto Pact, there's been recognition by government that we must align our regulations for things like vehicle safety and emission standards and also our trade policies with the United States to be part of that integrated market. That was reinforced in the NAFTA agreement and most recently reinforced in the CUSMA, the USMCA. We have always aligned our regulations across the board but specifically on emissions.

We just recently saw the Biden administration come forward with very stringent vehicle emissions targets. Canada, instead of taking the approach of aligning with the U.S., is now pursuing its own zero-emission vehicle sales mandate, which is a totally new regulation. It's frankly redundant and unnecessary in the context of what the Biden administration is doing. It's very concerning, and it's very problematic for industry.

**Mr. Kyle Seeback:** Thanks very much.

I wanted to speak with Mr. Laird. You've been talking a little about NTBs, and my question is this: We heard from the Asia Pacific Foundation about 14,000 NTBs now coming up mostly from China, Japan and South Korea. We also know issues with respect to sanitary and phytosanitary measures and NTBs are coming up increasingly at the WTO. What I keep hearing though is that things are not getting resolved at the WTO in any kind of a rapid manner, if at all.

I wonder if you could comment on how important it is to have extraordinarily robust mechanisms within FTAs to deal with NTBs. I know that was a lot of acronyms.

**Mr. Ian Laird:** I think you raised a really important point about dispute resolution, indirectly, which is one of the areas I specialize in.

The WTO has been experiencing, for the last many years, real difficulties in dealing with its dispute resolution mechanism, which is really marginalizing it in many ways and is increasingly unfortunate.

What that does is it forces countries to take the bull by the horns, so to speak, and address those types of issues in free trade agreements. I think our trade associations have been very mindful of that, and the focus has been on developing free trade agreements like the ASEAN agreement, which is obviously an absolutely critical region for Canadian trade and investment.

From my perspective and what I wanted to speak about today on investment is that, although not called a non-tariff barrier, it is an impediment to Canadian activities in regions like ASEAN if international protections, not only trade protections but also investment protections, are provided for investors.

Part of it is that international trade isn't just about sending stuff abroad. Our companies work abroad. They have operations abroad. To have that complete business model, many of them operate a large percentage of their business abroad. The types of protections you can see in investment agreements and in investment provisions of these types of treaties are absolutely critical, again, to provide that environment where, whether you call them non-tariff barriers or not, you must have the top-quality provisions.

• (1140)

**Mr. Kyle Seeback:** Canada has a host of new agreements that they're looking to negotiate—FTAs. Where you would put the dispute mechanisms dealing with non-tariff barriers on the scale of importance in negotiating those agreements: the absolute top or very near the top? That's my question.

**Mr. Ian Laird:** Those types of non-tariff barriers end up being the types of irritants that lead to these types of disputes. Those treaties absolutely need dispute resolution provisions. To not have those types of provisions incredibly hampers our traders and investors because there's no impact for breaches of those treaties. I'd put a very high priority on having those types of provisions.

**The Chair:** Thank you very much.

We'll go to Mr. Virani for six minutes, please.

**Mr. Arif Virani (Parkdale—High Park, Lib.):** Thank you very much, Madam Chair.

Thank you to all the witnesses here and online for joining us for this very important study.

I'd like to make a comment before I start my questions. I think one of the witnesses said earlier that we've had a sort of slowdown in the negotiation of FTAs. I would respectfully beg to differ. In the last seven years, Canada has actually concluded agreements on CETA, CPTPP and CUSMA. We remain the only member of the G7 that has a free trading relationship with every other member of the G7. As one of the later witnesses pointed out, we're actively pursuing agreements with ASEAN, India and Indonesia, and also the U.K.

For my first question, I'd like to turn to the folks from Pulse Canada.

Mr. Ross, you pointed out the prevalence, unfortunately, notwithstanding our being the world's largest pulse exporter to over a hundred countries around the planet, of the issue of sanitary and phytosanitary standards continuing to rear its ugly head, sometimes in less than ideal or less than good-faith ways. You touched on this fact. You know that the Indo-Pacific strategy we launched last fall includes an agricultural office in situ or on site in the region. It's funded to the tune of almost \$32 million.

Can you tell the committee what that kind of office represents in terms of an opportunity to be there on the ground and to ideally ward off issues before they arise, but secondly to deal with issues once they come up? How does that affect your work?

**Mr. Mac Ross:** That was something that Pulse Canada along with a number of our other counterparts at ag commodity associations in Canada supported very much. As I mentioned, it's very important that, in addition to having these mechanisms within trade agreements, we have a sustained and long-term presence and relationship-building initiatives by both industry and government in the regions that we trade with.

We know that while some of the barriers we face are put in place deliberately for protectionist reasons, many of these barriers are also often due to the importing country's lack of resources, time or expertise to implement proper risk assessment systems for incoming commodities. We know that, specifically in the Indo-Pacific, many of these economies could benefit from regulatory and technical capacity-building work. We hope to see a major focus on that through this office. We're very happy to see this as a first step towards that.

• (1145)

**Mr. Arif Virani:** Thank you, Mr. Ross.

You'll know that Minister Goyal from India, the minister of commerce who is Mary Ng's analogue, is actually in Ottawa these next couple of days. There are some events and discussions happening in relation to the early progress agreement that's being pursued. You can rest assured—I've heard you on the peas issue—that it will be raised, but in terms of the opportunity of working toward that agreement with India, are there specific issues or matters that you would like us to be raising with Minister Goyal, given this momentous opportunity of having him here on the ground in Ottawa as we speak?

**Mr. Mac Ross:** For sure. We very much support the government's efforts to conclude an early progress trade agreement with India. An EPTA that creates predictable and transparent policy in general for the trade in pulses between Canada, the world's largest pulse-exporting country, and India, the world's largest pulse consumer, would really be a major win for Canadian farm businesses and the entire pulse value chain in Canada.

We've also found, through our continued engagement with India stakeholders, that an EPTA that includes strong provisions regarding the trade in pulses would also be a win for India in ensuring the availability of pulses in an environment of increasing consumption. The minister will know that the projected demand for pulses in India is expected to rise to around 39 million tonnes by 2050, from the current demand of around 23 million tonnes. This presents an important opportunity for the Canadian pulse sector, which has been India's largest and most reliable pulse supplier.

It's really about how we can support their food security needs moving forward, and what type of predictable and transparent framework we can put in place to do so.

**Mr. Arif Virani:** Thank you, Mr. Ross.

I want to turn my focus to you, Mr. Nankivell, with respect to what you were talking about on the Asia Pacific Foundation. I found you very much in the weeds in terms of details, but I actually thoroughly enjoyed it.

In November of last year, the Prime Minister was actually on the ground at ASEAN. There was a public announcement about the

agreement between ASEAN and Canada to change Canada's status and move toward elevating Canada's status to that of a strategic partner. You know—you noted it in your comments—that we are working towards a free trade deal with ASEAN.

Can you tell us about what that kind of announcement last November means in terms of elevating Canada to strategic partner status? How does that help the process of getting an FTA concluded?

It's over to you, Mr. Nankivell.

**Mr. Jeff Nankivell:** Thanks.

In short, I would say it's of political significance in the signal it sends to the 10 member countries of ASEAN, as well as the secretariat of ASEAN, about the importance of the relationship with Canada. I think it is giving momentum and energy to the trade agreement negotiations with ASEAN.

That said, the biggest challenge about negotiating a trade agreement with a 10-country grouping is the different levels of development among the countries. You have members of ASEAN, including Cambodia, Laos, Myanmar and Vietnam, at lower levels of development, and you have countries like Singapore and Malaysia at the high end, so I wouldn't underestimate the challenges in getting across the finish line on that, but there's definitely a new energy.

Also, the announcements that came out of the Indo-Pacific strategy rollout by the government have been noted by our interlocutors, our counterparts in Southeast Asia, by leaders in those governments, and I can tell you, having been in the region a few times since November, there's keen anticipation about a sustained stepped-up Canadian engagement in the region. Leaders in those countries are looking forward to seeing the signs of that—both the beefing up of diplomatic missions, as has already been mentioned; and the establishment of a strengthened regional hub for Agriculture and Agri-Food Canada, including CFIA personnel in the region.

All of those things, as we start to see more Canadians on the ground in the region, will help to build the kinds of relationships you need to get these agreements across the line.

**The Chair:** Thank you very much.

We'll go on to Monsieur Savard-Tremblay for six minutes, please.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Thank you, Madam Chair.

Greetings to all of the witnesses. Thank you for your presentations today.

First I want to pick up on the question that my colleague Mr. Virani asked Mr. Ross. He asked about the market diversification bureau that would be based in the Indo-Pacific region.

Mr. Ross, you appeared before the committee last June when we were doing a study on that topic. If an office of that type works in the Indo-Pacific region, then it could very well work elsewhere. It would have to be determined whether the model can be easily transferred or whether it's more tailored to the unique reality of the Indo-Pacific. You spoke about the requirements in Pakistan, and Vietnam's requirements regarding seed and import bans.

I must admit I'm surprised that the diplomatic corps was not able to monitor the situation on the ground and give you a heads-up.

Why is this office, which would be separate from embassies and consulates, necessary?

• (1150)

[English]

**Mr. Mac Ross:** Thank you for the question.

I think I'd start off by saying that we do rely on our trade commissioner service, and they do a very commendable and great job in a lot of our key markets, but oftentimes they have many issues to deal with, many priorities, and don't have the ability to focus directly on the agri-food trade issues that we experience and are experiencing increasingly in markets around the world. Specifically when it comes to SPS-related issues, we know that competitors such as the U.S. have a much more extensive network of diplomats and foreign officials working on these matters for them.

For us, it was really about how we can be efficient in a region that's very important for the ag sector broadly in the Indo-Pacific and have dedicated resources to address these issues. To your point about this model working elsewhere, I think that's a great point, yes. I think that's something we would like to see in other markets of key importance: having more of a sustained and long-term presence in the region and a specific focus on regulatory and technical capacity building as we see more of these non-tariff trade barriers in the area of SPS-related issues.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** You spoke a great deal about this office, saying that it was a source of information. In other words, you would be informed before shipments arrived at their intended destination and before they were returned to the sender. Besides providing you information, the office helps you how? What is going to be done once these new policies are deployed and understood?

[English]

**Mr. Mac Ross:** If you're referring to the technical capacity-building efforts I noted, I think these can take place through a number of ways, whether it's visits to production sites, labs, research stations, engaging with eminent academics and their institutions, market studies, etc. However, all programs embedded in trade facilitation and development assistance we would see as very advantageous for addressing these barriers.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Mr. Ross.

My next question is for Mr. Laird.

Investor-state dispute settlement mechanisms are included in the CPTPP, as they are in most other agreements. An exception is CUSMA, from which the famous chapter 11 of NAFTA was removed. This opens the door for foreign investors to bring legal action against a country that is promoting a public policy. The United Kingdom expressed its concerns in a report by the standing committee on international trade in London.

The report places the blame on policies aimed at increasing the minimum wage, ensuring affordable water rights for citizens and phasing out of fossil fuels. That is to say that even if these provisions could, in theory, make it possible to break through certain illegitimate non-tariff barriers, they would also somewhat censor democratic debate and political decision-making.

What mechanisms do you recommend to strike a balance between the healthy harmonization of public policies and respect of the right to legislate?

[English]

**Mr. Ian Laird:** I thank the member for the question.

That's a very key question. It goes to the balance of these types of investment protections, balancing the protection of the investor in the foreign state with the right to regulate, as you say, which is absolutely key.

I think you can look at an agreement like the CPTPP and see that there have been great efforts to try to address that balance. From an academic and practitioner point of view, the States' position is certainly well represented to make sure that the right to regulate is considered. As an individual who has been counsel in these types of cases of international arbitrations and an arbitrator, I believe there is a balance and that tribunals are certainly taking well into consideration the government issues.

In terms of the types of provisions, it really goes to the types of substantive standards, which I think you can see have well taken care of that issue of the right to regulate.

• (1155)

**The Chair:** Thank you very much.

We'll go on to Mr. Cannings for up to six minutes, please.

**Mr. Richard Cannings (South Okanagan—West Kootenay, NDP):** Thank you.

I'll continue with Mr. Laird on that topic.

It seems that there's a trend recently with some of the free trade agreements around the world for these investor-state dispute mechanisms to be pulled out of agreements, especially where you have countries that seem to have a mature and robust judicial system and investors can use the courts. For instance, although the investor-state mechanism is enshrined in CPTPP, I heard recently that Australia and the U.K. signed a side letter agreement to remove it, in a bilateral way, when the U.K. accesses to that agreement. It's also come out of CUSMA.

I'm wondering whether you can comment on that trend.

As Monsieur Savard-Tremblay mentioned, there is this opposite effect, where it really does hamper what local governments, provincial governments and federal governments here can do in terms of new legislation around labour practices, environmental issues, etc.

**Mr. Ian Laird:** I thank the member for that question.

Falling on your last point, the idea there may be some regulatory chill.... From an academic point of view, that has been well studied. There certainly is no definitive conclusion that this is the case. If you look at the specific case law in terms of pure winners and losers, certainly, investors have not had particular success under these treaties. In fact, they received, when they were successful, fractions of what they claimed. Governments routinely win these cases. From the stats, it's hard to say this is something that has been undermining governments' right to regulate.

That being said—and this is WTO and all of international law—it is like all law. It puts limits on government and addresses very fundamental rights, such as not being discriminated against, being treated fairly and equitably, and being compensated for expropriation. These are very basic standards that have developed in international economic law in the last 100 years. It shouldn't be something the Canadian government and governments are afraid of.

**Mr. Richard Cannings:** You were concentrating on mining in your remarks. Coincidentally, I had a meeting with the CEO of Teck Resources in my office last week here in Ottawa for another reason, as you can imagine. We were talking about their operations in Chile, for instance. I was just down in Chile recently on a parliamentary visit. He brought up the fact that Teck chose to act in Chile the way it acts in Canada. I don't think that is the case for many Canadian mining companies. They have managed to sign impact-benefit agreements with communities and develop very large projects with absolutely no controversy at all.

However, it seems Canada has trouble—a bad reputation, in many cases—when it does not do that and when companies take advantage of countries without the capacity to regulate.

• (1200)

**Mr. Ian Laird:** You're addressing a very key issue of these types of protections. They protect the investors, but it also gives a chance for respondent states to bring up these types of issues.

In fact, these cases show both sides of what's going on. That kind of transparency in bringing out those issues is very important because we should certainly hold Canadian miners and extractive industry folks abroad to Canadian standards. That's what these treaties seek to do as well.

**Mr. Richard Cannings:** I'll continue down that road because this is of particular interest to me.

In terms of dealing with Canada's operations in other countries.... As you mentioned, we have an oversized influence in the mining sector because most of the mining companies are based in Canada. That's where we see some of our impact abroad.

We have a commissioner for responsible enterprise in Canada, who was before this committee earlier. She was essentially getting no complaints from Latin America or Africa, for instance, because the community groups that had issues with Canadian mining companies felt the office had no power. It has no power to call testimony from witnesses or to call documents, so those groups were going to the United Nations and taking other routes.

Again, this is a side issue, perhaps. It's peripheral to the issue of non-tariff barriers, but I think it plays into why some of these countries may take actions against Canadian investors.

I'm wondering whether you could comment on that office. If we had it strengthened, we would have fewer disputes abroad.

**Mr. Ian Laird:** The commissioner issue is certainly one that's very important. I would put it a little outside my topic of discussion, but it goes to the overall point that.... When Canadian companies are involved in these foreign jurisdictions and investing substantial amounts of money, if there are going to be disputes, they should be balanced.

I believe the Canadian treaties that address these issues make great strides in seeking to achieve that balance.

**The Chair:** Thank you very much.

We now go to Mr. Martel for five minutes, please.

[Translation]

**Mr. Richard Martel (Chicoutimi—Le Fjord, CPC):** Thank you, Madam Chair.

I thank the witnesses for being with us today.

Mr. Laird, you mentioned that Canada needs to step up its trade agreement efforts because it has fallen behind. I find that rather worrying.

Can we catch up, or have we fallen too far behind?

[English]

**Mr. Ian Laird:** Thanks to the member for asking that question. It was addressed indirectly earlier.

I have to give credit where credit is due. The efforts with regard to CPTPP and ASEAN certainly have been significant. When we look at the USMCA, or CUSMA as we call it in Canada, that was really about assuring continued rights and, in fact, I see it again as retrograde that our largest source of international investment has been eliminated from a dispute resolution point of view. However, in terms of those other areas, if we look to investment, say, in South America and Africa, there are still significant jurisdictions that have not been covered by free trade agreements or FIPAs.

I think that was more my commentary: that there is still significant work on that front and there are numerous agreements that have been negotiated but not signed and numerous states in which negotiations have started but are not completed. That is just on the record if you go to the Global Affairs website. There is clearly a lot more work to do.

• (1205)

[*Translation*]

**Mr. Richard Martel:** I have another question for you.

I would like to discuss the Softwood Lumber Agreement between Canada and the United States, which has been in place since 2006. There doesn't seem to be a light at the end of the tunnel. We all know that many softwood lumber disputes between Canada and the U.S. have been brought before the WTO, the World Trade Organization. Minister Ng announced that she would challenge the United States' tariffs on softwood lumber under chapter 10 of the Canada-United States-Mexico Agreement, or CUSMA.

I would like to know what is happening with all of these softwood lumber disputes at the WTO. How have they not been able to reach an agreement after all these years?

[*English*]

**Mr. Ian Laird:** The WTO situation really goes to the difficulty in appointing new members to the dispute resolution body, so it has just become virtually impossible to bring disputes through the WTO mechanism, which is certainly a real shame because, in years past, it was a very useful venue for these disputes.

In terms of the options of Minister Ng, the USMCA still has a state-to-state dispute resolution mechanism. That's certainly open to Canada, and I suspect that's what she was talking about. That's still a pretty robust mechanism, and if Canada sought to use it, I think that would be the route to go.

[*Translation*]

**Mr. Richard Martel:** My next question is for Mr. Kingston.

As you know, there is much talk of reciprocity of standards in trade agreements. We have found that reciprocity is not always fair in various sectors.

What sectors do you feel we could look at that put us at a disadvantage here in Canada?

[*English*]

**Mr. Brian Kingston:** Thank you, Mr. Martel. That's an excellent question.

Reciprocity, particularly in manufacturing and automotive, is really important. As I noted, most of our manufacturing and production goes to the United States. That said, we do have opportunities to export to other markets. If you look at both Japan and Korea, there are long-standing non-tariff barriers that have been in place that weren't fully addressed in our trade agreements and provide serious barriers to manufacturers that look to export from North America into those markets. There are many examples such as certification requirements and spectrum allocation—all sorts of tools to stifle imports from other markets.

It's really important that our trade deals have reciprocity built in and, if it's not achieved, then we need dispute settlement mechanisms to take on those barriers.

**The Chair:** Thank you very much.

Go ahead, Mr. Arya, please, for five minutes.

**Mr. Chandra Arya (Nepean, Lib.):** Thank you, Madam Chair.

I would like to ask a question to Mr. Laird.

Mr. Laird, I'm glad you brought up the significance of mining companies in Canada. Many of us tend to forget the enormous contribution that mining companies have made and continue to make in the Canadian economy and the prosperity that we enjoy today. Mining companies have a significant role in that.

You rightly highlighted the non-tariff barriers coming up in different places. For example, in Tanzania they have implemented the export ban of gold and copper concentrates. In the Democratic Republic of Congo, I believe the second-largest cobalt mine has been shut down due to the demand of the government that there be local processing. It's the same in Tanzania, which has stopped the export of copper concentrates, again insisting on domestic processing. Indonesia is banning the export of raw nickel and also imposing some export taxes. Tanzania, again, is also insisting on mandatory government inspection and special requirements for exports

The other day I was listening to the United States national security adviser, Jake Sullivan, talking about the international economic agenda. I could sense the movement from multilateral agreements to economic partnership agreements with selected countries. That seems to be the key.

With respect to Africa, we don't have free trade agreements there with the countries I just mentioned, so that, I believe, will increase the complexities faced by Canadian mining companies. Can you comment on that, please?

• (1210)

**Mr. Ian Laird:** Thank you for that question, Member Arya.

I think you've raised a very good point with regard to the need for further negotiation, in general, in Africa with a number of jurisdictions.

In looking at foreign direct investment, we see that six of the top 10 recipients of Canadian foreign direct investment—and a good proportion of that relates to mining—don't have a free trade agreement or a FIPA. I would agree that we should very much be targeting those countries. If we're going to provide international protections and remedies, it's absolutely essential that the minister give some attention to those negotiations. I totally agree with what the member has said.

**Mr. Chandra Arya:** Madam Chair, I have a question for Jeff Nankivell.

Mr. Nankivell, Prime Minister Trudeau is going to South Korea and Japan in the near future. What are the two top issues in non-tariff barriers that you'd like the Prime Minister to raise with his counterparts when he visits there?

**Mr. Jeff Nankivell:** That's a good question, and I think there are others on the panel representing, for instance, the beef industry or the pulses industry, who would have views on that.

I think these are very promising markets for Canadian agricultural exports, and there is more work to be done in reducing NTBs in the area of agricultural exports. That's one area.

I would say the other is auto parts and automobiles, and I think the committee has heard about this at some length now. The industry in Canada, I know, has expressed frustration about the lack of access in the auto sector to those two countries, and there's a lot of potential to grow the two-way trade in the auto sector in those two countries.

**Mr. Chandra Arya:** Okay, I just have a quick question to Pulse Canada.

Mr. Ross, it is possible that I may meet the Indian commerce and trade minister this evening. What is one thing I should ask him regarding pulse exports to India?

**Mr. Mac Ross:** I think I've already touched on the issues with their pea import policy, which has effectively banned us out of the market, but I think another thing that I'll add is just around the implementation of sanitary and phytosanitary import requirements.

While we know it's necessary for protecting human and plant health, it can really increase the cost of agricultural goods and have a significant impact on the price paid by the consumer in India. I think one of the things that could be raised is how Canada and India can work towards ensuring that SPS measures are science- and risk-based and do not impede the trade in food between our countries, because we do have outstanding SPS issues with India that we'd like to see addressed through the EPTA.

**The Chair:** Thank you very much.

Mr. Savard-Tremblay, you have two and a half minutes, please.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Mr. Laird, once again with respect to this legislated right, we know that negotiations are under way with India and Association of Southeast Asian Nations, or ASEAN, countries to reach two separate trade agreements. However, as we know, the human rights record in those parts of the world is worrisome to say the least. Amnesty International has documented it. We know that environmental rights are being violated.

Take palm oil, for example, and a great deal of other such products that are harvested in quite appalling conditions.

Let's say we pass environmental legislation on where certain products come from and under what conditions they are produced. What would we do if we were accused of having non-tariff barriers ourselves and then we accused other countries around the world of the same thing, and they told us we had put up barriers out of respect for human rights or the environment? How could we achieve that reciprocity?

• (1215)

[*English*]

**Mr. Ian Laird:** I think the member raises a fundamental principle in international agreements, which is that there should be reciprocity. If Canadians have treaties abroad to protect and promote investment, for instance, as I've discussed, then that should be reciprocated. We should look for that in our treaties.

If the Canadian government is engaged in non-tariff barrier activity that is limiting that investment or that trade, I would expect the dispute resolution processes would work for those foreign investors in Canada.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Does that mean, then, that we should refrain from legislating on reciprocity? When it comes to respecting human rights and environmental measures, we're not on an equal footing with India and the ASEAN countries, for example.

[*English*]

**Mr. Ian Laird:** Yes.

Unfortunately, there can be a disparate nature in terms of the basic footings. You'd hope that, if it comes to a dispute, tribunals would be sufficiently educated to be able to deal with those disparities and address them fully.

**The Chair:** Thank you.

Mr. Cannings, you have two and a half minutes, please.

**Mr. Richard Cannings:** Thank you.

I will turn to Ms. Tranberg, at least to start.

I believe it was Mr. Lowe who brought up the issue around the unfair way that China has been treating Canadian beef exports around BSE. I took it that Brazil has a similar status as Canada, but China has reinstated them.

Is that the kind of thing we need? Some of these non-tariff barriers seem to be intractable, but in this case we have a situation where perhaps we could have a clause in our agreements, whether they're FIPAs or FTAs, that says there has to be equal or similar ways of treating countries that have similar issues.

I'm not sure if that was a clear question, but perhaps you could touch on that.

**Ms. Janice Tranberg:** If we could get to a point where we could put a clause like that in, I think that goes to the issue of reciprocity, but I'm not sure that it would work.

In this particular case, atypical BSE is a disease that happens to cattle later on in their lives. It's completely natural. This is not the BSE that would shut down the border. When you have an atypical BSE case, as long as we can prove that everything is working and we've identified it as we should, then we should be able to move forward quickly.

When this happened to Canada, other countries around the world took their time, did their quick analysis and then shortly afterwards opened markets back up for us. That's indeed what happened to Brazil. They had an atypical case in February and by March markets had already opened back up. Our atypical case was in 2021 and we still don't have access to China with beef products.

Truly, we've been informed that this is more of a political issue than even a trade barrier. They're using this as an excuse to create a trade barrier.

**The Chair:** Thank you very much.

I'm sorry. The time is up.

Mr. Carrie, go ahead, please.

**Mr. Colin Carrie (Oshawa, CPC):** Thank you, Madam Chair.

Mr. Kingston, I'll start with you.

For young people I talk to, one of their dreams is to own a home, and it seems to be getting further and further out of reach. Today I was listening to the radio, and in the U.S., the average cost of a new car is \$48,000, which is \$750 per month for a payment. A lot of this seems to be out of control. People don't know how they're going to afford things.

Let's look at the ZEV mandate of this government. They set a policy, but they don't consult properly. They expect everybody else to pay for it, and we could talk about the provinces and the charging infrastructure, the grid. There seems to be no flexibility. Everybody gets criticized if they don't do it their way.

My concern is what Mr. Seeback started with, the coupling of these regulations and the costs that are set at the feet of Canadians. Could you go over, just for the committee's knowledge...? If I'm an auto investor and I want to sell cars here, how many different regulatory systems do auto manufacturers have to face if they want to invest or sell in Canada? That's the first question.

With all the decoupling of regulations, what does it do to the cost of cars? For example, a young person wants to buy a traditional car versus an electric car. What is it doing to the costs for investors and for individual consumers?

• (1220)

**Mr. Brian Kingston:** To answer your first question in terms of the number of regulations that automakers deal with, it is a highly complicated regulatory environment. It's a miracle that vehicles roll off the line as quickly as they do when you look at a plant and you consider all of the layers of regulation, and it's not just emissions standards. Vehicle safety is absolutely critical. There are privacy and cyber concerns, and the list goes on and on, hence the reason it's so important to have an aligned and coherent regulatory environment to make sure that production and Canada's competitiveness are maintained.

When it comes to the ZEV mandate, it has potential to drive significant costs, not just from a regulatory environment perspective but also from a Canadian consumer perspective. The current price gap between an electric vehicle and a gas-powered vehicle is about \$14,000 Canadian. That gap will close over time because manufacturers are investing so much, but we have other challenges on the supply side as demand increases. The current estimate is that we need 300 new mines globally for nickel, cobalt, lithium and graphite between now and 2035 to meet EV assembly targets—300 mines. I don't see a scenario where those 300 mines are operational within the timelines the government has projected.

What's the impact? The regulation proposed by Environment Canada says very specifically that low-income Canadians will disproportionately be affected by this. They will face higher costs for both gas-powered and EV vehicles and will have the hardest time charging their vehicles, because low-income Canadians in a higher proportion live in apartments and multi-unit residential buildings, where charging is very difficult to access.

These are real challenges that need to be addressed, and the current approach does not address them.

**Mr. Colin Carrie:** Thank you very much.

In the theme of the government's bringing in legislation without really consulting recently, I'd like to talk to Mr. Lowe with the National Cattle Feeders' Association.

You're probably aware of Bill C-282 and the criticism that there wasn't enough consultation. I was wondering if you could comment on this bill being a potential trade barrier.

Also please elaborate a little bit. You mentioned the veterinarian situation between Canada and the U.S. You'd think that we'd be able to get that one figured out. Could you let us know the status of this dispute between Canadian and U.S. veterinarians and what it means for the market here for Canadians and the costs?

**Mr. Will Lowe:** In regard to veterinarians, I think a lot of this stuff goes back to some of the issues we had with COVID and with border issues at some of our ports. It has become a labour issue on the veterinary side. It's to no one's surprise that veterinarians here in western Canada and across the country are harder and harder to... We're putting fewer graduates through college, and we're seeing older veterinarians in Canada retire. I'm thinking that the situation is similar in the U.S.

For a time, we had BSE issues. That was from 2003 until now, with the negligible risk status change that happened last year. That was 20 years in the making from our first BSE case. That issue is very slowly rectifying itself.

On Bill C-282, we see it as an impediment. It just throws up another irritant to the U.S. It's protecting one industry at the expense of other industries. We see protecting supply management as one of those things that becomes a trade irritant, especially when we're looking at the potential for another country of origin labelling protectionism non-tariff trade barrier in the United States.

We're asking the United States to not implement country of origin labelling. We've gone through this numerous times in the last 20 years. Canadians have always won those cases, but then we go and introduce Bill C-282, which protects one industry over another. We highlight an issue but the U.S. can say, "We're looking at country of origin labelling, but you're protecting your industries as well."

• (1225)

**The Chair:** Thank you very much, Mr. Lowe.

We'll go on to Mr. Miao for five minutes, please.

**Mr. Wilson Miao (Richmond Centre, Lib.):** Thank you, Madam Chair.

Thank you to all the witnesses for being here today. I'd like to go to Mr. Kingston first.

Has your association pursued any initiative or strategy to identify or mitigate any NTBs? If you could prioritize the removal of NTBs in future trade agreements, how would you do that?

**Mr. Brian Kingston:** Thank you, Mr. Miao. That's a great question.

We do, and we regularly consult with members on any NTBs they're facing. Again, I've mentioned a couple, but there have been challenges in the Japanese and Korean markets in particular. While we do have trade agreements, we do see NTBs when it comes to auto manufacturers from North America accessing that market.

Another NTB to highlight is on the rules of origin front. Canada and Mexico recently won a case against the United States and the USMCA that had to do with auto rules of origin. That was a successful Canadian-led approach to address this, but we've yet to see the Americans come into line on that. It's important that we negotiate reciprocity off the top, but we have to have functional dispute settlement mechanisms with provisions to ensure companies comply should they lose a case.

**Mr. Wilson Miao:** Thank you for that.

Next, I would like to go online to Mr. Ross.

How have recent trade deals signed by Canada impacted Canadian pulse exports? Have you seen NTBs diminish because of deals such as the CPTPP or CETA?

**Mr. Mac Ross:** Thanks for the question.

I think there are a couple of things on this one.

For one, the only market in the world where pulses are politically sensitive and often subject to protectionism is India's. That's why, in this future agreement—not an agreement that we've negotiated already—it's going to be extremely important for us to address that.

To your question around agreements that have been signed—whether it be CETA or CPTPP—I think CPTPP has been important in reducing duties in some of these markets where we're trying to diversify away from some of our historical markets—like China and like India—into new markets. That has been important, but at the same time, we've still seen NTBs arise. A specific example would be in Vietnam, where their regulation of wheat seed, without any apparent technical justification, has hindered our ability to grow our exports into that market.

I'd say that with CETA, more generally, we do have concerns around some of the stated policy directions from the EU when it comes to things like mirror clauses and their regulation of crop protection products and how that may—not currently but in the future—present some real non-tariff barriers for Canadian pulses. More broadly, those agreements are important for us in our diversification efforts.

**Mr. Wilson Miao:** Thank you.

I'll go next to the Asia Pacific Foundation.

Last year you published a paper entitled "A Free Trade Agreement for Canada and India: Is the Time Finally Right?" Are there any lessons that Canada can learn from other deals, such as the ones between Australia and India, when negotiating our own deals?

**Mr. Jeff Nankivell:** Thanks for the question.

Obviously, it's a difficult market. That's why what we're talking about is an early progress trade agreement. I think it's significant, by the way, that this is kind of a new approach for Canadian trade negotiators to accept less than a full deal, to take less than a full loaf, when it comes to a trade agreement, where we aim for very high standards.



I don't have a recommendation on a specific lesson learned from the Australians' experience. I think it's important for us to be watching these things very closely. Australia would be a closer analogue to Canada than the U.K., which is also in similar negotiations with India, because of the nature of our economies.

When you're looking at these things, you also have to look at what's in the other deal, at what they got and what they conceded, in the language of trade agreements. I mean, these things should always be win-win, but there are concessions and there are things that you feel you get. We need to really look at what it was the Australians needed to concede and see if we're comfortable with making similar concessions in the Canadian context. While we have similarities with the Australian economy as a major commodity exporter, we're not exactly the same, either.

• (1230)

**The Chair:** Thank you very much.

Mr. Baldinelli, you have five minutes, please.

**Mr. Tony Baldinelli (Niagara Falls, CPC):** Thank you, Madam Chair.

I'm going to follow up with two questions to two of our witnesses, and I'll go to Mr. Kingston first.

In your comments to one of my colleagues here, you mentioned the requirement that we would need probably 300 mines—today, I think you said—to move forward with that goal of trying to get the 2035 EV mandate all in Canada, but here's the concern: It takes 10 to 12 years to build a mine in Canada and get regulatory approvals just for that.

The IRA down in the United States already has tax credits for production and the vehicles. They're certain that every year they're going to be going up, I think beginning next year, in terms of having North American content, 40% to 50% to 60%. Right now we don't qualify. How is it that we're going to be able to compete and qualify? My colleague has a production facility. I have an engine plant, which is just next door to my riding, that employs a thousand people right there.

How do we compete in that situation?

**Mr. Brian Kingston:** Thank you.

It's very challenging to compete, particularly with the Inflation Reduction Act and \$370 billion U.S. dedicated to climate change. A huge portion of it is dedicated to retooling plants, battery production and critical minerals. It's a big challenge.

That said, we do have an advantage in the fact that we have critical minerals. To your point, and we've said this many times, this is a generational opportunity if we seize it. To seize it, we actually have to improve and speed up our regulatory approval process so that these mines get built, processing facilities are put in Canada and we become a global supplier of choice. Our track record on that front is not fantastic right now.

This is the moment. Companies are making big investment decisions. If we don't get the environment right, we'll miss the opportunity.

**Mr. Tony Baldinelli:** To your point, is it realistic to think that we could meet that 2035 target?

In Ontario itself, the Ontario electricity system operator says that to get to a net-zero carbon grid in Ontario, it will cost us \$400 billion over 25 years. Is that even achievable? That's to take us from 42,000 megawatts to 88,000 megawatts in 25 years. That will be a daunting task. I think they say that we'll need about six times the 14,000 workers that exist for infrastructure today to simply get there.

**Mr. Brian Kingston:** Huge investments need to be made in the electricity grid, and not just in the grid but also in the generation of clean electricity, if we're going to hit this target.

I'll give you an example of what Canada is doing compared with another jurisdiction with a similar target. The federal government wants about five million EVs on the road by 2030. California has the same target, yet the federal government's goal for charging infrastructure is half—195,000 chargers compared with 400,000.

These are the types of challenges we have to overcome. We have a rural population. A third of Canadians live in multi-unit residential buildings. We have an aging electricity system that needs to be massively upgraded—now.

**Mr. Tony Baldinelli:** Thank you, Mr. Kingston.

If I could go to Mr. Laird, in your comments you mentioned our investment protections, that the dispute resolutions within free trade agreements are too defensive; they don't properly support our companies. For example, you mentioned that protection for foreign investment within CUSMA no longer exists, where it did under the NAFTA.

How key is it for Canada to get that back into a revised CUSMA? Will things such as passing Bill C-282, which protects supply management, make it more difficult for this to happen because our trading partners could see this as a trade irritant?

**Mr. Ian Laird:** If the opportunity did occur to renegotiate CUSMA, I think that would be something that certainly the mining industry would be interested in. However, it's probably unlikely that we'll be seeing that negotiation in the future.

To respond very briefly to that point about the idea that we're seeing these types of provisions taken out of treaties around the world, I think Canada ostensibly has a policy under its model FIPA of having these types of provisions.

My concern is mainly a caution that this does not become a trend, that the one example of CUSMA doesn't continue on in future negotiations. We seem to be addressing investment issues in treaties like CPTPP and other agreements, so I'm optimistic that we won't take the CUSMA route in the future.

• (1235)

**The Chair:** Thank you very much, Mr. Baldinelli.

Ms. Dhillon, please, you have five minutes.

**Ms. Anju Dhillon (Dorval—Lachine—LaSalle, Lib.):** Thank you, Madam Chair.

I'll start with Pulse Canada.

Pulse Canada does a lot of work to ensure both a green industry and a sustainable industry. Can you talk to us about some of these efforts? Have these efforts resulted in increased demand or the removal of non-tariff trade barriers?

**Mr. Mac Ross:** Sure. Thank you for the question.

At a high level, thanks to the work of Canadian growers and the entire value chain, our pulse industry is an environmental success story. Pulses, when grown as part of an agronomically responsible rotation, lower Canada's environmental footprint. We have a recent study that benchmarks that.

That is part of the discussions that we're having with our trading partners to increase demand. We've seen that yield some results in the EU and here in North America.

We're also trying to have these discussions with a market like India, which, as you know, right now is hosting the G20 presidency. Their slogan is "One Earth...One Future". Not only do pulses play a role in ensuring nutritional security in food-deficit countries like India, but also in ensuring that food systems are sustainable. We feel that it could be a good fit for their sustainability and environmental objectives as well.

**Ms. Anju Dhillon:** Thank you for that.

I have a follow-up question as well. Have non-tariff trade barriers prevented or held back Pulse Canada's efforts in creating a green and sustainable industry?

**Mr. Mac Ross:** I'd say, at this point in time, no.

However, I do think there's definitely potential in the future for the nexus of trade and climate to create more opportunity for non-tariff trade barriers. Specifically, when we look at a market like the EU, mirror clauses, for example, the signals that they want to begin applying EU health and environmental standards to imported product, could be troublesome moving forward. It is also likely against the spirit of the WTO and its free trade principle of non-discrimination in which countries cannot normally discriminate among their trading partners.

As Canada is involved and, in some cases, is leading reform efforts in institutions like the WTO—an effort that the EU is also involved in—we need to ensure that, while it's important to address climate change in the new era of trade policy, that the goalposts of this important framework aren't moved in a way that allows countries to unnecessarily restrict trade in the name of environmental stewardship.

**Ms. Anju Dhillon:** I have a third question for you, but also for the Asia Pacific Foundation and the National Cattle Feeders' Association.

What do you hope Canada's Indo-Pacific strategy will accomplish in terms of eliminating non-tariff trade barriers?

These are questions for everybody on the panel. Thank you.

**Mr. Mac Ross:** I will just quickly note that the inclusion of an Indo-Pacific agriculture and agri-food office in the region is going to be extremely important in creating, as I touched on before, this long-term and sustained presence in the region to proactively address some of these irritants we face.

I'll let others comment, as well.

**Mr. Jeff Nankivell:** I will follow up on that. One of the things we haven't talked about yet is how we can address challenges posed by non-tariff barriers. For every Canadian export there is an importer. There are importing interests in all of these countries, whether they're distributors, retailers, consumers who benefit or businesses that need our products and services as inputs. One way to get better outcomes for Canada is to build relationships with those interest groups, those stakeholders within these countries with whom we trade.

A really important aspect of the Indo-Pacific strategy is going to be the reinforcement of the Canadian diplomatic, trade and commercial presence in the region. That's going to help, as was just noted, in the area of agriculture and agri-food, for instance. It's going to help to build those relationships with industry groups and others who can be allies in addressing non-tariff barriers where they are actually hurting the interests of people in those countries.

That's a really important pathway that the Indo-Pacific strategy promises resources to address.

• (1240)

**The Chair:** Thank you.

I see Ms. Tranberg has her hand up.

Would you like to give a brief answer to that question as well?

**Ms. Janice Tranberg:** Yes, and I'll make it brief.

It was well said already. The only thing I wanted to add was that we have great potential to export beef into our Asia-Pacific countries. Japan, in particular, really likes Canadian beef. As we mentioned earlier with the U.S. being 70% of our exports, we're looking to diversify. Having an office in the Asia-Pacific is going to make a big difference in helping us to reach those goals of diversifying.

**The Chair:** Thank you very much.

We're going to go to Monsieur Savard-Tremblay for two and a half minutes.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** My question is for the representatives of the National Cattle Feeders' Association.

Last week, witnesses from the Canadian Cattlemen's Association told us they were disappointed that the United Kingdom is entering into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

I imagine you share their disappointment and their concerns for the future.

[English]

**Ms. Janice Tranberg:** If it's okay, I'll start and then you can add to this. Yes, we do. When the U.K. separated from Europe, it agreed to take the CETA with them. In essence, the way we wash and disinfect our cattle is a scientifically proven process that is completely safe. It has been used and accepted globally. Europe has not accepted it, and basically that has really shut us out of the market.

By the numbers I cited, Europe and the U.K. have taken advantage of the tariff rate quotas and have been able to export into Canada, but we are essentially being shut out of being able to access our tariff rate quotas into the U.K. This was not addressed in the U.K. CPTPP agreement.

With that, maybe Will may want to add.

**Mr. Will Lowe:** We've had trade irritants before with Europe. Previous to this issue, it was on growth promotants and implants in our cattle. This particular one, on carcass wash and using a lactic acid bath, is a pretty standard procedure here in Canada and the U.S. It's a procedure that is recognized around the world.

The problem with that is that plants would have to spend more money on capital equipment to use a different wash system. They're just weighing the cost benefit of spending that kind of extra money on a market that we're not sure whether we're in or out of.

**The Chair:** Thank you very much.

You have 30 seconds remaining.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I thought you were signalling me that my time was up.

[English]

**The Chair:** You have 30 seconds if you want to use it.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I have no more questions. I will simply thank witnesses for their answers. It was quite interesting.

They are right, except when they condemn Bill C-282. Everything else was quite relevant.

[English]

**The Chair:** Okay. Thank you very much.

Mr. Cannings, go ahead for two and a half minutes, please.

• (1245)

**Mr. Richard Cannings:** Thank you.

I'm going to turn to Mr. Laird again.

We have heard a lot about difficulties with the WTO recently. I know Canada began some sort of effort in terms of modernizing or fixing the WTO. I haven't heard much recently on that.

I'm wondering whether you could perhaps take some time to outline where you would like to see the WTO go that would benefit Canada and the rest of the world.

**Mr. Ian Laird:** Thanks very much for the question.

The real problem is centred on the United States' refusal to appoint members of the appeals panel. Frankly, whatever efforts we can make to help sway the U.S. to move away from that.... Canada has been leading on this and looking for other mechanisms, means and alternate dispute resolution methods. That's certainly a way to go at this. It's an option for Canada and I credit it for making those efforts.

Ultimately, I think it's about making the system itself work. That's a bigger issue that will require a lot more international co-operation.

**Mr. Richard Cannings:** Quickly, in the time I have left—and this is a very big question—what kinds of things could you envision for tackling some of these non-tariff barriers, especially around technical regulatory issues? We just heard about the BSE situation.

How do we get at those very difficult problems?

**Mr. Ian Laird:** This is something for everyone, I think. That's the big question.

I think it's the work of our negotiators. This allows me to raise the point that this is an excellent exercise involving the trade associations and individuals. When we're involved in these negotiations, drawing on the experience of the types of people we have in this room is absolutely critical to identifying those issues. I would put out this challenge to the negotiators and the department: They need to engage much better with Canadian industry when negotiating, so they're aware of the exact issues at stake.

**Mr. Richard Cannings:** Thank you. I'll stop there.

**The Chair:** We'll move on to Mr. Seeback for five minutes.

**Mr. Kyle Seeback:** Thank you, Madam Chair.

I want to talk to the National Cattle Feeders' Association, particularly with respect to the sanitary and phytosanitary issues surrounding carcass wash with both the U.K. and the EU.

Would you consider this to be a non-tariff barrier because the standard here is internationally accepted? Why hasn't this been resolved? There are dispute resolution procedures within CETA. Is it that those dispute resolution mechanisms aren't robust enough, or is there a lack of political will to get it done?

**Ms. Janice Tranberg:** Again, I can start on this.

You're asking the \$100-million question, because it is a trade barrier. It's not as if it hasn't been brought up multiple times. From what we understand, the EU is saying it doesn't meet their technical standards, so they are unwilling to move. We've had meetings with Global Affairs Canada and Minister Ng's office. I think they understand the issue. It has been brought up multiple times, but it appears the EU is not willing to move on this.

Certainly, at this point in time, we consider it a non-tariff trade barrier.

**Mr. Kyle Seeback:** How long has that been going on? How many years has it been now?

**Ms. Janice Tranberg:** I'm not sure.

Will, do you know the answer? It's certainly more than six years.

**Mr. Will Lowe:** Yes, I would say it's in that range.

As I said, it's a matter of spending more capital in these plants. We have plants here that will do it. They have done it as a niche market. They have spent the money on the capital outlay to put those different washes in. I think it's a steam bath more than a lactic acid.... The data actually supports our current system—our lactic acid washes—as being more effective than the steam baths.

• (1250)

**Mr. Kyle Seeback:** Do you know whether, in the U.S., they use a lactic acid wash and they are able to export beef into the EU?

**Ms. Janice Tranberg:** As far as I know, yes, that is correct, and to Will's answer, if we don't have the market to be able to use this alternative system, it means the plant has to shut down for a day and implement a completely different system. We need that market, and right now the market's not consistent because of this barrier. If we could get past this, we might be able to build that market.

**Mr. Kyle Seeback:** You said yes. Did you mean, yes, the U.S. uses the same carcass wash you do or, yes, the U.S. can export into the EU despite using the same system we do?

**Ms. Janice Tranberg:** Go ahead, Will.

**Mr. Will Lowe:** I'm just going to say it depends on the system. You have to have two lines to these plants, one for the regular lactic acid—

**Mr. Kyle Seeback:** Using the acid wash that you use, can the U.S. export? I'm trying to see if this non-tariff barrier is being applied consistently to both Canada and the United States, or is it being applied to just Canada?

**Ms. Janice Tranberg:** I am going to check to make sure I have the appropriate answer and get back to you, but my understanding is that, yes, they can use the lactic acid wash that Canada is not allowed to use. I will confirm that to be 100% certain.

**Mr. Kyle Seeback:** Thank you very much.

I want to quickly switch gears to talk about the country-of-origin labelling that's percolating in the United States. We know that these are draft regulations and that they are voluntary, but it's a significant issue, I think, for Canadian beef.

Do you think that the passage of Bill C-282, which, I take it, will not be well received in the United States, will make this non-tariff trade barrier more difficult to resolve with the United States?

**Ms. Janice Tranberg:** You're asking a crystal-ball question, so I'll give you a crystal-ball answer.

Obviously they're going to know before coming to the trade table that this is non-negotiable, so it's kind of like we're showing our hand before we even go into trade negotiations. I think they will absolutely use that in their negotiations as well, whether they want that or not, which we know in the U.S. they do. Even if other countries, which maybe don't even want access to our supply-managed goods, know that those are not on the table, then that's something they're going to be using when they come to negotiations with Canada.

**The Chair:** Thank you very much.

We go now to Mr. Virani for five minutes. Go ahead, please.

**Mr. Arif Virani:** Thank you very much, Madam Chair.

To the folks from the cattle feeders' association, let me just echo what Mr. Seeback was asking you.

Ms. Tranberg, definitely, could you drill down and verify that point for us with respect to the similarities between the carcass treatment in Canada and in the United States and the potential dissimilarities in EU reception?

Also, let me ask you another question. We heard at the very outset about irritating non-tariff trade barriers but also about some that might be in a more legitimate or good-faith vein. I've heard a lot in my work with Minister Ng about Indonesia's requirements for halal beef, and this is obviously a question that would arise with Pakistan as well.

Tell me how your industry is addressing requirements that are religiously oriented for some of the very populous and economically large potential trading nations in Asia. How can we assist you in handling those concerns as well, specifically with respect to halal beef?

This is for Ms. Tranberg.

**Ms. Janice Tranberg:** I'm going to have to get back to you on that as well. I know that, with respect to the halal beef, they're now starting to look for additional requirements from the CFIA. The CFIA, I think, doesn't necessarily have the processes in place to inspect and to ensure something is halal, so that is a question we're working on right now. That's why I don't have a definitive answer for you, but I will definitely get back to you on that.

**Mr. Arif Virani:** Thank you very much.

Can you tell me a little bit about going to the other side of the world? We've been talking a lot about Europe in some of the recent questioning, but with respect to Japan and the advent of the CPTPP, I understand that the CPTPP has had a positive impact on Canadian exports of beef to that part of the world. Is that correct from your perspective, and do you know what the increase has been in terms of Canadian beef exports getting out to Japan?

• (1255)

**Ms. Janice Tranberg:** Yes, absolutely, there's been a positive result from that, particularly as we've been shut out of the Chinese market. We're looking to build in other Asian markets, and Japan has certainly been one of those. Again, I don't have the statistics right in front of me on how much it has increased, but—I feel like a broken record; I apologize—I will definitely get back to you on those numbers.

**Mr. Arif Virani:** Okay.

**Mr. Will Lowe:** I just want to make one point.

The South Korean market is going to be a big one, and that changed with the recent update in our negligible risk status on BSE. South Korea was a big market 20 years ago when our first case of BSE happened, and we've been basically shut out of South Korea since our first case of BSE in 2003. We've recently re-established that market. To be honest, that was probably, as far as Asian markets go, in the top two behind Japan 20 years ago, so we're quite thankful that we have that market back.

**Mr. Arif Virani:** Thank you.

I'll turn to Mr. Laird in the brief time I have remaining.

My colleague, Mr. Arya, talked to you about mining, and you guys had a bit of an interaction with respect to the Canadian foot-

print on the African continent, specifically with respect to mining. You mentioned this in your opening statement as well.

Part of Minister Ng's mandate given to her by Prime Minister Trudeau talks about an effort to kick off an Africa-Canada economic co-operation strategy. From your perspective—you made some comments with respect to the African continent—how present or non-present are non-tariff trade barriers with respect to the African continent? Is that the pressing issue, or is the issue, more broadly speaking, your desire to have more FIPAs and more free trade agreements signed with African countries? Could you touch on that, please?

**Mr. Ian Laird:** Just really quickly....

We've seen Africa engaged in its own activity of creating a new free trade agreement in which investment is an important part, and there's a framework concluded. It's a ripe time for Canada to re-engage with many of its partners. As I mentioned, there are a number of agreements in Africa that have been negotiated and not completed, or that have just simply not been ratified but have gone that direct route. There's, indeed, some work to be done, and from a priority point of view, certainly a great deal of the future of Canadian international investment will be in Africa. It's a definite growth area, and I would commend a focus on that and agree with the minister's focus.

**The Chair:** Thank you very much.

Thank you to our witnesses for their very valuable information for our study. We appreciate it.

Thank you to the committee members.

I move adjournment. Thank you.

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