



September 4, 2018

The Honourable A. Raynell Andreychuk, Senator
Chair, Senate Standing Committee on Foreign Affairs and International Trade
The Senate

The Honourable Mark Eyking, P.C., M.P.
Chair, House of Commons Standing Committee on International Trade
House of Commons

Dear Senator Andreychuk and Mr. Eyking:

The events of the last several months have reinforced the urgency for Canada to diversify its trade relationships and reduce its reliance on a single market. An important first step toward achieving that goal would be to expedite the passage of Bill C-79, which will implement the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The CPTPP will provide Canadian businesses with improved access to a market of nearly 500 million people and a combined GDP of \$13.5 trillion. This includes countries where Canada does not have preferential access, such as Japan, Vietnam, Malaysia, and Australia.

Some of the key benefits for Canadian exporters include:

- eventual tariff liberalization on industrial goods, forestry products, and seafood;
- substantial tariff reductions for key Canadian agriculture exports like pork, beef, and grains;
- provisions in the Temporary Entry chapter that facilitate the movement of skilled professionals across borders to provide services on a temporary basis. Complementing this improvement is a negative list approach to Cross-Border Trade in Services to enhance transparency; and
- provisions in the E-Commerce Chapter that require the ability to freely move data across borders and restrict the ability to introduce data localization requirements.

If Canadian businesses are not able to take first-mover advantage, they will be at a competitive disadvantage in this important trading region. As a result, the Canadian Chamber calls on your respective committees to advance Bill C-79 as expeditiously as possible when it reaches them for study.

The Chamber recognizes that every negotiation involves some give and take, and that CPTPP will expose some sectors of the Canadian economy to increased competition. Given this reality, the government should support all businesses' competitiveness through improving Canada's tax and regulatory system, which will also help to ensure Canada remains an attractive destination for investment. The Chamber also recognizes that exporters will have to navigate non-tariff barriers not addressed in the CPTPP. However, that fact does not negate CPTPP's overall net benefit to the



Canadian economy. Instead, it only underscores the need for Canada to work with the other CPTPP members on international regulatory cooperation to ensure companies can take full advantage of the agreement.

As one of the first countries to ratify CPTPP, Canada could also be in a position to work with other signatories in shaping the future direction of the pact's growth. As new countries join the agreement and leverage the benefits, CPTPP will define the terms of trade in this important and growing economic region.

We would welcome the opportunity to discuss this agreement and its benefits for Canadian companies further. Please do not hesitate to contact our Director of International Affairs, Mark Agnew, if we can provide any assistance to you in your study of the legislation.

Sincerely,

Hon. Perrin Beatty, P.C., O.C.
President and Chief Executive Officer
Canadian Chamber of Commerce

*c.c.: Members of the House of Commons Standing Committee on International Trade
Members of the Senate Standing Committee on Foreign Affairs and International Trade*