

# Effective Today, Harper Government Secures Competitive Edge for Canadian Exporters to Panama

*Entry into force of Canada-Panama trade agreement eliminates tariffs on more than 90 percent of Canadian exports to one of the fastest-growing markets in the Americas*

**April 1, 2013** - The Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, today announced the entry into force of a bilateral free trade agreement between Canada and Panama that immediately secures a competitive advantage for Canadian exporters.

"Canada's Economic Action Plan, with its focus on creating jobs, growth and long-term prosperity in every region of our country, includes opening new markets that increase Canadian exports," said Minister Fast. "Starting today, this historic agreement will benefit Canadian exporters by immediately eliminating tariffs on more than 90 percent of Canadian goods exported to Panama. Workers and businesses in a wide range of Canadian sectors, such as aerospace, pharmaceuticals, pulp and paper and agriculture and agri-food, will benefit from taking Canada's trading relationship with Panama to the next level."

"The trading relationship between Canada and Panama continues to grow by leaps and bounds, having increased by 62 percent in less than four years," said the Honourable Diane Ablonczy, Minister of State of Foreign Affairs (Americas and Consular Affairs). "This agreement is further proof of our government's commitment to a robust presence in the Americas that increases economic opportunities for Canadians and delivers real benefits and prosperity for people throughout our hemisphere."

In less than six years, the Harper government has concluded free trade agreements with nine countries: Colombia, Honduras, Jordan, Panama, Peru and the European Free Trade Association member states of Iceland, Liechtenstein, Norway and Switzerland. In addition, Canada is in ongoing trade negotiations with the European Union, India, Japan and the members of the Trans-Pacific Partnership. Canada also recently achieved observer status in the Pacific Alliance, a grouping of key fast-growing markets in Latin America. These accomplishments have been key to the Harper government's work in opening new markets and increasing Canadian exports as part of the most-ambitious trade expansion plan in the nation's history.

For more information, please visit [Canada-Panama Free Trade Agreement](#).

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A backgrounder follows.

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# **Backgrounder – Canada-Panama Free Trade Agreement Benefits**

As a high-growth emerging market, Panama is a small but strategic trade partner for Canada. Two-way merchandise trade in 2011 was \$235 million, an increase of 105 percent over the previous five years. Upon implementation, the Canada-Panama Free Trade Agreement (FTA) will improve access for Canadian goods and services to Panama's market and provide greater protection for Canadian investors.

Upon implementation April 1, 2013, Panama will immediately eliminate tariffs on 95 percent of non-agricultural imports and 78 percent of agricultural imports from Canada, including on the following products:

- Industrial and construction machinery (tariffs of up to 15 percent)
- Certain pork products (tariffs of up to 70 percent)
- Certain beef products (tariffs of up to 30 percent)
- Wood products (tariffs of up to 15 percent)
- Vehicles (tariffs of up to 15 percent)
- Frozen French fries (tariffs of up to 20 percent)

These significant reductions in trade barriers will make Canadian exports more competitive in the Panamanian market.

Most of Panama's remaining tariffs will be eliminated over a period of 5 to 15 years.

Canada's services sector also stands to benefit from this agreement. Upon implementation, the FTA will provide Canadian service providers with a secure, predictable, transparent and rules-based environment that will facilitate access to Panama's \$20.6-billion services market. Areas of Canadian expertise and export interest, including mining- and energy-related services, professional services—notably engineering and architecture—and information technology, will all benefit from increased market access.

For more information, visit [Canada-Panama Free Trade Agreement](#).

For a detailed list of the tariff treatment that will be accorded to specific products as a result of the entry into force of the FTA, consult [Cronograma Arancelario de la República de Panamá](#) [Panama's tariff schedule] (in Spanish only).

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