Concluding remarks by the Chairperson

The tenth Trade Policy Review of Canada has offered us an important opportunity to have a better understanding about the developments of the economic, trade, and investment policies of Canada since its last Review in 2011, and the challenges that Canada faces. Our discussion has benefitted from the active participation of the Canadian delegation, headed by Mr. Cameron MacKay, Director General, Trade Negotiations, Department of Foreign Affairs, Trade and Development, and by the insightful comments from the Discussant, the Permanent Representative of Switzerland to the WTO, H.E. Ambassador Remigi Winzap. Canada’s timely response to more than 600 advanced written questions has been greatly appreciated by Members, and we look forward to answers to any outstanding questions no later than one month after this meeting.

Canada was commended for its overall open and transparent trade and investment policies, with few obstacles for its trading partners. Canada was praised for maintaining a robust and resilient economy in the aftermath of the global financial crisis. Its timely macroeconomic interventions allowed it to weather the financial crisis and maintain an average GDP growth rate of 2.4% during the review period. It was noted that during this period Canada’s merchandise imports and exports continued to grow at a modest pace. Trade remained a significant factor contributing to Canada’s GDP growth during the period. While Canada remained an important recipient and provider of foreign direct investment, Canada’s inward FDI grew less than foreign direct investment abroad during the period under review.

Canada has been active in many trade policy areas and at many levels, as guided by its Global Markets Action Plan (GMAP). It was noted that Canada had pursued an ambitious free-trade-agreement agenda with five FTAs concluded since the last review, one not yet in force, and another ten in the pipeline. At the same time, it was pursuing plurilateral and regional initiatives both inside and outside the WTO on ITA, TiSA, Environmental Goods Agreement (EGA), and the Trans-Pacific Partnership (TPP). Furthermore, Canada maintained a strong commitment to the multilateral trading system, in particular the Doha Development Agenda and the post-Bali process. Members acknowledged Canada’s leadership role in the WTO in both the regular work and in the negotiation process. Many developing countries, LDCs, and small and vulnerable economies were in particular grateful for Canada’s support in terms of Aid-for-Trade, S&D treatment, preferences, financial aid and assistance, and the LDC services waiver.

Members welcomed Canada’s autonomous tariff liberalization and tariff simplification efforts, which would contribute to further increasing the competitiveness of the manufacturing sector and to lowering prices for consumers. Canada was also commended for its leadership and support during the trade facilitation negotiations and its commitment to accept and implement the TFA expeditiously. A number of trade facilitating measures had also been undertaken autonomously during the review period and Members welcomed the programmes aimed at reducing the time and procedures for customs clearance. Another improvement was the
commitment undertaken by Canada during the GPA negotiations that had extended procurement opportunities to the provinces and territories, including several crown corporations.

While there were many positive developments during the review period, it was important to note a number of areas where Members thought improvement was possible. Canada remained vulnerable with respect to its exports as it relied heavily on one market, the United States, and a narrow product base, predominantly energy and mineral products. Despite efforts to diversify trade, both imports and exports had further concentrated with respect to trade with the United States during the review period. The slowdown of FDI was also noted in spite of a number of incentives; in this context, Members wondered if Canada would revise its main investment law or remove long-standing barriers in some sectors in order to reverse this trend. Services trade remained relatively small despite the large size of the domestic services market and Members inquired if Canada had plans to deregulate or encourage some services trade. Also, due to Canada’s unique system of government, the competences of the provinces, territories, and local levels of government presented a challenge to Canada’s trade policy and commitments in the multilateral trading system. Thus, Members inquired if there were plans to revise Canada’s agreement governing internal trade (AIT) or otherwise put in place mechanisms to ensure compliance with its international obligations.

Several Members questioned various aspects of Canada’s alcoholic beverage distribution and tax regime, and expressed concerns over compliance with WTO national treatment provisions. Members also noted that Canada had stepped up its use of trade remedies over the review period, and Canada was encouraged to resort to these types of measures with restraint. The continued use of export restrictions in certain sectors was also noted. Furthermore, a large number of targeted programmes provide support and incentives to Canadian businesses. With respect to intellectual property, questions were raised concerning pharmaceutical patent approvals and regulations on pirated and counterfeited goods.

While praising Canada for its unilateral tariff liberalization in the industrial sector, Members voiced concerns with regards to the protection in some other sectors. In particular, they noted that Canada’s agricultural sector remains highly protected through various means: high tariffs; high subsidies and domestic support; supply management channels, in particular for dairy and poultry products. Clothing, apparel and footwear are also still subject to high tariffs. Members urged Canada to step up its liberalization efforts in these areas.

On services, Members referred to the strength of the banking sector and its commercial presence abroad, strategies to encourage tourism, and the movement of temporary workers. Several Members welcomed the accessibility to higher education services for foreign students in Canada.

Members congratulated Canada for its economic resilience and its general resistance to impose protectionist measures since its last review. The tenth Review of Canada’s trade policies was successfully concluded to the benefit of all the Membership. The large number of advance written questions submitted before the meeting and the nearly 40 delegations that took the floor during our two days of discussions highlight the importance Members attached to Canada’s trade and related policies and its role in the multilateral trading system.
In closing, I would like to thank Director General MacKay and the rest of the Canadian delegation, all the other delegations, the Discussant and the Secretariat for the very positive and active contribution to the tenth Trade Policy Review of Canada.