

Trans-Pacific Partnership Agreement (TPP)

Canadian Chamber of Commerce in Vietnam Presentation

Business Leaders Forum

Interests and Concerns of Business in Vietnam

May 24, 2013

TPP Entry

- Canada strong historical proponent of free trade
 - Canada-US FTA
 - North America FTA
 - WTO
 - Bilateral Trade Agreements
- Canada an official member of TPP on October 8th, 2012 and since participated in the Auckland, Singapore and Lima Rounds.
 - Key inhibitors to Canadian participation on the basis of agriculture supply management policies and market practices – particularly Dairy and Poultry.
 - Key proponents – strong support from NAFTA partners for Canada's participation in TPP.
 - Unified voice for participating in the rules-setting process governing this region.
 - For Canadian business - broaden and deepen relationships with existing FTA partners – opportunity to build on our relationships with the U.S., Mexico, and bridge Americas and Asia.

TPP Opportunity

- TPP offers opportunity to advance Canadian interests in one of the fastest-growing regions of the world.
 - Asia-Pacific a key driver of the world economy.
 - Asia expected to represent two-thirds of world's middle class by 2030, and 50% of global GDP by 2050.
 - TPP offers Canada a foothold in the burgeoning Asian market and access to critical Asia-Pacific value chains.
 - TPP strengthens trading lines between the Americas and Asia.
 - Canada needs some 'prodding' to look past our vast and well trodden path of our traditional markets.

Canadian Business - Existing Trade Partnerships

- Canada understands the challenges – political and economic, of trade agreements. Small country with a single large and powerful trading partner.
- Clear advantages to Canada from US-Canada FTA and NAFTA.
- Biggest uplift came for Canada from comprehensive trade deals were in industries which were inefficient and weak and/or state protected.
- Understanding there is a ‘price for admission’, nothing free. For Canada it is likely our dairy and poultry industry protection. Winners and losers for Canada – net benefit.

Canadian Business and Existing Trade Partnerships

- TPP enables Canada to work with NAFTA partners to strengthen North American partnership reinforcing a collective integration with the Asia Pacific.
 - Canada and our NAFTA partners have a shared interest in strengthening and maximizing the North American production platform.
 - In bridging the Americas and Asia, TPP enables Canada to deepen our trading relationships with high-growth Asia-Pacific markets, while also reaffirming and invigorating our traditional partnerships in the Americas.

Canadian Business - Fair Trade and Investment

- TPP a comprehensive, ‘next-generation’ agreement
 - goes beyond simple tariff elimination to address a broad range of trade and investment issues.
 - In addition to liberalising market access, opening new markets for Canadian goods, services and investment, key TPP objective is to break down non-tariff barriers to trade and facilitate business among members.
 - TPP includes issues such as state-owned enterprises, small and medium-sized enterprises, regulatory coherence, competitiveness and business facilitation, e-commerce, and development.
 - For existing and new Canadian investment in Vietnam, this is key advantage /interest. A level playing field for a maturing market is critical for Canada, Vietnam and all TPP partner interests.

TPP for Canadian Companies and Investors

- TPP members are proceeding on the basis that pre-existing Free Trade Agreements will co-exist with the TPP.
- The TPP is being negotiated as a single undertaking and as in all trade negotiations nothing is agreed until everything is agreed.
- Key points are SOE privilege and barriers to entry – converse of which is a robust Vietnamese private sector; Regulatory coherence in trade and consistency in macro policy; Capital flow restrictions and rules
- Canada business is willing to invest, interested to invest, and willing to support where rules are transparent, governance is strong, advantages are dispersed.
- Resource industries/ Agriculture technology/ Services/ Hi-technology and advanced technologies in healthcare, and sciences/ Logistics and transportation hubs/ Infrastructure and PPP/ and Capital Markets
- Canadian business knows from our own experience with FTA with much larger and dominant markets that the results of the TPP may include strengthened local economies as well as a leading mechanism to support economic integration in the Asia-Pacific and contribute to continued growth in the region.

Canadian Chamber Activity

CanCham and our members:

- Some ‘catch-up’ as negotiations move quickly.
- CanCham to engage further – Chamber counterparts as well as membership
- Survey of members
- Information to members
- Fora participation
- Link with Canadian negotiators through Canadian Embassy to outline key issues in Vietnam/ progress/ setbacks/
- Reinforce basic relationship for this agreement between Canada and Vietnam: access to capital, know-how, trade and investment, for fair access to markets.
- Outside CanCham jurisdiction – but noteworthy, the political alignment and benefits on key strategic issues for Vietnam.
- Link with other partners to assist to develop a common view with existing partners and common voice on key issues of concern for all business and investors in Vietnam.