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Notice of Intent to enter into negotiations toward a Canada-ASEAN free trade agreement

Dear members of Parliament,

In accordance with the enhanced transparency requirements set out in the amended Policy on Tabling of Treaties in Parliament, I am pleased to notify the House of Commons of the government's intent to initiate free trade agreement (FTA) negotiations between Canada and the Association of Southeast Asian Nations (ASEAN)¹. The Government of Canada intends to commence negotiations by holding a first round of negotiations with ASEAN no earlier than 90 days from the date of this notice.

Expanding trade and investment with fast-growing markets is key to ensuring sustainable prosperity for Canadian businesses, workers and families. The Government of Canada is committed to helping Canadians succeed globally by diversifying trade and investment opportunities. By pursuing FTA negotiations with ASEAN, the Government of Canada will seek to secure preferential market access to one of the fastest-growing regions in the world.

The economic relationship between Canada and ASEAN presents significant opportunities to deepen existing trade and investment ties and unlock new potential to expand Canada's market access in the region. ASEAN collectively ranked as Canada's fifth largest merchandise trading partner in 2020 and, that same year, Canada's exports to ASEAN were valued at \$6.4 billion. Top Canadian exports included agriculture and agri-food, machinery and equipment, fertilizer, electronic equipment, and pulp and paper. Meanwhile, Canada imported \$20.5 billion from ASEAN in 2020. Top imports included information and communication technology products, agriculture and agri-food, apparel, rubber and footwear.

Canada and ASEAN have been exploring a possible Canada-ASEAN FTA since 2017, beginning with the launch of exploratory discussions. Canada and ASEAN also conducted a joint study on the economic potential for a Canada-ASEAN FTA. Canada's modelling projects that an FTA could increase Canada's GDP by US\$2.54 billion, and could boost exports to ASEAN countries by as much as US\$2.67 billion. A summary of the analysis has been published online.

The Government of Canada held public consultations from September 1 to October 16, 2018, to solicit the views of Canadians on a possible Canada-ASEAN FTA. Overall, views received expressed support for a Canada-ASEAN FTA and highlighted the significant opportunities for Canadians and Canadian businesses in the ASEAN market across a broad range of sectors, including agriculture and agri-food, fish and seafood, natural resources, manufacturing, and financial services. A summary of the feedback received has been published online.

A Canada-ASEAN FTA would provide Canadians with enhanced access to Southeast Asian supply chains and trade and investment opportunities. An FTA would benefit Canadian exporters of goods and services by eliminating tariffs and other barriers; enhancing market access and protection for investors; and creating a more transparent, predictable and accessible environment for international trade and investment. In approaching such an agreement, the government is committed to ensuring that an FTA

reflects the interests of all Canadians, including creating new opportunities for the middle class, small and medium-sized enterprises, women, and Indigenous people.

In accordance with the Policy on Tabling of Treaties in Parliament, Canada's negotiating objectives for a Canada-ASEAN FTA will be tabled in the House of Commons no later than 30 days before Canada holds its first round of negotiations with ASEAN. Should negotiations be successfully concluded, the government will also table an economic impact assessment of the final agreement at such a time as the implementing legislation for a Canada-ASEAN FTA is tabled.

I look forward to working closely and transparently with Parliament throughout negotiations for a Canada-ASEAN FTA.

Sincerely,

The Honourable Mary Ng, P.C., M.P.