

Canada Introduces Implementing Legislation for Free Trade Agreement with Jordan

(No. 347 - November 17, 2009 - 11 a.m. EST) The Honourable Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, on behalf of the Honourable Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, today introduced legislation to implement the Canada-Jordan free trade agreement (FTA) and related agreements on labour cooperation and the environment.

"Farmers know that our government is working hard to open up markets around the world so that they can sell more products to more customers," said Minister Ritz. "We are building a strong relationship between Canada and Jordan, and today's announcement will boost the bottom line for Canadian farm families."

"The Canada-Jordan FTA, once implemented, will open doors to this growing economy and give Canada a foothold in the broader Middle East and North African market," said Minister Day.

Upon implementation, the FTA will eliminate tariffs on over 99 percent (by value) of recent Canadian exports to Jordan, directly benefiting Canadian exporters. Key sectors in Canada that will benefit from this immediate duty-free access include forestry, manufacturing, and agricultural products and agri-food such as pulses, frozen potato products and beef. Canadian companies are global leaders in these sectors.

The parallel agreements on labour and environment will help ensure progress on labour rights and environmental protection.

The agreement on labour cooperation commits both countries to respecting the core labour principles and rights of the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work.

The agreement on the environment commits the two parties to pursuing high levels of environmental protection, enforcing their domestic environmental laws effectively and ensuring that they do not relax these laws to encourage trade or investment.

In less than four years, the Government of Canada has opened doors to Canadian business by concluding new free trade agreements with the states of the European Free Trade Association (Iceland, Norway, Switzerland and Liechtenstein), Colombia, Peru, Jordan and Panama.

Two-way merchandise trade between Canada and Jordan totalled \$92 million in 2008.

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Backgrounder - Canada-Jordan Free Trade Agreement and Agreements on Labour Cooperation and the Environment

On November 17, 2009, the Government of Canada introduced legislation in Parliament to implement the Canada-Jordan free trade agreement (FTA) and parallel agreements on labour cooperation and the environment.

Canada-Jordan Free Trade Agreement

Upon implementation of the free trade agreement, the immediate elimination of tariffs on over 99 percent of recent Canadian exports (by value) to Jordan will directly benefit Canadian exporters.

Jordan will eliminate all non-agricultural tariffs and the vast majority of agricultural tariffs. Once the FTA enters into force, Jordan will immediately eliminate tariffs in the 10- to 30-percent range on many key Canadian exports, including pulse crops, frozen french fries, animal feed, various prepared foods, certain forestry products and machinery—sectors where Canadian companies lead the world.

Canada will eliminate all tariffs on Jordanian goods immediately upon entry into force of the FTA, with the exception of over-quota tariffs on dairy, poultry and eggs, which are excluded from tariff reductions.

Labour Cooperation Agreement

Canada and Jordan will commit to ensuring that their laws respect the International Labour Organization's (ILO's) 1998 Declaration on Fundamental Principles and Rights at Work, which covers the right to freedom of association and to collective bargaining, and the elimination of child labour, forced labour and workplace discrimination.

Canada and Jordan will also commit to protecting occupational health and safety, maintaining acceptable minimum employment standards and providing compensation for occupational injuries and illnesses. Migrant workers will have the same legal protection as nationals in respect of working conditions.

While the focus of the agreement is on labour cooperation, it will also include effective enforcement mechanisms. Failure to respect ILO principles and enforce domestic laws could result in an independent review panel assessing a monetary penalty, as a last resort. Any such assessment would accrue to a special cooperation fund and be used to support the implementation of an action plan to ensure that the identified problems are rectified.

Agreement on the Environment

The agreement on the environment will commit Canada and Jordan to pursuing high levels of

environmental protection and to striving to develop and improve their environmental laws and policies. The agreement will also oblige the two countries to enforce their domestic environmental laws effectively, and ensure trade and investment are not encouraged at the expense of these laws.

Canada and Jordan will also commit to ensuring environmental assessment processes are in place, and to providing remedies for violations of environmental laws. The two countries also agree to encourage enterprises to practise corporate social responsibility and to promote public awareness of and engagement in environmental issues.

The agreement focuses on consultation and cooperation to address any matter arising under the agreement, with access to an independent review panel as a last resort.