

Canada Introduces Legislation to Implement Free Trade Agreements with Jordan and Panama

Expanded opportunities in priority regions will benefit Canadian businesses and workers, Minister says

(No. 347 - November 15, 2011 - 10 a.m. ET) The Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, today followed through on a commitment made in the June 2011 Speech from the Throne by introducing the Canada-Jordan Economic Growth and Prosperity Act and the Canada-Panama Economic Growth and Prosperity Act to implement free trade agreements with Jordan and Panama. Minister Fast was joined by the Honourable Maxime Bernier, Minister of State (Small Business and Tourism), and key industry representatives, as well as by Basheer Fawwaz Zoubi, Jordan's Ambassador to Canada, and Francisco Carlo Escobar Pedreschi, Panama's Ambassador to Canada.

"Strengthening the financial security of Canadians, creating new jobs and promoting economic growth through deepened trade are my top priorities," said Minister Fast. "Free trade agreements with Jordan and Panama are a key part of our government's job-creating, pro-trade plan to protect and increase the prosperity of hard-working Canadians. Our government will continue to defend and promote our specific interests in every sector of our economy, including supply management."

"Free trade agreements help fuel small businesses which are the motor of the Canadian economy," said Minister Bernier. "In fact, small businesses are responsible for 43 percent of all Canadian exports. These free trade agreements will help small business exporters do what they do best: create jobs and wealth for this country."

"Free trade agreements also bring real benefits to Canadian farmers and our entire agriculture industry," said the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board. "These trade agreements will open markets and create new opportunities for our farmers to boost their bottom lines."

On implementation, the Canada-Jordan Economic Growth and Prosperity Act will eliminate tariffs on the vast majority of Canadian exports to Jordan, directly benefiting Canadian exporters and workers. Key sectors in Canada that will benefit from this immediate duty-free access to the Jordanian market include forestry and manufacturing, as well as agricultural products and agri-foods such as pulses, frozen potato products and beef.

"The economic possibilities for Canadian businesses engaged with Jordan should be dramatically increased," said J. Hugh O'Donnell, Chairman of the Canadian-Arab Business Council. "In fact, this free trade agreement offers incredible potential for businesses to expand throughout the Arab peninsula with Jordan as the gateway."

Implementation of the Canada-Panama Economic Growth and Prosperity Act will eliminate tariffs on over 99 percent of Canadian non-agriculture exports, again directly benefiting Canadian exporters and workers through duty-free access to Panama's markets. Other benefits of the agreement include investment provisions, which will increase protection, transparency and security for Canadian investors in Panama. In addition, the agreement will secure access to the government procurement market, including the \$5.4-billion expansion of the Panama Canal and other infrastructure projects.

"The implementation of these two agreements will improve access to two growth markets for Canadian goods, services and investment at a time when Canadian manufacturers and exporters are focusing on finding new customers and business opportunities around the world," says Jayson

Myers, President and CEO of Canadian Manufacturers and Exporters. "We urge Parliament to pass this legislation quickly. This is especially critical in a context where our main trading partner, the United States, implemented its trade agreement with Jordan last year and ratified its agreement with Panama last month."

Free trade agreements with Jordan and Panama were signed in June 2009 and May 2010 respectively. Once passed by the House of Commons and the Senate, both pieces of legislation must receive Royal Assent from the Governor General in order to become law.

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 states of Iceland, Liechtenstein, Norway and Switzerland.

Canada has also launched negotiations on a number of trade agreements, including with India and the European Union, two of the largest markets in the world. These negotiations are part of the government's ambitious pro-trade plan to increase opportunities for Canadian businesses and workers.

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A backgrounder follows.

For further information, media representatives may contact:

Rudy Husny
Press Secretary
Office of the Honourable Ed Fast
Minister of International Trade and Minister for the Asia-Pacific Gateway
613-992-7332

Trade Media Relations Office
Foreign Affairs and International Trade Canada
613-996-2000
Follow us on Twitter: [@Canada_Trade](https://twitter.com/Canada_Trade)

Scott French
Press Secretary
Office of the Honourable Maxime Bernier
Minister of State (Small Business and Tourism)
613-943-6183

Media Relations
Industry Canada
613-943-2502

Backgrounder - Canada's Free Trade Agreements with Panama and Jordan

On November 15, 2011, the Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, introduced to Parliament the Canada-Jordan Economic Growth and Prosperity Act and the Canada-Panama Economic Growth and Prosperity Act to implement free trade agreements with Jordan and Panama.

Canada-Panama Free Trade Agreement

Canada and Panama launched free trade negotiations in October 2008.

Following several rounds of talks, on August 11, 2009, Prime Minister Stephen Harper and Panama's President Ricardo Martinelli marked the conclusion of negotiations on a historic free trade deal as well as new agreements on labour and environmental cooperation.

On May 14, 2010, Canada's then international trade minister Peter Van Loan, along with Panama's Minister of Commerce and Industry, Roberto Henríquez, signed the [Canada-Panama Free Trade Agreement](#) as well as the parallel agreements on labour cooperation and the environment.

In 2010, bilateral merchandise trade between Canada and Panama totalled \$213.7 million.

Canada-Jordan Free Trade Agreement

Prime Minister Stephen Harper committed to exploring the possibility of a free trade agreement with Jordan when he met with King Abdullah II in July 2007.

In November 2007, officials from Canada and Jordan met for exploratory discussions in Amman. They concluded that there were concrete benefits to deepening trade relations.

Canada and Jordan concluded free trade negotiations, as well as negotiations for an Agreement on the Environment and a Labour Cooperation Agreement on August 26, 2008.

On June 28, 2009, the Honourable Stockwell Day, then minister of international trade and minister for the Asia-Pacific Gateway, signed the [Canada-Jordan Free Trade Agreement](#) as well as the Labour Cooperation and Environment Agreements.

In 2010, bilateral merchandise trade between Canada and Jordan totalled \$86 million.