



Canada's objectives for negotiations for a Canada-Ecuador Free Trade Agreement

On December 13, 2023, the Government of Canada tabled in Parliament its notice of intent to enter into negotiations toward a comprehensive Canada-Ecuador Free Trade Agreement (FTA), in accordance with the *Policy on Tabling of Treaties in Parliament*.

In negotiating an FTA with Ecuador, the government's objective will be to create meaningful benefits for Canadian businesses, workers and families. Through an FTA, the government will seek to provide Canadians with increased preferential access to the Ecuadorian market, benefiting Canadian exporters. The government will seek to ensure that the benefits and opportunities of trade with Ecuador are widely shared, including with traditionally underrepresented groups, such as women and women-owned businesses, Indigenous Peoples, and small and medium-sized enterprises (SMEs).

In addition to seeking improved preferential access, Canada will seek to conclude a modern, ambitious and inclusive trade agreement, reflecting the latest approaches, including in areas such as digital trade, trade and gender, environment and labour. In addition, the government will ensure that the FTA does not prevent the federal government from acting to fulfil Canada's legal obligations to Indigenous Peoples, including rights as recognized and affirmed by Section 35 of the *Constitution Act*, 1982, and those rights set out in self-government agreements. The government will seek to preserve flexibility to adopt and maintain measures related to Canada's cultural sector. The government will also fully defend Canada's supply management system for dairy, poultry and eggs, including by not conceding any additional market access for supply-managed goods.

In pursuing a Canada-Ecuador FTA, the government will continue to be guided by feedback obtained from Canadians during public consultations. This includes feedback received during [public consultation on priorities for trade negotiations with Ecuador](#) in spring 2023, as well as through ongoing engagement with a broad range of stakeholders to be conducted throughout the negotiating process. The government also recognizes the important work done by the Standing Committee on International Trade as part of their ongoing study on free trade negotiations between Canada and Ecuador. The government will also be guided by the findings of an Environmental Assessment and Gender-Based Analysis Plus of the proposed FTA.

The government is fully committed to a high level of transparency throughout the negotiation of a Canada-Ecuador FTA. In this spirit, the government has agreed to publish a summary of its specific objectives for the negotiation of new comprehensive trade agreements.

In line with the considerations listed above, Canada will seek to negotiate an FTA that:

Trade in goods

National treatment and market access for goods

- Delivers commercially meaningful market access opportunities for Canadian exporters, achieved through the elimination of tariff and non-tariff barriers.
- Addresses the concerns of sensitive Canadian sectors. In particular, Canada will continue to fully defend its supply-management system for dairy, poultry and eggs, including by not conceding any additional market access in these sectors.
- Reaffirms and builds upon key international market access commitments and obligations to prevent and address non-tariff barriers.

Rules of origin

- Establishes criteria for determining the origin of goods that are clear, as simple as possible, and leave little room for administrative discretion.
- Includes product-specific rules of origin that take into account existing production patterns, regional integration as well as the sectoral interests of Canadian producers, processors and manufacturers.

Origin procedures

- Sets out the procedures to be used by the customs administrations both to administer the rules of origin and to enable the trade community to take advantage of the preferential tariff treatment afforded under an FTA.
- These procedures will support the evolving trade environment and allow certification of origin by the exporter with verifications performed on a risk-managed basis after the good is imported.

Customs and trade facilitation

- Affirms and builds upon the WTO Agreement on Trade Facilitation.
- Includes provisions that promote a transparent, predictable and consistent border environment that facilitates legitimate trade in goods, while safeguarding Canada's ability to protect its borders and provide certainty around Canada's ability to administer or introduce new measures that ensure or enhance trader compliance with Canada's laws, regulations or procedural requirements relating to the importation, exportation or transit of goods. Such measures include those that seek to ensure the safety and security of Canada and its citizens through the accurate reporting and accounting declaration of goods and payment of duties, taxes, fees and charges by traders.

Trade remedies

- Includes provisions recognizing the WTO Agreement's exclusive governance of trade remedy rights and obligations, including the settlement of related disputes.

Sanitary and phytosanitary measures

- Incorporates and builds upon the WTO Sanitary and Phytosanitary Measures (SPS) Agreement to enhance transparency, strengthen cooperation and facilitate trade through science-based measures, while preserving each party's right to take measures necessary for the protection of human, animal or plant life or health.
- Establishes a bilateral mechanism to address and prevent SPS issues.

Technical barriers to trade

- Incorporates and builds on the key commitments of the WTO Agreement on Technical Barriers to Trade (TBT).
- Promotes regulatory transparency and predictability while preserving each party's right to regulate in the public interest to achieve legitimate public policy objectives.
- Establishes a bilateral mechanism to prevent or address TBT issues.

Investment and trade in services

Investment

- Includes rules regarding the promotion and protection of investment and investors subject to a negative list of reservations, enforced by the Agreement's dispute settlement mechanism and a transparent investor-state dispute settlement mechanism. Such an approach includes modern drafting clarifying that the Parties maintain their right to regulate, and preserving required policy flexibility in key areas such as environment, health, safety, Indigenous rights, gender equality and cultural diversity, improvements on the functioning of dispute settlement procedures, such as enhanced transparency of proceedings.

Cross-border trade in services and domestic regulation

- Sets out comprehensive commitments subject to a negative list of reservations to secure market access, address barriers, and substantially improve predictability, certainty and transparency with respect to trade in services between the parties. Canada will seek to address disciplines on domestic regulations and provisions to facilitate trade in professional services.

Financial services

- Includes a stand-alone chapter for trade in financial services that reflects the specialized and highly regulated nature of the sector, including specific trade and investment protection commitments that provide a level playing field for financial institutions, a negative list of reservations, and a robust prudential carve-out that ensures financial sector authorities can take measures to preserve the integrity and stability of the financial system.

Temporary movement of business persons

- Includes reciprocal commitments to enhance transparency and to facilitate the temporary movement of certain types of business persons in support of bilateral trade in goods, the supply of services, and the conduct of investment activities.

Telecommunications

- Maintains a competitive telecommunications marketplace through transparent and effective regulations.

*** Notwithstanding the above negotiating objectives, in light of ongoing consideration in Ecuador of the legal compatibility between investment agreements and its domestic legal framework, it is possible that investment and services provisions may be set aside, in part or entirely, from an agreement if necessary during the negotiation process. ***

Other areas

Digital trade

- Facilitates inclusive economic growth and trade opportunities through the use of the internet and addresses potential barriers to digital trade.

Government procurement

- Incorporates and builds upon the procedural rules of the WTO Agreement on Government Procurement to ensure that procurements are conducted in a fair, open, and transparent manner.
- Includes meaningful market access commitments on the basis of reciprocity.

Intellectual property

- Supports intellectual property (IP) elements of mutual interest, including cooperation on IP-related topics, IP education and awareness.

Competition policy

- Includes competition policy and consumer protection commitments to ensure that the benefits of trade liberalization are not offset by anti-competitive, misleading or deceptive business activities.

State-owned enterprises and designated monopolies

- Ensures that large commercial state-owned enterprises (SOEs) and designated monopolies operate in accordance with market principles, while recognizing the role of SOEs in the public domain.

Labour

- Includes comprehensive and enforceable labour commitments to help ensure that trade and investment do not come at the expense of workers' protections. Canada recognizes that promoting fundamental labour rights supports equitable growth and stability.

Environment

- Includes comprehensive and enforceable environment commitments to help ensure that environmental protection is upheld as trade and investment are liberalized, hence promoting the mutual supportiveness of trade and environment policies. Canada recognizes that the promotion of trade and the protection of the environment are interconnected and must be mutually beneficial goals.

Transparency and anti-corruption

- Facilitates a transparent and predictable environment for trade and investment by including provisions aimed at promoting transparency and reducing corruption.

Trade and responsible business conduct

- Includes provisions to encourage Canada and Ecuador to work together to promote Responsible Business Conduct (RBC) practices to enterprises.
- Canada's approach will be informed by, and consistent with, existing global RBC standards such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human

Rights, with the aim of advancing an inclusive, responsible and sustainable trade environment.

Regulatory cooperation and good regulatory practices

- Supports the development of predictable and evidence-based regulations by encouraging widely accepted good regulatory practices in Canada and Ecuador.

Trade and gender

- Includes dedicated provisions on trade and gender that will seek to address the specific interests and needs of women in all their diversity, identify and remove the unique barriers that women face when participating in international trade and investment, and to ensure that they benefit from the opportunities that may flow from bilateral trade and investment relations between Canada and Ecuador.

Trade and Indigenous Peoples

- Includes dedicated provisions on trade and Indigenous Peoples that will seek to address the specific interests and needs of Indigenous Peoples, as well as to remove the unique barriers that Indigenous Peoples face when participating in international trade and investment, and to ensure that Indigenous Peoples benefit from the opportunities that may flow from bilateral trade and investment relations between Canada and Ecuador.

Small and medium-sized enterprises

- Includes dedicated provisions on small and medium sized enterprises (SMEs) that recognize their contribution to global economic prosperity, address the specific interests and needs of SMEs, to remove the unique barriers that SMEs face when participating in international trade and investment, and ensure that SMEs may utilize and benefit from the opportunities that may flow from bilateral trade and investment relations between Canada and Ecuador.

Administrative

Dispute settlement

- Provides for fair, transparent, efficient and effective means of resolving disputes relating to the Agreement that arise between the Parties, including consultations and compulsory and binding dispute settlement.

Institutional and general exceptions

- Includes detailed provisions relating to the implementation and ongoing functionality of the agreement, including the creation of an institutional body to oversee implementation and general exceptions.
- Includes exceptions to ensure that the parties retain the right to regulate in the public interest, including for a party's essential security interest and/or other public welfare reasons.

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