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## Minister Van Loan Introduces Legislation for Canada-Jordan Free Trade Agreement

*Agreement will expand trade opportunities with Jordan*

**(No. 113 - March 24, 2010 - 3:45 p.m. ET)** The Honourable Peter Van Loan, Minister of International Trade, today followed through on a commitment made in the Speech from the Throne earlier this month by introducing legislation to implement the Canada-Jordan Free Trade Agreement and related agreements on labour cooperation and the environment.

"The Canada-Jordan Free Trade Agreement, once implemented, will open doors to this growing economy and give Canadian businesses a real advantage in the broader Middle East and North African markets," said Minister Van Loan.

Upon implementation, the free trade agreement will eliminate tariffs on over 99 percent, by value, of recent Canadian exports to Jordan, thereby directly benefiting Canadian exporters and workers. Two-way merchandise trade between Canada and Jordan totalled \$82.5 million in 2009.

Key sectors, including forestry, manufacturing and agriculture and agri-food, will benefit directly from this immediate duty-free access. Canadian companies are global leaders in these sectors.

"The potential for expanding that network across North Africa and throughout the Arab peninsula is exceptional. I certainly believe that the potential for Canada in that part of the world is as great as it is anywhere, if not greater," said David Hutton, Director General of the Canada-Arab Business Council.

The parallel agreements on labour and the environment will help ensure progress on labour rights and environmental protection. This free trade agreement is part of a broader international trade strategy to improve Canadian companies' access to key international markets and to enhance opportunities for Canadian exporters and investors.

Canada has free trade agreements in force with Chile, Costa Rica, the countries of the European Free Trade Association, Israel, Peru, and jointly with Mexico and the United States. It has also concluded free trade negotiations with Panama and tabled, on March 10, legislation to implement a free trade agreement with Colombia. Canada is continuing trade talks with the European Union, the Caribbean Community, Central American countries, the Dominican Republic and the Republic of Korea. Canada is also pursuing closer trade relations with India, Morocco and Ukraine.

"Our government is pursuing an ambitious trade agenda beyond our borders for Canadian workers at home," said Minister Van Loan.

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

On March 24, 2010, the Government of Canada introduced legislation in Parliament to implement the Canada-Jordan Free Trade Agreement (goods only) and parallel agreements on labour cooperation and the environment. Free trade negotiations were concluded in August 2008 and the parties formally signed the agreements and made them public on June 28, 2009.

### **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 free trade agreement 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, upon entry into force of the Agreement, will eliminate all tariffs on Jordanian goods, 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 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.

The labour cooperation agreement also includes effective enforcement mechanisms. Failure to respect International Labour Organization 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 developing and improving 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 that environmental assessment processes are in place, and to providing remedies for violations of environmental laws. The two countries also agree to encourage 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.

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