

Concluding remarks by the Chairperson

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I am pleased at this stage to provide an overall overview of this twelfth Trade Policy Review of Canada and I would like to start by thanking Mr Jay Allen, Director-General of Trade Negotiations at Global Affairs Canada, Ambassador Nadia Theodore, and the rest of the Canadian delegation for their constructive engagement in this meeting. I would also like to thank Ambassador Matthew Wilson of Barbados for his excellent intervention as the discussant. The Review was based on reports by the WTO Secretariat and Canada, both of which were appreciated by delegates.

It is worthy of note that the period since Canada's previous Review in 2019 has been dominated by the COVID-19 pandemic, repeated supply chain disruptions, surging inflation, high interest rates, climate-related disasters, threats to food and energy security, and rising geopolitical risks. Faced with these and other shocks, Canada's trade regime has remained open and transparent, reflecting Canada's role as a "trading nation" and longstanding conviction that open, rules-based, inclusive, and sustainable trade is critical to its own economic wellbeing and that of its trading partners. Delegations welcomed this and encouraged Canada to double down on its steadfast support for the rules-based multilateral trading system with the WTO at its core.

Delegations commended Canada for the resiliency of its economy, which recovered swiftly from a deep, pandemic-induced recession, aided by effective fiscal and monetary policies. Looking ahead, several delegations remarked on the importance of continuing to address longstanding trade and investment barriers, especially those affecting key services sectors, along with regulatory barriers to internal trade. It was noted that doing so would help Canada reduce trade costs, bolster competition, stimulate innovation, and increase productivity, all of which were seen as essential to safeguard and further improve Canada's high living standards.

Delegations praised Canada for pursuing an inclusive and "feminist" trade policy, which seeks to ensure that the benefits of trade are widely shared, especially among traditionally under-represented groups. In that context, Canada was commended for its pioneering efforts to incorporate perspectives on gender, Indigenous peoples, and small and medium sized enterprises into its domestic and economic integration policies, and for undertaking work on data, metrics, and analytical tools on inclusive trade.

Delegations appreciated Canada's active and constructive participation in the WTO, noting the valuable contribution of Ambassador Theodore and her team in this regard. It was noted that Canada's engagement in both the WTO's regular work and negotiations reflected the priority Canada attaches to strengthening and revitalizing the WTO. Canada's role as co-convenor of TESSD was particularly appreciated by delegations, as were Canada's efforts to advance WTO discussions on trade and industrial policies, digital trade, and women's economic empowerment. Several delegations also welcomed Canada's leadership role as convenor of the Ottawa Group, its key contribution to the establishment of the Multi-Party Interim Appeal Arbitration Arrangement, and its creative and pragmatic proposals on WTO reform and restoring a fully functioning dispute settlement system. Delegations also recognized Canada's speedy acceptance of the Fisheries Subsidies Agreement, and its continued contribution to the phase-two fisheries negotiations.

Delegations commented on the importance of Canada's extensive and growing network of RTAs for its participation in regional and global value chains, noting the particularly important role played by the Canada–United States–Mexico Agreement in this regard. Delegations also welcomed the continuation and enhancement of Canada's unilateral preference schemes for developing and least developed economies. Canada's support for Aid for Trade, the Trade Facilitation Agreement Facility, and the WTO Fisheries Funding Mechanism were also appreciated.

Some delegations remarked on Canada's increased efforts to combat unfair trade practices, address economic coercion, and secure critical supply chains. As a major player in critical minerals and other value chains of growing importance, Canada was encouraged to maintain a balance between, on the one hand, safeguarding national and economic security and, on the other hand, promoting investment through a fair, transparent, and predictable business environment for companies from all WTO Members. In its written responses, the Canadian delegation stated that under Canada's foreign investment legislation, each investment is examined on its own facts, no matter the country of origin.

While recognizing the overall low level of Canada's MFN tariffs, some delegations expressed concerns about the impact on their exports resulting from the persistence of tariff peaks and relatively high average tariffs on agricultural products. Canada was encouraged to correct the few instances where applied tariff rates could be exceeding their corresponding bound levels.

Concerns were also expressed about certain non-tariff measures, including a new tax on luxury cars and personal aircraft, recognition of sanitary certificates, and the process to obtain student visas. Among the most widely mentioned NTMs were Canada's regimes for the taxation and sale of alcoholic beverages, especially at sub-federal levels, which some delegations felt were overly complex and put imported products at a competitive disadvantage. Canada was commended for continuing to pursue trade-facilitation customs initiatives, including the expansion of its Authorized Economic Operator regime. Several delegations expressed interest in learning about Canada's experience with new rules on the collection of tax on taxable cross-border transactions of digital products and services made by non-residents.

Delegations drew attention to the trade-restrictive effects on their exports resulting from Canada's active use of trade remedies, noting that the number of anti-dumping and countervailing duties in force had increased since Canada's previous Review. Some delegations called on Canada to exercise restraint in adopting trade remedy measures, while expressing the hope that recent amendments to trade remedy legislation would not result in disguised trade protectionism. In its response, the Canadian delegation stated that trade remedy investigations were conducted by independent arm's length bodies, and that Canada had amended its trade remedies legislation to ensure it provides effective protection for domestic producers and workers from unfairly traded goods.

Several delegations took note of Canada's announced shift to a more restrictive government procurement policy based on reciprocity. In its written responses, the Canadian delegation stated that such policies were necessary to ensure that trading partners restricting Canadian access to their procurement markets would not unfairly benefit from Canada's procurement system. Some delegations welcomed steps to strengthen Canada's intellectual property regime, including with respect to copyrights, but raised concerns about certain perceived shortcomings of Canada's IP system, including with respect to IP enforcement at the border, combatting online piracy, and the burden on businesses resulting from requirements on the use of non-French trademarks in Quebec. Delegations commended Canada for updating its national standards strategy, modernizing its competition legislation, and for its responsible business conduct strategy.

Several delegations expressed their continued concerns about the trade-restrictive and potentially distorting measures resulting from Canada's supply management system covering dairy, eggs, and poultry, especially high out-of-quota tariffs, issues related to the allocation and administration of tariff quotas, and opaque dairy pricing schemes. Noting the contrast between supply-managed sectors and the rest of Canada's agricultural sector, which is relatively more open and competitive, several delegations noted that meaningful reform of supply-managed sectors could help reduce prices and increase choice for Canadian consumers, while demonstrating Canada's commitment to global agricultural reform as a member of the Cairns Group. Canada was commended for eliminating agricultural export subsidies in line with the Nairobi Ministerial Declaration and requested to bring its WTO notifications on domestic support up to date.

Delegations welcomed Canada's commitment to ensure that trade and environmental sustainability goals reinforce each other. In this regard, some delegations referred to Canada's carbon pricing system and remarked on the importance of ensuring that any future carbon border adjustment mechanism adopted by Canada would be consistent with WTO rules.

The large number of questions tabled during this Review, along with the many constructive interventions by delegations, indicate the importance Members place in their trade and investment relationship with Canada, their interest in strengthening that relationship, and their desire to learn from Canada's pioneering role in many trade policy areas. I trust that the Canadian delegation, for its part, will draw upon the many constructive suggestions made by its trading partners during this Review as it seeks to continue improving its trade and investment regime. The Canadian delegation is to be commended for giving comprehensive written replies to hundreds of questions, and delegations look forward to receiving the final responses within one month. In this regard, I would like to remind delegations that the Q&A process is an essential part of TPRs, and that providing substantive answers to the advance written questions posed by Members is an important means of improving transparency and the functioning of the multilateral trading system.

In closing, I would like to thank all delegations for this successful review of Canada's trade policies and practices.