

SELLING A PROGRESSIVE TRADE AGENDA

A CONVERSATION WITH THE HONOURABLE FRANÇOIS-PHILIPPE CHAMPAGNE CANADA'S MINISTER OF INTERNATIONAL TRADE

Denis De Klerck (DDK): I understand you have a close personal relationship with Italy.

François-Philippe Champagne (FPC): Well I lived in Italy. I was there from 1994 to 1999. For the first five years of my professional life I was a young lawyer, based out of Genoa. That's why I learned Italian, and that's why the Italians are usually very happy when I go, because they feel they have one more Minister who is close to them by heart at least, and by language.

DDK: And a little bit of Latin blood.

FPC: Exactly. Well, being French Canadian, that's already something, and then—that I speak Italian—they always love that. It's why I look forward to speaking to the Italian Canadian community whenever there is a chance. Italy was a staunch supporter of the CETA agreement, but also is an important trading partner with Canada. Beyond the numbers, the people-to-people relationship matters. Our bilateral trade is about ten billion and they are our eighth largest trading partner, but first and foremost is our deep friendship, which started even before the Second World War. I feel very strongly about the relationship.

DDK: You and the Prime Minister are bringing a trade delegation to Italy soon. What do you hope to achieve?

FPC: Well we obviously want to strengthen and build on the very deep relationship we have. Prime Minister Trudeau has asked me to make trade real for people, and to create more jobs on both sides. But it's also about more choice and better prices for the consumer, and particularly, finding opportunities for small and medium-sized businesses to export in each other's market. I think that when you look at the number of Italian Canadians we have, and at CETA,

which will come into force in the next few weeks, you see nine thousand tariff lines which are going to come down to zero. Once we have removed tariff barriers, we need to seize the moment, we need to be bold, we need to be ambitious and bring our relationship to another level.

DDK: Are there certain economic sectors in Italy that have a particular synergy with what Canada has to offer?

FPC: Well certainly, if you build on what we're doing already—the top Canadian exports in Italy are around pharmaceutical products, cereals, oil, and machinery. But I think that some of the opportunities will be around clean tech, life science, and tourism. I think Canada is more than natural resources. We need to move beyond natural resources and look at other sectors where we can expand. For example, even softwood, where there might be opportunities that we need to explore. Like our Prime Minister said, “we'll defend Canadians from softwood to software.” That's a nice way to put it. Canada is thought of highly. When I travel, what I hear is that, in a world of instability and unpredictability, of nations or leaders questioning rule-based order, Canada stands out as a beacon of stability, predictability, rule-of-law, rule-based, principle-based trade, and as an inclusive nation that values diversity. Those are very powerful messages. And they are the types of messages that we will be using to attract further foreign direct investment in Canada. I think the progressive trade agenda we have, where we focus on under-represented groups, like female entrepreneurs, small and medium-sized businesses—those are the things I try to focus when I go abroad, to make sure that trade is inclusive and that it can really make a tangible and positive difference in the lives of people.

DDK: That's an admirable goal, but the beginning of your term coincided with Donald Trump becoming President, threatening

to cancel NAFTA; there was Brexit, the USA withdrew from the Trans-Pacific Partnership. Where does all this anti-global, protectionist sentiment come from?

FPC: Well I think we need to do a better job at the World Trade Organization (WTO). When I was at my first meeting, it was the Ministers that spoke last, and everyone had spoken and no one had spoken about people. And I said, you know folks, we're in the WTO for the people. We should put people first. And this has been the agenda we put forward with Prime Minister Trudeau, which is an ambitious, comprehensive, progressive trade agenda. One that puts people first. Like I said, consumers, workers, exporters. We need to make trade real for people. People need to feel that what we're negotiating is open and transparent, and that they can have a say, that they can be part of the process, and particularly that we—I keep saying it—we need to convert that goodwill into actual benefit. Whether it's better jobs, better prices, or it's more choice for consumers.

DDK: Canada and the US have a very integrated economy with goods and people crossing the border every single day. Now CETA is going to open the market to procurement, as well as recognizing professional certifications. Are we going to see a similar kind of integration over time? I know it won't happen overnight, but will we see, for example, Italian companies building Canadian infrastructure?

FPC: Well I hope so. I think there is an enormous opportunity. When I looked at CETA I said, this is the right deal at the right time. For all the reasons you mentioned. You must acknowledge those who started that process more than a decade ago. They were visionary. Because no one expected at the time that we would find ourselves where we are today, in terms of world trade, with protectionism, and this anti-globalization sentiment. So it really comes at the right time. This is the most progressive trade agreement ever negotiated by either Canada or Europe, so it's very significant. And we need to build on that. I think CETA has the same potential to be as transformative as NAFTA was for our economy.

DDK: And for their economies too.

FPC: Definitely. Because Canada becomes, for them, the gateway to the Asia Pacific. It becomes the bridge between the Atlantic and the Pacific. If you're on the other side, in Europe, obviously, Canada gives the unique opportunity to enter the North American market—to the US, to Mexico, but also to go further on to the Asia/Pacific market. So there is enormous opportunity for the Italians and Europe,



because Canada then becomes that particular gateway, which will help you in North America, in an invariable way with preferential market access, and the same thing for the Asia Pacific region.

DDK: But now that Trump has walked away from the TPP, can it survive? Will you walk away from it?

FPC: What we're doing is quite the opposite actually—we're planning a meeting of chief negotiators in Canada next week. I'm in conversation with my counterpart in Japan and we have a very strategic and ambitious trade agenda. And I am pursuing discussions with APEC, so we are front and centre when it comes to rule-based principals and open trade in the Asia Pacific region.

DDK: If all the TPP countries can't come together, will you pursue bilateral agreements?

FPC: Obviously, the circumstances are changing. But one thing I can assure you is that—as I've indicated to our Japanese friends—while we're very happy to work in collaboration together, to pursue open trade in the Asia Pacific region, we are always willing to engage with them on a bilateral basis. And we are also engaging with ASEAN in terms of a feasibility study and we're pushing for that to happen within the timetable we have given ourselves for that. So we'll see. We'll do what's in Canada's best interests.