

HOW CAN FREE TRADE AGREEMENTS BENEFIT YOUR COMMUNITY?



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OVERVIEW

- BC's Ministry of Jobs, Trade and Technology
- What do FTAs do?
- Canada's FTAs
- Opportunities for Goods Sectors
- Opportunities for Services Sectors
- Opportunities for Investment
- Opportunities for Government Procurement
- How to Look up Tariffs
- Resources
- Questions



BC'S MINISTRY OF JOBS, TRADE AND TECHNOLOGY – TRADE PRIORITIES

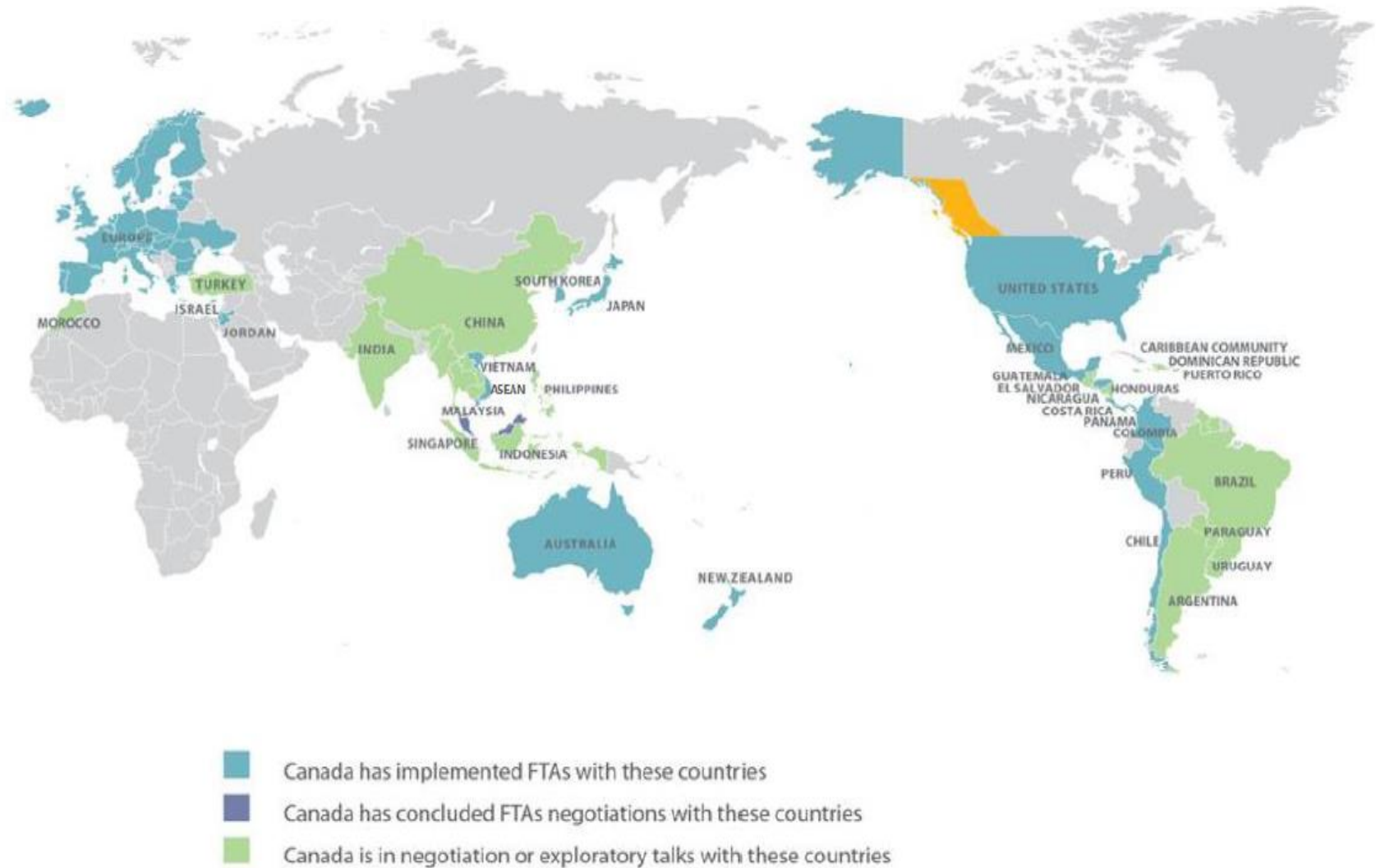
- Build a strong, sustainable economy that works for everyone
- Increase awareness and ability for businesses to take advantage of trade opportunities in existing and new markets
- Assist underrepresented export groups and SMEs throughout BC
- Encourage trade diversification, fight protectionism abroad and enhance market access for BC's exports
- Support communities to attract investment to create resiliency



WHAT DO FTAs DO?

- Build on WTO access
- Typically cover goods, services, investment, government procurement, intellectual property, environment, labour, inclusive trade
- Facilitate trade between businesses of two or more countries through:
 - Tariff and non-tariff barrier reduction and/or elimination
 - Improved rules of origin
 - Facilitated business entry
 - Access to government procurement markets
 - Increased transparency and predictability
 - Recourse for disputes

CANADA'S FTAs



CANADA – KOREA FREE TRADE AGREEMENT (CKFTA)



- Entered into force on January 1, 2015
- BC exporters were at a disadvantage before as the EU, the US, and Australia had concluded deals with South Korea
- May increase BC and Canadian goods exports to South Korea by 32%

CANADA – EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)

- Market of 500 million people
- Provisionally in force as of September 2017
- Canada is the only G7 country with preferential access to the two largest economies in the world - the US and the EU



COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

- Will cover 500 million people and 13.5% of global GDP, with future members lining up to join
- Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam
- Currently in force for 7 out of the 11 members:
 - Canada, Australia, Japan, Mexico, New Zealand, and Singapore (as of December 30, 2018)
 - Vietnam (as of January 14, 2019)
- BC is expected to benefit more under the CPTPP than under the original Trans-Pacific Partnership (TPP)



OPPORTUNITIES FOR ALL SECTORS UNDER DOMESTIC TRADE AGREEMENTS

Canadian Free Trade Agreement (CFTA)

- Includes the federal government and all provinces and territories
- Has process for reconciliation of regulations that can be unnecessary barriers to trade
- Enforceable dispute settlement mechanism



New West Partnership Trade Agreement (NWPTA)

- Regional free trade agreement (BC, AB, SK, MB)
- Enforceable and streamlined dispute settlement
- Streamlined business registration



OPPORTUNITIES FOR GOODS SECTORS

	CKFTA	CETA	CPTPP
Overall Tariff Elimination	Tariffs on 95% of Canadian goods now 0%	Tariffs on 98% of Canadian goods are now 0%	Tariffs on 99% of tariff lines will be 0% once fully implemented
Agriculture & Agri-food	Tariffs on over 97% of Canadian goods will be 0% when fully implemented	Tariffs on almost 94% of Canadian goods are now 0%	Tariffs on 94% of Canadian goods will be 0% once fully implemented
Fish & Seafood	Tariffs on nearly 70% of fish and seafood are now 0%, all remaining will be duty free when fully implemented	Tariffs on almost 96% of Canadian goods are now 0%	Tariffs on 100% of Canadian goods will be 0% once fully implemented

*Preferential tariff treatment has to be claimed

OPPORTUNITIES FOR GOODS SECTORS

	CKFTA	CETA	CPTPP
Technology	Tariffs of up to 13% on certain cameras, transmission apparatus parts, electric conductors eliminated on Day 1	0% tariffs on ICT products	99% tariffs on industrial goods will be 0% once fully implemented
Digital Products	No duties when transmitted electronically	No duties when transmitted electronically	No duties when transmitted electronically

OPPORTUNITIES FOR GOODS SECTORS (continued)

- Non-tariff barrier reduction and/or elimination
- Improved rules of origin
- Increased transparency and predictability
- Exceptions



OPPORTUNITIES FOR SERVICES SECTORS

- Increased transparency and predictability
- Level playing field
- Enhanced market access
- Exceptions

	CKFTA	CETA	CPTPP
Positive List vs. Negative List	Negative List*	Negative List*	Negative List*
Facilitated Business Entry	For certain categories of professionals, business people, and investors	For certain categories of professionals, business people, and investors	For certain categories of professionals, business people, and investors

OPPORTUNITIES FOR INVESTMENT

- Greater certainty, stability, and transparency
- Improved market access
- Protection for investments
- Facilitated business entry
- Exceptions



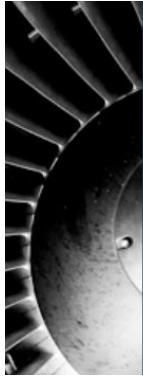
OPPORTUNITIES FOR GOVERNMENT PROCUREMENT

- Improved market access
- Greater certainty, stability, and transparency
- Keep in mind:
 - Coverage
 - Thresholds

LOCAL GOVERNMENT CONSIDERATIONS

Procurement of	Ministries/Departments	Crown corporations	MASH
NWPTA			
Goods	\$10,000	\$25,000	\$75,000
Services	\$75,000	\$100,000	\$75,000
Construction	\$100,000	\$100,000	\$200,000
CFTA (adjusted every two years)			
Goods	\$25,300	\$505,400	\$101,100
Services	\$101,100	\$505,400	\$101,100
Construction	\$101,100	\$5,053,900	\$252,700
CETA (adjusted every two years)			
Goods	\$365,700	\$649,100	\$365,700
Services	\$365,700	\$649,100	\$365,700
Construction	\$9,100,000	\$9,100,000	\$9,100,000
GPA (adjusted every two years)			
Goods	\$649,100	Not covered	
Services	\$649,100		
Construction	\$9,100,000		
CPTPP			
Goods	\$649,100	Not covered	
Services	\$649,100		
Construction	\$9,100,000		

HOW TO LOOK UP TARIFFS



Canada Tariff Finder

Find tariff information
quickly and easily



Find tariff information

You are:

☒ Exporting ☐ Importing

From Canada to:

Please select a country



Describe the product:

Find

Enter the HS code or keyword(s) describing the product ([more info](#))

PROVINCIAL RESOURCES FOR TRADE FOCUSED COMPANIES

- Canadian Agricultural Partnership (CAP) – Agrifood and Agri-Tech export companies
- Export Navigator – regional focus
- Trade Accelerator Program (TAP) – LM/Victoria
- Trade and Investment Network – 9 countries, 17 offices with approx. 65 trade and investment representatives

PROVINCIAL RESOURCES – CAP

Major Events

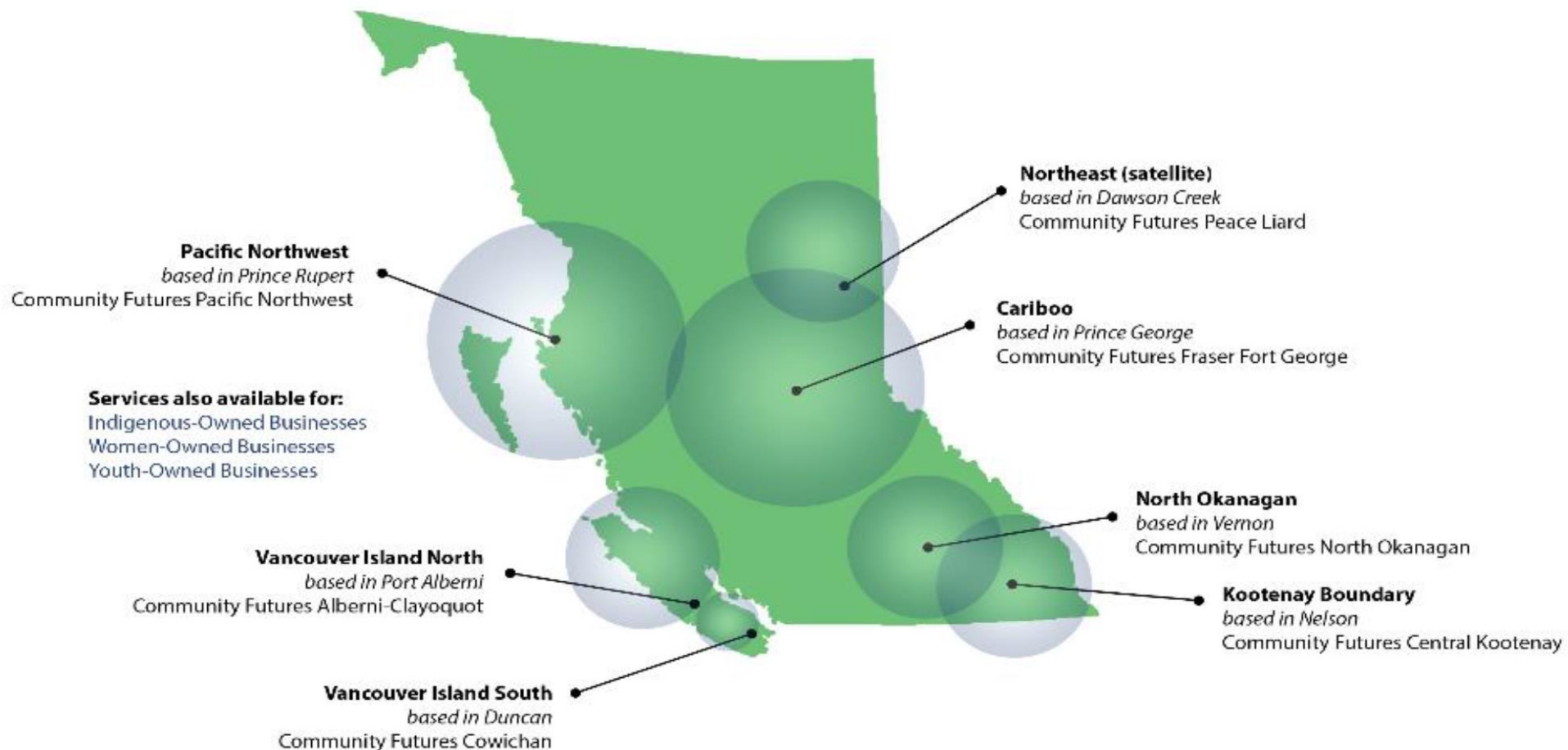
Domestic

- GLOBE (March)
- BCTech Summit (March)
- BC Shellfish and Seafood Festival (June)
- Abbotsford Air Show (Aug)
- Agrifoods inbound buyers missions (various)

International

- Seoul Food and Hotel (May 2019)
- HOFEX | Hong Kong (May 2019)
- Vitafoods | Geneva (May 2019)
- BIO | Philadelphia (June 2019)
- Medica | Dusseldorf (Nov 2019)
- FHC | Shanghai (Nov 2019)
- China Fisheries | Qingdao (Nov 2019)
- MWC | Barcelona (Feb 2020)
- GDC | San Francisco (Mar 2020)
- Seafood Expo North America (Mar 2020)
- NPEW | Anaheim (Mar 2020)
- FHA | Singapore (Mar 2020)

PROVINCIAL RESOURCES – EXPORT NAVIGATOR



BUSINESSES BY SECTOR
ALL CLIENTS

 **CONSUMER GOODS**
19%

 **AGRIFOOD**
34%

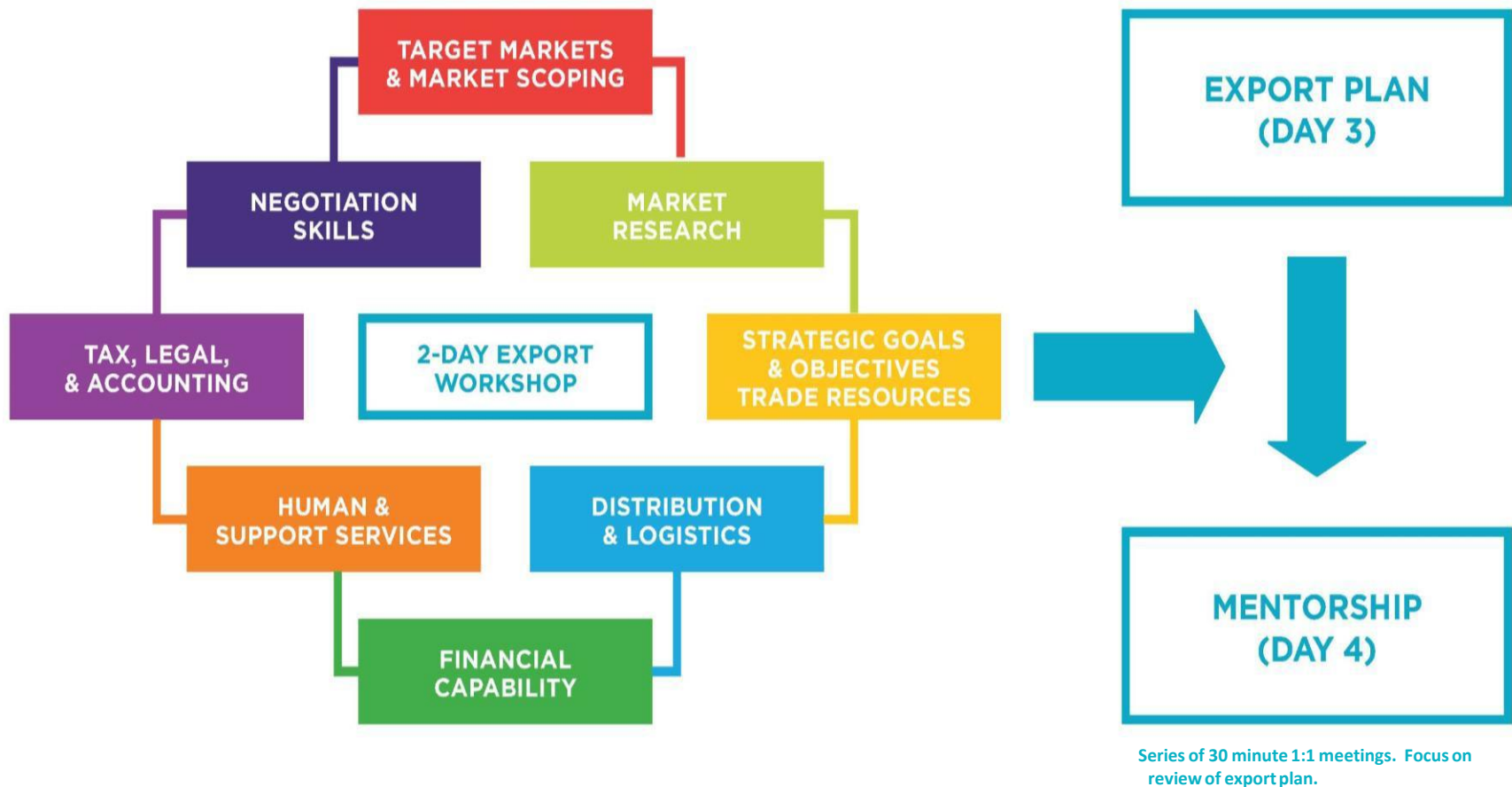
 **CLEAN TECH**
4%

 **MANUFACTURING**
24%

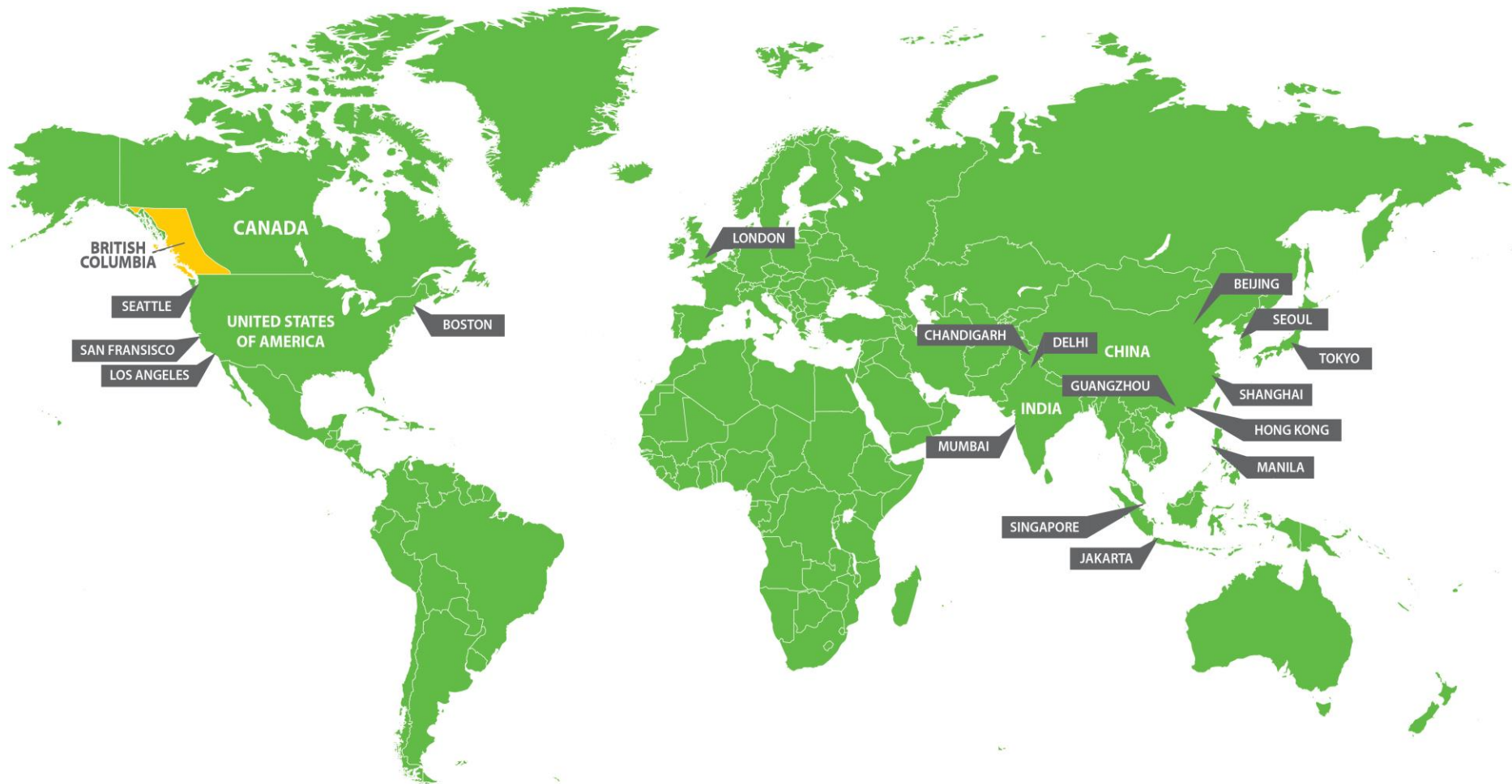
 **OTHER**
19%

PROVINCIAL RESOURCES – TAP

Workflow – 4 full days over 6 weeks



BC TRADE & INVESTMENT REPRESENTATIVES



9 countries, 17 offices with approx. 65 trade and investment representatives

RESOURCES

▪ Online Resources:

- Canada Tariff Finder (<https://www.tariffinder.ca/>)
- Report a Trade Barrier (https://www.international.gc.ca/gac-amc/campaign-campagne/trade_barriers-barrieres_commerciales/index.aspx?lang=eng)
- BC Export Navigator (<https://smallbusinessbc.ca/export-navigator/>)
- Government of Canada FTA guide for municipalities: <https://www.international.gc.ca/trade-agreements-accords-commerciaux/ressources/fcm/complete-guide-complet.aspx?lang=eng>

▪ Offices

- Trade Policy & Negotiations, BC Ministry of Jobs, Trade and Technology:

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- BC's Trade and Investment Representatives (<https://www.britishcolumbia.ca/global/trade-and-investment-representatives/>)
- Canada's Trade Commissioner Service

HOW TO LOOK UP TARIFFS

Apple > Treatment

Please tell us more about your apple. Click or press the associated key to select an option.

☒ Fresh or chilled only

☐ Frozen only

☐ Provisionally preserved

☐ Dried

☐ Prepared or preserved

OK

HOW TO LOOK UP TARIFFS

Apple > HS Code 0808.10

Select the most appropriate entry from the Japan schedule below.

▼ 08 - EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUIT OR MELONS

└─▼ 08.08 - Apples, pears and quinces, fresh

└─┐ 0808.10.00.0 - Apples

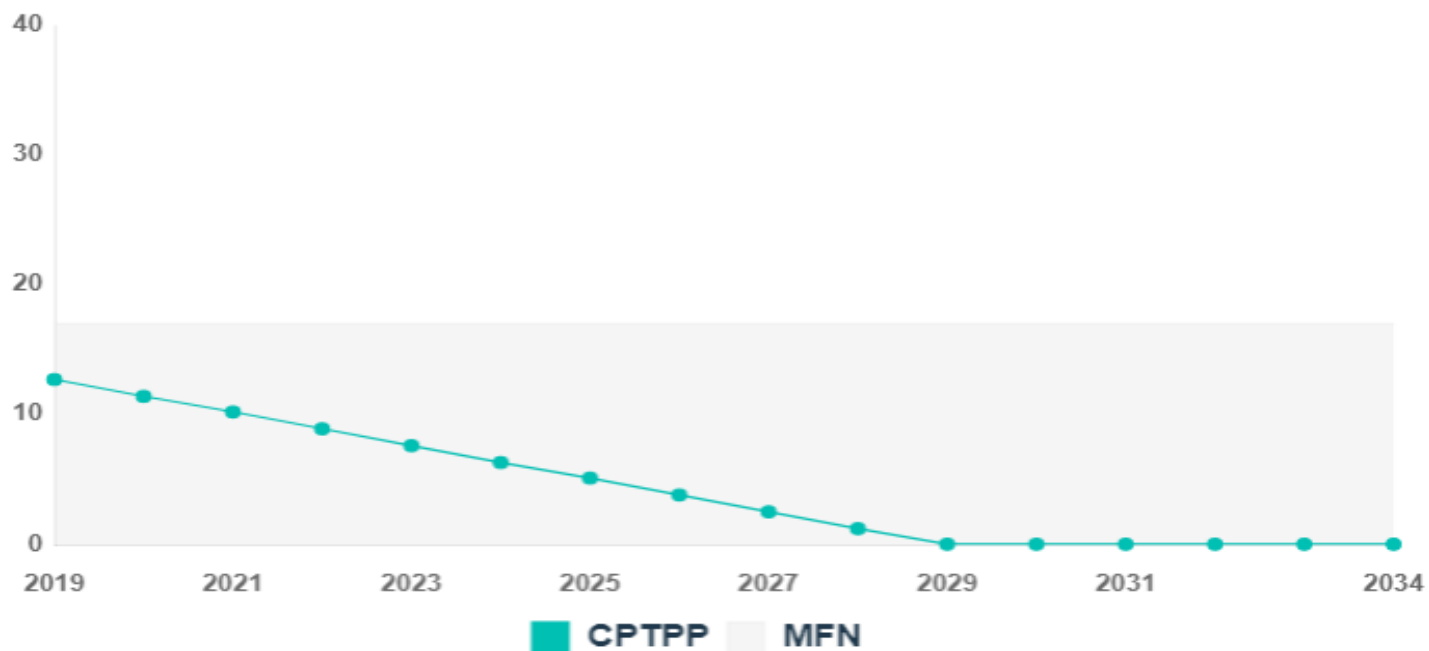
[Review classification](#)

Confirm 0808.10.00.0

HOW TO LOOK UP TARIFFS

Tariff year-over-year chart

This report shows only current tariff data



HOW TO LOOK UP TARIFFS

MFN		17%
Date	CPTPP	
2019	12.7%	
2020	11.4%	
2021	10.2%	
2022	8.9%	
2023	7.6%	
2024	6.3%	
2025	5.1%	
2026	3.8%	
2027	2.5%	
2028	1.2%	
2029	Free	