

Canada Ratifies the Comprehensive and Progressive Trans-Pacific Partnership

Tegan O'Brien, Brenda C. Swick

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On Saturday October 27, 2018, Canada became the fifth nation to ratify the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade deal, bringing the deal one step closer to entering into force. Born from the Trans-Pacific Partnership negotiated in 2016 that ended when Donald Trump withdrew the United States after taking office, the renegotiated CPTPP brings together eleven countries with a combined GDP of approximately \$13.5 trillion: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The deal will have the effect of greatly reducing barriers to trade, and will impact a wide-range of industries in the Canadian marketplace.

The CPTPP was signed by the members on March 8, 2018, in Santiago, Chile, leaving the nations to complete their domestic implementation and ratification procedures in preparation for the changes brought by the trade agreement. The deal will come into effect 60 days after six of the signatories have ratified.

Bill C-79, Canada's implementation bill for the CPTPP, was introduced by the International Trade Minister François-Philippe Champagne on June 14, 2018. From there the Bill has moved through both the House of Commons and the Senate, receiving Royal Assent on October 25, 2018. Canada now joins Mexico, Japan, Singapore, and New Zealand as the fifth signatory to ratify the CPTPP. Reports suggest that Australia will ratify later this week.

There has been some discussion surrounding the review and implementation process for Bill C-79, given the speed at which it moved through the legislature. While Canada's ratification has been supported by pro-trade groups who wish to accelerate Canadian companies' access to international markets with little to no tariffs, domestic producers are wary of the competitive effects that could arise with increased imports from the Asia-Pacific region. That being said, the Senate committee reviewing the Bill indicated that there were significant benefits to Canada being among the first six countries to ratify, ensuring that Canadian companies are well-positioned when the deal inevitably comes into force.

Regardless, this process brings Canada one-step closer to free trade access across the globe. The CPTPP is expected to increase Canada's GDP by \$4.2 billion in the next 20-30 years, made up of increased goods and services exports and investments in markets that Canada currently is not party to a free-trade agreement with (e.g., Japan, Australia).

If you have any questions about the CPTPP or other trade law concerns, please contact a member of our

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Competition, International Trade & Foreign Investment Group.

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