

Parliamentary Standing Committee on International Trade
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Good Morning. It is my pleasure to be here on behalf of Canada's 90,000 manufacturers and exporters, and our association's 2,500 direct members, to support the ratification of C-100 and the Canada-US-Mexico-Agreement (CUSMA).

Before I begin, I would like to thank the efforts of the Prime Minister, Minister Freeland, the Chief negotiator, and all of their staff for negotiating the CUSMA. Being part of the process we understand how difficult these negotiations were and also how critical the outcomes were for Canadian business and all their employees.

The importance on the negotiations is because CUSMA is not simply another trade agreement. North American trade is the basis on which Canada's manufacturing sector and their 1.7 million employees operate. It is why the manufacturing sector is responsible for more than two-thirds of Canada's exports. It is how the sector competes against the rest of the world – at home and in foreign markets. It is critical to our current and future success.

As such, CME fully supports the ratification of this legislation and the CUSMA and urge the government to ratify the deal as soon as practical.

The primary reason for immediate ratification is based on the opening statement – it is the foundation for modern manufacturing in Canada. CUSMA preserves the integrated manufacturing operations that allows the relative free flow of goods and services between our three markets to collectively build products for sale domestically and internationally. Going into negotiations our members made it clear that the primary objectives of the negotiations must be to do no harm to this integrated manufacturing economy – which has happened.

In fact, CUSMA preserves many of key elements of the original NAFTA which were targets of the US for elimination, not the least of which are the dispute settlement mechanisms and the business traveler visa exemptions.

Aside from preservation, CUSMA updates critical areas of NAFTA to bring it into the 21st century. This alone will significantly enhance North American trade. For example, the new Digital Trade Chapter recognizes that the internet now exists and establishes a framework for e-commerce in North America. The Customs Administration and

Trade Facilitation Chapter will also go a long way in modernizing customs procedures throughout North America, enabling the free flow of goods.

And lastly, Chapter 26, the new Competitiveness Chapter has not garnered a lot of media attention, but it is in our estimation one of the biggest accomplishments of CUSMA. Why? Well, it sets up a framework for three sovereign countries to become a unified trade block. It will do this by promoting better coordination and integration of our manufacturing industries so that we can tackle global trade challenges together. This is a significant accomplishment.

And as CUSMA courses its way through each of the three country's domestic ratification process, we believe we should immediately get to work on implementing parts of the agreement now that do not require legal changes. We should be looking to make early progress by establishing committees for North American competitiveness and good regulatory practices as outlined in the agreement. This would show Canadian leadership, signal to our other partners that we take CUSMA seriously, and, enable us to hit the ground running once all three countries ratify the agreement.

In the final analysis, CUSMA is a good deal for Canada, and given the very challenging negotiations, an impressive achievement. And now that the unfair and punishing 232 tariffs on Canadian steel and aluminum have been lifted, we urge the government to move forward with ratification as quickly as practical.

Thank you and I look forward to the discussion.