



Canada / India
Comprehensive Economic Partnership Agreement
(CEPA)

Eric Robinson

June 2, 2011



Canada-India Comprehensive Economic Partnership Agreement

- **CEPA and Canada's Trade Policy priorities**
- **Context**
- **CEPA negotiations – where we are**
- **CEPA negotiations – going forward**



Trade Policy Priorities

- **Under Canada's *Global Commerce Strategy*, the foundations of Canada's trade agenda were reaffirmed**
 - Ongoing commitment to WTO
 - Ambitious pursuit of free trade agreements (FTAs), Foreign Investment Promotion and Protection Agreements (FIPAs), Science and Technology Cooperation Agreements, and Air Services Agreements
- **Overall objective is to continue to expand Canadian access to global markets**



Canada's Free Trade Agenda

- **FTAs in force:**
 - NAFTA (1994), Israel (1997), Chile (1997), Costa Rica (2002), the European Free Trade Association (2009), Peru (2009)
- **NAFTA –has had a demonstrably beneficial effect on trade, investment and competitiveness in the region since 1994**
- **Colombia FTA approved, technical steps for implementation continue**
- **Implementing legislation for the Jordan and Panama FTAs was before Parliament when, on March 26, 2011, Parliament was dissolved and the legislative process ceased**



Canada's Free Trade Agenda

Ongoing negotiations:

- **European Union**
- **Ukraine**
- **Morocco**
- **South Korea**
- **Caribbean Community (CARICOM)**
- **Dominican Republic**
- **Central America Four (Honduras, El Salvador, Guatemala, Nicaragua)**



Canada's Free Trade Agenda

Modernization of existing FTAs:

- **Canada-Costa Rica FTA**
- **Canada-Chile FTA**
- **Canada-Israel FTA**

A decorative graphic at the top of the slide. On the left, a stylized maple leaf is partially visible, with a portion of it being a red and white checkerboard pattern. To the right, a dark blue world map is visible against a lighter blue background. The title 'Canada's Free Trade Agenda' is centered in white text on a dark red horizontal band.

Canada's Free Trade Agenda

Other initiatives:

- Japan
- Turkey



India



Context

- **BRIC(S)**
- **Among the fastest growing markets in the world – more than 8% in 2011**
- **60% of Canada's GDP linked to trade**
- **Engagement**
- **Complementary economies**
- **Trillion dollar economies \$4 billion in trade**



Context

- **Trade has doubled in the past decade**
- **Canada's overall share of trade has declined**



India CEPA Timeline

- **November 2009:** Formation of a Joint Study Group to examine the feasibility of a comprehensive economic partnership agreement (CEPA).
- **June 27, 2010:** Conclusion of the Joint Study, which recommends the launch of free trade negotiations between Canada and India.
- **September 24, 2010:** Joint Study publicly released



Joint Study results

- **\$6 billion GDP gain**
- **50% increase in bilateral trade**
- **Potential benefits distributed across all regions and economic sectors**
- **Potential increase in competitiveness**
- **Diversification of Canadian export markets**



Joint Study Conclusion

- The Joint Study Group finds sufficient common ground to recommend moving ahead with next steps towards negotiation of a comprehensive agreement covering substantially all trade in goods and services; investment; trade facilitation; and other areas of economic cooperation, as a 'single undertaking', leading to additional trade flows and economic gains.



India CEPA Timeline

- **November 12, 2010:** Launch of negotiations announced by Prime Ministers Harper and Singh
- **November 16, 2010:** Minister Van Loan launches the first round of negotiations in Delhi on November 16



Modalities

- **7 main tables:**

- Market Access for Goods
- Rules of Origin, Origin Procedures
- Customs and Trade Facilitation
- Technical Barriers to Trade
- Sanitary and Phytosanitary Measures
- Services
- Institutional Matters (including Horizontal Issues, Preamble, Initial Provisions, General Definitions, Transparency, Administration of the Agreement, Dispute Settlement, General and Final Provisions).



Modalities

- **We also agreed to continue to discuss several other areas of our economic relationship as outlined in the joint study.**
 - Government Procurement
 - Labour and Environment Issues
 - Monopolies and State Enterprises



Modalities

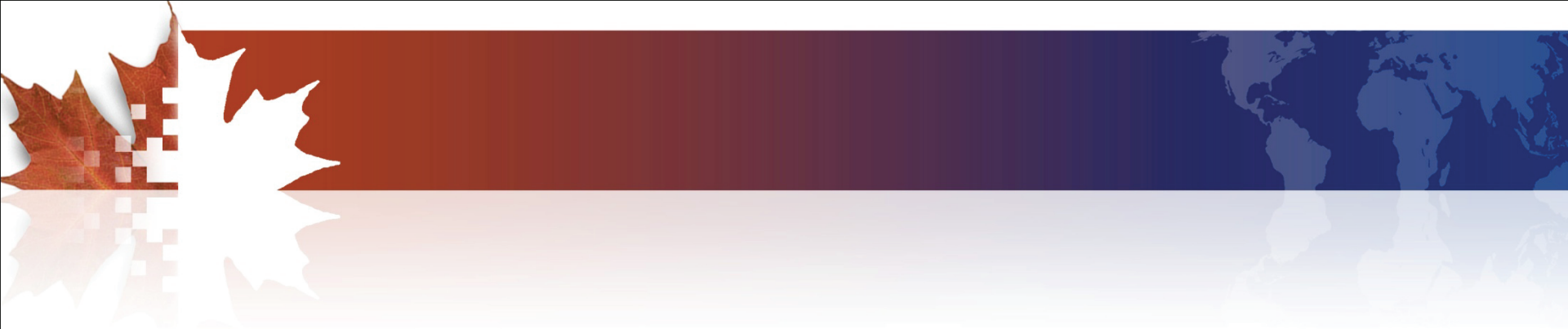
- **Rounds every 3 to 4 months**
- **As much intersessional work as possible**
- **Second round postponed**
- **Tentatively scheduled for early July**

- 
- **Canada is seeking a high-quality CEPA that eliminates tariffs on most goods, opens opportunities in services and reduces non-tariff barriers.**
 - **Current average Indian tariffs of 10.1% on non-agricultural products and 32.2% on agricultural products**
 - **Conclude by 2013**



▪ India has an active FTA agenda

- Singapore 2005
- Korea 2009
- Japan 2011
- European Union
- EFTA
- New Zealand
- Australia
- Chile
- Asean
- Sri Lanka
- Columbia
- Uruguay
- SACU
- Russia



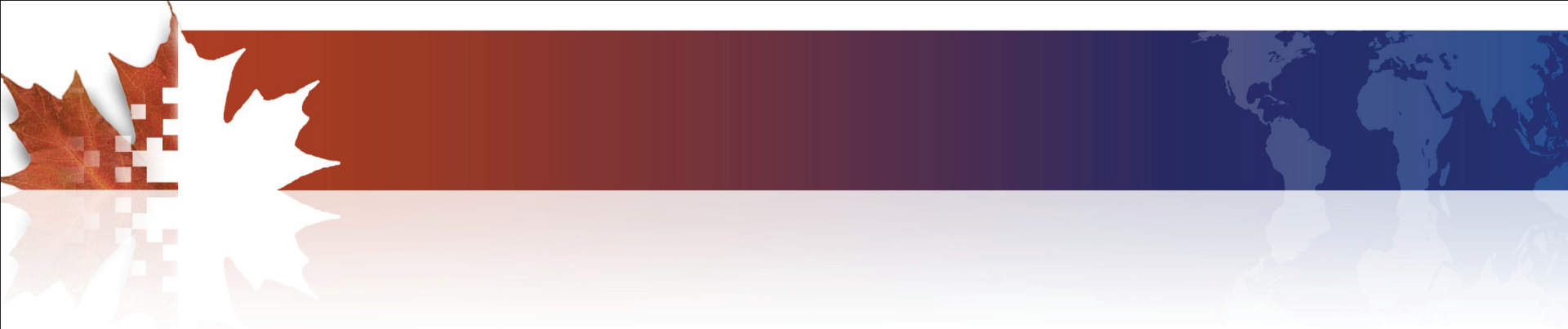
- **Canada is negotiating with close to 50 countries**
- **India is unique**



10

दश टका
দশ টাকা
દશ રૂપિયા
ಕತ್ತುರೂಪಾಯಿಗಳು
دَش رُوبَى
धा रुपया
പത്തു രൂപ
दहा रुपये
दश रूपियाँ
ଦଶ ଟଙ୍କା
ਦਸ ਰੁਪਏ
दशरूप्यकाणि
பத்து ரூபாய்
పదో రూపాయలు
دَش رُوبَى

- ASSAMESE
- BENGALI
- GUJARATI
- KANNADA
- KASHMIRI
- KONKANI
- MALAYALAM
- MARATHI
- NEPALI
- ORIYA
- PUNJABI
- SANSKRIT
- TAMIL
- TELUGU
- URDU





Consultations

- **What key objectives, should Canada to pursue in free trade negotiations with India?**
- **What specific economic interests do you have in the Indian market?**
- **Are there specific non-tariff barriers that should be addressed?**
- **What are your defensive interests?**

<http://www.international.gc.ca/consultations/index.aspx>



Eric Robinson

Deputy Director Trade Negotiations 1
Division (TPE)

125 Sussex Drive

Ottawa, Ontario

K1A 0G2

Tel: +613 995-0739

Fax: +613 944-0757

Eric.Robinson@international.gc.ca

www.international.gc.ca

