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DU CANADA

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CANADA AND THE CPTPP: OPPORTUNITY KNOCKS

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- **Asia in the global economy**
- **Canada as a trading nation**
- **A user's guide to the CPTPP**



ASIA IN THE GLOBAL ECONOMY

By any measure China will soon have the world's largest economy

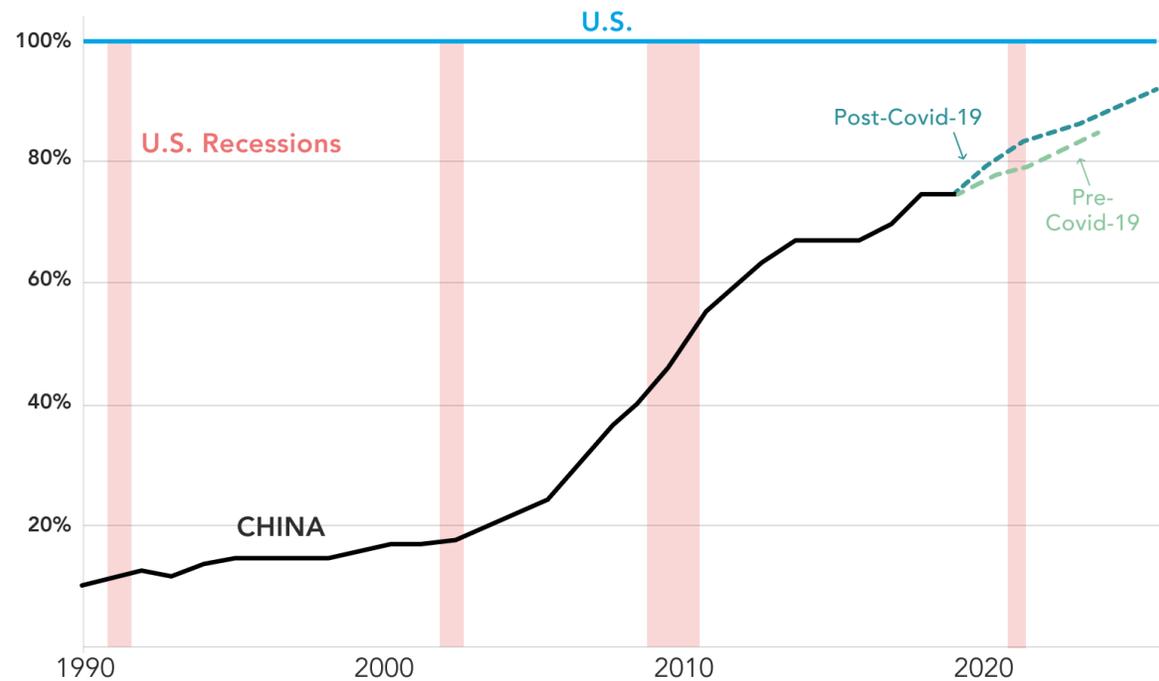


THE DATA DAILY

Source: CEIC (through 2019); Deutsche Bank (estimates) via the Wall Street Journal

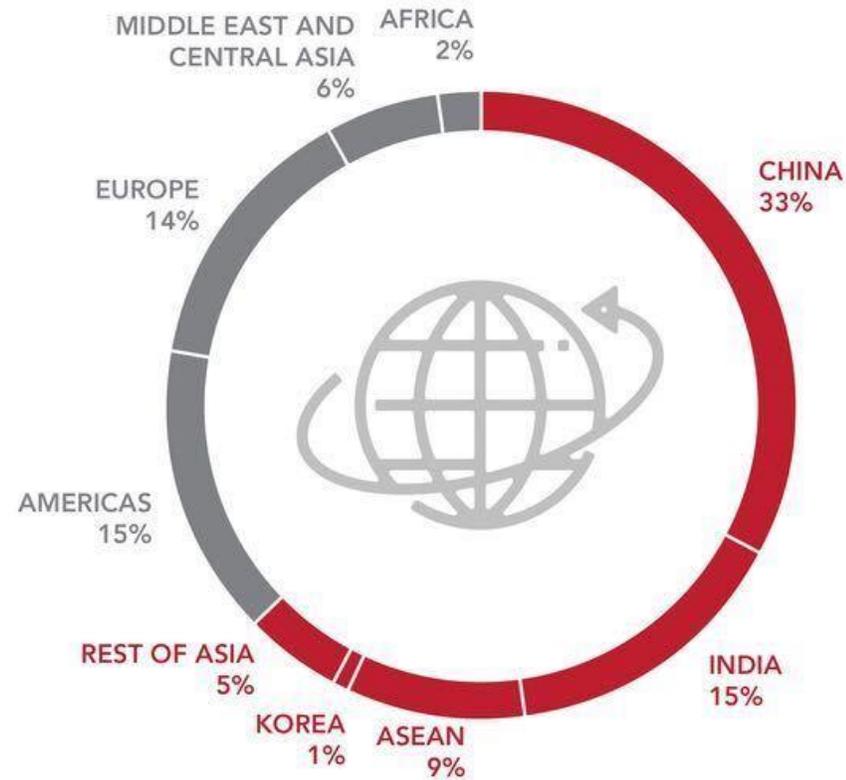
China's quick rebound from COVID-19 is accelerating the catch up of its GDP (real terms) to the United States

China's GDP size relative to US GDP



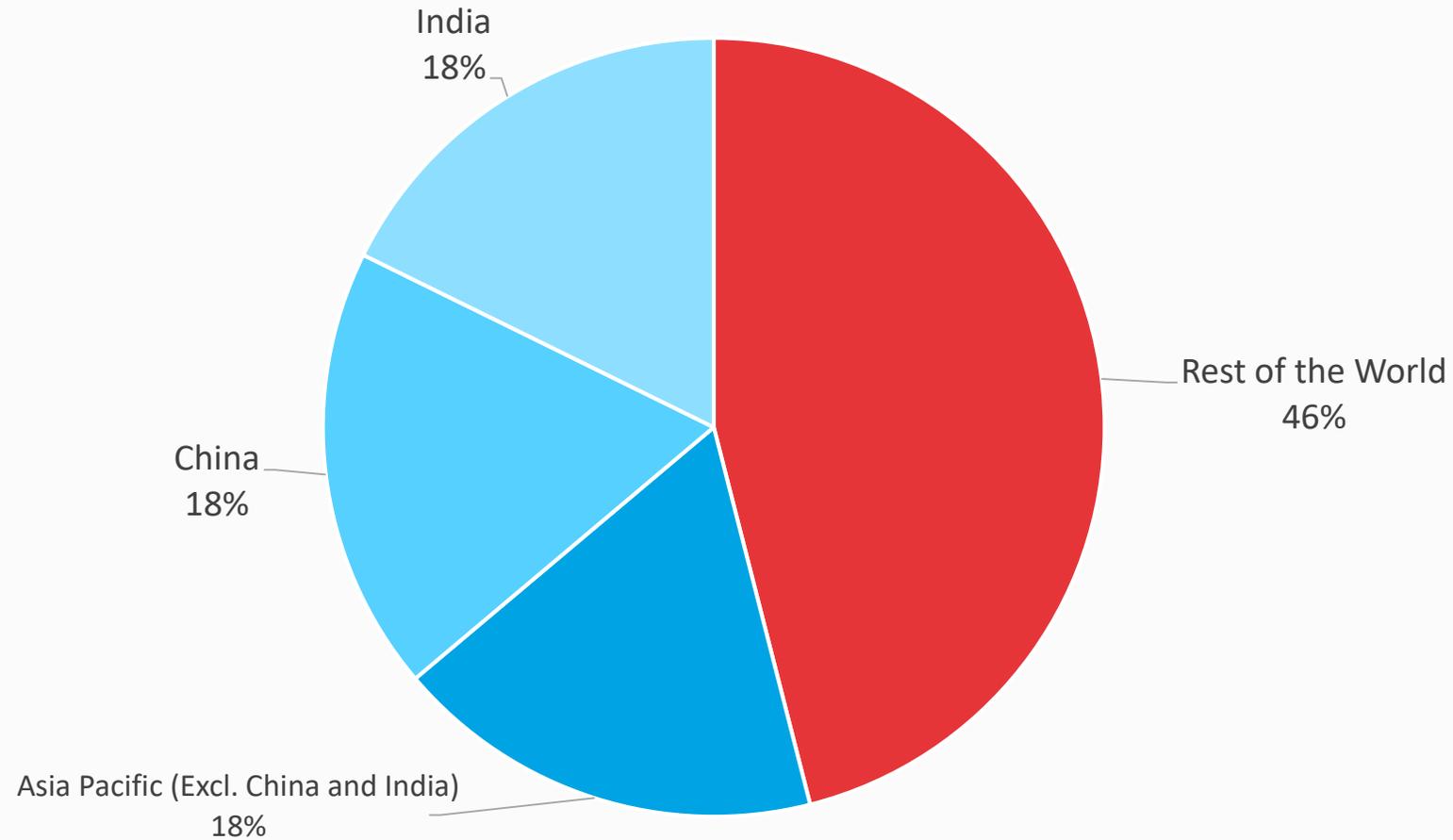
Asia Pacific Economies' Contribution to Global Growth by Region, 2018

Source: IMF, accessed August 26, 2020



...and for over half of the world's population

Share of Asia Pacific's Population in the World 2020



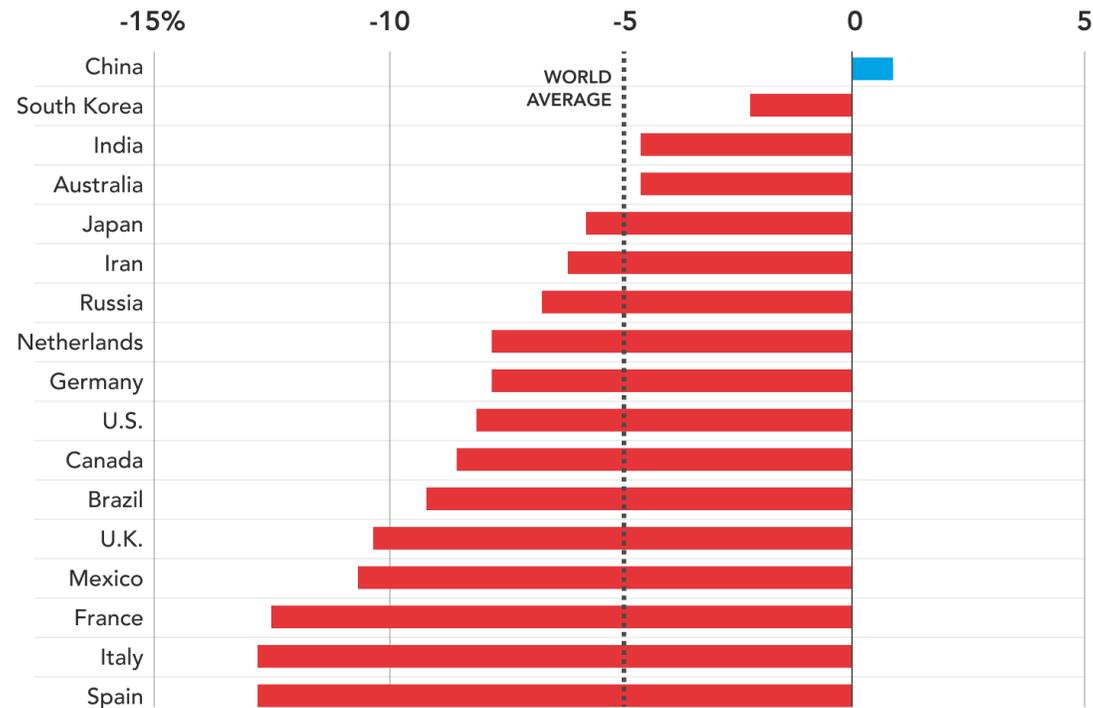
Economies in the Asia Pacific are predicted to recover quicker than the rest of the world from the economic shock of COVID-19



THE DATA DAILY

Source: International Monetary Fund

Projected GDP for 2020, change from a year earlier



NOTE: Latest estimates made in June



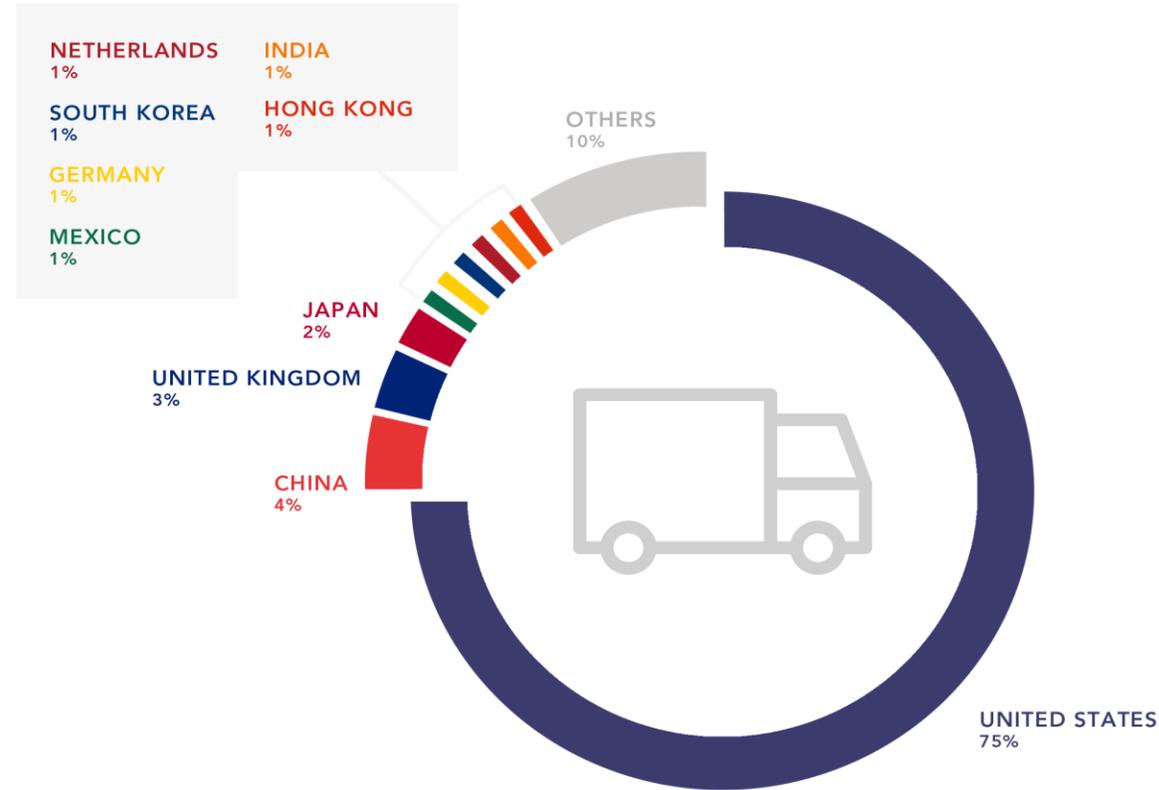
An aerial, high-angle photograph of a large container ship sailing on the ocean. The ship is filled with stacks of shipping containers. The water is dark, and the ship's wake is visible. The title 'CANADA AS A TRADING NATION' is overlaid in white, bold, sans-serif capital letters across the middle of the ship. A thin red horizontal line is positioned below the text, starting from the left edge of the frame and extending to the right edge of the ship's hull.

CANADA AS A TRADING NATION

Three-quarters of Canadian exports go to the United States

Canada's Top 10 Export Destinations in 2019

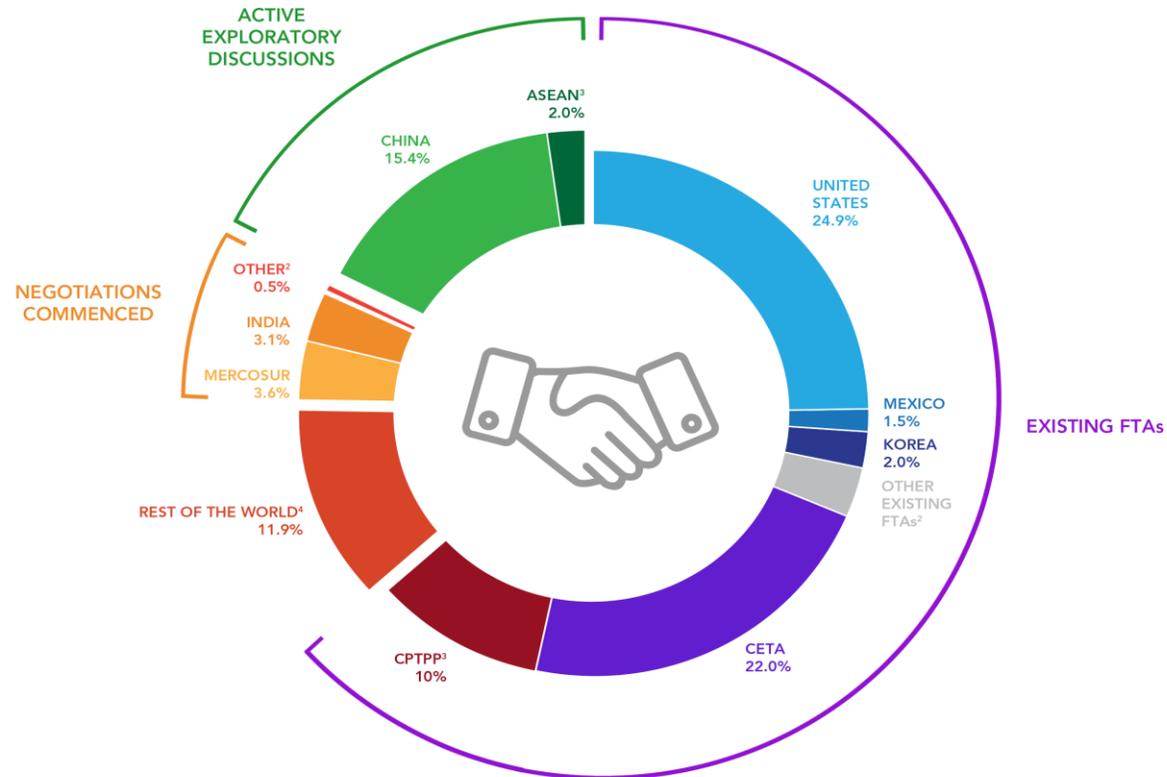
Source: Statistics Canada



Canada has FTAs with two thirds of the global economy

Canada's Trading Partners Share of World GDP¹, 2017

Data: IMF World Economic Outlook
Source: Office of the Chief Economist, Global Affairs Canada



¹ World GDP excluding Canada

² Other existing FTAs: Chile, Colombia, Costa Rica, Honduras, Israel, Jordan, Panama, Peru, Ukraine, European Free Trade Association (EFTA);
³ Other (negotiations commenced): CARICOM, Dominican Republic, El Salvador, Guatemala, Nicaragua, Morocco

³ Excluding existing FTA initiatives

⁴ No FTAs or FTA initiatives



The CPTPP unlocks opportunities for Canadian SMEs



HALF A
BILLION
CONSUMERS



COMBINED GDP OF
\$13.5 TRILLION
REPRESENTING
13.5% OF GLOBAL GDP

11
MEMBER
ECONOMIES



AUSTRALIA



BRUNEI



CANADA



CHILE



JAPAN



MALAYSIA



MEXICO



NEW ZEALAND



PERU

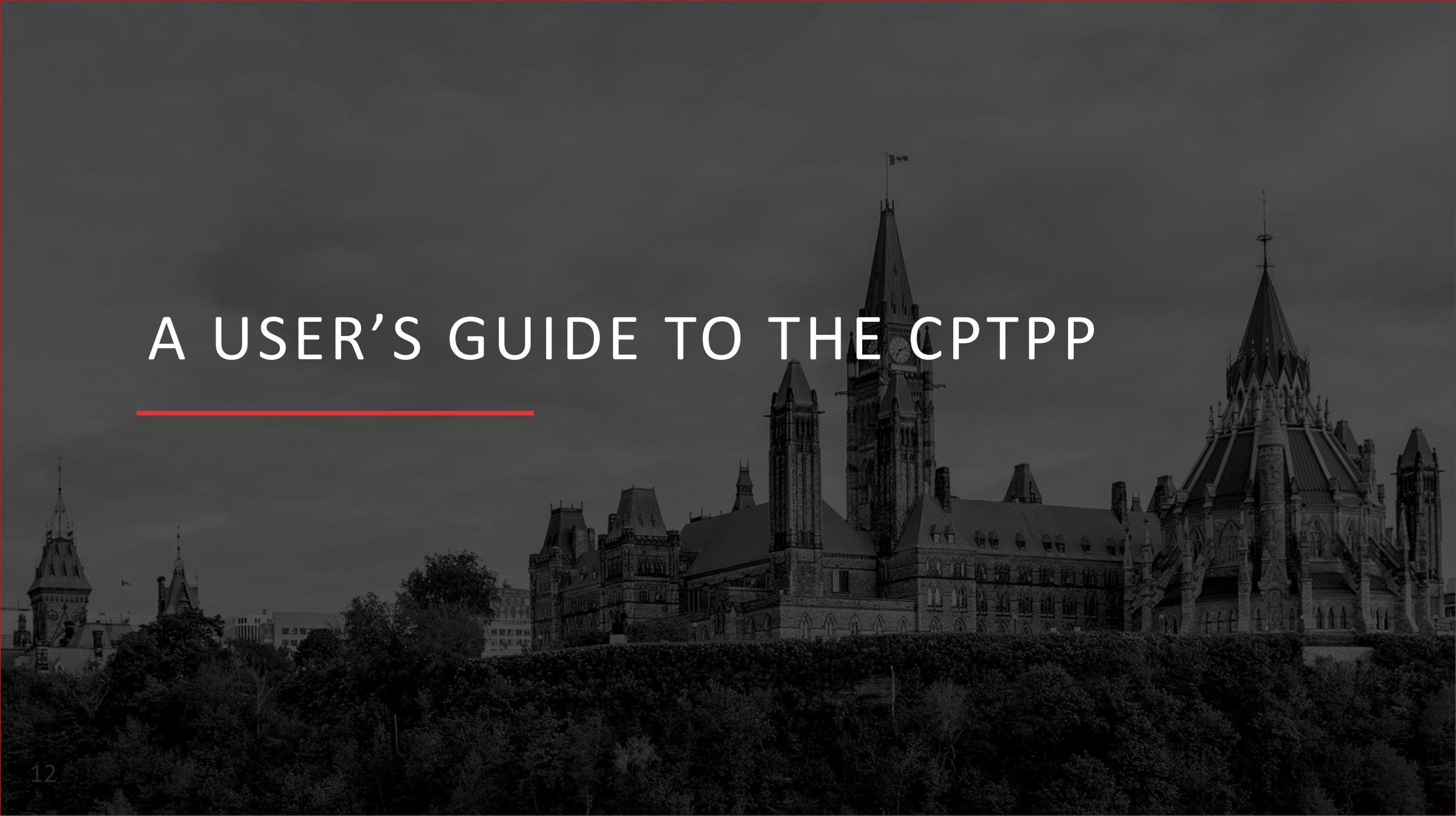


SINGAPORE

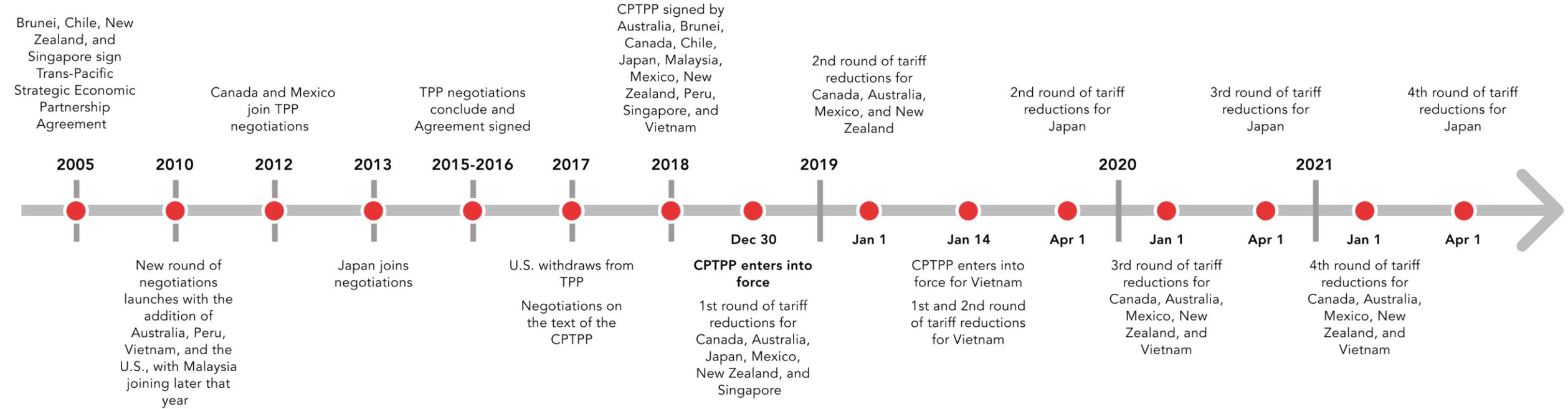


VIETNAM

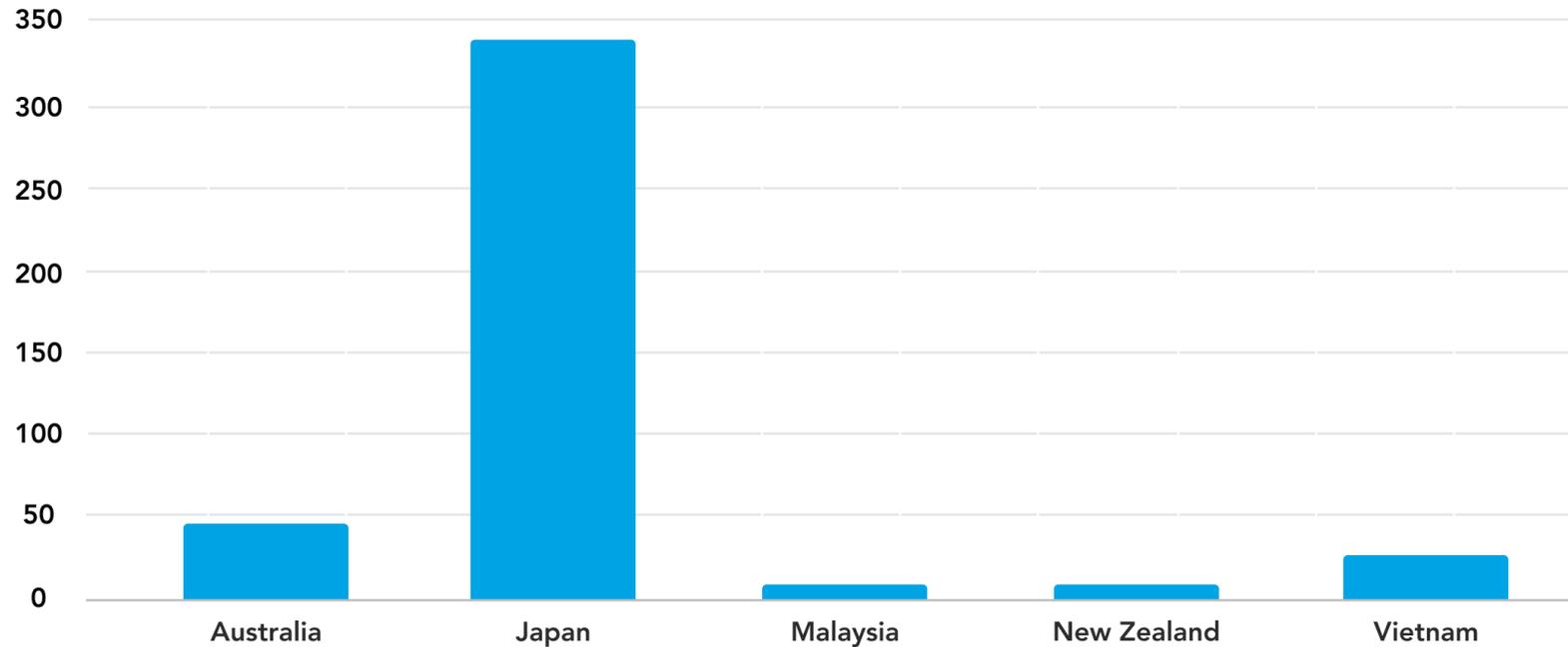




A USER'S GUIDE TO THE CPTPP



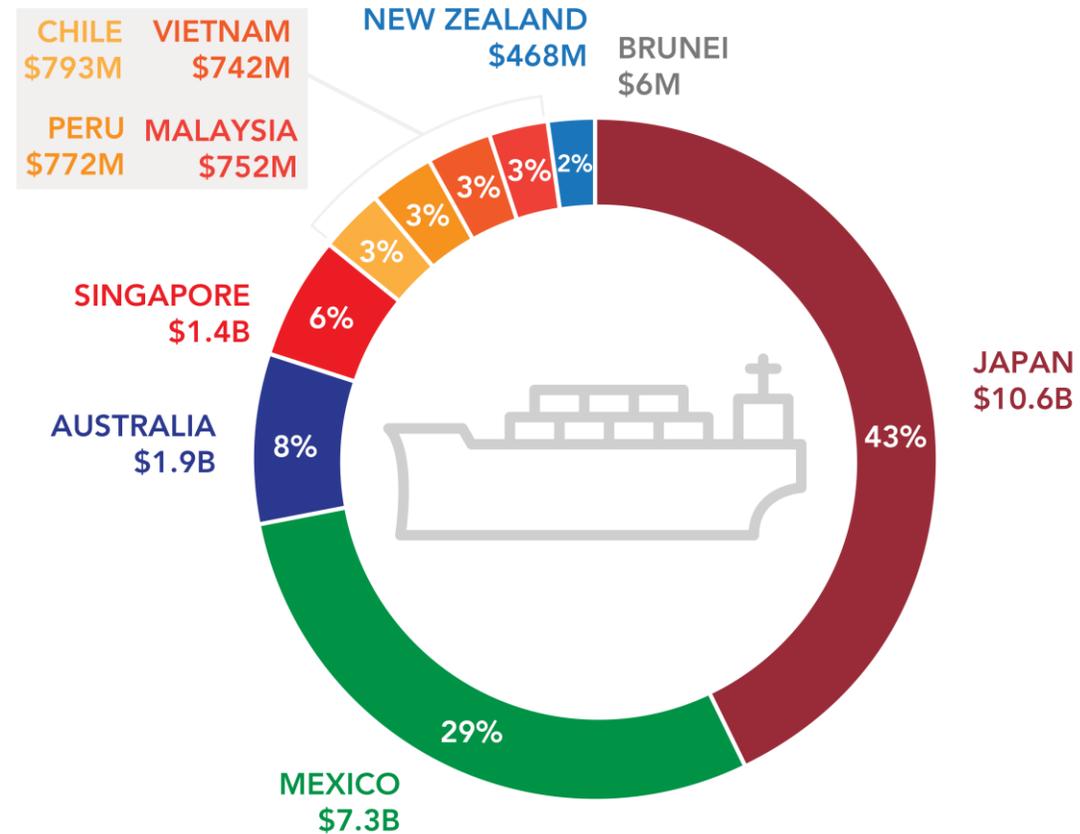
Estimated Tariff Savings for Canadian Exports from New Preferential Market Access (C\$millions)



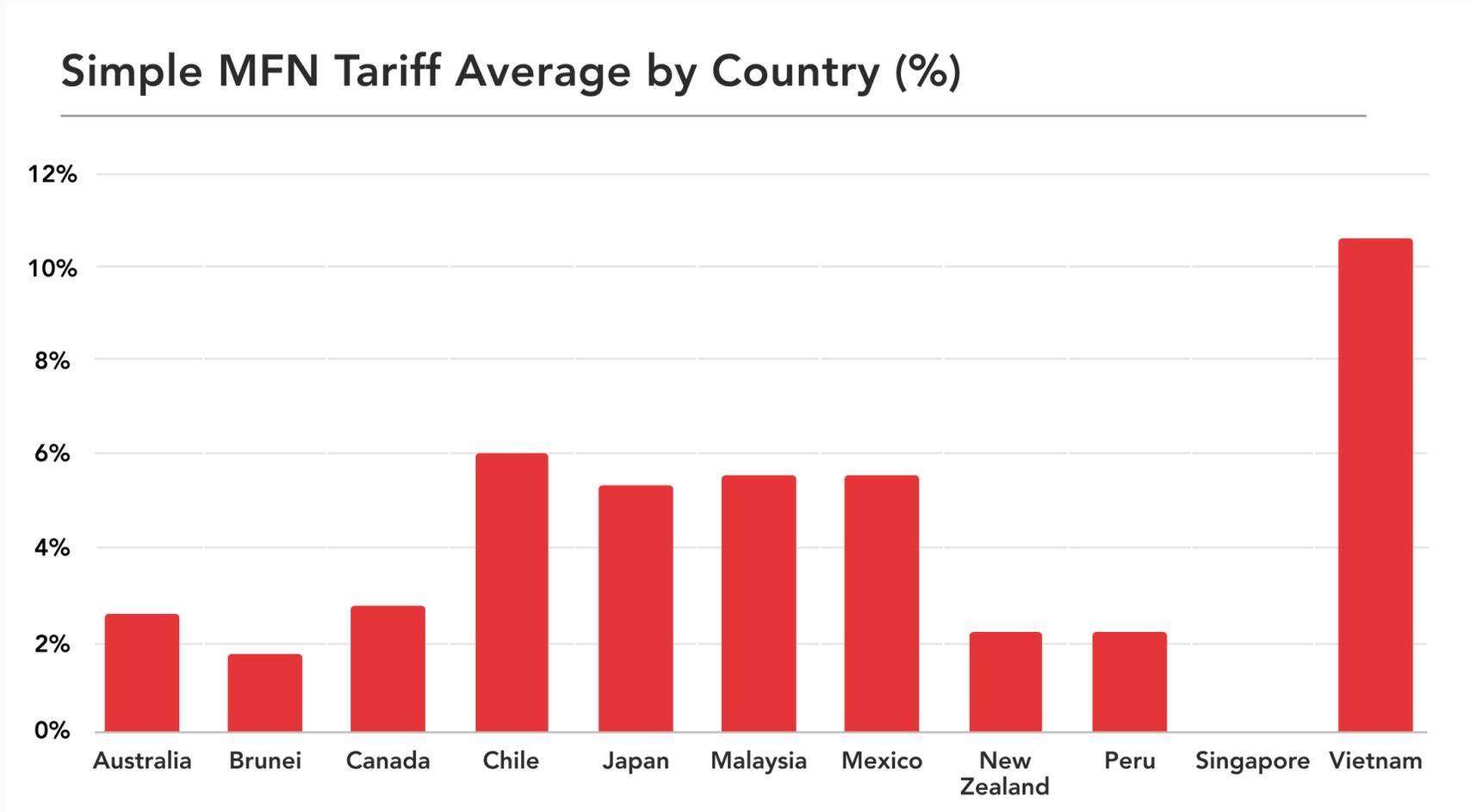
Japan is Canada's most important CPTPP partner

Canadian exports in goods to CPTPP countries (2015-2017 average)

Total: 24.7 billion per year



The rates faced by Canadian exporters before the CPTPP



SOURCE: GLOBAL AFFAIRS CANADA, ACCESSED AUGUST 21, 2020



Pre-CPTPP MFN rates of 25% or higher:

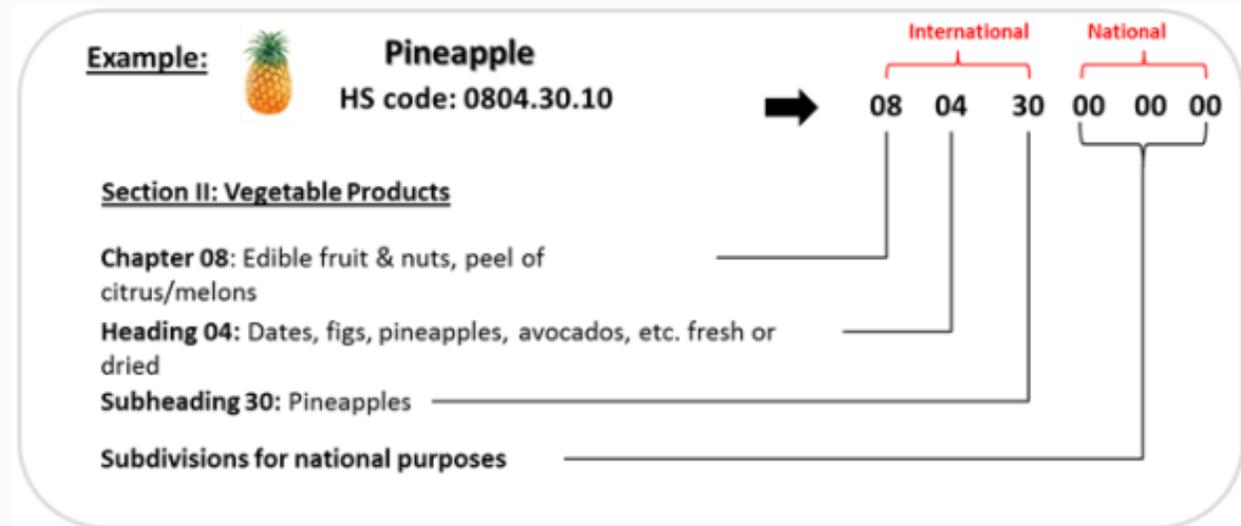
Honey; prepared or preserved fruits and nuts; fresh, frozen prepared or preserved beef; fresh or frozen pork; jams and fruit purees; ethyl alcohol; and footwear

Sensitive sectors receiving tariff cuts:

Wheat, barley, food preparations of cocoa, confectionery and other preparations containing cocoa, coffee and tea mixes, food preparations and doughs, preparations of pulses, candies and confectionary, other food preparations, certain cane sugar, certain food preparations, and malt; wood products.



1. Figuring out your HS Code
2. Determining your tariff preference
3. Determining your rules of origin
4. Claiming the tariff



Tools and resources for SMEs

- The Government of Canada is working with partners to assist SMEs in taking advantage of the CPTPP and Canada's other trade agreements. [Contact a trade commissioner](#) today to get started on accessing opportunities in CPTPP markets or for information on [trade-focussed events and information sessions](#), including on the CPTPP, in locations across Canada.
- Many exporters seek external financing to support their ability to access international markets. There are a number of [solutions available](#) to help you market and sell abroad or help boost your working capital and reduce financial risks. Discover the various financial solutions available to help you market and sell abroad.
- If you are with a small or medium-sized business (one that has fewer than 500 full-time employees), the [CanExport program](#) could provide direct financial assistance to help you develop new export opportunities and markets.
- Learn more about CPTPP outcomes through our [chapter summaries](#), and learn more about [how tariffs will be eliminated](#) with each of the CPTPP parties.

How can Canada help you succeed?

A number of tools and resources are waiting for you.



Contact trade commissioners

Canadian trade commissioners are located in more than 160 cities worldwide, and can provide you with key business insights and access to an unbeatable network of international contacts.



Invest in Canada

Canada's business-friendly environment is built on world-class cities that consistently rank as the best places to live, work and play.



Business women in international trade

Networking opportunities, events and activities for women doing business across borders.



Participate in a trade mission

Information on Canada's trade missions and other international trade events for Canadian exporters.



Get funding and support for exporting into new markets

Get financial support, access co-development opportunities and pursue opportunities in new markets.



Canada Tariff Finder

Search for your product by keyword or harmonized system (HS) code. Find out what tariff rate you could claim when exporting to markets with which Canada has a free trade agreement.

- Government of Canada online list of tools and resources to help SMEs take advantage of the CPTPP: www.international.gc.ca



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<https://www.asiapacific.ca/research/business>

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