

Canada's Bogor Goals Progress Report (as at 8 August 2014)*

Highlights of Achievements and Areas for Improvement

- Progress continues in reducing tariffs both through FTAs and unilateral measures.
- For certain agricultural products, tariff rate quotas are applied, but Canada ensures that its policies are in compliance with its WTO obligations.
- New commitments in trade in services via bilateral FTAs. Some improvements to allow foreign investors in the telecommunications sector subject to certain conditions.
- Local content requirements apply for television broadcasters and radio stations.
- New thresholds for review for WTO member investors are equivalent to CAD 354 million in 2014, an increase of CAD 24 million from 2012.
- Canada continues to implement initiatives to expedite customs procedures and improve secure trade.
- Canada continues its active participation in multilateral accreditation arrangements. New cooperation arrangements with other economies have been implemented.
- New laws have been introduced to strengthen intellectual property rights
- Canada implemented, in June 2014, a pilot program to offer a domestic ABTC scheme to Canadian business people.

Summary of Topics

Tariffs

Canada implemented amendments to its Customs Tariff in 2012 to simplify its structure and reduce the burden on importers by reducing the number of tariff classification numbers by over 900, and removing redundant or obsolete provisions from the law. Building on action, as announced in the 2010 Budget to remove all tariffs on machinery & equipment and inputs or industrial manufacturers, the Government later on also removed tariffs on certain petroleum oils used as fuels in the production of energy and electricity, as well as four tariff lines used in manufacturing. The amendments also created three new generic descriptions in the tariff classification to facilitate the importation of low-value non-commercial shipments by post or courier by speeding their processing.

Efforts to reduce or eliminate tariffs continued in 2013, with Canada eliminating tariffs on baby clothing and certain sports and athletic equipment. On 8 March 2013, Canada also fully implemented its commitments to reduce tariffs by 5 per cent or less on the 54 environmental goods agreed by APEC Leaders in 2012.

Canada maintains the application of a supply management system with the intention of assuring a secure and stable supply. This includes the application of tariff rate quotas (TRQ) for products such as eggs, chicken, turkey, and dairy. Canada ensures that its policies are in compliance with its WTO obligations.

* This brief report was prepared with information from Canada's submission of 2014 APEC Individual Action Plan (IAP) template; the WTO SPS and TBT Information Systems; and Industry Canada; Foreign Affairs, Trade and Development; Canada Radio-television and Telecommunications Commission; Transport Canada; and Agriculture and Agri-Food Canada websites.

Services

In order to open markets in trade in services and obtain better market access and legal stability in overseas markets, Canada is participating in the negotiations of the Trade in Services Agreement (TISA). Canada is also currently participating in the Trans-Pacific Partnership (TPP) negotiations, which, *inter alia*, seek to facilitate the movement of people and services in the Asia-Pacific region.

At the bilateral level, in 2013, Canada agreed on trade in services provisions in the context of free trade agreements with Panama (ratified) and Honduras (signed). Negotiations with Japan on the Economic Partnership Agreement, which covers trade in services, progressed in 2013. In March 2014, Canada and the Republic of Korea announced the conclusion of negotiations for a bilateral free trade agreement, which contains trade in services commitments. In August 2014, Canada also announced the conclusion of negotiations for a free trade agreement with the European Union, which similarly includes commitments on trade in services.

In June 2012, the amendments to the Telecommunications Act came into force. The amendments allow a foreign investor to operate as a telecommunications common carriers if it has annual revenues from the provision of telecommunication services in Canada that represent less than 10 per cent of the total annual revenues generated by all companies from the provision of telecommunication services in Canada.

Local content requirements are required for programs and music for conventional television broadcasters and radio stations. Minimum spending requirements for Canadian programming are also applicable to Canadian broadcasters.

The Government of Canada has been very active in liberalizing air transport markets in the APEC region. As of 2014, 62% of Canada's total international air traffic is with APEC economies and 75% of that traffic is covered by an Open Skies-type agreement. Since the inception of Canada's international air transportation policy in 2006 (Blue Sky), Canada has concluded Open-Skies type agreements with South Korea and New Zealand, and expanded agreements with China, Japan, Malaysia, Mexico, Peru, and the Philippines. These efforts have resulted in greater market access for Canadian and foreign airlines and more connectivity for travelers and shippers within the APEC community.

Investment

Pursuant to the Investment Canada Act (ICA), new thresholds for review for WTO member investors or Canadian businesses controlled by a WTO member (other than Canadian) prior to its acquisition, must be determined and become effective on January 1 of each year. The calculation of the threshold is based on the growth of the Nominal Gross Domestic Product – published by Statistics Canada- and multiplied by the amount determined for the previous year. In this regard, the threshold for 2014 is CAD 354 million, which is CAD 24 million greater than that of 2012, reported at the previous Bogor Goals Progress Report 2012.

Standards and Conformance

Canada has reaffirmed its goal to continue increasing the harmonization between new Canadian standards and those adopted by international organizations, such as the International Organization

for Standardization (ISO) and the International Electrotechnical Commission (IEC), whenever appropriate.

The Standards Council of Canada (SCC) continues to be active in multilateral accreditation arrangements such as the International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC) and the Pacific Laboratory Accreditation Cooperation (APLAC). Moreover, the SCC has been renewing cooperation arrangements with counterparts in other economies and offering technical assistance to other standards bodies.

By the end of 2013, five specific trade concerns raised against Canada at the WTO SPS Committee had not reported a resolution. Similarly, 10 specific trade concerns against Canada raised at the WTO TBT Committee had not reported a resolution. The most recent concern was related to Canada's food inspection model.

Customs Procedures

The Canada Border Services Agency (CBSA) has been conducting engagement activities with the U.S. Customs and Border Protection to implement initiatives under the framework of the Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness initiative. In this regard, three pilot programs to target high-risk cargo destined to the U.S. were implemented.

Canada has been implementing the eManifest initiative, which will require carriers, freight forwarders and importers in all modes of transportation (air, marine, highway and rail) to electronically transmit advance commercial information to the CBSA. Currently, the CBSA is encouraging both rail and highway carriers to provide advance cargo and conveyance data on commercial goods coming into Canada on a voluntary, through eManifest, before the mandatory compliance date.

In the area of Authorized Economic Operators, Canada and U.S. are working towards the harmonization of Canada's Partners in Protection and the U.S. Customs-Trade Partnership Against Terrorism programs. Key areas of progress include development toward a single application process to allow current program members in Canada or U.S., as well as new applicants, to obtain harmonized membership for the programs in both economies.

Intellectual Property Rights

In March 2014, Canada introduced the *Economic Action Plan 2014 Act, No. 1*, which will modernize Canada's intellectual property administrative framework to better align it with international practices and allow Canada to join three widely recognized WIPO treaties: the Madrid Protocol, the Singapore Treaty, and the Nice Agreement.

In October 2013, the Canadian government reintroduced the *Combating Counterfeit Products Act* (Bill C-8) that will update Canada's intellectual property rights enforcement regime, including by strengthening enforcement measures at the border, facilitating civil enforcement by the rights holders and providing enhanced tools for criminal enforcement.

In November 2012, the vast majority of the provisions of *Canada's Copyright Modernization Act* (CMA) came into force and in January 2015 all of the provisions will be in force. These new

provisions will enhance the ability of copyright owners to benefit from their work and also offer internet service providers, educators, students and businesses the tools they need to use new technologies in innovative ways. As a result of the CMA, Canada's copyright regime is now in line with international standards, including the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT).

Mobility of Business People

Passport holders of 55 economies worldwide are visa exempt to travel to Canada, including those for 10 APEC economies.

On 16 June 2014, Canada launched the ABTC pilot project that would issue cards to authorized Canadian business people who travel in the APEC region, Canada continues to offer expedited clearance at special service lanes to ABTC holders from the 19 participating economies.

RTAs/FTAs

Canada has reported nine FTAs with 13 economies in force¹. On 30 September 2013, Canada and Chile announced the entry into force of the expanded and modernized Canada-Chile FTA. In November 2013, Canada and Honduras signed an FTA which is pending ratification.

In March 2014, Canada and the Republic of Korea announced the conclusion of negotiations for a bilateral free trade agreement. This announcement was followed in August 2014 by the conclusion of negotiations on a free trade agreement with the European Union.

Canada is currently participating in trade negotiations with members of the Trans-Pacific Partnership (TPP), and is negotiating bilaterally with Japan and India.

¹ Canada's RTA/FTAs in force are the following ones: NAFTA (1994), Canada-Chile (1997), Canada-Israel (1997), Canada-Costa Rica (2002), Canada-EFTA (2009), Canada-Colombia (2011), Canada-Peru (2009), Canada-Jordan (2012), Canada-Panama (2013).