



Disruptive Change & Trade Agreements



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Opportunity

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Changing trade architecture



Plant protein

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POLITICS

Navdeep Bains and the Silicon Plant People from ~~Saskatchewan~~ Western Canada

Paul Wells on the announcement of the winners of the Liberals' supercluster initiative—supercluster?—and why it's probably a good thing

by Paul Wells Feb 15, 2018



Navdeep Bains, Minister of Innovation, Science and Economic Development announces proposals under the \$950-million Innovation Superclusters Initiative in Ottawa on Thursday, Feb. 15, 2018. (THE CANADIAN PRESS/Fred Chartrand)

"What is a supercluster?" Navdeep Bains asked, basically, himself.

We were in a conference room at the Museum of Science and Technology, on a warehouse strip in eastern Ottawa near the highway. The museum is freshly renovated, thanks to money from,

End of NAFTA

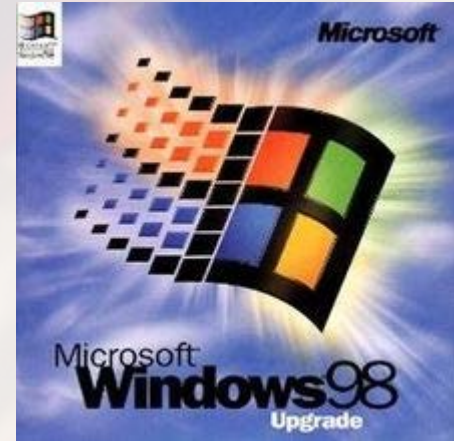


2nd recent attempt to update of NAFTA

1st – TPP Windows95 to Windows10

2nd – USMCA Windows95 to Windows98

USMCA = Concessions to keep what we already have



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Tariffs Saskatchewan



Saskatchewan top 10 merchandise exports to U.S, 2016

Product	Value of exports (C\$ million)	NAFTA tariff	WTO MFN tariff
Crude oil	4,687	0%	5.25 c/bbl under 25 degrees A.P.I.; 10.5 c/bbl 25 degrees A.P.I or more
Potassium chloride	2,426	0%	0%
Canola oil (refined and crude)	1,172	0%	6.4% other (refined and crude)
Canola seed oil-cake (low erucic acid)	684	0.17 c/kg of low erucic seeds	
Uranium	592	0%	5% uranium metal and other
Oats (other than seed)	239	0%	0%
Oriented strand board	291	0%	0%
Cattle, live (other than pure-bred)	215	0%	1 c/kg other
Wheat and meslin (other than seed)	161	0%	0.35 c/kg other
Petroleum bitumen	156	0%	0%

Source: Canadian International Merchandise Trade Database; Canada Tariff Finder

If NAFTA or USMCA ever becomes a bi-lateral CDN-MEX deal

		Mexico WTO tariff or What US producers would pay	NAFTA tariff or What Canadian producers would pay
U.S. top Ag exports to Mexico, 2017			
Product	Value (USD 000,000)		
Corn (excl. seed)	\$ 2,257,333	4	0
Soybean, other	\$ 1,585,457	7.5	
Wheat (excl. seed and durum)	\$ 696,097	7.5	
Cotton	\$ 350,487	0	
Rice in husk	\$ 199,982	9	
Grain sorghum (excl. seed)	\$ 75,275	7.5	
Other SK opportunities for market share in Mexico			
Pulses	Value (USD 000,000)	Mexico WTO tariff	NAFTA tariff
Other kidney beans	\$ 34,420	33.8	0
Black beans	\$ 29,119	10	
Lentils (excluding seed)	\$ 19,611	10	
Pinto beans	\$ 14,882	10	
Grt Nthrn Beans	\$ 4,383	10	
Peas	\$ 1,883	5	
Split peas	\$ 1,850	5	
Navy pea beans	\$ 1,839	33.8	
Beans	\$ 1,640	10	

NAFTA/USMCA is not everything

NOT IN NAFTA

Canada-U.S. Beyond the Border action plan,
including better trade facilitation

Free and Secure Trade Program (FAST)

Canada-U.S. Customs pre-clearance agreement

Canada-U.S. Regulatory Cooperation Council (RCC)

NEXUS trusted traveler program

WTO trade dispute settlement mechanism

Sub-national engagement

WTO SPS measures are similar to NAFTA's rules

~~Agriculture (not dairy)~~

~~Energy~~

~~Investor State Dispute~~

~~State owned Enterprises (SOEs)~~

~~Business travel/visas~~

Intellectual Property

Zip Digital provisions turn farmers into hackers

14
Opinion
WEDNESDAY, DECEMBER 3, 2014 | THE HILL TIMES

USMCA IP provisions make for uneven playing field for Canadian, U.S. farmers

Carlo Dade
Vice from Canada's West

For farmers in North America generally did well in the new United States-Mexico-Canada Agreement (USMCA). But there is one nasty surprise buried in the agreement that should unite all Canadian farmers—intellectual property rules that prevent circumvention of digital locks on electronics including sophisticated farm equipment like tractors and combines that will apply to Canadian, but not to American, farmers.

Currently, in the middle of critical harvest time, a farmer in Emerson, Man., can look across the border to Pembina, N.D., and see a farmer there hack her tractor to fix a problem without consequence. But should the Manitoba farmer try this she would face serious sanction. Or more starkly, the Manitoba farmer could drive their tractor across the border to hack the software without problem or sanction, but should she drive the tractor back into Canada she would be driving into trouble.

The problem succinctly is that the modern tractor or combine contains more lines of code than was on any American lunar mission. In the past, when a tractor would break down a farmer would grab a wrench and call any local mechanic. But now when software stops a tractor—God forbid in the middle of harvest with a year's income on the line—the farmer must wait for an authorized manufacturer's service technician to drive out, "unlock" the software, diagnose and hopefully fix the problem, a problem that the farmer or local mechanic could have fixed if they could unlock the software. But digital locks now embedded within the tractor's software mean that accessing this software is against the law for anyone other than a manufacturer-authorized repair person—anyone including the farmer who owns the equipment.

Protecting digital locks is an international standard largely pushed by the Americans born of attempts to prevent software and entertainment piracy. Canada and the U.S. are both party to the Anti-Counterfeiting Trade Agreement (ACTA) that created international standards for intellectual property rights to fight counterfeiting and piracy, which specifically requires signatories to prohibit circumvention of technological measures that restrict access to an author's work. These digital lock provisions have been picked up by consumer electronic companies like Apple and farm equipment manufacturers. And, thanks to the Americans, have been a part of major trade agreements, notably the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and USMCA. These provisions were watered down in the CPTPP after the Americans withdrew but have returned in force in the USMCA.

But thanks to American pressure, Canada already has some of the strictest protections against breaking digital locks with recent court rulings making simply breaking a digital lock—without any actual or intended illegal distribution—a crime.

While rules have been getting stricter in Canada and will get further locked in by the USMCA, in the U.S., home to Hollywood and Silicon Valley, the federal copyright office recently granted a second three-year exemption to grant carves out to owners of some electronic and transportation equipment including farm equipment to break digital locks to repair equipment that they own. Also, in the U.S., 17 states have legislation under consideration that would make invalid any end user license agreement that punishes owners of electronics and farm equipment who break digital locks to repair equipment that they own. In essence, this legislation would prevent equipment manufacturers from using end user license agreements as an end run around to usurp the right to access software granted by the federal copyright office.

The bottom lines is that American farmers can now access software on their equipment thanks to the exemption issued by the U.S. copyright office. Canadian farmers cannot. American farmers also have potential future protections on the horizon in pending state provisions. There is no such legislation pending in Canada.

Trade agreement and IP are national law and we need federal protections for farmers and third-party independent mechanics to access the software on farmers' machines. And this needs to be in place before we ratify the USMCA or exemptions must be included in the implementation of the agreement. But there is also much that can be done at the provincial level. End user license agreements that have become the key to enforcing these laws are state and provincial responsibilities. Solving this half of the problem will require provincial legislators in Canada and especially across the prairies to pick up the phone, call their colleagues in the U.S., find out what they are proposing for their constituents, and before we ratify the USMCA, make sure that Canadian farmers have the same protections.

Carlo Dade is director of the Trade and Investment Centre at the Canada West Foundation and a board member of the Albert Protein Alliance of Alberta. The Hill Times

is men farmers and it from the market

PRINT ARTICLE

SHARE STORY

template the appropriateness of a wide range of trade — including in NAFTA negotiations — far less don't research at the Canada West Foundation shows. Some unintended consequences are unavoidable, ness to respond.

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NAFTA – USMCA & the West

Trade fights with US NOT finished, NOT over
Continuing work
Our problems go deeper (steel tariffs?)
...and will continue
- long term

But still.....

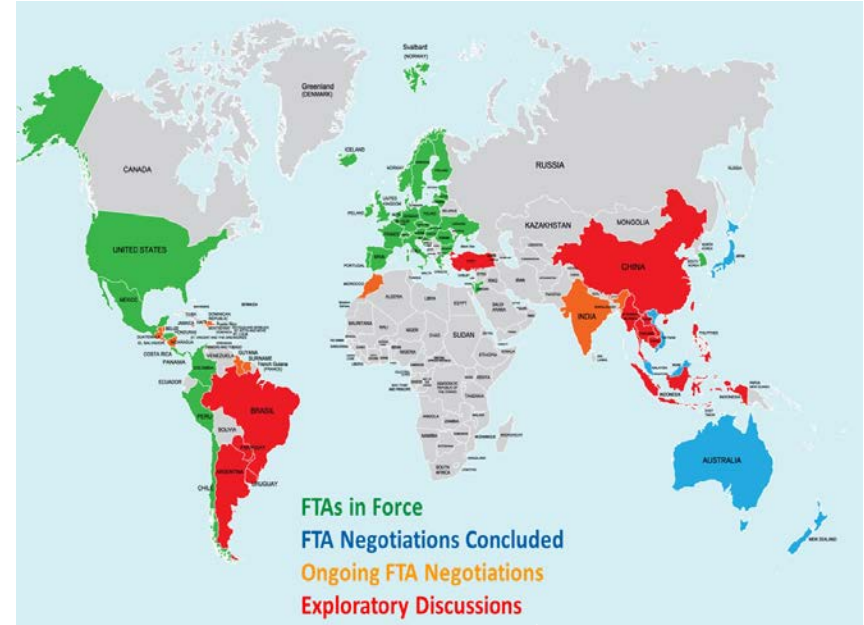


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Backward

U.S. Canada



Forward

The Art of the TRADE DEAL

QUANTIFYING THE BENEFITS OF
A TPP WITHOUT THE UNITED STATES

CPTPP modelling

FIGURE 12: SECTORAL IMPACTS OF TPP11 ON CANADA (C\$ MILLIONS) (%)

	Exports to TPP	Imports from TPP	Total exports	Total imports	Domestic shipments	Total shipments	Exports to TPP %	Imports from TPP %	Total shipments %
Rice	0	0	0	2	0	0	0.13	-0.45	0.05
Wheat and Cereals	29	0	-29	3	14	-16	1.28	0.20	-0.07
Fruit and Vegetables	351	3	256	9	-2	254	141.97	0.16	3.27
Oilseeds and Vegetable Oils	18	25	-18	14	-11	-29	0.37	27.67	-0.08
Sugar	0	0	-1	1	3	2	-0.07	0.00	0.05
Other Agriculture	42	1	-19	21	250	231	10.60	0.30	0.91
Dairy	8	517	23	285	-973	-949	8.44	501.51	-2.26
Forestry	0	0	-3	1	25	22	0.03	1.26	0.07
Fishing	9	0	6	6	17	24	9.62	0.32	0.34
Fossil Fuels	6	13	-24	36	82	58	0.20	1.23	0.02
Mineral Products	4	8	-14	19	34	19	0.16	0.20	0.02
Beef	578	-11	543	28	232	775	59.01	-2.13	2.07
Pork and Poultry	208	1	177	30	79	256	12.48	0.55	1.18
Food Products	241	66	216	65	45	262	14.06	5.14	0.30
Beverages and Tobacco	103	9	100	15	37	137	37.48	0.90	0.42
Textiles and Apparel	75	1,699	117	423	-366	-249	26.56	94.46	-0.85
Leather Products	38	537	41	116	-62	-21	129.73	80.37	-1.06
Wood Products	195	191	115	128	35	150	4.78	5.80	0.07
CRP	195	262	115	152	-27	88	2.98	4.02	0.04
Metal Products	134	37	-14	76	43	28	2.95	0.24	0.01
Automotive	158	1,429	232	408	-232	0	3.18	6.54	0.00
Transport Equipment	157	51	91	44	-4	87	5.26	3.17	0.17
Electronic Equipment	7	16	-7	41	6	-1	0.34	0.16	0.00
Machinery and Equipment	242	110	130	168	-13	117	3.78	0.94	0.08
Other Manufacturing	25	37	4	31	68	73	6.47	10.22	0.06
Other Services	0	-1	-16	26	1,392	1,376	0.02	-0.13	0.11
Construction	4	24	3	10	618	621	3.54	7.46	0.11
Trade	11	1	1	17	746	747	0.92	0.11	0.10
Transportation Services	29	38	14	42	107	120	0.85	1.78	0.06
Communications	3	5	-3	10	130	127	0.60	1.04	0.09
Financial Services	28	20	-3	45	289	286	3.05	2.83	0.09
Business Services	345	300	284	135	362	645	4.09	9.58	0.10
Recreation Services	11	9	-3	20	96	92	0.55	1.00	0.08
Total Goods	2,825	5,001	2,039	2,122	-719	1,319	5.52	5.99	0.06
Total Services	431	396	276	305	3,738	4,015	2.49	4.42	0.10
Total Shipments	3,256	5,397	2,315	2,427	3,019	5,334	4.75	5.83	0.09

		American selling to EU	Canadian selling to EU		American selling to JPN	Canadian selling to JPN
Commodity	Code	WTO MFN	CDN - CETA		WTO MFN	CDN-TPP
Wheat and Meslin	1001.99	95€/tonne	71€/tonne		9.8¥/kg	TRQs
Durum	1001.19	148€/tonne	111€/tonne		9.8¥/kg	TRQs
Oats	1004.90	89€/tonne	66€/tonne		0	0
Corn	1005.90	94€/tonne	0		50% or 12¥/kg	
Malt	1107.10	150€/tonne	0		21.30¥/kg	
Rolled Oats	1104.12	180€/tonne	0		0	0
Protein concentrates	2106.10.20	12.80%	0		12.50%	1.5%/yr ↓

HS Code	HS Code categorization	Japan (TPP Country Example)	
		WTO MFN (USA)	TPP (Canada)
071310 Peas dried	071310.01 solely for sowing by chemical treatment (for example, sterilisation, acceleration of germination)	0	0
	071310.211 (1) Certified as seeds for sowing vegetables	6%	0
	071310.221 - small red beans, kidney beans, bambara beans, cow peas, other beans (Vigna spp., Phaseolus spp.), broad beans, pigeon peas and other dried leguminous vegetables	10%	0
	071310.229 Other	354 yen/kg	321. 82 yen/kg – year 1 193.09 yen/kg – year 5 0 – year 11
071340.020	Lentils dried other than for sowing by chemical treatment	8.50%	0
100111.090	Durum wheat - other	55 yen/kg	55 yen/kg
100191.011	Meslin	20%	see CSQ-JP7

Chap 5. Customs Administration and Trade Facilitation

Chap 6. Trade Remedies

Chap 7. Sanitary and Phytosanitary Measures

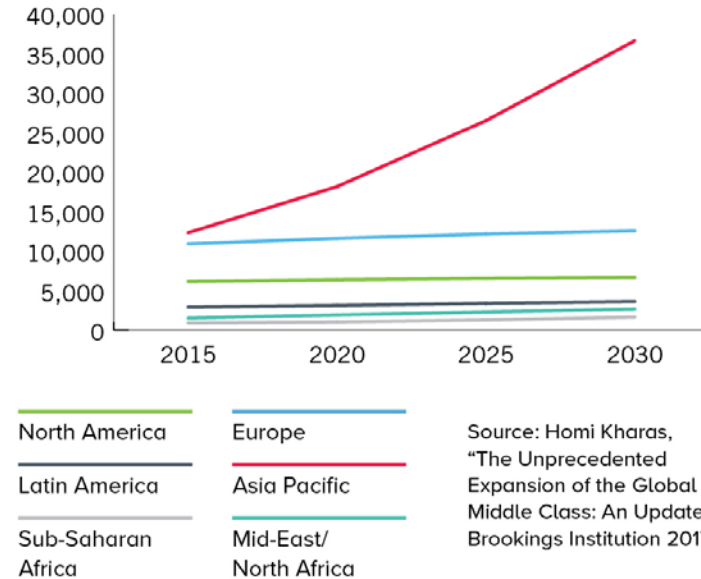
- 16 pages
- Article 7.5: Committee on Sanitary and Phytosanitary Measures
- Article 7.8: Equivalence (of sanitary & phytosanitary measures)
- Article 7.9: Science and Risk Analysis
- Article 7.10: Audits
- Article 7.11: Import Checks
- Article 7.12: Certification
- Article 7.13: Transparency
- Article 7.14: Emergency Measures
- Article 7.15: Cooperation
- Article 7.16: Information Exchange
- Article 7.17: Cooperative Technical Consultations
- Article 7.18: Dispute Settlement

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THE PLANT INGREDIENT OPPORTUNITY
TAKING ROOT ON THE PRAIRIES

Opportunity

FIGURE 2: GLOBAL MIDDLE CLASS SPENDING
PURCHASING POWER PARITY (PPP), CONSTANT 2011
(BILLION \$)

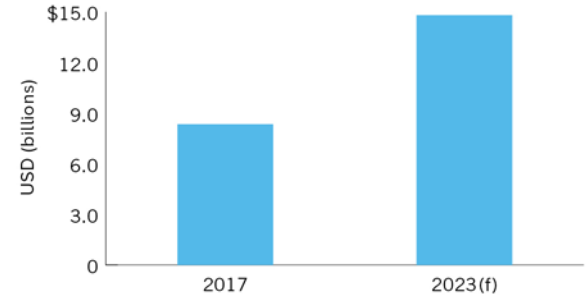


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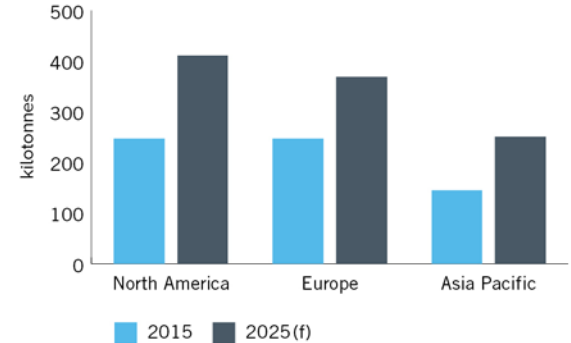
More
opportunity

FIGURE 3: GLOBAL PLANT PROTEIN DEMAND GROWTH



Source: Mordor Intelligence

**FIGURE 4: PLANT PROTEIN INGREDIENTS
DEMAND (VOLUME)**



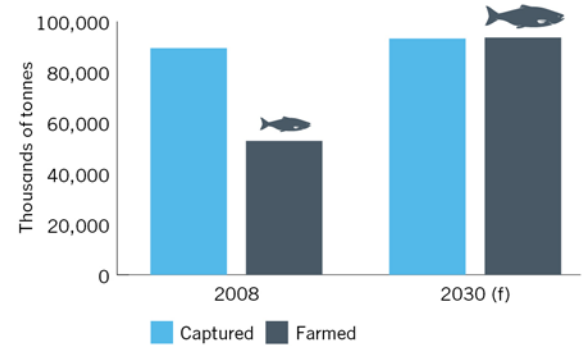
Source: Grand View Research

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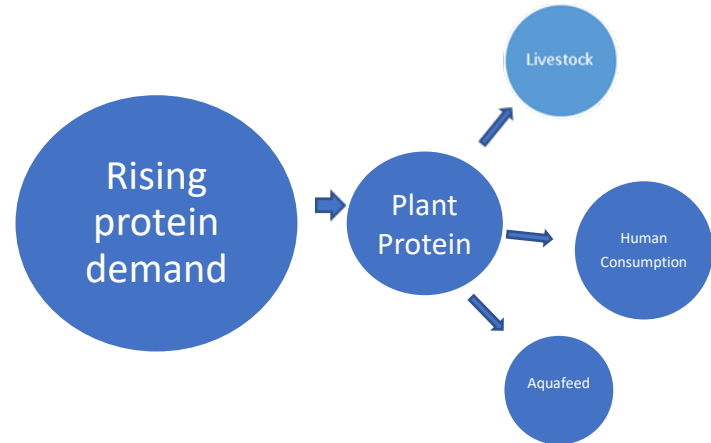
THE PLANT INGREDIENT OPPORTUNITY
TAKING ROOT ON THE PRAIRIES

Even more
opportunity

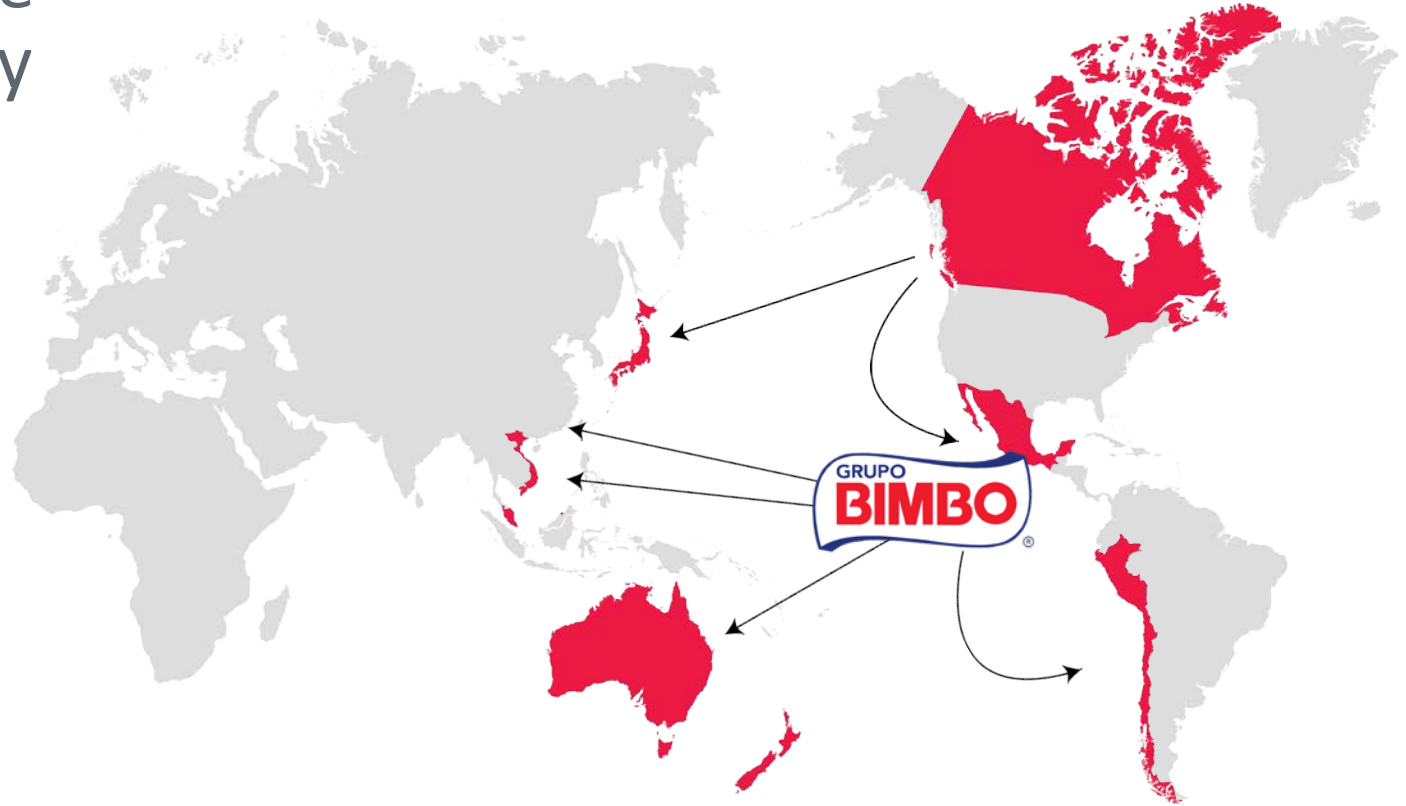
FIGURE 6: SOURCE OF FISH FOR HUMAN CONSUMPTION



Source: World Bank Agriculture and Environmental Services, 2013



Architecture =
Opportunity



Selling

土下座



Canada's Time Split in Asia

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TAKING ROOT ON THE PRAIRIES

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DECEMBER 2017
CARLO DADE, NAOMI CHRISTENSEN
& SARAH PITTMAN

CANADAWEST FOUNDATION
TRADE & INVESTMENT CENTRE

JUNE 2017
CARLO DADE & DAN COURSAK
with ALI DADKHAH & JINGGUANG XIAO

The Art of the **TRADE DEAL**

QUANTIFYING THE BENEFITS OF
A TPP WITHOUT THE UNITED STATES

CENTRE FOR
TRADE &
INVESTMENT
POLICY

RESEARCH REPORT
NOVEMBER 2014

Building on advantage:
Improving Canada's trade infrastructure



JOHN LAW
CARLO DADE

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*Thank you
Merci*