



PROOF THAT GLOBAL TRADE AGREEMENTS CAN STILL GET DONE – AND STILL WORK

An Op-Ed by Hon. James Villeneuve, Consul General of Canada in Los Angeles

Canada is a trading nation. We have to be: the world's biggest economy is our neighbor and best friend. But we're not going to stop finding new partners to grow our economies together. As recently as October 30, Canada signed a major trade agreement (commonly known as CETA) with the European Union. It was a historic achievement – and its significance radiates beyond our borders. It matters to our neighbors for three reasons.

First, it reaffirms our values. CETA reflects the importance of free and open societies, democracy, the rule of law, human rights, respect for sovereignty and territorial integrity, and open markets and free trade. These are the same values Canada shares with the United States, the ones which motivate our actions on the global stage and which are responsible for much of the peace and prosperity achieved around the world. Acting on these values matters.

We make things together. Today, only about 25% of Canadian products ('tariff lines') enter the EU duty-free. On the day CETA enters into force, that figure will jump to 98%. This creates a host of new opportunities for Canada's exporters – and that should be welcome news for U.S. manufacturers since many products, ranging from airplanes and cars to chemicals and industrial machinery, routinely cross our shared border on their way to completion. U.S. inputs represent \$14.6 billion – more than 10% -- of the value of Canadian exports, which are now sure to rise.

CETA creates a new gateway to Europe. CETA is one of the most ambitious trade agreements ever completed, and the EU's first with a G-7 partner. Companies operating in Canada will now have guaranteed preferential market access to the EU - something no other top investment destination in the Americas can claim. It's one more way – along with a welcoming business environment (1st in the G-20), a strong growth record over the past decade (1st in the G-7), and low business tax costs (lowest in the G-7) – that Canada is making itself attractive to investors.

Agreements like CETA make trade easier, more predictable, and transparent. They ensure that our markets remain open and welcoming to each other's service providers and investors, and facilitate the movement of independent professionals and business visitors. And they announce that we are prepared to support and defend the integrity of a rules-based trading system.

We must remember to consider all of these benefits when considering global trade cooperation. And we need to remind our partners to stop thinking about trade in terms of winners and losers, and start thinking about how, together, we can prosper and be an example to the rest of the world.