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Report Name: Canada to Strengthen Ties with the Indo-Pacific Region and Beyond

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Report Highlights:

Launched in November 2022, Canada's ten-year strategy for the Indo-Pacific is meant to comprehensively deepen the country's engagement in the region in the areas of peace and security, economic growth, and sustainable development. On its one-year anniversary, this report reviews the goals and Canada's progress on its efforts in the region.

Canada's [Indo-Pacific Strategy](#) (IPS), [launched](#) in November 2022, outlined the government's intent to refocus and strengthen engagement in the region. With a \$2.3 billion CAD budget over five years, the Strategy covers five main pillars:

- Promote peace, resilience, and security.
- Expand trade, investment, and supply chain resilience by expanding market access.
- Invest in and connect people.
- Build a sustainable and green future.
- Expanding Canada's presence and influence.

The Strategy's trade and investment pillar will receive nearly \$245 million CAD over five years to cover a variety of projects and initiatives, including:

- The appointment of a Canadian Indo-Pacific Trade Representative ([announced](#) in September 2023, the trade representative will be based in Jakarta, Indonesia)
- Organizing a series of [Team Canada Trade Missions](#) (trade missions to Malaysia, Indonesia, South Korea, Vietnam, and Philippines were [announced](#) in September 2023, and a trade mission to Japan [took place](#) October 29 – November 2, 2023)
- Launching a Canadian Trade Gateway in Southeast Asia to expand Canada's business network and investment engagement (yet to be announced)
- Working with partners to strengthen and expand the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ([CPTPP](#)¹) (currently, Canada is working through its domestic parliamentary processes to ratify United Kingdom's accession to the trade group; in 2024, Canada will chair the CPTPP Commission and will have the opportunity to lead the discussion on accession applicants for the agreement, which includes China, Taiwan, Ecuador, Costa Rica, Uruguay, and Ukraine)
- Working on joining the Indo-Pacific Economic Framework for Prosperity (IPEF)
- Improving market access through new comprehensive free trade agreements, such as those currently being negotiated with the Association of Southeast Asian Nations (ASEAN²), India and Indonesia (Canada is actively negotiating free trade deals with Indonesia, and ASEAN countries, with the goal of completing the trade talks by the end of 2025)

Canada's IPS allocated nearly \$32 million CAD over five years to create an Indo-Pacific Agriculture and Agri-Food Office (IPAAO). In June 2023, Agriculture and Agri-Food Canada (AAFC) and the Canadian Food Inspection Agency (CFIA) [released](#) a statement announcing that the IPAAO will be located in Manila, Philippines. The Office will include a mobile team that will travel throughout the vast region and work with other government and industry stakeholders to open markets, maximize opportunities, and diversify trade for the sector. This was a highly anticipated announcement by Canadian export-oriented farmers who view Asian markets as a source of significant export growth.

CPTPP implementation, beginning at the end of 2018, opened additional market access opportunities for Canada in Indo-Pacific markets, increasing exports of agricultural products and expanding its market share in key Asian countries. For instance:

- Canadian beef exports to Japan increased by over 70 percent, from 26,000 metric tons (MT) in 2018 to 45,000 MT in 2022

¹ Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam

² Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam

- Canadian beef exports to Vietnam increased ten-fold, from 1,000 MT in 2018 to 10,000 MT in 2022; additionally, Canadian pork exports to Vietnam increased from 1,000 MT in 2018 to 20,000 MT in 2021
- Exports of Canadian whiskies to Japan increased over five times between 2018 and 2022, from 1.7 million liters of pure alcohol (LPA) to 10.5 million LPA
- Canadian wheat exports to Malaysia increased by nearly 35 percent, from 175,000 MT in 2018 to 235,000 MT in 2022
- Exports of fresh apples from Canada to Vietnam increased by more than eight times, from 5,000 MT in 2018 to 42,000 MT in 2022

Current efforts to conclude free trade negotiations with ASEAN countries by the end of 2025 are likely to provide an additional boost to Canadian agricultural exports to the region. Canada's presence in key ASEAN markets has already strengthened for several commodities, including Canadian pork exports to Philippines, which nearly tripled, from 40,000 MT in 2018 to 117,000 MT in 2022, Canadian exports of soybeans to Indonesia, which increased more than five times, from 54,000 MT in 2018 to 275,000 MT in 2022, and exports of Canadian pulses to Thailand, which increased by 80 percent, from 6,000 MT in 2018 to 11,000 MT in 2022.

Additionally, agricultural exports will continue to be supported by the Canadian government's marketing and promotion activities on the ground, including via trade missions led by high-level officials. In early November 2023, AAFC Minister Lawrence MacAulay concluded a trade mission to Vietnam, Japan, and South Korea. According to the [press release](#), Canada is looking for an expanded and more diversified market access in these markets, including for wheat, pork, blueberries, and potatoes in Vietnam, and via a commitment to secure an African swine fever zoning arrangement with Japan. These actions, combined with Canada's IPS, underscore that expanding partnerships and trade relationships in the Indo-Pacific region remains a top priority for the federal government.

Canada's strategy in the Indo-Pacific is one prong of an aggressive strategy to pursue new trade opportunities, in addition to the trade agreements already in force. The following table summarizes Canada's past and current initiatives (table on next page):

Canada's Free Trade Agreements (FTAs)

| In Force | Currently Under Negotiation |
|---|---|
| Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – since December 2018 | Canada-ASEAN Free Trade Agreement – expected to be completed by 2025 |
| Canada-Chile Free Trade Agreement – since July 1997 | Canada-India Comprehensive Economic Partnership Agreement – the timeline for completion is unknown at this time |
| Canada-Colombia Free Trade Agreement – since August 2011 | Canada-Indonesia Comprehensive Economic Partnership Agreement – expected to be completed by 2025 |
| Canada-Costa Rica Free Trade Agreement – since November 2002 | Canada-Mercosur ³ Free Trade Agreement – the timeline for completion is unknown at this time |
| Canada-European Free Trade Association (EFTA ⁴) Free Trade Agreement – since July 2009 | Canada-United Kingdom Free Trade Agreement – expected to be completed by end of 2024 |
| Canada-European Union ⁵ : Comprehensive Economic and Trade Agreement (CETA) – since September 2017 | |
| Canada-Honduras Free Trade Agreement – since October 2014 | |
| Canada-Israel Free Trade Agreement – since January 1997 | |
| Canada-Jordan Free Trade Agreement – since October 2012 | |
| Canada-United States-Mexico Agreement (CUSMA) – since July 2020 | |
| Canada-Panama Free Trade Agreement – since April 2013 | |
| Canada-Peru Free Trade Agreement – since August 2009 | |
| Canada-Republic of Korea Free Trade Agreement – since January 2015 | |
| Canada-Ukraine Free Trade Agreement – since August 2017 | |
| Canada-United Kingdom Trade Continuity Agreement – since April 2021 | |

Attachments:

No Attachments.

³ Argentina, Brazil, Paraguay, Uruguay

⁴ Iceland, Liechtenstein, Norway, Switzerland

⁵ Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden