

Trade Policy Review of Canada (12 and 14 June 2019)

Statement by India

I would like to join others in extending a very warm welcome to the delegation of Canada for its Trade Policy Review and thank Kendal Hembroff, Director General, Trade Negotiations for the comprehensive opening statement. We also thank Ambassador Juan Carlos Gonzalez of Colombia for his insightful observations as a discussant, as well as the Secretariat and the authorities of Canada for the comprehensive reports prepared for the review.

2. During the period under review from 2015-18, the GDP of Canada grew at a moderate rate with a growth rate of 3% in 2017 which moderated to 1% in 2018. The Canadian economy also witnessed low inflation, a stable debt to GDP ratio, decline in current account deficit and the lowest rates of unemployment in the last few decades. The per capita GDP of Canada also increased to USD 46,182 in 2018. Canada is a diversified economy with trade amounting to almost 65% of the GDP.

3. The Canadian delegation at Geneva, led by Ambassador Stephen De Boer, has been an effective advocate for WTO reform, ably articulating the position of the middle grounders, as a leader on the issue of gender and trade and on the work related to multilateral fisheries subsidy negotiations.

4. India and Canada share a multi-faceted relationship which is underpinned by shared values of democracy and pluralism. Canada is also home to a large Indian diaspora of around 1.6 million who are contributing to the socio-economic development of the country. In addition, 1,24,000 Indian students are currently studying in Canadian colleges.

5. Economic and trade relations are an important pillar of our bilateral relations. Trade between both countries stood at USD 6.34 billion in 2018-19. There is considerable potential to expand trade in products like iron and steel, pharmaceuticals, garments, marine products, electrical machinery, chemicals, oil and petroleum products. Investment from Canada into India has also grown in sectors like information technology, services, food processing, IT and pharmaceuticals. India is also becoming an attractive destination for Canadian investments, including from pension funds. A large number of Indian companies are also present in Canada in areas of banking, automobiles and information technology.

6. We have posed a large number of questions to Canada as part of this TPR and are thankful for the responses. My authorities would be reviewing the responses received. Let me however underline some areas of particular concern which impede the potential of our trade and economic ties.

7. There is considerable potential to strengthen trade in services between both countries. However, the existing Temporary Foreign Workers Programme or Global Skills Strategy of Canada is unable to cater to the requirements of IT professionals and other services providers from India. Addressing issues relating to mobility of skilled professionals from India to Canada, including the procedural delays in visa processing, and removing other restrictions in the temporary foreign workers programme will be of mutual benefit. The new Labour Market Impact Assessment imposes onerous burdens on employers, thereby affecting skilled labour mobility from India to Canada.

8. On trade in goods, we have regularly highlighted issues related to export of Indian agricultural products including fruits and vegetables which face challenges due to burdensome requirements of testing, inspection and SPS measures. The complex regulatory procedures for export of fish products from India to Canada are also impacting our trade in this area.

9. Currently, the Canadian authorities do not recognise the certification procedure of Indian organic products including poultry and meat products. India has been seeking equivalence for organic standards of our National Programme for Organic Production with Canada so that the certification procedures are simplified. We hope Canada will look into all these issues and meaningfully address them at the earliest for enhanced trade and mutual benefit.

10. Both countries are also negotiating a Comprehensive Economic Partnership Agreement which covers trade in goods, services and all areas of our economic cooperation and a bilateral investment agreement. Several rounds have been held and early conclusion of the foreign investment promotion and protection agreement and CEPA would give a fillip to our trade and economic ties.

11. Chair, to conclude, India looks forward to working closely with the authorities of Canada for further expanding and harnessing the potential of our trade and investment ties. We wish the delegation of Canada a productive and successful TPR.
