



House of Commons
CANADA

Standing Committee on International Trade

CIIT • NUMBER 027 • 3rd SESSION • 40th PARLIAMENT

EVIDENCE

Wednesday, October 6, 2010

—
Chair

Mr. Lee Richardson

Standing Committee on International Trade

Wednesday, October 6, 2010

• (1620)

[English]

The Chair (Mr. Lee Richardson (Calgary Centre, CPC)): Ladies and gentlemen, we're moving now to an order of reference from the House of Commons, that being Bill C-8, An Act to implement the Free Trade Agreement between Canada and the Hashemite Kingdom of Jordan, the Agreement on the Environment between Canada and the Hashemite Kingdom of Jordan and the Agreement on Labour Cooperation between Canada and the Hashemite Kingdom of Jordan.

We're going to begin the discussion of this bill with a briefing by the Department of Foreign Affairs and International Trade to give members some background. We will be pursuing this topic until it is dealt with in committee. I'll just advise the committee that on the return from the break week following this week, we will return on the Monday to hear our first witnesses on this subject.

I've asked for suggested witnesses from all. I've heard from the NDP and the government. So if you have witnesses you'd like to propose for this debate as time goes on, please get them in to the clerk. We certainly have enough to begin that consideration on the first Monday, but we'll be at it for awhile, so you're welcome to get those in over the next 10 days.

With that, let me please introduce our guest. We have a familiar face returning to the committee, the assistant deputy minister of trade policy and negotiations, Don Stephenson.

Don, thank you very much for coming back. I see you've brought a crew with you—for your self-defence, I'm sure. We only have about 40 minutes today once we get started, so I don't think it will be too rigorous this first go-round.

Joining Mr. Stephenson is Doug George, the director of bilateral market access and the chief negotiator of the Canada-Jordan free trade agreement. We also have returning to us a familiar face, the general counsel for the market access and trade remedies law division, Tom Zuijdwijk. Thank you for coming back. As well, we have John Holmes, the director general of the Middle East and Maghreb bureau.

From the Department of Agriculture and Agri-Food, we have Gilles Gauthier, who's been here before as well. He is the director general and chief agriculture negotiator of the negotiations and multilateral trade policy directorate. And from the Department of Human Resources and Social Development Canada, we have Debra Robinson, the director of international labour affairs.

Thank you all for coming. I'm going to ask Mr. Stephenson if he would give us a brief opening statement or overview for as long as he needs, and then we'll have a round of questioning.

Mr. Stephenson.

• (1625)

Mr. Don Stephenson (Assistant Deputy Minister, Trade Policy and Negotiations, Department of Foreign Affairs and International Trade): Thank you very much, Mr. Chairman, and thank you to the committee for giving us the opportunity to speak to you about the Canada-Jordan free trade agreement and the related agreements on the environment and labour cooperation.

In my presentation I'll briefly highlight Canada's general free trade agenda and note some of the benefits of the Canada-Jordan FTA, as well as discuss generally Canada's relationship with Jordan.

Consistent with government priorities set out in the Speech from the Throne, the government is pursuing a robust trade negotiations agenda under the global commerce strategy. This aggressive pursuit of additional trade opportunities is designed to ensure the broadest possible markets for Canadian businesses. To do this, we make strategic use of an entire suite of international policy tools. This includes not just regional and bilateral free trade agreements, but also foreign investment promotion and protection agreements, science and technology cooperation agreements, air services agreements, double taxation agreements, and regulatory cooperation initiatives.

These tools are used to secure competitive terms of access for Canadian businesses and investors by opening more doors for Canadians in international markets and helping to make Canada stronger in an increasingly competitive global economy. A key component of the government's strategy is a strong and ambitious regional and bilateral free trade agreement agenda, an essential contributor to Canada's future prosperity, productivity, and growth.

Building on the NAFTA and other free trade agreements, the government has recently implemented agreements with the European Free Trade Association and Peru, and received parliamentary approval of an agreement with Colombia, and signed agreements with Panama and Jordan. Last year we launched negotiations towards a comprehensive economic and trade agreement with our second-largest trading partner, the European Union. To date, we've held four successful rounds of negotiations, with a fifth to be held later this month.

Negotiations remain ongoing with partners such as the Caribbean Community or CARICOM, a number of Central American countries, the Dominican Republic, and Korea. We've also launched negotiations towards a bilateral free trade agreement with the Ukraine, and have held exploratory talks with Morocco and Turkey, and we're working to broaden our existing agreement with Costa Rica.

In September we published a joint study with India on the possible parameters of a comprehensive economic partnership agreement, and we are exploring opportunities with China, Japan, and with Brazil, together with its MERCOSUR partners, to deepen our trade and economic relations.

[*Translation*]

Mr. Chairman, we still face a measure of global economic uncertainty, and Canadian companies are at a competitive disadvantage because their foreign competitors have preferential market access under some form of free trade agreement.

Like other initiatives in our negotiations agenda, the Canada-Jordan Free Trade Agreement addresses those concerns by levelling the playing field with key competitors who already benefit from free trade agreements with Jordan, namely those from the United States and the European Union.

And opening doors to trade and investment is the right approach to create opportunities for Canadians in global markets, markets like Jordan. Highlighted in both the Speech from the Throne, as well as Budget 2010, this free trade agreement will open doors for Canadians in the Jordanian market and help to make Canada stronger in an increasingly competitive global economy.

Over the years, Canada and Jordan have built a strong, mutually beneficial relationship. It is a relationship grounded in common aspirations—ambitions like peace, stability and prosperity for our citizens. Despite a small decline in our bilateral trade with Jordan in 2009, with the impact of the global economic slowdown, growth is the longer-term trend for our trade relationship. For example, Canada's 2009 merchandise exports, which totalled \$66 million, were more than double the \$31 million total in 2003. This free trade agreement provides an opportunity to further enhance this growing relationship.

Jordan's current average applied tariff is 11%, with peaks of up to 30% applied on some products of Canadian export interest. Upon implementation, this agreement will eliminate Jordanian tariffs on the vast majority of current Canadian exports to Jordan, with remaining tariffs phased out within three to five years, and only a small number of exclusions limited to the areas of tobacco, alcohol, and some poultry products.

This free trade agreement provides Canadian companies with benefits in a variety of sectors, including forest products, machinery, construction equipment, and agriculture and agrifood products such as pulse crops, frozen French fries, animal feed and various prepared foods. In addition to tariff elimination, the Canada-Jordan Free Trade Agreement contains a variety of other provisions, including rules governing market access for goods, rules of origin, customs procedures, enhanced commitments in the area of technical barriers to trade, trade facilitation and dispute settlement.

Our interests with Jordan as they relate to services are being adequately addressed in the World Trade Organization context. The Foreign Investment Promotion and Protection Agreement, signed at the same time as the Free Trade Agreement, covers Canada's investment-related interests.

The Canada-Jordan Free Trade Agreement contains principle-based chapters on the environment and labour cooperation. High-quality side agreements on the environment and labour cooperation, with strong binding obligations, were also negotiated in parallel to the Free Trade Agreement. Under the agreement, Canada and Jordan are committed to promoting corporate social responsibility.

As Canada's first ever free trade agreement with an Arab country, the Canada-Jordan Free Trade Agreement will not only help improve market access to Jordan's growing market. A free trade agreement with Jordan demonstrates the importance that Canada places on further developing relations with Jordan, while providing a platform for expanding commercial ties and raising Canada's profile in the broader Middle East.

This free trade agreement will also benefit Jordan, in sharing access to Canadian products at competitive rates, increasing access to the Canadian market, and providing rapid tariff reductions.

The agreement is also a concrete demonstration of Canada's commitment to enhancing regional peace and security by improving economic conditions, especially given Jordan's role as a moderate Arab state that promotes peace and security in the Middle East.

● (1630)

[*English*]

As a moderate Arab state with a constructive foreign policy on all major files, Jordan is a natural partner for Canada and an effective interlocutor between the Arab world and the west. Canada and Jordan are consistent supporters of the United Nations' efforts to promote peace and security. They were founding members of the Human Security Network, and since 2000 have collaborated on the establishment of the Regional Human Security Centre in Amman, Jordan.

Canada and Jordan have strong bilateral relations based on common interests and values and people-to-people links. Over the last decade, Jordan has consistently demonstrated a leadership role in the pursuit of peace in the Middle East. Jordan was also one of the first parties to the Ottawa convention banning anti-personnel mines.

Jordan has already notified Canada that it has completed all of its internal steps to allow the agreements to come into force. Should Parliament elect to pass this implementing legislation, officials would then work with their Jordanian counterparts to bring the free trade agreement and the two side agreements on the environment and labour cooperation into force on a mutually agreed-upon date and as soon as possible.

Thank you, Mr. Chairman. I look forward to responding to the members' questions.

• (1635)

The Chair: Thank you, Mr. Stephenson.

We'll now have questions. The questions could be directed to Mr. Stephenson, and from there you may redirect if you wish.

We're going to start the questioning with our Liberal colleagues.

Go ahead, Mr. Silva.

Mr. Mario Silva (Davenport, Lib.): Thank you, Mr. Chair.

The Chair: We're going to try to get in seven minutes, but if you happen to be done in six, that will keep us on schedule.

Mr. Mario Silva: I'll try to be fast.

Thank you very much for your excellent presentation. Some of the comments I was going to raise have already been addressed by you, but I think it's important to emphasize once again that what we're talking about here, in terms of this agreement, is a relatively small country and a small economy. The bilateral trade between the countries is relatively small. But I think there's a lot we can leverage here beyond just trade. I think that's what I heard from you as well.

Jordan is a key, important partner in the region. It is a stable country that has played a very constructive role in the peace process in the Middle East. This is probably one of the first trade agreements we've negotiated with an Arab country and a Muslim country. So I think this particular deal has symbolic importance, and I think it's the reason there will probably be a lot of support from the House. They see beyond economics to the symbolic importance of this agreement, and they see the good will that can be leveraged by Canada towards other partners in that region. It is a way, possibly, into other countries that are larger players in the Arab world. I think it's a good start. It's one we probably can get done in a better timeframe than we can with other countries, I would imagine, that are much more complicated.

Could you emphasize again the symbolic reasons why this will be so key for other deals we want to approach in the future with other partners in the region?

Mr. Don Stephenson: I'll let my colleague John Holmes speak to the broader significance of the agreement.

From the trade policy perspective, I agree that it's a very small market. But it was a deal that was available to us, and it put our exporters back on a level playing field with their major competitors. So it was not an opportunity to miss on the trade side, either.

Let me pass it to John.

Mr. John Holmes (Director General, Middle East and Maghreb, Department of Foreign Affairs and International Trade): Thank you for your question, Mr. Silva.

I won't add much to what you said in your introduction. Jordan is a partner for us not only on the trade and economic side but also on the political side. King Abdullah, as I'm sure you noticed, when they launched the Middle East peace process negotiations at the White House was standing next to President Obama. His government has given strong support to the resumption of talks and is working behind the scenes with others to try to make sure that the negotiations stay on track.

With respect to that very important issue, it's playing a very positive role. It's also playing a very positive role through the broader region. I would note that this year as chair of the G-8, Canada will be co-chairing the broader Middle East and North Africa initiative, which is an initiative from a few years back. In that, we promote dialogue with civil society. We promote good governance. We promote greater cooperation with the private sector and a range of other issues. Of the many countries in the region, I would say Jordan is one of the ones that have been most constructive, most helpful, as we try to advance that particular agenda.

Those are just a couple of examples where our close relations are very productive to Canadian values and Canadian interests.

Mr. Mario Silva: I don't know if I have any time left, but I wanted to know what you see as some of the growth areas in Jordan. What is happening on the ground in terms of what industries, what sectors are going to be the growth areas in the next little while?

Mr. Don Stephenson: Sir, please let our chief negotiator respond.

Doug.

Mr. Douglas George (Director, Bilateral Market Access, Chief Negotiator, Canada-Jordan Free Trade Agreement, Department of Foreign Affairs and International Trade): It's hard to say offhand what the key growth areas will be, but we're doing very well in terms of forest products, textiles, pharmaceuticals, agricultural products. I think one of the key things to note is that in many areas we're facing a 10% to 30% Jordanian tariff whereas our key competitors, the U.S. and the EU, are largely or are completely tariff-free in the same areas. We're hoping to gain back some of the market share we've lost.

The U.S., since they signed their agreement in 2001, have more than tripled trade. The EU signed it in 2002, and theirs has more than doubled. So overall we think there are some benefits to be seen by Canadians.

• (1640)

Mr. Mario Silva: Thank you.

The Chair: Thank you.

I think we have two minutes for Mr. Dhaliwal.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Thank you, Mr. Chair, and thank you, panel members.

I have a question for the assistant deputy minister. You mentioned that you have talks with India and China. Certainly, we are fully supportive of this agreement with Jordan because we have strategic political ties with that country. What I have noticed over the past few years is that most trade agreements are signed between America and Canada, even though we all see that Canada's economic future lies in Asia.

What would it take to complete one of the agreements that we initiated with Singapore about 11 years ago?

Mr. Don Stephenson: Sir, that is a question in several parts.

First of all, we are working very hard on the major emerging markets and the markets in which there is explosive growth—particularly Asia—and we're doing that just like everybody else on the planet. We are, we hope, making progress in all markets, and in particular with the study that was done jointly with India that recommends that we move forward with a free trade agreement negotiation with India. We hope that will bring us success with regard to that market.

We also have a new process, that was launched by the Prime Minister, with China, a working group established under a joint economic and trade committee that is intended to look for opportunities for expanding that relationship as well. As is stated in the global commerce strategy, those major markets—large, rapidly expanding markets—are the first priority. In the meantime, you try to make progress where you can, and the agreement before you is a case in point.

With regard to the impasse we have been at for some time with Singapore, the position being taken by Singapore on a variety of offensive interests—you know, Canada's principal commercial interests in those negotiations—has essentially put us in a place where moving forward in the absence of movement on the Singaporean side would not leave us with an agreement of sufficient value to make the concessions they're looking for on our side.

We're hopeful that may change at one point, that we'll find a way to move forward. In the meantime, if it's not the right deal, you don't do it.

The Chair: Thank you, Mr. Stephenson.

Thank you, Mr. Dhaliwal.

Monsieur Laforest.

[*Translation*]

Mr. Jean-Yves Laforest: Thank you, Mr. Chairman.

Good afternoon to everyone.

Mr. Stephenson, in your statement you said that the Canada-Jordan Free Trade Agreement addressed the concerns of Canadian exporters, and that it will level the playing field with their competitors from other countries, who have already signed free trade agreements with Jordan, such as the United States and the European Union. However, when we are sometimes presented with free trade agreement undertakings, we are told that, since the United States or the European Union still have not signed a free trade agreement with the country in question, we must quickly position ourselves because, when one country trades with another, they tend to keep the same suppliers, and so on.

Don't you think that this is a little contradictory?

Mr. Don Stephenson: When we negotiate our free trade agreements, we are mercantilistic. We are looking for advantages, we want to give Canadian exporters an advantage over other exporters from other countries that may not have signed free trade agreements, or at the very least, we want to level the playing field, if other countries have signed agreements before us. The game is fairly clear and we always seek benefits for Canadian exporters.

• (1645)

Mr. Jean-Yves Laforest: But the argument may be different every time.

Mr. Don Stephenson: It is always to open new markets.

Mr. Jean-Yves Laforest: Based on what I understand, that's a legitimate pursuit.

I have a slightly more technical question. You also said that, in addition to tariff elimination, the free trade agreement contains a variety of other provisions, including rules governing market access for goods, rules of origin, customs procedures and enhanced commitments in the area of technical barriers to trade.

I would like you to provide us with concrete examples of technical barriers to trade which would be abolished, streamlined or minimized under a free trade agreement like this one.

[*English*]

Mr. Don Stephenson: Maybe Doug will have some specific examples.

[*Translation*]

First, under the agreement with Jordan, technical barriers, that is, the standards and rules governing the safety of agricultural products, and, for instance, standards for market products, fall under WTO agreements. As far as the free trade agreement with Jordan is concerned, these issues are governed by WTO rules.

As far as concrete examples with regard to the Jordanian market are concerned, I will ask Doug if he knows of any.

[*English*]

Mr. Douglas George: I don't have any examples offhand, but it does establish a process, through the technical barriers to trade area, within the agreement to resolve any bilateral issues. I think it's probably more expeditious to do it through the bilateral than through the WTO, in certain cases.

[Translation]

Mr. Jean-Yves Laforest: I will now let my colleague Mr. Guimond ask a couple of questions.

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): My questions are for Mr. Gauthier.

Mr. Stephenson did not really talk about the trade benefits in the agricultural sector. But in your view, as our chief agricultural negotiator, what are the real opportunities for Canada in this agreement?

Mr. Gilles Gauthier (Director General and Chief Agriculture Negotiator, Negotiations and Multilateral Trade Policy Directorate, Department of Agriculture and Agri-Food): Thank you for your question.

Generally speaking, it is clear that Jordan represents a fairly modest market. As it now stands, we export about \$10 million in agricultural products. These include mostly lentils, peas and other products like this, where we are globally competitive, and the fact that some trade barriers will come down will give us even better access.

In other sectors, such as beef, we did not export to Jordan until now. The Americans have a privileged access to the Jordanian market, and they export about 3 million dollars' worth a year. So if we had the same kind of access as the United States, we might be able to compete with them. French fries are also a growing market throughout the world. Again, we have a fairly significant production capacity in that sector. On the whole, we are not talking about a very big market, but we can improve our access in certain sectors where we already export our products and where we are already globally competitive.

Mr. Claude Guimond: We understand that this would be a door into the Middle East, so it is very important.

Why are poultry products excluded?

Mr. Gilles Gauthier: As you know, Canada generally excludes its poultry products from its free trade agreements. This sector has no interest in exporting its products, and since it is a sensitive product for Jordanians, we agreed that it not be included in this agreement.

•(1650)

[English]

The Chair: *Merci.*

Mr. Julian.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thanks, Mr. Chair.

Thanks for coming today.

Fortunately, Jordan is not Colombia, but there are some provisions that seem be very similar to the Colombian trade deal. So I'd like to start with the labour provisions. Could you explain to us the similarities or differences between what we called in the Colombia trade deal the “kill a unionist, pay a fine” provisions and what I think more adequately in Jordan might be considered the “commit a crime, pay a fine” provisions?

I want to cite a report that came out in the spring from the National Labor Committee regarding the IBG factory in Jordan. Women are brought in from Sri Lanka, Bangladesh, and India. Their passports are stripped. According to this report they're forced to work 15-hour shifts, seven days a week, with a mandatory all-night, 23-hour shift at least once a week. They are paid 35¢ an hour, which is half of the legal minimum wage of 75¢ an hour in Jordan. There are allegations of sexual harassment and rape. According to the report, the workers are housed in filthy, primitive dorms not fit for human beings. The dorms lack heat and water and are infested with bed bugs.

These are allegations that have been rendered public internationally. I wonder if, as part of the discussion around the Jordan agreement and the labour rights provision, officials from the Canadian government have visited that factory to see whether or not the allegations are true. If they have not, what would be the next steps for our government to take when there are clear violations of both our agreement and Jordanian labour law?

Mr. Don Stephenson: In terms of the side agreement, let me turn to my colleague from HRSDC.

Then, in terms of the efforts of the Government of Jordan to address these issues, I will maybe turn to John Holmes.

Debra.

Ms. Debra Robinson (Director, International Labour Affairs, Department of Human Resources and Skills Development): Thank you, Don.

Thank you, Mr. Julian, for your question.

The labour agreement with Jordan is very similar to the Colombian agreement. There are a few little modifications—some changes in language here and there. All of our labour agreements have some differences where we try to respond to and address differences in legal systems or priorities, interests, of the two parties.

In the case of Jordan, as you've pointed out, one key difference is the fact that in the provisions regarding the possibility of assessments or fines, there is no \$15-million cap on the amount of money that could be assessed. What does that mean? It means that in the negotiations that was the one issue that the Jordanian officials were very reluctant to include in the agreement. They didn't want to include any provisions providing for the possibility of fines or assessments as an enforcement mechanism on the labour agreement. So that was probably the most challenging question.

In the end we were able to convince them to include it, but they didn't want to have any particular figure in there. One concern they had was that under their system, if there was a specific amount of an assessment they might have to do a budget allocation for that amount, and \$15 million is a very large amount for the labour department in Jordan.

So we considered the situation. The issue of whether it's better to have a maximum amount or not is certainly up for debate. There are experts who say that by having a maximum there would be a tendency to increase the amount of a fine. But technically speaking, if there is no maximum then the panel is free to render whatever amount they think is necessary in order to remedy a non-compliance with the labour provisions.

Mr. Peter Julian: So that's the key difference.

Ms. Debra Robinson: That's the key difference. There may be some other wording differences in the agreement, but that is the main difference in the key provisions.

• (1655)

Mr. Peter Julian: Thank you for that.

Moving back to the IBG controversy, John...

Mr. John Holmes: Thank you.

I will have to speak generally. I am not aware of that particular case. I should say that I was the Canadian ambassador in Jordan from 2003 to 2006, and I've been in this position for about a year.

The government is committed to strengthening its laws. It has recognition of most internationally recognized human rights in its constitution and laws, and it's working progressively harder to try to ensure full implementation of those rights and standards. Challenges do exist. Your example may well be one type of example. The issue of migrant workers has been a perennial challenge for the government—ensuring that the standards that exist are fully enforced by the employers who run the factories.

Mr. Peter Julian: I'm sorry to cut you short, but I have other questions.

So nobody from the Canadian government has actually visited the factory, as far as you're aware.

Mr. John Holmes: No one has as far as I am aware, but I was going to say that during my time there—not with respect to specific questions—I had no trouble getting access to companies. I visited several of the companies in the different zones. Generally, the standards might not be the same as they would be in Toronto or Montreal, but they were safe, and the staff seemed well taken care of.

Mr. Peter Julian: Thank you for that. So obviously there's a monitoring issue, then, if no one has actually visited the factory.

I have only a couple of minutes left, so I'm going to move on to another couple of questions.

One is on the impact assessment—

The Chair: Sorry, we'll have to get back to you, Peter, because you have only seven seconds left.

Mr. Peter Julian: —and total investments in product promotion and support.

The Chair: Go ahead, then.

Mr. Douglas George: There was an environmental impact assessment. We do have some investments. Potash Corporation has an investment in a Jordanian potash company, and....

Are there others?

Mr. John Holmes: As far as major investments go, I'm trying to remember.

Mr. Don Stephenson: Was your question with respect to government spending in trade promotion, or was it—

Mr. Peter Julian: It was on the total amount in Jordan.

Mr. Douglas George: With respect to government spending, in terms of people on the ground, we have two locally engaged staff in

our embassy in Jordan. The senior trade commissioner is located in Damascus. I believe there's \$400,000 annually in investment in trade promotion in the area.

Mr. John Holmes: That's counting salaries and operational costs and programming, so that's the whole package. That's specifically for Jordan. We also have some responsibility out of Jordan for Iraq. We have a limited presence in Iraq. I would point out that this is a growing market for us, which we're trying to serve from regional posts because of the security situation, so the FTA, we believe, will have some incremental benefits as we try to get into the Iraqi market, which is potentially huge.

Mr. Douglas George: There have been a number of specific actions undertaken by the embassy in order to promote the FTA. There's a budget of approximately \$15,000 specifically for promoting this FTA.

The Chair: Sorry, we're going to have to cut you off. We're a little over time and we are pressed, so I'm only going to be able to give five minutes to this side over here because we have other business.

Thank you, Mr. Julian.

Mr. Cannan.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

Thanks again for coming to the committee.

I have a couple of questions. We know that the United States has had an agreement with Jordan for quite a while. How does this compare to theirs? What are the major differences?

Mr. Douglas George: The U.S. has had an agreement since 2001. Our agreement is focused primarily on goods, and as I said, there are side agreements on technical barriers and labour and environment. The U.S. has a more comprehensive agreement covering, in addition, services, investments, and intellectual property. We cover investment through a FIPA, which was signed at the same time the FTA was negotiated. Their agreement was signed in 2001 and comes fully into effect in 10 years—in other words, at the end of this year. The day our agreement comes into effect, all of the Canadian tariff changes will be implemented.

On Jordan's side, their tariff changes, which affect approximately 99% of our trade, will come into effect immediately, and the remaining tariff changes will come into effect over three or five years.

• (1700)

Mr. Ron Cannan: Thanks.

I have a supplemental question. As far as the implementation date goes, when Parliament passes this, it's already been ratified on the Jordanian side. Is that correct?

Mr. Douglas George: Yes. Once Parliament passes this and we finish the necessary procedures here, we'll be consulting with the Jordanians and reaching a mutually agreed-upon implementation date, which we hope would be as early as possible.

Mr. Ron Cannan: Generally we've been very active with the trade agreements in the last four and a half years that I've had the pleasure of working with this committee. We travelled to the Middle East, to Saudi Arabia, Yemen, Dubai, and Abu Dhabi, and one of the discussions was that once we get Jordan in, it will open the doors to having other agreements. Maybe you could just update us on the status of this and the next steps as far as the United Arab Emirates or any other agreements are concerned.

Mr. Don Stephenson: We are in the process of examining our options and interests in respect of individual markets, but also the GCC, the alliance of Middle Eastern countries, for trade purposes. We have not made recommendations yet with respect to next steps specifically, but clearly have an interest.

The minister has been active in visiting that region of the world and in having exploratory discussions with his ministerial colleagues.

Mr. Ron Cannan: So this is a good door-opener for you, then.

Mr. Don Stephenson: Indeed.

Mr. Ron Cannan: Thank you.

I'll pass this to Mr. Keddy.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Welcome to our witnesses.

I have just a quick question specifically over the sensitivity of the chicken. The idea that chicken is taken off the table wouldn't take off our ability to sell feed, genetics, and processing equipment and all of that, right?

Mr. Gilles Gauthier: No. I believe the exclusion pertains only to chicken products per se.

Mr. Gerald Keddy: To the chicken itself?

Mr. Gilles Gauthier: Yes.

Mr. Gerald Keddy: That's what I thought.

I have one quick question on the labour agreement and the whole idea of fines. I would expect that not having a number there actually strengthens the agreement instead of weakening it, because an individual or company literally could sue for any amount.

Ms. Debra Robinson: Thank you for that question.

Of course, there are differences of opinion. The focus of the agreement really is on cooperation and trying to resolve issues through cooperation—

Mr. Gerald Keddy: Absolutely.

Ms. Debra Robinson: —and of course the assessment of fines would only happen if there were an absolute lack of commitment to remedy a violation. The fines would be the amount necessary to remedy the violation. That could be any amount. As to whether it's better or not better, there are differences of opinion.

Mr. Gerald Keddy: Thank you.

That's all I had. Devinder has one question.

The Chair: Go ahead, Devinder.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair.

Thank you to the witnesses once again for coming this afternoon.

I have a quick question, but before that I want to make a comment. It's very good news for everyone sitting here that the government has been working very aggressively for the last few years to reach out to these markets, whether it is the South Asian or the Middle East markets. We are getting the results.

As for my quick question here, I was reading "Canadian Trade and Investment Activity", which says, "In 2009, Canada had a trade surplus with Jordan in most product categories". The exceptions were textiles and metals and mines.

Once we sign this free trade agreement, would this help to reduce the deficit in these areas?

● (1705)

Mr. Douglas George: I think if you look at our relative trade we are at anywhere from two to four times the amount being exported to Jordan that we're getting in; in these particular areas, which I guess would be largely apparel items, their trade with us is relatively small at about \$10 million. We'll remove tariffs, but I think our strengths lie in other areas, both agricultural and paper products, and manufacturing. It may offer some opportunities for our exporters as well in those areas.

The Chair: Thank you, Mr. Shory.

Thank you, Mr. George.

That wraps up the time we have for today. Again, it's a short appearance, but we do appreciate your coming. I'm sure that we'll welcome you back along the course of this discussion. Thank you again for appearing.

Committee members, we will now go in camera. Thank you.

[*Proceedings continue in camera*]

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and
Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
<http://publications.gc.ca>

Also available on the Parliament of Canada Web Site at the
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les
Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
<http://publications.gc.ca>

Aussi disponible sur le site Web du Parlement du Canada à
l'adresse suivante : <http://www.parl.gc.ca>