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The Honourable Mark Eyking

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• (1535)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)): Good afternoon, everyone. Welcome to Wednesday, wonderful Wednesday.

My name is Mark Eyking. I'm chair of our international trade committee. We're continuing with our study on multiculturalism and trade. We had a very good meeting the last time, very vibrant, a very good exchange. I'm looking forward to today.

Without further ado, we have three organizations with us today. We have the Indo-Canada Chamber of Commerce, the National Federation of Canadian Italian Business and Professional Associations, and the Canada-Ukraine Chamber of Commerce. Welcome, folks.

If it's your first time in front of the committee, we have procedure here. If you can keep your presentations to five minutes or less, we would appreciate it. It gives us more time for dialogue between the witnesses and MPs. If you think that you didn't get your thoughts across, we can talk about it later and you can incorporate that into your answers.

Without further ado, we're going to start off with the Canada-Ukraine Chamber of Commerce. We have Zenon Potoczny.

Sir, you have the floor.

Mr. Zenon Potoczny (President, Canada-Ukraine Chamber of Commerce): Thank you, Mr. Chairman, and members of the Standing Committee on International Trade, for this opportunity.

It is always an honour to be in our nation's capital. While we rely on various levels of government support, that of the federal government in recent years has been insurmountable. I don't think there is a Canadian who is unaware of Ukraine or of the Ukrainian culture. For many generations, Ukrainians have been contributing to Canada, and most recently, for at least one generation, Canada has been offering its generous support to an independent Ukraine.

Speaking briefly on the evolution of the Ukrainian workforce in Canada, 125 years ago the Canadian government offered parcels of land to farmers and labourers. The ensuing generations both assimilated and accelerated into Canadian mainstream society, achieving a myriad of professional designations and leadership positions, including as judges, members of Parliament, senators, and even governor general.

I myself am an immigrant. My family and I came to this country in the mid-1970s. Here I was able to pursue a higher education and an MBA. I even worked for the federal government at one point before launching my own business, which now operates on two continents, and specifically in Canada and Ukraine.

Another of our directors, Oleg Koval, arrived here in his thirties. A specialist in IT, he now employs dozens of people, has clients with diverse backgrounds, manages their IT needs, and in fact out-sources some tasks to his satellite office in Ukraine.

Our first VP at the Canadian-Ukraine Chamber of Commerce, Mr. John Iwaniura was a recipient of the Top 25 Canadian Immigrant Award. He is president of the Caravan Group, a trucking and logistics company with over 400 vehicles, employing several hundred people across Canada. These are but a few short examples of recent immigrants and their contribution to Canada's professional landscape.

For Canadians of Ukrainian origin, the desire to do trade with the country of origin, be it Poland, Ukraine, or Belarus, was near impossible to achieve during communist times. That said, in 1989 a two-week trade mission of over 100 businessmen and professionals from Canada to the Soviet Ukraine formed the initial structures to perpetuate trade between the two countries. In 1992, 25 years ago, the Canada-Ukraine Chamber of Commerce was formally incorporated. While its makeup initially was predominantly persons of Ukrainian descent, it now encompasses Canadians of all backgrounds actively engaged in business or pursuing business opportunities in Ukraine.

It has not been an easy road. As I am sure many of the committee members are aware, eastern Europe and the former Soviet bloc countries were trying their best in the early days, marred with corruption, financial instability, raidership, and minimal local government support. These are simply a few of the factors that let only the strong ones survive.

That being said, there's a new generation of business and government people in Ukraine, many of them western educated, many fluent in English, who see the potential in long-term planning and growth, and the profitability possible therefrom.

I would note that there are a large number of current ministers, business people, lobbyists, and advocates for reform in Ukraine who are graduates of the Canada-Ukraine parliamentary program, CUPP, which, to this day, gives Ukrainian students an opportunity to intern in the Parliament of Canada. I just heard from Mr. Fonseca that one of them is working for him right now.

As recently as Monday, in Toronto, Prime Minister Groysman of Ukraine addressed over 100 Canadian business people at the Canada Ukraine Business Forum organized by us. While there were members of the Canadian Ukrainian community present—and I underline business people from our community—there were also a number of Canadian business professionals.

Prime Minister Groysman's chief adviser, and the director of the UkraineInvest initiative, is a Canadian lawyer named Daniel Bilak. The deputy minister of economic development and trade of Ukraine, Nataliya Mykolska is a graduate of the aforementioned CUPP.

Of worthy note, Canadian Lenna Koszarny, CEO of Horizon Capital, was part of the delegation on Monday as well. With over \$600 million U.S. under her management, she and her team have made over 140 direct investments into the Ukrainian economy, consistently yielding profitable returns for their investors and shareholders. She encourages other Canadians to consider Ukraine as an investment hub, thus giving us a unique example not only of how Canadians successfully trade with their country or origin but how Canadians abroad attract other Canadians to that country as well.

Why is Ukraine important to Canada now? The answer is simple. Ukraine represents two extraordinary market highlights, which are brains and grains.

Historically, Ukraine was known as the bread basket of Europe. In recent times, it has become known as the brain basket, not only for Europe, but at the forefront of IT globally.

It is surpassing countries like India—

Voices: Oh, oh!

Mr. Zenon Potoczny: —I'm sorry, friends—and the Philippines for outsourcing IT support and solutions.

The Chair: Excuse me. Sorry. If you wouldn't mind, please wrap up with a few final points.

• (1540)

Mr. Zenon Potoczny: I'll take two minutes.

Barclays Bank houses its entire IT department in Kiev, Ukraine. Your national brand name, Canadian Tire, uses IT support from Ukraine extensively. In fact, internationally recognized applications such as WhatsApp, PayPal, and Petcube were all developed in Ukraine.

In terms of international trade specific to Canada and Ukraine, the largest milestone of the last quarter century's work was reached on August 1, 2017, with the Canada-Ukraine Free Trade Agreement taking effect. Not only is this a pinnacle of the Canada-Ukraine Chamber of Commerce 25-year legacy, but the result of tireless work in conjunction with the governments of Canada and Ukraine for the last seven years.

The Canada-Ukraine trade and investment support project, CUTIS, is an initiative of CUCC and the Conference Board of Canada with funding from the federal government. It is a five-year initiative to promote said trade and investment. With offices in Toronto and Kiev, there's a great momentum and drive to see the free trade agreement exceed expectations. In the last eight months of this

year, there has been increased bilateral trade, with about 71% growth both ways.

I must underline to this committee the importance of projects like CUTIS as an indispensable tool to the success of the Canada-Ukraine Free Trade Agreement. While the Government of Ukraine does its part in providing technical support, it lacks the resources currently to economically support business development programs.

CUTIS puts forward Canadian values to Ukraine. Things like environment and gender equality, which have never been looked at seriously in Ukraine, are now part of the project.

In conclusion, I would like to thank the House of Commons international trade committee for this invitation to make a contribution to its study on multicultural international trade. I trust my statements have painted a pristine picture of the contributions made by Ukrainians to Canada and the benefits their participation make to its economic growth.

In terms of export development, the greatest resource for successful economic growth will be strong stewardship of programs, such as CUTIS, which in turn gives substantive affirmation to the Canada-Ukraine Free Trade Agreement.

The Canada-Ukraine Chamber of Commerce has endeavoured successfully to build bridges between the two nations for the last quarter century. It will continue to foster business-to-business growth and development between the same, as we go forward.

Support of the Government of Canada and committees like yours for organizations like the Canada-Ukraine Chamber of Commerce is paramount to that success.

Thank you very much for your time.

The Chair: Thank you, sir.

We're going to move now from the Ukrainian business community to the Italian business community. By video conference from our wonderful city of Toronto, we have Mr. Robert Sacco.

Welcome, sir. You have the floor.

Mr. Robert Sacco (President, National Federation of Canadian Italian Business and Professional Associations): Thank you, Mr. Chairman, and members of the House of Commons international trade committee.

My name is Robert Sacco. In my professional life I am a service line leader for customs and trade for KPMG. I immigrated to Canada in 1958. As president of the National Federation of Canadian Italian Business and Professional Associations, I'd like to thank the committee on international trade for allowing the CIBPA to participate on a panel regarding multiculturalism and international trade.

With our origins and associations going back to 1949 when the first chapter was formed in Montreal, to the incorporation in 1983 of the National Federation of Canadian Italian Business and Professional Associations, the national federation has grown to 11 member chapters across Canada. In addition to our business activities, the national federation is very proud to report that our CIBPA chapters have distributed over \$10 million to various Canadian community-based charities and education programs. The majority of our donations were made to hospitals, seniors residences, and students who receive government assistance, with over half the funds distributed to more than 2,500 students. We have also set up CIBPA endowments at three major universities.

In addition to our Canadian efforts, the CIBPA chapters, along with other Italian associations, provided help when Italy was struck by natural disaster. In addition to the many fundraising efforts that we had, on Friday, May 12, 2017, over 600 people attended the Italy earthquake relief fund lunch with Sergio Marchionne, CEO of Fiat Chrysler. Prime Minister Justin Trudeau and Premier Kathleen Wynne were both at the head table. The Prime Minister pledged to match grants from private donations for up to \$2 million, and the premier committed a \$250,000 donation. The lunch generated approximately \$613,000 for the project. With federal government matching, the estimated funds raised to date are roughly \$2,650,000.

The Italy earthquake relief fund, TIERF, will be making a substantial donation to a joint venture with the Vatican and the Italian Red Cross for telemobile hospital projects. When these technology-enabled mobile hospitals are not assisting in natural disasters, they will be used as hospitals in small towns that lack medical facilities. TIERF has made a commitment to fund two telemobile hospitals.

When we look back at the history of Italian Canadians in the CIBPA, in particular, we see a common theme of family values, good citizenship, and education being the cornerstone of our success as Canadians. We help in the communities we do business in, because we care about Canada and Italy. This is our commitment. This is our contribution to an investment in Canadian society. We're also very pleased about the Canada-European Union free trade agreement that went into effect on September 21, and look forward to many bilateral activities between Italy and Canada, as well as other members of the EU.

Thank you for allowing me to participate.

● (1545)

The Chair: Thank you, sir.

We're going to move to the Indo-Canada Chamber of Commerce. We have two gentlemen with us today: the president, Mr. Dhanjal, and the director, Mr. Brahmhatt.

Welcome to both of you.

I guess the president is going to be speaking today.

Go ahead, sir.

Mr. Kanwar Dhanjal (President, Indo-Canada Chamber of Commerce): Thank you so much. Good evening, members of the international trade committee, and colleagues from the Canada-Ukraine Chamber of Commerce.

This is the first time we at the Indo-Canada Chamber of Commerce have had an opportunity to come to the House of Commons to talk about the Indo-Canada Chamber of Commerce—to shorten it we call it the ICC. The ICC is a 40-year-old organization of the Indian diaspora in Canada.

We have been working on bilateral trade between Canada and India. As of now, the trade between the two countries is at \$8 billion, which is much lower than the potential we have. The opportunities and chances are increasing. In the last eight months the trade between India and Canada has increased by 20%, which is quite significant, but still more needs to be done.

ICC has been doing this activity for the last 40 years. In the past, prime ministers from Canada have visited India. In the previous government, Prime Minister Harper visited India, and Indian Prime Minister Narendra Modi visited Canada. This was the first official visit of any Indian prime minister in 42 years, and its only purpose was to increase or boost trade between India and Canada. That's what we are looking for.

India is the fastest-growing economy in the world, at more than 7%, but is lagging in so many sectors: infrastructure, clean tech, food safety, food security, and education.

I'm glad to say that every year in Canada we're getting 100,000 students from India. If I take an average of \$40,000 in fees for four semesters, they're contributing \$4 billion to the Canadian economy. Still, a lot of boost is required, and a lot of injection is required.

The thing that is lagging behind in terms of trade is CEPA, the comprehensive economic partnership agreement. We are still looking forward to signing it. It has been in the doldrums for the last 10 years, a decade.

This month, Minister Bains, Minister Champagne, and one more minister are going to India to push forward the signing of CEPA. At the same time, in the last two or three years, the Canada pension plan has invested a lot of money in India. Still there's not enough. We need to boost the economy between India and Canada.

If I look at the population of those with Indian origin in Canada, it's 1.5 million. It's a very high population—a high-density population. In looking at trade, it's not as significant as it should be. As a chamber, we are looking for support from the federal government, support from provincial governments, and support from municipal governments to work together to enhance trade.

Ontario Premier Kathleen Wynne went to India last year. The premier of Saskatchewan has been to India. The mayor of Toronto, John Tory, has been to India. The mayors of Markham, Mississauga, and Brampton have been to India. The only thing is to boost trade, and we are really looking forward to making it stronger, more fruitful, and more enhanced.

● (1550)

Canada is a place where we have technology. India needs a technology partnership, infrastructure. Within Asia itself there is going to be a \$6-billion investment in infrastructure. A major part is going to China and India, and Canada can play a very vital role in the infrastructure.

We need to build a strong relationship, a strong B2B, a strong B2G, a strong B2C interaction to increase our trade. As a chamber, we have a very strong association here, as well as in India. We have a strong association with the federal government and the provincial governments in India.

We have FICCI India, we have CII India. We are very strongly associated, and we look forward to increasing trade between India and Canada.

Thank you so much, sir. Thanks for your time.

The Chair: Thank you, sir, and all of you gentlemen for those good presentations. It gives us a good segue into dialogue with the MPs.

We're going to start off the first round with the Conservatives.

Mr. Dreeshen, you're up first.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much, Mr. Chair.

To all of our guests, I certainly appreciate the comments that you've brought forth. To start, how can your ethnocultural business associations help us, both in your countries of origin and here in Canada in order to ensure there is a dialogue when there are trade negotiations? I'm really looking at how your associations put together the coordination with other Canadians who are trying to make these things happen.

Mr. Potoczny.

Mr. Zenon Potoczny: Even during the negotiations on the free trade agreement, as an example, there are certain things that ministers can say to ministers, because they're diplomats, and there are certain things that they cannot say. We, as the Canada-Ukraine Chamber of Commerce, can always pose questions from our members directly to the minister.

In this case we understood very well, for example, that things that Ukraine was trying to negotiate from Canada in dairy and eggs and the supply management chain area were just impossible to do. We spent a lot of time with the Ukrainian side, with the Ukrainian minister and his support, to explain to him not to waste his time in this area, because it would be very difficult to achieve something, and perhaps he might want to think about something else that he might want to ask for in exchange for that.

These are the kinds of things that you can discuss openly with the other side, as an example.

Mr. Earl Dreeshen: Thank you.

Mr. Dhanjal, it's a similar question, but you had spoken about infrastructure, clean tech, food safety and security, education, and so on. I'm from western Canada. What I want to ask you about are the types of energy that you expect to see in the future—the LNG potential, those types of things—as you have an economy that is growing quickly. These are the things that we hear are going to be required in your area. I'm wondering if you can talk to us about the significance of our being able to trade in those commodities as well.

•(1555)

Mr. Kanwar Dhanjal: The utmost thing, I feel, is the infrastructure. As I said, \$6 billion is going into investment in Asia.

An almost \$2.5-million investment is going to India. The most important thing which I feel is missing is that India has 30 provinces, 30 states, and every state has its own stance.

Let me talk, first, about Punjab. Punjab is called the food basket of India. I go to Gujarat, which is the western state, and it's called the pharmaceutical basket of India. I go to the northeast, Assam. Assam in the north is known for Assam tea.

I think the time has come, and I'm not blaming the government, to talk to different states about their potential, about some of the things they can send to Canada and what they need that can be sent to India, to different provinces. It's not between federal government to government. In the end, it is B2B, business-to-business meetings.

If we are connecting B2B, there are a lot of possibilities to increase that trade.

Thank you, sir.

Mr. Earl Dreeshen: Mr. Sacco, I think we are all aware that new Canadians are more likely to export, because of the connections they have. In your experience, does the presence of these SMEs influence other, non-immigrant people in the communities to also get on board with exports?

Mr. Robert Sacco: In general, our association partners with the Italian Chamber of Commerce to make sure there is a better connection between Canadian-Italian businesses and businesses that want to come over from Italy, as well as businesses that want to entertain the idea of selling into Italy.

We know that, with NAFTA being a little shaky right now, the Canada-European Union free trade agreement provides a phenomenal opportunity. I think Canadian businesses have relied on the relationship with the United States far too long, and now really need to think a little about the pivot to Europe. As the gentleman mentioned before about procurement, one of the key differences between CETA and NAFTA is the ability to sell not only to the federal jurisdictions, but also to the provincial, state, and city jurisdictions.

We did an analysis of what that opportunity means. It means that in Canada the spend in the next 10 years is something like \$200 billion. If it were just the ability for Europeans to trade with the Canadian federal government, it would probably be around 15%, just restricted to the federal government. However, because the agreement was expanded to include the provinces, municipalities, and cities—as well as, in Europe, a broader range than just the federal government—the opportunity for infrastructure projects is phenomenal on both sides.

I think that Canadians have a great opportunity and need to really think about what they can do in Italy, as well as all of Europe, with regard to this opportunity.

The Chair: Thank you, sir.

We are going to move to the Liberals now.

Mr. Fonseca, you have the floor.

Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.): Thank you, Chair.

Thank you to the presenters.

You know, when we look at trade, it can be very transactional, where you're buying wheat, or you're buying oil and gas, or you're buying a service, and that's kind of where it stops. Where we have seen success has been more around joint ventures. In some areas of the world where there may be conflict or where the regulatory regime, financing, or legal matters may be a challenge or may be difficult, I'm sure your associations can help with that.

Can you share with us where you've seen successes with some of your members who are doing trade with their countries of origin? Have they had the success through joint ventures with companies on the ground there?

We could start with Zenon.

•(1600)

Mr. Zenon Potoczny: Absolutely. Obviously, in different areas in business, there are different ways to set them up and then have successful business.

In the energy sector, for example, between Ukraine and Canada.... It's a very important sector for Ukraine, because, as the Prime Minister said a few days ago, Ukraine wants to become self-sufficient in energy by 2020, which is two years away. One of the areas that we keep bringing to him and to his government is that if you want to get investment from outside, including Canada, into the energy sector, for example, you definitely have to fix up the regulatory system in that area.

There are different ways to set it up. You mentioned joint ventures, and there are joint ventures in oil and gas. There are production-sharing agreements in oil and gas, but these are mainly for very large, huge projects, and there are also the joint investment agreements, as they are called in Ukraine, which are very risky, very unstable, and so on.

We tried to convince the Ukrainian government to look not just at the way to set up the business in Ukraine, but more at the regulatory system. For example, in oil and gas, a licence extension on an existing project might take two years, three years, or 10 months. In our case, it took 10 months. In Canada, in Alberta, this kind of thing happens overnight. It's all electronically controlled. There are no people who influence whether a licence is extended, and so on. As soon as that kind of regulatory system is improved, I'm sure that things like joint ventures and production-sharing agreements, which are used everywhere across the world, will definitely be successful.

We even gave them an example, and I think we have now actually started working with the Alberta energy regulators who do these kinds of services right across the world.

Mr. Peter Fonseca: Thank you.

Mr. Dhanjal and Mr. Brahmabhatt, in terms of the services that we provide from the federal level—so you're talking about some of the trade missions that happened through CanExport, Export Development Canada, or the trade commissioner service. Do your members avail themselves of those services? Are they using those services? Are they effective for an organization like yours to be able to make those connections, or are you doing that work for your members?

Mr. Kanwar Dhanjal: Our members are well aware because we have been doing different events, educating all of our members on what the new policies are that are coming from the federal government or the provincial government on international trade. At the same time, EDC and BDC.... For BDC, there are not many offices in India, and the exporters from Canada to India, especially Indian-origin people, are using BDC services. The only thing that's missing, a major missing link, is CEPA. When CEPA is signed, the trade between these two countries will increase twofold. We are looking forward to sign CEPA at the earliest opportunity. Plus, I'm quite hopeful that during this year, maybe in the next six months, the Canada-India FIPA will also be signed. When the Canada-India FIPA is signed, the financial investment in India will increase. India is a booming economy with a 7% increase in GDP. There's definitely benefit for there.

Thank you.

The Chair: Thank you, Mr. Fonseca.

We're going to move to the NDP now.

Ms. Ramsey, you have the floor for five minutes.

Ms. Tracey Ramsey (Essex, NDP): Thank you so much for being here and presenting to us today. It's wonderful information, and there are definitely some themes that we've heard over the course of this study. One of them has been SMEs and how they can be properly supported in trade. The other is connections to our youth.

Mr. Potoczny, you mentioned the Canada-Ukraine parliamentary program in which you have youth who are interning. Can you speak more to the business and trade aspect about anything your organizations are doing to educate youth within your communities to learn about the opportunities in trade and to make those connections back with your home country to continue those ties for generations to come?

•(1605)

Mr. Zenon Potoczny: Thank you for the question.

Quickly on SMEs and that CUTIS project I mentioned, which is actually supported by the federal government, it's strictly restricted to SMEs. This is support of SMEs in Ukraine and also SMEs that are run and managed by women. Gender equality, as I mentioned before, is a huge priority.

On the youth issue, absolutely. In our organization we even have a special membership fee for youth, which is very minimal, but sometimes when you pay for something, you take it more seriously. We definitely have a person responsible for the youth chapter in the Canada-Ukraine Chamber of Commerce, and when we do the networking events, we always invite them. We also have some of the members of the Canada-Ukraine Chamber of Commerce taking youth into their businesses and showing them how the business is run and showing them how the mentoring part of the business takes place. Absolutely youth are very important.

Mr. Kanwar Dhanjal: In terms of youth and SMEs, in our chamber we have different committees. We have a committee called YE, young entrepreneur, and WE, women entrepreneur. We have a special focus on youth and women, mainly for the small business sectors.

In India, SMEs are the backbone of the Indian economy. It's the same thing here. I myself am an entrepreneur. I have a small company and we are contributing to the Canadian economy.

Really, our focus is on youth and women. At the ICCC, every year we take a business delegation to India in January. It varies, but between 50 and 120 businesses go with us to India. In January 2018, we are taking a delegation to India. It will be a multi-sector and multi-city delegation.

Last year when we took a delegation to India, honourable Minister Sohi was part of the mission. Before that, Jason Kenney was part of our delegation. There is a lot of federal participation in the India mission.

I feel that the SME sector, which as I said is the backbone of India's economy, and here, if we connect B to B, small business to small business, it can really give a boost both to companies situated in Canada and to companies situated in India. We really want to have more focus towards SMEs to increase trade and small manufacturing, because in India, manufacturing is very cheap.

I'll show you a very positive example, if you can give me two more minutes. There was a time 10 years ago when a lot of companies in the U.S. and Canada moved to India for telemarketing. Over time there have been a lot of inquiries from Canada from people looking for engineering services, to be offered from India, to make your drawings, to make your designs. They need these people from India.

One more important thing came to me recently. A company situated in Canada is supplying globally, especially to the Middle East, Asian countries, or [*Inaudible—Editor*] countries. They are looking for engineers, hired from India, to be stationed in India, to give the services to that area. Sending engineers from Canada to Asian countries, or to India, or to the Middle East is expensive. If they hire someone from India, they can [*Inaudible—Editor*] the Middle East, an Asian country, or [*Inaudible—Editor*] countries. There are new technologies coming up now. These are things we see in the SME sector and these are adding things to increase the SME trade.

Thank you, Tracey.

•(1610)

The Chair: Thank you, sir.

Ms. Ramsey, that is your time.

We're going to move over to Mr. Dhaliwal, for five minutes.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Thank you, Mr. Chair, and thank you to the presenters.

Mr. Potoczny, in my previous terms, I had interns as well from Ukraine and they were very helpful.

My question is for the ICCC.

Mr. Dhanjal, you mentioned CEPA. The last time we had a round of negotiations was in 2015. Would you tell the committee what would be the benefits to both nations, India and Canada, of signing CEPA?

Mr. Kanwar Dhanjal: With CEPA, the trust between the companies, the trust between the governments, and the trust between the SME sectors will increase. At the same time, taxation and import duties will be reduced. It's like a free trade agreement. When there is a free trade agreement, there is no taxation, no import duties, or no export duty there. It definitely bolsters that. CEPA is really going to make a big contribution towards a multifold increase in trade between the two countries. I wish and I pray that this should happen as soon as possible.

Mr. Sukh Dhaliwal: On the other side, you recommended that it should be a business-to-business relationship. India is a very vast country, as is Canada, if you look at various regions, various provinces. That might not be a possibility, but the agreements between the governments are key.

What recommendations would you make to strengthen and/or improve relationships with India so that, instead of going business to business, we are going from government to government and the governments are playing the key role?

Mr. Kanwar Dhanjal: CEPA is not government to government. When the CEPA is signed, in all the provinces and all the states in India that are doing exports, it is not a provincial rule. It is going to be a federal government rule. There is no taxation. When there is no taxation, whether somebody is sitting in the north or middle or western or eastern part, it's the same rule: no taxation. Definitely, then, this will get a boost.

I'll tell you what is happening. Let's look at canola oil. Canola oil is going to India. There's a huge demand.

Mr. Sukh Dhaliwal: What about pulses?

Mr. Kanwar Dhanjal: In India, the import duty is 26%, which is very high. If a free trade agreement like CEPA is signed, the import of canola oil from Canada to India will have a multifold boost.

There's one more thing I would like to tell you. India has a huge industrial base. In Asian countries, India is a leading partner of all Asian countries. After China, it's India. India can supply that canola oil to different parts of neighbouring countries, whether it's Pakistan, Bangladesh, Sri Lanka, or Thailand. The important thing, again, is that CEPA needs to be signed.

Thank you, sir.

Mr. Sukh Dhaliwal: You have heard about FIPA, the foreign investment promotion and protection agreement. What are your views on it, and how is it going to benefit both nations? Can you elaborate on that?

Mr. Kanwar Dhanjal: As I said, the Canada pension plan made a small investment in India, and it was a small investment because the FIPA has not been signed. There is no protection of foreigners within your protection act right now. Once the FIPA is signed, the Canada pension plan and other agencies can invest in India, because India's is a growing economy, more than 7%. This is second to none.

The economy is growing. At the same time, whatever investment a Canadian company is investing in India will grow automatically.

It's very important to sign the FIPA.

• (1615)

Mr. Sukh Dhaliwal: Have you made that pitch to the Indian government?

The Chair: Mr. Dhaliwal, nice try. You almost got in there. The Liberals are going to have some time later on. If you want to punt this question to another colleague, that's fine.

That ends our first round. We have enough time for two more slots for MPs. We're going to start off with the Liberals.

Ms. Lapointe.

[Translation]

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Thank you, Mr. Chair.

Mr. Sacco, I have a few questions for you.

You said earlier that you represent the National Federation of Canadian Italian Business and Professional Associations.

Does that mean that your organization has various chapters in Canada?

[English]

Mr. Robert Sacco: Yes.

[Translation]

Ms. Linda Lapointe: How many members does your federation have?

[English]

Mr. Robert Sacco: There are roughly 1,500 dues-paying members.

[Translation]

Ms. Linda Lapointe: Does that include SMEs?

In your opinion, what can we do to ensure that ties develop quickly between Canadian and Italian businesses?

Do you represent a lot of SMEs?

[English]

Mr. Robert Sacco: We represent small, medium, and large businesses. One example of an Italian-born, Canadian-raised entrepreneur is Sergio Marchionne. He was born in Abruzzo, Italy, came to Canada, went to school in Canada, articulated as a CA here, and then I believe also went to law school in Windsor. He then went back to Europe and led Chrysler Fiat, which is one of the largest manufacturers in the world. We have relationships with all aspects of big and small businesses and we'd like to encourage more activity. We really do think that Canadian businesses need to think about Europe as an opportunity to grow. We think that we've been a little too dependent on the U.S.

We really do need to start thinking about, for example, CETA. It is going to provide a phenomenal opportunity for European businesses to come to Canada. That means they're going to compete with Canadian businesses. That's probably good for the economy, in that you have good competition and value for services provided. We need

to do the same thing and go to Europe and compete in Europe as well.

[Translation]

Ms. Linda Lapointe: You mentioned the free trade agreement with Europe that came into effect on September 21, 2017.

Have you promoted this new agreement so that companies, be they Canadian or Italian, can benefit from the privileges associated with it?

[English]

Mr. Robert Sacco: Absolutely. We have regular dinner meetings and we invite all members of the business community, as well as governments, to talk. We have women's events that are primarily for women to deal with women's issues and business opportunities. The Canadian forum we provide and we always have the opportunity to network with our Italian colleagues as well.

[Translation]

Ms. Linda Lapointe: You talked earlier about SMEs with the individuals here. In the case of dealings between businesses, is it possible to make it easy for people to find businesses throughout Italy and elsewhere?

[English]

Mr. Robert Sacco: I believe that with the Internet you have a phenomenal opportunity globally to do all kinds of business. I think Canadians do not use to the full benefit the federal concierge services, Export Development Canada, the Business Development Bank of Canada. There are a lot of opportunities to get help from Canadian federal organizations.

What I really think needs to happen is that people need to get into an airplane, meet people, actually find the market for their product, and do as entrepreneurs and SMEs do. They do business. You're going to win some and you're going to lose some, but at the end of the day, I believe we can compete with the globe.

• (1620)

[Translation]

Ms. Linda Lapointe: I now have a question for Mr. Potoczny.

[English]

The Chair: It has to be a short question and short answer.

[Translation]

Ms. Linda Lapointe: The President of Ukraine visited us yesterday. He said the service sector is the most promising.

What do you think?

[English]

Mr. Zenon Potoczny: Yes. I think that absolutely Ukraine is basically rebuilding everything, from transportation to infrastructure to buildings and everything. Obviously, Canada is a huge engineering and service and manufacturing power in the world, so in that area, absolutely, there's huge potential for Canadian businesses.

Ms. Linda Lapointe: Thank you very much.

The Chair: Mr. Carrie, you have the floor for five minutes.

Mr. Colin Carrie (Oshawa, CPC): Thank you very much, Mr. Chair.

I want to thank our guests for being here because this is such an important conversation. I think it was Mr. Sacco who mentioned the NAFTA talks and how they're going. Right now, I think it's the most important trade agreement we have with any country. The importance of diversifying...I think Canadians were surprised a few years ago when the Prime Minister was asked which country he admires the most and he said he admires China's basic dictatorship. I see the government racing towards a free trade agreement with China.

However, then I look at India and I think of all the things that we have in common. You look at the British parliamentary system. We have the rule of law. We're both democracies and the opportunities that we should have.

Chrysler Fiat was mentioned, which is great, with that attachment to Canada, but also Tata Motors, as I think the chairman of Tata has deep roots here in Canada as well.

Mr. Dhanjal, you mentioned some of the opportunities that we're having now with human resources, industry, and agriculture. However, if Canada was able to accelerate...you mentioned the importance of trade agreements. What industrial sectors do you think have the greatest potential between Canada and India, if we can get a trade agreement that works for both countries?

Mr. Kanwar Dhanjal: The one sector that has been untouched between the two countries is the defence sector. India's budget... Almost 15% to 17% of its budget goes towards the defence sector, and now India is accepting foreign debt investment into the defence sector, and [*Inaudible—Editor*]. I know a couple of companies in Brampton that are doing some trade with India in the defence sector, but it is very minimal. There is a lot of potential in the defence sector.

India is building 100 smart cities, and in Canada, all are smart cities, so Canada can contribute to their infrastructure and to the smart cities' [*Inaudible—Editor*].

Regarding the education sector, yes, it is important. Twenty-seven per cent of the population of India is young people. How does that compare with Canada? Every day, for another five years, thousands of Canadians will become senior citizens. You see the difference.

As you said very clearly, we are both democracies, with a U.K. background. We're Commonwealth countries. Tata, Bombardier's major affiliate in India, places orders with Bombardier. There are a lot of opportunities, a lot of things there for export that need to be going forward.

I personally feel that the education, infrastructure, and defence sectors need to be tapped.

Mr. Colin Carrie: Excellent.

•(1625)

Mr. Kanwar Dhanjal: Thank you, sir.

Mr. Colin Carrie: We had Prime Minister Groysman here too, and I asked him this question. We didn't have a lot of time to expand

on it, but maybe I could ask you the same question. Which industrial sectors do you see having the greatest potential between Canada and Ukraine?

There was a mention of agriculture, and I think he was meeting with some aerospace companies as well, and defence. What would you like to tell us here at this committee about these opportunities, moving forward, with Ukraine?

Mr. Zenon Potoczny: As I mentioned before, Ukraine is basically changing everything: transportation, infrastructure, renewable energy, and even in agro-industry, which is a huge and important sector for Ukraine. They do well in the world in agro, but they also need new technology, new equipment. Canada has huge potential, actually, in supplying that new technology, new know-how, new equipment in both the agro and the energy sector.

Even now, there's a big company in Winnipeg, AGI International, that supplies equipment all over the world. Unfortunately, Export Development Canada has, for some period of time, almost put a sign on their website saying that Ukraine is risky now because there's a war in the eastern part of the country, and so on.

It's also very important for Canada and the Canadian government, and we have mentioned it before to Minister Champagne, that somehow Export Development Canada has to get on side, because a lot of exports from Canada obviously can be supported through EDC. That's really EDC's main purpose, when you try to sell a lot of equipment and technology, so I would suggest that EDC should really co-operate more.

The Chair: Thank you, sir, and thank you, Mr. Carrie.

We don't have time for a full slot, but I could take one quick question.

Mr. Dhaliwal, do you want to ask a quick question? Maybe we can get a quick answer and then wrap up.

Mr. Sukh Dhaliwal: Thank you.

Mr. Dhanjal, there is a will on this side to sign those agreements, FIPA and CEPA. Have you made a pitch to the Indian government to get those through?

What should the immigration policy be to improve trade as well?

Mr. Kanwar Dhanjal: About the immigration policy, I will take that question later on.

First, about the ICCC role in pursuing the signing of CEPA, we have a direct connection with the federal government in India and we are pursuing that directly, as well as with the High Commission of India in Ottawa, and the consul office of India in Toronto. We are putting together whatever resources we have, to push forward for CEPA and FIPA to be signed.

Regarding immigration policies—

The Chair: Sir, I know when you get into immigration, it could be a long answer, so please see if you can give a quick answer. I'd appreciate it.

Mr. Kanwar Dhanjal: Okay.

With respect to the present Canadian government, I, personally, from a chamber perspective, agree with the immigration policies of the government. The government is looking for people with a skill set to come to Canada, which is a good thing. The government is promoting education, and these people who are coming to Canada are adding revenue to the Canadian government. Plus they are adapting to the Canadian culture socially, practically, as well as environmentally. After doing two years of studies and working for two years with a work permit, they get a practical feel about Canada. They cannot say after four years, “No, no, I did post-graduate there and I'm not getting a job. I'm driving a cab.” No, no, no. You're studying here; you're getting accomplished with the system, and then you're adopting that system, merging with the system—and I support this immigration policy.

Thank you, sir.

The Chair: Thank you, sir.

Thank you gentlemen for taking the time—you guys have busy schedules—to come and present before our committee today. It was a very good conversation. We wish we had more time. We will be doing a report on this, and you'll be able to have a copy of it.

Thank you again very much and good luck.

We're going to suspend just for a minute and then go in camera.

[Proceedings continue in camera]

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