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The Honourable Mark Eyking

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• (0845)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)): Good morning, everyone, on this wintry Ottawa morning. Welcome.

Today we're continuing our study dealing with the Canada and Pacific Alliance future agreement. Of course, as everybody knows, there are four countries involved with this: potentially Canada, Mexico, Colombia, Peru, and Chile. That's five.

On that note, this is our second meeting and this is our second panel of witnesses. I welcome you to our committee. For anybody who's not familiar with how we do this, we'd like you to do your briefing in five minutes or less, which would be appreciated. Then we could have lots of time for dialogue.

We have three panellists this morning for our first round, and we'll have three on the second round. Through video, we have Mr. Mark Wessel, vice-president of international business development.

Good morning, sir. If you don't mind, do you want to start us off this morning?

Mr. Mark Wessel (Vice-President, International Business Development, Cypher Environmental Ltd.): It will be my pleasure.

Mr. Chair and the committee, during the past 35 years, I've taken several companies into the global market, setting up strategic distribution, sales, and investment programs for companies moving into the region. I've had the chance to work with governments in different Latin American countries including heads of state, ministers, and institutions in both public and private sectors.

I'd like to present a few points that I believe have importance in the structure of the Pacific Alliance and in accordance with the proposed objectives. An understanding of the culture and the modus operandi of doing business in the region are paramount in ensuring the development of a successful strategic medium- and long-term trade program with its alliance partners.

A knowledge of current foreign and domestic debt in alliance countries' financial and fiscal policies, investment incentives, and even corruption issues such the recent Odebrecht scandal, which had a paralyzing effect on major development projects in the region, is of paramount importance to both Canadian investors and exporters.

Identification of alliance countries' political history, legislation, and current objectives, and disposition to pass protectionist laws all

must be considered when deciding on strategies for expansion into these regions for the export of products and services and investment. The potential benefits are clear.

With a population of 220 million, the Pacific Alliance market represents a major economic opportunity for Canada. Canadian companies that receive payment principally in U.S. currency can capitalize on Forex transactions that generate additional profit. Close market proximity is also an important factor. When entering Pacific Alliance countries, many Canadian export companies may still face lengthy and expensive challenges such as product registration and acceptance processes. This can prevent small and medium-sized Canadian companies from capitalizing exports when trying to penetrate Alliance countries.

Elimination of additional import duties and tariffs is another significant step that will allow Canadian goods and services to be more competitive, as well as the use of free zones in Pacific Alliance countries for manufacturing. A major obstacle to competitiveness in this market is freight costs for goods and services.

For Canadian companies investing in alliance countries, preferential treatment such as tax holidays and the elimination of import duties for capex and opex expenditures is of the utmost importance in allowing them to be competitive and profitable. Canada is a dominant player in the clean tech industry, which is often very cost-competitive, and where the provision of products and services can include global and environmental conditions.

PDF, EDC, and other organizations have been hosting inbound and outbound tech trade missions with very significant results. The Paris agreement is forcing Pacific Alliance countries to make their legislation more environmentally friendly. Cypher Environmental is a clear example. Our company offers cost-competitive and environmentally friendly road construction and waste-water treatment technologies in the alliance market.

Alliance governments' assets are being substantially tied up in collateralizing their long-term loans with the IMF, World Bank, EIB, and others. The long-term political and economic risk needs to be fully understood when structuring the Pacific Alliance agreement. The agreement should also focus on how the alliance will help partners and countries to be more significant international trade partners.

Owners globally have been undertaking major roles in investment and development in the alliance countries during the past few decades—principally investments in mining and oil and gas assets, major infrastructure construction projects, the acquisition and construction of major ports and airports, and the financing of the expanded Panama Canal. All are indicators of potential long-term threats to the stability of the alliance agreement.

Continued major investments by private corporations or government-led finance investments by other major foreign stakeholders in the alliance region will in the long-term create significant trade pressure points for renegotiation, which in fact should be considered and dealt with today.

Expressions of geopolitical unity such as the proposed expansion of alliance members to countries such as Costa Rica, Panama, and perhaps Ecuador are vital in creating a unified and solid economic trade bloc. Consider the failed attempt by the Grupo de ALBA countries of South America. Alliance countries should also be given a preferred status in bidding on major infrastructure projects. The securing of long-term food supply chains for Canada from alliance countries should also be a priority as land worldwide becomes less fertile and water shortages become common.

One of our country's greatest contributions to the development of foreign trade and investment has been the excellent work performed by our trade commissioner services, EDC, and CCC, which have been instrumental in assisting companies to successfully identify and capitalize on potential opportunities in the Pacific Alliance countries.

●(0850)

Finally, I look forward to any questions you might have.

The Chair: Thank you, sir.

We're going to move on now to Mr. Kingston. He's vice-president of policy, international and fiscal issues at the Business Council of Canada.

Good morning, sir. Welcome. You have the floor.

Mr. Brian Kingston (Vice-President, Policy, International and Fiscal Issues, Business Council of Canada): Good morning. Thank you.

Mr. Chair, committee members, thank you for the invitation to take part in your study on a potential free trade agreement between Canada and the Pacific Alliance.

The Business Council of Canada represents the chief executives and entrepreneurs of 150 leading Canadian companies in all sectors and regions of the country. Our member companies employ 1.7 million Canadians and are responsible for most of Canada's exports, corporate philanthropy, and private sector investments in R and D.

The Business Council supports Canada in negotiating a free trade agreement with the Pacific Alliance. With over 221 million consumers, the Pacific Alliance's combined GDP makes it the world's sixth largest economy. What's more, PA members are experiencing strong growth and exhibit favourable demographic trends. The Pacific Alliance is already an important market for many Canadian companies. Bilateral goods and services trade between Canada and PA members is valued at \$54 billion. If treated as a

single country, the Pacific Alliance would be Canada's third-largest trade partner, ahead of Japan and the U.K. Investment flows are also impressive, with two-way investment valued at \$52 billion. Several Pacific Alliance countries rank among top destinations for Canadian foreign direct investment.

There are really three reasons why we think it's important for Canada to be negotiating with this bloc.

The first is diversification. Canada must be doing everything possible right now to find new customers for our exports and new economic opportunities for our citizens. The best way to do this, we believe, is to position Canada as one of the world's most open and global markets. I think this is increasingly important right now, when we're witnessing protectionism on the rise and inward-looking policies around the world.

The Pacific Alliance is an important component of Canada's overall diversification efforts. As the bloc grows, Canada could gain new market access in member countries. When you combine the Pacific Alliance with the recently concluded CPTPP, CETA and potential trade agreements with China and perhaps India, Canada will be in an enviable position, with market access to some of the world's largest and most dynamic markets.

The second reason is consolidation. Canada has a unique opportunity to both consolidate its existing trade agreements with Pacific Alliance members and set a high standard for subsequent bilateral agreements with the bloc. We believe that an ambitious and comprehensive outcome could enhance Canadian competitiveness in the region for years to come.

While Canada, of course, has separate trade agreements with all four Pacific Alliance members, each agreement varies in age and ambition. Harmonizing these agreements could facilitate a greater cross-border presence for Canadian companies already in the region. For example, agreeing to a common set of simplified rules of origin would allow for cumulation across Pacific Alliance members. This would facilitate the development of Canada-Pacific Alliance supply chains.

The third point is modernization. As global trade and commerce rapidly evolve, there is a constant need to upgrade and modernize trade agreements to reflect the way business is conducted. Negotiating a trade agreement with the Pacific Alliance that improves the digital innovation environment and enhances labour mobility could be particularly beneficial. Financial technology firms are innovating at a rapid pace, often posing challenges to regulators. An agreement that facilitates co-operation among the parties' various regulators could allow for faster commercialization of new technologies across a large customer base.

At the same time, modernizing and harmonizing labour mobility provisions could broaden the regional talent pool and facilitate the movement of business travellers between markets. Other areas for improvement include transparency, e-commerce, and regulatory co-operation.

Before I conclude, I have just one final point. With the Pacific Alliance, really the potential is unknown. That's why we think it's important that Canada is involved at an early stage. As you'll recall with the TPP, Canada was invited to join when it was a very small agreement amongst four countries. No one saw its potential at the time. I can tell you that even the Business Council looked at it, but we didn't understand what it was about to become. Canada was invited to join, declined the invitation, and then of course the U.S. got involved and suddenly it became this major initiative. We ultimately paid a price getting in at a late stage. I think it's important for Canada to join agreements like this at an early stage, when there's interest in having us take part, because it allows us to shape them and build them as they grow into larger trading blocs.

With that, I conclude my remarks. Thank you for the opportunity to address the committee.

• (0855)

The Chair: Thank you, sir.

Now we're going to our third set of panellists. We have Oxfam Canada here, with Kate Higgins and Francesca Rhodes.

Welcome. You have the floor for five minutes.

Ms. Francesca Rhodes (Women's Rights Policy and Advocacy Specialist, Oxfam Canada): Thank you for inviting Oxfam Canada to present to the committee today.

Oxfam works in 90 countries to support long-term development and provide life-saving humanitarian assistance. We are also an advocacy and campaigning organization committed to addressing the root causes of poverty and inequality. We put women's rights and gender justice at the heart of everything we do.

The potential free trade agreement between Canada and the Pacific Alliance is an opportunity to further develop Canada's gender equality approach within its progressive trade agenda. It is important to take a feminist approach to ensure trade policy works in tandem with the goals of the feminist international assistance policy. Although free trade is recognized as a tool for economic growth and poverty reduction, there is also growing recognition that the current model of free trade has not benefited everyone equally.

Women, who make up the majority of low-paid and insecure workers, are particularly affected and face particular characteristics and constraints. If we want to maximize the gains from trade for both women and men, and also the contribution that women make to a country's economic and trade outcomes, then we must take into account the sectors where women work, the types of businesses they operate, the goods and services they produce and consume, and the barriers they face.

The majority of women are workers, and women are concentrated in the lowest-paid roles with the least job security. For this reason, it is important that the focus of gender equality in trade not be solely

on issues related to women entrepreneurs and business owners, although this is an important issue as well.

We have three specific proposals.

First, a gender chapter with strong provisions should be included in any free trade agreement. Including a gender chapter would be a concrete symbol of the importance of gender equality in the trading relationship and a recognition of the gendered impact of trade.

The Canada-Chile Free Trade Agreement contains a gender chapter, and one is proposed for NAFTA. We propose that these talks are an opportunity to strengthen the language already agreed to with Chile and to agree to a gender chapter that is specific in what it will achieve. This would require moving the chapter beyond a voluntary approach to incorporate reporting and accountability.

At a minimum, the gender chapter should require that a poverty and social impact analysis or a gender trade impact assessment be carried out. Evidence gathered, including through the collection of sex-disaggregated data, would improve the knowledge, analysis, and choices of negotiators, policy advisers, and partners with respect to the impacts and benefits of the trade deal on gender equality. This information can also be used to track and report on progress.

The gender chapter in the free trade agreement with Chile commits parties to set up a joint committee to address gender equality in the trading agreement. If such a chapter were to be included in an agreement with the Pacific Alliance, it should ensure that any committee set up has the ability to make recommendations to the wider trading relationship—for example, based on the gender analysis they have carried out. There should also be a commitment to ensure diversity in the membership of such a committee, including organizations that represent workers' rights and marginalized women.

Our second proposal is that gender equality should be addressed throughout the agreement and that negotiators need to look at both gender and economic inequality together.

Our current economic model is failing to ensure that economic growth benefits the majority of workers fairly. Oxfam has calculated that in the last year 82% of wealth created globally went to the top 1%, and the poorest half of the world received none. If free trade agreements are to be called “progressive”, they must be aimed at reversing this trend and focused on the rights and experiences of workers in the lowest-paid and most insecure form of work—often women workers at the bottom of supply chains.

In Mexico women make up the majority of maquila workers, who receive low pay and face barriers to organizing collectively. Researchers for *The Nation* spoke to Ali Lopez, a maquila worker who said:

The only way a single mother can survive here is with help from family and friends.... When I leave in the morning, I leave food for [my eldest child] to warm up for lunch. Childcare would cost 200 pesos a week or more, so I can't afford it.

This trade agreement should include strong and binding provisions in any labour chapter that considers the particular needs of women workers such as Ali: for example, ensuring pay equity, addressing sexual harassment in the workplace, and taking into consideration women's higher responsibility for unpaid care work.

Finally, civil society needs more information about the negotiations in order to be able to analyze and contribute to debates and recommendations for the agreement and its implementation.

● (0900)

Women's rights organizations and labour movements that represent women workers from the countries involved should be supported, including through funding to be able to engage, and to continue to analyze the impact of the potential free trade agreements.

Thank you.

The Chair: Thank you.

We're going to open the dialogue with the MPs now, and we're going to start off with the Conservatives, for five minutes.

Mr. Allison.

Mr. Dean Allison (Niagara West, CPC): Thank you very much, Mr. Chair, and thank you to our witnesses for being here today.

Mr. Kingston, I'll start with you. We do have agreements with all four of these countries now, and I know we have an environmental working group with Canada and Mexico. We have environmental agreements with Columbia, Peru, and Chile. We have labour agreements and sidebars. These were all negotiated by our government.

Do you see all these things already working together, and making it easier for us to come to some kind of agreement with these countries based on the fact that we have a pretty strong relationship to begin with?

Mr. Brian Kingston: Absolutely, because we have existing agreements. Some of them are a bit on the older side, but they're not extremely old. The deal with Chile has recently been modernized. There's a good baseline in terms of what we've already negotiated, and now, really, this is about improving it, and bringing it up to speed with our most recent type of trade agreement.

CETA and TPP are the gold standards now for Canadian trade agreements. We have a great base there, and this is really just a matter of kneading them together. Ultimately, I'm hoping that this simplifies the trading rules, so that a company doesn't have to consult four separate agreements when it wants to do business in the Pacific Alliance. There will be one common text with the rules for doing business in those markets.

Mr. Dean Allison: I have another question for you and for Mr. Wessel. Could you talk to us about what's happening in the U.S. in terms of tax reform? Obviously, trade agreements are important. We need to continue to look for places for our goods and services. Could you give us your thoughts in terms of competitiveness in Canada now, which makes it more difficult, particularly with tax rates?

In Ontario, we have some of the highest hydro rates in North America. I would love to hear your comments in terms of competitiveness. Trade agreements are important, but could you

talk to us about what's happening down there, and our competitiveness in North America vis-à-vis tax reform?

● (0905)

Mr. Brian Kingston: Of course, trade is important, and trade agreements are important, but the fact of the matter is that due to the WTO, average tariff rates around the world have fallen now to very, very low levels. Trade agreements are really working on the margins now, and in some areas you see some residual protectionism.

What's extremely important, particularly to globalized companies, is the competitiveness of the market that they're going to invest in. We've been hearing consistently, since both the government's private corporations tax proposals and now U.S. reform, that the Canadian environment for new investment is not nearly as attractive as it was a year ago.

We're extremely concerned that you're going to start seeing more and more investment going to the U.S., particularly when you combine tax reform with NAFTA uncertainty. If you're thinking about putting a new plant, for example, in southwestern Ontario, and you intend to export the majority of your production to the U.S., you're going to think twice about making that investment right now when potentially there could be a tariff fall, and you know the U.S. tax environment is far more competitive. It's not just on the corporate side; it's also on the personal side, where of course, the U.S. is a much more attractive place now.

That is a huge concern for us. It's something we're spending a lot of time on, and I don't think you could separate it from the trade file. It all has to be viewed together.

Mr. Dean Allison: Mr. Wessel, do you have any comments?

Mr. Mark Wessel: Vis-à-vis the United States, from my experience with business development in Latin America, the perception of Canada, and Canadian companies as a whole, is by far stronger and more readily accepted than American companies going into the market.

One of the things that I would add, having lived in South America for many years of my life, is to have Canadian companies located in free zones, and to contribute with local added labour and purchase local resources. Those have been great factors in helping Canada overcome some of the obstacles vis-à-vis trade with U.S. partners.

The Chair: Thank you, Mr. Allison.

Mr. Dhaliwal, for five minutes.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Thank you, Mr. Chair, and welcome guests.

Ms. Rhodes, you spoke about gender equality and that perspective. There are also issues with child labour and child exploitation in these countries. Do you pay attention to those issues? Are they progressing, or is there a lot more work to do?

Ms. Francesca Rhodes: Oxfam focuses on women's rights and gender equality, but one of our proposals is to really strengthen the provisions in a later chapter of any trade agreements to make sure that the provisions within labour chapters are much more specific, and that any kind of labour rights abuses would be subject to binding mechanisms, and there would be much stronger recourse for instances such as child labour or any kinds of labour rights abuses. Child labour would also be covered, for example, by the ILO core conventions, which would be important to reference in any kind of progressive language in a labour chapter.

Mr. Sukh Dhaliwal: Mr. Wessel, how could we promote environmental sustainability through this alliance? We signed with Colombia, and we had a side agreement on environment. Do you think that's enough, or do you have further recommendations that moving forward we should have more stringent requirements?

Mr. Mark Wessel: Canada as a country has a lot more awareness of environmental impact in the medium and long term. When you look at all of the four Latin American countries, we see their priorities lie in other areas. You'll find that most of the governments... The Latino will basically move when he has to. Right now the government is making inroads to change legislation, but they're far from being enforced or anything in some of these countries.

Of all of these countries—Colombia, Chile, Peru, Mexico—Mexico possibly has more of a similar stance to North America. The rest of the South American countries, their economic priorities, if they have any development priorities, don't lie so much in the economic sector. They have to be brought up to speed. The hard thing is when you want to compare Canada and our standards with the Latino standards, as I was saying before, it's really important to understand their culture.

The other point driving the environmental aspect, which was one of my points, is Latin America has been invaded by many countries—China, Japan. Major foreign investments are taking place, and other major trade partners of these countries are also basically acquiring the assets. It's a game of Monopoly to pick up oil and gas reserves, to pick up mining assets and so forth.

In the trade agreement with these countries, I think it's really important that the treaty outlines and enforces...not only for Pacific Alliance partners, but that those countries protect their interests from their other major trade investor partners.

• (0910)

Mr. Sukh Dhaliwal: How can we intervene in those agreements? We can only deal with the agreement that we sign. I have difficulty understanding that. Could you elaborate how this is possible?

Mr. Mark Wessel: I'm not so familiar with the specific terms of each of the agreements. What I see, after living in Latin America for 40 years, is this. What is going to be the medium-term impact when you have, let's say, China, which is basically making substantial investments...? What is the basis for negotiating a trade agreement that could be valued, as Mr. Kingston was saying, in the \$40 billion...when you have a country like China that's coming in and bringing \$50 billion to \$150 billion in foreign aid and trade that we're doing. The alliance will have smaller strength than dealing with larger major trade partners.

When you look at the environmental aspects, you see that each of the alliance countries has to form a united front and basically use that same position when the alliance countries are negotiating with other trade partners to basically impose the environmental legislation restrictions and so forth.

Mr. Sukh Dhaliwal: Thank you.

The Chair: We're going to move over to the NDP now. Ms. Ramsey, you have the floor.

Ms. Tracey Ramsey (Essex, NDP): Thank you to all of our presenters.

Ms. Higgins and Ms. Rhodes, on the NAFTA consultation, Oxfam suggested that gender equality should be supported across the whole trade agreement. I heard you reference that today...not just being relegated to one specific chapter.

In what way should Canada be incorporating gender equality across the entirety of the Pacific Alliance FTA?

Ms. Kate Higgins (Director, Policy and Campaigns, Oxfam Canada): As my colleague, Francesca mentioned, we do advocate that there be a strong gender chapter in this agreement, but also that gender be integrated throughout the agreement.

That means that in the labour chapter we're calling for strong and binding language that would, for example, prohibit discrimination on the basis of gender, promote measures that reduce the gender pay gap, promote the increased provision of child care and parental leave, recognize the gendered nature of workplace harassment, and assure the right to job-protected parental leave.

On top of that, we're calling for the removal of provisions that restrict Canada's or trading partners' ability to regulate and legislate in the public interest, including for gender equality. That's what we're calling for in terms of integrating strong and binding language into the labour chapter.

Beyond that, as Francesca mentioned, we're calling for a strong gender chapter, informed by strong poverty and social impact analysis, so that we can ensure that we understand the differential impact of free trade agreements on men and women, and act accordingly.

• (0915)

Ms. Tracey Ramsey: You mentioned the committee that exists in the updated Chilean agreement. Really, the lack of voices...I think I heard clearly on this committee.... I will say that my experience around trade has been that it really is targeted at women entrepreneurs and executives versus working-class women and women who really are not even in the workforce because they aren't able to achieve work.

I wonder if you could tell me, if you sit on the committee for the Chilean agreement, what other organizations and groups you think would strengthen that committee and be able to bring forward good public policy.

Ms. Francesca Rhodes: As I understand it, with the Chile agreement, it's not enforced yet, so the committee hasn't been set up or started to run activities.

In the chapter, the language at the moment isn't specific about who that committee should be. As you say and in our experience as well, often the groups that do get access to these spaces are those that are already quite privileged. Women who own businesses and so on definitely need a seat at the table to have a voice on particular issues that face women-owned enterprises. However, we propose that, for example, labour movements that represent sectors where women are particularly concentrated should be included. Women's organizations from the particular countries that are part of the trading agreement could be included as well. Often in countries, women's organizations organize through networks. Those are often really good places to look for people who can represent a broad range of women's interests.

Ms. Kate Higgins: Could I add to that?

We're advocating that these gender committees be inclusive and that they represent a diversity of voices, but also that they be well resourced with clear targets and a clear mandate to move things forward. Otherwise, our fear is that the committee will not—for want of a better expression—have teeth, and that it will not have the resources and mandate to really move forward the gender equality dimensions of the chapter.

Ms. Tracey Ramsey: Another thing that you mentioned that I think is very important across all trade but certainly around the progressive elements that are moving forward in trade agreements are the mechanisms for accountability and monitoring.

I wonder if you could speak to what you envision that looking like and an ability to actually start moving forward on these issues versus just having something that is aspirational.

Ms. Francesca Rhodes: I think it very much starts with having a strong analysis of the existing situation and the potential gendered impact of the trading relationship. For example, the UN Conference on Trade and Development has developed a gender tool kit to do an economic analysis, from a gender perspective, of how the trade agreement would affect the different economies and the sectors where women are concentrated. That kind of information is really essential to be able to then do another assessment as to how the trading relationship has developed and what the impact has been.

Then, it's important to have agreement that in the trade agreement there be binding provisions to meet certain core labour standards and that this gender committee actually have a role and a set of accountability mechanisms to be able to make recommendations for things that need to change based on the analysis that they would be bound to carry out.

The Chair: Thank you. That wraps up the time there. We're going to go back to the Liberals.

Mr. Peterson, you have the floor.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, everyone, for being here this morning.

Mr. Wessel, I want to pick up on something you referred to in your opening remarks—the use of EDC, BDC, and the trade commission.

Can you elaborate on the important role that these organizations play in tapping into some of the markets that are lucrative for Canadian producers?

Mr. Mark Wessel: Yes. The trade commissioner services through our consulates in the Pacific Alliance countries provide support to companies that want to go into the market. They identify potential local partners, identify qualified distributors for them. They help the companies structure meetings with high-level government officials. In my case, I have taken four Canadian companies into Latin America. The trade commissions been very instrumental in opening the doors to having meetings with key government members. They open the doors to Canadian companies to collaborate with other Canadian companies already operating in a specific country.

EDC, obviously, is our financial arm. The last time I...they had over \$100 billion in loan portfolios. They assist Canadian companies to get financing. CCC helps out with.... Right now, I'm taking off to Africa. They are there to provide performance guarantees.

Canada is unique in the sense that I've never had experience with any other government that provides as much quality support to its citizens and to the companies going into the regions. The trade commissioner services are very active. They're very qualified and highly educated. They know the market. They know the government. They know the private sector. Canada has a lot of small to medium-sized companies that don't have the financial wherewithal to go and develop markets. Typically, it will take you two to three years and a few hundred thousand dollars. Many Canadian companies lack that. The trade commissioner service provides an incredible amount of free advice and experience.

● (0920)

Mr. Kyle Peterson: Thank you for that.

I was going to follow up with your comment on the prohibitive nature of freight rates.

Mr. Kingston, I'll segue that point into asking you a more general question. Do we have the infrastructure in place to get to these markets if the market grows? I'm including things such as freight rates. Is it even cost-effective to get to these markets if they expand at a rate...? Is the infrastructure in place to tap into these markets?

Mr. Brian Kingston: It's not fully there right now, and that's why we were quite supportive of the Canada infrastructure bank. We're hoping it will focus on large products that put emphasis on trade-enabling infrastructure—rail, ports, highways, and airports—to ensure that as Canada signs more trade agreements like this, we actually have the capacity to process all of this freight.

We're getting there.

Mr. Kyle Peterson: Yes, the trade agreement is one piece of the puzzle, but the infrastructure obviously has to be in place too.

Mr. Brian Kingston: It's critical, yes.

Mr. Kyle Peterson: I think everyone around the table agrees that the trade agreement's about more than just reducing tariffs. The WTO has already done a great job on that. Trade agreements are becoming much more. I'd like to follow up with Oxfam on that. It seems to me that you're of the position that these agreements can certainly be a positive lever for progressive relationships between countries.

Can you elaborate, not just on the gender chapter, gender integration of the agreements—which, of course, is important—but also on how these agreements and Canada's being in markets like Chile and Colombia and Peru can help those countries develop a more progressive reality?

Are trade agreements the right tool for that?

Ms. Kate Higgins: Our response is that they're one of many tools. There are a number of other policy tools that the Canadian government has, such as its very progressive, feminist international assistance policy, and there's the great news of the recent announcement of the ombudsperson on human rights. This is one of many tools that the Canadian government has to bring forward its progressive agenda.

For example, I know that in the free trade agreements with Peru and Colombia, there was quite an impressive investment in ensuring the gender dimensions were realized through capacity-building activities that were supported by the Canadian government.

Our position on this is that it makes a lot of sense to engage in these gender discussions early on and prioritize them as part of the broader progressive agenda. For the Canadian government to be a first joiner to pushing this progressive trade agenda forward, and pushing gender equality as much as possible to the front of the discussion in this Pacific Alliance negotiation, makes a lot of sense. It enables us to help lift the bar on these issues, rather than have it continue to be a race to the bottom on women's rights and precarious work.

Mr. Kyle Peterson: Thank you very much.

The Chair: We have time for two more MPs. We're going to start off with the Liberals.

Madam Lapointe, you have five minutes. Go ahead.

[*Translation*]

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

Welcome everyone.

Mr. Kingston, you have said earlier, on the subject of agreements, that the CPTPP and CETA are gold standards we should follow. I would like to know what you would like to see in these standards.

You have also talked about e-commerce and labour force mobility.

For the latter, what kind of workers did you have in mind, and where would you like to see improvements?

• (0925)

[*English*]

Mr. Brian Kingston: Thank you. That's an excellent question.

The reason we look at CETA and TPP as gold standard agreements is that they cover the whole range of issues outside of just tariffs and investment.

CETA covers services quite comprehensively. CETA includes mutual recognition of skills. It's still early days, but hopefully, for qualified architects, engineers, etc., if their trade association works with the equivalent group in Europe you could see a situation where

Canadian professionals could go and work in Europe and their education and skills would qualify. Again, it's early days, but that is what I would consider the gold standard of a trade deal—actually having labour mobility at that level.

Turning to TPP, in that agreement both environment and labour are subject to dispute settlement. That's an innovation that we haven't seen before. We've had those issues addressed in side letters, but when you subject something to dispute settlement, it is truly enforceable. If countries don't live up to what they've agreed to, they of course could be challenged under the rules of the agreement. That's a development that we think is positive.

On the labour mobility point, the reason it was a challenge for Canada to join the Pacific Alliance as a full member was that one of the requirements was complete labour mobility, getting rid of all visa requirements. That's the situation among the four countries. Obviously that would be a challenge for Canada right now, to remove all visa requirements. I don't think that's possible. We could do something like a NEXUS, a trusted traveller program for business travellers, for example, to facilitate their movement within the region. I think that would be a really positive development.

There's room to build on the labour mobility side. We can't go to full labour mobility, but there's definitely some room to improve it.

Ms. Linda Lapointe: Thank you.

[*Translation*]

You mainly talked about architects and other people belonging to professional associations, but what about technicians?

In some cases, when new factories open up, technicians are needed for their know-how. What are your plans for that?

[*English*]

Mr. Brian Kingston: Yes, absolutely, this has been a huge problem in, frankly, the Canada–U.S. relationship, where even just bringing in a specialist from the U.S. or vice versa, sending someone to the States to set up a new line, for example, can be a challenge. It needs to be addressed. I hope CETA does address it.

We have to remember, too, that we don't even have free labour mobility in Canada yet. A construction worker from Quebec can't come over to Ontario.

[*Translation*]

Ms. Linda Lapointe: Indeed.

[*English*]

Mr. Brian Kingston: We'd like to see it on the international side, but we have a really long way to go domestically.

[*Translation*]

Ms. Linda Lapointe: Yes, why make things simple when we can make them complicated?

[*English*]

Mr. Brian Kingston: Yes.

[Translation]

Ms. Linda Lapointe: I would now like to ask Mr. Wessel a question.

[English]

Mr. Kyle Peterson: We have to get better beer—

[Translation]

Ms. Linda Lapointe: You said earlier that Export Development Canada, EDC, and the Business Development Bank of Canada, BDC, are a big help to businesses. You talked about small and medium businesses, and said that they offer quality support, are very qualified and know the markets.

How could we go even further? For example, with Mexico, Chili, Colombia and Peru. You made a slight distinction with regard to Mexico.

What can we do to further help small and medium businesses?

[English]

Mr. Mark Wessel: Do you mean EDC or the trade commissioner service?

[Translation]

Ms. Linda Lapointe: It could be the Canadian Trade Commissioner Service or EDC.

[English]

Mr. Mark Wessel: The EDC provides financing for qualified projects overseas. What we can do to further that is extend financing, not only to companies that are developing projects, but also to Canadian companies that are interested in setting up manufacturing facilities, both to cater to the Pacific Alliance markets and to re-export back to Canada. That's where I would focus the attention.

[Translation]

Ms. Linda Lapointe: Thank you very much.

[English]

The Chair: We're going to continue and go to the Conservatives for our last MP on the list.

Mr. Hoback, you have the floor for five minutes.

• (0930)

Mr. Randy Hoback (Prince Albert, CPC): Thank you, witnesses, for coming here this morning.

Francesca and Kate, your values on women's rights and gender equality are interesting. I agree with you 110%. I think where we're going to disagree a little is how we get there. I'm going to ask a few questions with regard to the best tactic to get that accomplished.

Now you're saying let's tie it in to trade agreements and enforce it. Let's make sure it's embedded in there strongly so it has to happen. I see a problem with that. We had Amnesty International in front of this committee last week. In our Colombia trade agreement we tied in human rights and a review mechanism and thought that's a good start. But they came back and said that was horrible because it created this false sense that we're taking care of the problem. In reality no money was given to NGOs or other groups to work on human rights in Colombia. There was no focus outside of

government using our foreign aid to say let's go to Colombia and do something on human rights.

I look at it similarly to the Australians. They say that a trade agreement is a trade agreement, but then they do these side agreements where they focus on human rights, gender equality, women's rights, and we put feet on the ground, money in the bank you might say, in those groups so they can do that. They like that approach because a lot of countries do not want to be preached at. They don't want to be told how to live their lives. If the Americans are criticized anywhere in the world it's because they tell people what they have to do. Canadians are respected because we say this is what works for us, why it works for us. We encourage them to go this way, but we do it in a very respectful manner. We don't say this is the way it has to be.

Your approach and the Liberal approach looks like this is the way it has to be. A lot of countries will say they're not going to deal with us. They won't do a trade agreement. We're still going to trade, we just won't have a trade agreement where we have rules that regulate how that trade will happen. The threat I'm scared of back in Canada is that company in Ontario that has 35 employees all of a sudden loses a market and has to drop to 15 employees.

Is there a better way to get the results than putting them right in the trade agreement? I'm open for ideas, I really am.

Ms. Kate Higgins: No, no, this is why it's great to have a dialogue and the opportunity to have this conversation. As I said, I think we see a trade agreement as one of many policy tools we can use to promote gender equality here at home and around the world. The ombudsperson, who will lift the bar here for Canada on corporate accountability, I think is a great move. The international assistance policy is another great move. We believe integrating a gender dimension into the labour chapter, but also as a gender chapter in trade agreements, is a really important first step.

One of the key reasons we're advocating for this is that while we agree absolutely with our colleagues from Amnesty, who encourage more support for women's rights organizations or human rights organizations on the ground in these countries, we believe we need to start tackling the systemic inequality in the economic system. If we make this a side deal or a side issue, we're going to continue to perpetuate this gross inequality that Francesca mentioned. In the report we launched around Davos at the World Economic Forum just two weeks ago, 82% of the world's wealth that was created last year went to the top 1%, while the bottom 50% of the population received absolutely no increase in their wealth. Part of that is because billionaires are continuing to accrue a huge amount of wealth, and a lot of that is on the backs of the poorest workers in the world, many of whom are women.

Integrating and doing whatever we can to support human rights and women's rights abroad is absolutely key. We see a trade agreement as a key way to start to tackle this systemic inequity that we see in the economic system.

Mr. Randy Hoback: Help me out, then. If you do it in a trade agreement, as you're proposing...as we saw, the Prime Minister went to China, brought these progressive ideas, and was sent home with nothing. Now we're doing business with China with no effective rules in place on how to manage that trade. Is that better than nothing at all?

Ms. Kate Higgins: What we're discussing here is the Pacific Alliance, and we saw the Chilean government coming to the table on the gender chapter, which I think is a very positive step. We know the Colombia government has really engaged—

Mr. Randy Hoback: But the question I have in that gender chapter is does it really have teeth? Can it do what they say it will do?

Ms. Kate Higgins: We're encouraging further and future gender chapters to have teeth. That requires more specific targets, sex-disaggregated data and analysis so we can understand the gender-disaggregated impact of trade agreements and take action through the trade agenda and also through, for example, our feminist international assistance policy to work out what we can do to mitigate some of these inequities.

• (0935)

The Chair: Sorry, Mr. Hoback, you're way over time.

Ms. Kate Higgins: I'd be happy to continue the conversation.

The Chair: Mr. Hoback, we're going to have a five-minute break. This is good dialogue and they are good questions and answers, but our time is up and we have another group coming in.

Thank you, panellists. The dialogue has been very good. We will have a report coming out in the upcoming months that will be put before Parliament, and you're welcome to have a copy of it.

We're going to suspend for probably five minutes to get the next group of panellists on deck.

• (0935)

_____ (Pause) _____

• (0945)

The Chair: Welcome back, everybody.

Welcome, panellists. Thank you for coming here this morning. This is the second meeting in which we're dealing with the opportunities of a potential agreement between Canada and the Pacific Alliance countries.

Some of you have probably come before a committee previously. If you did, welcome back. If not, we would like to keep your presentations to five minutes or less so that we can have lots of dialogue with the MPs.

We'll start with the Canadian International Council. Erin Hannah, you have the floor. Go ahead.

Ms. Erin Hannah (Senior Fellow, Canadian International Council): Thank you, Chair and committee members, for inviting me here today. In addition to my role as senior fellow with the Canadian International Council, I'm also associate professor and

chair of the department of political science at King's University College at Western University. What I'd like to do for you today is to set the proposed Canada-Pacific Alliance free trade agreement in the broader context of global trade and to offer four arguments to which I'll return in our discussion.

First, multilateralism in global trade is dead, at least for the foreseeable future.

Second, the time is now for Canada to take leadership in gendering global trade. The political will is strong. This is very key. Many seem to be looking to Canada for our leadership on this agenda.

Third, while we have the chance to set the gold standard in gendering global trade, we need to take a holistic approach with concrete commitments, and this FTA is the right opportunity.

Finally, we need to walk the walk all the way down the runway. That means that we bring all the pillars of our trade policy, including our foreign investment practices, into line with our socially progressive, gender-sensitive trade agenda.

The present challenges for multilateralism are too many to list here, but I think a few are worth considering.

One is the effective abandonment of the Doha development agenda at the World Trade Organization. We have the Trump administration's hawkish stance on trade. We have the gutting of the WTO's dispute settlement system. We have the U.K.'s withdrawal from the EU. As well, we have very strained relations between the U.S., the EU, and China over a whole host of issues.

All of that, and more, served as the backdrop for WTO's recent ministerial conference in Buenos Aires in December, in which I had the opportunity to partake. This was the place where members agreed to almost nothing. Instead what we got was a series of best-endeavour promises among a series of like-minded countries to do deals in the future with or without the U.S. and India, and quite possibly outside the context of the WTO. This sets the backdrop against which we'll negotiate an FTA with the Pacific Alliance.

Equally significant for our discussion is the declaration on trade and women's economic empowerment that was signed by 119 WTO observers and members. The declaration is premised on the idea that one billion women are excluded from the global economy. It sets a bunch of promises together to generate gender-disaggregated data on the impacts of proposed and existing trade deals. It's purely aspirational and non-binding, as are the gender chapters in the existing FTAs, such as the Chile-Canada FTA, but many are very hopeful that this signals a willingness to link human rights and broader social agendas to the regulation of global trade. It's important to note that Canada, as well as its partners, was an architect of this declaration. We are front and centre on every stage where gender and trade is a topic and we are the gender champions on the global stage right now, so this is a prime political moment for us.

The gender chapter in the Chile-Canada FTA was an important first step in mainstreaming the idea that gender equality could be addressed through progressive trade policies, but it's my view that voluntary best-endeavour commitments are not enough to bring about meaningful social change and to close gaps in gender equality.

A socially progressive, gender-sensitive FTA with the Pacific Alliance should do several key things. It has to ensure marginalized groups participate in a meaningful way in the negotiations. It must not be viewed as a "gender clip-on" by civil society.

It needs to improve economic opportunities for women entrepreneurs, particularly women-owned MSMEs and e-commerce.

We have to identify and provide support for those negatively impacted by trade policies. Economic empowerment is only part of a socially progressive trade agenda. We must also work to minimize the negative and differential impacts of trade liberalization on those who are most vulnerable. That means women who are adversely incorporated into jobs that are precarious and low pay. It means women who are working in export processing zones, sweatshops, and forced labour. It means women who are working in the informal sector, in agriculture and inside the home.

We have to set specific milestones and goals, and commit to mobilizing knowledge and technical and capacity-building resources. These are things we can talk about in the discussion period.

Equally, we need to ensure that we have gender-sensitive coherence across the entire FTA, applying a gender lens to the entire agreement rather than to a stand-alone chapter. If we're serious about advancing a gender-sensitive agenda, we must bring all of the pillars of the FTA into line with those objectives. Part of that might include a strong labour chapter, but that's only one option.

We also need to ensure that investor protections do not curtail government's duty to protect women's rights and promote gender equality, or work at cross-purposes with gender-sensitive trade policy outlined in other areas of the FTA.

● (0950)

Arguably, the way the Canadian government has been negotiating investor protections contradicts the spirit of a socially progressive trade agenda. In particular, inclusion of an ISDS in the Canada-Pacific FTA could be viewed as socially regressive because of the dangers associated with regulatory chill.

The Chair: Excuse me. You might have to wrap it up.

Ms. Erin Hannah: I have one more point.

If we do negotiate an ISDS in the FTA—and I think it's quite likely that we will—we need explicit carve-outs in the FTA that shield human and environmental rights from ISDS and give governments the policy space that is necessary to pursue positive discrimination in favour of those who are most vulnerable.

Thank you.

The Chair: Thank you.

We're going to go to the Mining Association of Canada, with Mr. Brendan Marshall.

Go ahead, sir. You have the floor.

Mr. Brendan Marshall (Vice-President, Economic and Northern Affairs, Mining Association of Canada): Thank you for the opportunity to appear today in support of a free trade agreement with the Pacific Alliance.

Canada is a mining nation. Mining is a significant engine of the Canadian economy, contributing \$57 billion to national GDP. The sector employs more than 400,000 people directly and an additional 196,000 indirectly, supports one of the largest supply sectors in the world, and is a top employer of indigenous peoples.

Mining and associated activities, both domestic and international, generate significant economic benefits that flow to Canadians. For example, metal and non-metal mining products accounted for 19%—or nearly \$90 billion—of the total export value of Canada's exports in 2016. Mining also accounted for a significant volume of Canadian direct investment abroad, exceeding \$90 billion in 2016.

Much of this investment that is raised on the open market is transacted in Canada. As the global centre for mining finance, the Toronto Stock Exchange and the TSX Venture Exchange list 57% of the world's publicly traded mining companies.

Recent data indicates that roughly 1,211 of the firms listed on the TSX-V and TSX are mining companies and that together they have a combined market value exceeding \$310 billion. At the end of December 2017, \$8.4 billion in mining equity had been raised on the exchange. A significant volume of this equity is raised for projects in Latin America, which jurisdictionally comprises the largest number of projects financed outside of Canada. That's 18%, or more than 1,100 projects overall.

The assets of Canadian companies operating in the Pacific Alliance nations of Chile, Colombia, Mexico, and Peru combined exceeded \$48.9 billion in 2015. As a recent stat update, that's nearly \$80 billion in 2016.

Underscoring the significance of these countries for mining, together they account for 29% of the total value of Canadian mining assets abroad. Further, internal analysis of eight MAC member countries revealed that Canadian combined mining investment into Pacific Alliance countries in 2016 exceeded \$5.8 billion, underscoring that these assets are active.

Further, acknowledging that Australia, Canada's principal global competitor in the mining space, was also invited to become an associate member of the Pacific Alliance underscores the critical importance of Canada's active engagement in the negotiation of a free trade agreement with the bloc.

The alliance members—Chile, Colombia, Mexico, and Peru—are business-minded. They're generally socially progressive countries. They embrace a rules-based democratic order and have more than 221 million consumers and a combined GDP equivalent to the world's sixth-largest economy.

MAC recognizes that Canada already has comprehensive FTAs with all four members of the Pacific Alliance. That said, an FTA with the alliance as a bloc offers the chance to modernize and expand elements of the existing bilateral FTAs, thus improving legal certainty and transparency for Canadian businesses with ties to the region.

Further, acknowledging the significant uncertainty around the fate of NAFTA and, as we heard earlier from Erin, significant uncertainty around trade globally, generally speaking, this provides an opportunity to create greater linkages in a new space and in a new way that counteracts that.

In addition to focusing on reducing tariffs and easing the movement of goods, services, people, and capital, the Pacific Alliance is also building deeper co-operation through measures such as integrating regulation and addressing emerging issues like the digital economy. The goal is to make the bloc more competitive in global trade, not just to implement measures to make it easier to trade with one another.

I believe, and the Mining Association believes, that Canada should be party to this agreement and engage and be at the table.

Thank you. I'd be pleased to answer any questions you may have.
● (0955)

The Chair: Thank you, sir.

We're going to move over to Scotiabank next. We have Jean-François Perrault, senior vice-president and chief economist.

Welcome, sir. You have the floor.

Mr. Jean-François Perrault (Senior Vice-President and Chief Economist, Scotiabank): Good morning, Mr. Chair and honourable members. I am very pleased to be here today representing Scotiabank, and I want to thank members of this committee for the invitation to share our views on the important trading relationship and this exciting opportunity for Canada.

Scotiabank, as some of you may know, is the bank of the Pacific Alliance. We operate across Latin America, with a strong presence in Mexico, Chile, Colombia, and Peru, generating 18% of our total income in these four countries. In recent years we have made the Pacific Alliance countries a strategic focus of our work, investing to grow organically within our footprint in the region.

Today I'd like to take this time to highlight some of the benefits of deepening our economic relationships within the alliance.

The Pacific Alliance's combination of economic size—keep in mind that the Pacific Alliance has about six times more folks than Canada does, and a young population, as UN data suggests that 35% to 45% of the population in the alliance is under 25—relative ease of doing business, and a shared commitment to macro stability are some of the key forces driving attraction to the bloc.

The alliance has made gradual but consistent moves to deepen the integration of its members' economies, placing a particular emphasis on deepening financial integration, and expanding its membership to include other like-minded countries. With the members of the Pacific Alliance consistently among the countries with the widest network of free trade agreements globally, the region stands as an example of

the success that can be achieved with strong trade ties, particularly within the context of the rising tide of protectionism among the various developed countries.

Within the financial sector, deeper integration between Canada and the Pacific Alliance is likely to enhance business investment opportunities, increase trade and capital flows, and drive higher returns on Canada's investments in the region, while at the same time reducing the cost of borrowing for households and businesses in this underbanked region.

The economic composition of the Pacific Alliance provides an opportune market for the expansion of various sectors of the Canadian businesses globally. The Mexican market, for instance, is important not only for the financial services industry but also for mining and manufacturing firms and for Canadian pension plans active in infrastructure, renewable energy, and public markets. In addition, the moves to open the energy sector in the country offer attractive business opportunities for Canadian energy firms.

In Colombia, our natural resources companies as well as our financial services firms stand to benefit from greater market integration. Also, in both Chile and Peru, Canadian pension funds and mining companies maintain a very active presence.

As negotiators continue discussions on the content of the agreement, we encourage the government to ensure that both digital innovation and the mobility of talent are addressed in the agreement. The speed of digital innovation in the financial services and the growth of fintech companies is well evidenced throughout the globe. However, the emergence of fintech is particularly true in the Pacific Alliance as the relatively underbanked populations are rapidly adopting digital technologies.

With this in mind, Scotiabank has opened five digital factories, one in Canada and one in each of the Pacific Alliance countries, over the last couple of years. Given the rapid advances happening in digital innovation within financial services in the Pacific Alliance, a free trade agreement between Canada and the bloc should feature provisions to enable coordinated co-operation in the regulatory space with respect to product testing for fintechs and established incumbent financial institutions. Such provisions would go beyond the terms of existing bilateral free trade agreements between each of the Pacific Alliance individual members and Canada. These provisions would also allow Canadian financial services providers to operate in an integrated fashion across the bloc, which would be a substantial improvement on the hub-and-spoke bilateral agreements that currently exist.

In an environment when most fintechs are leveraging cloud services, the challenge of data localization provisions, when the cloud is outside of the country, may hinder the speed of product development and increase business costs. Addressing data localization provisions would further accelerate time to market and encourage services export growth opportunities for all signatories to a possible trade deal.

In addressing the digital needs of today's economies, ensuring smooth, professional talent mobility across international organizations remains of paramount importance to international business, and it is critical to the success of Scotiabank's operations today. As we have in the past, Scotiabank will continue to advocate for freer flow of professionals across borders in North America, within the Pacific Alliance, and globally.

As Canada looks to pursue a free trade agreement with the Pacific Alliance, the further removal of visa requirements for business travel across the bloc and with Canada should be pursued. The objective is an important issue not only for the financial industry but also for Canadian players in the manufacturing sector and resources, who share the need to enhance the two-way flow of knowledge and expertise in an effort to better cope with global competition.

●(1000)

In its latest discussions, the Pacific Alliance took steps to boost cross-border investments by member countries' pension systems. These steps were focused on tax systems. Going forward, progress on an agreement with the Pacific Alliance that protects investments of pension funds would be useful for Canadian interests more broadly, particularly steps to improve the legal environment and dispute resolution.

As a bank, we continue to be supportive of the government's pursuit of progressive trade agreements addressing environmental protections, gender rights, and strong labour safeguards. Over the last three decades, Canada has pursued strong trading relationships with the four member countries of the Pacific Alliance, and today we have an opportunity to deepen our integration with the bloc as a whole and further position Canada on the global stage as a reliable trading partner. To this point, I would like to note the importance of Canada participating early in the bloc. Given that full membership to the Pacific Alliance requires commitment to conditions set by all members, it's in Canada's best interests to move toward full membership early, gaining a seat at the table in governance of future member nations. This is particularly true given the potential joining to the bloc of similar economies, such as Australia, which in many ways can be a direct competitor to our own economy.

A Canada–Pacific Alliance free trade agreement would further strengthen Canada's commercial and financial linkages with Latin America and advance our interests in diversifying our trading relationships. At the same time, a particular focus on enhanced financial sector integration and a free trade agreement with the alliance would help reduce the cost of capital on the bloc's economies and speed their progress toward their development objectives. The invitation to Canada to pursue associate membership and progress toward full membership with the Pacific Alliance is a win-win proposition that offers a unique opportunity to help shape the alliance's engagement with the rest of the world. This is an opportunity Canada should seize.

I'll end my comments there, and I'll be happy to take any questions.

The Chair: Thank you, sir.

Before I have dialogue with the other MPs, I have a question for both Mr. Marshall and Mr. Perrault.

You guys have a fairly large footprint in the Caribbean and in South America, no doubt. I have a question for both of you, if you could just give me short answers. In a lot of these countries the labour standards—whether they have EI, maternity leave, or various things—are not like Canada's. Do your organizations go above what's required? Could you give a few examples?

For instance, if clerks are working in your bank in Jamaica, would they have a different maternity leave or anything like that?

Is there anything more that you do as companies beyond what the country expects from your core dealing with labour issues. I know that's a big question, but could you give a couple of little examples?

●(1005)

Mr. Jean-François Perrault: I'm not the best person to answer that, but I will say that working conditions in Scotiabank—this is true in Canada and the rest of our countries of operation—exceed minimum regulatory standards, generally speaking. I think the answer to that would be yes, but I can't give you a very specific example. It's just that our policies are designed to attract the best and the brightest in the countries in which we work, and that requires that we're competitive on salary and that we offer very good working conditions. That is true across all the countries in which we work, not just the Caribbean and Latin America.

Mr. Brendan Marshall: I can speak to that to a certain extent.

MAC has developed what's called the towards sustainable mining, TSM, program. It's a corporate social responsibility management system, originally designed for mandatory implementation in the Canadian context. The program has since gained reasonably significant and increasing attention internationally. TSM is a system whereby companies set management systems in place in a variety of areas, such as tailings management, environmental performance, energy and greenhouse gas management, local community engagement, and biodiversity management, and report against the targets they set for themselves, and then are audited by a third party, the results of which are made publicly available. It's an accountable and transparent self-management system, and an award-winning one at that.

In recent years, given the success of towards sustainable mining as a program in Canada, other countries around the world and mining industries in countries around the world have taken keen interest. This year we reached a milestone. It's currently in practice in five countries on five continents. It's in place in Argentina presently. There are a number of other countries that MAC continues to liaise with and continues to provide briefings and information sessions, for them to assess whether this is a standard or a program that they feel is appropriate for them.

The Chair: Thank you, gentlemen.

Mr. Carrie, you have the floor for five minutes.

Mr. Colin Carrie (Oshawa, CPC): I thank the witnesses for being here.

I want to start with Mr. Marshall about competitiveness. I noticed that Canadian mining companies spend an awful lot of money overseas. My father's family was from Kirkland Lake. There's big mining up there. I remember a few years ago, when there was all this talk about developing the Ring of Fire. It's kind of sad that there's a certain amount of wealth created through the value added, in other words, when you take the ore out and then you produce steel and put it into cars and that whole line across. It seems that we may be missing out because of maybe certain government policies that we put on our own Canadian companies versus what's out there in the rest of the world. I wonder if you could comment.

I think that Canadians think it's very important that you operate in a socially and environmentally responsible way and with respect for human rights, when you operate outside our country. However, as far as the competitiveness side of things, if Canadian government policy gives you too many unique Canadian regulations or priorities, whether it's gender or labour standards, how does that affect your ability to compete in other countries? When our competitors, like the Australians and maybe the Russians don't have the same mandates, while you have to operate in a certain box, by Canadian government standards, how does that affect your competitiveness?

Mr. Brendan Marshall: I think there are a couple of points that I would offer for the committee's consideration for that question. The first is that Canadian companies have been operating internationally for decades. They've been operating in different continents around the world. There's a heavy concentration of Canadian companies that operate in Latin America. Since companies began operating and investing internationally, there have been significant policy changes across the federal and provincial context within Canada. What I'm underscoring there is that policy is not the only driver for investment competitiveness.

To come back to your point, our members currently feel that there's reasonably significant policy uncertainty in the Canadian context that is having an adverse effect on Canada's competitiveness as a destination for mineral investment. That said, two years into the government's mandate, we also believe that this is a decision year for a number of these areas where consultations have been ongoing and decisions will be forthcoming in the relatively near term. Other companies and MAC, or parties generally speaking, will start to get a clearer sense on the direction the government intends to go, in areas like regulatory reform, climate change, taxation, etc.

We're keenly monitoring these developments and engaging actively in these spaces. We're hopeful that the input we've been providing in these consultations has been considered. We're hopeful for a coordinated, thoughtful rollout of the key policies that we anticipate coming forward. We feel that a great deal depends on it.

As I mentioned, mining is a truly pan-Canadian industry. Companies operate from coast to coast to coast and in remote northern regions. It's a significant employer. It's a core driver of indigenous economic reconciliation. It's the largest proportional industrial employer of indigenous Canadians across the country. Particularly in that space, we would offer that the industry is a platform that the government can leverage to better achieve the goals

that it has set for itself with respect to indigenous reconciliation. However, we also understand that balancing investment attractiveness and the ability of mining companies to do mining is an important piece in order to achieve that objective.

• (1010)

Mr. Colin Carrie: I feel a little sad, since I know that there are so many resources in Canada that we could be developing. We put a lot of attention on these trade agreements, which are important because we want to see you be able to compete around the world.

How many new mines are actually planned in Canada right now, off the top of your head? Do you have any numbers?

Mr. Brendan Marshall: The year 2016 was the lowest year in memory for new project descriptions being added to the Canadian Environmental Assessment Act. I believe there were two projects added to the list. In the collective MAC memory we can't recall a year where there was such a dearth of projects added to the project description list. It slightly improved in 2017 with four projects added. That's still relatively low compared to an average year.

I would offer two perspectives here. One is that companies operating internationally that are headquartered in Canada provide a significant amount of found wealth in the Canadian context: the TSX, the banking sector, the white-collar supply side of the mining industry with environmental expertise, tax expertise, and engineering expertise. Canada has the third-largest mining supply sector in the world, so the opportunity for those companies to benefit from Canadian mining companies operating abroad is significant.

The Chair: Thank you, sir. You can catch up on this later. We're over a minute.

It was a really good question, but Mr. Carrie, don't be asking that question in the last 15 seconds.

Mr. Colin Carrie: I didn't.

The Chair: That's fine. It was a good question, and maybe we can catch up on more of that information.

We're going to go to the Liberals now.

Madam Ludwig, you have the floor.

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): Thank you so much for your testimony this morning.

My first question is to Scotiabank. Certainly you have a large footprint in Latin America as a Canadian banking system.

How many of your customers or clients who are working here in Canada and are looking to export, work with you, let's say, in Mexico, Chile, or Peru as a point of contact? What services might you offer to that company on the ground?

Mr. Jean-François Perrault: I don't have specific numbers on that because it changes through time. One of our strengths, certainly as we pitch to clients, is very much our network in the Pacific Alliance and our ability to tap into that for our clients' advantage. That works both ways. It works when we deal with Canadian clients looking down south, and it works with our Pacific Alliance clients when they are looking up north, and in fact not only up north, but across Asia and Europe as well. That is a fundamental benefit we offer to our clients, and it's something that we market very heavily.

• (1015)

Ms. Karen Ludwig: Thank you.

Just going further along here, Ms. Hannah talked about gender in terms of the chapter with this agreement. I'm wondering if I could get a comment from all three of you. I'll start with Scotiabank.

Our previous witness from Oxfam Canada mentioned that the gender chapter is important in a trade agreement and it's progressive, but it's not everything—we need to have more partners involved in that.

What role does Scotiabank play in promoting gender involvement, whether it's debt financing for Canadian women looking to export or women on the ground living within the Pacific Alliance and the services there? I'll ask the same question of the mining company and Ms. Hannah.

Mr. Jean-François Perrault: It's critically important to us, and I'll give you a very concrete example of this. In our operations in Peru we have a very large microcredit operation. It's actually a very profitable segment for us. However, as you probably know, microcredit tends to be a credit provided to women, whether it's provided in Latin America, Africa, or Asia. It's something we've invested very heavily in, it's something we're very proud of, and it's a very active part of our business in Peru in particular and in other parts of Latin America as well.

Ms. Karen Ludwig: Mr. Marshall.

Mr. Brendan Marshall: I'm not an expert in the gender equity component of trade agreements given Canada's leadership in this space and it being a relatively new endeavour in that context. I can say from the mining industry's standpoint that in MAC and the broader Canadian context, representative organizations are actively seeking out ways to better incorporate, accommodate, and equip women to engage in mining at all levels. I believe that would be the same intention attitudinally within and outside of Canada's borders.

Ms. Karen Ludwig: Mr. Marshall, I had a group come to my office several times in my constituency, advocating for an ombudsman in the mining community and talking specifically about human rights in the mining community.

What role is the Canadian mining industry playing within the Pacific Alliance countries in terms of increasing the standards for working and increasing the wages? You had mentioned that your annual revenues are around combined \$80 billion. What is happening on the ground in those four countries that you can contribute to?

Mr. Brendan Marshall: Just as a minor correction, the asset value exceeds \$80 billion. That's a very different number from revenue.

As for specific examples in those countries, I think it was said best earlier: Canadians expect Canadian companies to operate to a particular standard internationally. They're not looking for actors who act in bad faith. I think MAC members are willing to be held accountable and own their responsibilities and actions on the ground.

Ms. Karen Ludwig: Ms. Hannah.

Ms. Erin Hannah: There's a tendency, I think, in the Canadian media to talk about the gender in trade agenda as something that's the Trudeau government's invention. I'd like to underscore that actually this agenda is very broad-based. We can look to a lot of partners and countries, particularly European countries but also developing countries—we can look to Iceland, we can look to the Netherlands, we can look to Côte d'Ivoire—and a lot of different intergovernmental organizations that have gender in global trade as the crux of their work. The Commonwealth Secretariat, for example, has been on this agenda for at least 10 years, and now the ITC, the International Trade Centre, which is a co-agency between UNCTAD and the World Trade Organization. We can look to the OECD. We can look to the World Bank. All of these organizations have a gender in global trade agenda.

Part of our job is to think about how we can demonstrate leadership to bring some coherence to the agenda that each of these different camps is pursuing at this time. Maybe in other questions we can talk about the specific initiatives that I think we can put in place.

The Chair: Thank you.

We'll move over to the NDP now.

Ms. Ramsey, you have the floor.

Ms. Tracey Ramsey: Thank you to our presenters.

Ms. Hannah, I want to pick up on something you've written about in recent publications about the current international trade regime having a “status quo” problem. The developed countries talk about being progressive but end up returning to the status quo of these profit-led trade agreements, and ultimately are not successful in linking trade with sustainable development or human rights.

I wonder if you can speak to the committee about your thoughts on that.

• (1020)

Ms. Erin Hannah: There are lots of different ways to talk about the status quo of the multilateral trade system in particular. I think we are stuck in the status quo with respect to the status of the negotiations. I said in my opening comments that multilateralism is dead. Really, in the trajectory of multilateral trade negotiations, multilateralism was a blip. We got a multilateral deal in the Uruguay Round, but that was really the exception, we're finding, as opposed to the rule.

When it comes to these broad-based agreements that have “one country, one vote” principles, where developing countries are able to link issues so that they get goodies in areas that are of their strategic interest, that's a rarity. That's part of our status quo problem in multilateral trade. More broadly, I think what you're talking about is ideologically, right? A lot of my research has looked at the role of different international organizations in helping disrupt the status quo, to think about ways in which we can put sustainable development, for example, on the agenda in a meaningful way.

Clearly gender is the new buzzword these days. I'm interested in where this idea of gender in global trade came from but also in its potential to bring about real, meaningful social change. I'm a pessimist, I have to say, with the initiatives that are currently under way. Partly that's because I'm thinking pragmatically about what's been done in other areas, with things like inclusive trade, and microfinance before that, and sustainable development to date. We're very good at changing up the discourse but very bad at following it up with substantive policy change. I hope this is an area where we can do better.

Ms. Tracey Ramsey: Yes. I think we hear that pretty consistently here at the committee. We talked about human rights, and certainly in the Colombia agreement we heard that the provisions there have not been effective. We're talking, of course, about NAFTA, labour...

You brought up an important point, something that I try to raise as much as possible. It's about identifying and providing support to those who are negatively impacted by trade. Working people are an afterthought in trade agreements. When they are negatively impacted, there seems to be a distinct ignoring of that complete fact: like, let's pretend it's not happening. I think we need to address those who are left behind by trade.

I'm wondering if you could speak further to that.

Ms. Erin Hannah: Overwhelmingly we've put attention on women entrepreneurs in the gender in global trade agenda. That's important. It's very important. But the lion's share of women in the developing world work in the informal economy. They're wage earners or they're entrepreneurs in the informal economy.

We don't have very good tools for assessing the impact of all sorts of things in the lives of women working in the informal economy, but particularly trade. You've probably come across this, but the OECD has done a great report, one of the best reports, on the status of women in the Pacific Alliance. However, they are unable to come up with good methodological tools to study the impact of proposed trade deals on women who are not in the formal economy.

That raises much bigger questions, though, about whether the objective of these initiatives is to bring women into the formal economy, to transition women out of the informal economy into the formal economy. It raises a whole host of other issues. I think it's important to think about how that would change these women's lives. We have a data problem, but we also have an ideological problem.

Ms. Tracey Ramsey: You mentioned the investor-state provisions and called them potentially socially regressive. We see countries like India removing these provisions from all of their trade agreements.

Can you speak more broadly about what's happening globally around the removal of these provisions?

Ms. Erin Hannah: ISDS is a controversial thing, partly because we have poor data. We have poor data on the impact of ISDS on attracting foreign investment. Conventional wisdom is that ISDS attracts foreign direct investment, but we have very inconsistent information about whether that actually happens in practice, so that's one issue.

The other issue is its impact on regulations. The concept I used was regulatory chill. One form of regulatory chill is when a government rolls back some kind of regulation, because it lost a case. Canada knows about this. We've been the subject of 35 cases in ISDS disputes; we've lost only six.

The other kind of regulatory chill, actually, which is more problematic is when governments fear a dispute. It's, again, harder to measure, because people are unwilling to tell us about circumstances where they choose not to introduce new legislation.

• (1025)

The Chair: Thank you.

Mr. Fonseca.

Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.): Thank you, Chair, and thank you to the presenters.

Overall, we're all very proud of Canada's trading history. It doesn't matter if we go back to our fur trading through HBC, or lumber, or cars, or financial services, or mining. We have some amazing clusters. One is the mining sector. Over 50% of the world's mining headquarters are located here in southern Ontario, which we're very proud of, and the work that you do around the world.

For your competitive advantage in terms of the supply chain, you spoke to this, Mr. Marshall, referencing white-collar work in mining. How is labour mobility today? How do you move your people around? Will the Pacific Alliance agreement help with that?

Mr. Brendan Marshall: It could have potential to. Labour mobility is generally an issue that MAC supports for inclusion in modern trade agreements. Now, some context is important there. There are certain positions, certain types of mining, certain expertise, where you just simply can't procure that locally. The opportunity to bring that expertise to bear on a project is not only in the best interest of that project, it's in the best interests of the communities around it as well.

Being able to reasonably and fluidly move professional individuals to work, cross-border, via free trade agreements is important for the mining sector. We would look forward to seeing provisions like that incorporated into or included in any agreement that comes forward.

Mr. Peter Fonseca: Mr. Perrault, financial services have a great deal of success here domestically, but also internationally, especially since the meltdown in 2008. We're seen as a very stable and secure place to invest and do business.

When you take that to the Caribbean, South American countries, and Pacific Alliance countries, you mentioned they are an under-banked region. What is Scotiabank's competitive advantage in that region? Why have you grown so much in that region?

Mr. Jean-François Perrault: There are likely a range of reasons. One is we target our markets well. We have very deep knowledge on the ground of areas of the economy that we think are likely to grow, and we target those aggressively. We have a tremendously capable workforce that allows us to go after clients in a pretty aggressive and effective way.

We also have the balance sheet of the Canadian operation, which allows us to expand, and take advantage of opportunities as they arise, as we did in Colombia last week and as we did in Chile late in 2017. We approach the region from a global perspective in terms of how we think about capital, how we think about opportunities, and we are very aggressive in pursuing those. It's worked out very well for us.

This is now occurring in a market where, as I indicated at the outset, these economies are growing very rapidly. They're very young. They're underbanked. The middle class is rising very rapidly. There's a high degree of informality, which is lowering in time. These are all incredibly great opportunities for us, and for any organization for that matter.

Mr. Peter Fonseca: We've heard from a number of presenters around the great work that EDC does and our commissioner services. How would that align with the services you provide to many of our Canadian operations that are looking to do work in South America, specifically in the Pacific Alliance countries? How does that work? It almost seems like you're in parallel with each other.

Mr. Jean-François Perrault: There is no question that in some instances EDC competes with the private sector in the pursuit of business. There's no question on that, but by and large we are more complementary. We provide trade finance. EDC does. We use EDC insurance to help provide trade finance to our clients.

Our expertise, though, in terms of matching businesses together is very much based on our business contacts in both countries. It's kind of like an investment banker or a matchmaker. We are aware. We have, obviously, a very deep footprint in Canada and very deep footprints in the countries that we operate in. We're able to put opportunities, folks with capital, and folks looking for opportunities together in a very effective way. EDC does a little bit of that as well, but it doesn't understand the places where we do business as much as we do, nor does it understand our clients as much, necessarily, as we do. We think it is complementary more than anything.

• (1030)

Mr. Peter Fonseca: My last question is for—

The Chair: No, your time is up. I know you have a really good question, but you might want to punt if off to your colleague.

We're going to the second round. We have time for two more MPs.

Ms. Goldsmith-Jones, you have the floor. Go ahead.

Ms. Pam Goldsmith-Jones (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you for being here.

Mr. Perrault, given Scotiabank's primary focus in the Pacific Alliance countries and significant presence, I'm very interested in knowing how Scotiabank intends to either respond to or engage with the declaration on trade and women's economic empowerment.

Mr. Jean-François Perrault: Obviously, that's something we support. As I alluded to in one of my questions, we are extremely supportive of the gender agenda, and we do so with or without that kind of government pressure. We certainly push that very aggressively in the Canadian context in terms of our recruiting efforts and in terms of our efforts to move women up in the organization and to attract women to the organization.

We do so equally, if not more aggressively, in the Pacific Alliance countries where we are very aggressive in pursuing—"pursuing" sounds terrible—in identifying female talent within the organization, as well as outside the organization and bringing it in. I don't have the exact statistics, but, in fact, we have been promoting women to senior ranks of the organization a little more rapidly in the Pacific Alliance countries than we have men in the last couple of years as a direct reflection of the priority attached to that.

Ms. Pam Goldsmith-Jones: Thank you.

I understand that in the context of Scotiabank and those corporate goals, but there might be a role because of your leadership in the region more broadly.

Ms. Hannah, that was a fairly strong statement that we need to walk all the way down the runway. That's certainly, from a progressive trade agenda perspective, our goal.

You gave such a rich presentation, but if there were three things that that means to you, what would they be?

Ms. Erin Hannah: The most important thing we need to do is *ex ante* data discovery. We need to do some analysis on what will be the impact of a proposed Pacific Alliance free trade agreement on women's lives.

There are places we can look for help. I mentioned the OECD. UNCTAD also has the gender and trade tool box, which I think is a very good methodology for studying the potential impact of a free trade agreement. It's only been tested in one case so far, and that's the proposed economic partnership agreement with the east African community and the European Union. The caveat, as I mentioned before, is the data doesn't study the impact of the free trade agreement on women in the informal economy. There needs also to be some qualitative study on the impact of the free trade agreement. Better data is the most important thing, I think.

Then we need to think about some positive discrimination. Canada has proposed, in the context of domestic services regulation, both in the TISA negotiations and in the WTO negotiations, some positive differentiation for women. That makes it easier for women to get licensing, for example, so it's cutting the red tape to give preferential access to women.

That's on the domestic services side, but there are other places where we can give preferential access. We have some experiences with this on the LDC side. We can think about the LDC services waiver, which is something that we have agreed to as far back as Nairobi in 2015. In the WTO context, we could think about some kind of positive differentiation for women in the services context in Canada. To steal your question, I think that maybe we give preferential access to women-owned service providers in the Canadian economy. We could take some positive regulatory approaches like that.

I already told you about what I think of the ISDS provision, so I won't belabour the point.

I think we need to work really closely with our trade partners. I mentioned Côte d'Ivoire, the Netherlands, and Iceland. I think we need to take a leadership role in some of these big intergovernmental organizations that have initiatives under way.

We need coherence on this agenda. We don't want a whole bunch of initiatives blooming around the world that are potentially working at cross-purposes. This is an ideological issue as well as a practical issue.

One place where we could build some coherence is in aid for trade. Canada is quite a leader in aid for trade, the delivery of official development assistance to better integrate women, for example, into global markets, but doing so in a way that is sensitive to some of the other progressive items that I've talked about today.

Those are maybe four.

•(1035)

Ms. Pam Goldsmith-Jones: Thank you.

Is that it?

The Chair: That's pretty well it, yes.

Ms. Pam Goldsmith-Jones: That's it. That's the only question I've asked in a year and a half.

Thank you.

The Chair: They're good questions.

We're going to wrap up again with Mr. Hoback.

Go ahead, sir, you have the floor.

Mr. Randy Hoback: Again, thank you, witnesses, for being here this morning.

Ms. Hannah, you went to a ministerial meeting in Buenos Aires. I've been to ministerials in the past. Actually, I think the last was before I even got into politics, 2004 or 2005. I remember one of the bilateral meetings I had with Japan. They said the WTO will not work. There are just too many people there with so many ideas of what should be done and what should be prioritized that you can

never get cohesion. You can never put it together to get everybody to agree on one agreement. Basically, it's proven true moving forward.

The WTO has just become a body where you have some people who are anti-trade, and then some who want to progressively move along. It's a frustrating body. That's why bilaterals became important, because you couldn't rely on a multilateral like the WTO to do everything. I think the government at the time was hoping that was the way to do it, and then they realized that, no, the Australians and others are doing bilaterals. It's interesting to see now the bilaterals, and even the smaller multilateral agreements, like the TPP, come into play.

It's really interesting. When you start talking about foreign aid, we're tying it to a trade agreement, but we're not tying it to a trade agreement. The Conservative government was talking about doing a trade agreement, but then we also look at our foreign aid and we cohesively target it into that agreement, not in the agreement itself, but indirectly. Maybe instead of doing a social chapter in a trade agreement, we could just do a progressive social agreement with countries and tie it to foreign aid, and say, "If you want our foreign aid, this is the agreement. This is what you have to adhere to. These are the standards we want you to get to on gender rights and women's rights", and then let trade do what trade does, so it can be focused on getting workers' rights and getting the other things right.

I think I'll stop there, because I also have some more questions for Mr. Marshall. I'd like to talk to you more about it, Ms. Hannah, afterwards, but I only get five minutes.

Mr. Marshall, 70% of the economic investment in the mining sector comes out of Canada, around the world, so any mine around the world comes to the TSX, PDAC, and that's where to look for the money. Now if we're not developing mines here in Canada, why would the industry that creates the tooling for the mining sector stay here in Canada?

Mr. Brendan Marshall: There's an attractive ecosystem. There are benefits to being listed here through networking, through close proximity to other areas of expertise that are directly and indirectly related to your core business.

Mr. Randy Hoback: You network, though, and you look at it and say, those people, those specialties, they're very mobile, also. They can move to London. You can look at the Pacific Alliance countries, if we decided not to join them, and see what they're doing at their exchanges. What's preventing them from moving to Mexico City or moving to London if they see a better advantage, taxation-wise, or a better environment for them to actually be located there?

Mr. Brendan Marshall: Well, that's a fair point, and the reality is nothing is preventing them from moving to another jurisdiction if there is a more compelling benefit to being there than being here.

Mr. Randy Hoback: The impact, if they were to move, would be what in Toronto?

Mr. Brendan Marshall: Lost, found wealth.

Mr. Randy Hoback: So 60% of the exchange is actually related to mining and banking. If all of a sudden that wasn't there, what would Toronto look like?

Mr. Brendan Marshall: Toronto's a mining town. Effectively, it would slowly cease to be a mining town with significant economic implications, not just for the city—

Mr. Randy Hoback: It would be like Detroit without the automakers.

Mr. Brendan Marshall: —but for the province, as well as for the country.

Mr. Randy Hoback: Okay. That's a concern I have here. We put in all these things that are supporting this progressive agenda, but what we've really done is we've taken the competitiveness factor out of our sectors here in Canada, and these are the sectors that we want to take and promote around the world because they're doing things right. When we do that, they end up in other jurisdictions that maybe don't care as much.

Do you think the scales are tipping too far one way and we're losing our competitiveness, and the result might be that in three or four years down the road, we're going to see a declining investment here in Canada, and the TSX losing that mantle of being the place to go to for capital for the mining sector, and actually maybe it will be London or Mexico City?

Mr. Brendan Marshall: It's possible. As I mentioned earlier, I'm not an expert in gender-related trade issues, but I can tell you from a hard competitiveness standpoint that tax implications, other competitiveness, economic implications are probably greater drivers that I'm more familiar with, which would be a rationale for a company to relocate somewhere else.

• (1040)

Mr. Randy Hoback: I have a mining company; I actually build tooling for a mine. There are no mines being built in Canada. So I'm looking at it and saying that all my customers are in South America or in Africa. Why would I stay in Canada?

Mr. Brendan Marshall: I would say two things. One is that those service supply sectors don't just build new mines. We have 77 metal mines currently operating in Canada. We have oil sands mines, we have non-metal mines, diamonds in the north, etc. There is still significant demand for service and supply sector business in the Canadian mining industry. Whether a larger portion of that business could be new mine developments, I think the answer to that question is yes, but that's a compelling reason to remain in Canada for now.

Mr. Randy Hoback: Again, that would be an area where the market has matured. It can't grow if there are no new mines coming into strength.

The Chair: We'll have to end it there. Another committee wants this room in about three minutes and I don't want to get in trouble with the next committee chair.

We had a very good dialogue today.

Mr. Marshall, do you have a very quick comment?

Mr. Brendan Marshall: I'd underscore one thing very quickly. There's apprehension amongst the Canadian mining industry about Canada's competitiveness as a place to do business. It's not just a market reality. We've seen prices increase year over year, for two years consecutively. We've seen other jurisdictions attracting more mining investment than Canada has. We're hoping that will turn around, but we attribute that to policy-driven investment uncertainty, business uncertainty. As I mentioned earlier, we're hopeful that as some of these large decisions come forward, our constructive engagement in those spaces has been heard. But we feel like there's a great deal at stake, not just for the industry, but for Canada as a whole.

The Chair: Ms. Hannah, do you have a quick comment?

Ms. Erin Hannah: I can't address everything that you said, but I would like to say one thing. What I'm advocating is not for Canada to set the benchmark on gender in free trade agreements. Canada has a lot to do itself on the gender agenda. We don't have pay equity. We don't have universal child care. We are not the gold standard ourselves. What I'm talking about is negotiating together with our trade partners an improved performance on gender equity.

The Pacific Alliance itself is ahead on this agenda. They have women's economic empowerment forums. They themselves are pursuing this. Gender equality is an agenda item of the Pacific Alliance. The reason that I think it's doable in the context of this FTA negotiation is because we share a priority to improve our respective performances on gender equality.

The Chair: Thank you. That wraps up our day. It was a very good day. We'll see everybody next Thursday. For the panellists, we will have a report in the upcoming months, and you will have an opportunity to look at it when it is done.

The meeting is adjourned.

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