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Chair: The Honourable Judy A. Sgro



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• (1530)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling to order meeting number 21 of the House of Commons Standing Committee on International Trade.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021.

As per the directive of the Board of Internal Economy on March 10, 2022, all those attending the meeting in person must wear a mask, except for members who are at their place during proceedings.

I'd like to make a few comments for the benefit of witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, please click on your microphone icon to activate your mike, and please mute yourself when you are not speaking. For those participating via Zoom, you have interpretation options at the bottom of your screen of either the floor, English or French.

As a reminder to you, all comments have to go through the chair.

To all members, welcome to our Monday meeting.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, March 21, 2022, the committee is resuming its study on trade opportunities for Canadian businesses in the Indo-Pacific region.

Today we have with us, from the Embassy of Canada to the Philippines, His Excellency Peter MacArthur, ambassador; from the Embassy of Canada to the Socialist Republic of Vietnam, His Excellency Shawn Steil, ambassador; from the High Commission to the Republic of Singapore, His Excellency Jean-Dominique Ieraci, high commissioner; and from the Taipei Economic and Cultural Office in Canada, Henry Chi-Hung Liu, executive director, economic division. Welcome to you all.

We will start with opening remarks from Ambassador MacArthur.

I invite you to make an opening statement of up to five minutes, please.

His Excellency Peter MacArthur (Ambassador, Embassy of Canada to the Republic of the Philippines): Thank you, Madam Chair.

This will be a transitional year for the Philippines. On June 30, the country's new president, vice-president, and many members of congress, will take office following the May 9 national elections.

At 110 million people, mainly young people, the Philippines is the second most populous country in the ASEAN region, and ranks seventh among the 21 APEC member economies. It stands out in terms of its geographic, geostrategic position, and as the world's third largest Catholic country.

The capital, Manila, is head office for the Asian Development Bank, a regional institution of which Canada is the fourth largest non-borrowing shareholder. ADB-financed projects represent business opportunities for Canadian firms operating across the Indo-Pacific.

We share strong people to people bonds not found with any other Southeast Asian country. The Philippines consistently ranks as a top three immigration source. There are an estimated one million Canadians of Filipino origin. Filipino migrants are crucial to Canada's labour market and economic prosperity. Canada is seen as an excellent host for overseas Filipino workers in sectors such as food processing and maritime shipping. They remit an estimated \$2 billion Canadian back to Filipino families every year.

Helped by strong macroeconomic indicators and stable credit ratings, the Philippines is expected to emerge from the pandemic as one of the fastest growing economies in Southeast Asia. In 2019, GDP growth exceeded that of Indonesia and rivalled that of China. However, 2020 saw a 10% GDP contraction due to the pandemic. Nevertheless, GDP bounced back growth in 2021 and exceeded expectations at 5.6%. The economic outlook for 2022 is optimistic, as the ADB is forecasting growth at 6%. This has attracted the interest of some Canadian pension funds.

To increase competitiveness, a recent series of economic reform legislation has been passed, including corporate tax cuts, and steps to open up the economy in order to establish a more predictable business environment. At the same time, with the support of the Philippines, Canada and ASEAN launched FTA negotiations.

Despite the pandemic, the Canada-Philippine trade relationship continues to expand, standing at \$3 billion, balanced roughly between \$2 billion in merchandise trade and \$1 billion in services trade. Canadian direct investment in the Philippines is more than \$3 billion Canadian, led by a longstanding market presence in the insurance and business processing sectors, as well as in mining, software, engineering and food sectors.

Canada and the Philippines recently established a joint economic commission. The commission, which will include the voice of business through chambers of commerce, is going to provide a platform to foster closer business relationships in sectors where demand matches our competitive niches, such as within the aerospace sector, including the building of business aircraft and training simulators together with maintenance, repair, and overhaul.

Moreover, with regard to agriculture, the Philippines is Canada's second largest market in the region for products such as meat, pulses, oilseeds, grains, fish and seafood, animal feed ingredients, as well as processed food. Market access issues, particularly affecting agri-food exports, are an obstacle, necessitating constant vigilance and high level intervention by the embassy and the Government of Canada.

In clean technologies, there are key opportunities, including renewable energy and emerging interests in nuclear power. With regard to climate finance, there is early retirement of coal plants as an example of climate change interventions.

In defence and security, there is continued military equipment modernization, particularly air and sea capacity, due to increased South China Sea security concerns.

In infrastructure, Canada has just launched a new government-to-government initiative to help our industry penetrate this market, leveraging Canadian Commercial Corporation, and working closely with the trade commissioner service and Export Development Canada.

In information and communications technology, as an example of our embassy efforts, we are sending a Filipino business delegation to the Collision conference in Toronto later this June. It is composed of 45 Filipino venture capitalists, investors, and tech buyers interested in subsectors, such as medtech, fintech, and cybersecurity. Creative industries and edtech sectors are also promising.

Mining is back in business with the lifting of the open pit mining ban in an effort to source critical minerals. Canada's towards sustainable mining CSR protocols are expected to be adopted by leading mining producers, and will be required to be more environmentally and socially responsible.

In education, in 2021, the Philippines moved up to become our fourth source of foreign students, benefiting colleges and universities right across our country. We saw a doubling in two years to more than 14,000 students right across Canada.

There remain challenges and risks, such as lack of transparency, corruption, intellectual property violations, an inefficient court system, protectionism, and susceptibility to political interference. Competition from other countries is fierce.

Finally, on the job-creating, investment-in-Canada front, I can report that Jollibee, the Philippines' most prominent fast-food chain and Asia's largest food service company, has opened more than 20 restaurants right across Canada. Each restaurant is estimated to create approximately 80 to 120 jobs and approximately \$2.2 million in capital expenditures.

● (1535)

Madam Chair, that completes my opening statement.

Thank you very much.

The Chair: Thank you very much, Ambassador.

We now go to Ambassador Steil, please, for five minutes.

His Excellency Shawn Steil (Ambassador, Embassy of Canada to the Socialist Republic of Vietnam): Thank you, Madam Chair.

I reported for duty as Canada's Ambassador to Vietnam on May 3 and presented my credentials on May 26. I come to this position after more than four years as executive director for Greater China, an experience that offers an important perspective on Vietnam and its region.

After a difficult two years of pandemic restrictions, and thanks to a remarkably successful vaccine campaign, Vietnam is leading economic recovery in the region. Over the short one month since I arrived in Hanoi, economic and social activity, including international travel and business, has accelerated at a remarkable pace. The successful hosting of the Southeast Asian Games in Hanoi last month exemplified this rapid opening.

Economic and industrial indicators suggest that this country of almost 100 million people is poised to accelerate its growth in the near term even under difficult external conditions. Canadians, recognizing the opportunity and the need to diversify from difficult and unpredictable markets in the region, are responding.

I have already met a number of Canadian firms and institutions on the ground setting a common refrain: Vietnam is our best option for diversifying and we want to be first back in the market.

That shouldn't surprise us. Vietnam is Canada's largest trading partner in Southeast Asia, the 10th largest in the world. Since the conclusion of the CPTPP, bilateral trade is booming, reaching \$10.5 billion in two-way trade in 2021 despite the pandemic. While most of that recent growth has been in Vietnamese exports, they do pave the way for a maturing trade relationship with many opportunities for Canada.

In the agriculture and agri-food sector, including seafood, a growing middle class is driving demand for high-quality foods and the CPTPP has levelled the playing field for Canadian suppliers. Canadian meat exports in particular have grown fourfold since the agreement came into effect in 2019.

Vietnam is a country that's among the world's most vulnerable to climate change. At COP26 the Government of Vietnam surprised many by committing to net neutrality by 2050. Its growing industry and energy demands make this commitment an enormous challenge, and an opportunity for Canada and Canadian businesses to provide clean technology and clean energy solutions.

Vietnam is also one of Canada's most important sources of international students. Education exchanges are rebounding quickly, and Canadian institutions see opportunities to grow both partnerships and student enrolment with Vietnam.

Canadian firms have a significant presence in Vietnam's insurance sector with major Canadian firms active and growing in the market.

Opportunities in aerospace, life sciences, health care and ICT are abundant and on the rise.

In January 2022 Canada and Vietnam established a joint economic committee, a mechanism dedicated to advancing trade and economic co-operation between Canada and Vietnam. Meetings of this committee will provide an ongoing opportunity to discuss current and emerging trade and commercial issues, and help unlock further potential.

Canada's commercial relationship with Vietnam is nested in and benefits from Canada's broader engagement in the country. In keeping with the comprehensive partnership launched in 2017, Canada's engagement with Vietnam has grown across the board. We now have established formal exchanges in diplomacy and foreign policy, events and security, international co-operation with Canadian contributions to inclusive growth, climate change solutions, and regulatory affairs.

Our Embassy in Hanoi and consulate general in Ho Chi Minh City are home to 110 employees from multiple government agencies, as well as provincial representatives. We anticipate continuing growth to match the demands and meet the opportunities for Canadian business in Vietnam.

Vietnam is a one-party state with significant government involvement in decision-making over the economy. According to the World Bank, achieving its ambitious goal of reaching high-income status by 2050 will require further opening and institutional reform. Engagement at the government-to-government level across the range of tools at our disposal will be important for Canada's continued success in this vibrant market now and over the long term.

In 2023 Canada and Vietnam will mark 50 years of diplomatic relations well positioned for further co-operation based on our common interests.

Thank you.

• (1540)

The Chair: Thank you very much, Ambassador.

We go now to High Commissioner Ieraci, please, for up to five minutes.

[*Translation*]

His Excellency Jean-Dominique Ieraci (High Commissioner, High Commission for the Republic of Singapore): Good afternoon, Madam Chair.

Singapore is one of the countries most open to trade in the world. This developed and politically stable country of 5.4 million people serves as a hub for regional trade thanks to its first-class infrastructure. Its city-state is the main regional financial centre. It is easy to do business here, as the rules are clear and the rule of law prevails. The common language is English.

All these features contribute to the fact that many Canadian companies have made Singapore their primary market in Southeast Asia. It's also the main focus of their operations in the region.

Since Singapore is a trade hub and part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, there are essentially no barriers to entry for Canadian products and services. Despite the modest size of its market, Singapore offers significant business opportunities for Canada because of the average wealth of its citizens and its appetite for adopting new technologies. Also, with no natural resources and very limited space, Singapore must import virtually all its food and energy.

Finally, foreign multinationals' top regional executives are based in Singapore, where they often make their purchasing decisions for their Southeast Asian operations.

The pandemic did not spare Singapore, but its economy has already rebounded in 2021 with gross domestic product growth of 7.6%. In 2021, Canada exported \$1.2 billion worth of goods to Singapore and imported \$1 billion. Canada exports nearly \$1 billion more in services and imports \$2.6 billion. In Southeast Asia, Singapore is the largest investor in Canada and the largest recipient of Canadian investment in the region.

The Canadian High Commission in Singapore has 85 employees from several government departments, including representatives from British Columbia and Saskatchewan. Export Development Canada, or EDC, and Quebec both have independent offices there.

The Canadian Trade Commissioner Service in Singapore focuses on agriculture, information technology, education, aerospace, life sciences and sustainable technologies. We also administer a technology accelerator, a mentorship program and an investment attraction program. Singapore hosts major business events, including last week's Asia Tech x Singapore, the Singapore Airshow, the FinTech Festival and Singapore International Water Week. We organize hundreds of business matches with Singaporean and regional contacts through these activities.

For example, Minister Ng visited us on May 24 and 25. One of the things she announced was Canada's intention to launch a design study for a gateway to the Association of Southeast Asian Nations, or ASEAN, and take advantage of Singapore's hub status.

Madam Chair, I thank you and the committee for your attention to the region and to Singapore.

• (1545)

[English]

The Chair: Thank you very much, sir.

Now we will move on to Mr. Liu, for Taipei culture and economic development.

Mr. Henry Chi-Hung Liu (Executive Director, Economic Division, Taipei Economic and Cultural Office in Canada): Honourable Chair and distinguished members of the committee, good afternoon.

My name is Henry Liu, and I am the executive director of the Taipei Economic and Cultural Office in Canada, based in Ottawa. We welcome this timely study, which will contribute to enhancing Canada's ties with the Indo-Pacific regions, including Taiwan.

The bilateral economic relation between Taiwan and Canada is growing strongly. According to Statistics Canada, our two-way trade surpassed \$10 billion Canadian in 2021, growing by 39% compared with 2020. This ranks Taiwan as Canada's fifth-largest trading partner in Asia. Taiwan is also Canada's 16th-largest export market globally.

The Indo-Pacific region will be the engine of global economic growth. Thus, a commitment to closer engagement with Indo-Pacific partners is more relevant than ever. Canada has initiated an Indo-Pacific strategy, while Taiwan has launched its new southbound policy to boost its ties with the countries of South and Southeast Asia. These two policies are quite complementary and will open new avenues of co-operation.

Taiwan's long-standing partnership with Canada is critical to our mutual objectives and shared interests, including our efforts to work with like-minded partners to safeguard freedom, democracy and human rights, as well as to stimulate inclusive prosperity through economic co-operation and trade in the Indo-Pacific region.

We can strengthen this synergy by providing our economic operators a set of more transparent, predictable and facilitating trade and investment rules. On January 10, 2022, our trade ministers agreed to begin exploratory discussions as a first step toward potential negotiations for a bilateral investment agreement, known here

as FIPA. We hope that Taiwan and Canada can fully launch negotiations on a FIPA soon.

Taiwan is the world's 18th-largest importing country, with 23 million consumers of high purchasing power. Canada can benefit a lot from more favourable market access into the Taiwanese market. Taiwan officially submitted its accession application to the CPTPP last September. Taiwan is committed to upholding the high standards of the CPTPP. We respectfully request Canada's support for Taiwan's accession application.

Taiwan's CPTPP membership and FIPA with Canada will help increase regional economic momentum and bring Taiwan-Canada trade relations to the next level. In this era of geopolitical uncertainty and supply chain realignments, Canada and Taiwan can work together to increase their supply chain resilience.

Canada has long been a reliable and secure source of quality agricultural products for Taiwan, bringing our consumers more diverse choices and enhancing our food security. In addition, Canada's budget 2022 proposed up to \$3.8 billion in support over eight years to implement Canada's first critical mineral strategy. Already, Taiwan's increasing demand of critical minerals has attracted more imports from reliable sources, including Canada.

Canadian exports of cobalt to Taiwan grew 186% in 2021, compared to the year before. The Canadian cobalt market share in Taiwan increased from 3% in 2012 to 25% in 2021. Taiwan wishes to expand its relationship with Canada as a close friend, democratic partner and trusted ally. We look forward to continued engagement with our Canadian partners to sustain and strengthen our bilateral relations.

Thank you very much for inviting me today. I will be happy to answer your questions.

• (1550)

The Chair: Thank you very much, Mr. Liu and all of our witnesses.

We'll go to Mr. Lewis for six minutes.

Mr. Chris Lewis (Essex, CPC): Thank you very much, Madam Chair.

Thank you to all the witnesses. The testimony today was very in-depth, and we have a lot of work to do, no doubt.

Madam Chair, through you to Mr. Liu, my first question—and probably the most important one, at least for my riding of Essex—is about microchips, sir. I believe it to be true that Taiwan is the largest producer of microchips in the world. Man, oh man, could we ever use a bunch of microchips to get our vehicles on the road.

I'm wondering what we can do, what studies we should be going after and what we could do as a country.... Perhaps it's the critical minerals that you were speaking to. How can Canada help Taiwan, so that we can get those very necessary microchips to our soil in order to keep our auto industry moving?

Mr. Henry Chi-Hung Liu: Thank you for the question.

I think this is a very important question, especially when Canada is going forward in its EV industry, electric vehicles. There will be more microchips in your cars, which means the demand for microchips will keep on going. Also, at the same time, the supply chain of microchips is very long and complicated.

I will say there is a lot of opportunity for Taiwan and Canada to work together. For example, the largest company from Taiwan, TSMC, already has a design centre in Canada. That's in addition to the U.S. This is the only one on the American continent.

I have visited the research centre and asked the same questions as you. I was told, first, that Canada and Taiwan can have a lot of mutual support. For example, when you are moving into the next stage, you want to incorporate more technology into the microchips so they will be multi-tasking. For example, Canada is very good in AI, but how do you incorporate AI into the chips? That will be very important. That will be the determining factor of your competitiveness. In this case, I would say the software engineers should work directly with the Taiwanese chipmakers. In this way, there's no need to go through very complicated and different layers of suppliers. In that case, you can have your design already embedded in these microchips, which means that Taiwan can provide the microchips which are really reflecting Canadian technology and making sure you have the leading edge.

Thank you.

Mr. Chris Lewis: Thank you, sir.

Madam Chair, through you back to the same witness, please, when we talk about containers, I understand it also would be true that Taiwan is one of the biggest suppliers of containers. We can have all the microchips in the world, but if we can't get them across our oceans back to Canada, it's not going to do us a whole lot of good. I only make that as a statement, because I realize there's a major shortage of containers across the world, something that I would have never thought I would have seen in my lifetime.

Madam Chair, through you, I understand also that the paperwork, administration and red tape is challenging. Can you please expand on the challenges that are slowing down the supply chain between Taiwan and Canada, sir?

Mr. Henry Chi-Hung Liu: All right.

First, I still want to reply to the question on containers. As far as I know, there's no container shipments of microchips. Microchips have to use air freight. That's why during this pandemic Taiwan is really doing well. Even in the year 2020, we still have continued economic growth, because we still keep this air freight going smoothly.

Regarding the supply chain bottleneck, even though we do have a very strong sea transportation capability, the problems happen at the destination. That's the thing we cannot do very much about. We

have been receiving requests from our colleagues on how to improve this phenomenon. I will say that we can only watch how our trading partners solve their problems. In the meantime, I do encourage Canadians to engage in more discussions on paperless trading or on customs co-operation, so that we can really go to the next level, to make sure we can reduce the bureaucracy, as you mentioned, for the traders, which is really important.

Thank you.

• (1555)

Mr. Chris Lewis: Thank you, sir.

Madam Chair, back through you to the witness, perhaps you will keep it within about one minute please, sir, as I have two more questions left, both of which are important.

First, as China continues to flex its muscles in Taiwan—let's call a spade a spade, it's happening—what can Canada do to help?

Mr. Henry Chi-Hung Liu: In my statement I already said that I think Canada is a country that should be friends with everybody, but you should stand also on the side of righteousness, which means that I think there should be no hesitation to engage Taiwan economically. For example under FIPA or under the CPTPP, I think this is the way that Canada should act as a model to support the high levels of trade liberalizations and encourage Taiwan to be a part of those agreements. I think this will be the best way to show that Canada has its core values in its trade policy.

Mr. Chris Lewis: Thank you very much.

I know I only have about 30 seconds left.

Very quickly, Madam Chair, through you back to the witness, I just want to make a statement that I understand to be very true. Canada represents only about 1% of Taiwan's global trade. With Taiwan being a partner in CPTPP, what percentage do you think that could grow by, sir?

Mr. Henry Chi-Hung Liu: That's a fairly big ask. Let me take the examples from New Zealand. When we had the first free trade agreements, we had an agreement with a country that exported a lot of agriculture products. But still, the negotiating outcome is that Taiwan liberalized the markets 99.5%, which means that there were a lot of sensitive products that we liberalized for trade, for example, deer velvet. Maybe you don't know the product very well. We do use that product, and the tariff rate is more than 1,000%. We have liberalized those products just in recent years, with no tariff at all.

This represents our determination to be a free trade country, because we do think this is a long-term benefit for Taiwan and our trading partners. Thank you.

The Chair: We'll now have Mr. Virani, please, for six minutes.

Mr. Arif Virani (Parkdale—High Park, Lib.): Thank you very much, Madam Chair.

This is my first time taking the mike today, and I just want to acknowledge for the record that today is the one year anniversary of the death of the Afzaal family in London, which is a matter of concern to all members of Parliament. There are commemorations taking place not just to think about that family and that loss, but also to take action on Islamophobia.

That said, I want to say thank you to all of the witnesses for being here, those who are present, Mr. Liu, and those joining us virtually.

I want to start perhaps with Mr. Shawn Steil, the ambassador to Vietnam, and just touch upon something that he mentioned. I seized upon it when you indicated that it was with some surprise that the international community noted that Vietnam had made that commitment at COP to achieve net zero by 2050. Obviously there are a lot of synergies there between our government's position on net zero, tackling climate change, and what Vietnam is embracing.

Can you talk to us a little bit about solar in particular? We're conscious of the fact that Vietnam is the second largest producer of the solar photovoltaic module. The Canadian share of electricity production for renewables has risen during the last decade. Where can we tap into that commonality of purpose and interest using Vietnamese technological know-how to leverage further aspects of our trade in the renewable sector?

Go ahead, Ambassador Steil.

Mr. Shawn Steil: Indeed, Vietnam has accelerated not only its production of photovoltaics but also its implementation of clean energies. It's a country that's still very much reliant on coal. That's one area where Canada has begun to do really good work with Vietnam, helping to phase out coal.

While they've made great strides in both wind and solar implementation, coal use continues to rise, so the commitment that the prime minister made at COP26 to be at net zero by 2050 surprised many because of this growth in coal. The estimates are that not only does Vietnam need to phase out of coal and replace that energy source with something else, but their demand for energy is growing at least 10% year year on year. There's a huge demand for energy infrastructure and energy generation.

I would note here that we already have a leg in. Given that we have a comprehensive relationship with Vietnam, we've been working through the ADB, the Asian Development Bank. We've implemented a pilot project for offshore solar, which is really exciting.

With these ins and already having a way to work with Vietnam on solar energy, I think the next step would be to look at that supply chain. Certainly I know from my past experience that supply chains for photovoltaics and solar power are fraught, and forced labour can be an issue in those supply chains. Working with Vietnam to transfer some of that investment and linkage from countries like China to Vietnam is already happening and something that we can facilitate.

• (1600)

Mr. Arif Virani: On that point, I would just say that it was critical that we put our governmental support behind the forced labour bill that just came out of the Senate, Bill S-211. We've also committed to dealing with forced labour in supply chains as part of Minister O'Regan's mandate letter, and also power—namely coal, as you noted—is something that we've been working on for the last three or four years.

If I could just pivot to something, I'll ask both you, Ambassador Steil, and you, Mr. Liu, if you could comment.

You raised, Ambassador Steil, the point that international students are an aspect of our engagement across borders.

Mr. Liu, you addressed it slightly differently, but you said that we can leverage Canadian software know-how and our engineering and AI expertise to develop the relationship with Taiwan. I immediately thought of Waterloo engineers, for example, near my hometown of Toronto.

Could both of you take a turn at addressing how we leverage ties between our educational institutions and our students as an aspect of trade and how that can turn into more positive trade developments?

Perhaps we'll have Ambassador Steil first, and then Mr. Liu.

Mr. Shawn Steil: Indeed, Madam Chair, with Vietnam, our education exchange started through student improvement. The high demand for high-quality education in Canada has driven a large number of Vietnamese students to Canada. In fact, prepandemic, Vietnamese students were the third-largest source of international students to Canada. That has tapered off a bit with the pandemic. I think they now rank fifth as a source.

What has kind of lagged behind that—although I think it's typical that relationships in education start with the student recruitment—are the partnerships between institutions. One thing we will need to look at a little more is how we promote institutions and institutional linkages, not just in terms of student recruitment, but in terms of research partnerships and linkages that way. My colleague from Taiwan can speak more about the experience for Taiwan, because I know that those linkages are already very strong in Taiwan.

Mr. Henry Chi-Hung Liu: Thank you for the question. I will answer it in two prongs.

One is that language education is really important as the first step, for Canadian talent to know Taiwan better and for Taiwan to have more exposure in Canada. Our government has announced that Taiwan will be a bilingual country in 2030. In fact, at this moment, in the Canadian office in Taipei, they are very much engaged with the school in Taiwan. I believe they have signed about 30 MOUs so that the Canadians on campus will provide long-distance education, and in the future I believe there will be a physical exchange of students. We hope that Canada will be one of the important sources of English teachers for training for our language skills.

The second is on the software talents. In fact, we have been promoting very heavily the “Contact Taiwan” initiative, which we are talking about with different universities. Hopefully, your young people would like to work in Taiwan and to learn the different fields of manufacturing. Perhaps there we could have more people-to-people engagement.

Thank you.

• (1605)

The Chair: Thank you very much.

We have Mr. Savard-Tremblay for six minutes, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Thank you, Madam Chair.

I welcome all the witnesses and thank them for giving us their time today.

I also acknowledge my colleagues.

My first question is for Mr. MacArthur, Canada’s ambassador to the Philippines.

As part of this study, we heard witnesses from the International Coalition for Human Rights in the Philippines. They expressed their concerns about the human rights situation there, particularly regarding abuses committed by mining companies. We know that 15% of mining in the Philippines is of Canadian origin and that six companies operate in the country.

How can we ensure that Canadian companies are not complicit in human rights abuses in the context of expanding trade with this region?

[*English*]

Mr. Peter MacArthur: Thank you very much for that question.

Indeed, that is something we monitor very closely, Madam Chair. I’m happy to report that over the past several years, the Mining Association of Canada has been developing, directly with the Chamber of Mines of the Philippines and in a very methodical manner, the introduction of the “Towards Sustainable Mining” protocol for corporate social responsibility with leading mining companies. I’ve been involved through webinars throughout the pandemic in the introduction of this new approach to support environmental, labour and community relations. Indeed, this is in response to President Duterte’s essentially closing down the sector when he was elected in 2016, until, as he said, Australian and Canadian corporate social responsibility protocols were adopted. That is, indeed, happening.

These past few months, external auditors have been trained to ensure that this is done.

As the mining sector opens up for the critical minerals needed for renewable energy—for example, nickel, cobalt, copper and gold—I can assure you that Canadian firms.... B2Gold won an award just in the past couple of years for its exemplary treatment of workers and so forth.

Some of what is appearing in the media is not completely correct. Our job is to meet with companies and see how they’re doing.

We are very conscious of some of the criticism that’s being launched at the Philippines. Much of it responds to artisanal, informal mining sector operations by local Filipino companies or by companies from other countries, such as China, where those responsibilities are not being taken fully in the spirit of the need to be corporately responsible.

There have been mining accidents in the past. Legislation has been adopted by the Philippines congress to prevent those accidents. Some of them in the past decades have involved foreign companies, including Canadian companies, but corrective measures have been taken. I’m pleased to say that Canadian industry is stepping up and helping not only Canadian firms, but other foreign firms operating in this country.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

Mr. Chi-Hung Liu, when we talk about trade with the Indo-Pacific region, it immediately brings to mind the well-known Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. Not long ago, I met with some representatives of your office, some of your colleagues. They expressed concern about China’s potential membership in this partnership and the consequences this might have for Taiwan in this trading area.

Could you tell us a little bit more about that today?

[*English*]

Mr. Henry Chi-Hung Liu: Thank you for the questions.

Our concern is more about how the case of Taiwan can be taken. Regarding the case, I think Taiwan, just like Canada, would welcome any country and any economy to participate in the CPTPP as they are committed to high standards. We are hoping. We submitted our application last September. Six months have already passed, so of course I think Taiwan is very interested to know our progress. We hope that our case will be handled very professionally based on the merits of our applications.

In fact, we have done more in advance than most other applicants. For example, we have already amended our law even though we are not starting our negotiations yet. We are doing this to show our commitments. So far, we are still wondering when our case will be taken. We're just trying to make sure our case is not overly politicized. We hope that all of the members of CPTPP will live up to their commitment to welcome any country members and economies that are willing to satisfy compliance with the high standards of CPTPP.

Thank you.

• (1610)

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Do you think you are in a good position to join the CPTPP?

[English]

Mr. Henry Chi-Hung Liu: Yes, of course. We have revealed all of the details of the agreements. That's why we engaged in these law amendments. As members of Parliament, you know how difficult it is to pass any law amendments. We did this even several years ago. Once the CPTPP concluded, we studied it very carefully. We wanted to compare what the provisions are and if we lived up to the standards. We passed 22 amendments to make sure that we are able to.

On the market-access commitment, even with agriculture-exporting countries, we have already committed more than 99.5% of our market. I believe that, according to the standard of other CPTPP countries, I believe that Taiwan is one of the most committed members.

Thank you.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

[English]

The Chair: Thank you very much.

Mr. Masse, you have six minutes.

Go ahead, please.

Mr. Brian Masse (Windsor West, NDP): Thank you, Madam Chair.

Thank you to our witnesses.

First, to Mr. MacArthur, I just want to get the status. There have been some issues raised about the Philippines with regard to human rights—everything from how they're dealing with organized crime and a number of different things. Also, in terms of Canada, in 2019 and before that, we were dumping garbage in the Philippines. This required the president to actually call Canada out on this, and the garbage was shipped back to Canada.

Could you just confirm whether or not we've ceased and desisted on that? We had an international treaty before the Basel agreement, which we were not enforcing through a clause. I'm just curious as to whether or not that still lingers as an issue for our country.

Mr. Peter MacArthur: Madam Chair, in answer to the question, I'm pleased to report that the garbage issue was resolved three years ago, almost exactly, through interaction and negotiation between our two governments and through the embassy here. After the private dispute, all acts of recourse were exhausted. You will recall that the Canadian exporter was bankrupt and there was a technical legal issue going on between private parties. Finally, when the two governments were allowed to come to solve the issue, we solved it. So to answer your question, there have been no further repercussions. The Basil agreement is in force, and I'm not aware of any plastic issues in this country from any foreign suppliers, so that is done.

Also, on human rights, I'm happy to report, as well, that Canada continues, through our [*Technical difficulty—Editor*] agenda, to press quietly behind closed doors—often with like-minded countries—the need to enforce respect for human rights. It's a lot of what we do. I was just at an event yesterday in support of human rights publicly with NGOs and the Commission on Human Rights, which is a body of the Government of the Philippines.

However, the United Nations has signed a joint program on human rights with the Philippines government involving the justice secretary and the foreign secretary. I was at a briefing by the UN just a few days ago, and there are six working groups, including one on violation by police of human rights. There are court cases starting against individual police. This is the big change. The Philippines will be in Geneva in the coming months to face down UPR and other UN Human Rights Council initiatives.

So they're very much in play and I'm happy to see that the United Nations—of which we are, of course, members—is reinforcing the charge to make sure that people are accountable. In fact, two UN rapporteurs will be visiting the Philippines, which is something that hasn't happened for many years. The government here is opening up to, for example, taking more of a mental health and human rights approach to narcotics difficulties that the country is facing.

Mr. Brian Masse: That's good to hear.

If we're going to raise the expectations of the Philippines to deal with some of those issues we are concerned about, I guess what I want to have is reassurances about other Canadian companies' investment and the government being more proactive, because we shouldn't be shipping... That was terribly embarrassing that we were caught and that we had to actually subsidize the return of garbage. We shouldn't have been doing it anyway, for so many different reasons.

What assurances do we have that there's going to be more of a proactive approach to Canadian companies and businesses that want to exploit weaknesses in trade agreements, or a lack thereof, for this type of activity? I think if we're going to have expectations, then they should have expectations of us.

• (1615)

Mr. Peter MacArthur: Certainly. As I said, corrective action has been taken. We're more vigilant. Various departments on both sides of the Pacific are involved. I can say that when I was ambassador to Indonesia, foreign countries other than Canada were exporting plastic garbage, against regulations, to Indonesia, so this is a practice that, unfortunately, has occurred. This controversy, this problem, has resulted in people paying much more attention to the issue, so I don't see any risk of this further approaching.

I can say that Canada has a very positive profile—one of the best I've seen—here in the Philippines in terms of its corporate social responsibility and our companies here right across the board in services and in goods production. Some are moving here. Businesses under the “China plus one” strategy, which includes an operation in China but also a second operation somewhere else in the ASEAN, often choose the Philippines because of its labour force and its democracy.

It's good to see that on human rights—for example, gender equality and LGBTQI rights—relative to other countries, being in a democracy with a strong NGO sector and a vibrant media, Canadian companies are functioning here quite successfully without any of those types of issues. That was a bad case, but lessons have been learned from it, and there's been no further—

Mr. Brian Masse: I only have limited time. I have one last, quick question, if I have time, Madam Chair.

We have a tremendous Filipino diaspora here, and there's probably more work that can be done to engage them, in terms of economic development on both sides. Is that fair to say? I think it's underutilized. That's just my opinion...from the work I've done over the last number of years. I think this is one of the exciting opportunities we have on both sides.

Mr. Peter MacArthur: Madam Chair, I totally agree. It's a very good point.

Thousands of students are coming to Canada from the Philippines, and many are immigrating to Canada. They are a generational investment. They will become business people, scientists and industrialists, and they will know each other's countries: Canada and the Philippines.

I think it's a very good investment in the relationship, and there will be some return positive benefits, but it will take a generational impact.

The Chair: Thank you very much.

Mr. Martel, you have five minutes.

[Translation]

Mr. Richard Martel (Chicoutimi—Le Fjord, CPC): Thank you, Madam Chair.

I thank the witnesses for being with us today.

Mr. Chi-Hung Liu, my colleague just discussed the importance of microchips with you. This is indeed a critical geopolitical issue, but we know that China is constantly threatening Taiwan's security.

How do you think China will view Taiwan's membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership?

[English]

Mr. Henry Chi-Hung Liu: Thank you for the question.

It's really difficult to answer. Rather, I don't think I can answer for the other persons—how they perceive our entry. I would say that, regardless of how the other applicants perceive it, we have to proceed on our own merits. I hope all the members can do that, as well.

[Translation]

Mr. Richard Martel: Can't you give me your impression? I know you can't answer for them, but surely you have some idea.

[English]

Mr. Henry Chi-Hung Liu: I think my feelings, like every Taiwanese.... We are from a very small economy. We are always doing things that are very challenging. For example, I have been posted in Geneva, at our WTO mission, for six years. We still, even as a member, don't take everything as granted, because, though we are already members, we are always trying to fight for an equal right.

This has been the culture in Taiwan. We believe in equal rights not only in the international arena. What we can do, controlling our hands, is to make sure that Taiwan is a country of equality. We respect the gender issue, women's issues and SMEs. We want to make sure that we reflect the core values and, hopefully, gain more support from others. I think that's more important.

• (1620)

[Translation]

Mr. Richard Martel: Mr. Chi-Hung Liu, I would like to know how you think Taiwan's membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership would benefit Canadian businesses.

[English]

Mr. Henry Chi-Hung Liu: I would say that, currently, we are very complementary economies, because Taiwan is an agricultural importing country. Currently, agricultural products still face the highest import barriers. On the other hand, if we look to the future, however, I would say that Taiwan is also a net-energy importing country. We import 98% of our energy. We have been importing not only coal and petrol, but also RNG.

I believe that, in the future, Canada can be a source of clean energy for Taiwan. For example, your hydrogen development would be another potential area. As I mentioned about the renewables, as Taiwan develops its EV industry, I believe Canada has everything to offer when it comes to what Taiwan can use.

[Translation]

Mr. Richard Martel: I'd like to ask you another question, Mr. Chi-Hung Liu. What you have to say is interesting.

First, what can Canada do to ensure that Taiwan joins the CPTPP?

[English]

Mr. Henry Chi-Hung Liu: Yes, the CPTPP is an organization based on consensus. No single member can do anything or counter anything. Canada is a country I value very much. I don't think you are trying to be the leading power, but you want to be the glue of consensus.

Canada has been very good. For example, in the Ottawa Group at the WTO, Canada has been the most vocal in really helping the WTO from stopping.... You are making the WTO agenda [*Inaudible—Editor*].

It's the same way with the CPTPP. I think Canada can work with other like-minded members to make sure everybody can work on the same basis to support Taiwan.

[Translation]

Mr. Richard Martel: Mr. Chi-Hung Liu, again, what role do you think Canada can play in protecting Taiwan's western interests?

[English]

Mr. Henry Chi-Hung Liu: I think I can only answer in economic terms. Making Taiwan secure and strong will make others strong as well. The specialty of Taiwan's industry is not that we can make everything ourselves. In fact, Taiwan's specialty is that we enable others to make things. When you're using Apple or when you're using something else, it's Taiwan that's helping other countries. For example, Lululemon uses fabric from Taiwan. Taiwan is the largest supplier. We are not good at selling Lululemon clothes, but we are very good at helping Lululemon be successful.

For other industries it's the same. I believe we can do this by keeping our economic ties very strong.

The Chair: I'm sorry, Mr. Martel—

[Translation]

Mr. Richard Martel: How much time do I have left?

[English]

The Chair: You were over by nine seconds.

[Translation]

Mr. Richard Martel: Already? I didn't have time to talk to the other witnesses.

[English]

The Chair: I was giving Mr. Liu as much time as possible to answer the questions.

Mr. Sheehan, you have five minutes, please.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much, Madam Chair. I really appreciate it.

Thanks to all our presenter for some very important testimony as we explore these opportunities for the mutual benefit of that particular region and Canada.

A lot of the questions that I've been asking are around climate change. I was in Singapore for an ASEAN conference many years ago. There was a high commissioner at that time, Lynn McDonald, I believe, who had drawn the attention of some of the work that Singapore was doing along with those ASEAN states around climate change. There was a concern in terms of the health perils and deaths resulting from various climate disasters across the area. A lot of the area is coastal and is resolved, like we are in Canada, to seek clean-tech solutions.

I'll start with our friend who's here with us today. Mr. Martel started talking about some of the clean-tech opportunities. What kind of clean-tech opportunities do you see as opportunities?

After that, I would like the rep from Singapore and the rest to chime in as well, if there is time.

• (1625)

Mr. Henry Chi-Hung Liu: Thank you for the question.

I think the most potential in clean technology is from EV. Taiwan has good information technology, and in Canada you're very good in your auto industry. When you're trying to clean up the automotive industry, you need information technology as a support.

I think this is the most important economic sector that Canada and Taiwan can share and support. In fact, there will be visiting delegations coming to Canada later this year. My office will fully support those efforts.

I should also mention hydrogen. Hydrogen is a little bit behind schedule, but I believe hydrogen, with the development of liquefied, which is able to be provided at long distance, will have as much potential as LNG in the past.

Thank you.

Mr. Terry Sheehan: Can I have a response from our people online?

Mr. Jean-Dominique Ieraci: Madam Chair, I appreciate the question.

With regard to clean-tech opportunities in Singapore, that is an area of focus for us. We help quite a few SMEs penetrate the market. With Singapore being a bit of an early adopter of technologies, we use it as a platform to demonstrate technologies. Within the high commission here, we have a regional position that helps those companies expand further in the region. We're not necessarily talking only about climate change mitigation measures. I can think of the example of SENTRY, which fairly recently signed a deal with the public utilities board. This was in the water treatment space.

When you look at sustainable clean-tech technologies, there's water, air, and looking at land opportunities, and a lot of the opportunities tend to be around the infrastructure for the region.

Thank you.

Mr. Terry Sheehan: It looks like Peter was going to say something.

Mr. Peter MacArthur: Indeed, we see opportunities here in clean tech. There's a desire to move away from coal. The ADB, as I mentioned, through our support to the ADB, is helping retire early coal plants in the Philippines, Indonesia and Vietnam. There's also a possibility for LNG Canada in Prince Rupert. This is a very good market for LNG as an intermediary away from coal. There's a desire for more LNG. The offshore gas fields are depleting.

I also want to mention that Canada and the UNDP, through our development program, are involved in nature-based solutions to re-inforce forests and mangroves to absorb carbon. This is one of the things we're doing.

Small hydro, under [*Inaudible—Editor*] hydro, these technologies from Canada are also of interest to the Filipinos.

Mr. Terry Sheehan: Do I have time for—

The Chair: You have 12 seconds.

Mr. Terry Sheehan: I would like to speak, probably offline, with the gentleman, the ambassador to Vietnam, about forced labour, which he started to address because we're undertaking a study on that right now in Parliament—John McKay has been leading the way on that—and it's going to committee. I look forward to more conversations perhaps offline.

Thank you.

The Chair: Possibly the ambassador to Vietnam can get a comment on that when he's answering someone else's question as we move forward.

Monsieur Savard-Tremblay for two and a half minutes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

My question is for the Singapore High Commission's representative.

Canada's largest export sector to Singapore is aerospace. As you know, Montreal is the third-largest aerospace hub in the world. When I say Montreal, I mean Greater Montreal, which is a wider region, not just the city itself.

To your knowledge, in this particular sector, would Singapore be interested in further expanding its economic relationship with Quebec?

• (1630)

Mr. Jean-Dominique Ieraci: Madam Chair, the answer is yes. Singapore certainly wants to further develop its relationship with Quebec and Canada in the aerospace sector. As a proud Montrealer, I am, of course, always happy to support such efforts.

There is already a highly marked Canadian presence here. For example, Bombardier's and Pratt & Whitney's operations are quite extensive.

When you think of the aerospace sector, you think of manufacturing and new equipment manufacturing, but Singapore is a regional airliner maintenance centre.

Certainly, the sector is constantly on the lookout for the kind of technology we can offer. There is always a very significant delegation at the Singapore Airshow. It was limited during COVID-19, but a large delegation of Canadian companies is continually looking to export their products and services. Obviously, a substantial proportion of that delegation is from the Montreal area.

Mr. Simon-Pierre Savard-Tremblay: Are there currently barriers to developing this relationship?

Would there be something on the table in the event of negotiations and discussions impacting this sector?

Mr. Jean-Dominique Ieraci: No companies have flagged any trade barriers to me. There are still the usual obstacles, namely the inherent costs of doing business and dealing with the distance, especially in terms of crossing the Pacific Ocean. As for trade barriers, none have been brought to my attention at this time.

[*English*]

The Chair: You have 30 seconds left.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

[*English*]

The Chair: Mr. Masse for two and a half minutes, please.

Mr. Brian Masse: Thank you, Madam Chair.

Mr. Liu, Mr. Lewis brought up a good point about the containers, but one of the other things that we found about container costs and shipping is that there's almost a cartel-like approach, which especially affects medium- to small-sized businesses trying to get access, and that there are exponential costs beyond even the costs of energy and the problems with COVID that have been escalating significantly. Do you have any comments about that or things that we can work on with regard to that? I think it's gone underneath the radar quite a bit because the costs are just getting unreal.

Mr. Henry Chi-Hung Liu: Thank you.

I think it's hard for me to comment on that because I don't know the cost structure of the shippers. I believe the shippers have to consider the revenue decreases from fewer services. I have seen reports from several countries who have already launched investigations into this process. What the government can say is that we totally welcome this very independent study into this commercial action. If there's any unfair competition, I think every government should take a step forward to protect all the traders in a fair way.

Thank you.

Mr. Brian Masse: Madam Chair, I'd be interested to know if the researchers could do a snapshot of the costs of container shipments, because if we're looking at trade expansion in this field, most of it's going to be by shipping. I would be interested to get some hard facts on that, because I'm hearing horror stories, especially from medium and small businesses. The Costcos and the Walmarts are purchasing their own fleets. Others that are left to their own devices seem to be really having a rise of those things.

That would be something I'd love to have a snapshot of.

The Chair: I have a question, Mr. Masse. Did you want the analyst to do that, or for the department to provide that?

Mr. Brian Masse: I'd like the analyst to do that, but the analyst might want to reach out to the department as well. It's whatever the analyst thinks is the best path forward without putting on too much burden.

The Chair: Go ahead.

Mr. Andrés León (Committee Researcher): Madam Chair, we can certainly look into that and prepare something for Mr. Masse.

Mr. Brian Masse: Thank you so much.

Thank you to the witnesses.

The Chair: Thank you very much.

We will move on to Mr. Hoback.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, gentlemen.

Thank you, Chair.

It's an interesting group of panellists that we have here today.

One of the first things I look at and want to know about when I see a new trade agreement is where there are synergies and whether it's Canadian companies working with companies in the countries you represent or are working in. I wonder if you've identified any of those opportunities and what you would do to see those opportunities come to fruition.

Whoever wants to start first can go ahead.

The Chair: Mr. Liu, do you want to start?

Mr. Shawn Steil: I can jump in on that, Madam Chair.

The Chair: Okay. We're getting someone to start.

Go ahead, Mr. Steil.

Mr. Shawn Steil: The trade agreements, from my perspective, work in a couple of ways. One is the typical reduction of tariffs, which is what most people conceive of when they look at a trade agreement. However, there's a component to the trade agreements

that also generates interest in the negotiations themselves and drives parties to try to take a second look.

Where we've already had interest in Vietnam, for example, the CPTPP trade agreement, in particular, has really done its job. You had relationships already with exports of Canadian agri-food and seafood coming into Vietnam, but in a market that was extremely price-sensitive and extremely competitive, the extra tariffs that were on those products for Canadian producers were a limiting factor. As I mentioned in my opening comments, with the elimination of those tariffs in 2019, you started to see the flow of trade coming in and the demand rising fourfold for meat products.

We recently had a visit from the Canadian meat producers association looking to harness that growth. It was that growth that they were starting to see—and it's probably early days for that—which made them realize, “Whoa, wait a minute. Maybe we should be putting some more attention and more promotion into this market”.

When you have those partners who know a bit about the market, see the growth and are ready to jump at it, that means the trade agreement has done more than its job.

I'm seeing the same thing in education, for example. Folks are coming out to Vietnam and seeing that there are more opportunities here. There are no trade barriers that a free trade agreement deals with on education, but the momentum and seeing that trade flow and business starting to flow generates a bit more positivity and brings more into the market.

• (1635)

Mr. Randy Hoback: Who wants to go next?

The Chair: Mr. Liu, please go ahead.

Mr. Henry Chi-Hung Liu: Thank you, Madam Chair.

As I mentioned, the trade agreement between Taiwan and Canada will be a lower hanging fruit because, as I said, our agricultural products still have the remaining tariff of more than 10%. You have the best seafood and you have the best agricultural products that are very good for our consumption. I believe that Taiwan's membership in the CPTPP will give a very important boost to your exports.

On the other hand, we have a lot of synergy. For example, on green technology, I forgot to mention that your power company, MPI, is one of the most important offshore windmill suppliers in Taiwan. On that process, I think they have been working with our local technicians to make sure that Taiwan is the most successful demo site for MPI.

MPI has already further expanded to the markets in Korea and Japan. I believe that in the future, we can be your base in east Asia for Canadian companies to explore other markets.

Thank you.

Mr. Peter MacArthur: In the case of the Philippines, there's a free trade agreement negotiation just beginning. Our major interests are agriculture and agri-food. The country cannot feed itself. Our meat exports, particularly pork and beef, were way up during the pandemic because of African swine fever, but there is a tremendous need for potash fertilizer at the moment. There is a food crisis in the world. Animal feed and animal proteins are areas of interest. We're trying to diversify and it is, too. There are good possibilities in areas such as agri-food and fertilizer.

Mr. Jean-Dominique Ieraci: To answer your question very directly, yes, absolutely. It is part of our strategy to have a corporate call program, not only to see what the Singapore companies can purchase from us but also what type of arrangement we can have with them. In infrastructure, for example, Singapore companies are major investors in the region. We see them, and we currently have partnerships with several of them to integrate Canadian products and services.

On the financial side, Singapore is also very present. A lot of money flows through Singapore institutions and into the region. In agriculture, Singapore is host to many trading houses. Our ability to export to Singapore, through the CPTPP, means that it's currently used as a bit of a transition and processing point for products, such as pulses. That has led to Singapore companies investing in Canada to secure supplies of the products they need to re-export to the region, but all the way to India, as well.

• (1640)

Mr. Randy Hoback: One of the concerns we've heard from ag producers was that they needed a rapid response team based out of Singapore to deal with phytosanitary issues that come up. Do you see something that needs to be brought to the ground, so we have our CFIA officials who can respond to an issue, like in Vietnam with wheat, seeds, grain, and stuff like that.

What's your response to that?

Mr. Jean-Dominique Ieraci: Our current agriculture representatives or trade commissioners are able to handle such questions with Singapore. I can only talk about Singapore, but with regard to the region, I cannot comment.

The Chair: Thank you very much.

We'll now go to Mr. Miao, for five minutes, please.

Mr. Wilson Miao (Richmond Centre, Lib.): Thank you, Madam Chair, and thank you to all the witnesses for being here today.

I'd like to direct the first question to His Excellency, Mr. MacArthur.

The Philippines is a very important trading partner, and a vital economic player in the Indo-Pacific region. That's why we have been studying this motion. Just over a month ago, Minister Ng announced that she witnessed the signing of an MOU between Canada and the Philippines to establish a joint economic commission.

I'm wondering if Your Excellency can tell us what your expectations are for this joint economic commission. How do you think it will benefit small and medium-sized business?

Mr. Peter MacArthur: Indeed, the joint economic commission will put us on a more level playing field with other foreign countries active in the Philippine market. It will meet every two years intersessionally with the joint overall foreign policy consultations that we have every two years with the Philippines.

One reason we wanted to establish this was to add impetus to the free trade agreement negotiation, which is just beginning, and, importantly, to ensure that the voices of business—both the Canadian Chamber of Commerce in the Philippines and other chambers of commerce, business organizations, including the agri-food sector, for example—have a chance to integrate themselves with government officials in order that we can look at greater opportunities between the two governments in trade and, increasingly, in investment. Through investment, you can trade more.

We are looking forward to the first meeting of the joint economic commission this fall. That is something that the Department of Trade and Industry of the Philippines and Global Affairs Canada, on the trade side, are keen to pursue.

Mr. Wilson Miao: Thank you very much.

The next question I'd like to direct to His Excellency, Mr. Steil. First, I want to congratulate you on your recent appointment as Canada's ambassador to Vietnam.

Can you please tell us a bit more about your key priorities as an ambassador, and what you have been working on since your appointment?

Mr. Shawn Steil: Madam Chair, thanks for the question.

Indeed, it's early days, so formulating priorities is part of what I'm doing. I can tell you that given my experience and my short time here already, there are probably four main areas of work I see pursuing as ambassador to Vietnam.

The first is with respect to rules-based international order and peace and security in the region. Vietnam plays a very important role in the region given its geographic positioning and its role in ASEAN and other organizations. Pursuing like-mindedness with Vietnam where we can based on common interests and using those common interests to pursue joint efforts to preserve rules-based international order is something that would be top of mind for us. That includes consultations on Ukraine, for example, where we are not entirely aligned.

The second would be on supporting Vietnam's efforts to build a more inclusive and open society. Vietnam remains a one-party system. There has been great progress in individual rights and freedoms and in building the institutions that are needed to protect them, but there's more to be done. Having a frank exchange and a collaborative working arrangement with the Vietnamese to support their moves through development assistance and through our own advocacy is going to be a key part of that.

The third, of course, is advancing our trade relationship. It's what we're talking about here today, but it's one that's based on the rules. Canada and Vietnam certainly have a strong foundation. Given the CPTPP and Vietnam's strong support for Canada's negotiations for an ASEAN FTA, we have a strong basis for advancing that rules-based trading relationship.

Finally, there's climate change, which pervades all the pillars of our work here, whether it's development assistance, political advocacy or commercial and technical expertise. Given that Vietnam is one of the world's most vulnerable to climate change, we're here to support and do whatever we can.

I'm out meeting as many people as I can to test those areas of work and to advance them further.

• (1645)

Mr. Wilson Miao: Thank you.

My time is up.

The Chair: Mr. Baldinelli, you have five minutes, please.

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Madam Chair.

Thank you to the witnesses. My apologies for coming in a bit late and missing your opening comments. Thank you for joining us today.

I'd like to find out a little bit more to build on some of the questions that one of my colleagues asked on the specific role of your trade offices and the trade commissioners within the offices and embassies.

I'm trying to determine how big would a staff be within one of the embassies in Vietnam, for example. Do you find the allocation of funds for that type of service sufficient to meet the needs and the growing demands, especially as we increase our trade opportunities?

Mr. Shawn Steil: Madam Chair, I can jump in on that one, if you like.

Vietnam is unique for the region in having two points of service for trade commissioners given the size of the market and variance. The embassy in Hanoi has five trade commissioners. The commercial capital of the country, of course, is in the south in Ho Chi Minh City, where we have, I believe, eight trade commissioners. Those two teams work seamlessly. That is fundamental from a resource-efficiency perspective. You might find your aerospace expert based in Hanoi, where government advocacy and information is key. You might find your agriculture and agri-food expert based in Ho Chi Minh City, where most of the buyers are .

We're coming out of a pandemic where I think business as usual wasn't usual. We're seeing a huge uptick right now of Canadian companies and institutions coming back into the market, but we're ready for them.

Thanks.

Mr. Tony Baldinelli: Thank you for that.

Again, just to build on what my colleague mentioned earlier and some of the testimony we've heard from other witnesses particularly on the agricultural side, there is a need to create something such as an Indo-Pacific diversification office to handle and look at issues like non-tariff barriers. Is that something you think would be beneficial, or is that something you believe could be handled by the officials within your offices currently?

Mr. Peter MacArthur: Perhaps I could speak to that. Here in the Philippines in an embassy of 200 people, we have 15 to 20 people focused on trade commissioner service work, so on-the-ground knowledge and networks, Philippine and Canadian staff who have been able to matchmake based on identified opportunities for the priority sectors we had laid out.

In direct answer to your question, we've had, over the past year, four or five blockages to Canadian poultry, pork and beef exports as well as potatoes, for that matter, and our trade commissioners, through our relationships with local government here, have solved those issues quite delicately but in all cases we've been able to intervene, supported by Agriculture Canada, Canadian Food Inspection Agency, Canada Beef and Canada Pork. We have experts in the field with veterinarians in the region, so this seems to be operating quite well.

Mr. Tony Baldinelli: Madam Chair, in my remaining time I want to bring forward, for the committee's consideration, my motion, which I provided by way of notice to the committee to consider up to two studies on the impact of the ArriveCAN application. If you'd like, I could read it into the record.

• (1650)

The Chair: Perhaps you could do that so everyone will be clear as to the motion.

Mr. Tony Baldinelli: The notice of motion was provided on May 26, 2022:

That, pursuant to Standing Order 108(2), the committee prioritize its agenda in order to undertake a study of no less than two meetings before the 2022 summer adjournment of the House to study and learn more about the impacts the ArriveCAN application is having on travellers at Canadian international ports of entry, including land borders, bridge crossings and airports, and how this application is currently impacting not only Canada's tourism industry but other sectors of the Canadian economy which have come to rely on the efficient operation and facilitation of cross-border travel and trade to ensure their economic recovery from the COVID-19 pandemic, and that the committee report its findings and recommendations to the House.

I have copies in both English and French, should members need them.

The Chair: Thank you, Mr. Baldinelli.

I have Mr. Virani.

Given the fact that we have our heads of mission heads, for whom it is four o'clock in the morning, could I make a suggestion that we deal with this at the end of our meeting and that we continue with a bit more testimony?

Mr. Tony Baldinelli: I'd be pleased to do that. I just wanted to be sure to bring that to your attention in my last round.

The Chair: It's there, and so if we could deal with it at 5:15, that would give us another 20 minutes of questions with our committee members.

Is everybody okay with that?

All right. Thank you.

Ms. Dhillon, go ahead, please, for five minutes.

Ms. Anju Dhillon (Dorval—Lachine—LaSalle, Lib.): Thank you, Madam Chair.

My first question will be for His Excellency Peter MacArthur.

Can you please speak to us a little bit about the state of COVID-19 in the Philippines currently?

Thank you.

Mr. Peter MacArthur: Thank you, Madam Chair.

The Philippines, after more than two years of economic lockdown—one of the most severe in the world—is doing very well. Approximately 70 million people have been vaccinated. There was a time last year when there was a shortage of vaccines, but this country has taken masking and physical distancing very seriously, and through the Holy Week here, which brought many people together in churches, through the major political rallies and election day when 70 million people voted, there has not been an uptick in the pandemic. The last time I looked there were 200 cases in a population of 110 million, so the country is bouncing out of the pandemic relatively well compared to how many other countries are doing.

Ms. Anju Dhillon: How have the consular and trade commissioner services for Canadians been affected thus far and currently?

Mr. Peter MacArthur: Thank you for the question, Madam Chair.

Our embassy never closed. All through the pandemic period it has continued to offer pandemic and visa services and indeed evacuated almost 2,000 Canadian tourists in 2020 at the height of the pandemic. We have continued to operate, and currently most of our staff is in the office on a typical business day.

Ms. Anju Dhillon: Thank you, sir, for your responses.

My next question is for His Excellency Shawn Steil.

Can you tell us a little bit about the current political stability and the state of human rights in Vietnam and what the short and long-term outlooks are for both?

Mr. Shawn Steil: Yes, absolutely.

Vietnam, as I mentioned, is a single-party state and has been relatively stable in its political situation. We have seen, I think, over

the last couple of years—some of it perhaps opportunistically because of the pandemic—a closure in digital spaces and thus an increase in censorship, and a lower level of tolerance for political opposition. In response to political activism, human rights activism, we've been seeing an uptick in arrests for that. These are reasons for concern, concerns that we do let the Vietnamese know that we have. At the same time, there has been increased opening and progress on things like gender rights and gender equality and ethnic minority rights in the country, so there's reason for optimism.

Coming from where I did, working on China, we're always monitoring political developments to see the extent to which, even in a one-party state, there is division of and limits to power, and in the Vietnamese system, you still have a very strong sense of collective leadership where power is diffuse. In fact, some would say it's almost too diffuse; provinces have an enormous amount of influence over decision-making, which can sometimes make things slow for business. But we haven't seen a very overt crackdown or consolidation of power the way that we had seen, for example, in China, but it's certainly something that we watch for.

Right now, Vietnam is in the midst of an anti-corruption campaign, and whether or not this is going to change the political landscape significantly is yet to be seen, but that's something we're also watching.

• (1655)

Ms. Anju Dhillon: Thank you so very much for your comprehensive responses.

My final questions are going to be for His Excellency Jean-Dominique Ieraci.

Can you tell us a little bit about the current business climate for Canadian businesses in Singapore? Thank you.

Mr. Jean-Dominique Ieraci: Madam Chair, the business climate in Singapore is very good. The only caveat I would say is that this is a very active city and our competitors are also here, so one has to make a pretty good pitch and show that you are willing to come often and to develop the relationships needed to do business. By and large, this is why we get a lot of visitors, because Singapore is known as being one of the easiest places in the world to do business. I think they were in the top five last year again.

Ms. Anju Dhillon: Perfect.

Do you see increased or potential opportunities for businesses to grow or expand into Singapore? If so, what sectors would most likely see this?

Mr. Jean-Dominique Ieraci: We do see more opportunities and more interest, considering the ripples that are happening in the region. Certainly in the financial sector, we see a lot more interest in growing their presence in Singapore. We see it in the agriculture sector as well. The sectors of priority that I named were picked, by and large, because we see growth in them, and what we especially we want to do is to find leads for Canadian companies and see whether they're willing to service them here, and attract them to the region in our effort to diversify trade.

The Chair: Thank you very much.

We go now to Mr. Savard-Tremblay for two and a half minutes, please.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: To the Canadian ambassador to Vietnam: you said the current regime is a one-party state which openly calls itself socialist. Since we are talking about trade relationships today, in 2022, would you call the system in Vietnam a market economy?

[*English*]

Mr. Shawn Steil: Madam Chair, as I mentioned before, the market is pretty stable, perhaps in part because of the stability of the government.

Where the challenges come is in the lack of transparency in the regulatory environment. Laws, as they are passed, tend to be quite vague, including those that govern trade. The government has a practice of issuing circulars. If you're a company operating a business in Vietnam, you really have to watch these circulars coming out and actively interpret what those are going to mean for your business. Of course, that is part of the service we provide. Given that constant flow of changing regulations, or articulation of regulations, and implementation of regulations, it's important to really follow.

Vietnam has staked its future on being open for business, and it has successfully managed to take some of the investment in manufacturing that's moving out of China and it's determined to protect that. We're following closely the developments in the market, but the indicators are positive for now.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: In other words, you are saying that Vietnam does have a market economy. Given that just a few years ago it was still a planned and state-controlled economic system, by any chance, do you have statistics or information on the private sector's share?

• (1700)

[*English*]

Mr. Shawn Steil: I do not have statistics on the proportion that's private sector. The state-owned enterprises remain fairly significant, particularly in major industries.

One example is the power grid. Vietnam has privatized in the area of power generation, so they are welcoming private investment. That may take the form of joint ventures, and there may be a requirement for a state-owned partner, but they do allow private investment. Where they haven't allowed it has been in the grid itself.

That's creating a bit of a bottleneck because, as I mentioned before, they have renewables coming on stream but a grid that can't handle renewables. They need to open that up in order to fully adapt to a new energy source.

The Chair: Thank you very much.

We'll move on to Mr. Masse for two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

I'm going to go back to Mr. Liu with my earlier questioning regarding cargo. I guess it's the transportation and logistics side that I come from. If you expand things, we don't have the capacity.

What is your assessment of customs and so forth in the jurisdictions you're overseeing? We have had challenges on the Canadian side with deficiencies in clearing vessels and so forth. Even if we lower the cargo ship costs, solve container issues and so forth, we can have them parked at sea for weeks on end, and that takes away from what we've worked toward.

Can you give me a snapshot of how the infrastructure is set up in other jurisdictions?

Mr. Henry Chi-Hung Liu: I have to apologize because I'm not a transportation expert here.

As far as I know, from experience during the discussions at APEC, Taiwan and Canada both have a very advanced single window service. Basically, there is no bureaucracy there. So far, from what I hear from our Vancouver office, the bottleneck is coming from domestic transportation in Canada, and I hope the problem can be solved.

If I find out any other information, I will let you know.

Mr. Brian Masse: Don't apologize. It's more of a transportation issue.

Those are my questions, Madam Chair. We set the table, and then we can't deliver due to lack of capacity.

Thank you.

The Chair: Thank you very much.

We'll move on to Mr. Martel for five minutes.

[*Translation*]

Mr. Richard Martel: Thank you.

My question is for Mr. Ieraci.

Mr. Ieraci, Singapore imports over 90% of the food its residents consume. We know this. This month, an article reported that Australia was gaining some of Canada's wheat export market share in Indonesia and China. The Canadian industry is focusing more on the U.S. and Japan. In your opinion, if markets are open with countries in the Association of Southeast Asian Nations, is Canada competitive enough to export these commodities to Singapore?

Mr. Jean-Dominique Ieraci: That question that would require further study, Madam Chair.

At first glance, most of Canada's exports to Singapore remain competitive, but not all. Keep in mind that the time difference between Canada and Singapore is exactly 12 hours. I am right on the other side of the world. What comes into play is shipping costs. That's where some countries closer to the region tend to make gains.

When we talk about food markets, a lot of factors come into play, including our production capacity. There may have been droughts, for example. Climate conditions often have a direct impact on our market share.

Mr. Richard Martel: I have one last question, intended for Mr. Steil.

I would like to know what the Canadian government can do to protect our manufacturing sector.

[English]

Mr. Shawn Steil: Madam Chair, the protection of the domestic manufacturing sector is a bit beyond my brief.

Certainly, manufacturing in countries like Vietnam is an important part of their sector. You can see that by our trade stats. Manufactured products, textiles and furniture occupy the majority of Vietnamese exports to Canada. On the other hand, Canadians are increasingly providing the technology and the expertise for that manufacturing process in Vietnam. That's one thing that I think that we haven't quite fully tapped but can certainly facilitate.

When those supply chains are carved out and when you have channels of trade going back and forth, what might start out as an import into Canada may turn out to be an opportunity to improve that manufacturing process and build partnerships. That's something that we're focused on as well.

• (1705)

[Translation]

Mr. Richard Martel: Thank you.

[English]

The Chair: Thank you very much, Mr. Martel.

Mr. Morrissey, you have five minutes, please.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Chair.

I'm subbing in, but I have an interest in the subject.

Commissioner Ieraci, I would like to ask you for a comment on this. The aerospace industry in Singapore is more focused on repair and overhaul and heavy maintenance. At one time Hong Kong was a significant competitor. Given the state of affairs in Hong Kong, how has that impacted the industry in Singapore?

Mr. Jean-Dominique Ieraci: I think it's a bit too early to say. We do know of companies transferring operations here. The COVID situation in Hong Kong means that travelling to and from Hong Kong has been a challenge.

That said, in the aerospace sector we're talking about very large investments. I cannot say that I've seen anything saying that operations have been moving in a major way or that the centre of gravity is changing. This is something that we might miss over time.

Mr. Robert Morrissey: Given Singapore's competitive position, and in light of changes as they impact Hong Kong, where would you see the best opportunities for growing aerospace trade with Singapore?

I'm familiar with Singapore. I've travelled there on numerous occasions and have met with their aerospace industry. Pratt & Whitney is heavily involved with their industry. Given those changes that will ultimately occur in Hong Kong, where would you see those opportunities within Singapore for Canadian-based companies?

Mr. Jean-Dominique Ieraci: Madam Chair, it's difficult for me to look into the future. When we look at the present opportunities, they tend to be, as was mentioned, in the maintenance repair and overhaul business. Whether or not those opportunities will grow because of what's happening in the region, not only in Hong Kong but in the region generally speaking, is difficult for me to say.

Mr. Robert Morrissey: How much time do I have left, Chair?

The Chair: You have two minutes and 20 seconds.

Mr. Robert Morrissey: Thank you.

How is Singapore's competitive position? Is it staying consistent in that particular market, or has it been changing?

Mr. Jean-Dominique Ieraci: Madam Chair, to my knowledge, Singapore is remaining competitive.

Now, one element that worries Singapore and Singaporeans is that generally the cost of doing business has increased here. Obviously, if we talk about aerospace, the initial investment is very expensive and very capital intensive. Once that is done, generally it remains quite competitive locally.

Singaporeans never take for granted a leadership position in anything. When the Government of Singapore sees that they might be worried about the competitive position, they invest—whether it's on training their own population, retraining or support for various industries.

Mr. Robert Morrissey: What's the single biggest factor driving the cost increases in Singapore? What's it attributed to? Is it labour or infrastructure?

Mr. Jean-Dominique Ieraci: It's a good question.

I'm not sure there's a single one driving the increase in cost. The fact that Singapore is a pretty small island certainly means that space is at a premium. We've seen real estate prices go up and, of course, the cost of living—as we've seen everywhere around the world—has increased. Singapore is very dependent on imports of energy and food, in particular.

• (1710)

Mr. Robert Morrissey: Madam Chair, I have one final question for the ambassador to the Philippines who mentioned potatoes. Being a Prince Edward Island MP, we did have a few issues with it.

Have the issues between Canada and the Philippines been resolved as to the importation of Canadian potatoes, primarily from Prince Edward Island?

Mr. Peter MacArthur: Indeed, Madam Chair, I'm happy to report a success story.

Over the past two years, the Government of Canada, working with the Government of P.E.I., Agriculture Canada and a major company, the Universal Robina Corporation, has been able to test some seed potatoes in a poorer part of the country. In one year, it increased the yield of the potatoes by 27%. It improved the quality, the taste and the look, and there were multiple colours of potatoes. The Minister of Agriculture here was so impressed that he ordered an initial 10,000 metric tonnes of seed potatoes from P.E.I. to come into the country.

Yes, we are helping to improve impoverished parts of the country by helping farmers locally, thanks to Canadian plant genetics from P.E.I. on top of potato exports.

Mr. Robert Morrissey: Is that my time?

The Chair: That's it.

Does anyone have one really important question that they would like to ask some of our distinguished guests?

Mr. Martel.

[*Translation*]

Mr. Richard Martel: Mr. Ieraci, I will direct the last question to you.

What do you think the government of Canada could do to support our food exporters without undermining the local Canadian market?

Mr. Jean-Dominique Ieraci: I am not sure I understand the question correctly.

Mr. Richard Martel: I would like to know what the government of Canada could do to support our food exporters without undermining the local Canadian market.

Mr. Jean-Dominique Ieraci: I can't speak much about what's happening in Canada. To my knowledge, Canadian food exports represent added value to our production, which can serve the Canadian market.

On the other hand, I can talk about the types of products we sell to Singapore. Singaporeans consume about half of their food in an institutional setting: restaurants or hotels, for example. So on the

one hand, they tend to buy a lot of very high value-added products. On the other hand, the price of food, which we were talking about earlier, follows international prices.

Mr. Richard Martel: Thank you.

[*English*]

The Chair: Thank you to all our witnesses.

To the heads of missions, I recognize that you started at four o'clock this morning, so thank you so much for accommodating us. You provided a tremendous amount of valuable information to us, so clearly you're not exhausted. Thank you all.

Mr. Liu, thank you for being here.

If the witnesses can disconnect, we will go on to deal with Mr. Baldinelli's motion.

Mr. Baldinelli has moved his motion that is properly introduced and before us.

Mr. Virani, you have the floor.

Mr. Arif Virani: Thank you.

Could I speak to the motion?

I thank Mr. Baldinelli for proposing it.

There are just a couple of things I want to note. One is that the ArriveCAN app and the ArriveCAN requirements are not new to Canadians nor to Canadian industry. They have been around for some time now, and it is my view that Canadians and Canadian industry have already started to adapt to these.

Second, it puts into question whether a study of this type would be merited. Even if a study of this type were merited, it begs the question as to where such a study should take place. I think you can make a very plausible argument that the industry committee or even the transport committee might be the better place to be studying the ArriveCAN app rather than the trade committee.

On that basis, Liberals will be voting against this motion.

Thank you.

• (1715)

The Chair: We have Mr. Masse and then Mr. Savard-Tremblay.

Mr. Brian Masse: Thank you, Madam Chair.

My only concern with the motion is about squeezing in the study by the end of the session, but I agree with the motion. We'll be supporting it.

I am from a border community where we receive lots of questions with regard to ArriveCAN. There is no doubt that there still are some issues out there.

One of the things I would like to have seen.... We did this before when we had the Western hemisphere travel initiative. The government did a lot of work to promote to Americans how to deal with the change to the passport laws, even from the perspective of their own country. I was talking with a number of different border proponents, and I don't think we've done a good a job on that.

For me, I'll be supporting having two meetings for this study.

It is a fair point about what committee this really belongs at, but it's one of those subject matters that gets booted around from committee to committee and never really gets any attention, so, for those reasons, I'll support it.

Thanks very much.

The Chair: Go ahead, Mr. Savard-Tremblay.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: I, for one, tend to agree with the criticism raised so far; this issue is better suited to the Standing Committee on Industry and Technology. In the motion that deals with travellers, it talks about impacts on the tourism industry. I don't think that's really relevant to our committee. However, it does mention cross-border trade. Perhaps I should direct a question to the mover of the motion.

I'd like to know if he's open to the idea of amending his motion so that, if necessary, we focus only on cross-border trade. If he is open to that, we would only need one sitting, not two. I'm throwing the idea out there.

I will not accept the motion as it stands now. On the other hand, if the amendment passes and we can focus on the subject matter pertaining to our committee, I am prepared to accept it.

[English]

The Chair: Do we want to hear Mr. Lewis and then go to Mr. Baldinelli to respond?

Mr. Chris Lewis: Whatever you'd like, Madam Chair.

The Chair: Would you like to make your comments?

Mr. Chris Lewis: Thank you, Madam Chair.

Thanks to Mr. Baldinelli.

I think it's a great motion, and I give a lot of credit to my honourable colleague Mr. Masse. He and I are situated right next to the busiest international border in North America, and his office, I'm sure, is very much like my office, Madam Chair, in that we are inundated by the same businesses that the member from the Bloc is speaking to specifically.

It's vital. We need two studies. What we need is this to be gone, quite frankly, but at least two days of study is going to be vital to this.

Thanks, Madam Chair.

The Chair: I have Mr. Hoback, and then I am going to go back to Mr. Baldinelli.

Mr. Randy Hoback: Chair, if you want to go to Mr. Baldinelli first to entertain the idea of amending the motion, I'd be curious to see where that conversation goes before I speak.

The Chair: Okay.

Go ahead, Mr. Baldinelli.

Mr. Tony Baldinelli: Thank you, Madam Chair. Thank you to my colleagues' consideration of this.

I'd like the tourism sector to remain part of this motion. It is an import/export sector. It's a \$105 billion in GDP generated for our Canadian economy. It employs one in ten Canadian workers. In my community alone, \$2.4 billion is generated in tourism receipts. About 23% of our visitor base is Americans who will visit my community, but over 50% of that revenue generated in my community comes from those American visitors. What we're not doing is properly facilitating the trade and the flow of traffic that's coming from our American visitors to Canada.

For example, the recent Statistics Canada data that came in for March on international visitation indicated there were 465,000 Americans who visited in March 2022. That's up from 95,000 from the year before. But if you go back to 2019, it was 1.5 million Americans who visited in 2019, which was our best tourism year ever in Canada. Destination Canada is already saying that we're not going to get a recovery in tourism until 2025 or 2026 at the earliest. In my community alone, there are 40,000 people who work in the tourism community, and 16,000 hotel rooms devoted to it. What they depend upon is open borders, and right now on the American long weekend, we were hearing of two-and-a-half-hour border delays.

I've got council resolutions from the Town of Fort Erie and from the City of Niagara Falls advocating for the ArriveCAN app to be rescinded and dropped. I was disappointed to see as we're moving into a tourism recovery, the government, not committing one dollar this year to tourism recovery—they did they commit monies for indigenous tourism—and they committed \$1 billion last year. And, again, consider that Niagara Falls generates \$2.4 billion when the government committed only \$1 billion last year.

Much to my surprise, the government's committing \$25 million to the ArriveCAN application. And for me, I'm trying to determine and find from the government, and have yet to be provided an answer, where the public health benefit rests with the ArriveCAN application. If it's meant to facilitate traffic flow in border crossings, it's doing a poor job at that. We're hearing about this at airports. We're hearing about it at border crossings. We're hearing about it from our industry representatives, who are caught in those two-and-a-half-hour border delays. We shouldn't be doing that. It should take seconds and not minutes to cross the border. We've had representations from our two international border commissions, who have said that ArriveCAN needs to be replaced or augmented and changed.

That's why I presented this motion, Madam Chair, for our committee's consideration.

● (1720)

The Chair: Thank you very much.

We go back to Mr. Hoback, and then Mr. Virani.

Mr. Randy Hoback: Madam Chair, I see considerations from the Bloc member and some of his concerns, but tourism is a part of trade, and thus is part of the trade committee's responsibilities. Trade in tourism is a part of the industry itself. That's why maybe it should be included, but only as part of a bigger study, or, like you say, when it comes to its trade implications. The reality is that when business people can't travel across the border because there are huge lineups, or they refuse to cross the border because of the impression that there are huge lineups created by the ArriveCAN app, that problem affects our business community quite directly.

And we're hearing of that quite consistently from people who are travelling through Pearson, especially even through Montreal, Vancouver and Calgary. I've been talking to Americans and they're saying they're not going to travel up to Canada right now, that they'll just wait because it's a gong show. With the ArriveCAN app, they just look at it and say, "What the heck is this? What do I do here?" This is something that's not deemed as acceptable. Now, I would agree with the comment that people are tolerating it, but they're tolerating it because it's forced upon them. And they're questioning what useful purpose it actually serves in helping the government keep Canadians safer. It serves no purpose at all at this point in time.

I'd like to see this study go forward. I think it's important. If we need to make some adjustments on its timing to accommodate it, maybe we could have a meeting on it now and a meeting again in the fall to get an evaluation of how the summer went and how business travel happened through the summer. Maybe that's something we could consider. I think it is very important that it come to this committee and be dealt with.

The Chair: Go ahead, Mr. Virani.

Mr. Arif Virani: I have two points. The first point is that I would reject categorically the assertion that the government has been failing to address the needs of the tourism sector and the hospitality sector. The tourism sector and all of the hardest hit sectors were provided for extensively during the course of the pandemic, and we continue to support them.

The second point is that, as I hear more members of the official opposition speak, it just buttresses the argument that, in fact, what we have is an ideological opposition to the ArriveCAN app and the public health evidence that substantiates it. The term "public health" was used by Mr. Baldinelli and Mr. Hoback, which I would then add to my initial list of appropriate committees for this. Perhaps this should be properly studied at the health committee.

You now have, potentially, three or four different avenues to study this entity: the industry committee, the transport committee, and as I have just mentioned, the health committee. The actual concern, as underscored by the members of the official opposition, is what public health evidence underscores or provides their rationale for the ArriveCAN app. They should ask that at the health committee, which underscores the point that it does not belong at this committee.

Thank you.

The Chair: Thank you very much.

Not seeing any other comments or—

Mr. Randy Hoback: Chair, I have my hand up.

The Chair: I'm sorry, Mr. Hoback.

Your little hand is way, way over there. I thought it was a decoration on the wall.

Don't hesitate to jump in there. Go ahead, Mr. Hoback.

We have Mr. Hoback and then Mr. Savard-Tremblay. Keep your eyes on the clock.

Mr. Randy Hoback: Thank you, Chair.

Again, this is selective hearing by the Liberals. This belongs in this committee at this point in time. He can pick and choose what he wants to hear from the opposition's comments. The reality is that the business community is really having major issues with this ArriveCAN app, and this is going to impact our trade. This is the proper committee, because, as Mr. Masse said, they keep punting it from committee to committee so nobody will look at it. Well, we need to look at it; it's very important.

• (1725)

The Chair: Mr. Savard-Tremblay is next.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Following up on my previous comment, I would like to move an amendment to the proposal.

[*English*]

The Chair: Please do. Go ahead.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: I move to strike what comes after "ArriveCAN". I therefore move to strike out the text from "on travellers" to "but other", and resume at "on other sectors of the Canadian economy that have come to depend on the efficient operation [...]" I'm fine with the rest of it.

I also suggest that we change "two meetings" to "one meeting."

I hope everyone understands what I mean and has access to interpretation.

[*English*]

Mr. Randy Hoback: Can we read it the way the Bloc would like to see it, just so I can hear the entire motion?

The Chair: Yes, I'm just waiting for our clerk to have it down clearly so that everyone knows exactly what it is we're voting on.

The Clerk of the Committee (Ms. Dancella Boyi): Thank you, Madam Chair.

[*Translation*]

Mr. Savard-Tremblay, correct me if anything is missing.

[*English*]

The Chair: Hold on. Mr. Baldinelli, just hold on.

Can you read it out so we're clear?

[*Translation*]

The Clerk: I will read it in French:

That, pursuant to Standing Order 108(2), the committee prioritize its agenda in order to undertake a study of no less than 1 meeting before the 2022 summer adjournment of the House to study and learn more about the impacts the ArriveCAN application is having on other sectors of the Canadian economy which have come to rely on the efficient operation and facilitation of cross-border travel and trade to ensure their economic recovery from the COVID-19 pandemic; and that the committee report its findings and recommendations to the House.

[*English*]

Mr. Brian Masse: With a subamendment to the amendment that it be two meetings, I think it would make it a terrific motion.

The Chair: It reduces it to one meeting and makes a few changes there.

Mr. Brian Masse: So, I'm proposing—

The Chair: Mr. Baldinelli, you look as if it's not clear to you.

Do you want to hold this down until the beginning of Wednesday's meeting, or are you ready?

Mr. Tony Baldinelli: No, I'm fine with the amendment to change the wording. My concern is that I would prefer having two meetings instead of one. To Mr. Hoback's suggestion, perhaps we could hold one before the summer recess and possibly one afterwards.

The Chair: Mr. Masse.

Mr. Brian Masse: I'm just asking for an amendment to the amendment so that it be two meetings.

If it's a friendly amendment, we can just go ahead with one vote, to my friend here who I think has made a really good proposal.

The Chair: And you would like to see it stay at two meetings?

Mr. Brian Masse: Yes.

The Chair: Monsieur Savard-Tremblay is saying one meeting.

Mr. Brian Masse: Yes. If he's okay with my amendment to that, then we're good to go.

Mr. Arif Virani: Madam Chair, I just need some clarification.

I understood Monsieur Savard-Tremblay's amendment. I do not understand Mr. Masse's.

The Chair: Mr. Masse is moving a subamendment that he wants to see two meetings, not one meeting.

Mr. Tony Baldinelli: But we're comfortable with the wording change.

Mr. Arif Virani: That's all before the summer recess.

Mr. Tony Baldinelli: As I said, we could discuss it. We could have one meeting before the summer recess and another one afterwards.

The Chair: Yes. I think that's—

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: That's why we're talking about at least one meeting. We can have one now and then decide what we'll do afterwards. We can agree on one meeting at least.

[*English*]

Mr. Randy Hoback: That's true.

The Chair: If you're committing to two meetings, we could have one now and one as soon as we come back in the fall.

Mr. Arif Virani: Yes. I would just reiterate that I think logistically it's going to be tough to get in two meetings prior to the summer adjournment.

Mr. Brian Masse: I'll take my amendment off the table then. That's fine. He had it good the first time.

Mr. Tony Baldinelli: Then leave it.

The Chair: Let's be clear. Are we talking about only one meeting, period, or are we talking about one meeting later on?

• (1730)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: According to the text, there will be at least one meeting. We'll start with a meeting and then we can decide what we're going to do.

[*English*]

The Chair: Okay. Is the clerk clear?

Mr. Arif Virani: We're talking about Monsieur Savard-Tremblay's suggestion, which is for one meeting prior to the summer adjournment.

The Chair: All right. I just want to make sure everything is clear so everybody knows exactly what it is.

Can you say that out loud? You want to read it out again? Okay. Please do that.

The Clerk: Now I will read it in English:

That, pursuant to Standing Order 108(2), the committee prioritize its agenda in order to undertake a study of at least one meeting before the 2022 summer adjournment of the House to study and learn more about the impacts the ArriveCAN application is having on sectors of the Canadian economy which have come to rely on the efficient operation and facilitation of cross-border travel and trade to ensure their economic recovery from the COVID-19 pandemic; and that the committee report its findings and recommendations to the House.

The Chair: Should we add to that, "if resources permit"? What happens if we are unable to do it?

If you want to do it, we will do it even if we do it at eight o'clock at night. If the committee passes a vote—

Mr. Arif Virani: I think that would be a logical amendment, Madam Chair.

The Chair: Should resources be allowed to do it. Otherwise—

Mr. Randy Hoback: Chair, the problem I have with that is that it leaves it ambiguous. I don't think you can add that amendment. We want to see this happen before summer break, so we're going to have to try to do everything we can to make it happen.

Now, if you can't, you can't, but I don't think you need to put that in the motion.

Mr. Arif Virani: I think we should vote on whether we're adding the words "should resources permit".

The Chair: We have to vote on the issue of "if resources permit" that Mr. Virani mentioned.

All those in favour of the amendment suggested by Mr. Virani—"if resources permit"?

Mr. Randy Hoback: No.

The Chair: It is no from Mr. Hoback, Mr. Baldinelli, Mr. Martel and Mr. Louis.

(Subamendment agreed to)

The Chair: We go on to the amendment from—

The Clerk: Where in the motion would you like that wording to go?

Mr. Arif Virani: We will leave that in your capable hands, Madam Clerk.

The Clerk: Should we put it at the end?

The Chair: Put it at the end.

Now we're going to vote on Mr. Savard-Tremblay's—

The Clerk: It's Mr. Savard-Tremblay's amendment as amended.

The Chair: It's an amendment that's been amended by “should resources permit”. That's right. All those in favour?

(Amendment as amended agreed to)

The Chair: Okay. It carries.

Look at this, gentlemen. You did a wonderful job.

Mr. Brian Masse: Can I just do a quick point of order?

The Chair: Now we have the motion as amended.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Are we voting on the amendment or on the final motion as amended?

[*English*]

The Chair: We just voted on yours and now we're going to vote on Mr. Baldinelli's motion as amended.

Go ahead, Mr. Masse.

Mr. Brian Masse: I have a lot of faith, Madam Chair, that if you can find time for this, you'll do it. I think you've handled the committee very well, so with resources provided, it gives you a lot of latitude in terms of time and when we can do this. I'm an open book in terms of getting this done, even if it's not traditional committee time. I think that's important and that there's confidence here for that.

The Chair: Okay.

Now, on the motion as amended, raise your hands.

(Motion as amended agreed to ([See *Minutes of Proceedings*]))

The Chair: All right.

We've been trying to do heroic work here just in case it passed, so we would ask that the names of witnesses be in by Wednesday evening by 4 p.m. for us to go forward with this motion that we have just passed. All witness names for this study should be in by Wednesday at 4 p.m. of this week. We're going to try to ensure that we have this meeting.

All right?

Okay. Thank you very much, all of you.

• (1735)

Mr. Randy Hoback: Thank you, Chair.

The Chair: We'll move adjournment.

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