



FIGHTING FOR OUR FUTURE: SUPPORTING THE TRANS PACIFIC PARTNERSHIP



I heard Ed Fast, a member of parliament who recently served as the Minister for International Trade and Minister for the Asia-Pacific Gateway, speak in March about his recent accomplishments including the historic agreement of the Canada European Comprehensive Economic and Trade Agreement (CETA) in principle and the signing of the Trans Pacific Partnership (TPP). Both CETA and TPP are aimed at creating a more competitive Canadian economy by deepening Canada's trade and investment ties in large, dynamic and fast-growing economies around the world.

Fast iterated that Canada is long past the 'drawers of water and hewers of wood' category of trade in the global economy. In fact, Canada now ranks worldwide as fourth largest exporter of engineering services and first largest of mining services. That innovation and resourcefulness is also represented in our value-added forest industry.

As we know in British Columbia, our resources are an important aspect of our economy. For all of us in the forest and wood products industries, expanding markets for what we do best can only benefit our futures. Our individual businesses will be able to attract new employees when we offer long term, profitable horizons.

For example, with only one major primary breakdown facility west of Smithers, the forest industry in the Pacific Northwest has relied heavily on foreign markets. When the export markets are healthy, the harvest sector in our area is also busy. But when export markets are bad, our area is deathly quiet.

Japan has tariffs of up to 10 percent on forestry and value-added wood products. Vietnam applies tariffs of up to 31 percent, Malaysia of up to 40 percent, Australia and New Zealand of up to 5 percent and Brunei of up to 20 percent. The TPP will eliminate tariffs on forestry and value-added wood products and

create new opportunities in key markets such as Japan, Malaysia and Vietnam.

Under the TPP Agreement, Canada's forestry and value-added wood products industry will be able to capitalize on the business opportunities created by the growing needs of the Japanese market, including products such as lumber, oriented strand board, worked coniferous and non-coniferous wood, builders' joinery, plywood and veneer panels. Canada's exports in this sector will also now have an advantage over competitors outside of the TPP region (for example, the European Union, Russia and China).

By generating opportunities for Canadian forestry and value-added wood products, the TPP will create advantages for Canadian businesses and workers.

There are always those that decry any—and in some cases every—new opportunity to find markets for Canada's resources. 'We will lose sovereignty,' 'jobs will be shipped offshore' and other largely speculative and often ill-informed complaints fill the pages of some news services.

For too many years, Canada relied heavily on one market—the US—and, as so many of us know from painful experience, the one basket approach doesn't work well. The TPP will open up the potential purchasing power of over 800 million new customers. With those new customers, comes the equal potential for new value-added products that we may not have ever dreamed of to date—but may become the 'next big thing.'

When Fast addressed concerns about the TPP, he explained "the Trans Pacific Partnership carries with it a six month termination clause." In other words, if you don't find benefit to nearly free trade with 11 more countries and all their potential consumers—one that doesn't have to be re-negotiated and re-litigated every few years—you can shake the sawdust from your jeans and ride off into the sunset.

March headlines shouted "Christia

Freeland heralds 'real breakthrough' on softwood lumber negotiations." Further quoting Minister Freeland, she states that "what we have committed to is to make significant, meaningful progress towards a deal—to have the structure, the key elements there a 100 days from now."

Again we know from history, that until the ink is dry on the signature line, US lumber companies will oppose the import of softwood, claiming Canadian companies have an unfair advantage with their preferential access to Crown-owned lands with lower stumpage fees.

But the TPP may also just represent that surety and continuity we have all been dreaming of. While International Trade Minister Chrystia Freeland signed the Trans-Pacific Partnership trade deal in a ceremony in New Zealand on February 3 of this year, that signature represents little more than an 'agreement in principle'. The agreement may take up to two additional years to ratify and put into place.

Two years that the forest and wood products industries can lobby their Members of Parliament and help them understand the contribution our industry makes to the revenue stream. This government has promised billions in infrastructure spending—with the TPP, we can not only help underwrite that promise, but our own successful futures as well.

Finally, if you're interested in learning more about the TTP, the government has some good, easy to understand information about it at international.gc.ca—just type TTP into the search engine once you get there.▲