



**Submitted through House of Commons online portal**

March 17, 2021

Honourable Judy Sgro  
Chair, Standing Committee on International Trade  
House of Commons

RE: Committee study on reform of the World Trade Organization

Dear Ms Sgro:

Thank you for the opportunity to participate in the Standing Committee on International Trade's study on reform of the World Trade Organization (WTO). With the change in US Administration and the recent appointment of a new Director-General, now is a critical time for the committee to be undertaking this study.

Canadian businesses value the importance of the WTO as a core part of the rules-based international trading system. However, for the organization to maintain its relevance it must keep pace with the challenges facing Canadian companies.

The Canadian Chamber wishes to offer several recommendations that the Committee should consider reflecting in its report on WTO reform.

- Dispute settlement: The WTO's rule-making function is only valuable to the extent that rules can be enforced. The Canadian Chamber welcomes the work to date by the government to implement the interim arrangement on dispute settlement as a stopgap measure. However, it is vital for the WTO membership to continue to work towards making appellate body appointments so as to restore the WTO's full dispute settlement function.
- WTO Joint Statement Initiative on E-commerce: The WTO's ongoing discussions towards a plurilateral e-commerce agreement are a critical initiative to ensure trade rules stay relevant for the modern economy. This is especially the case since this initiative's outcomes will impact many sectors of the economy. Canadian businesses hope that the final outcome of this plurilateral will include, among other things, provisions covering:
  - cross-border data flows to enable companies in all sectors to move data across borders as a means to enhance productivity and reach new markets;
  - regulatory cooperation to ensure that a forward looking agenda is maintained as new issues emerge;
  - trade facilitation provisions to build on the WTO TFA; and
  - the integration of a permanent ban on customs duties for electronic transmissions that builds on the commitments made in our various preferential trade agreements.
- Distortive Industrial subsidies: Canadian companies continue to be placed at a competitive disadvantage relative to entities that receive distortive industrial subsidies from their home governments. The WTO should work to develop disciplines that create a level playing field for Canadian businesses at home and in third country markets. This should build on the substantial efforts that have already been undertaken in



the G20, Organization for the Economic Co-operation and Development, and the Global Forum on Steel Excess Capacity.

- Agriculture: Canadian exporters continue to face challenges with the prevalence of non-tariff barriers in international markets. Canada should leverage the WTO to advocate for science-based approaches to domestic regulations – such as labelling and SPS rules - and use WTO committee structures to maintain dialogues, and make progress on, agriculture non-tariff barriers. This would build on the work already being undertaken by Canada through the CAIRNS Group, such as last year's statement on [protecting global food security](#).
- Health and Trade: The government should continue work through the Ottawa Group on the Trade and Health Initiative. The COVID-19 pandemic has brought into focus the intersection of trade and health issues. Work should be undertaken to particularly ensure strong disciplines on export restrictions, cooperation on technical requirements, and transparency through notifications.
- Environment and Trade: The issue of carbon border adjustments continues to gain importance in a domestic context and in Canada's key trading partners. The issues presents complexities for Canadian companies, particularly those with supply chains that operate across borders. Canada should continue to actively engage in these discussions at the WTO to ensure emerging issues do not adversely impact Canadian interests.
- Trade Finance: The WTO should also be leveraged as a forum for advancing issues related to trade finance. Without sufficient access to trade finance, businesses will be constrained in their ability to engage in importing and exporting activity. This is a particular pain point for SMEs. The WTO should also work to facilitate the move towards paperless trading and exchanges between regulatory authorities.

Thank you once again for your consideration of the Chamber's views in the course of your study. We would be happy to provide further information to assist the Committee in the completion of its report and recommendations.

Sincerely,

Mark Agnew  
Vice President, Policy and International  
Canadian Chamber of Commerce