

TPP Trade Update

Atlanta, Georgia, U.S.A

Tuesday, August 29, 2015

Prepared by SM5 staff

Given the anticipation, and the expectation of many, that this TPP negotiating session will be the last one, leading to a final TPP agreement by October 2nd, there are a significant number of Canadian stakeholder groups in Atlanta to monitor the process.

The SM5 is well represented in Atlanta and is in constant communication with the SM5 communications team in Ottawa. In addition to the SM5 representatives, there are quite a few representatives from the provinces, including a fairly large delegation from Quebec. Representatives from the processing sector (poultry and dairy) are also on the ground. Of particular note is that a number of Provincial Ministers from Ontario (agriculture) and Quebec (agriculture and trade) have started to arrive in town.

Supply management representatives have had a number of briefings/meetings with either negotiators and/or political staffers. With respect to the negotiating process, Chief Negotiators (CNs) have been working since Saturday to close as many outstanding issues as possible. This will be followed by a Trade Ministers' meeting on Wednesday and Thursday (possibly extending into Friday) for them to finalize a deal – note that Minister Fast is arriving today (Tuesday). Officials will then work on finalizing the legal texts and tying up loose ends through to Monday October 5th (some are likely to stay behind).

Entering this week's negotiation, there were three main areas that required closing gaps: automotive issues, including Rules of Origin (RoO), Intellectual Property (biologics) and agricultural market access. Based on discussions with various contacts and meetings with Canadian officials, it seems possible for the negotiators to develop "landing zones" for the Trade Ministers on these matters. Though difficult political decisions will still be required on these three areas, gaps are expected to be narrowed to a point where Ministers should be able to find the necessary compromise. An agreement is clearly within sight this week and, as was the case in Maui, it rests on a breakthrough in the auto sector. Only after a breakthrough on autos has emerged will the agriculture question be finalized. The agricultural industry is definitely one of the most sensitive, as demonstrated by the presence of numerous stakeholders from the US, Australia, New Zealand, Japan, Mexico and Canada.

With respect to agriculture, the negotiations will enter a very difficult and intense period as the Ministers gather. Commentators believe that the CNs and Ministers will do their utmost to finalize a deal on agriculture this week, based on apparent momentum and political will. Depending on progress in the other areas, it is very possible that agriculture market access will be resolved by Ministers towards the end of the week. If a deal is reached, the expectation is that it will be extremely difficult for any sensitive sector to be excluded from providing some minimal level of market access.

As the media frenzy around TPP and supply management continues, negotiators, government officials, political staffers and the Minister will be closely watching the reaction of industry stakeholders to developments here in Atlanta. Strong support for supply management in Canada is critical to supporting the objectives of the Canadian negotiating team here in Atlanta.