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Chair: Judy A. Sgro





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Thursday, February 5, 2026

• (1100)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I call the meeting to order.

This is meeting number 21 of the Standing Committee on International Trade. Pursuant to the order of reference of Monday, February 2, 2026, the committee is commencing its study on Bill C-18, an act to implement the comprehensive economic partnership agreement between Canada and Indonesia.

Appearing today, we have the Honourable Maninder Sidhu, our minister. I'm glad to see you back again, even if we're doing Bill C-18 for the first hour and are being very ambitious and doing Bill C-13 for the second hour—not to mix anyone up. You've been here for both, so we appreciate the fact that you're here.

Also with us today, from the Department of Agriculture and Agri-Food, are Matthew Smith, chief agriculture negotiator, and Axel Ndayisaba, director of the trade negotiations division. From the Department of Foreign Affairs, Trade and Development, we have Rob Stewart, deputy minister, and Aaron Fowler, associate assistant deputy minister for international trade.

You're all very familiar with our committee, and we welcome seeing all of your familiar faces back again.

I will now open the floor to the minister for his time to speak to the committee on this trade bill.

**Hon. Maninder Sidhu (Minister of International Trade):** Thank you, Madam Chair.

Good morning, everyone.

It's an honour to be here once again. It's another week, and here I am again. It's a very comfortable, familiar environment for me.

I do want to say, once again, thank you to all the members for the tremendous work you're doing. I miss my time here at this committee, because I know that the work you do reflects on and is very important to workers on the ground across Canada.

Last week, I was here to talk about the U.K.'s assent to the CPTPP, and here we are, today, to talk about Bill C-18, Canada's trade agreement with Indonesia.

At its core, trade policy is about opportunity. It's about who can reach new markets and who benefits when Canada succeeds. It is about connecting Canadian workers, businesses and communities to growth beyond our borders. It's also about strengthening the economic foundations that families across the country rely on every

single day. That is the lens through which I approach this agreement, and this is why this work matters.

Indonesia is one of the most dynamic economies in the world today. It is the largest economy in Southeast Asia, a member of the G20, and home to nearly 280 million potential consumers. Indonesia sits at the meeting point of Southeast Asia and Oceania, and its scale is matched only by its cultural richness. Across its 17,000-plus islands, there are around 300 distinct ethnic groups altogether, speaking more than 700 languages. Indonesia has a young and growing population, a rising middle class and an economy that is diversifying at a rapid pace. Over the coming years, Indonesia is expected to become the world's largest economy. That growth is already reshaping global trade patterns and supply chains.

For Canada, this is a major opportunity and one we cannot afford to ignore. Indonesia's economy needs what Canada does best. From agriculture and agri-food to forestry, critical minerals, energy solutions, clean technology, advanced manufacturing and services, these are sectors in which Canadian businesses are competitive, innovative and globally trusted. As Indonesia invests in infrastructure, food security, sustainability and industrial development, Canadian companies are well positioned to partner in that growth, while creating jobs and prosperity here at home.

This agreement reflects a shared commitment to openness, cooperation and long-term economic partnership. It gives Canadian businesses the certainty they need to plan, invest and build lasting relationships in a fast-growing market that values reliability and, of course, quality. By deepening our ties with Indonesia now, we are creating pathways for Canadian exporters to grow alongside Indonesia's economy, translating demand abroad into investments, innovation and jobs here at home.

However, opportunity alone is not enough: Access matters. With this agreement, we reduce barriers, establish clear rules and give Canadian businesses the confidence they need to compete and win globally. When doors open in markets like Indonesia, jobs are created and protected in Canada. That connection is real and direct. When a Canadian farmer exports canola, wheat or pulses to Indonesia, it supports jobs not only on the farm but at the grain elevator, the rail yard, the port and the processing facility. When Indonesia buys Canadian lumber, pulp or paper, it sustains employment in logging communities, keeps sawmills humming, supports trucking and rail operations, and drives activity at ports and packaging plants across the country. For millions of Canadians whose livelihoods depend on exports, market access can mean the difference between growth and stagnation, between expansion and uncertainty, and those impacts are felt in communities across our country.

This agreement is also about Canada's long-term future in the Indo-Pacific, one of the fastest-growing regions of the world. Strengthening our partnerships with Indonesia helps build resilient supply chains, deepens relationships with trusted partners and ensures that Canadian workers and businesses are connected to opportunities on every continent.

Simply, we pursue trade because it delivers for Canadians. We do this work for workers whose jobs depend on global markets. We do this work for families that rely on strong local economies. We do this work because the benefits of trade reach every corner of our country. With every opportunity we expand, every partnership we strengthen and every door we open for Canadian workers and businesses, we are building a stronger Canada.

I think it's very important, for today's conversation, that we focus on the workers on the ground who will be impacted by our FTAs with many countries around the world, but especially with Indonesia.

Thank you, Madam Chair. I look forward to your questions.

• (1105)

**The Chair:** Thank you very much.

I appreciate your leaving ample time for questions from the members.

We'll go to Mr. Chambers, please, for up to six minutes.

**Adam Chambers (Simcoe North, CPC):** Thank you, Chair.

Minister, welcome back. It feels like you were here just a week ago. If you'd like to keep coming to committee and bringing trade agreements with you, we'd keep welcoming you here.

My understanding, at least from the numbers or the reports we have from our good analysts here, as well as your department, is that the GDP impact of this agreement will be 0.0012%. Do I have that about right?

**Hon. Maninder Sidhu:** When you look at the forecasting for many trade agreements in the past, the forecasting has never been spot-on. Things change, environments change and economies change.

When you look at forecasting in the past—we can get you some of the numbers from past forecasting—it was always underwhelm-

ing, but when you look at the actual impacts within six years of a trade agreement coming into force, trade typically doubles, and the GDP numbers go far beyond that.

**Adam Chambers:** Before the agreement was signed, basically 80% or 88% of Canadian goods could access that market duty-free already. Is that right?

**Hon. Maninder Sidhu:** When you look at what we got in terms of options and opportunities, this agreement will lower the preferential tariff access for many different categories. I think it's important to note that many stakeholders have come out in support of this agreement, because they know how much access it would provide them in terms of additional opportunities. As Indonesia grows, to get in at this time was very important.

**Adam Chambers:** Sure. Look, I think you'll have no negative reactions from us in terms of whether or not we agree with the agreement. Any time we can expand trade is a good opportunity, but I think we have to be realistic about what outcomes we're going to get. Of course, industry has to do its part in building some of those relationships, and I hope the government will support it.

We may be focusing on a number of areas but still leaving a big hole with our largest trading partner. Do you have an update on when we might be able to get some meaningful progress on that relationship, recognizing that it's not solely your responsibility? I recognize that 0.0012% is better than zero, but we still have this quite challenging situation with our largest trading partner.

**Hon. Maninder Sidhu:** It's a very important question. I think you're right to ask that question in terms of what we are doing with our largest trading partner, the U.S. It will continue to be an important trading partner to Canada. As you said, Minister LeBlanc is currently focused on those conversations with the U.S. As you know, 85% of our goods still go in duty-free. We don't want to sign a bad deal. We want to make sure that we get the best for Canadians, and we'll continue having those conversations.

My focus as the international trade minister is to diversify into new markets around the world. In the past, Liberal and Conservative governments have signed smaller agreements, if you look at what's been done in the Americas with the countries there. They were much smaller economies, but I would say that for any trade agreement we can sign that can give more access for the goods that Canadian workers produce, we should go for it.

That's my focus. We promised Canadians. Across this table, in all our platforms, for the three parties here in this room, we all had trade diversification in our platforms. At this time of great economic insecurity with our largest trading partner, it's important that we continue focusing on opening doors, and that's what we'll continue to do.

**Adam Chambers:** You'll have support from us to help you get there and deliver results. Prime Minister Harper entered office with about six trade agreements and left with about 51 completed, under way or close to completion.

On expanding trade, it was reported yesterday that the Taiwanese are still waiting for the trade framework agreement. I'm wondering if you can help me understand where that is. Is there anything? Is it sitting on your desk or is it sitting on the desk of someone else at the moment?

• (1110)

**Hon. Maninder Sidhu:** Coming back to your question on Taiwan, I think it's important to note that Taiwan is an important economic partner for Canada. I think our two-way trade is at roughly \$5 billion, if not more.

They'll continue to be an important partner for Canada within our long-standing one China policy, and I think that's very important to mention here when you talk about Taiwan. We'll continue standing up for Canadian interests, and we'll do what's best for Canadians. At the end of the day, in terms of that arrangement with Taiwan, we're analyzing and we're figuring out next steps.

**Adam Chambers:** My understanding is that the agreement was basically finished, the pages initialized, and we're just waiting for, I guess, the Prime Minister to say that it's okay for it to move forward. Is that a correct assessment?

**Hon. Maninder Sidhu:** We're here to talk about Indonesia, but of course Taiwan is an important economic partner to Canada. There are many sectors that we collaborate on—aerospace, information technology, communications, agri-food, seafood and so much more. We're going to continue having those conversations.

I would like to note here that within the one China policy, we'll continue engaging with all of our economic partners and we'll do what's best for Canadians.

**Adam Chambers:** I would just say that you would have support around this table. If that agreement needs to come to this committee, we would be more than willing to clear the decks to make sure we can finalize that agreement with you.

I'd also ask you to speak to the Minister of Transport, because one of the Taiwanese airlines is trying to increase the number of flights it has here—or actually get routes. As you know, the more flights you have to a country, the better the opportunities for our businesses to trade. If I could leave that with you as a recommenda-

tion from this committee, or at least from me, we would be willing to support you bringing the Taiwanese framework agreement here.

**Hon. Maninder Sidhu:** I'm happy to take that back.

**The Chair:** Thank you very much.

Madame Lapointe, go ahead, please, for six minutes.

[*Translation*]

**Linda Lapointe (Rivière-des-Mille-Îles, Lib.):** Thank you very much, Madam Chair.

I would like to thank all the witnesses for joining us again today to discuss Bill C-18, which deals specifically with the free trade agreement between Canada and Indonesia.

Minister, can you explain how the agreement between Canada and Indonesia, as set out in Bill C-18, will create concrete opportunities for Quebec businesses, particularly in my riding, Rivière-des-Mille-Îles, in the Lower Laurentians, where the aerospace industry and many other industries are located. We are also active in the manufacturing and technology sectors, and we do a lot of agri-food processing.

How will this agreement support local employment in my riding, as well as in the Greater Montreal Area?

[*English*]

**Hon. Maninder Sidhu:** Through you, Madam Chair, I'd like to thank the member for her important work on this committee. We have had great conversations on aerospace, farmers and the meat industry, and how this agreement would impact them and the opportunities that it would create.

When you look at the numbers, you see that our agri-food exports around the world amount to roughly over \$100 billion, and that includes seafood and fish sectors as well. Indonesia imported about \$39 billion in agri-food and seafood in 2024 alone. Canada's sixth-largest agri-food market is \$1.2 billion, in the ASEAN. In terms of the food sector, CEPA phases out tariffs on products such as beef and pork, pulses, potatoes, fruits and, of course, pet food.

You spoke about the beef industry, and I think it's important that we hear from them directly in terms of what they've said about this agreement. Maybe I can read into the record some quotes from them, from the Canadian Meat Council and the Canadian Pork Council. For those watching, for context, these councils represent roughly over 7,000 farms and meat-processing establishments. They have huge numbers and they speak for a lot of farmers here in Canada. They support over 190,000 jobs. As I said in my opening remarks, at the heart of this, it all comes back to workers on the ground across Canada, in communities in Quebec and all across Canada.

Maybe I can read into the record some of the quotes that we've heard from the Canadian Meat Council and the Canadian Pork Council.

The first quote is this:

This landmark agreement represents a significant opportunity for Canada's meat industry to expand its presence in one of the largest and fastest-growing markets in the Indo-Pacific region.

It continues:

The CMC looks forward to the swift implementation of the CEPA and remains committed to supporting the government of Canada in ensuring this agreement delivers tangible benefits for businesses and communities. We look forward to working alongside like-minded partners to drive the success of this ambitious partnership.

As you can see, in terms of access, there's a lot of excitement among the thousands of farmers this council represents. I think the more doors we open, the more it will reflect the farmers on the ground. It will reflect the opportunities, not only in the months ahead but in the years ahead, for what more they can do.

You spoke a little bit about aerospace, and I think it's important that I touch on that, because it's a huge industry in Quebec, as we know, with the operations of Bombardier and CAE. This presents a lot of opportunities for them. Again, coming back to jobs, the aerospace industry represents over 225,000 workers, which is a big number, and that impacts communities on the ground. The CEPA guarantees tariff-free treatment for nearly all aerospace products entering Indonesia. They imported about a billion dollars' worth of these products not too long ago, in 2024, and of course, as they expand their middle class, they'll be adding more flights and airlines. If you have more spending money, you like to travel, so hopefully that will translate into more planes being bought from Canada, meaning more work for workers in Quebec and across Canada.

This agreement will unlock tremendous opportunities, and it's not just about one part of our country. The GDP from the aerospace industry is about \$29 billion, and the majority of that is export-driven. The more FTAs we sign, the more support the aerospace industry gets. I think CEPA positions Canadian manufacturers well to get into this important market.

Let's dive a little bit deeper into the numbers. I talked a little bit about CAE, and I've seen their operations around the world. It's a tremendous success story for Canada. We have a huge amount of respect for the company and what they're doing. They have offices in Montreal, Toronto, Mississauga and Vancouver, and they support close to 13,000 employees, including in Moose Jaw, Saskatchewan, and in Alberta, so it's a fabulous story to tell.

As middle classes expand and more planes are needed, guess what: You need people to train those pilots, and that's what CAE specializes in, in terms of simulation. They're providing simulation services around the world. Indonesia is a prime market that we encourage them to continue to explore, because at the end of the day, coming back to the same statement I said at the beginning, it's about the workers on the ground.

• (1115)

[*Translation*]

**Linda Lapointe:** Thank you very much.

You were right to mention CAE, which offers training. As I told you the other day, my son trains commercial pilots. It's quite complicated to obtain a private pilot's licence, but we're very proud of this company.

As you said earlier, Indonesia is one of the places where the population will grow the fastest. It will therefore need a lot of services, including air travel.

I think my time is up.

Thank you very much.

[*English*]

**The Chair:** Thank you very much.

Mr. Savard-Tremblay, you have six minutes, please.

[*Translation*]

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

Thank you, Minister, for joining us again at the committee. Welcome.

I would also like to thank your colleagues for being here.

Before getting to the heart of the matter, namely Indonesia, I would like to take advantage of this opportunity. My Conservative colleagues mentioned Taiwan, and you said you would be willing to come back. I have an invitation to extend to you, which I will present in the form of a motion. I will just read it out, and then it will be sent to you, and we can deal with it the next time we discuss the committee's work. Here it is:

That the Standing Committee on International Trade

- (a) write to remind the government that Canada's signature of the cooperation agreement with Taiwan has been pending since April 2025, while emphasizing that Taiwan is a reliable and democratic partner that does not rely on forced labour;
- (b) request that the government specify the anticipated timelines for the ratification of this agreement;
- (c) invite the Minister of International Trade to appear before the committee to answer members' questions on this matter;
- (d) transmit this motion and the letter referred to in paragraph a to the Prime Minister's Office and the Office of the Minister of International Trade; and that the committee report its efforts to the House.

You therefore have an exclusive invitation, before the committee sends it to you formally by email.

I will now return to my questions on Indonesia.

First of all, we know that there are several challenges concerning this country. It is a large market. So, in itself, it could be beneficial for our businesses. There is no problem on that front, but I still have a few small questions. Yes, we need to promote diversification, but not at any price. We know that there are violations related to steel dumping, for example.

Was this considered during discussions?

• (1120)

[English]

**Hon. Maninder Sidhu:** When you look at our steel industry in Canada, it's a very important industry, and you see the steps our government has taken to protect the industry, as the U.S. imposed section 232 tariffs on our industry. You see the movement of steel. We don't want to become a dumping ground, so we've taken extraordinary measures to protect our industry, because it's about national security. If you don't have a steel industry, you don't have national security. We need to protect the industry. Of course, we've taken steps to protect the industry against any dumping, but also to make sure that they're able to thrive and that the workers have the support on the ground.

[Translation]

**Simon-Pierre Savard-Tremblay:** Is there anything about this in the agreement itself?

[English]

**Hon. Maninder Sidhu:** In terms of dumping, we can do dumping and negotiations. We can bring up that information at any time when we have consultations. We can bring it to the WTO as well when we have a trade agreement. There are many different mechanisms that you can have. I would say, talking about Indonesia, the steel measures that we've taken are for non-FTA partners. If you look at where steel is coming from right now, there are the Chinas and the U.A.E.s of the world, and South Korea. We need to make sure that we're there to protect our industry, and that's what the finance minister has stepped up and done.

[Translation]

**Simon-Pierre Savard-Tremblay:** Now, with regard to forced labour and human rights in general, we know that Indonesia's record is not good. This has been documented and proven. Is there anything in the agreement to counter this? I'm not just talking about chapters with principles.

Is there anything concrete to ensure that goods produced by forced labour are filtered out?

[English]

**Hon. Maninder Sidhu:** First and foremost, for the record, I want to make sure that I say this: Forced labour is definitely unacceptable anywhere in the world, and we must ensure that our global supply chains remain free from these type of abuses. It's something that we prioritize in our conversations. There is a chapter in the actual agreement on labour provisions. We need to make sure we continue having that conversation, not just with one country, but with all of our trading partners.

[Translation]

**Simon-Pierre Savard-Tremblay:** Does this chapter contain only principles, or are there any binding elements, such as provisions and mechanisms? Is there any substance to it?

[English]

**Hon. Maninder Sidhu:** Labour provisions are enforceable. They are enforceable and are subject to the CEPA's dispute settlement mechanism as a matter of last resort, if a serious matter arises between the parties that cannot be resolved through co-operation or consultation. To answer your question, yes, there are enforceable measures.

[Translation]

**Simon-Pierre Savard-Tremblay:** Does the agreement provide for a concrete judicial mechanism for potential victims?

[English]

**Hon. Maninder Sidhu:** There are enforceable provisions in the agreement, which we're happy to get you more information on.

Coming back to your question on the ISDS, I know that was an important question from you just last week from this committee. I think it's important. I have some information to share with you in terms of ISDS, because it was a very important question from you and I want to make sure I endeavour to follow up.

You asked how many cases were brought forward. There were 37 ISDS cases that were brought forward against Canada: 33 under the NAFTA or CUSMA, one under the CPTPP, and three under FIPA agreements. Twenty-one cases out of the 37 led to favourable outcomes for Canada. If you look at the settlements, Canada has been awarded roughly over \$4 billion, which is 20 times more than what we've paid out.

You asked the question on ISDS mechanisms and why it's important for Canada and Canadian companies. These numbers are some of the facts that present some of the wins that Canadian companies have gotten. Canadian investors are among the most frequent users of the ISDS, and we are similar to what France is doing, what the Spaniards are doing and, of course, what the Germans are doing as well.

ISDS, as I said last week, and I am saying it again, provides certainty for our businesses and presents opportunities that they move forward with.

[Translation]

**Simon-Pierre Savard-Tremblay:** On that point, I strongly disagree with you.

I wanted to talk to you about the investor-state dispute settlement mechanism later, but since we're discussing it now, I'll take this opportunity to do so.

I imagine that you are aware, from your discussions, of the case of the Canadian mining company Baru Gold, which wants to start industrial gold mining on the small island of Sangihe. We know that there are conflicts between the local population and the Canadian mining company.

Is it true or false that, if the government were to ultimately decide that it did not want this project, the investor-state dispute settlement mechanism would allow the company to take legal action against the Indonesian state to impose its project?

• (1125)

[English]

**Hon. Maninder Sidhu:** These mechanisms are in mutual recognition from both parties, so it's not one-sided. These are two parties coming to the table saying that they recognize ISDS, and that's why there are provisions in this agreement.

If you look at why we did it, the facts that I just read into the record are very important stats for people to know why we have ISDS dispute resolutions that go forward. Canada has been one of the most frequent users of ISDS mechanisms, and they're working.

Of course, when you talk about mining, we encourage all of our companies to operate ethically, with the highest of environmental and labour standards, and we'll continue doing that.

**The Chair:** Thank you very much.

We'll go on to Mr. Mantle, please, for five minutes.

**Jacob Mantle (York—Durham, CPC):** Thank you, Madam Chair.

Following up on the question of steel and Indonesia, I've heard rumours that the government is considering lowering the steel TRQs for FTA and non-FTA countries. Do you have a comment on that, Minister?

**Hon. Maninder Sidhu:** Yes, there are some certain derivatives of steel products that we simply don't make in Canada, and this is an ongoing conversation that we have with suppliers from countries around the world. This is an ongoing conversation that I have with many trade ministers from around the world about certain products that we may not produce.

We, of course, encourage our manufacturers to produce. I was at Dofasco in Hamilton not too long ago, and we talked about these measures of making sure that we're there to protect our industries. Of course, we believe in free trade but, at this very moment, this is an extraordinary measure that we took to protect our industries.

To come back to your point, there are certain derivatives of steel products that we simply do not produce, and, as our industry catches up to that, we need to be able to support the construction of LNG sites in B.C. We have seven under different phases of development. They use a lot of steel and aluminum, and some of that product we may not make in Canada, so we need to be open to having those conversations.

**Jacob Mantle:** I appreciate the comments on the derivatives, but I'm more interested to know if the government is going to lower the TRQ levels for FTA and non-FTA countries from their current levels.

**Hon. Maninder Sidhu:** This is an ongoing conversation, and it's being led by the finance minister, so I don't want to overstep, but it's an active conversation. We're working and consulting with stakeholders across the country, and we'll continue having that conversation in terms of steel.

As I said at the very beginning, steel is used in our defence industries, and we need to protect our industries, ensuring that they last and they're not just wiped out because of other countries' dumping into Canada. It will also give them opportunities. Right now, when you look at what steel companies produce—

**Jacob Mantle:** You've answered my question. I appreciate it. I'm sorry; I don't mean to cut you off too much, but I have limited time.

On Indonesia specifically, you spoke in response to Mr. Chambers' interventions about forecasts. Well, the chief economist for Global Affairs did do a forecast on Indonesia and, as Mr. Chambers pointed out, noted that 88% of goods already have duty-free access. Only 9% would receive additional benefits, and 3% would continue to face high duties.

The chief economist in his report—or her report, I'm not sure— noted that “the projected economic gains are modest.” I think we heard that they were less than one half of 1%. It's better than nothing, I think we all agree on that, but I think it's important that we have truth in what's happening. When you announced this deal, the PMO release said it was “game-changing”. I guess I would just say that less than half of 1% is not game-changing, in my view.

That leads me to the issue of diversification in general. I think, no matter how many deals with Indonesia or Indonesia-like deals you bring to the committee, it's not going to replace the elephant in the room, which, of course, is still our lack of a deal with the United States. Three quarters of our exports go to the U.S., so, whether we like it or not, we have to work with the Americans. I just don't believe that this elbows-up anti-Americanism is helpful. I don't believe that drawing an equivalence between China and the United States, as the Prime Minister did in his travels, is helpful. I don't believe that threatening to withdraw from the F-35 purchase is helpful. I would say that taking opportunities to antagonize our neighbour is not helpful.

What I want to ask you is, will you commit, as the Minister of International Trade, to helping to lower the temperature and stop with some of the anti-American rhetoric that I have heard from your government?

• (1130)

**Hon. Maninder Sidhu:** To answer your question, quite frankly, there are industry leaders and stakeholders, representing hundreds of thousands of workers across this country, that have spoken in favour of this agreement. This agreement is a win for western Canadian farmers. Indonesia's growing demand for high-quality grains opens the door for more Canadian exports. It's not just me saying that; it's the industry.

Instead of minimizing this agreement, I think we should be celebrating the access farmers are getting. There were other governments before.... I think someone on your side mentioned Prime Minister Harper. He signed a smaller agreement, and we celebrate that, because that's what we need to do as Canadians.

**Jacob Mantle:** Minister, I agree with you. This is better than nothing. Absolutely. My point is that this will not replace the problem we have, and that's what I want your commitment on: bringing down the tone with the Americans.

**Hon. Maninder Sidhu:** You've heard me talk about the U.S. as an important trading partner. That's what we'll continue to engage with. I've spent 13 years in the international trade sector, so I know on the ground the hundreds of businesses that trade with the U.S. I've helped them trade with the U.S., and I think we'll continue to engage with the U.S. This is not to replace the U.S.; this is to build on our existing relationships to continue to diversify into other markets and to give our workers, our farmers and our exporters more opportunities to sell. When it comes down to that, that's what I look at.

Yes, right now, that market is not the fifth-largest economy, but it will be in the coming years, when you look at its growing middle class. If you wait until that time, the opportunity cost for Canada may go a lot higher. You strike when the iron's hot, and that's what this government is doing.

There are many smaller agreements that were signed, previous to this Liberal government, by Conservative governments with smaller countries. I think you need to celebrate every single opportunity you create for workers, and that's what the industry is saying.

**The Chair:** Thank you very much, Minister.

Mr. Fonseca.

**Peter Fonseca (Mississauga East—Cooksville, Lib.):** Thank you, Madam Chair.

It's good to see you, Minister.

Minister, you know full well, as everybody in this room knows, that Canada is a leader in the mining sector. I always think of next month, as we come into March, as mining month here in Canada, because it's when Canada hosts the convention of the Prospectors and Developers Association of Canada, also known as PDAC. It's one of the largest mineral exploration and mining gatherings in the world. It brings together more than 25,000 delegates from over 125 countries. This convention is really a global showcase for us, for Canada's leadership in mining, for clean technology and for critical minerals, and it's essential to the global energy transition and advanced manufacturing.

You also know full well, Minister, being from Brampton—I'm from Mississauga—that we have many organizations and companies that employ many people in the supply chain of the mining sector. With this agreement between Canada and Indonesia now before us, can you explain to this committee how the tariff reductions and improved market access in this agreement will directly benefit Canadian mining companies, equipment suppliers and service providers? Many of them are from our area of the GTA, but they're right across Canada. How will this help these companies seeking to do business in Indonesia?

**Hon. Maninder Sidhu:** Absolutely.

Through you, Madam Chair, I want to thank the member for his important work on the committee and, of course, his leadership in the Peel region, especially in Mississauga.

When I think about mining, I think about Hatch engineering in Mississauga. I think about their 2,000-plus workers, who are not too far from the riding you represent, Mr. Fonseca. I look at that and think about the opportunities I've spoken of with my counterpart Minister Budi Santoso on what Indonesia is doing in the mining sector and how much they appreciate Canada. Canada is a world leader. You spoke about PDAC and the delegations that come from all around the world. We're the financing capital of the world in terms of mining, but we're also known for sustainable environmental practices in mining and the way we mine resources out of the ground.

Look at Indonesia. It has vast reserves of nickel, copper, gold and, of course, critical minerals that are very significant to many different sectors, including aerospace and defence. This presents a lot of opportunities for Canada's and Indonesia's mining sectors.

Our mining sector supports roughly \$60 billion of our GDP, so it's huge. It's huge in communities across Canada. When I come back to it, I think about the employees who are supported by the sector. It's not just about the billions of dollars in GDP. It's also about over 430,000 Canadian workers in the industry. Whether it's in extraction, technology or engineering services, it presents a huge potential to Canada.

In talking to the Indonesians.... There are many actors in this mining space, but Canada is an actor that's always well received. Wherever we go around the world, our mining companies are world-renowned. They're global champions, and we're going to continue making sure they're represented through many different trade agreements with access to resources and minerals around the world.

Coming back to the example I gave you of Hatch, I think beyond Hatch. That is an engineering company that works on different mining projects, but it also works on many infrastructure projects. It's already doing some infrastructure projects in Indonesia. Indonesia, from what I've been told, is going to be investing close to \$200 billion in the next five years in different infrastructure projects, such as roads, bridges, ports, logistics, mass transit, energy transition, water and social infrastructure. This presents a world of opportunities, not only for Hatch but also for companies like AtkinsRéalis, which has over 9,000 employees across Canada. Those engineering services, supported by Canadian workers, are important to mention for the record here, and for those watching at home.

It's also important to mention EDC. It has an office in Jakarta, and it's looking to open opportunities for Canadian firms in infrastructure, including energy, transport and clean tech, to explore opportunities there as well. There's a reason EDC has a footprint in Jakarta. There's a reason Hatch is operating, already, in Indonesia. There's a reason AtkinsRéalis is there. It's that Indonesia is very fast-growing, as I mentioned to our friend earlier, in terms of what they're doing and how this benefits Canada regarding opportunities.

• (1135)

**The Chair:** Thank you very much.

We'll go to Monsieur Savard-Tremblay for two and a half minutes.

[*Translation*]

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

Minister, let's talk about the environment now.

You said that you encourage mining companies to be environmentally responsible. Encouraging them is probably not enough—we've seen this all over the world—especially since there is no real complaint mechanism.

I would like to talk to you about an industry that is particularly notorious for destroying vast areas of forest to make way for plantations, often by slash-and-burn methods: the palm oil industry. It is growing, and with the lowering of tariff quotas, we can assume that it will get worse. These areas are also often controlled by warlords. This is so worrying that the European Union has even set up a special group on EU measures targeting palm oil and biofuels.

Is there anything concrete on this? Was it discussed in the negotiations leading up to the agreement?

[*English*]

**Hon. Maninder Sidhu:** Environmental standards always come up in our conversations in terms of what more we can do to encourage countries we do free trade with. There are provisions in the agreement to talk about environment and labour standards. You mentioned palm oil. Of course, it's something I'm very aware of. Again, in the agreement, there is a section on environment and what we encourage our partners to do. We'll continue having those conversations.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** You say there will be conversations, efforts and encouragement, but what else is there? Is there anything concrete in the chapter on the environment?

[*English*]

**Hon. Maninder Sidhu:** I think that when you open up avenues of free trade agreements, you also open up avenues of dialogue to continue having a conversation and to continue to encourage countries in what Canada has learned in its past. We're not perfect as a country either. It's an ongoing discussion. I don't think we should be lecturing other countries. We should be pragmatic and principled in our approach, and that's what we're doing. Those conversations will continue, in terms of what more we can learn from each other on environmental practices, protecting our environment and standing up for labour rights. That's what we'll continue to have to do.

When you look at an FTA, it opens up dialogue and many different pathways of conversation to continue to encourage better protections of the environment. We'll continue to engage in that aspect.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** I am still surprised. You say that an agreement is the beginning of a discussion. However, knowing all that this entails and all the ecocidal activities currently being carried out in Indonesia, I am surprised that Canada did not raise the issue from the outset by saying that it would impose conditions, even if it meant saying that there would be no agreement without demanding, binding and extremely strict standards.

[*English*]

**The Chair:** Give a brief answer, Minister.

**Hon. Maninder Sidhu:** The CEPA includes provisions to address global environmental challenges, including climate change, plastic pollution, biological diversity, sustainable fisheries and agriculture, and forest management. This is just one of many different aspects of this agreement. We'll continue having those conversations to encourage the protection of the environment.

• (1140)

**The Chair:** Thank you very much.

Mr. McKenzie, go ahead, please, for five minutes.

**David McKenzie (Calgary Signal Hill, CPC):** Thanks to the minister and all the officials who are here, quietly and patiently listening in.

Minister, I would like to know if you have any concerns about the relationship that Indonesia necessarily shares with China, given its geographic location. What might that mean for Canada as we increase our trade relationship with Indonesia?

**Hon. Maninder Sidhu:** If you go back to what the Prime Minister said in Davos, we need to continue to engage as a middle power with folks all around the world. Through dialogue, you can get through many difficult conversations, and you can also unlock opportunities.

We do what's best for Canada, first and foremost. Any trade agreement we sign is in the best interest of Canadians, not what's in the best interest of what other countries are doing.

**David McKenzie:** I want to turn to energy, Minister.

I'm noting a report produced by the Asia Pacific Foundation, which I think our federal government works closely with. It notes that the U.S. is increasing its relationship to export energy to Indonesia, particularly oil and liquefied petroleum gas. It strikes me that we may have missed the boat in terms of our ability to export those products into this marketplace. I'd like to know if you have had any specific conversations with our energy producers about opportunities in Indonesia.

**Hon. Maninder Sidhu:** Of course. I was at the LNG Canada site in Kitimat, B.C., back in July, talking to 9,000-plus workers who helped build that site. That was a milestone moment for Canada. It was a very proud moment for all of us, as it reflected our first shipment of LNG to the Indo-Pacific region. Now we have seven more LNG sites in development. LNG Canada phase two is on our major projects list. Once that project is fully built, it will be the second-largest LNG facility in the world.

As you know, I'm from Calgary. I believe in our energy sector, and we'll continue pushing that sector forward. It's a sector that represents many jobs across the country. Having a conversation with Indonesians about data centres popping up and the use of AI in terms of energy consumption.... We need to continue being there to say that we can supply their region as they grow fast. Any conversation is something that we welcome.

I know the energy minister is on this as well. Again, as we get these sites up and running, of course we want to explore opportunities for our energy exports, as that is going to have a big impact on our government's target to hit our \$300 billion of non-U.S. exports.

**David McKenzie:** Minister, a less proud moment in our history was the Liberal government's cancellation of the northern gateway pipeline just about 10 years ago. Had that project not been cancelled, it would have been in place today and we would have been in a position to export crude oil.

Again, I presume there's a significant market available here. My numbers indicate that Indonesia produces only about one-third of its petroleum energy needs. I wonder if you could comment on the prospects for petroleum or for crude oil, in addition to liquefied natural gas.

**Hon. Maninder Sidhu:** Absolutely. If you look at what we have in terms of existing capacity in our existing Trans Mountain pipeline, I think it has hundreds of thousands of barrels of capacity still left that they can ship to other markets. I know there's a conversation with the Alberta government on the MOU to do more.

The conversation with Indonesia is more on nuclear and SMRs, in terms of what they're looking for. They're looking to Canada and looking at our CANDU technology, because in Indonesia they also

want to go to more sustainable energy. When they talk about sustainable, they talk about nuclear and about LNG, which is a bit lower in terms of carbon emissions when you compare it to crude.

These are active conversations that we're having. I don't shy away from any of the energy resources we have. We have a lot to offer in terms of energy, and we should be giving those opportunities and solutions to countries around the world.

**David McKenzie:** Minister, you commented on the desire of the federal government to enter into more free trade agreements, generally. Again, as our vice-chair indicated previously, it's something the Conservative Party supports.

I wonder if you could give us an update on the timing of the ASEAN discussions. We're pushing into five years.

**Hon. Maninder Sidhu:** With ASEAN, it is close to 10 partners around the world, in the region we're working with. Indonesia is part of the ASEAN group. Vietnam is also part of that group. With Vietnam, we have access to the CPTPP trading bloc. With Indonesia, we have an FTA. The ASEAN chair this year is the Philippines. We're actively having conversations to ensure they prioritize Canada so we can get it done later this year.

At the same time, we announced the launch of negotiations with the Philippines and Thailand, which are also important ASEAN partners. When you look at the largest markets in ASEAN—Vietnam, Indonesia, the Philippines and Thailand.... We are approaching it from different sides, through FTAs and direct bilateral agreements, but also through ASEAN, a larger trading bloc.

We haven't given up on that. We'll continue having those conversations. I'll aggressively continue to approach that, making sure that the chair, which is the Philippines this year, prioritizes Canada. They've already publicly committed to that. I think it was last month when they committed to that, so we're going to continue pursuing that agreement.

● (1145)

**The Chair:** Thank you very much, Minister.

Mr. Lavoie, go ahead, please, for five minutes.

[Translation]

**Steeve Lavoie (Beauport—Limoilou, Lib.):** Thank you, Madam Chair.

Minister, thank you for joining us again today. I know you have a very busy schedule, but it is important for us to have you here.

I know that the United Kingdom's membership is important. It is a strategic opportunity for Canada and it strengthens trade integration. We were talking about diversification, and that is where I want to take you. In the past, I was a banker and I financed businesses. When a business lacked diversification, a red light came on in terms of financing, because we saw it as a financial risk.

Today, I would like you to paint a picture for us. I have two questions for you.

How can businesses in my riding, Beauport—Limoulou, continue to diversify their markets globally with the United Kingdom's accession?

Why is this agreement so important for Canada?

[*English*]

**Hon. Maninder Sidhu:** That's a great question. I hope to answer you in French one day. I'm still working on my French.

Speaking of the businesses in your riding or the province of Quebec, we want to make sure we continue to encourage them to access new markets. From my time in the private sector, having spent 13 years there, I know that governments have a role to play. There's a lot of hand-holding in terms of getting businesses ready to export. I know that, under our ministry of industry, we're working on an export readiness program to get businesses export-ready. This is led by Minister Joly and, of course, Minister Valdez.

Once businesses are ready to export, there is the CanExport program, which just launched yesterday—\$68.5 million for getting businesses in your riding to trade shows around the world. It provides market research assistance and legal assistance. It's a revitalized CanExport program that I encourage the businesses in your riding to apply for so they can get out to new trade shows around the world. Sometimes, for small businesses, those costs are too big to bear. You can imagine the flight costs nowadays, and getting to international markets. We want to be there to support those businesses and to showcase their services and products. Once they land their first order, we want to make sure we're there for credit facilitation through EDC, which is enabling them with about \$25 billion in additional capacity to support export financing.

It's a whole ecosystem we're building up. The Prime Minister and the government have committed to increasing non-U.S. exports to the tune of \$300 billion. We can't do this alone. It's not just the big companies. It's the small and mid-sized businesses that are there to support us and show their energy.

I'll come back to the CanExport program. This has provided a lot of assistance in the past. We just revitalized the program, so we're focused in terms of what markets we want to focus on. I encourage you, again, to let your community know. Let your businesses know that it just launched yesterday. They can apply online now. I look forward to seeing them on the next trade trip.

[*Translation*]

**Steeve Lavoie:** Thank you, Minister.

We see this in many areas: Canada is currently playing a leading role on the world stage.

Why is it so important for Canada to send a clear message that it supports the United Kingdom's accession to this agreement?

[*English*]

**Hon. Maninder Sidhu:** You're right that Canada is a world leader. We're seen as a reliable, stable trading partner. These are the conversations that I've been having in many different countries around the world.

Coming back to the meetings in Switzerland at Davos, why was it important for us to be there? It's because the global CEOs of some big companies that employ millions of folks on the ground here in Canada and across the world want to hear from Canada. When they look at Canada, they look at us for certainty, reliability, but also global access.

Currently, we have 15 trade agreements with 51 countries and access to 1.5 billion consumers, but it's also about our workforce. We have the most educated workforce in the world, and that's something to be very proud of when we attract industry and companies to do more business with Canada. It's also about energy. We have affordable energy as well. When you talk about what Canada has to offer, we have a lot to offer, especially in the current climate. When you see trade headwinds, things shifting, uncertainty for businesses, they get scared. What drives away investment is not being certain, not having reliability, and Canada presents as a reliable, stable trading partner. These are the conditions we're creating in our budget. Budget 2025 brought forward many conditions in terms of tax incentives.

I know the chair is looking at me, but I'll have more to say.

Thank you.

• (1150)

**The Chair:** I'm just trying to accommodate all the members.

Mr. Groleau, you have five minutes, please.

[*Translation*]

**Jason Groleau (Beauce, CPC):** Thank you, Madam Chair.

Good morning, distinguished guests.

Minister, thank you once again for taking the time to join us.

I would like to talk about the negotiations you have conducted in the past and those that are coming up between Canada and Indonesia. I come from a rural area where agriculture is important, and when we look at the facts and figures, we get the impression that agriculture is always left behind, whether in the Comprehensive Economic and Trade Agreement between Canada and the European Union or in the context of the United Kingdom's accession to the new agreement.

What have you included in this agreement to ensure that beef and pork producers get their share of the market?

[English]

**Hon. Maninder Sidhu:** It's a very good question. Madam Chair, through you, I want to thank the member for that very important question in terms of the farmers in that member's region and riding.

You spoke about beef. We have a big win for our beef producers in Canada. For the first time in many years, Indonesia has now approved the registration of two Canadian beef establishments on their list of imports from Canada. One is JBS Canada. They employ thousands of employees. The other one is True North Foods. Collectively, these processors support 3,000-plus jobs. Of course, they're processors, but for the farmers in your region, who will feed into this supply chain and then get it out to Indonesia, these are big wins for our beef farmers.

[Translation]

**Jason Groleau:** Every time you've signed an agreement, there have been non-tariff barriers. Producers have already raised their hands. Cattle must stay for at least four months, otherwise they are not available. Producers will therefore not get their share of the market. That's the reality: other non-tariff barriers.

What do you have to say to our producers?

[English]

**Hon. Maninder Sidhu:** Absolutely. The FTA is about many different things, but it also gives us enforceable science-based sanitary and phytosanitary commitments within the agreement itself. It gives farmers that stability, that reliability, but it also opens an avenue for discussion should non-tariff barriers continue to come up. We can then resolve them through many different mechanisms. This agreement will allow us to have those clear conversations and enforceable science-based sanitary and phytosanitary commitments.

[Translation]

**Jason Groleau:** Thank you for your reply.

My colleague mentioned steel dumping in Canada, and I'm going to pick up on that. You have an opportunity to establish an important mechanism to stop dumping.

What have you put in this agreement to ensure that there will be no steel dumping in Canada?

[English]

**Hon. Maninder Sidhu:** When you look at it, again, we proposed and we put forward extraordinary measures to protect our steel industry. As I said to your colleague, we're in an extraordinary time with the U.S. section 232 tariffs. Coming back to steel, if you look at our steel industry, 50% of what they produce gets exported. Out of that 50%, 90% goes to the U.S. You can imagine the impacts of the U.S. tariffs on our steel companies. That's why we have to step up with these extraordinary measures, because we want to protect our industry while we get through this time.

We also have many different things in place right now with our major projects office. We're encouraging those who are constructing in Canada to use Canadian steel. The defence industry as well, we're encouraging them to use steel. If we don't have a steel indus-

try, we won't have a defence sector or national security. We need to be able to protect our sectors. This is why we have measures in place brought forward by the finance minister, and we'll continue protecting our steel industry.

[Translation]

**Jason Groleau:** Thank you, Minister.

Everyone here agrees on developing new markets. However, it takes years, even decades, to see results. Right now, the issue that no one dares to address is the American tariffs on lumber and steel. We don't hear about it anymore. It no longer seems to be your priority. Why is that? In our region, Chaudière-Appalaches, 8,000 jobs are directly linked to the lumber industry.

When will there be an agreement with the Americans on lumber?

[English]

**Hon. Maninder Sidhu:** Absolutely. It's a priority for Canada, for our government, and for all of us sitting around this table. We all know the facts. They're our largest trading partner. They're an important trading partner, and we'll continue having conversations with them.

At the same time, this agreement opens up opportunities for the lumber industry in Indonesia. As I said earlier in my opening statement, when the opportunities are presented... Are there challenging times that we're going through? Absolutely, I agree with you. I've talked to many workers. I've talked to businesses on the ground. My commitment to those listening is that we'll continue to diversify our markets so they're able to send products out to different markets, other than that one market that we have. We'll continue having those conversations with a priority market. For Canada's largest trading partner, over 70% of our trade goes there.

• (1155)

[Translation]

**Jason Groleau:** Thank you, Minister.

I have one last quick question. It will only take 10 seconds.

[English]

**The Chair:** I'm sorry, Mr. Groleau—

[Translation]

**Jason Groleau:** When are we going to sign an agreement with Taiwan?

[English]

**Hon. Maninder Sidhu:** Again, coming back to Taiwan within our one China policy—

**The Chair:** I'm sorry, Minister. I have to go to Mr. Naqvi, because there are five minutes left, and they're his.

**Yasir Naqvi (Ottawa Centre, Lib.):** Thank you, Chair. I appreciate it very much.

Thank you, Minister, for being here and talking about this really important agreement.

I think it was Mr. Chambers who started the line of questioning talking about the impact on GDP if this agreement is passed. I appreciate your response, for a variety of reasons. One, I think we've seen over time, as you stated, that once these agreements are put in place, they tend to have a far greater impact on GDP and economic growth than what's forecasted. Also, the incremental impact of creating those open markets and giving options to our businesses is extremely important as well.

I think Indonesia is also important, for another reason, which is our ongoing negotiation with ASEAN countries. I think this is the fourth- or fifth-largest trading bloc in the world. Can you please speak to our opportunities to help finalize that particular agreement through Indonesia? What does ASEAN mean to Canada, and why are those particular trade negotiations important? As well, how does this agreement help us accomplish that particular goal?

**Hon. Maninder Sidhu:** Absolutely. Madam Chair, I want to thank my parliamentary secretary for his important work on the trade file. He's on the ground making sure we're talking to businesses and ambassadors from all countries around the world.

I come back to the question on ASEAN. When I look at that region, it's a huge trading bloc, a huge opportunity for Canada. When I look at their top economies—Vietnam, Indonesia, Philippines, and of course Thailand—there are ways we're making sure we're continuing to access that market, whether it's through this FTA here with Indonesia, whether it's through our CPTPP trading bloc with Vietnam, or whether it's our direct conversations with the Philippines and Thailand in terms of getting a bilateral free trade agreement with them. We're making sure we're approaching this region.

Why is the region important? If you look at their fast-growing middle class, you see the spending capacity they have. They want to consume lots of Canadian products, which are known around the world to be of high quality, with high standards, so people pay a premium for that. For our workers, for our producers, that means opportunities. It means jobs.

Madam Chair, I know we only have a few minutes left. We're hearing from members across the table. I think it's important that we read into the record what stakeholders have said about this agreement and what it means to them, because they are the ones who represent the farmers, the workers, the manufacturers, the exporters on the ground.

The Wheat Growers Association, which represents hundreds of farmers in Saskatchewan, Manitoba and Alberta—over 370,000 jobs—has quite frankly said that this agreement “is a win for Western Canadian farmers” and that “Indonesia's growing demand for high-quality grains opens the door for more Canadian exports, supports jobs in rural communities, and strengthens Canada's position as a reliable global supplier.” That's from the Wheat Growers Association.

That's not all. Look at the Canadian Agri-Food Trade Alliance. They have said, “The agreement's commitments on agri-food, food security, and trade facilitation reflect the strong complementarities between Canada and Indonesia, and we look forward to working

with government and industry partners to ensure these provisions translate into real opportunities”. They also say, “Together, these efforts will help Canadian agri-food exporters diversify markets, strengthen supply chain resilience, and contribute to inclusive, sustainable growth.”

When I talk about the agri-food sector, it's about the farmers, but it's also.... In my neck of the woods, in Brampton, we have 9,000 people who work in that industry. There's huge potential opportunity in agriculture, agri-food, seafood, fisheries, but beyond that, in aerospace, mining and infrastructure. I talked about much of that today.

You talked about some of the forecasting. It is based on today's trade numbers between the two countries, but it doesn't forecast the growth of those countries. How fast does the middle class grow there, their spending capacity? When I look at it historically, the forecasting is fine for today, but it has been underwhelming. If you look at what happens within six years, you see that trade usually doubles when we sign a trade agreement with any country. That's the average right now. I think we need to look at that. The economic forecasting is fine, but they're not always right. I know they use the current situation in terms of the conditions and the facts they have for today, but it's hard to account for growth in another country and what that government does in terms of spending power for its citizens.

I am very confident that this will open opportunities. We heard from industry stakeholders. We're hearing it continually. I'm getting emails and talking to businesses. You're talking to businesses. The more FTAs we have, the more opportunities we have for workers.

Thank you, Madam Chair.

• (1200)

**The Chair:** Thank you very much.

I'll give the last minute to Mr. Savard-Tremblay, if he wants it. It's just one minute, though.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Madam Chair, you indicated that I had no more speaking time, so I did not prepare to speak again.

Minister, let's pick up where we left off, since you didn't have time to respond fully when I spoke to you about the environmentally binding provisions.

[English]

**Hon. Maninder Sidhu:** As I think I read into the record, there are mechanisms within this trade agreement that allow you to have that conversation about the constraints and the encouragement around environment and labour.

We can get you more details. I'm happy to do that. I know that we have only 30 seconds left, but again, I'm always happy to talk trade. I'm happy to come back. I'm very passionate about this subject. I know that you are as well. I'm happy to have a conversation with you.

[Translation]

**Simon-Pierre Savard-Tremblay:** You may provide your response in writing to the committee.

[English]

**The Chair:** Thank you very much.

Minister, we very much appreciate your coming in. We'll just have to keep on producing trade agreements so that at least once a month we have you coming back to see us.

**Adam Chambers:** We can do Taiwan next week.

**The Chair:** Absolutely. That's another one.

We'd be very happy to see you. We would clear the decks, all of us, to see that happen.

Thank you to your officials. We very much appreciate it.

We will suspend for a few minutes. Then we will get to the rest of our work.

• (1200) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1205)

**The Chair:** I am calling the meeting back to order.

Pursuant to the order of reference of Thursday, December 11, 2025, the committee is resuming its study of Bill C-13.

This is a very strong committee that can switch from one hour on one bill to the second hour on another bill.

We have with us, from the Department of Finance, Sven Linkrus, director of financial services, trade relations, financial institutions division; Jeffrey Smith, senior economist, financial institutions division; and Brad Norwood, senior economist, tariff and trade policy, international trade policy division.

From the Department of Foreign Affairs, Trade and Development, we have Mary-Catherine Speirs, director general, trade negotiations bureau; Julien Faubert-Leger, acting deputy director, investment and government procurement division; and Rodney Neufeld, senior counsel, investment and services law.

Thank you, all, for being with us today to help us through this.

I will remind committee members that officials are present to answer questions that may arise during the clause-by-clause consideration.

I need to provide members of the committee with a few comments on how committees proceed with the clause-by-clause consideration of a bill.

As the name indicates, this is an examination of all the clauses in the order in which they appear in the bill. I will call each clause successively, and each clause is subject to debate and a vote. If there are amendments to the clause in question, I will recognize the member proposing the amendment, who may also explain it. The amendment will then be open for debate. When no further members wish to intervene, the amendment will be voted on.

Amendments will be considered in the order in which they appear in the package that each member received from the clerk. If there are amendments that are consequential to each other, they will be voted on together.

In addition to having to be properly drafted in a legal sense, amendments must be procedurally admissible. I may be called upon to rule amendments inadmissible if they go against the principle of the bill or beyond the scope of the bill, both of which were adopted by the House when it agreed to the bill at second reading, or if they offend the financial prerogative of the Crown.

If you wish to eliminate a clause of the bill altogether, the proper course of action is to vote against that clause when the time comes, not to propose an amendment to delete it.

Since this is the first exercise for many new members, I will go slowly, to allow all members to follow the proceedings properly.

If, during the process, the committee decides not to vote on a clause, that clause can be put aside by the committee so we can revisit it later in the process.

Amendments have been given a number in the top right-hand corner to indicate which party submitted them. There is no need for a seconder to move an amendment. Once it is moved, you will need unanimous consent to withdraw it.

During debate on an amendment, members are permitted to move subamendments. Only one subamendment may be considered at a time, and that subamendment cannot be amended.

Is everybody okay with the procedures and ready to move forward? Okay.

We have our legal advisers, who have been helpful with all of this as well, so we have a room full of very knowledgeable people. If you have any questions or concerns, don't hesitate to ask them.

We will start with clause-by-clause consideration.

• (1210)

[Translation]

**Simon-Pierre Savard-Tremblay:** Madam Chair, may I speak?

[English]

**The Chair:** Go ahead, Monsieur Savard-Tremblay.

[Translation]

**Simon-Pierre Savard-Tremblay:** Before addressing section 1, I would like to ask a question about the preamble. It reads: “His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts....”

May I ask what the legal significance of this preamble is?

[English]

**The Chair:** Who would you like to respond?

[Translation]

**Simon-Pierre Savard-Tremblay:** Anyone who can answer my question is welcome to do so.

**The Clerk of the Committee (Alexie Labelle):** This is not a preamble per se. It is merely a clarification of the authority under which the law would be enacted, in this case, the Crown.

**Simon-Pierre Savard-Tremblay:** It seems to me that we do not see this in all bills.

**The Clerk:** Usually, yes, because it is the same authority that allows the Parliament of Canada to enact laws. Some bills have a preamble. This one does not, but usually there is always an enactment formula.

**Simon-Pierre Savard-Tremblay:** How is it that we are talking about the consent of the Senate and the House of Commons before there has even been a vote?

**The Clerk:** I am not really in a position to answer that, as I am not a lawyer. However, that is the typical formula that authorizes the Parliament of Canada to enact legislation.

**Simon-Pierre Savard-Tremblay:** In any case, I find it a little strange to talk about support right away when it has not yet been given at the time the text was proposed.

[English]

**The Chair:** We'll go back to the title at the end.

We move forward, then, to clause 1.

(Clause 1 agreed to)

(On clause 2)

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

[Translation]

**Simon-Pierre Savard-Tremblay:** It seems to me that we must first deal with the amendment before deciding to adopt the section.

[English]

**The Chair:** It is after clause 2.

[Translation]

**Simon-Pierre Savard-Tremblay:** I thought that subsection 2.1 was part of it.

[English]

**The Chair:** Amendment BQ-1 is about a new clause, clause 2.1.

[Translation]

**Simon-Pierre Savard-Tremblay:** I have another question.

Is section 2 the one that establishes the settlement of disputes between investors and states, or at least activates the process in the case before us?

[English]

**The Chair:** Could the officials comment on that?

• (1215)

[Translation]

**Rodney Neufeld (Senior Counsel, Investment and Services Law, Department of Foreign Affairs, Trade and Development):** Thank you very much for the question.

[English]

I'll answer in English so I that I don't get my words wrong.

This provision makes the ISDS award an award in Canada, per domestic law, so it's enforceable in Canada.

[Translation]

**Simon-Pierre Savard-Tremblay:** In that case, I request a recorded vote on this item.

[English]

**The Chair:** We'll have a recorded division.

(Clause 2 agreed to: yeas 8; nays 1)

**The Chair:** We move to BQ-1 and the new clause 2.1.

Monsieur Savard-Tremblay, would you like to read it into the record, please?

[Translation]

**Simon-Pierre Savard-Tremblay:** I imagine you have the text in front of you, so I will explain it.

Given that this famous investor-state dispute settlement mechanism is so highly touted, we often ask for statistics on it. If it is so wonderful, it should be legitimate to have reports on the results, the effects on public policy and the costs. So, the idea is to have transparency.

So, of course, you may or may not be in favour of it, but in the name of transparency, I still call on members to request this follow-up.

[English]

**The Chair:** Thank you very much.

Monsieur Savard-Tremblay, the amendment actually seeks to amend the Settlement of International Investment Disputes Act. As *House of Commons Procedure and Practice*, fourth edition, states in section 16.75:

an amendment is generally inadmissible if it proposes to amend a statute that is not before the committee or a section of the parent act, unless the latter is specifically amended by a clause of the bill.

The Settlement of International Investment Disputes Act is not being amended by Bill C-13, and it is therefore my opinion that the amendment is inadmissible.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Obviously, I disagree with your decision.

I voted specifically against section 2 because, in response to my previous question, I was told that this was indeed what it would implement.

[*English*]

**The Chair:** Are there any comments to respond to Mr. Savard-Tremblay?

[*Translation*]

**Simon-Pierre Savard-Tremblay:** In fact, it would be more a matter of responding to you, Madam Chair.

**Rodney Neufeld:** Could you repeat the question, please?

**Simon-Pierre Savard-Tremblay:** The chair should repeat her remarks, because I based my opposition to section 2 on her response, according to which it was possible to establish dispute resolution for private investors under Canadian law. That is what you said. At least, that is how it was translated. That is why I voted against the section.

However, from what I understand from the chair's rejection of my amendment, that is not what the clause would ultimately do. Perhaps there has been a misunderstanding; that is possible, given that the interpretation has to be made quickly. I would just like to clarify things.

[*English*]

**The Chair:** Would you like me to read again the reason that I am ruling it inadmissible?

an amendment is generally inadmissible if it proposes to amend a statute that is not before the committee or a section of the parent act, unless the latter is specifically amended by a clause of the bill.

The Settlement of International Investment Disputes Act is not being amended by Bill C-13. That is the reason that it is referred to as being inadmissible.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Mr. Neufeld, I would like to hear your comments so that I can understand properly.

**Rodney Neufeld:** I think there is some confusion because we are talking about two different acts. The first question referred to the Commercial Arbitration Act. My answer concerned that act.

Now we are talking about the Settlement of International Investment Disputes Act. That is a different act.

• (1220)

[*English*]

This act brings into Canadian law certain aspects of the International Centre for Settlement of Investment Disputes, ICSID. This is a different act entirely from the Commercial Arbitration Act.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** I still contest your decision, Madam Chair.

[*English*]

**The Chair:** My decision has been challenged. We'll have a recorded vote.

If you support the fact that I have indicated that it is inadmissible, you will vote yes. If you don't support my decision about it being inadmissible, then you would vote no.

(Ruling of the chair sustained: yeas 8; nays 1)

**The Chair:** My decision has been upheld.

We will move on.

Since there are no amendments proposed for clauses 3 to 20, is there unanimous consent to group them for the vote? Okay.

Shall clauses 3 to 20 carry?

(Clauses 3 to 20 agreed to)

**The Chair:** Everybody can then go to amendment BQ-2.

Monsieur Savard-Tremblay, you have the floor.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** We have heard in numerous statements that certain regulations and non-tariff barriers were a significant obstacle to the entry of products, particularly agricultural products from livestock farming, from Canada and Quebec into the United Kingdom. This is a criticism that we also heard about the agreement with the European Union.

In this case, it would be a matter of still being able to request reports, obtain data and be kept informed of the consequences, costs and effects that this may have on businesses.

[*English*]

**The Chair:** Okay, thank you very much.

I have to again point out that the amendment seeks to add a provision for the Minister of International Trade to report on amendments made to the sanitary and phytosanitary regulations of the United Kingdom.

Again, "An amendment to a bill that was referred to a committee after second reading is out of order if it is beyond the scope and principle of the bill." In my opinion, the sanitary and phytosanitary regulations of the United Kingdom are a new concept that is beyond the scope of the bill.

Therefore, I rule the amendment inadmissible.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Of course, I challenge your decision, Madam Chair.

[*English*]

**The Chair:** That's fine. It's okay. I'll forgive you; don't worry.

[Translation]

**Simon-Pierre Savard-Tremblay:** It is up to me to forgive you. You are the one who is denying me things.

[English]

**The Chair:** It's okay, whatever way you want to do it.

All right, let's move on to a vote.

(Ruling of the chair sustained: yeas 7; nays 2)

**The Chair:** We will move on to BQ-3.

If you would like to speak to your proposed amendment, go ahead, Monsieur Savard-Tremblay.

• (1225)

[Translation]

**Simon-Pierre Savard-Tremblay:** Before challenging your decision, of course, I will be happy to explain amendment BQ-3.

Some witnesses from the production sector, who were particularly affected by the barriers, recommended that there be a review mechanism. I think it is reasonable to have a review every three years. That is why I am proposing this amendment.

Now, I will listen to the reasons for your rejection.

[English]

**The Chair:** I can only be against it so many times.

**Adam Chambers:** You wore her down.

**The Chair:** It takes a lot more than that to wear me down, just so you know.

Is there any debate on the proposed amendment of Monsieur Savard-Tremblay?

Mr. Chambers, go ahead.

**Adam Chambers:** I would like to thank my colleague for bringing the amendment forward.

On its face, it seems relatively reasonable. I don't know what kind of precedent it will set for future agreements, so we should always consider that, but since some stakeholders have asked for it and it would be well within a committee's future responsibilities to review the agreement, I think it's a reasonable amendment in this circumstance.

**The Chair:** Is there any further discussion?

Mr. Naqvi, are you okay with this?

**Yasir Naqvi:** I wanted to concur with Mr. Chambers. Precedent notwithstanding, I personally think it's not a bad idea for a future committee to look at how an agreement is working and do a review, but that's a decision for the future committee, and I think that's what's being suggested here.

**The Chair:** Okay.

Do we need a recorded vote?

[Translation]

**Simon-Pierre Savard-Tremblay:** I request a recorded vote.

[English]

**The Chair:** Okay, we'll have a recorded vote.

(Amendment agreed to: yeas 9; nays 0 [See Minutes of Proceedings])

(Clauses 21 and 22 agreed to)

**The Chair:** We're on amendment CPC-1.

Mr. Mantle, I turn the floor to you to speak—

**Jacob Mantle:** I withdraw the amendment.

**The Chair:** You hadn't moved it, so you don't need permission to withdraw it.

All right. We are on CPC-2.

**Jacob Mantle:** I withdraw it as well.

**The Chair:** CPC-2 is withdrawn. Okay.

(On clause 23)

**The Chair:** We are back to Monsieur Savard-Tremblay and BQ-4.

[Translation]

**Simon-Pierre Savard-Tremblay:** Amendment BQ-4 was proposed following discussions and comments from numerous witnesses, and even media reports. Many witnesses said that it was a power struggle that had unfortunately been wasted by offering the United Kingdom too quickly the opportunity to bring in products without demanding anything in return. It was a power dynamic and a negotiation that were unfortunately mishandled.

The idea behind this amendment is therefore to require that, before it comes into force, there be a lasting agreement to lower barriers and achieve reciprocity in sanitary and phytosanitary standards.

[English]

**The Chair:** Thank you very much.

Again, any amendment that intends to alter the coming into force of a clause of a bill by making it conditional is out of order, since it exceeds the scope of the bill and attempts to introduce a new question into it, so it is my opinion, unfortunately, that it is out of order as well, and inadmissible.

[Translation]

**Simon-Pierre Savard-Tremblay:** You can consult the members of the committee.

[English]

**The Chair:** All right. We'll have a recorded vote.

I've ruled it inadmissible, so I'm asking for support from the committee.

(Ruling of the chair sustained: yeas 7; nays 1)

**The Chair:** Thank you all for your support of the chair.

(Clause 23 agreed to)

(Schedule 1 agreed to)

(Schedule 2 agreed to)

(Schedule 3 agreed to)

(Schedule 4 agreed to)

**The Chair:** Shall the bill as amended carry?

**Some hon. members:** Agreed.

**The Chair:** Shall the chair report the bill as amended to the House?

**Some hon. members:** Agreed.

**The Chair:** Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

**Some hon. members:** Agreed.

**The Chair:** All right. It's all done. That's Bill C-13.

Thank you very much to the officials. Thank you to all of you for your help. We'll see you back for Bill C-18.

By the way, on Tuesday, if any of you have other witnesses on Bill C-18, please ensure that you give their names to the clerk as soon as possible.

• (1230)

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Madam Chair, can you tell us when the next meeting on committee business will be held to discuss the various motions?

[*English*]

**The Chair:** I'm hoping it will be next Thursday. If the clause-by-clause study isn't too long, we should have sufficient time to be able to do our planning from that point on until June, so we'll all come ready to discuss the various motions that we have.

All right, thank you all very much, and congratulations on Bill C-13.

The meeting is adjourned.

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