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Chair: Judy A. Sgro





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• (1105)  
[English]

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

Welcome to meeting number 28 of the Standing Committee on International Trade.

There is one bit of administrative work we have to do.

Committee members, you've all received a study budget for the trade with north and west Africa study. Do I have approval from our members to adopt the budget?

**Some hon. members:** Agreed.

**The Chair:**

Thank you very much.

Pursuant to Standing Order 108(2) and a motion adopted by the committee on Thursday, February 12, 2026, the committee is resuming its study of Canada's trade with the Mercosur countries.

With us today are long-time friends of the international trade committee. From the Canadian Meat Council, we have Claire Citeau, vice-president of international trade, and Jorge Correa, vice-president, market access and technical affairs.

From Chicken Farmers of Canada, we have Tim Klompmaker, chair, and Yves Ruel, associate executive director.

From Fertilizer Canada, we have Michael Bourque, president and chief executive officer.

Welcome to our witnesses. Thank you for taking the time to be with us today.

We will start with opening remarks.

Ms. Citeau, I open the floor to you for up to five minutes, please.

**Claire Citeau (Vice-President, International Trade, Canadian Meat Council):** Thank you, Madam Chair and members of the committee, for the opportunity to appear today.

My name is Claire Citeau. I'm vice-president at the Canadian Meat Council, which is the voice of Canada's federally licensed meat industry. I am joined today by my colleague, Jorge Correa, vice-president of market access and technical affairs.

The Canadian Meat Council represents federally inspected meat packers and processors, as well as suppliers of goods and services to the entire Canadian meat industry. Our members directly employ

more than 64,000 Canadians across the country and support approximately 300,000 jobs along the supply chain.

The meat sector is one of Canada's most trade-dependent industries. Exports account for over 50% of our beef production and over 75% of our pork production. In 2025, the sector exports were valued at more than \$11 billion. This is why trade policy, market access and the reduction of non-tariff trade barriers are so important to the long-term competitiveness of our industry.

CMC supports Canada's efforts to diversify trade and expand opportunities abroad. We also support the government's ability to engage with Mercosur through formal trade negotiations, but we do not see the South American trade bloc as a priority market for Canadian beef and pork products.

Countries within Mercosur, such as Brazil and Argentina in particular, are major global competitors in beef and pork exports. Any new access there is likely to be limited and niche in nature.

**Jorge Correa (Vice-President, Market Access and Technical Affairs, Canadian Meat Council):** For this reason, if negotiations proceed, the agreement must be carefully balanced. It should include a clear safeguard mechanism to address import surges in sensitive sectors, a robust sanitary and phytosanitary chapter subject to dispute settlement and a bilateral dialogue on SPS issues.

It should also provide for timely negotiation of export requirements and food safety approvals so that Canadian exporters can benefit as soon as the agreement enters into force.

The Canadian Meat Council believes Canada should continue to prioritize markets that offer stronger commercial opportunities to our agri-food exporters, including markets in the Indo-Pacific and the gulf region. At the same time, if Canada chooses to pursue an agreement with Mercosur, it must be done in a way that protects sensitive sectors and ensures the Canadian producers and processors are not placed at an unfair disadvantage.

In short, the Canadian Meat Council supports trade diversification, but Mercosur should be approached with caution. A Canada-Mercosur agreement can be acceptable only if it delivers meaningful safeguards, strong and enforceable SPS rules, and real benefits for the Canadian exporters.

Thank you again for the opportunity. We will be happy to respond to any questions.

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

We'll move on to Mr. Klompmaker and Mr. Ruel, please.

**Tim Klompmaker (Chair, Chicken Farmers of Canada):** Thank you, Madam Chair.

Good morning. Thank you for the opportunity to appear today. My name is Tim Klompmaker. I'm a third-generation chicken farmer from Norwood, Ontario, and chair of Chicken Farmers of Canada.

Canada's 2,800 chicken farmers play a vital role in our economy and food system. Every day we produce safe, high-quality chicken, raised with care right here at home, for Canadians. We support trade agreements that grow Canada's economy, but not at the expense of domestic food production. Supply management ensures stability for farmers, reliable supply for consumers and ongoing reinvestment in rural communities across this country.

However, recent agreements—CPTPP and CUSMA—have already had a significant cumulative impact. Combined with WTO commitments, Canada has granted 129.6 million kilograms of market access, representing 10.8% of Canadian chicken production when these concessions were made. This is not speculative. It is real and significant access that was already provided.

A potential agreement with Mercosur presents an even greater risk. Brazil is the largest exporter of chicken in the world and the third-largest producer globally. In 2025 alone, Brazil exported 5.3 billion kilograms of chicken, roughly one-third of its total production. Their exports alone are almost four times Canada's total production. For Canada this is not a distant issue. Imports from Brazil reached 10.7 million kilograms in 2025, making it consistently our second-largest source of imported chicken after the United States. This scale, combined with lower production costs and expanding global reach, creates disproportionate pressure on Canadian producers.

The question becomes this: How do we pursue trade without undermining our own food system? For our sector, the answer is clear. Any Mercosur agreement must maintain current over-quota tariffs to preserve effective import controls, avoid any expansion of tariff rate quotas beyond existing commitments and exclude spent fowl tariff lines from preferential access, given their direct substitution with Canadian chicken. These are practical, necessary safeguards.

This discussion is also about consumer trust and food security. Today half of Canadians recognize the “raised by a Canadian farmer” brand. Among those who do, 60% say it makes them more likely to choose Canadian chicken. That tells us something important. When Canadians understand where their food comes from, they choose to support domestic production. At the same time, Canada can't be import-dependent. We've seen the risk of relying

too heavily on imports. As per our trade commitments, we import 21% of hatching eggs from the United States, but recent shortages in their hatching egg supply demonstrate how quickly external dependencies can constrain Canadian production. As Canada works toward a national food security strategy, increasing import dependence moves us in the wrong direction.

As negotiations with Mercosur continue, our message is straightforward. We respectfully urge the government to maintain over-quota tariffs at their current levels, avoid any TRQ expansion beyond existing commitments and exclude spent fowl tariff lines from preferences. This position has been consistent through all trade negotiations. It is what protects Canadian consumers and strengthens our national food security. Canada will have to be firm in its response to ensure that no concessions are offered to Mercosur.

Thank you for your time. I look forward to your questions.

● (1110)

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

Mr. Bourque, you have up to five minutes, please.

**Michael Bourque (President and Chief Executive Officer, Fertilizer Canada):** Thank you, Madam Chair and members of the committee.

Fertilizer Canada represents fertilizer producers and manufacturers, importers, wholesalers and retail distributors of nitrogen, phosphate, potash and sulphur. Together our members contribute over \$42 billion annually to Canada's economy and....

Sorry, that's the problem with being on an iPad; sometimes you touch the wrong thing.

We support more than 118,000 Canadian jobs.

Fertilizer is essential to feeding Canada and the world. It contributes to roughly half of all global food production. At 23 million tonnes per year, Canada is the world's largest potash producer, supplying approximately 40% of global exports. Canada is also the most sustainable producer of potash, with emissions 50% lower than those of Russia or Belarus.

The current conflict in Iran is a reminder that fertilizers are a globally traded commodity and highly sensitive to geopolitical shocks. The conflict's shutdown of the Strait of Hormuz has created volatility in nitrogen, phosphate and sulphur markets, pushing prices sharply higher and raising concerns about meeting demand. An event far from Canadian farms, such as the war in Russia and Ukraine, a ship blocking the Suez Canal or instability in the Middle East, can rapidly tighten fertilizer markets and drive up global prices.

Canadian potash exports to the Mercosur region are a success story. Brazil is Canada's top potash market outside the U.S. Potash is also our largest export to Brazil and Uruguay, accounting for over half of all Canadian exports to Brazil by value. This success is due to a stable open trading relationship and the capacity to supply one of the world's growing agricultural markets.

Brazil's soils are inherently potash-deficient. Potash fertilizers allow farmers in Brazil to supply vital potassium to their crops, including corn, sugar cane, soybeans and coffee.

Canadian fertilizer producers are not just selling into Mercosur; we have a strong on-the-ground presence to meet growing demand. Canpotex has a permanent sales office, which they've had since 2018; K+S Potash operates a distribution centre in São Paulo; Mosaic has a significant footprint in South America with over 6,000 employees; and Nutrien operates in South America with 3,000 people across Brazil, Argentina, Chile and Uruguay.

Canadian potash is a key strategic asset for our trade with Mercosur countries, but our prosperity as a trading nation depends on our ability to move goods efficiently to global markets. Supply chain disruptions, often due to labour disputes at Canada's railways and ports, have resulted in lost market opportunities, eroding Canada's reputation as a reliable trading partner. When Canadian potash exports stall, Russian and Belarusian producers immediately move in to secure contracts and deepen their foothold in key markets.

Following the 2023 Port of Vancouver labour disruption, Canada lost market share to Russia and Belarus in Indonesia and Malaysia, sales that have yet to fully return. Even without disruptions, getting potash to global markets is no easy feat. Canadian potash is mined in Saskatchewan, travelling over 1,700 kilometres by rail to reach the closest port of export. Vancouver remains the most efficient and most cost-effective way to ship potash to Brazil's agricultural market.

We want Canadian potash to continue to be a success story in Mercosur markets. Fertilizer trade works best when it is predictable, tariff-free and insulated from broader trade disputes. One practical step to consider is addressing Brazil's vessel-based import tax, which applies to bulk shipments, including potash. This tax imposes an 8% levy on ocean freight and discharge costs. Securing relief for Canadian potash would provide a clear competitive advantage in a market in which we compete directly with low-cost producers like Russia.

Maintaining stable open market access while advancing targeted improvements like this will be key to growing exports in the region and reinforcing Canada's position as a reliable supplier. We strongly

support efforts to deepen our trade relationships with Mercosur, along with Canada's broader trade diversification and export growth objectives.

[*Translation*]

Thank you for inviting me.

I look forward to your questions.

• (1115)

[*English*]

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

We will start with our members.

Mr. Groleau, you have six minutes, please.

[*Translation*]

**Jason Groleau (Beauce, CPC):** Good morning, Madam Chair and colleagues.

Guests, thank you for joining us.

I am a proud Beauceron who strongly defends agriculture. I come from a farming family. We want to help our farmers.

We've met with pork producers and other meat producers, and they don't look positively on Mercosur.

Mr. Ruel, how do chicken farmers see this agreement?

**Yves Ruel (Associate Executive Director, Chicken Farmers of Canada):** Thank you for the question, Mr. Groleau.

As our association president said, this agreement is a threat. Brazil is a world leader in the chicken sector and in other agricultural sectors. It's the largest exporter in the world. To give you an idea, last year, it exported 5.3 billion kilos of products, about four times more than Canada's entire production, to more than 125 countries around the world. It's really a superpower in chicken production. Its production costs are extremely low, which means there's no way we can compete with Brazil's imports.

**Jason Groleau:** Who's going to win?

**Yves Ruel:** Certainly not Canadian producers.

**Jason Groleau:** Not at all, then.

Is it because of production costs? Is it because of Brazil's capacity as the largest producer in the world, as you said?

**Yves Ruel:** Brazil is the third-largest chicken producer and the largest chicken exporter in the world. I'm not an expert on Brazil, but you need only look at the statistics to realize its agricultural capacity. It's a world leader in many sectors, including various meats, as you heard my colleagues say. That's the case for the beef and chicken sectors, as well as other agricultural products. It's a very competitive and a very advanced country in the agricultural sector.

**Jason Groleau:** Is there a risk to our supply management system, for example?

**Yves Ruel:** That's why we say it's very important for Canada not to make any concessions. Brazil already exports to Canada under the World Trade Organization, or WTO, tariff rate quota. In 2025, Canada imported 10 million kilos of product from Brazil. It already has access to the Canadian market. As long as it stays within the current quotas, we're okay with that, because we honour the agreements Canada has signed. However, we don't want to give Brazil more access. That's very important.

**Jason Groleau:** Ms. Citeau, what is your opinion on Mercosur?

**Claire Citeau:** The Canadian Meat Council echoes the concerns raised by others regarding competition. Brazil is a big competitor.

That said, we have processors and importers in our membership. We currently import products from Southern America. We see small opportunities. If we could take advantage of these small opportunities in specific niche markets, our members would agree to a limited access with strong safeguards to exercise a strict control.

However, that's not the priority. We see other opportunities around the world, including in the Indo-Pacific regions and other markets. I also want to say that our first priority remains the North American market. That's what market negotiations should be focused on, as well as the Asia-Pacific region or the Gulf region and elsewhere. Mercosur is really not a priority for our members.

• (1120)

**Jason Groleau:** Could there be a threat to Canadian jobs if our production were to drop because of increased exports?

**Jorge Correa:** Absolutely. There's a direct link between our exports and Canadian jobs. That's one thing.

However, I don't think our jobs would be impacted by more imports from Mercosur countries. We regularly import from those countries, including Brazil, Paraguay, Uruguay and even Argentina. There are also Australia and New Zealand. As my colleague said, we'd like to focus a little more on other countries, such as China, the United States or the countries in the Indo-Pacific region, for all the reasons given.

**Jason Groleau:** I'd like to come back to you, Mr. Ruel.

We're proud of the chicken we produce. In Quebec and Canada, we produce excellent chicken. It's said to be the best.

Would lifting our barriers on a larger scale raise concerns about food security?

**Yves Ruel:** Thank you for being so proud of the chicken we produce. We absolutely are. You're right.

There are definitely concerns. As we said in our opening remarks, for hatching eggs, those used to produce the chicks for chicken farms, the current tariff quota gives the U.S. a 21% access to our market. In the last couple of years, with the avian flu issues, it's been difficult for Canadian hatcheries to get enough hatching eggs from the U.S. to supply our farms. This shows what can happen if we focus too much on a third country for our supply. If the third country needs these products, it'll use them and won't export them to their neighbours. That's been our experience over the past few years. The lack of hatching eggs from the United States has limited the expansion of chicken production in Canada.

**Jason Groleau:** Thank you.

[English]

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

Next, we have Madame Lapointe, please.

[Translation]

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

I'd like to welcome the witnesses and thank them for joining us.

Mr. Ruel, what you're saying is interesting. Are we not able to supply our own hatching eggs in Canada? Do we not have that capacity?

**Yves Ruel:** We could certainly provide enough of them. However, since the various negotiated WTO agreements give access to our market or the Canada—U.S.—Mexico Agreement gives the U.S. access to 21 of our market for hatching eggs, the industry has structured itself so that, year after year, 21% of all the supply comes from the United States.

Farmers won't start a herd of breeding hens in case there's a shortage in the U.S. for a few months. Obviously, starting a herd means spreading production over years.

Before, there was a small—

**Linda Lapointe:** Okay. I thought we were self-sufficient in this area.

**Yves Ruel:** The free trade agreements give a 21% access for hatching eggs, so the industry has structured itself in such a way to generally welcome a 21% import. However, if there's a problem with the supply chain, we're in trouble.

• (1125)

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

I have a couple of questions for Mr. Bourque.

You talked about fertilizer. You said the geopolitical situation in the Middle East is making things difficult. You also talked about pork.

In terms of supply, are the rails also part of the challenge?

What about capacity? You said earlier that we were able to export, but can we continue to increase Canada's potash export capacity to Mercosur countries and other countries?

**Michael Bourque:** I think the answer to your three questions is yes.

Let's start with rails. Potash is definitely heavy, so it is transported by rail or by boat, not by truck.

Also, potash is a growing industry in Saskatchewan. We have three mines in operation and there'll be four next year, and there are expansion plans for all of them. We can supply Mercosur countries as well as other markets.

Potash is a very important product for Canada.

**Linda Lapointe:** Given everything that's going on and that there are places where it's more difficult to transport potash or send it, exporting costs must have increased.

**Michael Bourque:** The price of potash hasn't gone up that much, but other fertilizers have.

It's important to know that Canada is an importer when it comes to other fertilizers. There are phosphate and nitrogen products, but they're not interchangeable. They're distinct products. We need all three for different reasons. Prices, especially for nitrogen products, have gone up a lot. It's just an example of what happens in a globalized world. We expect to be able to import those products, because farms need all fertilizers.

**Linda Lapointe:** After listening to the various witnesses, I understand that meat producers have concerns, just like poultry producers.

However, you see a very good opportunity to export potash to southern countries.

**Michael Bourque:** Exactly. It's an important market, and it's becoming more important every year.

**Linda Lapointe:** I have a question for Ms. Citeau.

Welcome to the committee. This isn't your first time here. We met you the other day when you came to talk about the beef industry, the pork industry and exportation. You said we're able to sell beef at a better price in the Indo-Pacific region, since parts of the animal were sold there that weren't sold elsewhere.

Are there similar opportunities in the Mercosur countries? Could we get a better price on carcasses because we would be selling parts there that we don't sell here, in Canada, or that we don't export to other countries?

**Claire Citeau:** I'd start by saying that having access to markets around the world through free trade agreements makes it generally

and globally possible to get a better price. Why? It's because you can sell more products. That's a basic principle.

Regarding the second part of your question, we feel it's mainly Asian markets that are fond of these products and parts of cattle that are not traditionally used in North American cuisine. They love these products, and we manage to sell them at attractive prices, whether in China, Indonesia or elsewhere.

[*English*]

**The Chair:** I'm sorry, Madame Lapointe. Your time is up.

[*Translation*]

**Linda Lapointe:** I would've liked to ask you if we could increase capacity, but I'll let others ask the question.

Thank you.

• (1130)

[*English*]

**The Chair:** I'm sure that, as the conversation continues, you'll have an opportunity to discuss this further.

Mr. Savard-Tremblay, go ahead, please.

[*Translation*]

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

That would have been a good question, but I'm going to go in another direction. I'm sorry.

I'd like to thank the witnesses for joining us and for their presentations.

My first question is for the chicken farmers. We heard from your counterparts in Quebec two weeks ago.

We understand your concerns. You said much the same things they did; you echoed their testimony. We understand the concerns regarding the importation of meat from Brazil from both an environmental and an economic standpoint. I think it's obvious there's competition. The word "unfair" might be strong, but we can at least say it's uneven.

In any case, let's take a step back and take a more comprehensive view. What are the trade priorities of chicken farmers?

**Yves Ruel:** As we said in our presentation, we think it's important we keep the current level of access and don't increase it. We already import around 10.8% of Canadian consumption, so it's already a lot. We don't want to reduce the tariffs.

One of the main issues is the importation of hens falsely labelled as spent hens. That's why we don't consider Mercosur as a trade priority. Canada's priority is to address the importation of hens falsely labelled as spent hens. This issue is hurting Canadian production. It's estimated that in 2025, 50 million to 55 million kilograms of chicken were fraudulently imported to Canada through misrepresentation. This circumvents Canadian import rules and hinders the development and economic growth of Canadian production.

Therefore, the priority should be for the government to do everything possible to limit these misrepresented imports.

**Simon-Pierre Savard-Tremblay:** Regarding spent hens, the government should take action to ensure the growth of the chicken sector.

Are there other similar actions to take?

**Yves Ruel:** Obviously, it's in all initiatives. We understand the government's current diversification strategy. Consequently, in all initiatives, whether with Mercosur, Thailand or Southeast Asia, we should always respect the principles of supply management, and not agree to provide additional access or accept tariff reductions.

We are well aware of our role in feeding Canadians, so we're making sure we continue to do that. We develop on-farm programs to meet consumer needs. We feel it's important to be able to continue to develop Canadian chicken production and industry.

**Simon-Pierre Savard-Tremblay:** You talked about supply management. As you know, a law was passed last year to stop any future breaches. I was very involved in that debate. Actually, this committee studied the previous two versions of the bill during the two previous Parliaments. We were able to fast-track the last version of the bill, so we didn't have to study it again in committee, but we'd already done it twice before. Thank you for your support on this bill, which has now become law.

That said, there's still a question we need to ask. You can focus your answer on Mercosur, but you can also answer in a more comprehensive way. There's always a back door somewhere when you can't go through the front door.

Do you have any concerns about that, whether for the Mercosur region or other regions?

**Yves Ruel:** First of all, thank you for the bill. I also want to thank parliamentarians who unanimously supported it. Canada sent a very clear message that food security and the development of Canadian agriculture are priorities.

That said, things can happen, such as the hen importation issue I talked about earlier. They're actually hens, but labelled as spent hens. I understand this example is beyond the scope of the discussions here, but spent hens are not subject to the same import controls as chickens.

Those are the kinds of things that are happening. It's important for the government to be very alert to make sure this doesn't hinder the growth of Canadian agriculture and the Canadian economy.

**Simon-Pierre Savard-Tremblay:** Like you, your colleagues said two weeks ago that this is very uneven competition. The climate there is not the same as ours, so already, the constraints for drying grain, in particular, are not the same. Heating henhouses doesn't cost the same either. Moreover, the workforce is not subject to the same standards in terms of wages and working conditions. Production there is so much larger. As you said, there's no way to compete with that.

There's also an environmental component to consider. Your colleagues said they'd heard things about that. We know farms there are closely linked to deforestation.

Do you also have information on that?

• (1135)

**Yves Ruel:** Like any citizen, I hear concerning reports about that. I'm not an expert on the Brazilian environment or deforestation, but—

**Simon-Pierre Savard-Tremblay:** What about your competitors, more specifically, in the chicken industry in Brazil?

**Yves Ruel:** Chicken farming is done in closed buildings, so I don't think it really happens in deforestation areas. That may be more the case for crops or cattle pastures.

**Simon-Pierre Savard-Tremblay:** Yes, for cattle. There's data on that also.

**Yves Ruel:** Obviously, to raise chickens, you need soybeans, and you have to grow it somewhere. Are there repercussions? I'm not an expert on the Brazilian situation by any means, but we often hear about it.

**Simon-Pierre Savard-Tremblay:** How much time do I have left, Madam Chair?

[English]

**The Chair:** You have 10 seconds left.

[Translation]

**Simon-Pierre Savard-Tremblay:** In that case, thank you.

[English]

**The Chair:** We have Mr. McKenzie, please, for five minutes.

**David McKenzie (Calgary Signal Hill, CPC):** Thank you, Madam Chair.

I'm curious with respect to an outbreak of avian influenza that took place in Brazil last year and its impact on imports. What are some of the risks related to this in the event that a country exporting to Canada may have a sanitary or phytosanitary problem?

**Tim Klompmaker:** In Canada we've seen that, for Brazil, it impacted some of the imports that were coming in, and we saw lots of the importers making adjustments as to what countries they were importing from to still have the consistent supply they were used to. We've certainly seen it in the United States as well, where we had outbreaks, and you touched on it as well around the hatching-egg piece. We had avian influenza outbreaks there that ended up impacting our hatching-egg imports.

In Brazil, they've done lots of the same things we've done as far as AI is concerned. When I say "AI", I mean avian influenza. They've done a lot of the same work that we've done in stamping out and controlling the area they are in. As a country, we simply will not allow imports to come out of those regions. It's certainly a risk for consumers when they have to depend on foreign products.

**David McKenzie:** Do you feel the Canadian Food Inspection Agency handled this effectively in terms of protecting the domestic Canadian market?

**Tim Klompmaker:** The safeguards that are in place around those types of outbreaks actually go beyond CFIA. They go to the World Health Organization as well. I think that the way it was handled was good, but it was a disruption of the imports we were used to, which is always a concern.

**David McKenzie:** Our markets here in Canada, in so many areas, are very closely integrated with U.S. markets, and often on a two-way basis.

Regarding this interruption, with respect to the situation in Brazil and the potential for exports to Canada, what's the impact then on our relationship with the United States as a major trading partner? Does it have a knock-on effect?

**Yves Ruel:** I'll try to answer that.

We have a TRQ under the Canada-U.S.-Mexico Agreement that is only for U.S. chicken suppliers. The WTO TRQ is available for all countries. Some comes from Brazil and some comes from the U.S. but under the WTO TRQ.

The U.S. doesn't allow Brazilian products in its market. Any chicken from Brazil that comes to Canada cannot be re-exported to the U.S. It's quite isolated, and there's no real impact.

Obviously, the more Brazilian chicken that comes here, the less happy the Americans will be, because it can erode the share of the WTO TRQ that they can fill. It doesn't touch the CUSMA TRQ, but they compete together under the WTO TRQ.

**David McKenzie:** You mentioned a restriction on re-exports to the U.S. Is that a risk, or is that at risk of becoming a trade irritant between Canada and the United States?

**Yves Ruel:** I think the CFIA is very clear that plants that import from Brazil cannot re-export. I've never heard that it was a concern from the U.S. side.

It's very important that Brazilian chicken doesn't go to the U.S. market, because then it would become an irritant, for sure.

• (1140)

**David McKenzie:** That's understood.

You're confident in the overall tracking of sources of production and that, when those elements enter our marketplace, they continue to be tracked so that we don't have a risk of re-export to the U.S.

Is that correct?

**Yves Ruel:** I'm not aware of any issues. I don't think it's a risk.

**David McKenzie:** Okay.

Thank you. I appreciate that.

With respect to the Meat Council, do you have similar concerns about the equivalency of sanitary and phytosanitary standards between us and any of the countries in Mercosur?

**Jorge Correa:** Currently, we have imports coming from those countries, and they go through the inspection system that is approved for those countries. We haven't found any issues, and we have not raised any issues about these types of situations.

The competent authorities from Mercosur countries and Canada are well aligned. Not all establishments in those countries are able to export to Canada, so they need to follow the requirements of Canada.

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

**David McKenzie:** Thank you, Madam Chair.

**The Chair:** Mr. Fonseca, you have five minutes, please.

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

Canada has a very robust trade diversification strategy, which I think the majority of you would agree with and want to continue to promote. We've had some large agreements, such as CETA or CPTPP, and some agreements that we've just signed with Indonesia. Now we're looking at Mercosur, India or some of the other countries.

The reason for this diversification is that we don't want to be dependent on any one market. We want to make ourselves more resilient and ensure that we don't experience the shocks that we have.

I want to go to Mr. Bourque.

What percentage of the fertilizers that are mined here in Canada are exported? I'd like to know that first.

Then, within your association, what is your diversification strategy? If you can have one market—be it the U.S., Brazil, China or India—buy all of your product, how do you diversify now within all of those markets? Do you say you're only going to sell 10% to this one country and 12% to another? How do you do that? Can you take us through the strategy and approach that you implement?

**Michael Bourque:** We are exporters of potash, and we are the largest producers of potash in the world. We have the most significant reserves in the world. As I mentioned, we also produce it in the most sustainable fashion, so we should be the most desired producer and seller of potash in the world. The vast majority of potash that we produce is for external markets. Obviously, there are big markets in Canada, but the majority of it is for export.

It's important to understand that we also import about 50% of the fertilizer that we need for farms across Canada; it is imported because we don't produce any phosphate fertilizer in Canada. This is all imported. We still import a great deal of nitrogen fertilizer, especially to the east coast. We've even imported, in the past, potash to the east coast because of the cost of transportation. Right now, we have a tariff on Russian potash, so there is not a lot of Russian potash coming into Canada. It's being supplied mostly domestically. Because of that situation, it's very important for us to have open trade. It's important for every farmer in Canada, as we are seeing.

I raised the war in Iran because it's an example of how something that happens globally can impact the availability and the price of fertilizer in Canada. For this spring, there doesn't seem to be any kind of problem with the supply of fertilizer in Canada, even nitrogen-based fertilizer, a great deal of which is produced in the Middle East. However, next year, depending on what happens with this war, it could be a different situation.

**Peter Fonseca:** How do you decide what percentage of your potash goes to which particular market? Do you do that in a strategic way, or is it first-come, first-served?

• (1145)

**Michael Bourque:** We have established markets already. For example, we've been selling potash to China and Southeast Asia for many years. That's a growing market. We'd like to continue to serve it.

As I mentioned earlier, potash production in Canada is growing. We have BHP opening a new mine next year, and Mosaic, Nutrien and K+S, which currently operate in Saskatchewan, are all expanding their operations.

My main message is that we support trade around the world. We will find the markets, but our concern is with the supply chain, and specifically the supply chain infrastructure. All the potash that's produced for export comes from Saskatchewan, and it needs to travel a great distance. We've had significant regulatory issues, but mainly labour and infrastructure issues.

We have been working with the government to identify the infrastructure projects that we would like to see prioritized so that we can have a more robust supply chain. Also, we have great concerns with labour agreements and the whole Labour Code, frankly, because there are too many lockouts and too many strikes, which lead to instability. When that happens, we lose market share. I gave the

example of Indonesia. There's one purchaser of potash in that region, and if that person, because of a strike in Vancouver, doesn't get their shipment of potash, they switch to Belarus or Russia, and they don't easily come back because they've already been burned. Reliability is key.

We live in a dangerous and unpredictable world. We can't control wars, and we can't control a lot of tariffs that are imposed by other countries, but we can control our infrastructure for transportation, our labour framework and our regulatory system. If we can align those things, we will be able to ship a great deal more product from Canada around the world, including to Mercosur, which is a growing market. The thing about this market is that it's almost 300 million people. It's almost as big as the United States, and this offers all kinds of opportunities for fair trade.

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

We'll move to Monsieur Savard-Tremblay for two and a half minutes, please.

[*Translation*]

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

I'm now going to turn to the Canadian Meat Council representatives.

I won't ask you the same question I asked the chicken farmers regarding deforestation, because in the case of cattle, it's been clearly shown. We have the data. We know that up to 80% of deforestation in the Amazon is due to cattle farming. Obviously, the environmental consequences are clear. We live in a world where everything's interconnected. Moreover, it's said that the Amazonian forest is the lung of the Earth. That's been shown.

From a strictly economic point of view, given you have processors in your membership, do you fear this could tarnish the reputation of Canadian meat, for example, if non-traceable imports were to occur as a result of an agreement with Mercosur? If not, would there be other unsuspected consequences?

**Claire Citeau:** Regarding rules of origin, I think the measures adopted as part of free trade agreements, whether with the United States, Asian countries or other countries, must be respected. I think the standards that Canada has adopted in this area need to be followed. I don't think we need to worry about those standards not being met.

**Simon-Pierre Savard-Tremblay:** You're more enthusiastic than I am. Usually, when we talk to negotiators or minister about agreements with other countries, as was the case most recently with Indonesia and Ukraine, or with countries where we know the standards are not the same and we talk to them about workers' rights or environmental issues that would cause an imbalance, they say they're still at the hypothesis stage, but that it is the start of a discussion. When we ask them if there's anything binding, the answer is always no.

What encouraging elements do you see?

**Claire Citeau:** Actually, what I meant was when our principles and provisions are written in black and white, our standards must be respected. That's what's important.

• (1150)

**Simon-Pierre Savard-Tremblay:** So there would be no risk of meat—

[*English*]

**The Chair:** I'm sorry, Mr. Savard-Tremblay. Your time is up.

Next is Mr. Mantle, please, for five minutes.

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

Thank you to our witnesses for appearing before the committee today.

I have a few questions for you, Mr. Bourque, with respect to fertilizer production in Canada. I want to make sure I understand, first, the main components that go into the production of fertilizer. I understand those are nitrogen, phosphate and potash. Is it correct that Canada currently has no operating phosphate mines?

**Michael Bourque:** That's true. There are a couple of projects being worked on, but this is an area that we could be focusing a lot more on.

**Jacob Mantle:** I believe there's a project in Quebec that's been on the books for over a decade now—Lac à Paul.

**Michael Bourque:** In Ontario as well...

**Jacob Mantle:** Okay.

My understanding is that the last phosphate mine closed in about 2012 or 2013. That was the Kapuskasing mine in Ontario. Is that correct?

**Michael Bourque:** That predates me in my role, but I would be happy to get the information on phosphate mines for you.

**Jacob Mantle:** Sure. Whatever you can provide would be fine.

Is it fair to say that we've had no new mines open in at least 15 years?

**Michael Bourque:** We haven't for phosphate.

**Jacob Mantle:** We need it. We have it. Why can't we open any new mines on this?

**Michael Bourque:** I'll add to that. We have not had any new nitrogen production either, which is probably more important.

Nitrogen is produced wherever you have inexpensive natural gas or electricity. We have a plant in Ontario that was built when elec-

tricity was less expensive, and we have a plant in Alberta. There have been people who've looked at expanding into Alberta. So far we haven't seen the investment. It would make a lot of sense to do that.

For phosphate, certainly, there are areas with potential. It wouldn't be just for fertilizer. It would also be for critical mineral use, but there would be fertilizer application. Because we currently import 100% of our phosphate, this would be a very good thing to focus on, as would nitrogen fertilizer, which is considerably more expensive in Canada than in other countries—well, certainly than it is in the Middle East.

**Jacob Mantle:** Thank you for that.

My understanding is that, according to the OECD, it takes about 19 years for a mine to get approved in Canada. Do you think our long approval times are having a detrimental effect on new investment in building mines for phosphate or for the production of nitrogen?

**Michael Bourque:** Certainly, the regulatory system can be improved. That's a very long time. I think if you were to speak to BHP, they could attest to the fact that it took a very long time to build that mine, which is slated to open next year in Saskatchewan. Yes, we can improve our regulatory approvals system and attract more investment.

The other side of it is the great deal of uncertainty around carbon policy, climate change policy and how those are going to apply to large emitters that are trade-exposed, as anybody in the nitrogen business would be.

**Jacob Mantle:** I understand that the primary feedstock for the production of nitrogen is LNG. Is that right?

**Michael Bourque:** Yes, it's natural gas.

**Jacob Mantle:** That's for energy. It won't be a surprise that we have a lot of this in Canada.

**Michael Bourque:** We should have more nitrogen production here, there's no doubt.

**Jacob Mantle:** Given that, were you surprised or was the industry surprised to see no nitrogen, phosphate or anything to do with fertilizer production identified as a major project and referred to the Major Projects Office?

**Michael Bourque:** Honestly, it's early days, so I wouldn't say I was surprised, but I would say that we should be looking at this. I wouldn't say that the government isn't looking at it. There has been a lot of attention, especially recently, around the phosphate side. It was raised by the leader of the Bloc in the last election, so we know there's support and interest across governments. However, could it be improved? Yes, we could have a lot more attention on it. I think this current conflict in the Middle East has really opened people's eyes to the fact that we are vulnerable to the price coming out of the Middle East. It's another reason to consider what we could do.

• (1155)

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

Mr. Lavoie, you have five minutes, please.

[*Translation*]

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

Thank you witnesses for taking the time to join us in person. We are extremely grateful.

I'll start with a question I wanted to ask a few weeks ago. I'll take this opportunity to ask it to the beef and chicken producers.

When Ms. Saad, the president of the Brazil-Canada Chamber of Commerce, appeared before the committee, she said she saw a lot of opportunities with Mercosur. You, on the other hand, are saying that we have to be careful. There seems to be a big difference between what she said and what you're saying. She said there are opportunities, but you say we have to be careful.

Mr. Ruel, Ms. Citeau, where do you think this difference comes from? Can you tell us so everyone can better understand?

On the one hand, some say there are a lot of opportunities for all markets. On the other hand, others say it's not that obvious.

I'd like to hear your opinion on that quickly.

**Yves Ruel:** It certainly depends on the sectors. For the Canadian chicken sector, there's no opportunity to export products to Brazil. However, I can understand that Brazilian representatives would see export opportunities to Canada.

You also heard Mr. Bourque from Fertilizer Canada, which exports a lot of fertilizer to Brazil. So there are opportunities in other sectors.

However, in the chicken sector and agriculture in general, there's no potential gain for Canada. Brazil is the world's leading agriculture and agri-food power.

**Steeve Lavoie:** Okay.

Ms. Citeau, do you feel the same way?

**Claire Citeau:** In the meat sector, opportunities are elsewhere. In Latin America, they're very limited. They're mainly in Asia, the Middle East and, for some producers and processors, in Europe for high value-added products.

Obviously, our priority remains the North American and Mexican markets. Our exports have grown by about 25% over the last

year. We still have a lot of work to do, and there's still a lot of work to do elsewhere.

Opportunities in Latin America are limited because countries there are already large producers. We see some opportunities in specific niche markets, but, again, it's far too limited for us to make it a priority.

**Steeve Lavoie:** There are probably opportunities in Brazil for high value-added products.

**Claire Citeau:** Yes, and there may be others.

**Steeve Lavoie:** You just said something interesting, namely that the Mexican market is increasingly attractive.

How can we gain more access to the Mexican market, which is closer to Brazil than to Canada? Why is Mexico buying from Canada rather than from Brazil, which is closer?

**Claire Citeau:** I think the Mexican market also buys products from Brazil.

**Steeve Lavoie:** Yes, but what distinguishes us and allows us to sell more products to Mexico?

**Claire Citeau:** We have a free trade agreement built on 20 to 25 years of close trade with the U.S. and Mexico. We've made efforts in recent months and years, yes, but it's also based on very long-term work.

**Steeve Lavoie:** Okay. From what I understand, the free trade agreement with Mexico has been good, but over the long term.

**Claire Citeau:** Yes.

**Steeve Lavoie:** Okay, thank you.

Mr. Bourque, I heard you earlier. What is your vision for the next decade in your industry? Will things change? Will you need to adapt, or will you stick to the same approach for the next 10 years? How do you see the coming decade in your sector?

**Michael Bourque:** There are always adjustments to be made and new technologies. Other products will be used as fertilizers. In fact, we're already seeing that. There are many possibilities in these cases.

That said, there are very well-established products. Farmers are familiar with using these products. They aren't quick to change their habits when something works very well.

• (1200)

**Steeve Lavoie:** Do you not see any major changes, new technologies that will transform farming for different export markets, or new products that could be created?

**Michael Bourque:** Yes, but that won't really change much in terms of the major challenges.

**Steeve Lavoie:** Thank you.

[English]

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

Thank you to our witnesses for coming before committee today and for when you've been here previously. I suspect we may see more of you as the time progresses. Thank you all very much.

I will suspend for a moment to get our next witnesses hooked up. Thank you.

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

• (1205)

**The Chair:** We have with us now virtually, as an individual, David Collins, professor of international economic law, by video conference.

From the Chamber of Commerce for Quebec and Africa, we have Sègbédji Parfait Aihounhin, chief executive officer, by video conference.

Thank you both for being here.

We will open up with five minutes of comments and then go to the members.

Mr. Collins, I invite you to give an opening statement of up to five minutes, please.

**David Collins (Professor, International Economic Law, As an Individual):** Thank you very much for having me.

Please interrupt if I go past the five minutes.

Canada's trade diversification toward North and West Africa should be anchored in a small number of priority countries in which economic momentum, political stability—relative to the region—and existing ties make commercial expansion realistic in the near term.

In North Africa, Morocco is arguably Canada's most promising partner. Its industrial strategy has successfully built export-oriented sectors, such as automotive manufacturing, aerospace and renewable energy. Canadian firms can plug into these ecosystems through component supply, engineering services and clean energy technologies, particularly in solar and green hydrogen. Morocco's extensive trade agreements with the EU and the U.S. also make it a gateway for firms seeking to integrate into transatlantic value chains from an African base.

Egypt offers a very large domestic market, major infrastructure needs and a central role in regional energy and logistics, including the Suez Canal corridor. Canadian opportunities here lie in infrastructure finance, water management, agri-food systems and education partnerships, although regulatory complexity and foreign exchange constraints require strong risk mitigation.

In West Africa, Côte d'Ivoire and Senegal are among the most attractive francophone markets. Côte d'Ivoire is a fast-growing economy with ambitions to move up the cocoa value chain into processing and manufacturing. This aligns well with Canadian capabilities in agri-processing technology, logistics and certification systems. Senegal has positioned itself as a regional hub for services, infras-

tructure and energy, including offshore gas development and renewables. It is also politically stable by regional standards and actively courting foreign investment.

Ghana provides an anglophone complement, with strengths in mining, fintech and governance. Canadian mining firms are already present, but there is scope to expand into downstream processing, digital services and ESG-related technologies.

Nigeria, while harder to operate in, cannot be ignored given its scale. It is particularly relevant for digital services, creative industries and energy, though market entry requires careful structuring and local partnerships.

Canada does not have comprehensive free trade agreements with any African countries. Instead, it relies on a patchwork of foreign investment promotion and protection agreements, FIPAs and participation in multilateral frameworks such as the WTO. Canada has a FIPA in force with Egypt, and has signed agreements with countries such as Benin, Cameroon, Côte d'Ivoire, Guinea, Mali, Nigeria and Senegal. These agreements provide investor protections but do little to reduce tariffs or non-tariff barriers. Trade preferences are instead mediated through Canada's general preferential tariff for developing countries and through African regional integration processes, particularly the African continental free trade agreement.

Given this limited formal trade framework, the most effective tools available to Canada are financial and institutional, rather than treaty-based. Export Development Canada and FinDev Canada can play a role in de-risking projects in countries like Senegal or Côte d'Ivoire, especially in infrastructure, energy and agri-processing. There is also scope to expand local currency financing, which is often critical in markets like Ghana or Egypt, in which exchange rate volatility is a constraint. At the same time, Canada can engage more directly with the African Continental Free Trade Area Secretariat to support customs harmonization, digital trade facilitation and standards alignment, which are among the most significant non-tariff barriers facing Canadian firms.

Quebec might be linked with Senegal or Côte d'Ivoire in sectors such as education, digital services and green infrastructure, while Ontario and Alberta could focus on Ghana and Nigeria in mining services, fintech and energy. Morocco could serve as a North African industrial hub for Canadian firms seeking to manufacture or assemble for export into Europe and Africa, while Egypt could anchor large-scale infrastructure and logistics partnerships. These relationships can be reinforced through university collaborations, vocational training programs and coinnovation platforms, especially in areas like AI and climate adaptation.

The Francophonie provides a practical mechanism to accelerate many of these initiatives, particularly in Senegal, Côte d'Ivoire and Morocco. Shared language and legal traditions, especially civil law systems compatible with Quebec, reduce transaction costs and facilitate regulatory co-operation. Canada can leverage this by promoting mutual recognition of professional qualifications, aligning technical standards in sectors like agri-food and construction, and expanding mobility pathways for students and skilled workers. Francophone business networks and trade missions can also be scaled up to connect SMEs directly, which is often more effective than large formal agreements in these markets.

Thank you. That's my opening statement.

• (1210)

**The Chair:** Thank you very much, Mr. Collins.

We now go to Mr. Aïhounhin.

Mr. Aïhounhin, it's strictly a five-minute opportunity. I will be raising my hand, and then we will have to cut you off. In your responses to some of the committee's questions, you can possibly get through some of your remarks. The committee members always have a lot of questions, and it's a good opportunity for you to finish your remarks.

Mr. Aïhounhin, please, the floor is yours for up to five minutes.

[*Translation*]

**Sègbédji Parfait Aïhounhin (Chief Executive Officer, Chambre de commerce Québec-Afrique):** Thank you very much, Madam Chair.

Members of the committee, thank you for giving the Chambre de commerce Québec-Afrique the opportunity to contribute to your study on trade relations between Canada, West Africa and North Africa.

The committee's motion is particularly relevant because it seeks to identify concrete avenues for trade diversification, strengthen Canada's presence in Africa and mobilize the Francophonie as a catalyst for trade and partnerships. That's where the Chambre de commerce Québec-Afrique comes in.

I'm going to present several points to you, in no more than five minutes, to elaborate on this.

The first point concerns high-potential economic sectors. For us at the chamber of commerce, the high-potential economic sectors are agribusiness, agritech, traceability and compliance technologies, renewable energy, global health applied to agri-food supply chains and technical and vocational training.

The second point has to do with existing trade tools and those that need to be strengthened. It must be recognized that Canada already has useful tools, but these tools must be better adapted to African realities. I'm thinking in particular of the tools deployed by Export Development Canada, which provides trade financing, insurance and other services. In practice, Canadian companies need more facilitation tools, such as certification support, information on standards, logistical support, and help reducing information asymmetries and securing supply chains.

The third point concerns economic and innovation partnerships. The trade relationship should not be seen as a one-way export flow between Canada and Africa, but rather as a framework of multi-stakeholder economic partnerships, that is to say between Canada, the provinces, regional African organizations, research centres, universities and businesses.

The fourth point is sustainability, governance and inclusion. The chamber of commerce believes that trade growth will only be sustainable if it is accompanied by requirements for transparency, governance, health standards, inclusion and risk management. We'll come back to this point later to explain it.

The fifth point is about regional value chains and industrial co-production. This is probably where the greatest strategic opportunity for Canada lies. Canada's contribution should therefore not be limited to selling finished products; it should also be aimed at building regional value chains, supporting local processing and fostering co-production. To that point, the chamber of commerce has a scenario in mind, which I'll explain later.

The final point concerns the Francophonie as a trade catalyst. For the chamber of commerce, the Francophonie isn't a secondary factor. It's an accelerator for trust, mobility and institutional interoperability. It must foster business relationships, training, networking and other events. In fact, the statistics show that efforts are already being made in this regard.

In that sense, the chamber of commerce is a concrete example of the implementation of Canada's Africa strategy, due to the strategic plan it developed, which builds on that strategy.

In conclusion, the chamber of commerce respectfully invites the members of the House of Commons to support and actively assist in the implementation of its 2026-30 strategic plan, as well as the initiatives led by all of its partners.

In an international context marked by the restructuring of value chains for Canada and the need to diversify its economic partners, the chamber of commerce offers a real opportunity.

That's why we humbly hope that in its initiatives with its partners, the chamber of commerce will be supported through a structured approach that is aligned with Canada's trade priorities and yields tangible results.

Thank you.

• (1215)

[English]

**The Chair:** Thank you very much. That's exactly five minutes. It is much appreciated.

Mr. Chambers, we've just cut back on the time. You have five minutes, please.

**Adam Chambers (Simcoe North, CPC):** I'm happy to oblige.

Thank you very much to our witnesses. Thank you for the testimony.

Mr. Collins, I'd like to start with you for a couple of minutes. You outlined a number of risks in different regions of Africa. Would you be able to—maybe not quantitatively, but qualitatively—qualify the largest opportunities? If you had limited resources as a government in terms of engagement and follow-through, where would you recommend that the largest opportunities may be available to Canadians?

**David Collins:** I would say that the largest single opportunity in terms of practicality and feasibility, especially in reference to the risk issue, is probably Morocco, from what I can tell. Morocco is generally stable. It has a tendency to sign free trade agreements. It's understood to have a reasonably strong rule of law. Of course, there are economic opportunities there, not just in the extractive sector but also in manufacturing. This could be an interesting potential gateway into the EU.

Obviously, you can look at the larger countries. Nigeria, for example, has amazing opportunities, but it is not terribly politically stable. This can be problematic from a political risk insurance perspective. I would say it's similar with Egypt. Another one would have been Tunisia, but they've been having a lot of problems lately with regard to political instability.

Morocco would come at the top of my list. Second would probably be Côte d'Ivoire. I think especially on the Francophonie issue, Côte d'Ivoire offers some promising opportunities as well, and it's reasonably more stable.

**Adam Chambers:** That's very helpful.

When you mentioned some of the risks, you mentioned political instability. In your mind, is this the largest risk governments or businesses should be concerned about, or are there other risks that you would also like to highlight for other opportunities?

**David Collins:** Well, there are always commercial risks. There are commercial risks regarding market fluctuations, say, and the instability of supply chains—for example, maybe the long-term functionality of a mine or something like that. There are consumer preferences. I would say the natural market foibles are always there. Still, I would say that in North and West Africa, political risk is the single largest problem. It's a problem that is a perennial one in that

part of the world. I'm not saying it's impossible to deal with it, but yes, there's political risk.

Of course, this is why there have been these FIPAs. The classic reason for signing an investment agreement is to mitigate against political risks. Canada has done this judiciously in that part of the world with the agreements that I've mentioned.

• (1220)

**Adam Chambers:** Thank you.

Staying on the risk topic, if I may, how does Canada as a country, or maybe our companies that might want to engage in Africa, consider the China question and the influence of the CCP growing within the region? Are there specific regions in which you think we should be more careful? Are there certain risk-mitigating actions that a government or a commercial enterprise should take, in your opinion?

**David Collins:** The Chinese presence in Africa is pervasive. I don't think there's a particular region of Africa that is more influenced by China than another, although there are particular infrastructure projects in various countries. I wouldn't say that North and West Africa are any riskier with respect to China.

In terms of dealing with the risk, one of the issues, of course, is that China can leverage so much state support that Canadian companies cannot. It immediately puts Canadian companies on the back foot, because they don't have government financing behind them to the degree that a Chinese company can have. That will immediately put them ahead in the bidding processes for, let's say, infrastructure processes.

One of the tricks to adapt to this would be having investment agreements in place with protections for investors. Again, this probably wouldn't address the leverage issue so much, but it would address the political risk. If the investments are done on the basis of contracts, I would suggest very strong dispute resolution clauses to ensure that the Canadian businesses are protected in the event of a dispute arising with the host state.

Commercially, I think the best strategy would be to choose sectors that Chinese companies are less involved in, such as renewables, environmentally oriented and socially conscious investments, and perhaps high tech. China tends to be focused on extractive sectors.

**Adam Chambers:** Thank you very much, sir.

**The Chair:** We'll go to Madame Lapointe for five minutes.

[Translation]

**Linda Lapointe:** Thank you very much, Madam Chair.

Thank you to the witnesses for being here today.

It was my motion that proposed the topic we're studying today, and I'm very proud of it. Therefore, the committee is studying trade opportunities with West Africa and North Africa.

Thank you for the good advice you've given us already. I sincerely thank you for being here.

I think the Francophonie can serve as a pivotal force and provide the opportunity to increase trade between different countries. The reason you're here with us today is precisely to guide us toward what you consider to be the best trade opportunities.

Mr. Aïhounhin, how can the African diaspora help us increase trade alongside the Francophonie?

**Sègbédji Parfait Aïhounhin:** Thank you very much. That's a very interesting question.

Within the African diaspora in Canada, there are sufficient competent resources—people who have lived there for a long time, who know Africa and who can effectively assist or are already assisting certain businesses through chambers of commerce and trade missions. There are many young people of African origin in the Canadian diaspora who are doing this work.

**Linda Lapointe:** You spoke earlier about Export Development Canada, or EDC, and the tools that could help us or make things easier. I believe Mr. Collins also spoke about this. It could help us with investor protection and to resolve trade disputes that may sometimes arise.

Mr. Aïhounhin, how could EDC do better?

**Sègbédji Parfait Aïhounhin:** What EDC does is provide trade financing, credit insurance and export risk management solutions. However, in practice, there should be tools to support certification, information on standards and logistical support, and help reduce information asymmetries and secure supply chains. These tools have not been developed. The Chambre de commerce Québec-Afrique is positioning itself in this niche. A collaboration with EDC and Investissement Québec could facilitate the implementation of these tools.

• (1225)

**Linda Lapointe:** Okay, thank you.

Mr. Collins, do you have anything to add?

[*English*]

**David Collins:** I would like to add that one thing Canada can do, perhaps for efficiency gains with respect to a broad range of African countries, is get involved with the African Continental Free Trade Agreement Secretariat. That secretariat, which administers the trade agreement across 50-plus African countries, has standard-setting committees and harmonization committees designed to promote trade within Africa.

If Canada were to participate in this—and that's an option, because it's open to participants—Canada might help the African continental free trade agreement establish standards that fit Canadian standards. That would enable Canada to export more easily into the region. I think it would be a one-stop shop. It would be a great way to target a range of countries in one go.

[*Translation*]

**Linda Lapointe:** You alluded earlier to education. Was that in relation to the recognition of credentials and prior learning?

[*English*]

**David Collins:** Yes, exactly. This was one of the things I was referring to with a student exchange and having African students come to Canada and vice versa.

You're absolutely right that mutual recognition of professional qualifications and legal services would be a great one. Obviously, for the common-law African countries, it would be easy—or not difficult, let's say—to have mutual recognition for the common-law provinces. The civil-law countries of North Africa could quite easily have mutual recognition with Quebec.

I think those would absolutely be opportunities.

[*Translation*]

**Linda Lapointe:** Thank you.

I'll come back to you, Mr. Aïhounhin. I have another question for you.

You said earlier that the situation had to be just as much a win-win situation for the African countries that decide to do more business with Canada as it is for Canada. It has to be seen as beneficial for both parties. I'd like to hear you say a little more about that.

**Sègbédji Parfait Aïhounhin:** I'll just cite the example right next door in the United States, where the African Growth and Opportunity Act applies to eligible African countries that meet the standards.

You know, in 30 years, one in four people on the planet will be African. That means there will be all these mouths to feed. The five basic needs—food, clothing, education, health care and housing—will have to be met. Despite their efforts, the African market and the current governments on the continent do not have the capacity to meet these needs. However, all the countries currently active in Africa, aside from Canada, are only active in the mining sector. So there are business opportunities to be seized. Canada has the know-how in these areas of expertise. You see, whether it's education—

[*English*]

**The Chair:** Thank you very much, Mr. Aïhounhin. I apologize for having to interrupt.

We'll go to Mr. Savard-Tremblay, please, for five minutes.

[*Translation*]

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

I'd like to thank the witnesses for being here and for their presentations.

It's a very interesting topic. As a Quebecer, I'm particularly pleased about the demographic boom in the francophone world, which could once again become a real force on the global stage. I believe it would be in our interest to develop intrafrancophone alliances and share a vision of the francophone world. I think the planet would be better off in every respect.

I'm going to have a question for each witness. I'll come back to you in a moment, Mr. Aihounhin, but I'll start with Mr. Collins.

Mr. Collins, this may be an impossible task for you, but since you're a professor, I'd like to ask you this: If we were your students and you had just a few minutes to paint us a picture of the economic war between the United States, China and Russia, what would you say? We often overlook Russia, but it has a significant presence in Africa as well. I also believe that the France-Africa relationship is a thing of the past and that it's pretty much over. In short, could you paint a picture of the clashes between the empires, so to speak, that are currently taking place on the African continent?

[English]

**David Collins:** I'll start. I'll try to be brief.

I think it would be great to answer your question with a map, but the one behind me is not the appropriate one for it. If you look at the influence—

• (1230)

[Translation]

**Simon-Pierre Savard-Tremblay:** I see you have one behind you.

[English]

**David Collins:** Yes, but it doesn't have the right colouring. I'll try to explain.

If you look at a map of Africa and the links between every African country and either the U.S. or China, Africa is astoundingly Chinese-oriented. The American presence in Africa is very small. That is, in a sense, a result of a conscious decision by the U.S. to retreat from globalization and China to jump in, sign these agreements and provide these infrastructure contracts. That was a strategic error on the part of the U.S.

In the U.S.-China trade war, to give the paradigm that you alluded to, China is absolutely winning in Africa. Whether it's in the best interest of the Africans remains to be seen. Certainly, a lot of infrastructure has come out of it, but we'll see what obligations will tie African countries to China in the long term. As Africa progresses and moves up the chain toward having advanced technological countries, it may get into trouble with China.

For the west, as it were, if we're to include ourselves as Canada on the western side of the trade war, I think Canada has a tough task ahead of it to muscle out China, especially given China's large state-sponsored investments in that part of the world. It's not impossible, but I totally agree with your paradigm. I think the trade war is very live, and in that part of the world, China is dominating.

[Translation]

**Simon-Pierre Savard-Tremblay:** What do you think, Mr. Aihounhin?

**Sègbédji Parfait Aihounhin:** Would you like me to answer the same question?

**Simon-Pierre Savard-Tremblay:** Yes, you can answer that question for now, or add anything along those lines.

**Sègbédji Parfait Aihounhin:** My position is a little different. I'm much more in favour of trade partnerships with China or working with Chinese companies on the ground in Africa. As Mr. Collins said, Chinese companies are getting a lot of support from the Chinese government. When the field is dominated by a country that has more resources, greater capabilities and greater ease in navigating the terrain, one solution is to collaborate with it if we have something to offer. That's what I would recommend, because Chinese companies have a better grasp of the African context.

**Simon-Pierre Savard-Tremblay:** Yes, I think that's clear, but it has an impact in terms of extremely strong ideological and political influence. We know that there are newspapers in that part of the world that are owned by the Chinese. We know that many governments have extremely close ties with the Chinese as well.

In your specific case, from the perspective of a chamber of commerce representing its members, you're saying that there are opportunities and that we need to collaborate with those in place. I understand that. It's hard to sideline those already in place. However, where are they primarily located? In which sectors might we say these opportunities exist? Are these opportunities in areas of Chinese influence?

[English]

**The Chair:** I'm sorry. There's insufficient time for you to answer what I think is a really great question.

[Translation]

**Simon-Pierre Savard-Tremblay:** In that case, please hold my question and we'll come back to it in my next turn. That will save time, because I won't need to ask my question again.

[English]

**The Chair:** Just so the committee is aware, we have a hard stop at 12:45.

As we go into the next round, it's three minutes each, and it will be one minute for Mr. Savard-Tremblay, so we're very tight on time.

Mr. Mantle, please go ahead for three minutes.

**Jacob Mantle:** Thank you, Madam Chair.

I'd like to move a motion that I have on notice.

**The Chair:** Okay. You can do that when we get into committee business, if you like.

**Jacob Mantle:** Pardon me?

**The Chair:** You could do that in committee business if you wanted to so you'd still have your time.

Do whatever you want. Get going. I'm sorry.

**Jacob Mantle:** I'll do it.

It's the CBSA outages motion. I think it's fairly straightforward. Everybody should have it electronically. It's been on notice for several weeks.

**The Chair:** It has, for a while, yes.

**Jacob Mantle:** By way of context, I continue to hear that there are issues with the CBSA border systems. I've asked the CBSA to provide me with information about this. They have so far refused to do that, so this is simply asking them to report to the committee on a monthly basis about the details of outages.

• (1235)

**Peter Fonseca:** Madam Chair, can we suspend for a moment?

**The Chair:** We are going to suspend for a moment.

I apologize to the witnesses. Just hold on. We'll suspend for a few minutes and then we'll come back to you, okay?

• (1235)

(Pause)

• (1235)

**The Chair:** We have a motion introduced by Mr. Mantle that is in order to be dealt with.

Is there any discussion or debate on the motion from Mr. Mantle?

Mr. Mantle, go ahead.

**Jacob Mantle:** Thank you, Madam Chair.

After discussions with my colleagues, I think it would be helpful for the government to have a few more days to consider this and get back to the committee, so I'm happy to oblige. Mr. Naqvi has indicated that he'll get back to the committee on Thursday, potentially with a way we can agree on seeking this information. I'm happy to do that, so I'll withdraw the motion but leave it on notice, if I may.

**The Chair:** It's been on notice for a while. Thank you very much.

Thank you all for finding a very smart way of dealing with this issue. We will look forward to dealing with it on Thursday.

Mr. Mantle, you have three minutes.

**Jacob Mantle:** I'm going to try my luck again, Madam Chair, because I have another motion on notice.

**The Chair:** Do you know what? I think we might as well just thank our witnesses, because it's 20 minutes to 1 p.m. and we were about to end it anyway.

Mr. Aïhounhin and Mr. Collins, I apologize, but we've run out of time for testimony. We may have you come back, because both of you were providing some terrific information, so the clerk will be in touch if that is the wish of the committee.

To our witnesses, thank you very much.

I'll go back over to you, Mr. Mantle.

• (1240)

**Jacob Mantle:** Thank you, Madam Chair.

The motion I'd like to move is also on notice. It's about the large enterprise tariff loan facility. It seeks a production order for the Canada Enterprise Emergency Funding Corp. and the Canada Development Investment Corp. with respect to the large enterprise tariff loan program.

**The Chair:** For the moment, you've introduced it. It will be on our list.

**Jacob Mantle:** It has been on notice since February 6.

**The Chair:** I assume, then, that you would like to deal with this motion at the moment.

**Jacob Mantle:** I would.

**The Chair:** I am going to suspend until the committee has had an opportunity to look this over a bit further.

We will suspend.

• (1240)

(Pause)

• (1245)

**The Chair:** I'll bring the meeting to order.

Mr. Mantle, I understand there have been discussions with regard to your second motion.

**Jacob Mantle:** There have, Madam Chair. I will leave my motion on notice until Thursday. In the interim, the government has offered to try to provide some of this information without the necessity of a production order. I will take it at its word on that. We'll try that, and if we can't resolve it, we'll be back on Thursday.

**The Chair:** Absolutely. Thank you very much for your co-operation.

I'm going to suspend the meeting again, because we are going in camera to discuss committee business.

*[Proceedings continue in camera]*







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