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• (1105)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): Good morning. I'm calling the meeting to order. This is meeting number 35 of the Standing Committee on International Trade.

We have a couple of new members sitting at the table. Welcome to all of you. This is the best committee on the Hill. That's my own plug here, but we have a great group of people, regular members and substitute members. I appreciate you all being here.

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

I have a study budget in the amount of \$9,750. Is everybody okay with that?

Some hon. members: Agreed.

The Chair: We have with us today, from the Canadian Cattle Association, Tyler Fulton, by video conference. He is someone the committee knows very well.

From Vancouver Fraser Port Authority, we have Alexa Young, vice-president, government, external and environmental affairs, also by video conference.

Welcome to you both.

We will start with Mr. Fulton for a presentation of up to five minutes, please.

Tyler Fulton (President, Canadian Cattle Association): Good afternoon, Madam Chair. Thanks for the opportunity to appear today.

My name is Tyler Fulton, and I am president of the Canadian Cattle Association.

Through our provincial members, CCA represents about 60,000 beef producers across Canada supporting jobs, the economy, rural communities and food security.

Today I'll be sharing the success story of the Canadian beef industry and Japan and the lessons from this positive relationship.

Japan is Canada's second-largest beef export market after the United States. It is a high-value, premium market that rewards consistent quality and long-term customer relationships. CCA leader-

ship has had the privilege to travel to Japan to strengthen our partnerships and experience first-hand the success of Canadian beef.

In 2025, Canada exported \$378 million in beef and beef products to Japan. The value of beef exports into this market has increased by roughly 76% from 2018 to 2025, despite significant global volatility. Through CPTPP, Canada gained meaningful beef market access into Japan. When CPTPP took effect in 2018, tariffs on Canadian beef went from 38.5% to the current 27.5% on fresh beef. Tariffs continue to lower annually. Japan's beef tariffs are scheduled to reach 9% by 2033. That predictable tariff schedule is essential for long-term market development. CPTPP is the gold standard for free trade agreements; it sets ambitious commitments, science-based standards and upholds rules-based trade.

The Indo-Pacific region, including Japan, represents the largest opportunity for the long term. I believe that the success of this trade relationship can provide three valuable lessons for Canada's trade diversification.

First, we need to uphold rules-based trade. Any new CPTPP member must match the ambition and high standards of the agreement. Canadian beef farmers and ranchers were deeply disappointed with the U.K.'s accession to CPTPP. The U.K. acceded to CPTPP with remaining non-tariff barriers against Canadian beef, and we did not use the leverage we had to resolve it. Therefore, it's essential that any CPTPP expansion should strengthen, not dilute, the ambition and standards of the agreement.

Second, we must not lose sight of what meaningful market access is. For producers, that means not only tariff reductions but the removal of non-tariff barriers so that trade can take place. Our success in Japan is not only due to tariff reductions but also to the removal of non-tariff barriers. Japan has been a reliable trade partner that abides by science and rules-based trade. This eliminates non-tariff barriers and other obstacles to trade.

Finally, trade diversification pursued without regard to outcomes does not serve Canadians. Canada's current negotiations with Mercosur illustrate this concern. There is no viable opportunity for Canadian beef in Mercosur countries, yet we are the number one bargaining chip on the negotiating table. Allowing increased access from countries with low standards displaces Canadian, sustainably produced beef and undermines domestic production at a time when the Canadian beef herd is rebuilding. Mercosur beef also has low standards in labour, animal health and environment, putting at risk our industry's biosecurity and hurting our reputation as a beef exporter with high standards in labour, environment and production.

For Canadian beef producers, that is not diversification; it's risk without reward. We need to ensure that trade agreements provide long-term benefits that encourage further production in Canada to meet global demand.

In closing, CCA supports trade diversification that is strategic, reciprocal and meaningful. Japan is a great example of diversification done right. It is a reliable, high-value and strategic market for Canadian beef.

Thanks. I look forward to your questions.

• (1110)

The Chair: Thank you very much, Mr. Fulton.

We will go to Ms. Young for five minutes.

Alexa Young (Vice President, Government, External and Environmental Affairs, Vancouver Fraser Port Authority): Thank you, Chair and members of the committee.

[*Translation*]

I'm honoured to join you today from the traditional territories of the Musqueam, Squamish and Tseil-Waututh nations.

These are extraordinary times for Canada. Trade rules have been upended. Canadians are feeling anxious.

Thank you to you and all your fellow parliamentarians for your service and leadership in these consequential times.

[*English*]

Now, there's no doubt that Prime Minister Carney's commitment to double exports to non-U.S. markets in the next 10 years is the right commitment at the right time.

Delivering on this commitment is going to require a team Canada approach and purposeful action to make more stuff like metals and minerals, wood and energy products, agri-foods, machinery and equipment; to sell more stuff to customers who want and need what Canada makes; and to move that stuff to where it needs to go reliably. As the trade-enabling infrastructure folks, that's where the Port of Vancouver comes in.

Where do we see the biggest opportunity for Canada in working to achieve this ambitious target? It's in making, selling and moving Canadian goods to the Indo-Pacific region, where 50% of global GDP will reside by 2040—China, South Korea, ASEAN nations—and the market we're here to talk about today: Japan.

The good news is that the Port of Vancouver is uniquely poised to play an outsized role in seizing this opportunity broadly and in Japan specifically. We're very pleased that you're undertaking this important study.

As context, the Port of Vancouver is Canada's largest port: bigger than the next five biggest ports combined. We're North America's most diversified port, handling about \$350 billion of goods every year. Whether it's Ontario retail products, Manitoba canola, Saskatchewan potash, Alberta oil or B.C. lumber, you name it and there's a good chance we move it, and 80% of those products are already headed to non-U.S. markets. That includes Japan, our second-biggest trading partner by volume, and where key exports include metallurgical coal, wheat, canola and forestry products, as well as other products, including energy exports.

Looking back, what has enabled our exports to Japan and its neighbours? Decades of investment—about \$9 billion over the past 15 years alone—have helped us move more of what Canadians make, mine, harvest and grow, with record trade year after year. With game-changing projects on the horizon, which I'll get into shortly, not only will Canadians and their businesses benefit, but customers in Japan and elsewhere will too.

As you undertake this study, there are three big opportunities from our perspective.

One, we need to invest in and build more trade-enabling infrastructure. The first step is to get game-changing projects that are ready to deliver for Canadians, like Roberts Bank terminal 2, across the finish line. This is a project that will see the creation of new industrial land and a three-berth terminal that's going to unleash an additional \$100 billion a year in trade capacity. It's a project that already has its environmental assessment approvals in place and the consent of 27 first nations. It's a project that, with support from the government via the Major Projects Office, can move towards a final investment decision and early construction works. This is game-changing.

What's more, as a country, we must also invest in getting more last-mile infrastructure up and running. Think roads, bridges, overpasses, underpasses and tunnels, to ensure that as we look to double export capacity, we're staying on top of what this means for communities that have rail crossings, truck traffic and other activities passing through.

Over the past 15 years, the Canadian government has helped to invest in two major waves of rail-supporting infrastructure in this gateway, but to double exports, much more is needed. We're pleased to have recently submitted proposals to Transport Canada's new trade diversification corridors fund.

● (1115)

[*Translation*]

More broadly, and as we look to get more trade enabling infrastructure up and running efficiently, there's also an opportunity to make systemic changes to our regulatory frameworks—like expanding port authorities' permitting powers.

In Vancouver, for example, in recent years we've permitted substantive projects such as the Centerm Expansion Project and G3's new grain terminal—each worth about half a billion dollars.

We run a thorough environmental assessment process including robust consultation with first nations. Critically, we deliver timely decisions—over 90% within our targets...pivotal to attracting investment. Long story short, empower port authorities to do more for Canada on permitting.

[*English*]

Two, we don't just need to build new projects; we need to optimize existing projects to make them more efficient and reliable. Here, we must work together to keep adopting new digital tools and tech to help partners share data and have greater supply chain visibility, all with the aim to move products faster, safer and more sustainably.

We can also do more to maximize trade capacity through projects like dredging under the Second Narrows bridge in Burnaby, B.C., which will see us slightly narrow the channel to let tankers leaving—

The Chair: Ms. Young, my apologies for interrupting, but the committee members are anxious to ask you questions, and I have to keep track of the time very carefully.

If you can, just finish your remarks while you're answering some of the questions from the members, if that's all right.

Alexa Young: Absolutely.

The Chair: Ms. Kronis is next for six minutes, please.

Tamara Kronis (Nanaimo—Ladysmith, CPC): Thank you, Madam Chair.

[*Translation*]

Ms. Young, thank you for your speech, which was interesting.

[*English*]

It is lovely to see you. I had the pleasure of visiting the Port of Vancouver a few months ago. From where we sit on Vancouver Island, the Port of Vancouver is an important part of a wider network of ports, including the home ports that we have in Nanaimo, that are working to expand trade with reliable partners like Japan, which has been a stable and important partner for Canada as a Pacific nation.

As you know, the Port of Nanaimo has just signed a sister port agreement with the Port of Kaohsiung in Taiwan. The CEO, Ian Marr, has played a real leadership role in the Indo-Pacific through the Association of Pacific Ports. As you know, communities like mine are working to deepen ties with partners in the Indo-Pacific region, like Japan and others, that share our strong standards, domestic values and the rule of law.

Could you comment on whether you're seeing stronger coordination among ports in countries like Japan, Taiwan and South Korea that share those common governance and trade standards with Canada?

Alexa Young: Absolutely. It's wonderful to see you. We're always happy to have folks join us at the Port of Vancouver.

We're seeing increased collaboration across ports in Canada. We all know we have a role to play. We've also seen an uptick in best practices for ports internationally with trading information across both Canadian ports and ports in the Indo-Pacific. A lot of that happens during things like trade and investment missions.

We had one of our executives on the B.C. mission to Japan just last year. We were also pleased to host a delegation of Japanese parliamentarians at the Port of Vancouver last year, so they can bring back some of these findings in terms of what that means at the ports over there.

Tamara Kronis: In your conversations with those Japanese representatives and representatives from other Pacific ports, have you picked up any intelligence or observations from them around how they feel about Canada's rapprochement...and the tensions that it's creating in the Indo-Pacific?

Alexa Young: I would say the biggest thing we're hearing in markets, including Japan, is all about certainty. These are customers who want and need what we make. They appreciate this commitment to double exports, but they still require it to move reliably. They're looking at things like labour stability. You can have all the trade-enabling structure that's needed, but if it's not moved reliably...

Over the years, we've seen some significant disruptions that have really tarnished our reputation as being open for business. Those are the types of domestic issues that have an impact on certainty for customers. It's probably the biggest topic.

● (1120)

Tamara Kronis: That's great to know.

In that vein, can you talk about the potential and the opportunities that we have with short sea shipping to be able to address some of those issues?

Alexa Young: Absolutely. It's part of the tool kit that's required for looking at all kinds of solutions to get products to market creatively. We know that some good progress is being made in looking at some opportunities to collaborate, including with the Port of Nanaimo, on just that.

Tamara Kronis: That's great. I know that our folks are very eager to work on that with you. They see tremendous opportunities to be able to enforce Canada's trade resilience and take advantage of those opportunities. As you know, we've grown some of our Vancouver Island exports with Japan through initiatives that include things like kiln-dried lumber and so on.

Given the increased uncertainty in global trade, could you comment on how important it is for the western ports to work together to be able to present that one-network approach to deepening relationships with reliable partners for Canada, like Japan?

Alexa Young: It's critical. Doubling exports is going to require all hands on deck. There will be different opportunities for different ports on the west coast of Canada, given where they are with existing investments and looking at the future.

Rallying around this target and the vision to “look west” is going to require increased collaboration. At the Port of Vancouver, we're excited to do just that.

Tamara Kronis: In the short time that I have left, I want to turn to the LNG side of things.

I'm wondering if you could comment on the increase in our LNG exports and whether we are missing some opportunities in that space, compared to competitors such as the United States.

The Chair: Give a brief answer, please.

Alexa Young: I won't speak to the question of the broader export of LNG, but I will say that one great news story at the port of Vancouver is the increased use of LNG bunkering, which is one step in shipping with lower air emissions. I'll leave it there.

The Chair: Thank you very much.

Mr. Lavoie, please go ahead for six minutes.

[*Translation*]

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

Thank you to the witnesses for being with us today.

I'm going to direct my first questions to Ms. Young.

First of all, I'd like to congratulate you on the quality of your French. You speak it very well, so it's a pleasure to hear you.

I am a native of and a member of Parliament for the Quebec City region. As you are no doubt aware, last Friday, the Port of Québec became the sixth port in Canada to obtain certification for handling containers. It has therefore become part of the maritime strategy. That said, I'm very interested in this topic.

As you said, your port is the largest. It's very interesting to have you with us today. I know I won't have enough time to ask you all my questions.

To start with, Japan is a major importer of Canadian goods. In fact, 13% of your exports go to Japan.

You're the first witness to whom I'm asking a question related to this study. I'd like to know what the port's capacity is in relation to Japan.

Right now, it accounts for 13% of your exports. Could that double over the next 10 years?

Could you double your current exports to Japan? Do you think Japan has the potential to do so? Do we have the capacity to do so?

There are two issues here. Willingness is one. Is Japan able to take it on and are we able to deliver?

Alexa Young: Thank you, hon. member.

That's a very good question, and I appreciate your comment about the Port of Montreal, which is an important milestone.

Steeve Lavoie: It's the Port of Québec, not the Port of Montreal. It's the Port of Québec in Quebec City.

Alexa Young: Yes, but the development of the Port of Montreal is also going very well.

• (1125)

[*English*]

Alexa Young: Decades of investment have allowed us to grow capacity. Just to give you an example, over the past 15 years alone, we've increased capacity at the port of Vancouver across a whole bunch of different commodities and to a whole bunch of different markets by 70%. That's significant, but there's no doubt, as we look to double exports, that it's going to take much more capacity and optimization, as I discussed previously.

Number one, let's get Roberts Bank terminal 2 up and running. That's going to increase capacity by \$100 billion annually. It's also going to relieve some of the congestion that we're seeing in the Burrard Inlet. That's going to allow us to build capacity for other commodities.

Again, Japan is looking increasingly at more bulk commodities. That's the number one interest that they have. All of these are connected in terms of building capacity more broadly, optimizing it with digital tools and tech and things like the Second Narrows dredging. Let's get the domestic stuff right to actually continue to grow capacity and meet this critical moment in time.

[*Translation*]

Steeve Lavoie: In your opinion, you would be able to do this with the investments made over the next few years. Do you think the Japanese market is capable of doubling imports?

[English]

Alexa Young: This is why the work that the government is doing in the trade missions to Japan is going to be so critical in understanding what the demand profile is on any commodity and in working in tandem as we identify the opportunities for trade growth and partnership so that we're able to best figure out what's going to be needed to maximize the opportunity from an import perspective.

[Translation]

Steeve Lavoie: Okay.

As I understand it, by investing, we have the logistical capacity to achieve our goals over the next few years.

Earlier, you talked about terminal permitting. How many terminal permit applications do you currently have pending?

Alexa Young: Are you talking about the permits for which we are responsible?

Steeve Lavoie: Well, do you have any new applications pending?

Alexa Young: Yes, absolutely. We always have—

Steeve Lavoie: How many are there?

Alexa Young: I don't know the exact number.

[English]

I can provide you with that soon.

[Translation]

Steeve Lavoie: Yes, I would like to know, as well as the exact sector affected by those applications.

I have another question for you. We're in the eastern part of the country. At the outset, I said that Quebec City has a port that has just been certified to handle international containers. That said, we are a very long way from what the other five ports in Canada are doing. At best, this port is going to remain a very minor player.

Do you receive a lot of cargo from central and eastern Canada that's bound for the Asia-Pacific region, or does it come mainly central-western and western Canada?

[English]

Alexa Young: The vast majority, certainly coming from the western provinces of Saskatchewan, Manitoba, Alberta and B.C.—and lots from Ontario as well with machinery and equipment—are still shipping some product east. There's a very significant demand in the Indo-Pacific region for things like seafood coming out of Atlantic Canada. That would be the route that makes most sense—coming from the west coast. That's also a reflection of the history of dependence on the U.S. market.

You see that a lot of the trade-enabling infrastructure has been built to be north-south and south-north instead of east-west. These are some of the things that we're looking at. There are still tons of opportunities in the EU and elsewhere.

Certainly, with 50% of GDP residing in the Indo-Pacific in the next 20 years, that's where the crux of the opportunity is, as we see it.

The Chair: Thank you very much.

Mr. Savard-Tremblay has the floor for six minutes, please.

[Translation]

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

Thank you to both presenters for their very insightful opening remarks.

My first question is for Mr. Fulton.

Even though the study focuses on Japan, you brought up the United Kingdom, a good example that comes up all the time. The idea is that there are sanitary, phytosanitary and non-tariff barriers, even if, on paper, products can enter the country. That's understandable. For example, in the agri-food sector, there can obviously be disease risks and conditions that would not be considered sufficiently sanitary from another country's point of view.

On paper, I think we all agree that we never want to risk the safety of people who might consume these products. Now, of course, this must be genuinely justified and not just an excuse.

You talked about this. In the case of Japan, we know that its regulations are extremely strict and that this can complicate your exports. In your case, what is the biggest challenge? Is it the additional costs involved? Is it certification, traceability, inspection, labelling or distribution?

In short, I'd appreciate it if you could fill in the details.

Thank you.

• (1130)

[English]

Tyler Fulton: To give some context here, Japan has been a developing market for more than three decades. We have worked through many of the SPS-related issues early on.

Where the focus lies for the beef industry is largely in competing with other global providers of beef. That's why the CPTPP has been so effective. We actually achieved, for a short term, a benefit over our American counterparts in tariff rate advantage, but now I think it is at parity with the Americans.

I would say that, broadly, we understand the Japanese market very well. Now we have been able to really meet their threshold with our existing food safety systems that are in place.

I can't stress enough that Canada's food safety systems are second to none in the world. That makes it easy for us to gain access to some of these countries.

[Translation]

Simon-Pierre Savard-Tremblay: From what I understand, things aren't going too badly.

Do you feel that you get enough guidance from the government?

Are you getting enough information to help you overcome the few obstacles?

Are the trade commissioners also sufficiently available to you? In other words, are you keeping your bearings?

[English]

Tyler Fulton: Yes. The addition of the Indo-Pacific office really helped build capacity to address issues in other markets, for example, Indonesia and the Philippines. As Japan is such a mature market for us, I think our focus has been on improving our marketing. We've recently been provided with some additional AgriMarketing funds to promote Canadian beef, not only within Japan but also throughout the Indo-Pacific region, which helps that trade diversification. It's so critical, because that diversification adds value to Canadian beef that wouldn't otherwise accrue.

[Translation]

Simon-Pierre Savard-Tremblay: Could you also give us a brief overview of what is exported mainly?

For example, which cut of beef is most popular in Japan? Which province does it come from, given that each province has its own expertise and methods?

[English]

Tyler Fulton: Yes, absolutely.

In particular, Japan is very competitive on chuck rolls and short plate. Those are very popular in local Japanese restaurants, as well as yakiniku, a hot pot-type of preparation and another uniquely Japanese thinly sliced beef prepared option.

What's critical about that is they are willing to pay more. It really sends a market signal back to Canadian farmers that we can produce more than enough for the domestic marketplace and add value by sending the cuts that are not as popular. Those short plates are not in high demand here in Canada, but they add significant value to the beef carcass because they bring a premium in Japan.

• (1135)

[Translation]

Simon-Pierre Savard-Tremblay: I understand that these producers have their own expertise and that they primarily export products tailored to the Japanese market, like extremely thin-sliced beef, which we ourselves probably consume very little of. Conversely, we're familiar with Japanese specialties exported here, such as Wagyu beef. I imagine that product doesn't really have any local competition.

[English]

The Chair: Give a brief answer, please, Mr. Fulton.

Tyler Fulton: There is competition for Wagyu beef in Canada. There is local production here in Canada right across the country.

To address the earlier question, there's beef that moves from Ontario, Manitoba and Alberta, right across the country, to Japan.

The Chair: Thank you very much.

It's on to Mr. McKenzie.

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

Mr. Fulton, picking up on the questions of my colleague, it seems to me that the trade relationship for beef products into Japan is an excellent mutually beneficial relationship. I wonder if you can contrast that with what we will face should we drop tariff barriers and enter into a freer trade relationship with Mercosur.

Tyler Fulton: The contrast is stark. We are very concerned with the signals we are getting from the government with regard to the Mercosur negotiations. Quite simply, it is a completely different product. It is of lower quality, of lower standard on the labour side, on the environmental side and on the food safety side. Quite simply, it represents a disease risk that we haven't quantified yet.

To boil it right down, we don't see an opportunity in that market for our beef. The local demand in those South American countries is not for that high-quality grain-fed beef that Canada is so known for. It's not a reciprocal opportunity, and it represents significant risks.

David McKenzie: Thank you very much.

Ms. Young, you mentioned something of great interest to me with respect to Roberts Bank terminal 2 or the expansion there, and that was the agreement and support from coastal first nations communities. Can you talk a little bit about that?

Alexa Young: Absolutely. This is a game-changing project. Again, just to situate it, this is building new industrial land when we're running out of that in Canada, and in particular on the west coast, for trade-enabling purposes. This project went through an environmental assessment review process for over 10 years as well as extensive consultations with first nations, which has resulted in achieving the consent of 27, with mutual benefit agreements in place. This is absolutely game-changing.

We're at a point where we want to move to a final investment decision. We want to move to early construction works. With the right support from the Major Projects Office, we can get it across the finish line. That's where we want to go.

David McKenzie: Ms. Young, I represent an Alberta riding. One of the things we do a lot of in Alberta is produce energy, and in particular crude oil. Our Prime Minister has stated that the MOU between the Government of Canada and the Government of Alberta will build the pipeline. No location has been identified, but it would strike me that if the indigenous communities affected by that port development were approached and properly consulted, and respectful partnerships were entered into, we could expect the same thing for a pipeline project.

Alexa Young: At this time, Roberts Bank terminal 2 is moving ahead as permitted, as a three-berth container terminal, given that we will be looking at running out of container capacity here in the next few years.

Certainly, there's a broader conversation about how we look at optimizing our energy exports. What we're really focused on right now, as I mentioned briefly earlier, is the dredging work under the Second Narrows bridge. It's really interesting. The slight narrowing will allow the tankers to leave TMX's Westridge terminal fully laden instead of at 70% capacity. This isn't about more ships. It's actually about optimizing capacity. It's a really great project, and the right project for the right time.

• (1140)

David McKenzie: Thank you for making that point. I did want to ask about that specifically, the Westridge capacity limitation due to the draft limits for crude oil carriers leaving there.

Where does the Port of Vancouver stand in terms of additional capacity, particularly for crude oil carriers?

Alexa Young: We're an independent agency of government. We know that the federal government is looking at all kinds of options. We will be a partner in exploring what that looks like as the conversation continues.

David McKenzie: Do you have an ability, though, to say that there is physical room in the schedule in those narrow waters for additional tanker capacity coming from Westridge?

Alexa Young: As a first step, let's get the Second Narrows dredged to make sure we're maximizing that capacity. Then let's keep looking at options.

David McKenzie: Is it your understanding that there's a timeline in place for that dredging? Is it fully permitted and scheduled, or is it still in process?

Alexa Young: It's currently undergoing a Fisheries Act authorization. Consultation is taking place on that. We know that it's all hands on deck in terms of making sure it proceeds on time. We're looking forward to getting that across the finish line.

David McKenzie: Just coming back to—

The Chair: Thank you very much, Mr. McKenzie. I'm sorry. You were 17 seconds over.

David McKenzie: Okay. Thank you, Madam Chair.

The Chair: Madame Lapointe, you have five minutes, please.

[*Translation*]

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

Welcome to the witnesses.

Good morning again, Mr. Fulton. I have a question for you.

Earlier, you said that the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, was the gold standard. It was established in 2018. Earlier, you said that you've been exporting to Japan for 30 years.

Has the CPTPP given you any additional momentum? If so, how and why?

[*English*]

Tyler Fulton: Unequivocally, yes, it has made us more competitive in that market. Without the tariff rate reductions that CPTPP brought, we wouldn't have been able to compete with, arguably, the

Americans and the Australians on that level playing field. For a brief time, we had preferred access.

What we want is a level playing field in order to let our high-quality beef product shine.

[*Translation*]

Linda Lapointe: Thank you.

I have a question for you, Ms. Young.

Earlier, you said that, in order to double exports, you need to optimize operations at the port. You mentioned technology.

Do you already know how you will be able to increase your capacity?

[*English*]

Alexa Young: That's a great question.

One of the key initiatives that the Port of Vancouver and our supply chain partners—terminals, railways, etc.—have undertaken over the last couple of years is an active vessel traffic management system. This is using new digital tools and text to give you the ability to have visibility into all of the above data, and to share that data. There is real-time visibility in terms of traffic flows, weather patterns, currents, so you can better schedule when a train arrives to pick up a product, put it on the ship. That's been, in itself, resulting in huge dividends in terms of the amount of volume that's able to move, including, for example, over the Second Narrows bridge, over the train track there, where CN has actually been able to increase its volumes by 10% in one year.

[*Translation*]

Linda Lapointe: My colleague asked you a question about your capacity. Obviously, more exports will leave the country via the west. In addition, you said that the north-south axis is more structured than the east-west axis.

What do you think could be done to allow Quebec businesses to also export products to the countries included in the CPTPP and to Japan? How do you see improvements in that respect?

[*English*]

Alexa Young: It's going to take a team Canada approach, so looking at the opportunities from not just a port perspective, but a full supply chain perspective. What does that look like especially from a rail-capacity perspective? Again, it is very competitive to ship out of Vancouver to Japan. It's the shortest route. It takes nine to 13 days, port to port. From a "Japan opportunity" perspective, certainly the Port of Vancouver is going to play an outsized role.

• (1145)

[*Translation*]

Linda Lapointe: Thank you.

Mr. Fulton, I have one more question for you, so don't worry.

You mentioned that beef has been exported for 30 years, primarily to Japan. Do you think there's still room for growth in that market?

[English]

Tyler Fulton: Yes, absolutely. There is an opportunity right now, in particular because of the strong market signals that all beef farmers are getting across Canada, for our industry to lead agriculture in growth and investment.

There is obviously a lot of global uncertainty that has made all of industry a little bit more hesitant to make those investments. Quite simply, the opportunity that we have today is unlike anything we've seen in 40 years. We're already seeing a responding growth in the beef herd. In fact, replacement heifers are up 5% compared to last year, so that's a very good leading indicator that we are responding to the market signals to grow.

The Chair: Thank you very much, Mr. Fulton.

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

[Translation]

Simon-Pierre Savard-Tremblay: I'd like to address you, Ms. Young.

There's been a marked increase in exports out of the Port of Vancouver. We're talking about 12% more in 2025 than 2024. That's a fairly significant increase. Japan is also the number two export destination, with 18.9 million tonnes of goods exported.

Given all the benefits of the CPTPP virtues that have been touted to us today, if such expansion continues, would the port's current infrastructure be able to support it?

Alexa Young: That's another good question.

[English]

We have to think about it from where the “track record” investments have gone as to where we've gone today. Again, you just said it—record cargo volumes again last year, 170 million metric tonnes. Again, there's been a 12% increase in exports across grain, potash, oil and other commodities.

Looking ahead, of course, if we're looking to double exports, we're going to need to build more, to invest more, to optimize more, and we're going to have to address some of those broader systemic challenges that are sometimes telling customers that we might not be as open for business as we'd like to be, including things like addressing labour disruptions by responding to the recommendations of the Industrial Inquiry Commission on west coast ports, which have tabled their recommendations to government.

There's a whole bucket of things. Absolutely, we've come a long way, but if we're going to have this big bold target, there's much more to do.

[Translation]

Simon-Pierre Savard-Tremblay: Trade with Japan also depends on the rail and port networks, among other things. Of course, all of this must therefore be integrated.

Today, aside from the port, what is the main challenge? Is everything going well in terms of railways, customs, labour and coordination with the terminals, or are there still major challenges?

[English]

Alexa Young: The supply chain partnership is really strong. There are lots of good partnerships happening across the supply chain. We are just one cog in the wheel that keeps trade humming and our economy flowing.

That said, again, we are going to have to work in partnership and look at all kinds of opportunities, including increasing rail capacity. We know the trade diversification corridors fund, through Transport Canada, is going to be really critical to that.

It's about looking at what types of projects are going to be required, including on the west coast, to help Canada meet this moment. That includes—

The Chair: Thank you very much, Ms. Young.

Ms. Konanz, please go ahead for five minutes.

Helena Konanz: Thank you.

My first question is for Mr. Fulton.

As an MP who represents many ranchers in Similkameen—South Okanagan—West Kootenay, I agree with the intention of the study because I want to see more Pacific beef exports, and so do my ranchers. In fact, they'd like more markets in general, of course. We'd like to focus on more Asian markets. Obviously, those markets come under a lot of competition from Australian beef, New Zealand beef and American beef. Canadian beef producers want to keep and eventually grow our foothold in the Japanese market or in Asian markets.

What are the chief barriers that you see limiting Canada from bolstering these export markets?

● (1150)

Tyler Fulton: That's a great question, and I really appreciate it. I think it's a very good opportunity for me to relay the current landscape.

We are seeing, just in the last year, a surge in demand for Canadian-origin beef. There are very similar quality attributes between U.S. and Canadian grain-fed beef, yet buyers in Mexico and South Korea, for example, are specifically choosing Canadian beef over our American counterpart's, in part because of the disruption and global uncertainty that surround trade with the U.S.

To relate this back to your question, the opportunity is really about conveying and facilitating the volume of flow that demand actually calls for. I can't speak specifically about whether or not the same effect is happening in Japan. Quite simply, previously, the U.S. industry was so large, with multiple plants, that they could pull from several different plants and it would still be of U.S. origin. Buyers in Japan and those countries chose to deal with those plants and sellers because they had greater flexibility, ensuring that they could get the product exactly on the spec they needed.

Now we're seeing the opposite. We're seeing a focus on Canadian beef being pulled into those markets because of the uncertainty.

Helena Konanz: That's really good news.

You've been to my area of the world and know we have six border crossings with the United States. Even though we need to open up these markets, it's extremely important that we continue to trade with the United States. In fact, we need that trade with the United States. You understand, also, the difficulties with transportation and getting products to market.

What is the level of investment needed in terms of rail capacity, port fees or storage for meat exports in western Canada?

Tyler Fulton: Yes, unequivocally. I think you bring up a really critical point that I did not mention earlier: the critical nature of the trading relationship between the U.S. and Canada.

Broadly, the beef industry exports about half of its total production, whether it be in live cattle or beef. Currently, 70% of that is destined for the U.S. We can't diversify our way out of that, nor should we want to. The market signals are pulling Canadian beef products in for that.

Critical to that is addressing the infrastructure bottlenecks that we see. I would say that most significantly it's those border crossings that relate to, for example, the CFIA vets having enough capacity and hours to not be a constraint in bringing U.S. feeder cattle into southern Alberta, for example.

There are several different constraints on border crossing that we need to address.

Helena Konanz: That is really important information. Thank you for bringing that forward.

The Chair: Thank you very much. I'm sorry, but you're right down to zero.

Mr. Yasir Naqvi.

• (1155)

Yasir Naqvi (Ottawa Centre, Lib.): Thank you very much, Madam Chair.

I want to thank all the colleagues for the very thoughtful discussion today.

I thank the witnesses for being here.

Mr. Fulton, we miss your being here in person. It's always good to see you.

Welcome, Ms. Young.

I want to focus on what the future looks like and get your thoughts on a wish list as to what you would like to see when it comes to trade between Canada and Japan. Both the Minister of International Trade, Minister Sidhu, and the Minister of National Defence, Minister McGuinty, are co-leading a trade mission, as you probably know, to Japan in the later part of June. I believe it is June 23 to 26.

They'll be focusing on defence and security as a sector, of course; on information and communication technologies, including AI; on clean technologies and on energy transitions. Agriculture and agri-food is a big part of this trade mission, including efficiency, food and, of course, forestry and forest products. I know we have representatives from that sector coming to this committee as well.

From your perspective, what can this trade mission to a country like Japan, which has been a very important trading partner for us, mean? What would you like to see the government focus on as it relates to trade with a country like Japan?

Maybe we can start with Ms. Young first and then go to Mr. Fulton.

Alexa Young: Absolutely. I love this question.

Minister Sidhu is doing a great job, travelling the world and telling the world that Canada is open for business.

During the next mission to Japan, what I'd like to see in a perfect world is the minister standing on stage to say, "Here are the milestones that are going to get you more of the products that you want and need from Canada. Roberts Bank terminal 2 has the support from government, and it's moving forward to a final investment decision. We have successfully moved forward on the Second Narrows dredging, which will open the doors to more energy products shipping to Japan. We have heard you on the labour disruptions that are making you uncertain about our being a trusted trading partner."

The minister saying those types of things as he stands on stage and continues to build these relationships is critical to saying that we are open for business and that we're taking action.

Yasir Naqvi: Mr. Fulton.

Tyler Fulton: That's a great question. As a matter of fact, I spoke with Minister Sidhu yesterday. We talked about the planned trade mission, with a focus on agri-food.

Quite simply, what I relayed to him was our opportunity that needs to be seized today. It is unique in this geopolitical landscape that there is a shift and a desire for products of Canadian origin. To address that, these trade missions are critical. They raise the profile. Even some investment in, like I said, AgriMarketing to really raise our presence in those local markets at this specific time....

It really is an exciting time to build market share.

Yasir Naqvi: Thank you very much.

Mr. Fulton, in terms of building that market, you're looking at Japan, you're looking at the Indo-Pacific more broadly speaking. You know we're working towards negotiating an agreement with ASEAN. You were involved in the conversation we were having vis-à-vis Indonesia as well.

Speak to me about what kind of diversification we should be focusing on that is an opportunity we have not yet explored when it comes to Japan and the broader Indo-Pacific region in relation to your product, to beef, and maybe to agri-food in general.

The Chair: Please give a brief answer, Mr. Fulton.

Tyler Fulton: The analogy is this: instead of using different components to build a car, we are doing the exact opposite. We're taking a beef carcass and creating all of these different products. We have 200 different products that can go to 200 different countries and will optimize the value of the aggregate carcass. I can't stress enough the opportunity in all of those unique local markets, which demand a specific little difference in the product, and it's Canadian beef's opportunity to seize.

• (1200)

The Chair: Thank you very much.

They're exciting answers, and we very much appreciate you being with us today.

We will suspend for a moment while we get our other witnesses up for the next panel.

• (1200)

(Pause)

• (1205)

The Chair: I'm calling the meeting back to order.

Thank you very much to our witnesses and to our committee members.

From the Asia Pacific Foundation of Canada, we have Jeff Nankivell, president and chief executive officer. From the Canadian Chamber of Commerce, we have Matthew Holmes, executive vice-president, international and chief, public policy. From the Forest Products Association of Canada, we have Derek Nighbor, president and chief executive officer.

Thank you very much for finding the time to come and speak to the committee again today.

We will start with opening remarks of up to five minutes.

Mr. Nankivell, the floor is yours.

Jeff Nankivell (President and Chief Executive Officer, Asia Pacific Foundation of Canada): Thank you, Madam Chair, for the opportunity to appear today.

My main theme today will be that Canada-Japan trade relations are no longer best understood as a traditional export relationship. They're now shifting to a strategic economic partnership shaped by economic security, supply chain resilience and advanced industries.

This is a topic on which we at the Asia Pacific Foundation of Canada have increased our focus recently through our combination of in-house expertise, external research fellows and partner institutions, and convening events such as our annual Canada-in-Asia Conference in Singapore. Just yesterday on our website, we published a new research dispatch making the case for Japan-Canada co-operation on semiconductors and supply chains.

Japan matters for Canada not only because it is a major, sophisticated market—it has been that for a long time already—but today because it is a key Indo-Pacific partner at a time when reliable access to markets, trusted supply chains and rules-based trade are under unprecedented pressure. The opportunity is not simply to sell more to Japan. It's for Canadian businesses to become more deeply embedded in Japanese and allied value chains.

Accordingly, Japan should be understood as a partner in Canada's economic resilience. That means aligning our commercial relationship with sectors where both countries have strategic interests—critical minerals and batteries, artificial intelligence, quantum technologies, semiconductors, new materials, clean technologies and advanced manufacturing—all the while continuing in areas of strength, such as life sciences, aerospace, energy, agri-food and food security.

The most important point is that Canada should not be content to remain only a supplier of raw materials. In critical minerals and batteries, the greater opportunity lies in processing, refining, recycling, battery materials and related supply chain activity. In advanced technologies, the opportunity is not only research collaboration but commercialization, standard setting and industrial partnerships. Across these sectors, Canada should position itself as a trusted industrial and innovation partner, not only as an exporter.

The CPTPP gives Canada and Japan a strong, rules-based platform for this work, as you have been hearing. It has lowered tariff barriers and strengthened the framework within which Canadian firms can pursue opportunities in Japan, but formal access to a market is not the same thing as commercial success in that market.

Japan is open, but it's also very stringent. Canadian companies continue to face non-tariff and business barriers, including Japan-specific standards, certification requirements, language and labelling requirements, layered distribution networks, high consumer expectations and a relationship-based business culture. These are not reasons to avoid the market. They're reasons to approach it with patience, preparation, local partnerships and long-term commitment.

If we want our firms, especially small and medium-sized firms, to succeed in Japan, we must support them with market intelligence, help them to navigate standards and certification and help them with introductions to credible local partners.

Canada's Indo-Pacific strategy recognizes that trade, investment, innovation and security are now closely connected. In the Canada-Japan context of today, that means encouraging Japanese investment in Canadian critical minerals, energy, batteries, clean tech and advanced manufacturing. It also means supporting joint research and development, commercialization partnerships and stronger links among firms, universities, provinces, territories, indigenous partners and Japanese industrial actors.

The recently signed joint statement on Canada-Japan Comprehensive Strategic Partnership, with its practically focused road map, is an important step in this direction.

Subnational and indigenous partnerships deserve particular attention. Many assets relevant to Japan's economic security are rooted in specific regions and communities. Building durable Canada-Japan value chains will require federal policy, provincial capacity, indigenous partnership and private capital to work together. CPTPP has opened doors at a time when Japan itself is actively looking to diversify its relationships. The task now is to help Canadian firms to walk through these doors and to find a place inside.

In practical terms, that means focusing on three things. First is targeting co-operation in sectors where Japan's strategic priorities and Canada's comparative advantages overlap. Second is making Canada a more attractive destination for trusted Japanese investment and coinvestment. Third is ensuring that Canadian businesses receive practical support to navigate Japan's demanding but rewarding market.

If we get this right, Canada will capture more value, strengthen our supply chains and our overall resilience, support Canadian firms and workers, and deepen one of our most important Indo-Pacific partnerships.

● (1210)

Thank you for the opportunity to contribute to the committee's deliberations.

[*Translation*]

I look forward to answering your questions in either official language.

[*English*]

The Chair: You're right on your five minutes. Thank you very much.

Next is Mr. Holmes.

Go ahead, please.

Matthew Holmes (Executive Vice President, International and Chief of Public Policy, Canadian Chamber of Commerce): Thank you, Madam Chair.

[*Translation*]

Good afternoon, everyone.

[*English*]

Honourable members of the committee, thank you for the opportunity to appear today on behalf of the Canadian Chamber of Commerce.

Our network represents more than 400 local, provincial and territorial chambers of commerce and boards of trade across the country, and over 120 trade associations in every sector of the economy. Along with our corporate members, this broad network represents over 200,000 businesses of all sizes in Canada.

We strongly support efforts to deepen trade ties with Japan, one of our most important economic partners and a trusted ally in the Indo-Pacific. Japan remains the world's fourth-largest economy and Canada's fourth-largest foreign direct investor, and it accounts for approximately \$40 billion in trade.

Those numbers are important, but the strategic case is even stronger. In March, Prime Minister Carney and Prime Minister Takaichi elevated the relationship with a new comprehensive strategic partnership focused on defence, energy, critical minerals, trade and technology. This reflects a simple reality: In a more uncertain world, Canada and Japan are natural partners.

It's not well known that Canada's relationship with Japan is one of our oldest. Only four years after the last spike completed the transcontinental railway, Japan's first consulate opened in Vancouver in 1889. The official Ottawa embassy followed in 1928, and ours in Tokyo in 1929—only our third in a non-Commonwealth country, after the U.S. and France.

Our business communities are also deeply connected, including through the Japan-Canada Chambers Council, JCCC. That launched in 2014 as a partnership between the Canadian Chamber of Commerce and the Japan Chamber of Commerce and Industry. The JCCC serves as an annual exchange to strengthen business ties, share knowledge and advance policies between our two countries. Last February, we hosted a JCCC delegation in Ottawa, and we look forward to returning to Japan this September for the 2026 meeting to continue our business-to-business exchange focused on economic security, resilient supply chains, energy security, advanced technologies, food security and defence. You'll have heard the word "security" a few times there.

The Canadian Chamber of Commerce will also be participating in the team Canada trade mission to Japan at the end of June, as we recently did in Korea and Mexico, supporting Minister Sidhu's efforts to diversify and strengthen Canada's trade relationships with reliable partners.

Beyond the bilateral relationship, Japan is a key rule of law ally at important multilateral tables, such as the G7, the G20 and, of course—as we've been discussing this morning—CPTPP. Last year, as Canada's official business engagement group at the G7 and G20 tables, the Canadian Chamber of Commerce hosted the Business 7 Summit, or B7, in Ottawa, which included a delegation from Keidanren, Japan's business federation. We also held similar side meetings in Johannesburg last fall, on the edge of the B20 meeting.

From these exchanges, business priorities are clear. In the 2025 B7 communiqué, business leaders called for coordinated measures to stabilize critical minerals markets and unlock investment, including strategic reserves, tax incentives and financing tools to expand capacity among trusted partners. On supply chains, we recommended a G7 mechanism to coordinate responses to shocks and choke points, map high-risk dependencies and support the production of strategically critical goods. Unfortunately, one year later, we are living through this risk in real time.

The new comprehensive strategic partnership provides a strong road map for further collaboration, including modernizing the Joint Economic Committee to reflect emerging priorities, such as critical minerals, advanced manufacturing, energy security and new technologies. This also points to concrete industrial opportunities. For example, Canada and Japan have agreed to build on—as you have heard—existing co-operation on battery supply chains and industrial science and technology, while continuing to support Japanese automotive manufacturers investing in Canada as a key entry point to the North American marketplace.

When I had the opportunity to visit the 2025 Osaka world expo last fall, I was reminded that, although the distance between our countries may be great due to the Pacific, we are, in fact, neighbours. As a key entry point for Canada within our broader Indo-Pacific strategy, Japan remains one of our most trusted and strategically important partners in the region and globally.

In closing, it is the Canadian chamber's view that deeper ties with Japan are firmly in Canada's national interest and consistent with our goal of trade diversification within a rules-based order.

Thank you, Madam Chair.

• (1215)

The Chair: Thank you very much, Mr. Holmes.

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

Derek Nighbor (President and Chief Executive Officer, Forest Products Association of Canada): Thank you, Madam Chair and members of the committee, for the invitation today and the opportunity to discuss the status of and a future look at the Canadian forest sector's trade with Japan.

I appreciate the opportunity to share the time with my colleagues and give a shout-out to our colleagues at the chamber. We're a proud chamber member and appreciate the work that they do to facilitate a number of these trade missions.

I'd also like to recognize the work of the Canada Wood Group. They are a partner group of FPAC that leads our export market diversification work.

As the son and the grandson of Ottawa Valley pulp and paper workers and as the son-in-law of a former stationary engineer at the pulp mill in Smooth Rock Falls, Ontario, I'm really proud to work with our team to bring the voice of our sector and its employees and communities across its large value chain from producers of lumber to panels, engineered wood, pulp and paper and bioenergy. It's an industry in Canada that creates nearly \$90 billion a year in economic activity with \$37 billion in annual exports, putting it in the top four of Canada's exporting industries. Our current shipments to Japan are in the \$1-billion range.

In the face of combined softwood lumber duties and section 232 tariffs currently in the 45% range, our sector's priority continues to be the elimination of section 232 tariffs and future risks thereof and getting to a durable deal on softwood. At the same time, we're leaning into the domestic market opportunity for more wood use here at home and export market diversification. There are opportunities, but they are incremental relative to the nearly \$8 billion in annual softwood lumber shipments to the United States.

We've been trading in Japan for 100 years in Canadian forestry. The Canada Wood Group has been in place for 50 years. It's taken us that much time to get to \$1 billion in business. It's a heavy lift, and I'm happy to talk about some of the details in a bit.

These are our priorities in Japan.

We want to defend and grow lumber share. Let's remember that Japan is not a natural build-with-wood culture, and Canada has played a leading role in introducing and accelerating the wood-building culture into Japan. Our dimension lumber now holds 65% of Japan's two-by-four market, and continued technical engagement on Japanese market standards and the platform frame system is needed to hold and grow that share.

On mass timber and advanced wood building systems, what Canada can bring aligns with Japan's housing renewal, decarbonization and seismic resilience priorities. It builds on Canada's federal-provincial reconstruction support after the 2011 Tohoku earthquake.

In the forest bioeconomy, we see an opportunity in biocarbon, biofuels and biomass, which are also emerging Japanese priorities in that decarbonization space.

There are a few barriers to note.

There is a shrinking Japanese market with growing Japanese supply. Housing starts are declining with the aging Japanese demographics, and Japanese-graded lumber is gaining share in the two-by-four segment.

European and other competitors are scaling up. We're seeing aggressive market entry across lumber, pulp and pellets from the EU into Japan.

We're seeing a tightening of standards and sustainability requirements. New Japanese sustainability and traceability rules require sustained technical engagement.

It's not just about selling more wood to Japan; we have to get in there, we have to work on the codes and the systems, we have to develop the market and then we have to demonstrate. It's really a three-step process.

There is supply-side pressure here at home in terms of declining allowable cut, federal-provincial regulatory duplication, rail and port reliability and the cost of the rail system in Canada.

Our asks and offers to meet the moment include dedicated, multi-year funding for the Canada Wood Group to build on its successes in export development; and doubling the funding of NRCan's global forest leadership program; collaborating on investment in market-entry support, spec alignment tools, testing labs and distributor networks in Japan. There are also those opportunities in Korea.

On the continued trade missions to Japan, we just had one with the B.C. and Alberta governments back in November specific to forestry.

That was a bit of a profile about us and our opportunities.

I thank you for your time and look forward to your questions.

• (1220)

The Chair: Thank you very much.

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

David McKenzie: Madam Chair, if I could, I'll defer to my colleague to initiate, and we'll split the time.

Helena Konanz: Thank you very much.

Mr. Nighbor, we have been more than a decade without a softwood lumber agreement. It's important to diversify, I think we all agree, but in my riding, Similkameen—South Okanagan—West Kootenay, we've already seen shift changes and job losses. My riding has six border crossings to the United States that are vital for the historical U.S. trade that we depend on.

If we're looking to hurry on trade with Japan and other Asian markets, what's the pace we need to move? How many mills do you expect might not be able to hang on for another year, two years or three years? Please don't sugar-coat it.

Derek Nighbor: Thanks for the question. I'm going to be in Castlegar in a few weeks.

Helena Konanz: Excellent.

Derek Nighbor: I look forward to chatting with you about that, and getting to visit Kalesnikoff, Interfor and Mercer, which are important. It's an important hub for us in that part of B.C.

There are a couple of things. Softwood lumber duties and the section 232 tariffs are, right now, at a pretty high point, at a combined 45%. We don't want to rush into a bad deal, but we do need to move to some certainty. I'd say that the section 232 tariffs, which can be increased or whatnot at the stroke of the president's pen, continue to be quite a wild card. The softwood lumber dispute does have a process, as painful as it is. The section 232 piece is a bit more unpredictable.

I think we have a couple of issues specific to B.C. We have a lot of challenges with provincial permitting. As I travel the country, that's very unique to British Columbia. The industry is challenged across the country, but there are some unique issues in terms of legacy, fire and pine beetle impacts in B.C., as well as provincial regulation. Our hope is that liquidity supports will continue to flow to support mills and to keep them running. We've lost a few thousand jobs. I've been impressed with the resilience of the industry broadly, but as this drags out, that risk gets greater. The employee supports are critical as well—

Helena Konanz: Thank you, Mr. Nighbor. I have to interrupt you. I'm sorry. It sounds like this is a dire situation, but I need to hand over my time to my colleague. However, I'm looking forward to speaking with you more about this.

Derek Nighbor: Thank you.

David McKenzie: Thank you.

Mr. Nankivell, I want to ask you specifically about things that we can do domestically to support our trade opportunities abroad. Each of you has mentioned, to one degree or another, words like “security” and “reliability.” Obviously, global events have put tremendous focus on that. However, in order for Canada to be a good partner to our trading partners, and specifically with Japan, what types of things do we have to work on domestically?

Jeff Nankivell: It's an excellent question, Madam Chair. It's really central to the task ahead of us.

On the Japan side, and from our contacts with various partners and in working with the business communities on both sides, I think Japan is looking for, on the one hand, reliability of supply. We all have work to do on that. We heard from the port in the earlier session. There are physical infrastructure constraints that need to be addressed, urgently, for us to meet our objectives with regard to the trade in physical goods.

When it comes to investment, which is an essential part of the potential gains that we have with Japan, we again really need to move with urgency to create the conditions in which Japanese investors—who have deep pockets and an appetite for resources, particularly in areas like critical minerals, which are geostrategically important—are ready to move forward, but we need to assure them that they will have the conditions to do that. They have had the experience. They have seen Japanese companies, like Mitsubishi, playing a leading role in LNG Canada. I'm happy to say that's now a success story, but it was a long road to get to where we are today.

I think this comes to the general question of what we need to do to make the overall investment environment for major projects much more appealing, and to present ourselves as a reliable partner. I should say, at the same time, that when Japanese business leaders look at Canada, they are concerned about our access to the U.S. market. What's going to happen with our access to the U.S. market remains high in their decision-making, and the ambassador of Japan has made that quite clear.

However, at the same time, they also look at what's happening in the U.S. and, privately, they tell us that they are interested in potentially shifting some things from the U.S. to Canada because of our reliability and predictability. They look at the long term, so the more we can present ourselves as that reliable, stable partner, and be seen to be working on the issues that are of greatest importance to them, the sooner we'll be able to unlock those investments.

● (1225)

David McKenzie: Do you have any information respecting crude oil imports to Japan? I have a figure of \$80 billion in 2023, but 95% of that is from the Gulf states in the world. Do we have an opportunity there for crude oil exports to Japan?

The Chair: Give a brief answer, please.

Jeff Nankivell: Okay: Yes.

The Chair: That's a good answer.

Mr. Lavoie, you have six minutes, please.

[*Translation*]

Steve Lavoie: Thank you, Madam Chair.

Thank you to the witnesses for being here today.

I've been listening to you from the beginning. You're convinced that we need to expand our trade with Japan.

I'm going to ask Mr. Nankivell a question, and I think Mr. Holmes could add to it, or vice versa. While preparing my questions, I thought either one of you could answer them.

The answer to my first question could be very brief. Do you think we have enough trade representatives in Japan, and vice versa, to speed things up? We're talking about supporting businesses, we want to open new markets, we want to diversify markets.

Do you think there are enough representatives right now?

Jeff Nankivell: In my opinion, it would be a very good idea to establish consulates in Japan, or to re-establish consulates outside of Tokyo, because it's not exactly a small country and the regions hold opportunities for Canadians. We have to develop long-term relationships and become familiar with the culture, among other things. The more representation we have elsewhere in the country, the better our chances of success.

Steve Lavoie: Mr. Holmes, do you think Japan is doing the same thing? Is it increasing the number of its representatives?

Matthew Holmes: I have to respond in English, but thank you for your question.

Steve Lavoie: That's perfect.

[*English*]

Matthew Holmes: Relatively speaking, we have approximately 40 trade commissioners situated in Japan, so it's a pretty strong representative body. However, it is, again, a high market for us. There are provincial representatives as well, including the *délégation générale*, I think since the 1970s, from the Province of Quebec. It is a strong market.

We have historically had some consulate presence in other cities. That has retracted in recent years, to a certain degree. Relationships, as Mr. Nankivell has described, are incredibly important to the business relationship over the long term. As we build this relationship, it's important that we show up but also that we continue to be there. We have good representation there on the ground.

● (1230)

[*Translation*]

Steve Lavoie: Does Japan have the potential to absorb twice what it currently receives?

We want to double exports, but does it have the potential to expand the market? We may well want to do it, but if it doesn't have the potential to do so, we're just talking to ourselves. I'd like to know a little about their potential.

[English]

Matthew Holmes: I can respond first.

They have very incredibly sophisticated logistics and shipping bases there. They have advanced manufacturers. They are also global traders in their own right. They are quite ready to import and export and also add value within Japan.

Just quickly, yes, I would say they do have the capacity and the interest to expand their trade. Certain areas have been described where we need to both build into their current supply chain and maybe create some more value chain relationships. We spoke of agri-food earlier. They're our third-largest market for canola, for example. They buy the raw commodity. They have a very advanced crushing facility and they sell to other world markets. They buy the commodity and add the value there. It's a very important relationship for our producers.

[Translation]

Steeve Lavoie: I see time flying by. Let's move quickly.

If I gave you a magic wand, Mr. Nankivell, and asked you to do one or two quick things in the short term to accelerate trade growth, what would you do? Could some things be done quickly and perhaps in the medium and long term afterward? What would you do if, today, you had to choose what to do?

I may also ask you to respond, Mr. Holmes, if we have time.

Jeff Nankivell: This may not be the most exciting answer, but it would be to speed up the things that are already under way. For example, there's a road map with concrete measures for reaching a strategic partnership agreement. We need to follow up on all of that. It takes time, it requires travel by deputy ministers, assistant deputy ministers, provincial representatives and representatives from organizations like the Canadian Chamber of Commerce to ensure this follow-up and to demonstrate that, this time, we're really serious about reaching a long-term agreement.

Steeve Lavoie: Mr. Holmes, I invite you to respond. Please be brief.

[English]

The Chair: Be very brief.

Matthew Holmes: First, on energy security, they are extremely exposed. They were reliant on Russian energy before the Ukraine war, so we have a real opportunity. Our LNG exports out of the west have already found a willing audience.

In the medium term, in my conversations with some of the Japanese big houses, they are absolutely confused by our jurisdictional chaos in Canada and internal barriers to trade. They don't understand why we can't get out of our own way, so we need to deal with that.

In the long term, our relationship with the U.S. and our CUSMA arrangement is very important to investors.

The Chair: Thank you very much, Mr. Holmes. Those were priceless comments.

Mr. Savard-Tremblay, go ahead for six minutes, please.

[Translation]

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

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

I feel as though my first question should probably be directed to both Mr. Nankivell and Mr. Holmes. We'll come back to the wood issue later, because Quebec is also a major producer. However, I know that we don't export much to Japan. It tends to come from British Columbia. We'll come back to that.

We really have a lot of fish harvesters in Quebec. We have a major fishing industry. We know that the Japanese are major consumers of fish and seafood products. However, they are also right next to China, which engages in militarized overfishing. We know that China uses gigantic ships that are overfishing and destroying the oceans.

Is Japan faring well in that regard? Where do the fish and seafood products consumed by the Japanese primarily come from? In other words, do we have opportunities along those lines, similar to the opportunities mentioned by the representative of the Canadian Cattle Association in the first part of the meeting?

[English]

Matthew Holmes: Seafood in particular is an incredible staple and a rich tradition within Japanese culinary culture, of course, but also more broadly within the Indo-Pacific and Asia. There are products that Canada is a major exporter of that we don't consume and most Canadians would find abhorrent, quite frankly. Sea cucumber is my personal choice on that list, and we export an incredible amount of that to parts of Asia.

This is also an interesting angle because our air transport is critical for this commodity in particular. If you think of lobsters, for example, those are often shipped by air, so our domestic carriers, having direct ties to Japan and other key hubs in Asia, are an important part of our export strategy.

• (1235)

[Translation]

Jeff Nankivell: I might add that this already represents a significant portion of our exports. Canadian companies have long been involved in exporting seafood to Japan. Of course, we could always do more.

Simon-Pierre Savard-Tremblay: To what extent is Japan hampered by Chinese practices, right next door, across the water?

Jeff Nankivell: In the sense—

Simon-Pierre Savard-Tremblay: One can imagine that, through its overfishing, China is hindering and penalizing Japan in its fishing capabilities.

Jeff Nankivell: I'm not an expert in this field, but security of supply is a key concern for Japan's leaders. For the Prime Minister's Office, this is a critical issue that must not be overlooked. The Japanese are always looking for sources of supply for products like fish and seafood. As my colleague said, it's a very important part of their diet.

[English]

Matthew Holmes: Japan is committed to—I can't remember the exact terminology—a free and open Indo-Pacific. That's a maritime strategy. I think that is important geopolitically not just for maritime travel, the supply of goods and global supply chains, but also for fisheries and the availability of other minerals. It's something that Canada would be quite committed to as well on multiple fronts: economically, socially, politically and geopolitically. I think that's an important priority.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you. That's very enlightening.

I'm going to move on to Mr. Nighbor, if I still have time.

I touched on this quickly before I asked my previous question. British Columbia does, after all, export a lot to Japan now. In the case of Quebec, it's still primarily with the United States, which causes all the problems we're familiar with regarding the never-ending softwood lumber crises. People keep saying that we need to diversify the markets further.

Do you think there would also be room for Quebec lumber in trade with Japan?

[English]

Derek Nighbor: The opportunities are more limited for eastern Canada, including Quebec. I think we see for Quebec a lot more opportunity domestically as we think about diversifying and finding new markets. More mid-rise construction in both Ontario and Quebec is a big opportunity for the domestic sectors. Looking across the Atlantic, the U.K. housing strategy is probably a better fit.

On the diversification piece, if you're in Saskatchewan, you're landlocked. If you're in Ontario or further east, there are opportunities across the Atlantic or maybe in the Caribbean and Mexico, and then more in the Asia-Pacific if you're west of the Ontario-Manitoba border.

The Chair: You have 30 seconds.

[Translation]

Simon-Pierre Savard-Tremblay: In 30 seconds, what more can be said?

Why would it be more difficult for producers in the east?

[English]

The Chair: You can give a brief answer.

Derek Nighbor: It's really the cost of shipping. It's more expensive to move it across.

[Translation]

Simon-Pierre Savard-Tremblay: So that's all there is to it.

[English]

The Chair: Thank you very much.

Mr. Savard-Tremblay, would you please come and take the chair for the remaining 20 minutes of the meeting?

• (1240)

[Translation]

The Vice-Chair (Simon-Pierre Savard-Tremblay): Ms. Kronis, the floor is yours for five minutes.

Tamara Kronis: Thank you, Mr. Chair.

[English]

Mr. Nighbor, it's wonderful to see you here today.

Diversification has been the topic of the day. Can you share with us the important work that the Canada Wood Group does on the ground in Japan and how maintaining that kind of in-market presence is important for Canada?

Derek Nighbor: Harmac Pacific in Nanaimo is an important, proudly employee-owned mill in our ecosystem. The pulp sector has a bit of an easier path in terms of its ability to tap into foreign markets. Wood is an involved process, so having boots on the ground so we can work with architects and engineers, governments and building code officials in Japan is important.

It took us 20 years to get OSB, or oriented strand board, into Japan because of the steps to get it operationalized and into the system. Mid-ply wall systems took us 10 years. That's for seismic strength and whatnot.

We did have a reduction in funding. Our hope is that the funding is going to be more than restored. That will be critical, because once you come out, you need to stay in and you need to continue investing, in our case, for the long run.

Tamara Kronis: Thank you for that. Of course, we are incredibly proud of Harmac in our community.

Given the current challenges with the U.S. market, how much mitigation can Japan really provide, and how important is it for Canadian lumber producers and the people who are a part of your association that Canada gets a deal with the United States?

Derek Nighbor: It's an important incremental opportunity. I don't want to give the illusion that... On the lumber side, it's \$800 million a year to Japan versus \$8 billion to the U.S. If we can get a few hundred million more to Japan, that would be important as one of the many measures we're taking to try to minimize the risk.

That said, because of the cost of shipping and the close proximity, there are natural relationships. The other thing that's often not talked about is the quality of Canadian-grown wood. Because of our colder temperatures and our longer growing cycles, it brings out properties in the wood that make U.S. homebuilders want to frame homes with it. They'd prefer to use spruce pine and fir over southern yellow pine, so there's a natural advantage in the marketplace for Canada right now.

The challenge is that 45%. We're still selling. The difference is that between 2006 and 2009, during that downturn, markets absolutely collapsed. Housing starts were 600,000 in the U.S. and they're at 1.3 million now. It's just soft. It's been soft for three years. The tariffs and duties at 45% and the ongoing uncertainty are just not good for our business.

Tamara Kronis: Before I turn back, do you get regular updates from the Canadian government on those negotiations? Do you have a good window into where we're headed?

Derek Nighbor: There are elements, of course, that we're not going to be privy to, but in terms of them asking, "What might work for you?", yes, those conversations have been ongoing.

Tamara Kronis: Turning back to the Japanese relationship and our more global efforts at diversification, I understand that the Canada Wood Group has had its federal funding reduced over the last few years.

How is that keeping pace with our competitors? As we look towards diversification, are our competitors investing more in these relationships?

Derek Nighbor: They are, and Japan is doing more domestically as well, so the threat is from inside the house in Japan. In terms of our competitive threats in the marketplace, we had pretty consistently, from 2019 to 2023, funding of between \$5 million and \$8.7 million. In 2023-24, that was cut to \$4,000. I think there's been an admission that was a mistake, but because of that reduction in 2023-24, we had to lay off a bunch of staff and we lost some time.

That's why Canada Wood Group is looking for \$5 million at least over the next three years, which I don't think is exorbitant, because they need to scale back up.

Tamara Kronis: As we move forward on this, if Canada does fail to act on this file, who stands to benefit from that, and how quickly could we lose market share? Also, just to get into the mix on the changing relationship with China, can you comment on how the Japanese feel about that?

• (1245)

[Translation]

The Vice-Chair (Simon-Pierre Savard-Tremblay): You have about 20 seconds left.

[English]

Derek Nighbor: China's about three times the size of that market for us right now. We've lost a lot of market share in China because they're now buying Russian wood.

Japan's different in that it's committed to high value, and that's where our opportunity is.

[Translation]

The Vice-Chair (Simon-Pierre Savard-Tremblay): Mr. Fonseca, you have the floor for five minutes.

[English]

Peter Fonseca (Mississauga East—Cooksville, Lib.): Mr. Chair, I know you and the members know that I am a member of Parliament from Mississauga, and I'm going to make an unbiased yet bold statement here.

Mississauga is Canada's number one hub for Japanese investment. Of the 250 largest Japanese companies right across Canada, over 100 are located in Mississauga. These are companies like Canon, Panasonic, Fujitsu, Ricoh and Mitsubishi Logistics, so there are many companies.

How did this all start? I'll take you back 40-plus years. If you recall, our great mayor Hurricane Hazel McCallion went to Japan and started a relationship. Mississauga is a sister city to Kariya, Japan. That relationship grew into bringing in many of these companies, including some anchor companies, like Canon, and others followed. That deep relationship continued with people-to-people ties, and, through Invest Mississauga, there were a number of trade missions.

Now we have CPTPP. We just had the Prime Minister's visit to Japan and the strategic partnership that was mentioned. We have Minister Sidhu and Minister McGuinty going to Japan on a trade mission.

I want you to paint a picture for us, Mr. Nankivell. What does that mean, and what could that bring in terms of foreign direct investment?

I'll also let you know that we have a very ambitious goal of \$1 trillion of foreign direct investment over the next five years. How can this trade mission help in achieving that goal?

Jeff Nankivell: Canada-Japan is a great story to tell in the last half-century. I think the potential for the next half-century is even brighter if you look at how our respective geopolitical situations have evolved.

As I mentioned, these kinds of visits are quite important. The next one with Minister Sidhu and Minister McGuinty is a mission that will be focusing on these areas of high technology and potential defence industry collaboration, and these are the right things to be doing. The challenge will be to do that in a sustained way and then do the work at home as we go often and consistently to Japan at a high level and invite high-level visitors from Japan to Canada.

Let's keep in mind the 100th anniversary of the bilateral diplomatic relationship is in 2028. On the Japanese side, they're already focused on this. I think we could be looking at some high-level visitors from Japan.

On the Canadian side, we should make the most of that and continue to build, but, at the same time, we have to do that work at home on the investment climate and get a good outcome from the North American market negotiations and continue to build the facts on the ground to support the case for Canada as the preferred destination.

I'm gratified to see after the last year that there is a realization among Canadians of the role that the Japanese auto companies, two in particular, have played as the largest assemblers of vehicles in Canada by far. That was not so much in the public consciousness, say, two years ago, the way it is today. They're good corporate citizens, and we definitely would do well to get more of that.

Peter Fonseca: Thank you for that. I agree.

I'll go now to my friend Derek Nighbor. We've known each other for many years.

I didn't know about your history and your family's history in the forestry sector, but thank you for sharing that.

In terms of driving more Japanese demand for our products, where is the value added we could bring and then take into the market? How do you do that? Do you work with local construction companies that are able to use our products and see the value in them?

Derek Nighbor: Yes, exactly. We're working with the governments on MOUs where building codes are arranged, working with architects and engineers on the ground, working with them to teach staff and employees how to work with wood and how to build and use these new systems.

In terms of the market opportunity, as I said, we have a 100-year relationship in Japan. There's an opportunity to do more. Japan has an aging population. That presents opportunities in terms of retirement homes built with wood and non-residential warehouses. In North America we're already seeing Amazon, Microsoft and Walmart turning to mass timber engineered wood to build non-residential commercial properties. We see those same opportunities in Japan. Of course, we think of the earthquake risks in Japan, and we have a lot of experience in Canada in that kind of design and engineering. That's a big added value and a big way that we can bring some Canadian know-how to support building in their market.

• (1250)

[*Translation*]

The Vice-Chair (Simon-Pierre Savard-Tremblay): Thank you, Mr. Fonseca.

I have two and a half minutes.

I'd like to ask a question directed at both Mr. Nankivell and Mr. Holmes.

Why does trade in services seem so underdeveloped between these two countries in particular?

Jeff Nankivell: I appreciate the opportunity to mention trade in services, because this is precisely an area where there are now opportunities.

We aren't constrained by geography or by the state of our physical infrastructure. When we talk about doubling or achieving major growth in our exports, we must also focus on services. We see a lot of opportunity there.

In Japan, although it's not a small country or population, there is already demand for talent in certain IT sectors. Canada is currently a source of this expertise on a global scale. There are therefore opportunities, and this is exactly part of the Canada-Japan comprehensive strategic road map agreed to by Prime Minister Carney during his visit to Tokyo. In addition, co-operation in areas such as artificial intelligence, such as quantum technologies—

The Vice-Chair (Simon-Pierre Savard-Tremblay): Are you talking about quantum technologies?

Jeff Nankivell: Yes, that's right.

That's trade in services.

The Vice-Chair (Simon-Pierre Savard-Tremblay): Mr. Holmes, if you can answer my question in 10 seconds, that would be great.

[*English*]

Matthew Holmes: Okay, I'll skip the history of the yen shock in the market, which encouraged a very controlled approach by the government to financial services. The demographics of Japan have necessitated that they invest in foreign markets and bring capital back. That has also had a factor.

To Mr. Nankivell's point, on AI and quantum in particular, there's a real Canadian opportunity there, and in cybersecurity as well.

[*Translation*]

The Vice-Chair (Simon-Pierre Savard-Tremblay): Thank you.

Mr. Davies, you have five minutes.

[*English*]

Fred Davies (Niagara South, CPC): Thank you, Mr. Chair.

My question is to Mr. Holmes. I'm going to pick up on what my colleague Mr. McKenzie was talking about at the end of his question. Japan is a massive importer of crude petroleum, having taken about \$80.4 billion in 2023. Of its imports, 94% came from four Persian Gulf states: Saudi Arabia, Qatar, Kuwait and the UAE. For obvious reasons there is a gap in these imports, which I think could be filled by Canada.

What do you think a new pipeline would mean to Canada's GDP if we opened up more capacity to the Pacific Rim?

Matthew Holmes: I think you've heard from previous witnesses as well that there is a business case to be made here. We've seen that play out in real time with the LNG developments—not crude, I'll come back to that—on the west coast, in the Kitimat area in particular. Also, of course, Trans Mountain is coming online. Ms. Young from the Vancouver port spoke compellingly of even seeing higher efficiency in the current export egress that we have for crude.

I will say that the export of Brent crude from Canada to Japan would likely require, in some cases, some refinery adjustments on their side. That's a long-term adjustment and commitment they would need to make. There is a conversation to be had there around how the processing of our crude exports might be received by Japan, but the market potential is huge. They have been an ally at the G7 table. They stuck with us. They are surrounded by neighbours who are not necessarily looking after their interests or are quite volatile, and so there is a case for eventual security.

• (1255)

Fred Davies: Do have any analysis or projections on what impact that would have on our GDP?

Matthew Holmes: Specifically to the GDP, I am a bit ahead of my skis here, but I would argue that the gold commodity price that Canada has enjoyed over the last year to year and half, and our current exports of energy are the two reasons why we are currently in the black.

Fred Davies: Why do you think the traditional energy sector was excluded from Canada-Japan Comprehensive Strategic Partnership? This is despite the fact that Japan is heavily reliant on other sources of energy.

Matthew Holmes: I'll speak quickly, and I believe Mr. Nankivell would like to respond as well.

Right now, there is a real focus in Japan around clean technology and clean-tech opportunities, including hydrogen. There's a lot of interest domestically within that space. However, that does not preclude or exclude other energy options for Canada. We have a more mature industry there in Japan that could be developed. What the two governments are trying to do with this new agreement is foster and encourage some of the emerging industries they would like to see. The attention has been put there for those reasons.

Fred Davies: Please be brief because I have another question for you, Mr. Nankivell.

Jeff Nankivell: I would just add that among the major economies, with the possible exception of China, Japan is really the most aggressive in trying to diversify its energy sources. It's not all in one direction; it's everything at once. Their current situation is only leading them to see it as even more urgent that they reduce their demand for oil and move on to other things. It's the whole panoply, including nuclear in the future and various forms of renewables. They are probably the ones who are most interested in hydrogen in its variations.

Fred Davies: I only have a few seconds left.

Mr. Nankivell, Asahi Kasei is building a \$1.7-billion EV battery ion separator plant in my riding. The project is now delayed because the market has softened and the project won't open on time.

I'm interested in the relationship between Canada and Japan. It seems to me that Japanese investments are looking for a supply chain anchoring strategy. What do you think the implications of that on the longer term are for CUSMA 3.0, if we actually get to CUSMA 3.0?

[Translation]

The Vice-Chair (Simon-Pierre Savard-Tremblay): Please answer within 30 seconds.

[English]

Jeff Nankivell: I think those things are connected. Geopolitics can exist in several dimensions at the same time. While we have our issues with the U.S. bilaterally, we are part of a larger family of countries, of democracies, that are working collectively, mainly through the G7 but with other partners including Australia and South Korea, to build new supply chains. There are areas and multilateral agreements with countries, including the U.S., Japan and Canada together, that are working on various measures, such as advance market purchase commitments and floor prices, to build a new supply chain. That will be an element in how we develop our relationship with the U.S., that is, how the U.S. and Canada play together with Japan, South Korea, the Europeans and others, in this new alignment of supply chains.

It's very relevant and that could be an asset for us if we play it well.

[Translation]

The Vice-Chair (Simon-Pierre Savard-Tremblay): Thank you, Mr. Davies.

For the final round of questions today, I'll give the floor to Mr. Ehsassi for five minutes.

• (1300)

[English]

Hon. Ali Ehsassi (Willowdale, Lib.): Thank you, Mr. Chair.

Thank you to the three witnesses. You've been excellent. You're obviously on the front lines of deepening our relationship with Japan, and your remarks have been very informative.

I will start off with Mr. Nankivell.

As you know, Japan and Canada are both members of CPTPP. That has been a success; there's no doubt about it. We know that two-way trade has gone up 20%. However, are there aspects of that agreement that have really not lived up to expectations? Is there more that can be done with respect to certain sectors as far as you're concerned?

Jeff Nankivell: When it comes to the agreement, the story is, as you have been hearing from the industry side, there's just so much for us to do to exploit the opportunities that have been made possible by what's good in the agreement that really there's more than enough work to be done there. Then it's really about having the supporting infrastructure—the government, the Crown corporations, industry associations and so on—to facilitate Canadian companies, not just for exports but also for strategic partnerships and coinvestments in Canada and elsewhere, to be able to develop those relationships.

The focus should be on really following up on the openings that have been created by the agreement as it pertains to Japan-Canada relations rather than trying to reopen certain parts of it.

Hon. Ali Ehsassi: In your remarks, you touched on a gathering that you have scheduled for Singapore. One of the things that seems to me to be very important is knitting together networks of business leaders, academics and people who can be very helpful in forging stronger ties between our two countries.

The gathering in Singapore is a very novel approach. Could you share with the committee what you have in mind and how impactful you think it will be?

Jeff Nankivell: This is what we call the Canada-in-Asia Conference. We started it in 2023, originally as a partnership between the Asia Pacific Foundation of Canada and Universities Canada. We worked with Canadian universities to invite their alumni from all across Asia—India, south Asia, southeast Asia, Japan, Korea, China, Australia, New Zealand and so on—to an annual gathering where we bring together business leaders, government agencies, investment attraction agencies, and the provincial and municipal government bodies from Canada and their counterparts from Asia.

We've just done the fourth one this past February. It's anchored in Singapore, where we now have an office with support from the Government of Canada. For the conference itself, we have 30 partners that are financial supporters of the conference across the private sector and public sector. We get over 600 participants coming to this conference. Two-thirds are people based in Asia and one-third are people who come from Canada. More than 200 this past year came from Canada. That is about the balance that we want. Over half of the attendees are people who work in the private sector or in organizations that directly support the private sector.

Japan is a part of this. It's not a Canada-Singapore conference. It's a Canada-Asia conference. We have had corporate support from Japan, universities and other participants. We are working to grow that. We are looking to do more of these sorts of activities in the region.

It's really catching fire. When you bring our leading universities together.... A big part of the Canadian brand is the quality of our human capital and our leading researchers. We bring in the major research hubs, the innovation clusters, the incubators and accelerators, the whole venture ecosystem, and their counterparts from across Asia.

This is the kind of tissue we need to build between Canada and Asia. These sorts of things happen organically between Canada and the U.S., and between Canada and Europe. This kind of fabric is underdeveloped and underwoven when it comes to Canada and Asia. We firmly believe, and Japan is an excellent example of this, that you need that supporting tissue in order to get the business deals. Asia is not a place where you can just go and say, "Here's my product, do you want to buy it or not? Sign the contract." You have to build those relationships and they have to develop comfort with you.

Much of the reputation we enjoy as Canadians in Asia is due to the work of our leading Canadian companies, such as Manulife, Sun Life, the pension funds and others, for over a century. The more we can expose decision-makers and new audiences in Asia to that, the more we will succeed in our economic, security and geopolitical goals.

• (1305)

[*Translation*]

The Vice-Chair (Simon-Pierre Savard-Tremblay): I'd ask you to wrap up, Mr. Nankivell.

[*English*]

Jeff Nankivell: We're continuing as the foundation and we look forward to doing it again next February.

[*Translation*]

The Vice-Chair (Simon-Pierre Savard-Tremblay): I'd like to thank the witnesses, the members and the committee staff for the success of this meeting.

The next meeting will take place next week, on May 5. It will focus on free trade within Canada.

The following meeting will take place on May 7. The first hour will focus on trade relations between Canada and Japan. We will then meet with senior officials from Global Affairs Canada regarding the upcoming mission to Latin America.

With that, and with everyone's agreement, the meeting is adjourned.

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