



## 2. FIGHT GLOBAL PROTECTIONISM

A powerful wave of protectionism in key markets threatens Canadian business. Whether it is the promise of the new U.S. administration to withdraw from the Trans Pacific Partnership (TPP) and renegotiate NAFTA, the vote to pull Britain out of the European Union or the rise of nationalist parties in Europe campaigning against CETA, there are myriad disturbing signs that trade could be curtailed.

As one of the most trade-dependent nations, Canada is severely threatened by this trend.

When the WTO multinational negotiations failed, Canada turned to large multilateral negotiations like CETA and TPP. This was a reasonable strategy, but in the current climate, it appears to be running out of steam as voters in much of the industrialized world reject globalization.

Anti-trade sentiment will make it increasingly difficult for governments to pursue new free trade agreements, while economic policies promoting import substitution, aggressive export subsidies and programs, like Buy America, may roll back the access we secured in the past.

Last May, GE CEO Jeff Immelt signalled the alarm: "Protectionism is rising. Globalization is being attacked as never before. For those looking to succeed, the playbook from the past just won't cut it."

Trade is more than a means to commercial advantage. Trade makes partners of nations, and those partnerships preserve peace and foster cooperation. Historically, waves of protectionism and "beggar thy neighbour" gestures have led to slowing economies and, sometimes, to depression or war.

Canada is well-placed to fight these trends. Blessed with critical resources and other products and services our partners need and with a long reputation as a positive force in the international community, Canada can make a difference.

In addition to continuing to press for the completion of CETA and the Trade in Services Agreement, we will urge Canada to make open markets its key international issue in bilateral and multilateral engagements of all kinds. Cooperative engagements with other medium-sized nations will increase our leverage in world trade. We will support initiatives to grow supply-chain cooperation and to obtain better global access for Canadian business as well as aggressive diplomatic and communications programs to outflank protectionism.