

2019 WORK PLAN

OUR TRADE FUTURE

Western Canada, and the country as a whole, have been rocked by repeated trade shocks from our two largest trade partners, the United States and China. Responding to these shocks means we must hold on to the trade opportunities we already have – and make gains in new markets. A new Pacific Rim agreement is opening Asia; market and technological changes are opening opportunities for new export industries uniquely suited for Western Canada like plant protein; and in all this Canada has advantages over one of its main rivals in foreign markets, the United States. In 2019, we will produce research, policy responses and public education on opportunities in this era of trade disruption.

China's relationship with Canada's West

China is the second-largest trading partner for each of the western provinces and for Canada as a whole, but there is still more we can do to improve trade and engagement with China. Our work on China will involve multiple fronts:

- In 2019, we will examine the implications of *Made in China 2025* (MIC2025), China's economy-wide industrial policy to become a superpower in advanced manufacturing capacity and technologies. This major research project will identify new areas of comparative advantage and potential investment conflicts for Canada with a particular focus on issues and opportunities for western Canada.
- Canada's agricultural exports to China have been hit by a series of non-tariff irritants such as plant disease control issues, which could be addressed through negotiations and agreements apart from a comprehensive free trade agreement. We will categorize agricultural trade issues with China, identify what relief China has granted its other trade

partners through its various trade agreements and develop an agenda for Canada to engage China on these issues to provide relief and protection for western Canadian farmers.

- We will continue the *China Brief*, a newsletter published every two weeks to help policy-makers and business to track developments in China of importance to Western Canada and our efforts to engage China. The brief, launched in 2018, has built a dedicated following for its strong overview of China-related policy and current affairs with a western Canadian lens.

How to deal with trade disruption

In every trade agreement, there are many winners – but also some losers. How do governments make decisions to provide compensation and transition assistance to those disrupted? How much is based on emotion or specific lobby efforts, rather than evidence? And which is fairly distributed? In 2019, we will conclude work begun in 2018 and publish a major report on mapping out mechanisms for Canadian government to provide assistance for individuals, communities and businesses affected by trade liberalization and to determine appropriate levels of assistance and compensation.

Province-state relations in the age of Trump

In an era when Washington, D.C. is locked in a stalemate and trade tensions continue to emerge, direct engagement by the provinces with their U.S. counterparts is more critical than ever. We will research and convene experts to define areas where sub-national engagement can be most effective and identify ways to make this engagement, which started during the USMCA negotiations, continues, is successful and lasting.

The Trade & Investment Centre advances the interests of Western Canada's export economy to hold on to existing markets, open new markets and have the trade infrastructure to reach both.

Building more and better strategic trade infrastructure

In Canada, and especially the West, we are fortunate to produce much of what the booming global markets want and need. But we lose out when we don't get our goods to markets fast or reliably enough – if at all. We will conclude our work on how to improve trade infrastructure by linking the private sector and its sophisticated logistics supply and production chain information to government decision-making to get trade infrastructure spending right.

The path forward for globally competitive plant ingredient processing

Since we released our 2017 report *Sprouted: The plant ingredient opportunity taking root on the Prairies*, the federal government has funded a plant protein supercluster in the Prairies, and foreign investment and interest have increased. Yet questions remain as to whether the Prairie provinces have the necessary capacity, regulatory frameworks and other assets needed to fully realize this opportunity. In 2019, we will provide recommendations to create a world-leading plant ingredients processing regulatory system in Canada, with possible implications for broader food processing regulatory reform.

Trade and competitiveness

In a turbulent time for global trade, with Canada fighting to defend its interests and open new markets, we will continue to provide evidence-based, non-partisan commentary in media interviews and public engagements, especially in the areas of North American and Pacific Rim trade.

Adaptation

Getting ready for the challenges of tomorrow

A number of mega-trends are shaping how Canada operates in the world. Climate change. Shifts in geopolitics and global economic power. Demographic changes and a rising – and moving – world population. Technological acceleration. How prepared are we to face these challenges? What resources are needed, or can be leveraged? What new opportunities will emerge as a result of these shifts? This project, a collaboration of all three Centres, will help to answer these questions and lead the way to a sustainable, prosperous future for the West. In 2019, we will begin by examining what these trends are, and what effects they may have. We will then focus in on identifying how selected communities and others can adapt to both the negatives and the positives that these changes will bring.

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