

# CAPC International Trade Working Group

- Founded at last CAPC Meeting (Nov.2003)
- 2 Co-Chairs (Jim Stanford, CAW; Dennis Bausch, Intier – retired, to be replaced)
- 3 Meetings so far

# “Perspective” Statement

- “...Scope continues to exist for trade policy to play an active and supporting role in strengthening the economic context facing the [automotive manufacturing] industry...”
- “...The primary focus of these trade policy initiatives must be to strengthen and support investment in Canadian-based parts and assembly production.”

# Bank of Canada Delegation

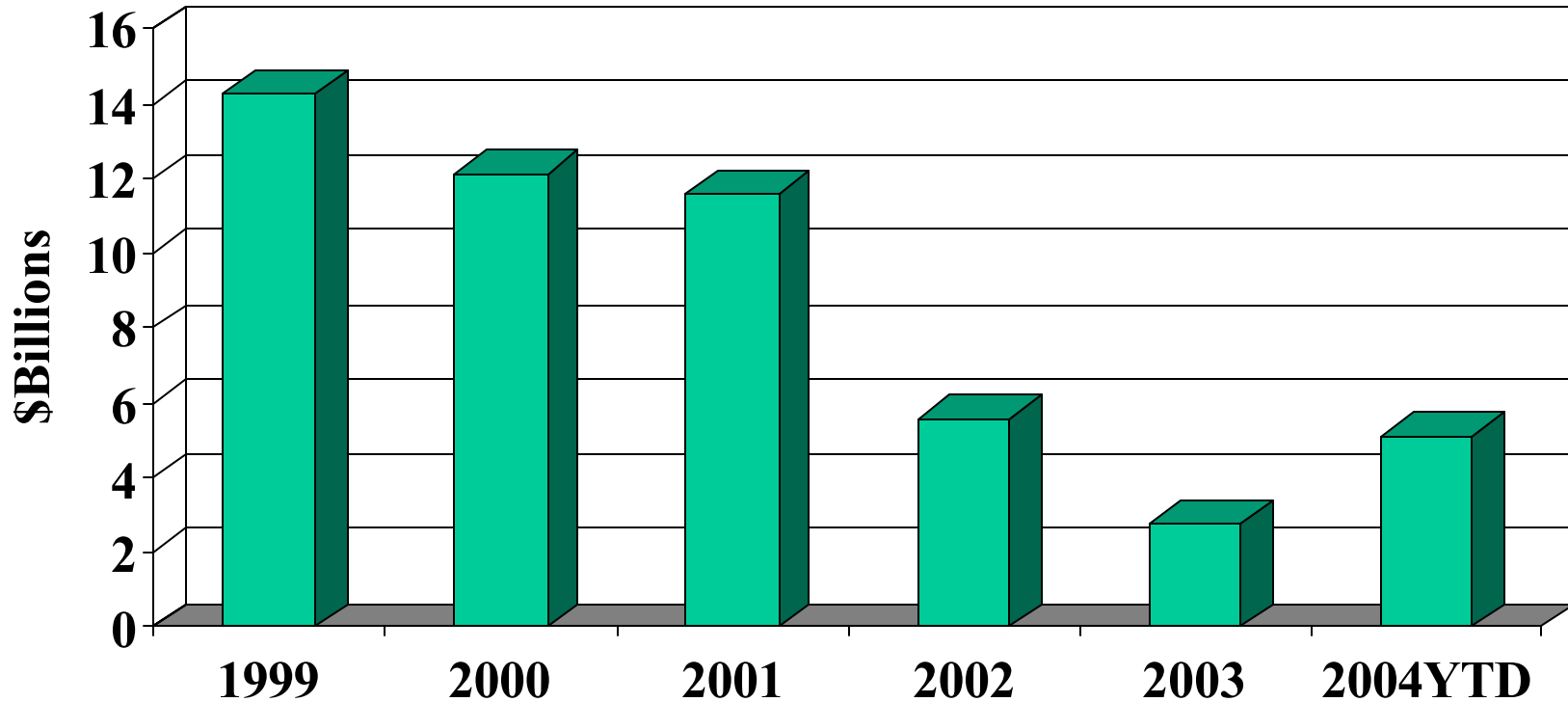
- Working Group identified rising Canadian currency as important threat, need to sensitize officials about implications
- Survey of CAPC private sector participants
- Delegation to Bank of Canada June 23
- Will visit again early in New Year

# Issues Considered

- Exchange rate
- Canada's small stake in fast-growing Asian markets
- How to address bilateral imbalances (including China soon)
- Openings for use of strategic trade policy to reinforce investment (eg. duty drawback)

# Canadian Automotive Trade Balance

## All Countries, Vehicles & Parts






*Source: Industry Canada (sector definition).*

# CAPC

## International Trade Working Group

### November 2004

| Initiative                                                           | Action Plan Item                                                                                                             | Owner                       | Timing       | Status                                                                               |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------|--------------------------------------------------------------------------------------|
| <b>Canadian Dollar</b>                                               | <i>Monitor/Address impacts of currency appreciation on automotive investment &amp; trade balance</i>                         | <i>AUTO; Bank of Canada</i> | <i>ST/MT</i> |   |
| <b>Strategic Trade/ Investment Policy</b>                            | <i>Explore proposals (eg. duty drawback) to use trade policy to leverage and enhance Canadian automotive investments.</i>    | <i>FED; AUTO</i>            | <i>MT</i>    |   |
| <b>Bilateral Automotive Trade with Asia / Other Emerging Markets</b> | <i>Monitor bilateral imbalances; explore/develop strategies to boost automotive exports to Asia / other emerging markets</i> | <i>FED; AUTO</i>            | <i>MT</i>    |  |



Addressed - implementation underway and on-time.



Plans, commitments and timelines not clear - attention needed.



Immediate attention.

Fed - Federal Government  
 Prov - Provincial Government  
 Auto - Auto Manufacturers, Suppliers

MT - Medium Term  
 ST - Short Term