



**Asia-Pacific  
Economic Cooperation**

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**2012/CTI/WKSP/017**  
Session 3

## **Increasing Free Trade Agreement Utilization by SMEs**

Submitted by: Canadian Chamber of Commerce



**Workshop on Increasing Free Trade  
Agreement Utilization by SMEs**  
Tokyo, Japan  
7 August 2012

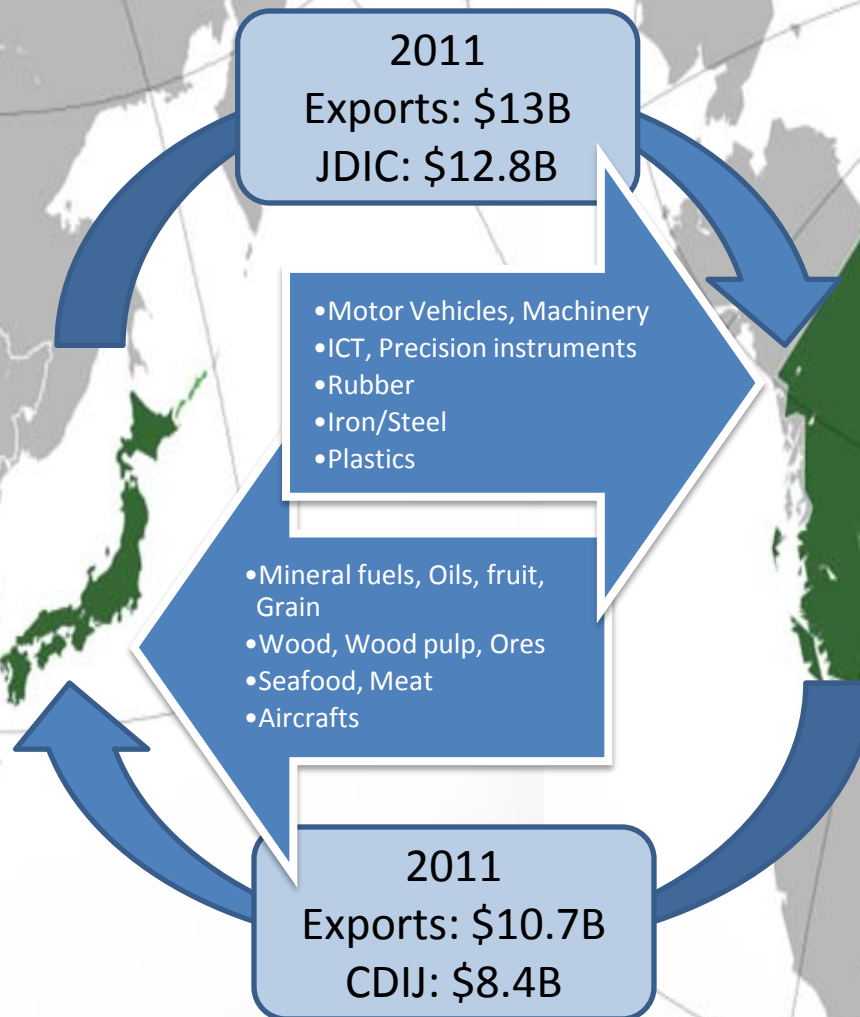
# Presentation to APEC Committee on Trade & Investment

*Increasing FTA utilization by SMEs*

Canadian Chamber of Commerce  
in Japan  
August 7, 2012

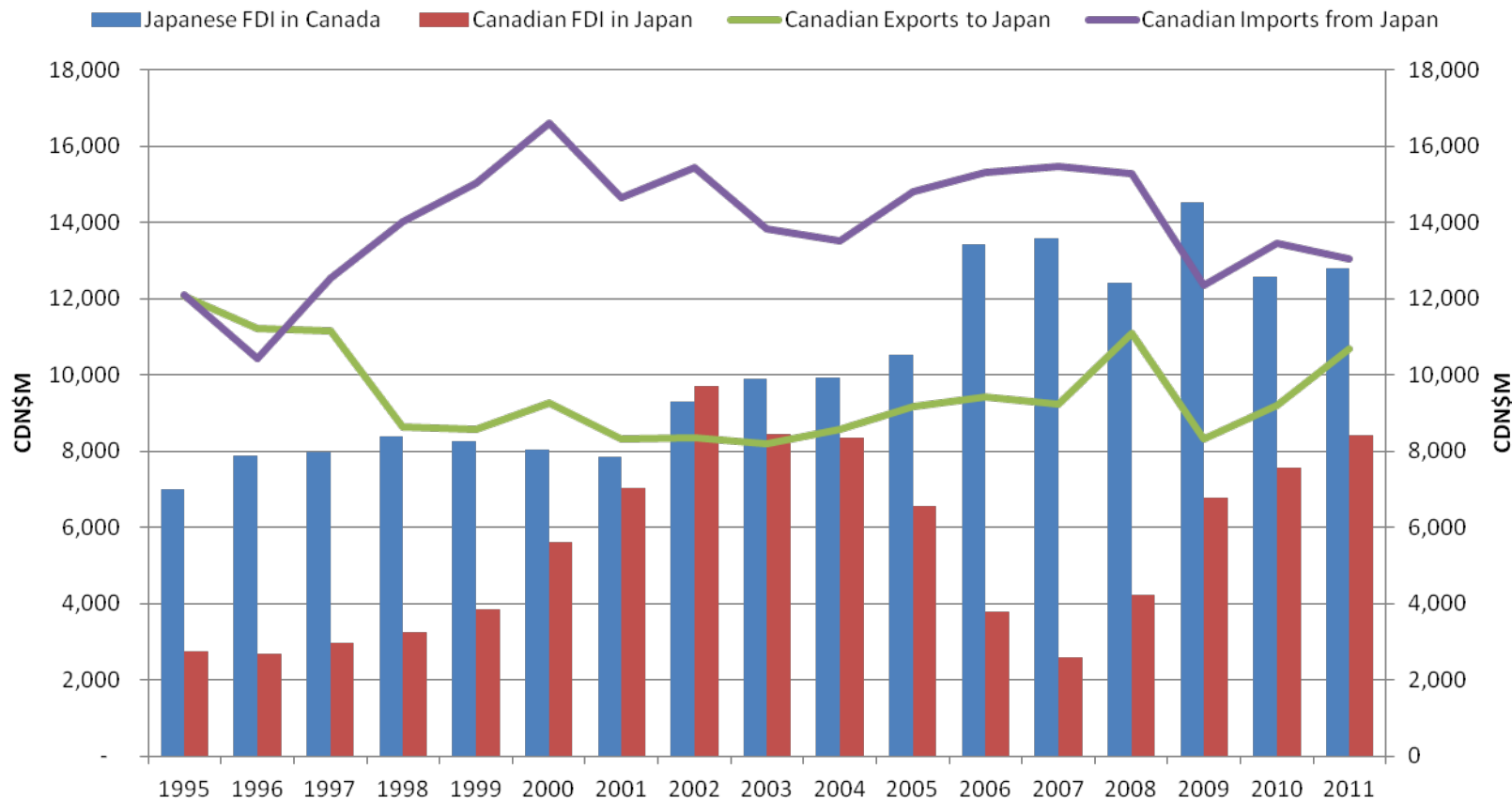
- Longest serving Canadian Chamber in Asia
- Voice of Canadian business community in Japan since 1975
- Over 300 member representatives including large Canadian corporations operating in Japan as well as numerous SMEs across 35 business sectors
- Mandated to strengthen commercial relations between Canada and Japan through Communication, Networking and Advocacy

# Current Bilateral Business Conditions



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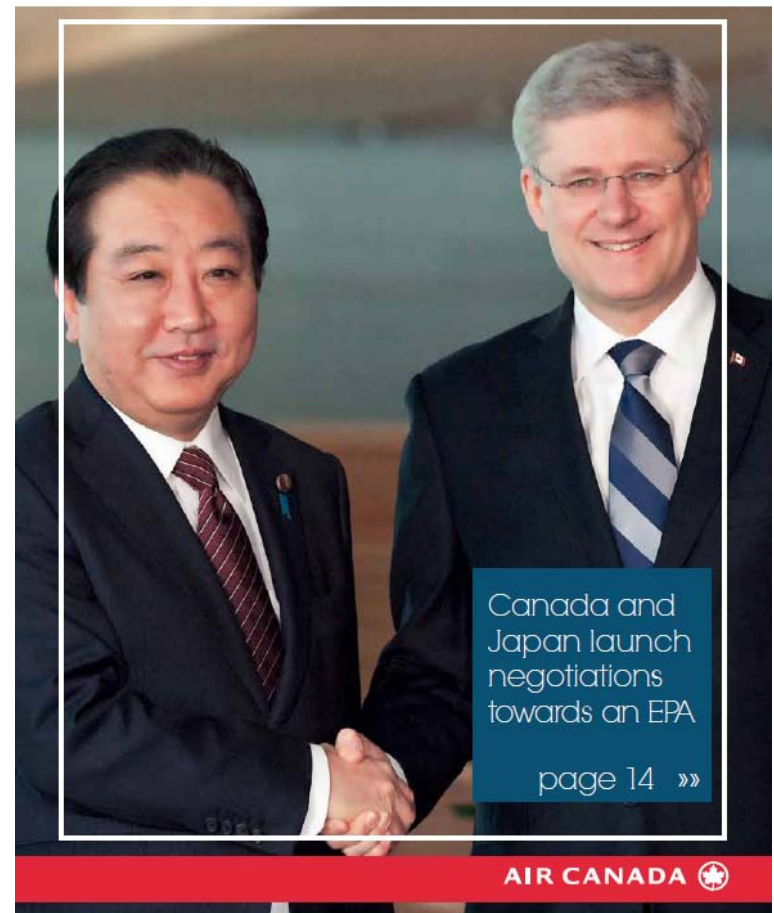
## Canada-Japan Bilateral Trade & Investment



- Bilateral Investment levels continues to strengthen.
- Renewed excitement in bilateral relationship.

**March 2012**

PMs Harper and Noda launch negotiations for Comprehensive Economic Partnership Agreement



## CCCJ involvement in trade discussions

November 2010

CCCJ submits Trade Policy Paper to Canadian and Japanese governments

December 2010

CCCJ presents to Canadian and Japanese government officials at Trade and Investment Dialogue

February 2011

CCCJ welcomes launch of Joint-Study, pledges active involvement

July 2011

CCCJ presents to Canadian and Japanese governments at Private Sector Roundtable

December 2011

CCCJ presents to Keidanren Committee on Canada, promoting cooperation in EPA issues

March 2012

CCCJ and Keidanren release Joint-Statement encouraging Canadian & Japanese governments to enter negotiations toward EPA

March 2012

Canada & Japan launch negotiations for comprehensive bilateral EPA.

CCCJ collaborates with the Keidanren, the Canadian Chamber of Commerce, the Canadian Council of Chief Executives and other business organizations in its advocacy efforts.

## **Conclusions of the Report of the Joint Study on the Possibility of a Canada-Japan Economic Partnership Agreement 03/07/12**

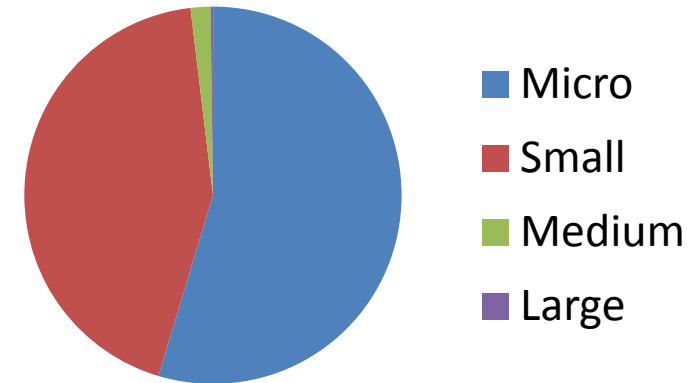
*Economic Effects:* "... estimates of gross domestic product (GDP) gains would be between **US\$4.4 billion and US\$4.9 billion for Japan**, and between **US\$3.8 billion and US\$9.0 billion for Canada**. The results also showed that gains from the bilateral trade between Canada and Japan would increase significantly as a result of a possible EPA."



# SMEs Importance to Canada

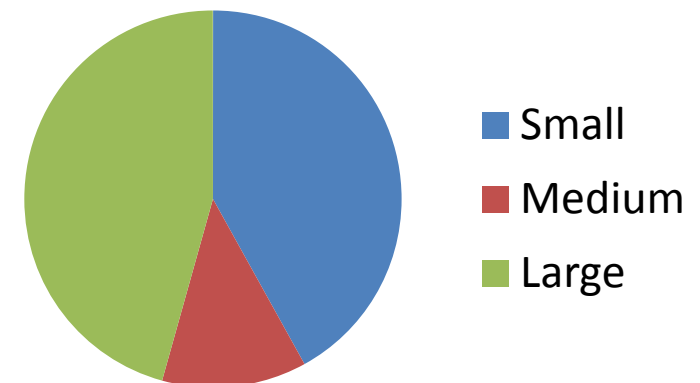
| Size of firm          | # of firms | % of all firms |
|-----------------------|------------|----------------|
| Micro (1-4 Employees) | 621,968    | 54.6%          |
| Small (5-99)          | 494,455    | 43.4%          |
| Medium (100-499)      | 19,630     | 1.7%           |
| Large (500+)          | 2,708      | 0.2%           |
| Total                 | 1,138,761  | 100%           |

SME portion of CDN Business

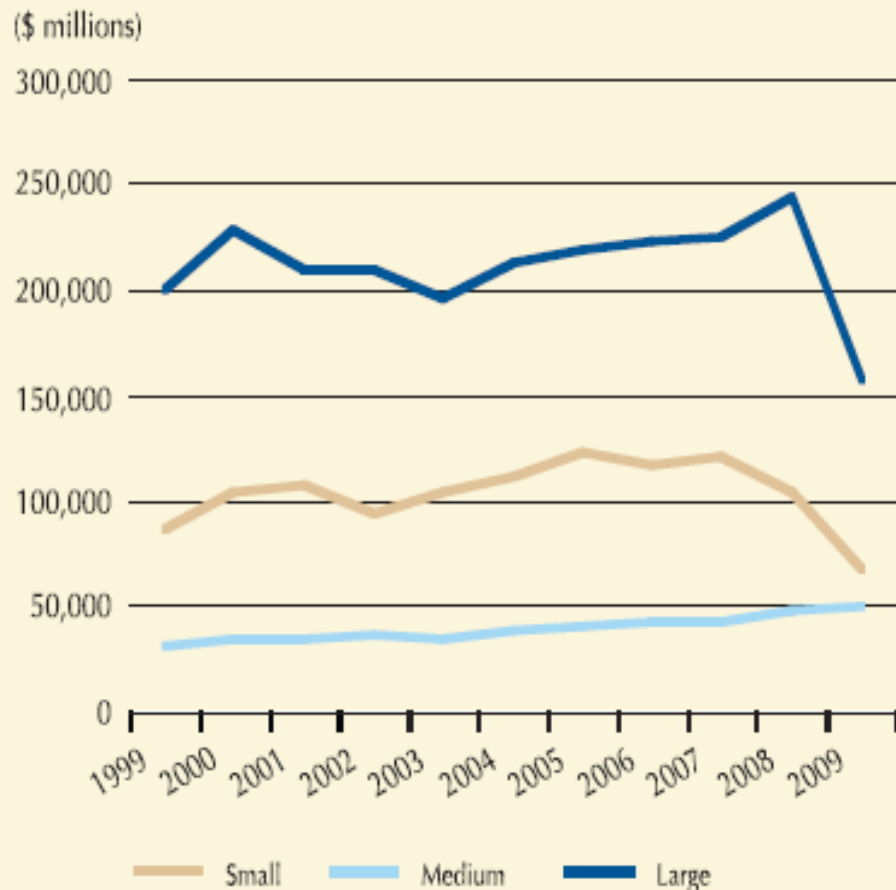


| Size of firm | \$M     | % of GDP |
|--------------|---------|----------|
| Small        | 414,093 | 41.9%    |
| Medium       | 122,409 | 12.4%    |
| Large        | 451,935 | 45.6%    |
| Total        | 988,437 | 100%     |

SME Contribution to GDP

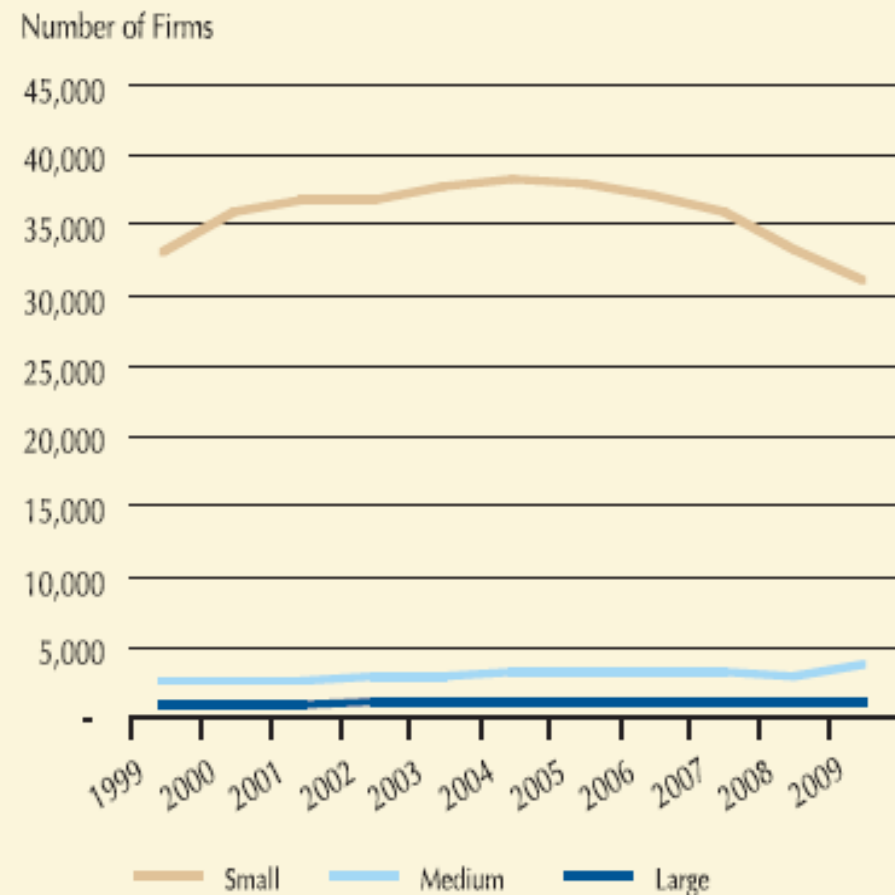


## Value of Exports, by Firm Size, 1999-2009



Source: Statistics Canada, Exporter Register.

## Number of Exporters, by Firm Size, 1999-2009



Source: Statistics Canada, Exporter Register.

- Since NAFTA was signed in 1994 trilateral trade (Canada, U.S., Mexico) has grown from \$211B to \$1T.
  - 25% of Canadian SMEs export to the US.
- Annual NAFTA Free-Trade Commission Meetings held to improve conditions.
- NAFTA SME task force formed to support SMEs utilize the agreement
- Small Business Development Centres spread throughout NA to support SMEs in their NAFTA exporting.

## Main Obstacles of International Trade



Source: CFIB, *Report on Trade*, October 2004, 1,653 responses

- EPA/FTA can help SMEs overcome these challenges and reach new markets

**“...it is all about dropping barriers and encouraging information exchange; business will do the rest.”**

- Create the context for regular series of international meetings involving government, business and academia
- Create a bilateral SME Advisory Committee to both countries' Negotiators
- Create a bilingual, web based, initial market entry/due diligence data base
- Create a significant interchange between members of Canada's Trade Commissioner Service and members of Japan's METI and JETRO
- Japan and Canada to jointly design a publicity strategy to their respective SME communities.

Export Development Canada [www.edc.ca](http://www.edc.ca)

Business Development Bank of Canada [www.bdc.ca](http://www.bdc.ca)

Canadian Trade Commissioner Service [www.tradecommissioner.gc.ca](http://www.tradecommissioner.gc.ca)

Canadian Federation of Independent Business [www.cfib.ca](http://www.cfib.ca)

Canadian Chamber of Commerce [www.chamber.ca](http://www.chamber.ca)

Local chambers of commerce

Provincial Government trade representatives

Regional and municipal trade and investment promotions



Thank you.

Wilf Wakely,  
President,  
Canadian Chamber of Commerce in Japan