



CANADIAN
CATTLEMEN'S
ASSOCIATION

National Voice Of Cattle Producers

News Release

CPTPP to come into force in 2018 as Australia becomes sixth to ratify

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Calgary, AB – In yet another significant development for the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Australia today deposited its notification to the CPTPP Secretariat in New Zealand becoming the sixth of the 11 signatory countries to ratify the Agreement. The Agreement will come into force amongst this first tranche of CPTPP signatories, composed of Australia, Canada, Japan, Mexico, New Zealand and Singapore, in 60 days or December 30, 2018.

The Canadian Cattlemen's Association (CCA) is elated that the Agreement will come into force in time to benefit from a first tariff cut in 2018 and a second in 2019, augmenting the competitive market access opportunities to the Canadian beef and red meat sectors. In Japan, on December 30, 2018, the tariff of 38.5 per cent will immediately drop to 27.5 per cent on Canadian fresh beef and to 26.9 per cent on frozen beef. On April 1, 2019 Canada will enjoy a second tariff cut in Japan down to 26.6 per cent on both fresh and frozen and eventually down to 9 per cent over several years. With CPTPP, Canadian beef will also be exempt from the Japanese safeguard tariff of 50 per cent on beef.

With Canadian beef benefitting from a lower and more predictable tariff, the CCA expects Canadian beef exports to Japan could double in 2019, up from the \$160 million of beef exported to Japan in 2017 under the old tariffs on fresh and frozen beef.

The remaining five countries Brunei, Chile, Malaysia, Peru and Vietnam are continuing their ratification processes and each will bring the Agreement into force 60 days after they submit their notifications. Regardless of when each of these additional countries comes on board, they will have to catch up with a tariff cut for 2018 and a second for 2019.

Vietnam is an emerging market with important growth potential for Canadian beef. Canadian beef exports to Vietnam in 2017 were \$3.9 million with a 20 per cent tariff. Once Vietnam implements CPTPP in 2019, their initial two tariff cuts will immediately bring the tariff down to 6.6 per cent and then to zero in 2020.

For further information, contact:

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