

INTERVIEW OF THE MONTH

RAYMOND BACHAND, QUEBEC'S CHIEF NEGOTIATOR FOR THE NAFTA RENEGOTIATION

Quebec's chief negotiator for the NAFTA renegotiation since July 2017 and strategic advisor to Norton Rose Fulbright Canada since January 2014, Raymond Bachand is also President of the Institut du Québec, a joint venture of the Conference Board of Canada and HEC Montréal.

Director of Transat and National Bank of Canada, he also acts as Chairman of the Board of Tourisme Montréal.

Liberal member for Outremont elected to the Québec National Assembly (2005-2013), he has served as Minister of Economic Development, Innovation and Export Trade, Minister of Tourism, Minister responsible for the Montréal region, Minister of Finance, Minister of Revenue and official opposition spokesperson for finances.

During the past 25 years, Raymond Bachand held various senior positions in the private sector, including as vice-president of Métro-Richelieu and Culinar, and as chairman and CEO of Fonds de solidarité FTQ and SECOR.



Mr. Bachand, could you outline the situation coming out of the last round of negotiations for us?

Unlike preceding rounds, where progress was limited, at the 7th round of NAFTA negotiations, in Mexico City, headway was made on several fronts due to the Parties' flexibility on certain issues.

The accord's chapters on transparency, good regulatory practices, and sanitary and phytosanitary measures, as well as the annexes on chemicals and proprietary food formulas, were concluded during this round of talks.

"The unfolding of the last rounds of negotiations has shown that constructive solutions and innovative ideas are always important in helping to move the discussions forward."

However, significant discrepancies remain in several areas, notably with regard to dispute settlement and the investor-state dispute settlement. Work must continue to succeed in arriving at an agreement that benefits everyone.

The Québec negotiating team continues to conduct consultations and listen to the concerns of the various parties affected directly or indirectly by NAFTA renegotiation. We will obviously attend the next round of talks to be held in Washington, D.C. in April.

Have Québec's priorities changed as the negotiations move forward?

Québec's priorities were clearly established when the talks were launched: to ensure Québec and Canadian suppliers' access to US government procurement contracts and to facilitate business persons' mobility. We are making every effort to defend our priorities to our counterparts at the federal level.

“Québec would also like NAFTA renegotiation to take improved trade flows at the border into account, so as facilitate and accelerate the movement of goods between the Parties, as well as protection of products under supply management.”

While Québec’s priorities have remained unchanged since negotiations began, Québec’s strategy has evolved according to the negotiations’ context. For example, Québec has been vaunting NAFTA’s benefits to the United States, through ministerial visits and through Québec delegates in the US. These efforts have borne fruit since US business groups are now integrating these elements into their discourse and sending this message to the White House.

In response to the US threat to withdraw from NAFTA, the Ministère de l’Économie, de la Science et de l’Innovation, in collaboration with the government departments concerned, has developed analyses on the impacts of terminating NAFTA, in particular to identify the sectors that would be affected and foresee support measures for them.

Québec is also working closely with the federal government and the other provinces and territories to defend Québec and Canadian interests. In short, the negotiation priorities remain the same but the Québec team makes sure to adjust its strategies as the negotiations evolve.

In your opinion, what impacts will renegotiating NAFTA have on the shipping industry?

Canada-US cross-border trade reflects longstanding relations and generally works well. Québec wishes to maintain these relations, which benefit its businesses, notably in the shipping sector, which, to date, has not been targeted by the negotiations under way and is not expected to be unduly shaken.

NAFTA’s modernization will allow us to ensure sustainable trading relations with our North American partners and give them a foreseeable framework for many decades, thereby promoting investment and trade.

Added to this is the Canada-European Union Comprehensive and Economic Trade Agreement (CETA), which will enable Québec to position itself as a hub for importing-exporting activities between North America and Europe, a territory which alone represents a pool of 500 million consumers.

NAFTA’s renegotiation and CETA’s coming into force last September will consolidate Québec’s position and that of its shipping industry as an essential link in the logistics chain for goods in transit destined, among others, for major northeastern US markets.

“Québec, which already has a strategic, world-class commercial port network, could benefit from opportunities resulting from the updated accord.”

What do you recommend the marine industry do to position itself following the negotiations in order to remain competitive?

Obviously, I recommend keeping an eye on these negotiations because the transport sector is sometimes affected by decisions taken in other sectors. If a product imported by ship no longer transacts the same volumes as before the modernized NAFTA, there will clearly be an impact for the shipping industry. As a result, I would especially invite all companies with NAFTA-related concerns or interests to share them with us. We are in constant communication with the federal negotiating team and attend every round of negotiations. Therefore, we can rapidly ensure that Québec companies' interests are well defended.

That being said, shipping has a bright future, particularly because it constitutes a transport mode that emits less greenhouse gases, thus contributing to the fight against climate change.

"Similarly, the St. Lawrence – Great Lakes system is crucial for maintaining and developing international trade via shipping."

Trade negotiations, like those of NAFTA, help support Québec's trade with other countries and the shipping industry is well placed to benefit from this.