

Tenth Annual  
Queen's Institute on Trade Policy



Trade negotiations  
in an era of  
**UNCERTAINTY**



October 21 - 23, 2018  
Kingston, ON

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## **Tenth Annual Queen's Institute on Trade Policy**

### **Trade negotiations in an era of uncertainty**

Canadian trade and negotiation strategy is now shaped by an environment in which we cannot assume that all our partners always share trade liberalization objectives or support the rules-based trading system. High profile protectionist actions seem increasingly legitimate in some countries, but routine protectionism never went away in many more. The potential direct and global ripple effects of a U.S. retreat from multilateralism bring considerable risk for Canadians, not least by undermining what we thought were the foundational norms of trade relations. The old assumptions about integrative negotiations and a deliberative process in the search for mutual gains are challenged by positional bargaining aimed at narrow bilateral bargains. At the same time, some citizens in the advanced economies think that trade and globalization have not worked for them. Developing a progressive trade agenda in support of inclusive growth will require expanding trading opportunities to reach and benefit broader groups who previously have not been the focus of trade policy, including women.

All countries have domestic sensitivities. Canadians defend our supply management system, maintain a low de minimis limit for parcel shipments, make sophisticated use of trade remedies, wall off health services and culture from foreign participation, and accept managed trade in softwood lumber with the USA. But the general direction of Canadian trade negotiation strategy has been towards more open markets within a multilateral trading system as the basis of Canadian prosperity. This year's Trade Institute focuses on the strategic challenges Canada faces in a world adapting to rapid structural change and increased protectionism, unilateralism and uncertainty. How should Canadian officials analyze the country's interests? How can they protect those interests from protectionist actions taken by others, while at the same time advancing them in the context of new negotiations? If comprehensive agreements appear unattainable, could, for example, an accord on e-commerce be incorporated in a memorandum of understanding or in a plurilateral agreement in the WTO?

# Agenda

## Sunday October 21

Robert Sutherland Hall, Room 202  
Queen's University, 138 Union Street

- 3:30      **Introduction:** Should Canada be a willow or a rock?  
How can Canada promote a more inclusive trade policy agenda that facilitates resource reallocation, promotes international connectivity and builds a better global trading system while strengthening its role in the North American economy? We live in an era of uncertainty when the prospects are dim for major liberalization initiatives, while protectionist outcomes are all too possible and the threat of trade war may persist for some time.  
**Robert Wolfe**
- 4:15      **Shaping the negotiating strategy**  
Moving from theoretical models of sound trade strategy to real life trade policy practice, the discussion will focus on how Canada should articulate its strategy, including defensive vs offensive interests, and linkages with other issues, notably the analytic challenges of reconciling a 21st century trade policy agenda with traditional considerations for negotiators. Coordination with other departments and levels of government matters more than ever.  
**Don Stephenson**
- 4:45      **Break**
- 5:00      **Economic Policy Linkages**  
Canada's performance will be affected by macro-and micro-economic policies adopted both by ourselves and by our partners. Corporate or personal tax changes, immigration policy, and exchange rate movements will influence Canadian firms, and their place in global or regional value chains, as much as changes in trade and/or investment policies.  
**John M. Curtis**
- 5:45      **Return to hotel**
- 6:45      **Reception and Dinner**  
Delta Hotel, Kingston Waterfront  
Grandview Ballroom – 6th Floor
- Keynote: Protectionist Past**  
We have been here before: protectionism in U.S. trade policy  
**Chad P. Bown**

## Monday October 22

Robert Sutherland Hall, Room 202  
Queen's University, 138 Union Street

- 8:30      **Trade policy begins with thinking about firms**  
Resource reallocation within industries is a key driver of trade and productivity. This presentation examines the new policy implications resulting from recent firm-level trade models that have changed our understanding of the impact of increased trade, and increased trade restrictions, on productivity at the level of the firm, the industry, and the nation. In a time of trade conflict, how should policy-makers identify which Canadian firms within which industries will gain and which will lose?  
**Beverly Lapham**
- 9:15      **A global value chains view of Canadian trade and trade policy**  
How do Canadian firms participate and collaborate in global value chains? What effect does trade policy have on the competitiveness of North American value chains? Using practical examples, the session will include suggestions on how to make the macro/micro distinction in thinking about the determinants and effects of global value chains; the session will also show why protectionism can be so disruptive to global value chains.  
**Ari Van Assche**
- 10:00     **Break, and first small group seminar**
- 11:15     **Instrument choice for responding to protectionism**  
Protectionism can take many forms, including the use of anti-dumping and countervailing duties, safeguards, national security measures, and discretionary trade measures. Protectionist measures can also include discriminatory or highly restrictive regulations. Which tools are best suited to respond to these varied forms of protectionism in a manner that is minimally disruptive of trade while still being effective in inducing trade-liberalizing policy changes by one's trading partners? What are the strategic advantages and drawbacks of addressing an irritant through a dispute in an FTA or the WTO, bringing it up in a WTO committee, or seeking to remove it through new negotiations, or retaliation?  
**Nicolas Lamp**
- 12:00     **Lunch**
- Keynote: Protectionist present**  
What is going on in Washington and why?  
**Jennifer Hillman**
- 2:15      **Rules of Origin; The New Old Protectionism**  
While rules of origin are essential for determining who benefits from any preferential agreement, how can negotiators mitigate the protectionist intent of seemingly technical provisions?  
**Andrew (Sandy) Moroz**
- 3:00      **Break, and second small group seminar**
- 4:15      **Trade policy communications and consultation**  
With rising economic anxiety, how do we maintain public support for trade as part of an inclusive agenda? How much transparency is needed, and when? How should we consult non-traditional stakeholders? How do we build support in partner countries for trade with Canada?  
**Velma McColl**
- 5:00      **The inclusive trade agenda and economic uncertainty**  
Pursuit of an inclusive trade agenda is an essential element of a response to current protectionist pressures and will become ever more critical in the years ahead as new technologies such as artificial intelligence and advanced robotics rapidly alter the skills composition of jobs, prospects for different occupations and the very nature of work itself.  
**Margaret Biggs**
- 5:45      **Return to hotel**

## Tuesday October 23

Robert Sutherland Hall, Room 202  
Queen's University, 138 Union Street

- 8:30      **Effective trade rules must rely on well/defined and objective standards**  
The SPS Agreement makes explicit reference to scientific evidence to recognize legitimate measures. But whose science? Under what condition or timeframe was the scientific evidence generated? The session will explore the challenges of addressing non-tariff measures and the role of science in that context.  
**Gilles Gauthier**
- 9:15      **Why workers worry about trade agreements**  
Worrying about trade is not always protectionism. How should negotiators think about workers' concerns about the impact of trade agreements on domestic policy?  
**Angella MacEwen**
- 10:00     **What uncertainty means for my business**  
Trade uncertainty is harmful for any business, but it is especially harmful for export-dependent firms that use imported intermediate inputs.  
**Peng Sang Cau**
- 10:45     **Break**
- 11:00     **Looking to the Future**  
The changing nature of 21-century trade creates an extensive agenda, but innovative approaches to trade negotiations and agreements will be needed.  
**Bernard Hoekman**
- 12:00     **Lunch**
- 1:00      **Lost in the crossfire: the importance of services trade**  
How can we advance services liberalization, taking into account the growing importance of services and the significant changes in the world economy, including growing data flows and services embedded in goods? This session will start with the framework that NAFTA set for services trade a quarter century ago as a basis for considering more recent developments such as the CPTPP and the potential TiSA. What is needed now to bring trade rules into the 21st century?  
**Sherry Stephenson**
- 1:45      **Still learning about digital trade**  
Canada's trade agreements have contained e-commerce chapters for years, but they have been evolving rapidly as negotiators learn about the problems to be addressed,. Privacy provisions illustrate the tension between liberalization and other policy objectives, and between aspirational and obligatory language in trade agreements.  
**Robert Wolfe**
- 2:30      **Break and Third small group seminar**
- 3:45      **Responding to the challenge of trade negotiations in an era of uncertainty**  
Canadian negotiators face a new challenge in an environment in which we cannot assume that our partners share trade liberalization objectives. The concluding session will be a moderated exchange of views on the priorities identified in the small group sessions.  
**Martin Moen**
- 5:00      **Trade Institute ends**

## Speaker Biographies



**Margaret Biggs** is Matthews Fellow in Global Public Policy at Queen's University and Chairperson of the Board of Governors for the International Development Research Centre (IDRC). From 2008-2013 she was President of the Canadian International Development Agency (CIDA) responsible for overseeing Canada's international development and humanitarian assistance efforts worldwide. Ms. Biggs previously served as Deputy Secretary to the Cabinet and Assistant Secretary, Priorities and Planning, Privy Council Office. Ms. Biggs has represented Canada on the Board of Governors of the World Bank and as International Executive Co-Chair for the China Council on International Cooperation on Environment and Development. She is currently Chair of the International Advisory Committee of UNU's Institute on Water, Environment and Health and Chair of the Board of Directors of World University Services Canada.

Ms. Biggs co-led with John W McArthur "*Towards 2030: Building Canada's Engagement on Global Sustainable Development*" and in 2018, co-authored "*A Canadian North Star: Crafting an Advanced Economy Approach to the Sustainable Development Goals*" (Brookings, *From Summits to Solutions: Innovations in Implementing the Sustainable Development Goals*). She is the author of "*Inclusive Trade, Inclusive Development: Opportunities for Canadian Leadership*" (IRPP, 2017, *Redesigning Canadian Trade Policies for Global Realities*). Ms. Biggs recently co-chaired the Study Group on Global Education's report *Equipping the Next Generation of Canadians to Succeed in a Complex World*.



**Chad P. Bown** is Reginald Jones Senior Fellow at the Peterson Institute for International Economics in Washington. With Soumaya Keynes of The Economist, he cohosts Trade Talks, a weekly podcast on the economics of international trade policy. Bown is also currently a research fellow at the Centre for Economic Policy Research in London and a member of the Council on Foreign Relations. Since 2011 he has codirected, with Petros C. Mavroidis of Columbia Law School, an annual program of scholars providing legal-economic assessments of WTO case law and jurisprudence that are published with Cambridge University Press.

Bown previously served as senior economist in the White House on the Council of Economic Advisers and most recently as a lead economist at the World Bank. He was a tenured professor of economics at Brandeis University, where he held a joint appointment in the Department of Economics and International Business School for 12 years. He has also spent a year in residence as a visiting scholar in economic research at the World Trade Organization (WTO) Secretariat in Geneva. He received a BA magna cum laude in economics and international relations from Bucknell University and a PhD in economics from the University of Wisconsin-Madison.



**Peng Sang Cau** is a dynamic and innovative executive and co-founder of Transformix Engineering. Peng has served as its President and CEO for the past 19 years, taking the company from her basement to become one of Canada's manufacturing success stories as an international supplier of advanced manufacturing technologies. Peng is recognized as an accomplished thought leader – renowned for her expertise, integrity, strategic thinking and transformational change.

Peng was OWIT's 2018 Women Exporter of the Year. She won the Kingston Chamber of Commerce Young Entrepreneur Award in 2006, was inducted into the Kingston Business Hall of Fame in 2011 and was recognized as Kingston's Business Woman of the Year in 2012. In 2015, Peng was Queens University's Jim Bennett Award recipient and was giving an Honorary Diploma by St. Lawrence College in 2016.

As a business leader, Peng has travelled with Prime Minister Harper on two Trade Missions to the Netherlands and China and was invited to attend a State dinner in honor of Australia's Prime Minister in 2014.

In addition to running Transformix, Peng served on a number of board and committees including as a Board of Director on the Kingston General Hospital's Board and the Kingston Health Science Center, Center for Global Enterprise Advisory committee, Minister Bain's Advance Manufacturing Economic Strategy Board, and Mayor Paterson Workforce Steering Committee to name a few. Peng is sought out as a guest speakers and interviews for local and national TV, radio and print media including the Globe and Mail and CBC Radio.



In the Public Service of Canada for 35 years, **John Curtis** was the founding Chief Economist of the Department of Foreign Affairs and International Trade, having earlier served in a number of economic policy positions in several departments. Throughout his career, his focus has been on all aspects of international trade, most recently on the relationship of trade to the domestic economy, particularly in the field of intellectual property, innovation, and competitiveness. With a strong interest in Asia over the years, he spent two years with the International Monetary Fund on Asian economic matters and some years later played a major role in the development of the Asia-Pacific Economic Cooperation (APEC) forum, serving as the founding Chair of its Economic Committee. He was also involved during this period in the work of the OECD

Trade Committee. Dr. Curtis has an undergraduate degree from the University of British Columbia and holds a Ph.D in economics from Harvard University.



During his career in the Federal Government (1981-2017), **Gilles Gauthier** held numerous positions related to trade and economic policy, including Minister for Economic Affairs at the Canadian Embassy in Washington, Chief Agriculture Negotiator at the Department of Agriculture and Agri-Food Canada (AAFC), Director General, Multilateral Trade Policy at the Department of Foreign Affairs and International Trade, and Chief, Trade in Services, at the Department of Finance. Mr. Gauthier also served four years at the Canadian Mission to the WTO in Geneva. During his career in trade policy, he led negotiations on agriculture in the Canada-EU FTA and at the WTO, led investment treaty negotiations with China and India, and was a member of the Government of Canada negotiating team for the NAFTA and the GATT Uruguay Round. He also was appointed on 5 dispute settlement panels at the WTO.

Mr. Gauthier holds a degree in economics from the University of Ottawa, a master's degree in economics from the Université de Sherbrooke and a diploma in international economic relations from the Université de Paris-IX Dauphine.



**Jennifer A. Hillman** is currently a professor of practice at the Georgetown Law Center, teaching the lead courses in international business and international trade, while serving as a fellow of Georgetown's Institute of International Economic Law (IIEL). She recently published *Legal Aspects of Brexit: Implications of the United Kingdom's Decision to Withdraw from the European Union* (IIEL 2017), drawn from a seminar she co-taught in the fall of 2016. She has also written extensively about international trade law and the WTO, including a 2017 IIEL Policy Brief on the WTO consistency of the Ryan-Brady "A Better Way" tax proposal, co-authoring the leading casebook on trade, *International Trade Law, 3<sup>rd</sup> ed.*, Wolters Kluwer (2016), papers on recent WTO cases on sanitary and phytosanitary measures (World Trade Review) and "Changing

Climate for Carbon Taxes" (GMFUS.org).

Hillman has had a distinguished career in public service, both nationally and internationally. She recently completed her term as one of seven members from around the world serving on the World Trade Organization's (WTO) Appellate Body. Prior to that, she served for nine years as a commissioner at the United States International Trade Commission (USITC), rendering decisions in more than six hundred investigations regarding injury to U.S. industries caused by imports that were dumped or subsidized, along with making numerous decisions in cases involving alleged patent or trademark infringement. Before her appointment to the USITC, Hillman served as general counsel at the Office of the United States Trade Representative (USTR), where she had previously been an ambassador and chief textiles negotiator. She also served as legislative director and counsel to U.S. Senator Terry Sanford of North Carolina.

Hillman formerly served as a partner in the law firm of Cassidy Levy Kent, a senior transatlantic fellow for the German Marshall Fund of the United States, as president of the Trade Policy Forum and on the selection panel for the Harry S. Truman Scholarship Foundation. She is a member of the Council on Foreign Relations and serves on the board of visitors at the Sanford School of Public Policy at Duke University. She is a graduate of the Harvard Law School and Duke University.



**Bernard Hoekman** is Professor and Director, Global Economics at the Robert Schuman Centre for Advanced Studies, European University Institute in Florence, Italy. Prior positions include Director of the International Trade Department and Research Manager in the Development Research Group of the World Bank; and economist in the GATT Secretariat. A graduate of the Erasmus University Rotterdam, he obtained his Ph.D. in economics from the University of Michigan. He is a CEPR Research Fellow, where he co-directs the Trade Policy Research Network, a senior associate of the Economic Research Forum for the Arab countries, Iran and Turkey and a visiting professor at the University of Sussex. His research focuses on trade and development, the WTO, trade in services and international regulatory cooperation.



**Nicolas Lamp** is an Assistant Professor at the Faculty of Law at Queen's University, Canada. Before joining Queen's, he worked as a Dispute Settlement Lawyer at the Appellate Body Secretariat of the World Trade Organization, where he advised the Members of the Appellate Body on legal issues arising in appellate proceedings under the WTO's dispute settlement mechanism. Nicolas holds an LLM and a PhD in Law from the London School of Economics and Political Science. His research focuses on international trade lawmaking and adjudication.



**Beverly Lapham** has been a professor in the Department of Economics at Queen's University in Kingston, Ontario since 1989. Her research fields include international trade, international finance, industrial organization, and macroeconomics. She is particularly interested in issues on exchange rate passthrough, the impact of international price differences, cross-border shopping, retail and service industry adjustments, and the productivity effects of international trade. She has been a co-editor of the Canadian Journal of Economics and an associate editor of the Journal of International Economics. She has been a member of the Institute for Research on Public Policy Trade Advisory Committee and the Statistics Canada International Trade Advisory Committee.



**Angella MacEwen** is the Senior Economist at the Canadian Union of Public Employees (CUPE), and a Policy Fellow with the Broadbent Institute. Her primary research focus is understanding the impacts of Canadian economic and social policy, including international trade and investment treaties. She regularly represents CUPE at parliamentary committees and in the national media. Prior to joining CUPE, Angella was the Senior Economist at the Canadian Labour Congress for 6 years.

Ms. MacEwen has been a Research Associate with the Canadian Centre for Policy Alternatives since 2006 and contributes to the annual Alternative Federal Budget. She is on the steering committee of the Progressive Economics Forum, as well as the Trade Justice Network. Ms. MacEwen holds an MA in Economics (Dalhousie University) and a BA in International Development Studies (Saint Mary's University).



**Velma McColl** blends her deep understanding of business, government and policy to create opportunities for her clients. As a Managing Principal of Earncliffe Strategy Group in Ottawa, Velma works on a range of economic and social issues including M&A, innovation, energy, environment and emerging technologies. She has been a driving force in the growth and diversification of Earncliffe's business

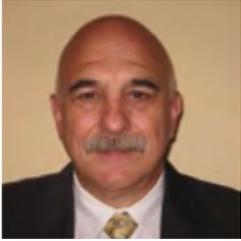
Prior to joining Earncliffe in 2004, Velma advised Federal Cabinet Ministers on political strategy, policy and communications. She has also worked provincially in British Columbia and Alberta. She has worked to find creative solutions across federal/provincial/territorial, North American and international boundaries.

Her career includes success as an entrepreneur and experience working collaboratively with business, academia, think tanks, not-for-profit organizations and the public sector.

A proud mother and Westerner with twenty years' experience in Ottawa, Velma studied at the University of British Columbia and the Banff School of Management. She is a co-founder of the Canadian Clean Technology Coalition and Women in GR. She has taken leadership roles with several organizations including Smart Prosperity, the Ryan's Well Foundation and Ecotrust Canada.



**Martin Moen** is Director General for North American Trade Policy and Negotiations in Global Affairs Canada and Deputy Chief Negotiator for NAFTA. From 2009 until August 2014, he was Minister Counsellor (Trade and Economic Policy) at the Canadian Embassy in Washington, DC, where he headed up the group that deals with trade policy and macroeconomic reporting. During his career he has also worked on multilateral trade negotiations, China's accession to the WTO, and a range of other trade issues. He also headed up the Trade Policy Section at the Canadian Embassy in Beijing from 2000 to 2004. He is a native of Medicine Hat, Alberta and holds degrees in Asian studies (from the University of Alberta and the University of British Columbia) and international relations (from Carleton University, Ottawa).



**Andrew (Sandy) Moroz** worked in the international trade policy branch of Global Affairs Canada on a wide range of goods trade issues from 1987 to 2013, when he retired. His positions included Director of the Import Control Division, Director of the Trade Remedies Division, and Director of the Goods Market Access Division. He also served as Counsellor in Canada's Mission to the World Trade Organization in Geneva. His negotiating positions included lead rules of origin negotiator in the NAFTA and Canada-Israel FTA negotiations, and co-lead market access negotiator in the Canada-Chile FTA, Canada-India FTA, CETA and TPP negotiations. Prior to joining the Federal Government, Sandy worked at the Economic Council of Canada and in the International Economics Program at the Institute for Research on Public Policy. He has a Honours BA in Economics from the University of Waterloo, and a Masters in Economics from Carleton University.



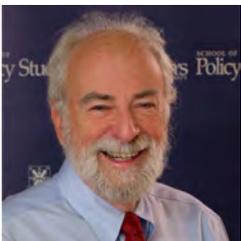
**Don Stephenson** began his Public Service career in 1979, working for ten years in cultural policy at the Department of Communications. He moved into economic policy, at Consumer and Corporate Affairs, Industry Canada and Western Economic Diversification, before returning to cultural policy, as Director General, Cultural Industries, Heritage Canada, where he led the negotiations with the US on the WTO split-run magazine dispute. He was appointed Director General, Trade Policy at the Department of Foreign Affairs and International Trade and served for two year as Assistant Secretary to the Cabinet, Economic and Regional Development Policy, Privy Council Office. In 2004, he was appointed Ambassador to the World Trade Organization, serving as Chair of the Goods negotiations in the Doha Round until 2008. Don returned to become Assistant Deputy Minister, Trade Policy and Negotiations, until his retirement in 2011 and continues to serve as Chief Negotiator for the Canada-India Comprehensive Economic Partnership Agreement. Don lectures frequently on trade policy, trade negotiations and public policy development. He is married to Jocelyne Béland, has two children and [two] grandchildren.



**Sherry M. Stephenson** is a Member of the PECC Services Task Force and a Senior Fellow with the International Centre for Trade and Sustainable Development (ICTSD) in Geneva. Previously she was Senior Advisor for Services Trade at the Organization of American States (OAS) in Washington D.C. and Director of the Trade Department. She has served as an Advisor to the Minister of Trade in Indonesia and held positions with the OECD Trade Directorate as well as with the WTO and UNCTAD Secretariats. She participated in the World Economic Forum's Global Trade and Investment Agenda Council for four years and has supported the APEC process for many years. She has advised several governments on trade policy issues, taught courses in universities in the United States, Switzerland, France, India and Indonesia, and lectured in many countries. Her publications address in particular services trade, global value chains, regional economic integration and labor mobility. She has edited three volumes on services trade and published more than sixty articles in journals and books. She received a Ph.D. in International Economics from the Graduate Institute of International and Development Studies / University of Geneva, and an M.A. in Economics from New York University.



**Ari Van Assche** is Associate Professor in International Business at HEC Montreal, Deputy Editor of the *Journal of International Business Policy*, and research fellow at the research centers CIRANO and IRPP. He holds a BA and an MA in Chinese Studies from the Katholieke Universiteit Leuven and a PhD in Economics from the University of Hawaii at Manoa. His research focuses on the organization of global value chains and their implication for trade and industrial cluster policy. In 2018, he was co-recipient of the Doug Purvis Memorial Prize (with Stephen Tapp and Robert Wolfe) for the book *Redesigning Canadian Trade Policy for New Global Realities*.



**Robert Wolfe** is professor emeritus at the School of Policy Studies, Queen's University, where he is the lead director of the annual Queen's Institute on Trade Policy. He is also a Research Fellow of IRPP; and a member of the Global Affairs Canada Trade Advisory Council. He was a foreign service officer for many years, serving abroad in Bangladesh and Paris-OECD, and in Ottawa in international economic relations including as Sylvia Ostry's Executive Assistant. After completing a doctorate in Political Studies he joined Queen's in 1995. He was a co-editor of the IRPP volume, *Redesigning Canadian Trade Policies for New Global Realities*, winner of the 2018 Doug Purvis Memorial Prize, awarded annually to the authors of a highly significant, written contribution to Canadian economic policy. He has published on Canadian public opinion about trade and globalization in *Policy Options* and recently contributed "Is World Trade Organization Information Good Enough?" to the Bertelsmann Stiftung project on Revitalizing Multilateral Trade Governance. His article "Learning about digital trade: privacy and e-commerce in CETA and TPP" is forthcoming in *World Trade Review*.