

High Commission of Canada



Haut-commissariat du Canada

Canada House, Trafalgar Square, London SW1Y 5BJ, United Kingdom

16 February 2024

The Rt. Hon. Liam Byrne MP  
Chair  
Business and Trade Committee  
House of Commons  
London SW1A 0AA

Dear Chair:

I write in response to your letter of February 6th, 2024, in which you ask for clarification on the status of negotiations between Canada and the United Kingdom toward a new bilateral free trade agreement.

Such a new agreement would replace our existing Trade Continuity Agreement (TCA), which entered into force on April 1st, 2021. Canada values our deep and extensive trade and investment relationship with the United Kingdom. Britain is Canada's third most important trading partner, with two-way trade in goods and services between our two countries totalling approximately 28 billion GBP per year. The U.K. is also Canada's second largest source and our second largest destination for foreign direct investment.

While the TCA is a high-standard agreement that ensures 99% of our trade occurs duty-free, we believe there are improvements we can make to benefit exporters and investors on both sides of the Atlantic. A new Canada-United Kingdom bilateral free trade agreement would support greater engagement in international trade by small businesses and enterprises owned by women, Indigenous people and cultural minorities; more bilateral partnerships in science, technology and innovation to drive advancements in pharmaceuticals, food ingredients and proteins, clean energy, the digital economy, AI, quantum, and cyber; and stronger supply chains for critical minerals and other vital commodities essential to national and economic security in both our countries.

**Canada**

Canada is disappointed with the unilateral pause in these negotiations. As far as I am aware, since the U.K. announced its pause on January 25th, there have been neither negotiations nor technical discussions with respect to any of the outstanding issues – including British access to Canada’s Tariff Rate Quotas for cheese, and the approaching expiry of cumulation provisions respecting Rules of Origin.

Canada remains ready to engage further with the United Kingdom toward building upon our strong and long-standing trade relationship. We are a trusted trading partner, committed to preserving a fair, effective, rules-based, international trading system. That is increasingly important at a time of global uncertainty and upheaval. We look forward to resuming negotiations when the United Kingdom is ready to do so.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Goodale', is written over the word 'Sincerely,'.

The Honourable Ralph Goodale, P.C.  
Canadian High Commissioner in the UK