



Department for  
International Trade

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Dear Angus,

### **A UK-Canada Free Trade Agreement**

I am writing to inform you that today, the Government have launched negotiations with Canada for an upgraded free trade agreement, building on the UK-Canada Trade and Continuity Agreement, with the first round of negotiations to be held next week in London. Our existing agreement provides a comprehensive foundation, upgrading our terms can support the UK's independent trade strategy to secure world-class agreements that can deliver economic growth throughout the UK.

The UK and Canada already have a strong trading relationship, with total trade worth £19.2 billion in 2020. UK exports enjoy an estimated £58 million fewer duties under the existing UK-Canada Agreement, relative to trading without an agreement. However, an upgraded agreement can provide the opportunity to support further trade liberalisation and benefit businesses including the 10,300 small and medium-sized businesses already exporting to Canada.

An enhanced agreement would allow UK-based businesses to realise opportunities in Canada, where import demand is forecast to grow by 45% in real terms between 2019 and 2035. This growth could drive demand for UK exports, benefiting sectors from manufacturing within which over £2.1 billion of machinery and transport equipment was exported from the UK to Canada in 2020 to insurance and pension services exports worth £1.5 billion in 2020.

Working together with a like-minded partner can support the UK to build back better from the pandemic by providing opportunities for businesses across the entire UK, supporting the UK's transition to net zero emissions by 2050 and strengthening the vision for Global Britain. Canada has a well-developed economy with high standards, and equally important, has a common set of values to the UK. We share a Head of State and work together across a range of bilateral and international initiatives including as members of the "Five Eyes", G7, G20, NATO, and as signatories of the Paris Climate Agreement.

Further, these bilateral negotiations support the UK's long-term strategy to strengthen its relationship with the Indo-Pacific region and Americas, including through the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership of which Canada is an influential member.

The Government is determined that any agreement must work for consumers, producers, investors, and businesses alike. We further remain committed to upholding our high environmental, labour, public health, food safety and animal welfare standards, alongside protecting the National Health Service (NHS).

Please find attached embargoed copies of the public bundle. The embargo on these documents will lift on 24 March 2022, when they will be published and placed in the house library.

We will continue to engage with and update Parliament, the devolved administrations, businesses and the public as we negotiate the terms of our future trading relationship with Canada.

Best wishes,

A handwritten signature in black ink, reading "Anne Marie Trevelyan". The signature is written in a cursive style with a horizontal line underneath the name.

**THE RT HON ANNE-MARIE TREVELYAN MP**  
Secretary of State for International Trade  
& President of the Board of Trade