Expand Canadian Trade Relationships and Partnerships Beyond the U.S.

Overview

Pets Canada is urging the federal government to strengthen trade relationships with partners beyond the United States, with a focus on markets in Asia, Europe, and Latin America. This would address ongoing issues impacting Canadian pet industry exports, particularly barriers and intellectual property theft in China, while also helping Canadian companies diversify into new and emerging markets.

Background:

Since 2022, Canadian pet industry products have faced significant barriers in China, including unfair product rejections and intellectual property violations. These issues have created financial losses, job cuts, and reduced competitiveness for Canadian businesses. At the same time, over-reliance on the U.S. market leaves Canadian exporters vulnerable to unpredictable tariff measures and political trade disputes. Diversifying exports is critical to protect jobs and unlock new growth opportunities.

Why Strengthen Trade Relations?

1. **Address China-specific barriers:** Ongoing product rejections and intellectual property theft in China undermine Canadian competitiveness and cost our industry millions.

2. **Protect Canadian jobs and industry:** Without fair access to global markets, Canadian companies risk relocating manufacturing abroad, eroding Canada's industrial base.

3. **Diversify export markets:** Reducing dependence on the U.S. will stabilize Canada's pet industry. Strengthening ties with Asia, Europe, and Latin America will allow Canadian businesses to capture growing demand for pet products worldwide.

4. **Leverage existing trade agreements:** Canada already has preferential access to markets through agreements like CETA and CPTPP. Targeted government support will help the pet industry fully realize these opportunities.

Call to Action

Pets Canada urges MPs to:

- Support diplomatic engagement with China to resolve export rejections and protect Canadian intellectual property.
- Prioritize policies and programs that expand Canadian trade access in Asia, Europe, and Latin America.
- Ensure Canadian manufacturers remain competitive by funding export promotion and market development initiatives.

Supporting Data

The Canadian pet industry contributes billions to the economy and supports thousands of jobs. Trade barriers in China alone have cost hundreds of millions in lost exports. More than two-thirds of Canadian pet food exports go to the U.S., leaving the industry highly exposed to tariff disputes. Expanding into new markets will protect jobs, stabilize growth, and strengthen Canada's economic resilience.

Top export markets for Canadian pet food (in million $):

	2021	2022	1/2023 to 11/2023
United States	311.4	363.3	374.4
China	170	86.1	35.1
South Korea	27.2	26.8	19.2
Spain	18.0	24.5	18.8
Taiwan	18.9	20.0	22.1
Netherlands	13.8	23.3	19.6

Source: Statistics Canada

Potential Impact

- Improved trade relations and diversification will reduce losses, encourage innovation, and build long-term stability for Canadian manufacturers.
- Ensure Canadian products can compete globally without unfair disadvantages, while opening new markets for growth.

Pets Canada is the not-for-profit, member-based voice of the Canadian pet industry. Pets Canada acts as a credible source of information for pet related businesses, and collaborates with Canadian lawmakers so legislation is beneficial for pets, pet parents, and the pet industry.

For more information on our work, please visit our website at www.petscanada.org

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