

SPEAKING NOTES

**Helmut Mach
Alberta Trade Representative
International and Intergovernmental Relations**

CHICKEN FARMERS OF CANADA MEETING AND BANQUET

**July 21, 2004
6 p.m.
Garden Patio Room, Delta Bow Valley Hotel
209 – 4 Avenue SE, Calgary**

Speaking time: 8 minutes

- CHECK AGAINST DELIVERY -

Thank you for inviting the Government of Alberta to this evening's banquet.

I would like to begin by bringing greetings to the Chicken Farmers of Canada, and everyone here, on behalf of Premier Ralph Klein and the Alberta government

The Government of Alberta thanks you for choosing Alberta and Calgary as the site for your meeting. To those of you from other provinces, welcome to Alberta.

The last few months have been difficult ones for the Canadian chicken industry. The Avian Flu outbreak in B.C. caused huge financial losses and a significant reduction in the chicken population.

However, the Canadian industry came together to make up production shortfalls and the Alberta government commends your efforts.

The Avian Flu outbreak underscores the tremendous costs associated with responding to animal disease outbreaks, whether they are market losses or disease management costs.

To greater or lesser extents, all Canadian agri-food industries are affected by international events and foreign market conditions.

The Avian Flu outbreak and the discovery of a single cow with BSE in Alberta are but two examples of developments affecting our agri-food industries and our trade with other countries. Our main advise is be prepared, be organized, have procedures thought out and in place, don't count on nothing happening to you.

The Government of Alberta is a strong supporter of trade liberalization – an objective we have consistently pursued through multilateral, regional, and bilateral negotiations.

Alberta's economy has grown substantially over the last few decades, especially since agreements like the North American Free Trade Agreement were implemented.

The U.S., for example, is the destination for more than 85 per cent of Canada's and Alberta's exports. Forty per cent of Alberta's gross domestic product is linked to exports.

Our province ranks third among provinces in international exports, behind only the larger and more populous provinces of Ontario and Quebec.

Since our domestic market is limited, we must look for markets beyond our provincial borders to prosper.

As a provincial government, we aim for a level playing field internationally, to ensure our producers and exporters have access to the foreign markets they need.

Alberta's overall objective in international trade negotiations is to promote liberalization in three major areas:

- Trade in agriculture;
- Trade in services, and by,
- Dealing with Trade remedy rules, such as countervail and anti-dumping.

While our efforts in the areas of trade in services and trade remedy rules are important, I am sure those of you here this evening are most interested in agricultural product negotiations.

I am sure you are all aware how critical this month is for the WTO agriculture negotiations. Negotiators are trying to achieve a framework agreement.

This framework agreement will provide a template for more detailed negotiations that will occur later and provide much-needed momentum and guidance.

Agriculture is a key component of the overall negotiating package.

It is increasingly apparent that progress needs to be made under each of the “three pillars” of domestic support, export competition, and market access.

High levels of trade and production-distorting support, for example, cause overproduction, depress prices, and harm producers in other countries.

The problem gets worse when countries try to dispose of these surpluses by using export subsidies.

But even if we got rid of those subsidies, trade would still suffer if other types of barriers block exports.

The bottom line is that if any nation wants changes that will improve its access to foreign markets, it will also have to be flexible in terms of its own policies.

The Alberta government believes that agricultural export subsidies, in all their forms, should be eliminated for all products as soon as possible.

We also need substantial reductions in trade and production-distorting support – that is, the elimination of all such domestic support, over time.

Finally, we seek substantial increases in market access through the phase-out of tariff and non-tariff barriers for the benefit of our export interests.

We need a consistent approach to agricultural trade liberalization to create a level and open playing field for everyone.

As I said earlier, free trade has certainly been good for Alberta.

The volume of business we do with the United States, Mexico, and other countries continues to rise and has provided extra opportunities and jobs for Albertans.

The issues facing agriculture are global, and have to be addressed globally.

Liberalized trade promotes competition and motivates the competitors to innovate and constantly improve their products.

Increased sales allow businesses to invest in expansion and innovation, which creates more jobs.

Big winners are consumers. They enjoy better products at more competitive, affordable prices.

This cycle of growth and investment creates wealth, the very wealth that supports the prosperity and quality of life we all enjoy.

In terms of production in Canada the Alberta government strongly supports the Alberta Chicken Industry and supports increased production in the province commensurate with the substantial population growth which has occurred here.

Thank you for the opportunity to speak tonight about the Government of Alberta's position on these issues.

I wish you a successful and productive meeting.

- 30 -