

CANADIAN BUSINESS AGENDA



May 2008

A regular update from the Canadian Chamber of Commerce on policy issues affecting Canada's business sector

Canadian Chamber part of Coalition that calls on Leaders to Fix Internal Trade in Canada

In April, on the first anniversary of the historic trade agreement between Alberta and British Columbia, a national coalition of ten business, industry and professional associations urged the federal and provincial governments to cooperate in finding ways to strengthen the economic union.

The coalition is recommending that the federal government take the lead in improving trade across Canada by legislating a set of open trade principles and establishing a standing internal trade tribunal to ensure that all parties adhere to these principles.

Representatives of the ten associations are encouraged by the year-old *Trade, Investment and Labour Mobility Agreement* (TILMA) between Alberta and British Columbia. The coalition is encouraged with the recently launched trade negotiations between Ontario and Quebec.

It is often more difficult to move goods and services across provincial boundaries than over international borders — and the emergence of new trade barriers threatens to further balkanize the Canadian economy.

The approach recommended by the coalition has four key elements that, taken together, would eliminate trade barriers that hamper the domestic economy:

- Federal legislation to establish a set of “open trade principles” designed to ensure a free and open market, without discriminatory practices;
- Creation of a standing internal trade tribunal that would be accessible to all Canadians as a means of resolving internal trade disputes;
- Implementation of all outstanding rulings by panels established under the 12-year-old *Agreement on Internal Trade*; and,
- An agreement that all tribunal orders and existing panel decisions would be subject to enforcement by the courts at the option of the disputants.

The coalition urges all parties to work towards resolving this issue which impedes Canadian businesses.

Canada-U.S. Border Progress Still Too Slow

Last month's Security and Prosperity Partnership leaders' summit concluded with some positive outcomes in areas of importance to Canadian business, but the Canadian Chamber of Commerce believes that more needs to be done.

The Canadian Chamber welcomed commitments on a number of Chamber priorities and urges all governments to quickly move forward on these key issues:

- **Smarter and More Secure Borders:** The leaders announced they will strengthen participation in trusted shipper and traveller programs and allocate the necessary resources to avoid unnecessary inspections.
- **Free Flow of Information and Trade in North America:** This agreement supports the trans-border movement of information and is designed to develop further cooperation on data protection and information security.
- **Regulatory Cooperation:** All three SPP countries are working towards further regulatory cooperation in a number of sectors including the auto sector.

In Prime Minister Harper's remarks following the meeting, he mentioned the report entitled *Finding the Balance: Reducing Border Costs While Strengthening Security*, led by the Canadian Chamber and U.S. Chamber in partnership with 43 associations.

All MPs received the border report upon its release; and it is available on the Chamber's Web site at www.chamber.ca.

Canadian Attitudes on Intellectual Property Illustrate the Need for Greater Protection

In a national survey released late last month by the Public Policy Forum and Nanos Research, 80% of Canadians polled supported or strongly supported the protection of intellectual property rights for those that make discoveries and inventions or are creating new products.

The results of this comprehensive national poll clearly illustrated that Canadians value the promotion and protection of innovation and intellectual property and is further proof that the majority of Canadians want the government to take appropriate action.

The release of this survey occurred at a Public Policy Forum event on intellectual property at which Canadian Chamber President and CEO Perrin Beatty spoke.

Canadian businesses face major challenges in protecting their intellectual property. Some of these hurdles include inefficient mechanisms for civil enforcement, government's inability to assist because it lacks modern tools and funding and our judicial system's reluctance to impose meaningful penalties on those who commit intellectual property theft.

The RCMP, which has underscored the role of organized crime in counterfeiting. Estimates put losses to the Canadian economy in the billions of dollars each year as a result of counterfeiting and piracy. This loss costs jobs and prosperity in the private sector and costs governments the tax revenues they require to pay for public services.

Canadian Chamber's Views on a Closer Economic Partnership with Europe

At the Canada-European Union (EU) Summit in Berlin in June 2007, Canada and the EU agreed to study the benefits and costs of a closer economic partnership by examining existing barriers, especially non-tariff barriers, to the flow of goods, services and capital, and estimating the potential benefits of removing such barriers. The study will also identify how such a partnership could complement ongoing efforts to enhance our bilateral cooperation in areas such as science and technology, energy and the environment. Leaders will review the study at the 2008 Canada-EU Summit, which Canada will host in October, with the view to pursuing "balanced and closer future Canada-EU economic integration."

A key section of the study will be a chapter entitled "Private Sector Views", which will outline the private sector's views in both Canada and the EU to such a partnership. On May 1st, the Canadian Chamber submitted its initial submission on this issue. The Canadian Chamber welcomes this development and encourages the parties to launch negotiations toward a comprehensive, balanced and ambitious free trade agreement. We noted that particular elements that need to be covered in such an agreement include: regulatory cooperation (including mutual recognition); the elimination of regulatory barriers based neither on good science nor good risk assessments; government procurement; labour mobility; investment; trade facilitation; competition policy; and taxation, among others.

The Canadian Chamber also encourages the Canadian government to consider what Canada's defensive interests are and how to prepare for addressing these interests in the negotiations.

Canadian Chamber Supports Amendments to Bill C-43: An Act to Amend the Customs Act

In February, the government introduced Bill C-43, *An Act to Amend the Customs Act*. Proposed act amendments are designed to enhance both security and trade facilitation and they will establish the legislative basis for the *Advance Commercial Information* (ACI) initiative by authorizing the government to make regulations requiring information to be provided to the Canada Border Services Agency (CBSA) prior to the arrival of a conveyance in Canada. Other amendments enable CBSA to implement customs controlled areas, providing border officers with the ability to approach people and examine goods anywhere within the designated area as opposed to only the exit points.

Supportive of these amendments, the Chamber encourages the government to continue working with the private sector to ensure that the advance information requirements and corresponding processes are effectively implemented and consider business realities. Electronic reporting requirements will enhance security and facilitate the movement of goods.

The Chamber encourages other government departments with border-related requirements to adopt the other government department *Single Window Initiative* to create a single reporting system for business. In addition, the establishment of customs controlled areas further facilitates the movement of people while laying the groundwork for establishing arrivals duty free.

Dates to Remember

May 26th - Toronto - Intellectual Property Rights: A Catalyst for Innovation - Canadian Chamber Chair John Peller, President & CEO of Andrew Peller Limited, keynotes at this event on IP issues and opportunities.

June 19th - Mississauga - International Trade Day - Minister Emerson will speak at this event which focuses on Canada's role and performance in international trade.

October 4-6 - Québec - The Canadian and Quebec Chambers of Commerce meet for an historic joint meeting in the city of Québec. Join chambers from across Canada as they discuss timely business issues for Canada.

For more info on the Canadian Chamber of Commerce & our policy initiatives, consult www.chamber.ca or contact Chris Gray, cgray@chamber.ca, (613) 238-4000, x251.

Since 1925, through our network of local chambers of commerce and boards of trade, the Canadian Chamber of Commerce has provided the voice of Canadian business in public policy development. Through our network, we represent over 170,000 businesses. The [Canadian Business Agenda](#) is designed to keep you informed of business issues that affect communities across Canada.