

Trade Policy: What Matters to Canadian Business?

Presented By

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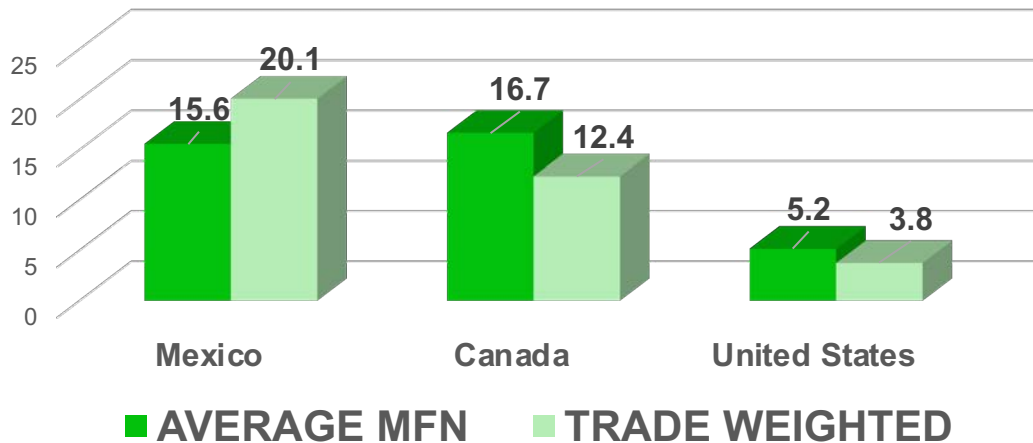
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Some Context

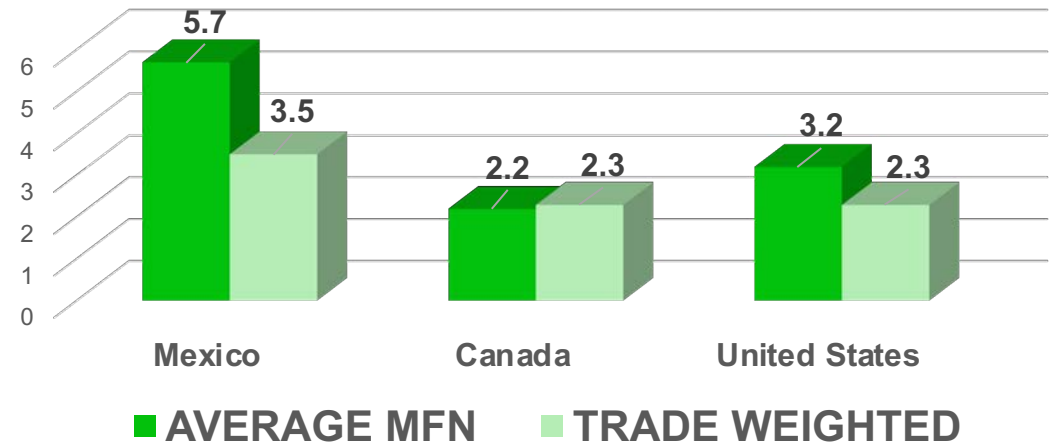
- Canadian two-way trade: ~ \$1.5 trillion
 - Mostly without issues
- Trade agreements: limited low-hanging fruit remains
 - Eg. North American MFN Tariff Rates:



Agriculture



Non-Agriculture



- **Rules and regulations that are:**
 - *Easy to understand*
 - *Easy to comply with*
 - *Consistently applied*
- Especially important for SMEs

Three Areas of Concern

- 1. Operational Issues**
- 2. Domestic Regulatory Clarity and Predictability**
- 3. International Regulatory Barriers**

- **Customs and Trade Facilitation**

- TFA and modernized FTA rules very helpful

- **Complex Rules of Origin**

- Not so helpful
- But flexibilities can exist
 - *Can sometimes accommodate supply chain diversity*

Domestic Regulatory Clarity and Predictability

○ Examples:

• ESG Measures

- *Businesses supportive but need guidance*

• Export Controls and Economic Sanctions

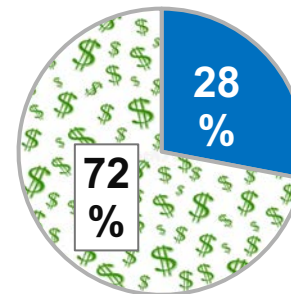
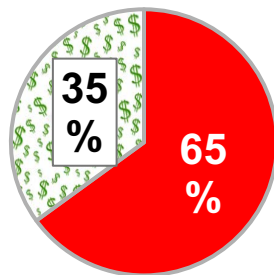
- *Lack of understanding, guidance on the latter*

- *Can pose problems in transactional context*

• Trade Remedies

- *Tilting further in favour of domestic producers*

- *Out of whack with Canadian economic realities:*



Imports + Exports as % of GDP (2015)



International Regulatory Barriers

- Affects trade in goods and services
- Cooperation, Recognition, Harmonization
 - Trade agreements offer mostly architecture
- Effects: not just direct
- Goods: CBAMs a looming issue
- Services: privacy, data movement/localization

- RCC model: slow and cumbersome
 - More coherent effort requires political will