Trade Policy: What Matters to Canadian Business?

Presented By

Matthew Kronby mkronby@blg.com
Partner, International Trade and Investment
Borden Ladner Gervais LLP

November 18, 2021
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:
What Businesses Want

• 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
Operational Issues

○ 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*
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:

![Chart showing imports + exports as % of GDP (2015) for Canada and United States.](chart.png)
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