

Intergovernmental Affairs – Council of the Federation

Premiers strengthen trade (07/08/10)

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MONCTON (CNB) - Canada's provincial and territorial premiers today announced that they are moving to strengthen the domestic trade between provinces and territories, which is approaching \$300 billion annually, by reducing barriers to trade flows. They also announced steps to ensure that Canada has a more focused and coherent international trade strategy to create greater access to global markets, capital, technology and human resources.

The premiers noted the achievements made through regional efforts such as the Trade, Investment and Labour Mobility Agreement (TILMA) between British Columbia and Alberta, the Atlantic Provinces Procurement Agreement, and the Ontario / Quebec agreement on labour mobility.

The premiers also reaffirmed the critical importance of a stronger and more effective national Agreement on Internal Trade (AIT) and to that end endorsed the following five-point plan:

- **labour mobility:** the premiers agreed that governments must work to bring all regulated occupations into full compliance by April 2009, and direct labour market ministers to ensure that resources are in place to facilitate negotiations, as well as to develop a compliance and communications strategy so that all remaining regulated occupations are aware of this requirement. The premiers directed senior officials to provide them with a list of non-compliant occupations by December 2007. The premiers further agreed to consider legislative action to ensure full compliance should some occupation groups fail to comply voluntarily;
- **dispute resolution:** the premiers direct ministers responsible for internal trade to develop an effective enforcement mechanism. The goal is to implement panel results successfully without resorting to the court system, and will include an appeals mechanism. The focus is first on government-to-government dispute resolution process, with future work on the AIT's person-to-government mechanism to be informed by the results of this work. Ministers will establish guidelines for monetary penalties up to \$5 million that reflect the seriousness of the violation, the magnitude of the impacts on the market(s), and the population of the jurisdiction involved. Ministers are directed to incorporate amendments on the dispute resolution process to the AIT by December 2007;
- **energy:** the premiers will establish a negotiating group of ministers to reconcile and finalize wording for the energy chapter of the AIT, and report proposed wording to the Council of the Federation by December 2007;

- **agriculture:** the premiers direct agriculture ministers to undertake immediate work on an agriculture and food goods chapter, and report back to the Council of the Federation with a progress report on wording by December 2007, with final wording to the Council at its next meeting. The ministers' work needs to take into account the consultations on the future of agriculture currently taking place across the country, as well as international negotiations where appropriate. The completed agricultural and food goods chapter must include all technical measures, while ensuring that the new agreement does not interfere with Canada's orderly marketing systems; and
- **reconciliation of regulations:** the premiers agree to harmonize transportation regulatory codes, and eliminate those standards and regulations that are unjustifiable barriers to trade in the transportation sector, and instructed ministers responsible to do this work by July 2008.

The premiers invite the federal government, as a signatory to the AIT, to participate in this five-point plan, with the understanding that any resulting agreement must be fully honoured and upheld, as should all agreements between the federal government and provinces/territories.

It is noted that Nunavut is not a signatory to the AIT.

In discussing international trade, the premiers noted that the new global reality requires that all Canadian governments work together to improve Canada's performance in international markets and trade. This collaboration must recognize the growing intersection of foreign and domestic spheres, and that international trade and investment agreements increasingly involve areas of provincial and territorial jurisdiction. They also agreed on the urgent need for the federal government to address visa application backlogs, noting that nearly 800,000 people are awaiting Canadian work visas, 70 per cent of whom are skilled workers.

Accordingly, the premiers endorsed a plan to:

- refocus Canada's international trade priorities, based on provincial-territorial objectives, by improving North American and Caribbean commerce, enhancing trade with Asia-Pacific countries - including the conclusion of the Foreign Investment Protection and Promotion Agreement with China - open skies air service agreements, and undertaking a review of economic opportunities with the European Union and India;
- increase provincial and territorial involvement in Canada's trade policy agenda by encouraging their trade ministers to meet regularly and with their federal counterpart as appropriate, pursuing efforts to obtain a formal mechanism for provincial-territorial participation in the negotiation, implementation and management of international trade agreements that affect their jurisdiction and, in concert with the federal government, implementing a rigorous analytical approach to determine commercial priorities in assessing trade policy;

- strengthen international marketing and tourism efforts through development of a framework agreement that recognizes the value of provincial-territorial collaboration in trade shows and missions, and by working with the tourism industry and the Canadian Tourism Commission to promote Canada as a tourist destination, particularly in the Chinese market;
- address immigration and visa constraints through support of measures to ease visa backlogs and adequately resource the immigration application system. A provincial-territorial working group will be established by March 2008 to inform immigration ministers on progress made and to formulate recommendations; and
- improve integration of immigrants into the labour force by working with the Government of Canada to ensure that settlement programs are fair, transparent and equitable, and by assuring that information on recognition of foreign diplomas is widely accessible to new immigrants.

This plan will position Canada as the location of choice for trade and investment, and the destination of choice for skilled immigrants, tourists and international students. The premiers directed their ministers responsible for international trade to work with their federal counterpart, based on agreed-upon provincial-territorial priorities for international trade, to achieve these objectives.

For more information on the 2007 Council of the Federation meetings in Moncton, or for copies of the reports, visit the website at <http://www.gnb.ca>.

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