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Fractured Canadian market slows our economic recovery, say business leaders

Eliminating interprovincial trade barriers could lift nation's GDP by four per cent

Ottawa, Ontario, July 29, 2020 – The CEOs of Canada's nine largest chambers of commerce – from regions that are home to over half of the country's population and businesses – try and fail to send locally-produced goods, such as alcohol, to each other. Why? Because interprovincial trade barriers prevent it.

In social media videos, heads of the Canadian Global Cities Council (CGCC) highlight how harmonizing regulations and allowing for a freer flow of domestic goods could speed the country's economic recovery – especially as global markets and travel remain volatile during the COVID-19 pandemic. The CEOs note that:

- Over \$80 billion in economic potential each year is lost because of outdated internal trade barriers.
- Internal trade costs add nearly seven per cent to the costs of goods.
- About 9 in 10 Canadians support free trade between the provinces.
- Free trade in Canada could raise the country's gross domestic product by four per cent – more than the gains from any recently signed international trade agreement.

"Canada's recovery requires bold leadership and policy making that inspires growth," said Sueling, President and CEO of the Ottawa Board of Trade. "Our small and medium enterprises have fought hard to survive during this pandemic. We must arm our entrepreneurs with every tool possible to reduce costs and increase competitiveness. And it must be done now."

With government spending at an all-time high, red tape reduction and regulatory changes are inexpensive ways the governments can support business recovery and stimulate economic growth. As provincial and federal leaders continue to discuss measures to boost Canada's economy, interprovincial trade must be on that agenda. While cross-country collaboration is best, Premiers can also take unilateral steps to remove barriers to Canadian goods in their own market – including through mutual recognition of inconsistent standards, their reconciliation and removal of duplication.

"There is nothing stopping ambitious Premiers from showing leadership and taking actions on their own to dismantle their own trade barriers," said Patrick Sullivan, Chair of the CGCC and President and CEO of the Halifax Chamber of Commerce. "Removing these restrictions will strengthen Canada's economy during and after COVID-19 recovery by lowering costs for Canadian businesses, boosting competitiveness and encouraging domestic investment."

ABOUT THE OTTAWA BOARD OF TRADE

The Ottawa Board of Trade is a non-partisan, non-profit, independent organization with a mission to create prosperity through advocacy, collaboration and leadership. We have been the Voice of Business for over 150 years by representing the interests of all businesses at all levels of government on issues that reduce barriers to business and create new opportunities.

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ABOUT THE CANADIAN GLOBAL CITIES COUNCIL

Founded in 2015, the Canadian Global Cities Council (CGCC) is a coalition of Presidents and CEOs of the nine largest urban regional Chambers of Commerce and Boards of Trade in Canada: Brampton, Calgary, Edmonton, Halifax, Montréal, Ottawa, Toronto, Vancouver and Winnipeg. Representing more than half of Canada's GDP and population, CGCC collaborates on international and domestic issues impacting our regions' competitiveness.

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