



Top Five Benefits Backgrounder

Top Five Benefits of the Canadian Free Trade Agreement

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1. Creates more jobs, business opportunities and choice for Canadians

The Canadian Free Trade Agreement (CFTA) benefits Canadian businesses, workers and consumers alike.

- It means immediate access to more markets for businesses to sell their goods and services.
- It will lead to more good-paying jobs and expanded opportunities to work in different regions of the country.
- It will provide a broader choice of goods and services at lower prices for consumers.

In particular:

- The CFTA establishes rules that will make it easier and less costly for companies to sell their products and services across Canada.
- The CFTA makes the rules governing trade within Canada more open and transparent. Areas of the economy that are not included in the CFTA are clearly listed. Stronger penalties have been established to ensure governments comply with the CFTA's rules.
- The CFTA's rules align with those in Canada's international trade agreements — helping Canadian companies to do business more easily at home as well as around the world.
- The agreement has the potential to make Canadians more prosperous. According to the Bank of Canada, removing interprovincial trade barriers could add one to two-tenths of a percentage point to Canada's potential output annually.

2. Establishes better aligned rules and regulations

A [survey by the Canadian Federation of Independent Business](#) found that nearly one in three small businesses identified regulatory differences between jurisdictions as a significant barrier to internal trade. The CFTA will align these different rules and regulations that companies — particularly small and medium-sized businesses — face when doing business across provincial and territorial borders.

- The CFTA will establish a new Regulatory Reconciliation and Cooperation Table that will address regulatory barriers to trade across Canada. This body will be mandated to eliminate existing trade barriers and prevent new regulatory differences from emerging.

- This body will enable governments to work together to find common approaches to establishing trade rules and regulations. It will be led by a senior appointee for each jurisdiction and will be accountable for achieving progress, which will be publicly reported in an annual report.
- Examples of barriers that this body could address include:
 - Differences in trucking rules.
 - Certification regulations for food.
 - Standards for the construction industry.

3. Improves competitiveness for local businesses

Canadian businesses will benefit from having greater access to the domestic market, ensuring that they compete on an equal footing with the businesses of Canada's international trade partners. More open domestic markets will also better position Canadian businesses to compete in the global marketplace.

- The CFTA will help Canadian businesses scale up at home so they can more effectively compete globally.
- The agreement establishes a framework to reduce trade barriers within Canada.
- The agreement aligns with Canada's international trade agreements, such as the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).

4. Supports Canadian innovation

The CFTA rules automatically apply to economic activity in new and emerging sectors. This means the agreement not only covers trade in existing goods and services, but also future trade in new goods and services resulting from economic innovations and emerging market forces. In this way, the agreement is designed to promote trade in the economy of today and the economy of tomorrow.

- For example, emerging sectors, such as clean technology as well as information and communications technology, will benefit from the same free flow of goods and services guaranteed in more established sectors.

5. Expands business opportunities for Canadian suppliers to government

Businesses from across the country will benefit from more opportunities to bid on a wider range of government contracts beyond the borders of their home province or territory.

- For the first time, the procurements of many energy utilities will be covered under an internal trade pact. The result is that suppliers based in different parts of the country will be able to bid on procurements by these utilities — contracts worth more than \$4.7 billion per year.
- Architects and engineers from across the country will be able to openly compete for most government contracts.
- Open procurement will be enforced by mechanisms that allow suppliers to challenge contested bids. These mechanisms will be in place for all federal, provincial and territorial governments.

- Governments will cooperate to implement a single electronic portal, which will make it easier for Canadian businesses, especially small- and medium-sized companies, to find procurement opportunities across the country.

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