



Premiers Committed to Strengthening the Economy Through Reducing Barriers to Internal Trade

SASKATOON, SK, July 10, 2019 – Internal trade is pivotal to the growth of businesses in every province and territory, in particular for small and medium sized enterprises. Interprovincial trade of goods and services has been steadily rising over the years and represented more than \$406 billion in 2017. Constant and significant progress has been made in the past years to liberalize trade in Canada, resulting in more access to markets from coast to coast to coast, enhanced labour mobility for workers and less red tape for businesses. Premiers are committed to continuing to work cooperatively to ensure the success of the Canadian Free Trade Agreement (CFTA) and further reducing trade irritants. Premiers call on the federal government to also address barriers in its areas of jurisdiction.

Over the past year, provinces and territories have:

- Completed an Action Plan on enhancing Trade in Alcoholic Beverages (<https://www.cfta-alec.ca/federal-provincial-territorial-action-plan-trade-in-alcoholic-beverages/>) while maintaining a strong focus on social responsibility;
- Completed reconciliation agreements that will address regulatory differences in the areas of occupational health and safety, transportation and technical safety;
- Consulted key industry and community stakeholders on priority areas for future work; and,
- Advanced work to increase the overall ambition of the CFTA, including reviewing exceptions and making progress toward adding financial services and cannabis for non-medical purposes within the scope of the Agreement.

Premiers are committed to ongoing action, over the coming year, provinces and territories will prioritize work to:

- Identify and address outstanding impediments to labour mobility;
- Align regulatory approaches in a number of priority areas;
- Advance further liberalization of trade in alcoholic beverages;
- Review Party-specific exceptions in the CFTA; and,
- Cooperate on aligning future regulations in emerging areas.

Enhanced trade in alcoholic beverages, balanced with social responsibility, remains a strong focus of Premiers. Work continues cooperatively and within individual jurisdictions to improve consumer choice and producer access to markets through tools such as e-commerce platforms, direct-to-consumer sales, reduced red tape and improved transparency. Significant progress continues on eliminating or reducing limits on personal exemption limits for alcohol transported across provincial-territorial boundaries.

Premiers are also committed to ongoing collaborative efforts to tap into Canada's economic potential by further liberalizing trade through the CFTA. Premiers agreed to an immediate amendment to the CFTA to enable the narrowing or elimination of exceptions and call on the federal government to adopt this amendment. Additionally, by the end of 2019, each government will conduct a full review of its own specific exceptions, and call on the federal government to do the same.

Last year, Premiers directed accelerated action on regulatory reconciliation. Premiers recognize that aligning regulatory approaches across the federation is beneficial for business and economic growth. Premiers are pleased to announce several completed reconciliation agreements, which will align regulatory approaches and reduce regulatory burdens on businesses operating in multiple jurisdictions. Work is underway on additional priority areas for regulatory reconciliation and cooperation in 2019 and beyond (see Backgrounder).

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BACKGROUNDER: PROVINCIAL – TERRITORIAL ACTION ON INTERNAL TRADE

Alcoholic Beverages

Several initiatives are underway to improve consumer choice and producer access to markets:

- Ten provinces and territories have now eliminated, or plan to eliminate, exemption limits for alcohol transported by a person across provincial-territorial boundaries for personal use, and others have agreed to significantly increase their limits.
- Nine provinces already allow and/or are exploring technical options for direct-to-consumer sales.
- All provinces and territories are undertaking work to review and improve their sales channels to reduce administrative burdens and improve access, selection and availability of alcoholic beverages to consumers within their provinces or territory.
- Six provinces have or will develop e-commerce platforms for the sale of alcoholic beverages, or allow private retailers to do so, with the aim of supporting enhanced consumer access and convenience. Three provinces already have fully operational government-run retail e-commerce platforms.

Additionally, provinces and territories are taking action to increase transparency for producers by launching a new online information hub by the end of 2019, which will function as a single website for producers to access plain language information on all provincial-territorial alcohol retailing and distribution systems. Provinces and territories will work to be transparent about their pricing and improve listing practices to reduce related red tape and barriers to market entry for producers.

Regulatory Reconciliation

Several reconciliation agreements were completed in 2018 to align regulatory approaches and reduce regulatory burdens on businesses operating in multiple jurisdictions in areas of:

- Occupational Health and Safety – common standards have been agreed to for first aid kit contents; hearing protection; personal flotation devices; and head-foot-eye protection. When implemented, businesses and workers operating across multiple jurisdictions will no longer bear the time and expense of navigating different requirements.
- Technical Safety – mutual recognition for the review of pressure vessel equipment design will remove redundant and expensive reviews for participating jurisdictions.
- Transportation – weights for single wide-base and dual tires will be aligned to make the use of the tires more practical for the transportation sector on major trade routes.

Premiers have prioritized five additional and significant areas of work and committed to completing reconciliation agreements in the following areas by the end of 2019:

- Construction codes;
- Energy efficiency standards for household appliances;
- Aquaculture site marking requirements;
- Upholstered and stuffed articles regulation; and,
- Corporate registries – announcing the introduction of a reconciled, integrated system for extra-provincial corporate registration, starting first in western provinces and expanding across the country.

Premiers instruct all responsible ministers to prioritize and follow through on the implementation of regulatory reconciliation efforts. In addition to addressing existing regulations, Premiers direct ministers to ensure regulatory cooperation continues in emerging areas such as autonomous vehicles and mandatory entry-level training for truck drivers.

Enhancing the CFTA

Progress also continues towards incorporating rules for financial services into the CFTA in a manner that offers each province and territory the same or better treatment than that which

Canada offers its international trading partners. Premiers directed ministers to reach an Agreement-in-Principle by December 2019. Provinces and territories are also committed to bringing cannabis for non-medical purposes under the agreement, and directed ministers to prioritize this work once all provinces and territories have finalized their regulatory models.

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