



Government
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BACKGROUND

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For immediate release

AGREEMENT ON INTERNAL TRADE

Prime Minister Stephen Harper and Canada's Premiers and Territorial Leaders signed a new Agreement on Internal Trade (AIT) during the First Ministers' Meeting on the economy.

This agreement contains two key amendments to the existing AIT and marks a significant milestone toward eliminating internal trade barriers and enhancing labour mobility in Canada.

This new agreement is the latest example of the federal Government's commitment to work with the provinces and territories to enhance the economic union of Canada. The Government of Canada commends Canada's Provincial and Territorial leaders for their economic leadership.

Today, it is more important than ever to ensure that we have a strong and efficient internal system of trade, particularly in the current economic environment. Stronger internal trade will help Canadian workers in businesses of all regions, improve Canada's competitiveness and productivity, lower costs and attract more foreign investment.

Improved labour mobility will help ensure that Canadian workers' credentials are recognized across provincial and territorial boundaries. The Prime Minister, the premiers and the territorial leaders have also agreed to a tangible dispute resolution mechanism and new incentives for compliance.

The specific changes to the AIT are as follows:

Ninth Protocol of Amendment: Labour Mobility (Chapter 7)

Canadians should be able to work in their chosen occupations anywhere in Canada. The revised labour Mobility Chapter of the AIT will provide that any worker certified for an occupation by a regulatory authority of one province or territory is to be certified for that occupation by all others.

Any exception to full labour market mobility will have to be clearly identified and justified as necessary to meet a legitimate objective, such as the protection of public health or safety.

The Committee on Internal Trade has approved, in principle, that all Canadians will enjoy full labour mobility by April 1, 2009.

Tenth Protocol of Amendment: Dispute Resolution Mechanism (Chapter 17)

The revised government-to-government dispute resolution mechanism of the AIT will, among other things, provide for monetary penalties of up to \$5M for the largest jurisdictions for continued non-compliance with AIT obligations.

These amendments will also significantly strengthen enforcement mechanisms. As a result there will be a more effective compliance and appeals process, including the possibility of monetary penalties and suspension of dispute resolution privileges.

Signatories must obtain ratification from their respective governments for these amendments to take effect. This process is already underway.

About the Agreement on Internal Trade

On July 1, 1995, Canada's First Ministers signed the AIT to eliminate barriers to commerce and labour mobility within Canada. The AIT continues to evolve to meet the changing needs of business. It requires ongoing negotiations and adjustments in order to further liberalize trade throughout the Canadian economy.

In August 2007, at a Council of the Federation meeting, the Premiers agreed to strengthen the AIT through a five-point action plan related to:

- full labour mobility;
- stronger dispute resolution, including monetary penalties;
- inclusion of an energy chapter;
- completion of a broader agriculture chapter; and
- reconciliation of regulations in the transportation sector.

The Government of Canada continues to work closely with all provinces and territories toward implementing this action plan with the goal of improving the AIT for the benefit of all Canadians.