

January 31, 2025

Dear Premiers,

As you know, recent months have been extremely challenging for businesses across Canada, given the uncertainty in both the U.S. trade relationship and in our own future national leadership.

As CEOs of provincial and territorial chambers of commerce, we call on you – Canada’s premiers – to lead the way with immediate, comprehensive action to dismantle the internal barriers to trade within our country.

At a time of geopolitical uncertainty, rising protectionism and looming tariff threats, addressing internal trade barriers is no longer an option; it’s a necessity. These barriers cost businesses and consumers billions of dollars annually, driving up expenses and limiting growth. Some researchers have likened this to a 21 percent tariff.

Removing internal trade barriers would not only spur economic growth but also strengthen Canada’s resilience to external threats to our trading markets. Statistics Canada has estimated that removing these barriers could boost Canada’s GDP by as much as seven percent, which could be worth \$200 billion to our economy. Others have estimated that doing so could boost GDP per capita by 3.8 percent. Any way one looks at it, this would be greater than the potential impact of proposed U.S. tariffs.

Since internal trade reform would also boost government revenue by over \$15 billion, it also presents a powerful counterweight to rising deficits, increased borrowing costs, and growing demands to deliver critical services and invest in needed infrastructure. It’s a way to ease financial pressures, enhance productivity, and generate revenue that can be reinvested into communities across the country.

While we welcome initiatives such as the Canadian Free Trade Agreement (CFTA) and regional collaborations such as the New West Partnership Trade Agreement (NWPTA), the job is nowhere near done. Provinces and territories must accelerate regulatory harmonization, streamline credential recognition, and address persistent trade irritants.

As noted in your Council of the Federation communique, “internal trade is pivotal to the growth of businesses in every province and territory, in particular for small and medium sized enterprises.” Now is the time to act on this vision.

Our provincial Chambers of Commerce, along with our partners at the Canadian Chamber of Commerce, stand ready to partner with you to achieve this shared vision – and to help make the case for internal free trade to Canadians from coast to coast to coast. We are pleased to attach some ideas for action.

Opportunity is not a matter of chance; it’s a matter of choice. For Canada, this is your moment to lead.

Sincerely,



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Luke Pantin
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Tony Rose
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Appendix: Internal Trade Barriers – Areas for Action

I. POLICY

1. Strengthen Existing Internal Trade Agreements *(Government lead)*

- Eliminate remaining market-distorting protectionist exceptions to the Canadian Free Trade Agreement (CFTA) to develop a more competitive and efficient market, benefiting Canadian consumers with lower prices, greater choice, and improved services across provinces.
- Commit to senior oversight of relevant bodies, with appropriate resourcing
- Encourage provinces to join the New West Trade Partnership Agreement, which is a robust, negative-list approach to liberalizing interprovincial trade in Canada

2. Transparent and Accessible Data Collection and Information Sharing *(Government lead, business support)*

- Continue making it easier for individuals and small businesses to share their concerns with the government and relevant bodies – the e Regulatory Reconciliation and Cooperation Table (RCT) stakeholder feedback website is a great start (<https://rct-tccr.ca/stakeholder-feedback/>).
- Engage provincial and municipal governments to help flow more information and feedback from affected stakeholders into a centralized body, such as the RCT. This would create a positive feedback loop by actively seeking out barriers from industry participants and sectors.
- Generate resources to improve transparency in tracking progress on specific barriers, ensuring stakeholders can monitor how their input is being addressed.

II. INDUSTRY

3. Trucking/Transportation *(Business lead, government support)*

- Continue to prioritize national alignment for cross-province standards in areas such as weight limits, driver qualifications, and vehicle inspections, using this sector as a proof-point for expansion of mutual recognition within the CFTA framework.
- Continue to progress on the trucking pilot project while encouraging additional provinces to join.
- Ensure that commercial vehicle safety standards are rigorously and consistently enforced.

4. Alcohol (*Business lead, provincial government support*)

- Establish an open, unimpeded national market that allows manufacturers to sell alcohol in any province, abolishing restrictions on interprovincial shipping directly to consumers
- Ensure that taxes and mark-ups applied under such a system are equivalent to those imposed by provinces on physical retail outlets, preventing discriminatory or unfair treatment.

5. Food (*Business lead, government support*)

- Ensure that all products permitted to be sold in one province are allowed to be shipped, sold, and marketed in others.
- Address varying food safety regulations across provinces, which can result in agricultural products being excluded from supermarket shelves outside their province of origin.
- Prioritize efforts on high-impact areas such as dairy, poultry, and shelf-stable goods to streamline the internal food market.

III. REGULATORY

6. Unified Framework for Domestic Skilled Trade Workers (*Government lead*)

- Develop a unified framework with provincial/territorial governments, industry representatives, and regulatory bodies to recognize domestic skilled trade workers' training and credentials across provinces/territories.
- Allow for the free flow of labour throughout the country so that qualified workers can seek opportunities where demand is high.
- Pursue mutual recognition agreements for Workers' Compensation and Occupational Health and Safety rules.

7. Streamlining Permitting and Approvals for Interprovincial Projects and Infrastructure (*Government lead, business support*)

- Recognize that East-West projects are increasingly critical as our economy faces the threat of tariffs from our largest trading partner.
- Address barriers such as provincial preferences for local electricity providers to improve market efficiency and meet growing energy needs more effectively.
- Expand the focus of interprovincial trade barriers to include infrastructure such as pipelines, rail, and highways to facilitate greater interprovincial trade and economic integration.
- Introduce a Canada Trade Infrastructure Plan to help inform thoughtful long-term investment.

Source: Canadian Chamber of Commerce