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Federal Cabinet Announced

The Canadian Chamber of Commerce responded to several media enquiries following this week's Cabinet announcement by Prime Minister Paul Martin outlining priorities for the new government. In addition the Chamber has already issued letters of congratulations to the new ministers and will begin scheduling follow-up meetings with the new ministers to move the policy agenda of the Canadian Chamber of Commerce forward this fall when the House of Commons resumes sitting.

The Chamber also immediately provided members with a listing of the full ministry.

Update on Canada-U.S. Relations

- Representatives from the Chamber's International Affairs Committee visited Washington this week and met with officials from several U.S. government agencies as well as the U.S. Chamber of Commerce, U.S. Council for International Business and the Canadian Embassy to discuss a number of trade-related issues and border matters. This most recent visit follows up on the meetings that Chamber Board members held in Washington in late March 2004. These visits are a key part of the Chamber's Canada-U.S. program and strive to ensure that our views and concerns are communicated to the U.S. government and private sector representatives, as well as to Canadian diplomatic and trade representatives in Washington. *For more information, contact Bob Keyes, (613) 238-4000, x223, bkeyes@chamber.ca or Alex Lofthouse, (416) 868-6415, x234, alofthouse@chamber.ca.*
- Chamber staff participated in a breakfast event organized by the Canadian American Business Council and Microsoft in conjunction with the US Embassy, the Canadian Manufacturers and Exporters and Ottawa Global Marketing Alliance at which the guest speaker was Illinois Congressman Jerry Weller. The Congressman serves on two key House of Representatives Committees dealing with international issues and trade and as a result is very familiar with Canada-U.S. trade matters. His remarks focussed on the need to continue to work on NAFTA, to support the efforts to achieve a *Free Trade Area of the Americas* and to get the Doha Round of WTO negotiations back on track. During the Q&A session, he commented on such issues as offshoring/outsourcing, getting messages out in Washington and Internet pharmacies. *For more information on this meeting contact Darrel Houlahan, (613) 238-4000, x225, dhoulahan@chamber.ca.*

Members' Input Sought on Internal Trade Barriers

The *Agreement on Internal Trade* (AIT), signed by provincial, territorial, and federal governments in 1994, is an agreement with the objective to reduce and eliminate existing barriers to the free movement of persons, goods, services and investment within Canada and to establish an open, efficient and stable domestic market. Unfortunately the AIT has not been fully implemented and numerous barriers to trade exist within Canada. Internal trade barriers increase the costs to both businesses and consumers and negatively impact the competitiveness of the Canadian economy.

The provincial and territorial governments have, through the newly formed Council of the Federation, recommitted to implementing AIT. As such, the provincial and territorial governments are engaged in a process of identifying existing trade barriers, with the end goal of eliminating the identified barriers. Timing is critical; there may be political will to implement the AIT.

The elimination of trade barriers has long been a priority of the Canadian Chamber of Commerce. The Canadian Chamber wishes to take advantage of this opportunity to provide provincial and territorial governments with information of existing barriers to trade and has sent members a fact-finding questionnaire **to be completed by September 3rd, 2004.**

The following are examples of the type of barriers that members may have encountered:

Regulation: When different regulatory requirements unnecessarily raise the transaction costs for companies that wish to conduct business between provinces/territories.

Labour mobility: Additional licensing or residency requirements in order to work in another provincial/territorial jurisdiction.

Investment: Additional requirements, beyond the requirements of company operating in that province, when investing in another provincial/territorial jurisdiction.

Procurement: Favours in province/territory suppliers over suppliers from outside the jurisdiction.

Tariff barrier: Applying additional tax or product requirements on items produced outside the province or territory for sale within that province/territory.

Residency and local presence requirements: Must be a resident or establish a local presence as a condition of conducting business in a province/territory.

Environmental requirements: Different environmental standards between provinces. An example is different recycling and waste management requirements.

If you have any questions regarding the questionnaire or would like to receive a copy to complete, contact Rob McKinstry, Policy Analyst, at (613) 238-4000, x250, or at rmckinstry@chamber.ca.

Fall Business Summit Dates Confirmed

Dates for the Canadian Chamber of Commerce *Business Summits* have just been confirmed. Mark November 23rd (Toronto) and November 24th (Montreal) in your agenda. Both events will run from 8:45 AM to 2 PM and will focus on “*Closing the Gap in a Global Environment*”. ***CEO Speakers Series*** luncheons are planned for both summits. More details will follow in coming weeks.

Exporters optimistic about sales growth

Export Development Canada last week released its most recent survey data which indicates that exporter confidence remained strong during the first half of the year, and showed that many exporters are increasingly optimistic about foreign sales growth.

Ongoing concerns about rising interest rates, high oil prices and the uncertain Canadian political climate continue to dampen confidence in the domestic and global economies, yet almost one third of exporters responded that their outlook for international trade opportunities was positive and almost half stated that they were projecting export sales to increase.

Notwithstanding exporters' cautious outlook about both the domestic and global economies, Canadian businesses remain bullish in their hiring intentions with 36 per cent planning to add staff in the next six months, compared to 34 per cent the fall of 2003. The majority (60%) see their hiring intentions remaining the same and only four per cent said they intended to decrease staff.

Canadian businesses (64%) continue to view the value of the Canadian dollar as pivotal to their success in foreign markets, yet almost one-third indicated that they were 'riding out' or rather doing nothing in response to its current level. Similarly, over half of respondents (52%) believe that the dollar will stabilize between \$.73-\$.77 US (survey was taken in late May/June), while 25 per cent think that it will fall (up from 20% in the fall) in the next six months. Only 22 per cent believe that the Canadian dollar will increase during the next six months.

For more information or to view the full survey, visit EDC's Web site at:

http://www.edc.ca/docs/ereports/tradeConfidence/index_e.htm

The update to the spring 2004 Global Export Forecast (GEF) can also be found on the EDC Web site at:

http://www.edc.ca/docs/ereports/gef/EFindex_e.htm

Calendar of Events

December 1-4, 2004 - Quebec City

"Monitoring and Evaluating Sustainability in Communities, Cities and Watersheds"

The theme of this year's Ecological Monitoring and Assessment Network (EMAN) National Science Meeting (NSM) continues to focus on how to best work together to enhance the effectiveness of ecological monitoring through collaboration and partnership. Increasingly, EMAN has been found that even the best science does not change outcomes unless it is effectively delivered to policy developers and decision-makers. The theme this year aims to examine how to better link science to decision processes in communities and their sustaining areas and to examine ecological monitoring within the broader sustainability context. This is an opportunity to draw upon the rich diversity of experience in the Network and to set a course for cooperative activities in the coming years.

Papers are sought in a number of areas related to the monitoring and management of ecological sustainability in communities, cities and watersheds/landscapes/seascapes.

For more information, view <http://eman-rese.ca>.

The Canadian Chamber of Commerce would like to thank its AGM sponsors:



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