



THE SCHOOL OF PUBLIC POLICY

Time is of the essence- Canada must act now to solidify a new trade agreement with the U.K. New report from The School of Public Policy

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Calgary – The economic cost that Britain faces in departing the EU will be significant, and one key way to mitigate it will be by quickly replacing the loss of access to the EU’s common market and all of the EU’s trade agreements with new U.K. trade agreements. One of the major factors that motivated a majority of Britons to vote in favour of leaving the EU was their disenchantment with Europe’s current approach to trade. There is solid evidence of a link between the vote for Brexit and the feelings of dissatisfied voters who see themselves being left behind in the current economy.

This appears to be an ideal opportunity for the Canadian government to advance the “progressive” trade agenda it has advocated for in recent agreements it has signed with the U.S., Europe and members of the Trans-Pacific Partnership. However, if it is to be a successful free trade agreement, it should aim to address and alleviate the same concerns about trade that led so many British voters to turn against their deal with the EU.

Today, The School of Public Policy with authors Eugene Beaulieu, Kamala Dawar and Lindsey Garner-Knapp released a report that takes a careful look at the potential impacts of a Brexit, what this means for future U.K. trade policy and its trade relationship with Canada.

According to Beaulieu “Free trade agreements can be controversial and politicized issues. In signing a deal with Canada, Britain will have an interest in signalling through a progressive trade agenda that its desire to take control of rules and regulations previously ceded to the EU does not mean it plans to roll back social, health, safety or environmental protections. In addition, including strong standards for labour and the environment would make clear the U.K.’s commitment to fostering co-operation between countries, despite its decision to leave the EU. It would also benefit businesses if standards between the U.K. and Canada were as closely aligned as possible, to allow easier compliance with one set of regulations, rather than having to meet two different standards.”

While Canada has had some success with recent agreements in expanding their focus to include entire chapters on the environment and labour, which had more commonly been relegated to side agreements in earlier trade deals, there is the opportunity in a Canada-U.K. deal to take things yet further. However, the most expedient route to a deal is clearly to replicate much of what already exists in the progressive Canada-EU Comprehensive Economic and Trade Agreement. It is most likely that a future Canada-U.K. deal will be modelled closely after that.

The paper can be downloaded at <https://www.policyschool.ca/publications/>

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