

Consultation on the Future of Competition Policy in Canada

The Canadian Vehicle Exporter's Association (www.cvea.ca) is comprised of individual Canadian companies involved in the export of passenger motor vehicles from Canada to various destinations around the world. The members of the CVEA are longstanding Canadian companies who maintain positive working relationships with various officials from the banking, government, and law enforcement sectors.

The mandate of the CVEA is to promote the open and fair trade of motor vehicles for export from Canada, while advocating and collaborating with industry partners and government agencies for proper market controls to protect the interests of all Canadians.

The association is thankful to the Canadian government for the most recent updates to the Competition Act entered into force via the Budget Implementation Act, 2022. Our members are also thankful to Innovation, Science and Economic Development Canada (ISED) for the opportunity to have all Canadians provide feedback on other potential reforms under consideration for amendment to further modernized the Competition Act of Canada.

Canada is an export driven nation. In 2021, Canada was listed as number 9 out of 226 countries in terms of GDP in total exports at \$484 billion US dollars. Vehicles accounted for nearly 6% of this amount, \$29 billion US dollars. Vehicles are the second highest percentage of goods exported from Canada, only behind crude petroleum.

(<https://oec.world/en/profile/country/can#:~:text=In%202021%2C%20Canada%20exported%20a,to%20%24484B%20in%202021>)

The Canadian government offers a variety of services to assist Canadian SME's achieve their international sales and growth potential. This can include Export Development Canada (EDC) who assists companies with managing their risk, securing financing, and growing their working capital.

(<https://www.edc.ca/en/solutions.html>) This may also include the Trade Commissioner of Canada, which further assists Canadian companies by connecting them with knowledge, funding, and support programs via their network of commissioners in 160 cities around the world.

(<https://www.tradecommissioner.gc.ca/index.aspx?lang=eng>)

In terms of the Competition Act of Canada, there are inconsistencies between Canada's goals of encouraging the export businesses of Canadian SME's versus the limitations to protect against anti-competitive behaviour where it relates only to export contained within the Act. These defences and exceptions against anti-competitive behaviour in the Act create an undesirable non-tariff trade barrier, stifle the international growth of Canadian business, and are incongruent with Canada's standing as a leader of export and international trade.

As part of Innovation, Science and Economic Development Canada's consultation on the Future of Competition Policy in Canada, the CVEA would make the following recommendation in order to align the export goals of Canada with the Competition Act of Canada:

Defences and Exceptions against anti-competitive behaviour when it pertains only to export should be Repealed from the Competition Act. This should include Part VI, Offences in Relation to Competition, Defence (5) and Part VIII, Matters Reviewable by Tribunal, 90.1 Exception (8).

The Canadian Vehicle Exporters Association and its members thank ISED for its time and consideration in these matters and remain available when further feedback, questions or comments are required.