

## Municipal Impacts of CFTA and CETA

### *Canadian Free Trade Agreement (CFTA)*

In April, the details of the **Canadian Free Trade Agreement** (CFTA) were released. The CFTA is a Canada-wide trade agreement between provinces that has replaced the current Agreement on Internal Trade (AIT). The CFTA broadens the scope of industries that are covered by inter-provincial trade rules and is intended to align with international trade agreements. At its core, the CFTA prohibits discriminating among goods, services, workers and investments based on their province or territory of origin.

The CFTA significantly increases procurement thresholds for municipalities from the previous AIT; however, Alberta municipalities are already subject to more stringent regulations and rules through the existing New West Trade Partnership Agreement (NWTPA) such that if municipalities are in alignment with the current NWTPA, many of their practices should be in alignment with the CFTA.

Agreement on Internal Trade	Canadian Free Trade Agreement	New West Trade Partnership Agreement (NWTPA)
<ul style="list-style-type: none"> <li>▪ Goods: \$100,000</li> <li>▪ Services: \$100,000</li> <li>▪ Construction: \$250,000</li> </ul>	<ul style="list-style-type: none"> <li>▪ Goods: \$100,000</li> <li>▪ Services: \$100,000</li> <li>▪ Construction: \$250,000</li> </ul>	<ul style="list-style-type: none"> <li>▪ Goods: \$75,000</li> <li>▪ Services: \$75,000</li> <li>▪ Construction: \$200,000</li> </ul>

For more information on the CFTA, click [here](#).

### *Comprehensive Economic and Trade Agreement (CETA)*

The **Comprehensive Economic and Trade Agreement** (CETA) between Canada and the European Union (EU) is expected to be implemented in 2017. The purpose of CETA is to reduce trade barriers between Canada and the EU. CETA is the first international agreement in which municipal procurement is covered, meaning that municipalities will be required to provide procurement opportunities valued over certain thresholds to companies located within the EU.

The Government of Alberta has indicated that Alberta’s municipalities are already in compliance with CETA provided they are in compliance with the Agreement on Internal Trade (AIT), the new Canadian Free Trade Agreement, and the New West Trade Partnership Agreement (NWTPA)

Alberta Economic Development and Trade is working with the other western provinces to update the **existing guidelines** on domestic and international trade agreements so that municipalities will be able to reference one document to ensure alignment with their practices.

For more information on CETA, click [here](#).

For more information on trade agreements that impact Albertans, click [here](#).

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