

Public Policy Implications

The development of EC competition policy in relation to the Europe 1992 initiative supports a number of directions for future Canadian public policy.

The promotion of competitive markets in the EC will place greater pressure on Canada to follow outward looking economic policies that are designed to enhance Canadian access to and competitiveness in foreign markets. Inward looking policies that focus on relatively small and fragmented Canadian markets, will be even less effective in the future at generating companies capable of competing successfully in world markets which include increasingly efficient EC competitors.

The developments examined in the report also support the continuing high importance to Canada of trade arrangements such as the GATT and the Canada-U.S. Free Trade Agreement. These arrangements will be necessary in the future to provide Canadian businesses with access to the large markets needed to be internationally competitive.

Similarly, the Europe 1992 initiative emphasizes the importance to Canada of adopting competition, subsidy, research and development, and other policies that promote open and competitive domestic markets. Policies that create unnecessary inter-provincial barriers to trade or allow businesses to unduly restrict competition in Canada will be an even greater handicap to Canadian international competitiveness in the future.

The measures examined in the report reflect the increasing need for public officials and business people in Canada to take account of the negative implications that Canadian legislation and policies may have on Canadian access to EC markets. The potential for reciprocal treatment of Canadian businesses under Community directives and regulations in areas such as merger control, public procurement, financial services and telecommunications, is making their access to Community markets increasingly dependant on Canadian treatment of EC-based companies.

Finally, the report supports efforts by Canadian public officials and the Canadian business community to closely monitor the future development and application of competition and other legislation in the EC, and establish strong cooperative relationships with key public authorities in the EC. These efforts will be necessary to ensure that Canadian interests are adequately represented with respect to the development and future application of competition-related legislation and policy in the Community.