Tariffs
A tariff is a tax imposed by the local government on goods and services coming into a country. They increase the price of the goods being imported. Tariffs were created by the government to protect local businesses from low-priced competitive products.

An example would be a shirt made in China now costs a department store $53.80. ($40.00+$8.80=$48.80, plus shipping and handling which costs $5.00 per shirt.) The shirt would now cost the Canadian consumer $108.00 making the Canadian shirt a better deal.

Canada can encourage trade with other countries by lowering their tariffs on their exports. Eventually this can lead to free trade with participating countries. Canada has already managed free trade with such countries as: USA, Mexico, Chile and Israel.

Currency Fluctuation
Every country has its own currency and its patrons know how to use it but everything you know about your own currency changes when you are dealing with another country.

The rate given by one country for another countries currency is called the currency exchange rate. The daily exchange rate for the rest of the world is made according to the rates used when two banks trade between different countries.

Rates of currency are always fluctuating and that can be a major barrier to trade because the buyer could end up paying way more than intended.

When a country’s currency is devalued in relation to another countries currency it means the country with the lower value can sell more because the other country saves money. However, it discourages the devalued country from buying the goods and services from the country with the higher currency value because they would pay more for less.

Investment Regulations
Investors are non Canadians who must comply with the provision of the investment Canada Act, which requires them to file a notification when they commence a new business activity in Canada or each time they acquire control of an existing Canadian business. The investment will be reviewed if both the investor and the vendor are from a country that is not a World Trade organization member and if the value of the business being acquired in Canada is over 5 million. If the investor’s country is a WTO any direct investment in excess of 223 million is reviewable.
If the investment involves the acquisition of a company which produces uranium and owns an interest in a uranium property, or engages in financial services, transportation, or culture and is worth over 5 million, a review must take place.

**Environmental Restrictions**
A large portion of Canada’s economy depends on its natural resources. Foreign insects and diseases could destroy entire industries and seriously harm the Canadian economy. Restrictions are now placed on imports to protect Canadian crops from contamination. The Canadian law requires that all food, plants, fish, animals, and their products that are brought into Canada must comply with Canadian standards.

Canada is a signatory to the convention on International trade in endangered species of wild fauna and flora. This agreement is against the trade on 30 000 wild animals and plant species.

In other words products that do not meet Canadian environmental standards are not allowed to enter Canada.

**Foreign Relations and Trade Sanctions**
Canada uses trade sanctions to influence polices or actions of other nations. Also attempts to stop human right violations by imposing sanctions instead of using force. Canada tends to join with other nations who share the same views to implement sanctions jointly.


Canada has authority which it can impose sanctions in relation to a foreign state, either as implementing a decision, resolution or recommendation of a international or organization of states or association of states.

Export and Import Permits Act allows goods to be traded with regulations ( area control list, export control list and the import control list ) Area control list is a list of restricted countries, special permit is needed for Canada to trade to a country on this list. Export control is a list that consists of restricted goods. Import control is a list of goods that are not permitted into Canada. Import control list is not used to impose sanctions onto a foreign state. But there are some exceptional circumstances.

**Safety regulations**
The government regulates and administers commerce and trade in specified goods under the following acts
* Food and drug act
* Meat inspection act
* Health of animals act
* Hazardous Products act
*Customs act*

All of the acts affects both domestic and foreign imports. Each of these acts sets up many regulations. These regulations could act as barriers to trade for foreign exporters who may need to make costly changes in their manufacturing procedures to conform to Canadian standards.

**Immigration Policies**

Since the first settlers arrived in New France in the early 1600s, Canada has been a nation that depended on immigrants to grow the country and its economy. The Canadian economy benefits from their skills and financial investments. The immigrants maintain Canada’s population as well as create a demand for imports – this encourages trade and makes Canada more culturally diverse.

**Visitors**

Canada welcomes visitors. People coming to Canada spend money on goods, services, or products they purchase to take home. Many international companies wish to transfer key managers and specialists to Canada for a period of time. They must apply for a work permit and if the work permit is granted these individuals may later apply for Permanent Resident Status in Canada.

**Immigrants**

People wishing to relocate from their home country to Canada must have a Canadian Immigrant Visa. Immigrants with a Canadian Immigrant Visa are allowed to work or live anywhere in Canada. After having the Visa for three years they can apply for Canadian citizenship and they can sponsor a family member for Canadian Permanent Resident Status.

There are two ways to qualify for Canadian Permanent Resident Status: as an Independent Immigrant or as a member of the Family Class. Independent Immigrants are divided into two categories: Skilled Worker Category and Business Category.

**Refugees**

Refugees are peoples who have fled their country to escape persecution or war. The persecution could be physical violence, harassment, wrongful arrest or threats to their lives. Other reasons they might be persecuted could be for reasons of race, religion, gender, nationality, political opinion, or membership in a particular social group. Refugees cannot rely on their own government to provide them with legal or physical protection. They have to try and find safety in other countries.

“Asylum” is somewhere one can go to find safety. Individuals who flee to Canada have their refugee claims heard before they are granted refugee status. In 2001, approximately 11,000 refugees were granted asylum in Canada.

When refugees are in Canada they are allowed to fully participate in Canadian society. When they come over they can seek work and go to school without hassle.
Dealing with Trade Barriers
Numerous trade missions, organized by federal, provincial, and even some municipal governments, have visited foreign countries in an attempt to develop more trade with them.

The federal government has indicated a willingness to establish the FTAA. Canada has strong ties to the United Kingdom and is using them to forge trade deals with European Union at preferred tariff rates. The Asia-Pacific Economic Cooperation (APEC) was established in 1989 in response to the growing interdependence among Asia-Pacific economies. APEC has since become the primary regional vehicle for promoting open trade and economic cooperation with Canada and the other twenty member countries. The World Trade Organization (WTO) is influencing and ruling on international trade policies and on some existing bilateral and multilateral agreements.

As for currency fluctuations, business can deal with the fluctuation in the value of the Canadian dollar by buying foreign currency.

Canada’s immigration policies are constantly being reviewed to allow more people to come to Canada.

The Investment Canada Act replaced the more restrictive Foreign Investment Review Act and significantly loosened restrictions on foreign investment in Canada, allowing the establishment of almost any new business by foreign investors without government review.