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Trying to Bridge the Gap

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As described previously in “An Old Friend in New Clothes” *CL/10* June 2014, the Canadian government is determined to remedy what it (and many Canadians) regard as an unjustified gap between U.S. and Canadian prices for the same goods. In particular, the government has focused on what it perceives to be unjustified “country pricing” or “cross-border price discrimination” – i.e. businesses charging more for goods sold in Canada than in the US beyond what might be justified by the allegedly higher costs of doing business in Canada.

The government’s interest in this issue followed a report by the Canadian Senate in February 2013, which tentatively concluded that the segmentation of the Canadian and U.S. markets “reduces competition and allows some manufacturers – even some Canadian ones – to practise country pricing between the Canadian and American markets, which may contribute to the price discrepancies between the two countries.”

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