

# National Border Management Policies and their Effect on Regional Trade: A Study of the Yukon Exporting Industry

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# Outline

- Introduction
- Yukon
  - Economy
  - Infrastructure
- Trade – Security Nexus
- Federal Policies
- Recommendations
- Conclusion

# Introduction

- National trade policies argued to help Yukon
  - Global Market Action Plan
  - Canada-European Union: Comprehensive Economic and Trade Agreement (CETA)
  - Canada-Korea Free Trade Agreement (CKFTA)
- National border management and security policies create challenges for Yukon exports
  - Canadian and American northern strategies
  - Beyond the Border

# The Yukon: Economy

- Resources and tourism are the largest sectors
  - Mining sector currently in a slump
- Small and Medium Sized Enterprises (SMEs) are a large part of the local economy
  - 1549 businesses with 1-99 employees (small)
  - 18 businesses with 100-499 employees (medium)  
(Government of Canada, 2013b)

# The Yukon: Economy cont'd

- Only 12.4% of businesses in Yukon export (Yukon Bureau of Statistics, 2014)
- In order of volume, international exports go to 1) United States; 2) South Korea; 3) Peru; 4) China; 5) Chile (Lambert-Racine, 2013)
- The top exporting industries are
  1. Information and Cultural Industries (45.3%)
  2. Agriculture, Forestry, Fishing, and Hunting (36.6%)
  3. Utilities: Manufacturing (25.8%)
  4. Wholesale Trade (23.6%)
  5. Arts, Entertainment, and Recreation (23.2%)
  6. Professional, Science, and Tech Services (19.4%)
  7. Rental and Leasing Services (13.5%)
  8. Mining, Quarrying and Oil and Gas (12.6%)
  9. Retail Trade (11.7%)
  10. Educational Services (10.7%) (Yukon Bureau of Statistics, 2014, p. 8)

# The Yukon: Economy cont'd

- Value of exports
  - Yukon merchandise exports are growing
  - In 2012, mining accounted for 95.6% of Yukon's merchandise exports (Lambert-Racine, 2013)
- What does this mean for SMEs?

# The Yukon: Infrastructure

- Marine
  - Closest port in Skagway, AK
- Roads
  - Comprehensive road network
    - Roads go to 16 of 17 communities
    - Busiest roads “are within the Whitehorse area, between Whitehorse and Skagway, and between Whitehorse and Haines Junction” (KPMG & Gartner Lee, 2006, p. 11)
- Rail
  - Railroads available from Carcross to Skagway (Government of Yukon, 2008)

# The Political Context

- Security-Trade Nexus
  - Canada-US relations matter
  - National policies vs. local needs
  - Do border management programs reduce barriers?
    - Pre-clearance programs
    - Regulatory issues
- Effects of Security Programs on Exports
  - Regulatory fees add to export costs
  - Exports to the US have declined
  - Export diversification does not help Yukon SMEs



# Federal Policies

- Canada's Northern Strategy (2009)
  - Northern economy is considered resource development
  - Little attention paid to other industries
  - Security focus is primarily military in nature
- US National Security Strategy for the Arctic Region (2013)
- US National Security Presidential Directive and Homeland Security Presidential Directive (2009)
  - Economy not prioritized
  - Resources are a security concern
  - Security focus is primarily military in nature

# Federal Policies cont'd

- Beyond the Border (2011)
  - Part 2 addresses cross border trade
  - Working to improve pre-clearance programs
  - Considering lowering inspection rates

# Recommendations

- Existing suggestion
  - Port development
  - Regulatory changes
- Cross-Border Cooperation
  - Brunet-Jailly's (2005) theory of borders
  - Windsor
    - Lessons learned
  - Alaska-Yukon
    - Issue specific collaboration with government, post-secondary institutions, and other organizations

# Conclusion

- The export situation in Yukon is complex
- SMEs that export face financial challenges
- Federal border management programs
- Build on existing cross-border networks for change

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