10 WAYS TO BUILD A CANADA THAT WINS

2018
As Canada’s largest and most influential business association, we are the primary and vital connection between business and the federal government. With our network of over 450 chambers of commerce and boards of trade, representing 200,000 businesses of all sizes, in all sectors of the economy and in all regions, we help shape public policy and decision-making to the benefit of all Canadians.
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Canada’s economic prosperity—now and in the future—depends on business growth. Our goal is to build a winning economy by enabling businesses in Canada to compete and grow in both domestic and international markets.

The challenges we face are daunting. A decade after the financial crisis, the global economy remains sluggish. Customer demand for the goods and services that Canadian businesses produce is only now showing signs of recovery, but economic risks remain. Financial markets are volatile. Competitive pressures are intense. High levels of political uncertainty are depressing trade and investment activity around the world. Meanwhile, rapid technological change is redefining customer expectations and business capabilities, leading to widespread disruptions in logistics, product markets, production processes, job requirements and, more generally, in what it takes for businesses to compete and grow.

At the same time, however, there are significant opportunities for business growth. New opportunities are opening up around the world with the growth of middle class consumers in emerging economies and common needs for energy and infrastructure development, environmental sustainability, food and water security, ageing populations, health care and managing the impacts of advanced technologies. Canadian businesses are well positioned to take advantage of this country’s rich technology and resource base. However, in a highly competitive economic environment, the advantage will go to those businesses that can offer customers special and unique solutions they can both manage and afford.

It is up to businesses themselves to find the best ways to compete and grow in domestic and international markets. But, governments and the public policy environment in which businesses operate are critical in determining their chances of success.

Here are 10 important ways in which Canada’s policy environment can be improved in order to support business growth and build a more prosperous economy for all Canadians. They are strategic objectives for the policy and advocacy initiatives the Canadian Chamber of Commerce will lead in 2018.
**Competitiveness begins at home.**

We need a policy environment in Canada that makes this country the preferred location for businesses to invest, employ, export from and grow.

To that end, Canada must have:

- An internationally competitive system of business taxation that rewards entrepreneurship, encourages businesses to invest in the technologies, skills and capacity they need to grow and attracts capital, product mandates and highly qualified people from around the world;
- A modern regulatory environment, applicable to current market conditions, technologies and business practices, that ensures certainty for business investors, a competitive playing field in domestic and international markets and the effective pursuit of public policy objectives in the easiest and least costly way possible for Canadian business;
- Government programs that effectively incent business growth and investment in Canada, meet actual business requirements and afford easy and cost competitive access for businesses of all sizes.

In 2018, the Canadian Chamber of Commerce will pursue these objectives with the federal government. We will aim to:

- Define the competitiveness issues that should underlie a thorough review of the Canadian tax system;
- Ensure changes in small business tax rules do not harm business growth;
- Improve federal regulatory management and risk assessment processes;
- Expedite approval processes for energy and infrastructure projects, working with provincial governments to ensure the greatest alignment possible;
- Ensure new user fees go to improving regulatory management processes and do not become a major cost burden on business;
- Review and improve incentive programs for business investment; and,
- Help in the establishment of Canada’s new Infrastructure Development Bank, Development Financing Institution and Invest-in-Canada hub.
And, we will go further by:

- Encouraging the government to undertake a comprehensive review of business taxation in light of tax reforms either proposed or underway in other advanced economies, particularly the United States, in order to ensure Canada’s tax system remains internationally competitive;

- Advising the government on ways to improve specific tax measures, regulations and investment incentives that would enhance their effectiveness, reduce compliance costs and promote business growth; and,

- Working to achieve the specific policy resolutions supported by provincial, territorial and local chambers across Canada.
The growth potential of Canadian business depends not only on our domestic policy environment, but on our access to business opportunities and capabilities resident across North America and around the world.

Our businesses are part of a much larger and complex network of trade and travel, supply chains, production systems, business structures and knowledge, energy and investment flows that has developed since the North America Free Trade Agreement came into effect two and a half decades ago.

The competitiveness of Canadian business rests on the resiliency of that networked economy. We depend on a globally competitive North America in order to grow around the world.

The renegotiation of NAFTA provides a basis for positioning North America as the benchmark of the world in terms of business competitiveness and growth potential, with modern, efficient and secure borders, state-of-the-art infrastructure and continental collaboration in fields like energy, technology, resources and skills development. Regardless of the future of that agreement, Canada needs to ensure the competitiveness of its business community within North America.

To enhance the competitiveness of Canadian businesses in the North American market, we need to:

• Expand and streamline business access to customers, energy and natural resources, goods, services, technologies, skilled people and capital in Canada, the United States and Mexico;
• Ensure a competitive playing field for Canadian businesses and impartial mechanisms for resolving trade disputes;
• Improve the efficiency of our external and internal borders while ensuring their security; and,
• Eliminate unnecessary regulatory impediments to trade and business investment.
In 2018, the Canadian Chamber of Commerce will play a leading role in:

• Raising awareness across North America about the importance of enhancing the competitiveness of our continental economy;

• Advising government officials and trade negotiators on Canada’s business interests with respect to negotiations affecting our economic relationship with our NAFTA partners; and

• Promoting and supporting initiatives aimed at expanding trade, investment, travel and business development across North America.

We will work with our business allies in the United States and Mexico to develop new opportunities for business-to-business and government-to-government collaboration. We will work closely with our members and the chamber network to ensure Canadian businesses are well positioned to take advantage of the opportunities for growth in the North American market. And, we will work with the Government of Canada to develop and implement a multilateral trade strategy leveraging our strengths in the North American market to expand commerce and investment in markets around the world.

“WE DEPEND ON A GLOBALLY COMPETITIVE NORTH AMERICA IN ORDER TO GROW AROUND THE WORLD.”

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Canada is well positioned to be a world leader in the production and export of food for markets around the world.

Our agriculture and agri-food sector already makes a significant economic contribution, accounting for 7% of GDP and one in eight jobs across the country. From primary producers to advanced food manufacturers to agri-food based technologies and data analytics, Canada’s agriculture and agri-food sector has a strong and well-earned reputation for efficient production, innovation, food quality and safety that has propelled Canada to be the fifth largest exporter of agricultural and agri-food products in the world.

There will be even greater opportunities in the future. Over the next decade, we will see an unprecedented expansion in middle class consumers around the world. The United Nations predicts world food production will have to increase by about 50% in order to meet global demand in 2050. Meanwhile, warmer temperatures in Canada are expected to boost the productivity of our agricultural sector and allow for the cultivation of new and more profitable crops. Consumer preferences are also shifting, leading to greater demand for higher value food processing and placing a premium on food safety, traceability and the link between food production and health—all part of Canada’s brand in international markets. And, the development of new technologies will spur greater opportunities for our agri-food producers to enhance productivity and commercialize new products and services.

In order to make Canada a global leader in high-value food production and exports, we need:

• A national vision and clear objectives for an agri-food cluster development strategy;
• A regulatory environment that maintains food quality and supports innovation and business growth;
• Policies and programs that support innovation and business development in our agri-food sector and enable our agri-food producers to expand exports in international markets; and,
• Trade infrastructure that allows Canadian agri-food businesses to get their products to market efficiently and safely while assuring high quality standards.
CANADA’S AGRICULTURE AND AGRI-FOOD SECTOR HAS A STRONG AND WELL-EARNED REPUTATION FOR EFFICIENT PRODUCTION, INNOVATION, FOOD QUALITY AND SAFETY THAT HAS PROPELLED CANADA TO BE THE FIFTH LARGEST EXPORTER OF AGRICULTURAL AND AGRI-FOOD PRODUCTS IN THE WORLD.”
People make the difference.

Whether a business is adjusting to new economic realities, maximizing the benefits of new technologies or taking advantage of new business opportunities, the competencies of employees, ultimately, determine their success. Agile workforce policies are vital in ensuring Canadian businesses can acquire the skill sets they need to compete and grow.

Gone are the days when workers could easily plug into repetitive, standardized jobs. Automation has already replaced much of this type of work and will continue to do so at an even more rapid pace in the future. Jobs today require essential skills, like literacy and numeracy, communication, problem-solving, teamwork and interpersonal skills. Above all, businesses need people who are committed, accountable and engaged in what they do.

Trades and technical skills, in both traditional trades as well as new and specialized technologies, are in high demand. So too are business leadership and management skills. Employees must also know how to apply their skills in a business environment, through practical experience and work-integrated learning where they can develop applied entrepreneurial and business skills.

And, there is need for improved labour market information systems that can provide current and detailed information at a local level on what skills and competencies are available and in demand.

In order to support business growth, Canada’s workforce strategies need to do a better job in:

- Meeting businesses’ needs at a local level;
- Providing easy access to comprehensive labour market information;
- Providing formative and life-long learning opportunities in essential skills and basic science, technical, engineering and business education;
- Providing more experiential and work-integrated learning opportunities;
- Encouraging greater diversity and inclusiveness in the workplace, including more job opportunities for women, Indigenous peoples, people with disabilities and recent immigrants;
- Attracting talent from around the world and enabling temporary entry for foreign workers required by Canadian business; and,
- Assuring greater labour mobility across Canada.
In 2018, the Canadian Chamber of Commerce will work with the federal government to shape its policies on streamlining temporary foreign work entry, expanding work-integrated learning and supporting colleges and universities to deliver in-demand, on-time training. We will also work closely with local chambers across Canada in support of their efforts to improve our education and training systems, deliver business training programs, measure available skills and support local businesses’ needs.

“AGILE WORKFORCE POLICIES ARE VITAL IN ENSURING CANADIAN BUSINESSES CAN ACQUIRE THE SKILL SETS THEY NEED TO COMPETE AND GROW.”
Trade is the linchpin of the Canadian economy.

Business growth depends on exports because our local regional economies are simply too small to support business scale-up of their own accord. In turn, Canadian businesses count on imports to furnish them with the goods, services and technologies that are locally unavailable. Our economic competitiveness and the growth potential of Canadian businesses are closely tied to the efficiency of our logistics systems, the speed by which Canadian companies can get their products to international customers and the reliability of their international supply chains. Canada’s large, complex geography necessitates robust, interconnecting systems of public and private infrastructure that can ensure the efficient movement of goods, people and information, both across the country and internationally.

Trade and traffic is increasing between Canada and Europe as businesses take advantage of Canada’s Comprehensive Economic and Trade Agreement with the European Union. Trade is also growing rapidly between Canada and China, Japan, South Korea and other Asian markets. Meanwhile, our logistics infrastructure at the Canada-U.S. border, and particularly in the Great Lakes region, needs to be expanded and modernized in order to ensure the smooth functioning of our most important trading relationship and the competitiveness of North American supply chains.
Federal and provincial governments have made significant improvements in Canada’s logistics infrastructure by making major investments in the Asia-Pacific Gateway and Corridor, the Ontario-Quebec Continental Gateway and Trade Corridor and the Atlantic Gateway and Trade Corridor. In the process, they have leveraged significant private sector investment in trade infrastructure projects. We can enhance the competitiveness and growth potential of Canadian businesses even further by building on the gateways and corridors model to make strategic, sustainable and long-term improvements in Canada’s trade infrastructure. All regions of the country would benefit from more efficient corridors running through or around our urban centres as well as transportation systems linking Canada to global markets.

In order to achieve these objectives, the federal government should:

• Allocate more of its $180-billion, 12-year infrastructure plan for investments to the modernization and improvement of Canada’s trade infrastructure;

• Maximize the value of its investments by adopting a merit-based project selection process;

• Implement a “one-network” approach to investment decisions that would consider all potential transportation and infrastructure investments in the context of national and regional supply chains; and,

• Evaluate and select projects based on their significance in integrated supply chains and their potential to grow Canada’s market share of global trade.

In 2018, the Canadian Chamber of Commerce will work with the government to prioritize measures that improve Canada’s trade infrastructure and adopt a more comprehensive approach to ensuring the efficiency of our trade corridors, including the consideration of transportation system policies and regulations, labour issues and interprovincial barriers to trade within Canada.
Out-of-date, inconsistent, poorly designed and unnecessary regulatory compliance requirements pose onerous costs on business, restrict choices for consumers and limit employment opportunities for workers.

Inefficient regulations also impede our ability to achieve the social, environmental, economic and security objectives that are important for Canadians.

Regulatory misalignment, between the provinces and territories and between the provincial, territorial and federal governments, permeates nearly all aspects of how business is conducted in Canada. Differing, duplicative and overlapping regulations, the inconsistent application of rules and varying reporting and compliance processes mean many business people spend an inordinate amount of time navigating and managing the complexity of regulations instead of focusing on business growth. The elimination of trade barriers and unnecessary regulatory differences across Canada could add as much as $130 billion to Canada’s GDP by freeing trade and commerce within our own internal market.

In 2017, Canada’s federal, provincial and territorial governments signed a new Canada Free Trade Agreement (CFTA), with the objective of further reducing barriers to internal trade. The agreement includes a new Regulatory Reconciliation and Cooperation Table (RRCT) for provinces and territories to work together to align their regulations. The new agreement presents an historic opportunity for Canadian business and for our governments to finally create a single Canadian market. But, progress will depend on the adoption of best practices in regulatory management by governments across Canada. Regulatory alignment requires governments across the country to adopt more standardized, efficient and effective approaches to consultation, the design, development and assessment of regulations and their compliance requirements, risk assessment and enforcement procedures.
In 2018, the Canadian Chamber of Commerce will work with federal, provincial and territorial governments to identify the regulatory differences that impede domestic commerce and develop constructive solutions to managing regulations affecting interprovincial trade, including:

- The development of standards and guidelines for improving regulatory management and alignment across all levels of government;
- The development of nationally aligned standards;
- Processes for mutual recognition for standards and regulations; and,
- Incentives for regulators to improve management processes and take the economic and business impacts of their decisions into account.

We will focus on two problematic areas—transportation and the environment—where greater regulatory alignment would have significant positive impacts on interprovincial trade and investment and the growth potential of Canadian business. We will take a leading role in defining best-in-class regulatory management practices within Canada and in other jurisdictions. And, we will recognize and celebrate progress in improving regulatory management.

"THE ELIMINATION OF TRADE BARRIERS AND UNNECESSARY REGULATORY DIFFERENCES ACROSS CANADA COULD ADD AS MUCH AS $130 BILLION TO CANADA’S GDP BY FREEING TRADE AND COMMERCE WITHIN OUR OWN INTERNAL MARKET."

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Canada’s economic prospects depend in large part on the vitality and growth potential of small and medium-sized enterprises.

SMEs account for 99.7% of all businesses and 71% of all private sector jobs in Canada. But, they contribute only 25% of our goods and services exports and less than a third of Canada’s GDP. The Canadian economy would benefit enormously if we could do a better job in sustaining and scaling up small businesses into larger, globally competitive enterprises.

Canada has an enviable record when it comes to entrepreneurship and business start-ups. It is easier to create a business here than in most other places in the world. But, our small companies struggle to grow. Canada has few truly global enterprises. Our record in scaling up start-ups into sustainable businesses and in growing our small- and medium-sized businesses into larger global players has to be improved.

**ALL BUSINESSES**

SMEs account for 99.7% of all businesses.

- **99%**

**ALL PRIVATE SECTORS**

SMEs account for 71% of all private sectors.

- **71%**

**GOODS AND SERVICES**

SMEs contribute 25% to all goods and services.

- **25%**

**GROSS DOMESTIC PRODUCT**

SMEs export less than a third of Canada’s GDP.

- **33%**
In order to encourage small business growth, we need:

- Tax policies that reward entrepreneurship, business investment and growth;
- Regulatory policies that take impacts on small business into account and enable easy and low-cost compliance;
- Government procurement policies that provide innovative Canadian companies that vital first customer, and;
- Programs that connect SMEs to domestic and international business opportunities and help build business capacity for growth, that are designed to address the practical needs of business and that afford easy, low-cost access for companies of all sizes.

In 2018, the Canadian Chamber of Commerce will work with:

- Finance Canada to improve the tax treatment of small businesses to accelerate scale-up and growth;
- The departments of Innovation, Science, and Economic Development and Public Services and Procurement to develop their small business procurement, innovation and business development programs;
- Export Development Canada, Global Affairs Canada and the Canadian Commercial Corporation to enhance their services and develop more SME exporters; and,
- Business Development Canada to make more capital available for small business growth.

We will draw on the recommendations of our small- and medium-sized members to advise government departments on what works, what doesn’t work and what they can do better to encourage SME growth. And, we will support the initiatives of our chamber network aimed at connecting SMEs with new business opportunities and enhancing their capacity to grow.
Indigenous peoples are looking to determine their futures themselves, including full participation in the benefits of economic growth.

Entrepreneurship plays a key role in the economic, social, and institutional development of Indigenous communities. So too does their ability to benefit from environmentally sustainable industry, infrastructure and resource development projects on and near their lands.

The economic and social benefits of encouraging greater and more inclusive participation by Indigenous peoples in employment and business development opportunities are shared by all Canadians.

Canada’s future will be shaped by the more active economic participation of Indigenous peoples. We need to afford ample opportunities to entrepreneurs who are ready to do business to create wealth for their communities and families. Our challenge is to move from good intentions to initiatives that make a real difference in their economic prospects. New approaches need to be developed, and new tools must be made available to do so.

Like all companies, Indigenous businesses require:

- A supportive tax and regulatory environment;
- Access to new business opportunities;
- Government programs that provide meaningful supports (including access to capital); and,
- Ready-access to education and training, leading to employment, apprenticeship and mentorship programs.

In 2018, the Canadian Chamber of Commerce will work to strengthen relationships between Indigenous and non-Indigenous businesses. We will also work with the federal government to offer more tools to Indigenous peoples in support of institutional, economic and social self-determination, including:

- Opportunities for First Nations who choose to move out from aspects of the Indian Act;
- Business development assistance, along with coaching to improve business practices;
- Access to reliable, affordable sources of business capital; and
- Business education, skills training and mentorships.
THE ECONOMIC AND SOCIAL BENEFITS OF ENCOURAGING GREATER AND MORE INCLUSIVE PARTICIPATION BY INDIGENOUS PEOPLES IN EMPLOYMENT AND BUSINESS DEVELOPMENT OPPORTUNITIES ARE SHARED BY ALL CANADIANS."
Canada can retain its status as an advanced economy only if its businesses are world leaders in the development and application of new and advanced technologies.

We are competing in a world of fast-paced technological change where governments around the world are actively promoting, supporting and investing in innovation on the part of their domestic business sectors. Canada can claim the advantages of a strong research base, an extensive innovation network of universities, colleges, research centres and private sector technology providers, a highly qualified workforce and dynamic start-up ecosystems. But, Canadian businesses lag behind in the adoption of new technologies. Our technology start-ups struggle to acquire the customers, capital and talent they need to scale up into globally competitive enterprises. In short, we need to do a better job in converting the world’s best R&D and technology resources—much of it Canadian—into higher value goods and services and business growth in Canada.

We need to make Canada a country of global innovators and Canadian business the benchmark of the world in translating new technologies into business growth and economic prosperity. To ensure our success, we need governments to help:

- Connect Canadian businesses to the broadband infrastructure, research expertise and technology resources they require, both in Canada and around the world;
- Encourage greater collaboration among businesses and public sector R&D resources;
- De-risk the development, adoption, commercialization and production of new technologies by businesses in Canada;
- Facilitate access to customers, capital and talent within Canada and around the world;
- Ensure robust intellectual property and regulatory regimes that encourage Canadian businesses to innovate and grow; and,
- Stimulate demand as a customer of Canadian innovation.
WE NEED TO MAKE CANADA A COUNTRY OF GLOBAL INNOVATORS AND CANADIAN BUSINESS THE BENCHMARK OF THE WORLD IN TRANSLATING NEW TECHNOLOGIES INTO BUSINESS GROWTH AND ECONOMIC PROSPERITY.”

In 2018, the Canadian Chamber of Commerce will work with the federal government to:

• Engage businesses in, and enhance the economic benefits of, its supercluster initiatives;
• Review government programs in support of innovation to ensure they meet the practical needs of business;
• Help businesses to attract and develop the talent they need to be global innovators;
• Shape Canada’s policies on intellectual property, privacy and cybersecurity; and,
• Facilitate access for companies to public and private sector R&D, technology and business development resources and expertise across Canada.
THE APPLICATION OF NEW TECHNOLOGIES AND PRODUCTION PROCESSES IS VITAL IF CANADA IS TO MEET ITS GOALS FOR REDUCING CARBON EMISSIONS AND IMPROVING THE QUALITY OF ITS ENVIRONMENT WHILE SUSTAINING ECONOMIC GROWTH.”
Canada is a resource-rich economy.

We are a knowledge-rich economy and we are an advanced manufacturing economy. Think of the economic power that could be generated by combining our capabilities more effectively to extract and process our resources with minimal environmental impact and to develop and produce cleaner and greener technologies for the world, based on successful applications in our own resource, manufacturing and processing sectors.

The application of new technologies and production processes is vital if Canada is to meet its goals for reducing carbon emissions and improving the quality of its environment while sustaining economic growth. It is not only the development of new technologies but their actual adoption by Canadian industry that counts, and that depends on business investment decisions. Will new technologies lead to productivity gains that guarantee a competitive rate of return in Canada? Are there other, more profitable opportunities to invest elsewhere? The future of our resource sector and of supporting technology businesses across Canada depend on those investments being made in Canada.

Canada’s resource extraction and processing industries are global leaders when it comes to applying technologies to reduce environmental impacts. They are some of the world’s cleanest and greenest producers of energy and natural resources. And, they are major customers for technologies developed and produced in Canada. We need to support further progress by:

- Ensuring clarity and certainty with respect to environmental regulations and timely, efficient and inclusive regulatory review and approval processes;
- Minimizing regulatory compliance costs and rewarding companies that do invest in improving environmental performance;
- Assuring international market access for our resources and processed goods;
- Connecting resource extraction and processing companies to technologies from Canada and around the world;
- Supporting the development of resource-based technology business clusters; and,
- Providing the incentives and support programs Canadian technology companies need to be able to do business with global resource companies and engineering and procurement firms.

In 2018, the Canadian Chamber of Commerce will play a leading role in advising the federal government on the implementation of its carbon pricing and other environmental policies in order to minimize costs for Canadian industry, assure greater certainty with respect to regulations and encourage investments in the new technologies required to achieve the government’s environmental policy goals. We will also work to facilitate connections between technology companies and the engineering, procurement, resource and processing companies that could potentially adopt their technologies, integrate them into their supply chains and take them to international markets.