



**Parliamentary Standing Committee on Industry, Science and Technology  
Study on Canada's Manufacturing Sector  
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Good afternoon. We are pleased to be here on behalf of Canada's 60,000 Canadian manufacturers and exporters and our association's 2,000 direct members to discuss Canada's manufacturing sector and its future.

Canadian Manufacturers & Exporters is Canada's largest industry and trade association with offices in every province, and is the chair of the Canadian Manufacturing Coalition, which represents 55 sectoral manufacturing associations – many of whom are appearing before the committee for this study. More than 85% of our members are small and medium-sized enterprises representing every industrial sector, every export sector, and all regions of the country.

Before we outline our vision and priorities for action to support the growth of Canada's manufacturing sector, we would like to acknowledge and thank the Committee on this critically important study, and in particular Brian Masse who was worked consistently with CME to make this study happen.

Despite the negative press, manufacturing remains the single largest business sector in Canada. Canadian manufacturing sales surpassed \$600 billion in 2015 directly accounting for 11% of Canada's total economic output. Manufacturers employ over 1.7 million Canadians in highly productive, value added, high paying jobs. Their contribution is critical for the wealth generation that sustains the standard of living of each and every Canadian.

At the same time, manufacturing in Canada and around the world is going through tremendous changes including major shifts in economic and market conditions, an

acceleration in the creation and adoption of new technologies, and constant political and policy priorities. In addition to these shifts, manufacturing has become increasingly globalized and customers are becoming much more globalized that is seeing manufacturing as increasingly changing from being about producing goods into developing and providing a customer services.

CME believes that these changes in manufacturing provide a major advantage and opportunity for Canada to accelerate growth in manufacturing – especially with our strong capabilities in both technology and manufacturing. In fact, we are so positive about the future of manufacturing in Canada that we recently launched, with the support of the Minister of Innovation, Science and Economic Development, a private sector led study on the future of manufacturing in Canada called Industrie 2030.

Our objective through Industrie 2030 is to develop a national strategy on the future of manufacturing in Canada along with an actionable roadmap that would double manufacturing activity in Canada by 2030. We are also working with officials from ISED to align our consultations to the consultations on the national innovation strategy. We have also provided the Committee a framework discussion document on 2030 for your review and consideration as part of your study.

Over the past several weeks we have begun our consultations on Industrie 2030 towards the creation of the action plan with manufacturing executives from across Canada. However, unlike most consultations with industry, we are not asking for a laundry list of complaints with government programs and policies for us to come and tackle in Ottawa; rather we are focused understanding from them what it will take to help them grow. In particular we are focused on four core pillars of growth – investing in plant capacity, developing and commercializing new products, adoption of new technologies, and finding new customers.

The feedback we have received to date, while sometime very specific in terms of government action and support, can be largely categorized around the following four key principles:

Thank you for your time this morning, I look forward to the discussion.