



DRIVING INVESTMENT, INNOVATION, AND GROWTH

To build a more competitive, greener, innovative, and inclusive economy, the federal government must partner with manufacturers to implement a Canadian Net Zero Industrial Strategy.

ACHIEVING INDUSTRIAL NET ZERO

CME estimates that between 2022 and 2050, Canadian manufacturers will need to invest \$180 billion (\$6 billion annually) in emissions reductions technologies alone.

Today, the industry's capital expenditures on these technologies are less than \$1 billion annually – thus requiring at least a 6-fold increase in investment in these technologies, while still trying to invest in other capital expansion programs.

CANADIAN
MANUFACTURERS
& EXPORTERS

A Canadian Net Zero Industrial Strategy

SUPPORTING CARBON EMISSIONS REDUCTION AND INVESTMENT AND COMMERCIALIZATION OF CLEAN TECHNOLOGIES

- Introduce a broad-based, direct, investment tax credit to encourage investment in new technologies by all sizes of manufacturers and all emissions profiles.
- Increase the Net Zero Accelerator Fund for large emission reduction projects to at least \$5 billion per year until 2030.
- Create a corporate climate reinvestment fund based on the amount of carbon taxes paid by an individual company.
- Proceed with the proposal to introduce an investment tax credit for CCUS this year, thus leveling the playing field vis-à-vis the US.
- Broaden the scope of the proposed Tax Reduction for Zero-Emission Technology Manufacturing to include low emission technologies and other zero-emissions technologies.
- Proceed with the proposal to introduce a tax credit for investments in clean technology, aligned with industry feedback.
- Modernize government procurement to include local economic, societal, and environmental benefits.

SUPPORTING THE DEVELOPMENT OF AN SME NET ZERO STRATEGY

- Introduce a net zero educational awareness campaign.
- Support SME net zero operational assessments and the development of strategic business plans.
- Connect SMEs to existing government supports.
- Introduce a \$100 million annual direct investment support program.
- Support the creation of a standardized SME net zero certification system.

IMPROVE CANADA'S BUSINESS ENVIRONMENT AND ECONOMIC COMPETITIVENESS

- Ensure that regulations take into account non-partisan economic impact analyses with regulatory changes only being made following full consultation with industry.
- Ensure that regulations are outcomes-based so that they specify the desired result, rather than prescribing processes and actions.
- Ensure that federal and provincial government climate policies and regulations are aligned and harmonized.
- Maintain a stable supply of cost-effective energy, including low-carbon energy sources, until carbon-free energy sources are reliably available and cost competitive.
- Significantly expand the availability of clean energy supply.
- Support the development, use, and commercialization of alternative clean energy technologies.
- Support industrial transportation fleet modernization and the shift to renewable fuels.
- Implement an effective border carbon adjustment (BCA) mechanism that is globally competitive, aligned with the United States, and WTO-compliant.

HELPING MANUFACTURERS GROW. FOR MORE INFORMATION:

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