



MANUFACTURING MATTERS

Manufacturing is the engine of the Canadian economy. The sector directly accounts for:

- 10% of the GDP
- 2/3 of exports
- 1.7 million jobs

Every dollar of economic activity in manufacturing creates an additional \$2.67 in economic activity through its deep and broad supply chain of service, technology, and natural resources companies.

This means, in every community across Canada, manufacturers directly and indirectly account for nearly:

- Almost 30 per cent of all economic activity
- 30 per cent of government revenue
- 5.15 million jobs

However, the industry has struggled in recent years:

- Investment fell by 10 per cent since 2005
- Manufacturing GDP is 6 per cent lower than in 2005
- There are over 50,000 unfulfilled jobs

CANADIAN
MANUFACTURERS
& EXPORTERS

2020 Pre-Budget Recommendations

CME is calling on the government to include specific measures in the 2020 budget as part of a comprehensive plan for economic growth.

REDUCE THE COSTS OF DOING BUSINESS & INCREASE COMPETITIVENESS

1. Conduct comprehensive tax reform to reduce the tax burden and ensure Canada's tax system is focused on investment, exports, and productivity including reducing the combined provincial and federal corporate tax rate to 20%.
2. Commit to work with provinces and territories to develop a comprehensive internal trade agreement that eliminates all internal barriers to the movement of goods and people and reduce the duplicative regulatory burden.

ENCOURAGE BUSINESS SCALE-UP & INVESTMENT

3. Encourage the development and upgrading of natural resources through improved, clear, and simple regulatory processes.
4. Use government procurement to encourage research and development, commercialization, and business scale-up.
5. Improve export support programs by increasing funding, broadening accessibility, and streamlining processes, through a single entity.
6. Support exporters of value-added goods in diversifying export markets.
7. Continue the review and modernization of the Scientific Research and Experimental Development (SR&ED) program, so it does a better job of fostering innovation among Canadian manufacturers.

SOLVE LABOUR SHORTAGES

8. Encourage youth engagement in skilled trades through open-door awareness programs and funding for work-integrated learning.
9. Reform immigration to increase both entry-level and highly-skilled workers coming to Canada.
10. Review the Temporary Foreign Worker Program to simplify labour market assessments, eliminate the 10% program participants or worker cap per factory, and increase visa duration from 1 to 3 years.

HELPING MANUFACTURERS GROW

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