

PARLIAMENTARY STANDING COMMITTEE ON HEALTH

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Good morning. Thank you for inviting me here today during these unique times. It is my pleasure to be here on behalf of Canada's 90,000 manufacturers and exporters, and our association's 2,500 direct members to discuss COVID-19 and Canada's manufacturing sector.

CME's membership covers all sizes of companies, from all regions of the country, and all industrial sectors. From the early days of this crisis we have been working with our members and governments to increase the supply of critical PPE and health care technologies needed in the response. We also have been educating and informing the manufacturing sector on the latest developments in the crisis, including on how to access government supports and how to protect their employees and their supply chains. And we have been working to understand the impact on our sector and advocating for policy, regulatory, and program supports for our sector from all levels of government.

In the public there tends to be two areas of discussion as it pertains to manufacturing and COVID-19: How come Canada does not manufacture more of our own health care products. And second, how can manufacturing continue to operate safely during the pandemic. I will touch on both issues and hope to provide some advice to the committee as you look to form Canada's response.

With support given by CME, other groups, and of course governments across the country, the manufacturing sector has performed exceedingly well. The sector has largely maintained production and employment of the nearly 1.7 million Canadians who work in manufacturing. Hundreds of companies changed their production to making health products, including critical PPE such as masks and ventilators to face shields and gowns. Others are aggressively working on developing better tests and a vaccine for COVID-19.

This does not mean things have gone as smoothly as hoped for the sector. The challenge in standing up domestic industry to produce goods for this crisis has largely been a lack of understanding of what products were needed and in what quantity, the technical specifications of the products, who could produce each part necessary, and the regulatory approval processes needed before delivery. However, product by product and issue by issue we worked with a range of companies and government officials to help patch together the solutions needed to deliver the products.

There are three areas that CME suggests we focus on to improve response times for any possible future crisis.

First, conduct a complete mapping of Canada's domestic manufacturing capabilities. The challenge in standing up the domestic supply chain wasn't who could manufacture the final product, it was understanding what the sub-components were and who could make each piece. If we know what is made here, we have a better chance of connecting the various elements of the supply chain to make the goods that are needed.

Second, there should be full alignment on production and supply of health care equipment between Canada and the United States in a similar way to how we cooperate on defense production. This would reinforce and strengthen existing North American supply chains and provide continual access to this critical equipment.

Third, Canada should strengthen domestic procurement in two ways. First more coordination is needed on what equipment is needed and by who. And second, Canada should establish the health equivalent of the US's Defence Advanced Research Projects Agency (DARPA). In short, Canada would set-aside a small percentage from the country's nearly \$200 billion health care spending for research, development, scale-up, and commercialization of new health innovations that could be procured by government and possibly spun into consumer-focused products. This would allow us to create new products and technologies to improve health care to Canadians and develop new export opportunities around the world.

The second area that is getting a lot of attention from policy makers and the public is around safe manufacturing during and following the pandemic. Manufacturers have for the most part continued to operate throughout this crisis. The sector was deemed an essential service by the federal and most provincial governments, and production has continued, although with enhanced safety practices and at much lower volumes. Social distancing in most manufacturing environments is common practice with workers operating in their stations safely at a distance from others. In the rare occasion where any issues have been found, the facility is immediately shut down, all workers are sent home, and the entire facility has been cleaned to provide a safe work environment. The challenge, like the health care system, is that



manufacturers rely on the same N95 masks and other protective equipment, which has been difficult to procure in some cases to protect their workers.

CME itself has been working with our members to provide them the best guidance possible to protect their operations and workers. We have developed industry leading safe operating guidelines and we are continually training companies and providing support to maintain their operations.

However, as the economy returns to normal and companies look to ramp up production there will be tremendous new costs for industry that the government should look at supporting. This could include investment support programs to bring plants up to new health and safety standards and training off-sets to cover the training of all employees in the new protocols.

Thank you again for inviting me to participate. I look forward to the discussion.