CANADIAN MANUFACTURERS & EXPORTERS

Electoral Platform

Canadian Manufacturers & Exporters: Manufacturing Now

August 2021

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About CME

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Since 1871, we have made a difference for Canada's manufacturing and exporting communities. Fighting for their future. Saving them money. Helping them grow.

From the first industrial boom in Canada, Canadian Manufacturers & Exporters (CME) has been advocating for and representing member interests. Nearly 150 years strong, we have earned an extensive and effective track record of working for and with 2,500 leading companies nationwide. More than 85 per cent of CME's members are small and medium-sized enterprises. As Canada's leading business network, CME, through various initiatives including the establishment of the Canadian Manufacturing Coalition, touches more than 100,000 companies from coast to coast, engaged in manufacturing, global business, and service-related industries.

CME's membership network accounts for an estimated 82 per cent of total manufacturing production and 90 per cent of Canada's exports.

CEO's Message

This election is turning out to be one of the most significant of our lifetime. Faced with the biggest global health crisis in over one hundred years, our economy, our government, and indeed our entire society has been put to the ultimate test. It is at this pivotal moment in history that Canadians are being asked to elect their government. The stakes are high.

Over this past year, Canadian manufacturing has stood out as an indispensable industry. Manufacturers, through their actions, reminded us how the sector not only creates the goods we need, but that our domestic industrial capacity is essential to fighting national crises. In fact, it has always been so. Throughout Canada's history, manufacturing has driven our growth and prosperity and helped overcome our biggest challenges.

That is why we at Canadian Manufacturers & Exporters think this election is the right time to cement manufacturing as a central pillar of our economy. We believe, wholeheartedly, that all parties should commit to implementing a new manufacturing strategy for Canada. A strategy that promotes investments in our industrial future and enables manufacturing to grow and thrive for years to come. This election platform is our blueprint to get there. It is our time. Manufacturing Now.

Introduction

Introduction

Manufacturing is critical to Canada's economy. Manufacturers are responsible for the production of essential goods we use everyday, and they also shape the economic and social fabric of the communities in which they operate. The sector represents more than 91,000 companies, employs over 1.7 million Canadians, generates $690 billion in sales, and accounts for 10.2% of the country's total GDP. But the sector is falling behind – dropping investment, output, and jobs. This is why we need to act now for manufacturing.

Our sector was deeply wounded by COVID-19. But this is not the only reason why we are having trouble bouncing back. In recent years, Canadian manufacturing output and exports have grown at a much slower pace than in other developed countries. This is largely due to a steady decline in manufacturing investment that began in the early 2000s and the lack of a comprehensive industrial strategy at the federal level. Many manufacturers also report that due to a number of factors, including red tape, the cost of doing business in Canada has increased dramatically.

This erosion of our industrial competitiveness has had a direct impact on the ability of our manufacturing companies to respond to the crisis - or potential crisis - and to recover from it. In March 2020, overnight, factories across Canada reinvented themselves to produce respirators, masks, surgical gowns, and more. From making goods essential to Canada's response, to stabilizing the economy by keeping millions of Canadians employed, manufacturing played a major role in supporting Canada over the past year and half. As we now emerge from the pandemic and we look to chart our path forward for decades to come, we must ask ourselves what type of country and economy we want to build.

This pandemic clearly demonstrated the importance of investing in our manufacturing capabilities now. CME's goal in the upcoming federal election is to have all parties adopt a pro-jobs and pro-growth manufacturing strategy as part of their election platforms that will drive a manufacturing renaissance in Canada.

Reigniting Canada's manufacturing sector—a critical engine of the economy—is essential if Canada is to build a more competitive, greener, innovative, inclusive, and resilient economy. If there is over $2.5 trillion invested in the manufacturing sector annually in the OECD, then Canada must capture more of this share of global investment dollars. Canada's goal should be to attract at least 2% of the annual manufacturing investment into the OECD, or $50 billion annually in Canada's manufacturing sector over the next decade.

As all business leaders know, we cannot meet our goals without a plan and without concrete objectives and targets. That plan must focus on overcoming barriers to investment and working in partnership with government to drive change. As such, CME is calling on all federal parties to commit to a 2% challenge, work with manufacturers to implement an effective and comprehensive industrial strategy for Canada that focuses on the following key priorities:

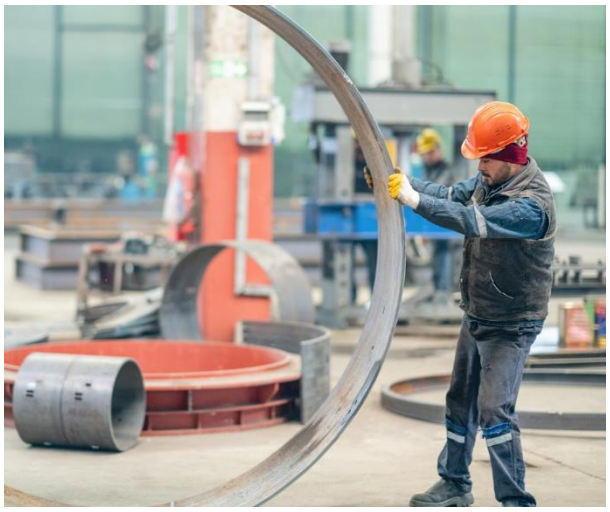
1. **Get the workers we need;**
2. **Stimulate investment in innovation and advanced technologies;**
3. **Increase Canadian exports; and**
4. **Adopt a net-zero strategy.**

With potential for reshoring manufacturing amid ongoing global shifts in supply chains and with increased pressure for environmental performance and social progress, Canadian manufacturing is ready for its next challenge and ready to lead again. However, we need a partner in the federal government.

1. Get the Workers We Need

1. Get the Workers We Need

Context



Labour and skills shortages are a chronic issue for Canada's manufacturers, and the aging population is only exacerbating the problem. While more than 60% of manufacturers report difficulty filing positions within their companies, Quebec, British Columbia and Ontario are particularly affected, followed closely by Atlantic Canada and the Prairies.

Access to workers with the right skills and in the right place remains the top problem cited by industry leaders, even during the pandemic. A manufacturing strategy can tackle this problem in several positive ways.

CME has identified 9 asks that are at the foundation of an industrial strategy.

Asks

Increase Economic Immigrants

No matter how successful the efforts are to maximize the participation of Canadians in employment, Canada will continue to require immigration to fill gaps because domestic population growth is stagnating. In short, foreign workers are needed to replace the existing workforce as it retires. Given that most immigrants are younger on average, they help mitigate Canada's demographic challenges.

By prioritizing economic class immigration, Canada will be better positioned to integrate this larger volume of immigrants into the workforce. Research shows that economic class immigrants have higher success rates at integrating and landing a job. This increase in immigration would help lessen the country's labour shortages and provide a larger pool of workers for employers to pick from.

We fully agree with and support the approach of how we link the skills of immigrants to the needs of some businesses. However, we must re-examine the points system and how we classify "high-skill" and "low-skill" jobs.

The current system prefers candidates who rank in the "high-skill" category. However, the needs of manufacturers are both for general labour and skilled production workers. We need to address this and make sure we have the workers that manufacturers need.

1. ***Increase immigration targets by 500,000 economic class immigrants/year by 2030 and change the definition of "skills" to include a wider array of skills needed by employers.***

Make Better Use of Current Programs

The Temporary Foreign Worker Program (TFW) is not meeting the demands that employers have for short-term immigrant labour and is struggling to keep up with the demand of the current labour shortage. In Canada, the manufacturing sector is now the second largest user of this program, after the agricultural sector.

The main issue is the 10% limit on the number of temporary foreign workers that can be in a single plant. Manufacturers need more, because they quickly exhaust this quota. Quebec recently reached an agreement with the federal government to allow employers to hire up to 20% of temporary foreign workers. This should be expanded to all provinces to make it easier for these workers to immigrate to Canada afterwards.

Several administrative obligations and delays add to the process: Manufacturers dedicate significant resources to recruiting and training workers, and invest thousands of dollars to on-board just one foreign worker. These costs include employee screening, recruitment, travel, settlement, training, and complying with the requirements of the program. This red tape is found in immigration programs, but also throughout all government programs. There is a significant need to ensure that manufacturers can get on with their day-to-day business without being bogged down by government forms and approvals.

The federal government should also explore ways to expedite entry for temporary foreign workers coming into Canada on short-term work assignments, including a trusted employer program that pre-approves qualifying companies to bring temporary workers into the country.

Similarly, our colleges and universities are excellent at attracting international students, but these students are not then recruited and trained to fill the local workforce of companies, and their work experience during their studies does not count towards establishing their residency status. CME believes that this situation needs to be reviewed to keep their talent in the country.

2. ***Increase threshold of the Temporary Foreign Worker Program to 20% for low wage stream of workers.***
3. ***Simplify and shorten the pathways to residency for foreign students and temporary foreign workers, in part by allowing students to claim work experience while in school as Canadian work experience.***

Invest in Worker Training

Certain skills cannot be learned in the classroom, and, in many cases, there is no substitute for on-the-job training. The challenge is ensuring that workers not only improve their general skills, but also expand those skills to adapt to new technologies, equipment, and processes.

There are several other obstacles that prevent workplace training from taking place. First, among these, is dissatisfaction with the scope and effectiveness of training programs currently available offered by governments. Another major issue for manufacturers is concern about the return on investment for workforce training. Government support for workforce training has also been sporadic and inconsistent.

Over the years, federal and provincial governments have introduced many pilot projects or temporary programs to assist businesses in this area. However, these programs are seldom sustained beyond a few years, or they focus on training within a specific industrial sector. This habit needs to be broken.

While CME lobbied for the creation of the Canada Job Grant, these types of assistance have limits, especially because applying for a grant requires knowledge of the program in addition to time and resources to dedicate to the administration of them. That said, they are very useful tools, but should be supplemented by more direct skills funding mechanisms. Governments should incentivize companies to invest directly into their training by utilizing the current tax code. A general training tax credit could be given to any company that invests in training - whether it occurs inside the company or is done by third parties.

4. ***Increase the size of the Canada Jobs Grant to $1 billion annually, make it permanent, and expand it to include on the job training.***
5. ***Implement a tax credit for training.***

Recruit More Diverse Workforces

Much has been written in the past by CME and other groups about the challenges of attracting youth into careers in the sector and skilled trades more generally.

Manufacturers stand to gain by recruiting more diverse workforces. Investing in integration, setting up inclusive workplaces, and offering specific training are critical steps to attract more workers from these groups. In 2017, CME launched Women in Manufacturing (WIM), an initiative aimed at increasing the number of women in the industry. While this is a good start, more funding to coordinate activities and further support the promotion of WIM would help achieve much more.

Young Canadians' involvement in the workplace, especially women, may also be diminished by the fact that many have children and do not have access to lower cost childcare, which would allow them to work. Therefore, CME wishes for the government to implement flexible childcare programs.

In addition, a concerted effort should also be placed on recruiting and then upskilling Indigenous peoples. This group is affected by cultural biases that prevent more active participation in the manufacturing workforce. As much as more outreach to Indigenous people needs to be done, support systems are needed as well to enhance their participation in the manufacturing workforce.

6. ***Expand funding that supports inclusion programs for under-represented groups – especially women and Indigenous Canadians – through programs that encourage persons from these communities to enter the sector.***
7. ***Expand funding to increase awareness campaigns about careers in the sector, such as Open-Doors for youth.***
8. ***Support young Canadians involvement in the workplace by implementing flexible childcare programs.***

2. Stimulate Investment in Innovation and Advanced Technologies

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Context

Industry 4.0 is transforming the world of manufacturing. The convergence of digital, biological and physical innovations are lowering operating costs, increasing flexibility and responsiveness, reducing waste, and improving product quality. These technologies are opening new doors for innovative, risk-taking companies and threatening to leave slow adopters behind.

Unfortunately, Canada lags behind other industrialized countries when it comes to digitization and the adoption of advanced manufacturing technologies. Our record on capital investment over the last five years is one of the worst in the entire OECD. Instead of increasing spending on machinery, equipment and intellectual property products in Canadian manufacturing, investment was about 7 per cent lower in 2019 than it was in 2005.

Canada's poor investment record is directly affecting the competitiveness of our manufacturing sector. Capital investment allows businesses to make more with less through more efficient use of inputs, fewer hours of labour, and by generating less waste. But, because our manufacturers underinvest in new technologies, they innovate less and they fail to realize these gains. As a result, since 2000, Canada's labour productivity growth has trailed most other OECD countries, including growing at about half the pace of the US.

Therefore, CME identified 6 asks that are at the core of the solution to Canada's lagging record on digitization and technology adoption in manufacturing, and which are the foundation of an industrial plan.

Asks

Reform the Tax System to Encourage Greater Business Investment

If the benefits of digitization and new technologies are so evident – and the need so critical to long-term business success – then why aren't more Canadian manufacturers investing in them? One factor holding back investment in Canada is our relatively high cost of doing business, driven by issues such as an overly complex and uncompetitive tax system, high electricity costs in some provinces, and burdensome regulations. Lowering the cost of doing business by implementing a direct investment tax credit would be a meaningful step in making Canada a more competitive place to invest.

At the same time, Canadian businesses are lagging behind their peers on research and development (R&D) spending, and this is also putting our country at a competitive disadvantage. Canada's business expenditures on R&D (BERD) as a share of GDP are well below the OECD average and have continued to fall since peaking in 2001. In fact, even if BERD in Canada doubled overnight, we would still be below the OECD average. The Scientific Research and Experimental Development Tax Credit Program (SR&ED) is the main mechanism through which the federal government supports business R&D. Each year, the SR&ED program provides over $4 billion in investment tax credits (ITCs) to over 18,000 claimants. Despite its widespread take-up, the business community has often expressed frustration with the program, both in how it is designed and the way in which it is administered. Canada's lagging BERD performance is a clear sign that the SR&ED program needs to be reformed, broadened, simplified, and modernized.

Furthermore, labor shortages have a direct impact on investment decisions. A study conducted by BDC clearly demonstrated that shortages of skilled labor was one of the three main obstacles for companies not intergrating new technologies and commercialization, rather than just scientific research.

9. ***Return SR&ED investment tax credit basic rate to 20 % and include a refundable component for all claimants.***
10. ***Implement a direct investment tax credit of 10% for all new capital equipment purchases for all sizes of compagnies in all regions.***
11. ***Expand and make the Accelerated Cost of Capital Allowance (ACCA) permanent to allow companies to write-down new capital depreciations.***

Maximize the Impact of Current Industrial Supports and Allocate More Help to SMEs

In recent years, major programs have been put in place, such as the Strategic Innovation Fund (SIF), to encourage companies to invest in major projects and to upgrade their facilities. These programs target large companies and large projects, and typically yield favourable outcomes. Unfortunately, while large companies can access these programs, SMEs cannot due to the complex application process and high investment thresholds. In addition, these programs not only require skilled personel and expertise in order to apply, they usually involve lengthy processing times. The administration of the programs and lack of predictability discourages or disqualifies many manufacturers from ever applying. The limited funding pool and lack of permancy of the SIF also means that very few companies can take advantage. Enhancing

the funding available through current programs will enhance the reach of them. But it is also important to support programs that target smaller upgrades and SMEs.

It should also be noted that Canada could do much better in terms of commercialization of innovations. A specific measure aimed at commercializing our Canadian innovations more quickly could certainly improve our performance.

12. ***Expand and make the Strategic Innovation Fund (SIF) permanent, and commit at least $2.5 billion in annual funding to support large capital projects in manufacturing.***
13. ***Relaunch investment support grant programs for smaller firms, modelled after the successful CME SMART programs that operated after the previous recession.***
14. ***Introduce a patent box savings program that provides a lower tax rate on new products during the commercialization stage.***

3.Increase Canadian Exports

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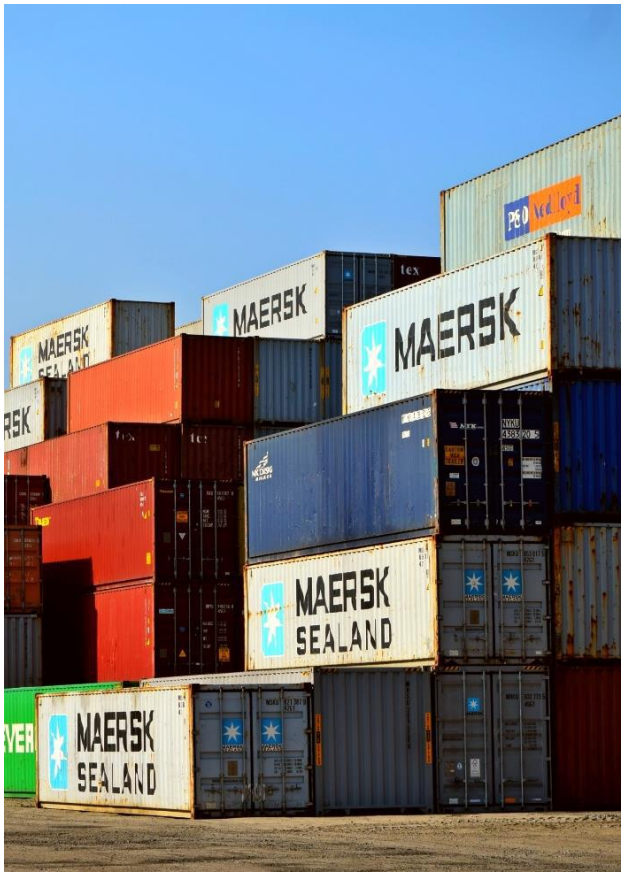
Context



Canada is a trading nation. This is evidenced by the fact that exports account for over 30 per cent of the country's GDP. The manufacturing sector is a key reason why Canada has earned this reputation: it is responsible for roughly two-thirds of the country's outbound goods. However, Canada's export performance in recent years leaves much to be desired. Over the past 20 years, Canada has posted the slowest growth in exports of manufactured goods among the G7 countries. Clearly, more needs to be done to help Canadian companies, especially SMEs, go global.

This lackluster export performance is occurring despite the fact that successive federal governments have signed numerous free trade agreements. Canada now enjoys the most free trade access than any other country in the G7, yet we reap little benefits from this. Why?

Simply put, Canadian manufacturing exporters are too small and cannot compete with their global peers. Canada should try to capitalize on all our opportunities in trade by refocusing attention on boosting export growth by supporting the production of value-added goods, by strengthening regional supply chains and by scaling companies for global success.

Canada's attempt to accelerate export growth is being undermined by its inability to address its deteriorating competitiveness. In other words, if Canada is to successfully implement an enhanced export strategy, governments must first create a supportive business climate that enables Canadian companies to invest, grow, and innovate.

CME has identified 5 asks that will allow Canada to compete with other leading global economies.

Asks

Help Grow Canadian Manufacturers So They Can Compete on the World Stage

Canada has an abundance of natural resources and unique competitive advantages in several industrial fields. From food and energy production to mining and biopharmaceutical manufacturing, Canada is a world leader. The products of these areas are in high demand around the world and should be the focus sectors of Canada's export strategy. All domestic strengths need to be brought to bare in order to support these exporters. Better utilizing government procurement to enhance local industrial capacity, increasing manufacturing investments in the machinery and technology that enables them to scale up their business, and promoting Canadian-made goods at home and abroad are all tools that need to be used. With the COVID-19 pandemic, we saw the importance of having resilient supply chains, and the need to have strong strategic sectors in Canada. This has provided opportunities for the government to source supplies here, including personal protective equipment. We need to ensure that this opportunity continues.

We must also ensure that Canadian manufacturers have access to quality infrastructure enabling them to import and export in a competitive matter. The various disruptions in the past year have impacted manufacturers' competitiveness.

15. ***Make Canada a competitive jurisdiction and lower the cost of doing business by addressing regulatory red-tape, reducing payroll taxes, addressing inter-provincial trade barriers, and cutting other business operational costs imposed by governments.***
16. ***Implement a "Canada Made" promotional campaign that celebrates goods that are proudly made right here.***
17. ***Introduce domestic procurement reforms that promote domestic innovation and production, while getting rid of the lowest bidder rule. This could be achieved by including economic and environmental performance as part of the bidding process.***
18. ***Facilitate access to reliable, quality transportation infrastructure that allows manufacturers and exporters to compete in global markets.***

Provide Strong Links to Exporting Assistance Programs for SMEs

CME's 2020 Management Issues Survey shows a concerning lack of uptake on the wide-range of export-related support programs and services offered by the federal government. For example, 68.5 per cent of those surveyed said that they were unaware of or had not used the CanExport funding program, which provides financial assistance to SMEs looking to expand their business to overseas markets. The most positive response was for the services offered by Export Development Canada and the Business Development Bank of Canada (BDC). Large companies know about them, but SMEs have a hard time knowing how the government can help them.

There is a clear and urgent need to improve the linkages between government support programs and business needs. Whether the issue is awareness, relevance, or overly rigid eligibility requirements, the simple fact of the matter is that Canadian businesses are not using government export support programs.

Furthermore, the cost of entering overseas markets are high. Finding new international customers requires significant up-front market research, analysis, planning and business development activity, with

no guarantee of success. This issue is especially a concern for SMEs that may not have the time or financial resources needed to do this advance work. Therefore, additional financial assistance for these businesses could be given in the form of a tax credit.

19. ***Provide an export tax credit of 10% that lowers the taxes paid on exported products to encourage increased exports.***
20. ***Fund the creation of an Exporter Concierge Service that enables trade associations to develop programs that link their members to government export agencies and services.***
21. ***Expand funding for SME's through existing programs: RDA's/ EDC/CCC/BDC.***

4. Adopt an Industrial Net-Zero Strategy

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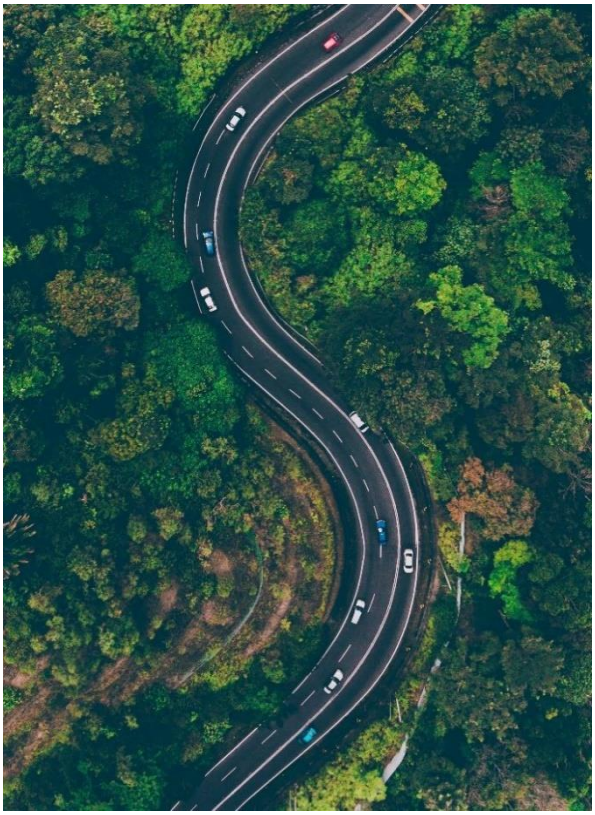
Context



Many of Canada's top industrial players in our largest sectors have made commitments to be Net Zero by 2050 and are taking action. Net Zero is defined as the economy either emitting no GHG or offsets its emissions through carbon capture technologies or other carbon sinks.

From a Canadian perspective this transition to Net Zero does not come without risks. First and foremost, the risk to Canada as a small industrial economy is that our companies will be unable or unprepared to make the necessary investments to decarbonize and create a sustainable path to Net Zero. The second risk is that government policies and programs will move too far ahead of Canada's global competitors and the abilities of the economy, undermining economic growth and prosperity.

Technology creation and adoption that reduces emissions, improves productivity, and increases awareness, while supporting SME's in this transition will be important pillars of an industrial Net Zero Strategy.

CME wants to work to decarbonize its production, and has identified 7 asks to the government to do so.

Asks

An Effective and Targeted SME Transition strategy

CME strongly believes that an industrial SME transition strategy must be central to the efforts of industry and government. This will not only support SMEs directly, but also the large domestic industrial companies

who rely on strong local SMEs for their supply chains. We believe this strategy should include the following elements and be rolled out sequentially over the coming several years:

- ***Education and awareness.*** Awareness of the need to act is the first step in getting companies to act. This education should primarily stem from the need to act from an economic and supply chain standpoint, as well as detail the business opportunities available to those who are making the transition to Net Zero production and products.
- ***Operational assessments and strategic business plans***. After awareness is raised and companies want to act, they will need effective guidance from leading experts. The assessment would cover a wide range of operational and strategic issues including but not limited to energy use, technology adoption, carbon offset opportunities, and supply chain risks.
- ***Supporting the transition by connecting into existing government supports***. Governments across Canada have a range of support programs available, but often they are difficult to understand or access for SMEs who lack time and dedicated resources. Based on the results of the operational assessment, companies would be connected to existing government support programs, and where available private-sector solutions.

22. Implement an effective and targeted SME transition strategy, with a specific focus on global supply chain competitiveness.

Technology Creation and Adoption That Reduces Emissions and Improves Productivity

There is a direct link between technology adoption, emissions, and productivity. Yet, Canadian industry is a global laggard in technology adoption. This has resulted in poor economic performance overall and specifically in Canada continually being ranked amongst the worst performers for productivity growth over the past several decades. This situation directly impacts our ability to compete globally (which is critical in globally integrated manufacturing). It also means Canada creates more emissions per unit of output.

CME believes that federal government support programs for technology investment must be the top priority for action, specific to the manufacturing sector and that they should at least equal the amount of revenue collected from the industry through carbon taxes, or roughly $80 billion cumulative by 2030. At a time when the provincial and federal governments are asking companies to set ambitious objectives, it is necessary that aid be granted to support companies in these efforts.

We believe, based on feedback from the sector, the most effective supports should be designed in following manner:

23. Align and simplify regulatory requirements to improve the competitiveness of business environment while also scaling up of clean energy production.
24. Create a $100 million/year small business grants program similar to SIF that supports net zero and de-risking technologies for small manufacturers.
25. Broaden the scope of the proposed Tax Reduction for Zero-Emission Technology Manufacturing to include low emission technologies, thus accounting for the fact that there are multiple pathways to reduce GHG emissions.

26. ***Expand and make permanent the Net Zero Accelerator Fund for at least $2.5 billion annually for large emission reduction projects in manufacturing, reduce administrative burden and increase predictability.***
27. ***Set up pilot projects adapted to the reality of the different provinces to support companies that wish to adopt and test new technologies.***

Aligning Canada's Strategy with Key Global Trading Partners

Canadian manufacturing is part of a globally integrated sector that manufactures and supplies products to consumers around the world. Canadian manufacturers compete at home and abroad against companies from quite literally every country in the world. And while innovation can often differentiate products and provide strategic advantages, often it is the price that drives final consumer decisions, regardless if that consumer is an individual, a government or a business.

Canada's approach to carbon reduction has been and will continue to be a mixture of support programs and taxation of carbon both directly and indirectly. These taxes, like all taxes, increase costs and raise the price of production. While this strategy, and strategies being deployed daily by companies aim to reduce the cost of doing business, Canadian companies could be at a price disadvantage in their home market and in global markets due to domestic carbon taxes. If all countries were levying the same carbon tax on their domestic industry, there would be no issue. However, while most countries are taking action, the reality is that most competing jurisdictions do not have plans to escalate their carbon tax regimes to this level.

There could be several outcomes stemming from this imbalance if not addressed. The most obvious is that those companies that cannot reduce emissions quickly enough to remain price competitive in global markets will shift production (along with emissions) to other jurisdictions with less demanding requirements. This so-called carbon leakage would negatively impact Canada and have no positive impact on the environment. In order to ensure some level of global competitiveness for Canadian industry, and to avoid carbon leakage to other jurisdictions, Canada must implement some type of border adjustment tax (BAT). While the introduction of a BAT is an essential part of the move toward net zero, it must be introduced in an appropriate manner to limit domestic impacts and support value-added exports. This means that the BAT must be fully aligned with our key trading partners where volumes of two-way trade are high and there are tightly integrated manufacturing supply chains, and BAT with those countries and regions where similar environmental measures are being taken. In cases where these conditions are met, we believe there should be no BAT applied because the cost of administering the program for both government and business would likely far outweigh its benefits.

28. ***The federal government should implement an effective and administratively simple border carbon adjustment (BCA) that is globally competitive and aligned with the United States.***

Asks

Get the Workers We Need

1. *Increase immigration targets by 500,000 economic class immigrants/year and change the definition of "skills" to include a wider array of skills needed by employers.*
2. *Increase threshold of the temporary foreign workers program to 20% for low wage stream of workers.*
3. *Simplify and shorten the pathways to residency for foreign students and temporary foreign workers, in part by allowing students to claim work experience while in school as Canadian work experience.*
4. *Increase the size of the Canada Jobs Grant to $1 billion annually, make it permanent, and expand it to include on the job training.*
5. *Implement a tax credit for training.*
6. *Expand funding that supports inclusion programs for under-represented groups – especially women and indigenous Canadians – through programs that encourage persons from these communities to enter the sector.*
7. *Expand funding to increase awareness campaigns about careers in the sector, such as Open-Doors for youth.*
8. *Support young Canadians involvement in the workplace by implementing flexible childcare programs.*

Stimulate Investment in Innovation and Advanced Technologies

9. *Return SR&ED investment tax credit basic rate to 20% and include a refundable component for all claimants.*
10. *Implement a direct investment tax credit of 10% for all new capital equipment purchases for all sizes of compagnies in all regions.*
11. *Expand and make permanent the Accelerated Cost of Capital Allowance (ACCA) that allow companies to write-down new capital depreciations.*
12. *Expand and make permanent the Strategic Innovation Fund (SIF) and commit at least $2.5 billion in annual funding to support large capital projects in manufacturing.*
13. *Relaunch investment support grant programs for smaller firms, modelled after the successful CME SMART programs that operated after the previous recession.*
14. *Introduce a patent box savings program that provides a lower tax rate on new products during the commercialization stage.*

Increase Canadian Exports

15. *Make Canada a competitive jurisdiction and lower the cost of doing business by addressing regulatory red-tape, reducing payroll taxes, addressing inter-provincial trade barriers, and cutting other business operational costs imposed by governments*
16. *Implement a "Canada Made" promotional campaign that celebrates goods that are proudly made right here.*
17. *Introduce domestic procurement reforms that promote domestic innovation and production while getting rid of the lowest bidder rule. This could be achieved by including economic and environmental performance as part of the bidding process.*
18. *Facilitate access to reliable, quality transportation infrastructure that allows manufacturers and exporters to compete in global markets.*
19. *Provide an export tax credit of 10% that lowers the taxes paid on exported products to encourage increased exports*
20. *Fund the creation of an Exporter Concierge Service that enables trade associations to develop programs that link their members to government export agencies and services.*
21. *Expand funding for SME's through existing programs: RDA's/ EDC/CCC/BDC.*

Adopt an Industrial Net-Zero Strategy

22. *Implement an effective and targeted SME transition strategy, with a specific focus on global supply chain competitiveness.*
23. *Align and simplify regulatory requirements to improve the competitiveness of business environment while also scaling up of clean energy production*
24. *Create a $100 million/year small business grants program similar to SIF that supports net zero and de-risking technologies for small manufacturers.*
25. *Broaden the scope of the proposed Tax Reduction for Zero-Emission Technology Manufacturing to include low emission technologies, thus accounting for the fact that there are multiple pathways to reduce GHG emissions.*
26. *Expand and make permanent the Net Zero Accelerator Fund for at least $2.5 billion annually for large emission reduction projects in manufacturing, reduce administrative burden and increase predictability.*
27. *Set up pilot projects adapted to the reality of the different provinces to support companies that wish to adopt and test new technologies.*
28. *Implement an effective and administratively simple border carbon adjustment (BCA) that is globally competitive and aligned with the United States.*

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