

## **Let's Level the Playing Field**

Recent tariffs implemented by the Trump Administration and their impact on Canada are forcing us to examine the competitiveness of our economy. In response to these protectionist trade policies, we must take strong, intentional action to build the most resilient, competitive Canadian economy. While the trade of goods between Canada and the U.S. is significant and will remain vital for both countries, the ability for Canada to improve its competitiveness has never been more important.

Canada's private sector investments have not kept pace with the U.S. or other OECD member countries. Many studies have documented that the most significant reason for that is the imbalance of Canada's tax regime, which generates lower returns. Simply put, investing in Canada right now is not the best financial choice for many industries.

Also, the lack of certainty and length of time required to obtain project approvals hinders investment and economic growth. When deciding where to invest, confidence in the timing of project approvals is a critical consideration. Project timeline predictability allows investors to know at the planning stage when operations can start. Canada's private sector supports the need for high environmental standards; however, current regulatory processes are too long, duplicative and unpredictable, particularly compared to other jurisdictions that are competing for investments.

Finally, supply chain reliability is critically important in the context of Canada's trade-based economy. In the last two years, Canada experienced more than 62 work stoppages in the transportation sector alone, an unacceptable level of disruption. The frequency of these disruptions has tarnished Canada's reputation as a reliable trading partner. Canada needs a better way to solve labour disruptions. We require a framework that encourages fair wages and working conditions and protects employees' right to strike. At the same time, there must be a mechanism that protects all other Canadians, including other unionized workers, and the broader public interest, when collective bargaining fails at essential components of our transportation system (e.g., railways and ports). This new framework is required to minimize the broad economic damage caused by disruptions to Canada's crucial supply chains.

To strengthen Canadian competitiveness, we strongly urge the incoming government to take the following action:

1. Unlock private sector investments through competitive tax policies that level the playing field with other jurisdictions, particularly the U.S., such as accelerated depreciation or investment tax credits on infrastructure and supply chain investments.

2. Reform regulatory processes for the approval of infrastructure and major resource projects so that decisions are made quickly, with timing predictability clear from the outset, while allowing for adequate public consultation.
3. Modernize Canada's labour laws to mitigate economic harm and improve supply chain reliability by establishing a clear and transparent process to resolve disputes rapidly in the transportation sector.

Signatures:

Canadian International Freight Forwarders Association

Canadian Federation of Agriculture

Chemistry Industry Association of Canada

Fertilizer Canada

Forest Products Association of Canada

Freight Management Association of Canada

Global Automakers of Canada

National Maritime Group

Railway Association of Canada

The Mining Association of Canada