

February 8, 2024

Hon. Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance
80 Wellington Street
Ottawa, Ontario K1A 0A3
Sent by Email: Chrystia.Freeland@fin.gc.ca

Dear Deputy Prime Minister:

Canada's competitiveness is slipping. Our productivity continues to decline. This means Canadians are poorer overall, have fewer opportunities to pursue their personal goals, and have to pay more just to stay where they are. We must pursue growth if we are to maintain our standard of living and continue to provide the services Canadians require.

The Canadian Chamber continues to urge the Government of Canada to focus on growth driven by the private sector: many of the measures included in our submission, including regulatory reform and dismantling internal trade barriers, will cost little or nothing, but will generate future wealth and investment. Canada's economy is also founded on small business, many of which face unique challenges: the time is now for a dedicated national strategy for SMEs. Budget 2024 is the opportunity to attract the investment needed for strong, sustainable growth, a successful net-zero transition, while fostering businesses of all sizes.

Geopolitical conditions have introduced insecurity, disrupted traditional trading relationships, and undermined the rule of law. While Canada is also exposed to this problem, we are unique among free societies in our potential to underwrite global economic security through our abundant natural resources. And though our international competitors currently outpace us, the opportunities for Canada are still in reach. An essential first step is for Canada to invest in our most important trade and security relationship as the U.S. enters a critical election cycle and the CUSMA deal is considered for renewal.

We need to show the world we can, quite literally, deliver the goods.

The Canadian Chamber of Commerce's pre-budget submission has been shaped by our member councils and committees, on behalf of our broader membership of 200,000 businesses of every size, from all regions and economic sectors of Canada.

The Canadian Chamber of Commerce is eager to partner with government on the strategy that will allow us to respond to this moment. Given the headwinds we face, collaboration between policymakers and the business community is more critical than ever before.

Sincerely,
Hon. Perrin Beatty, P.C., O.C.
President and Chief Executive Officer
Canadian Chamber of Commerce

Ensuring Reliable Supply Chains

The evolving role of transportation and logistics is critical to countries' competitive success, but Canada's supply chains remain only as strong as their weakest link. The challenges and costs presented by climate shocks such as frequent floods and wildfires have demonstrated how fragile many of our supply chain systems and structures are. And, in the context of a highly restive labour environment, key points in our trade corridors have experienced repeated or prolonged strikes, putting further strain on a precarious system and compromising our reputation as a reliable place to do business.

Increasingly, attention has turned to supply chain resiliency, on-shoring or near-shoring, and new data systems and infrastructure as critical factors to ensure trading nations like Canada remain competitive and relevant. Canadians are frustrated by the affordability crisis and want to see elected officials work with business to ensure products move and prices are stable while our economy is growing.

- **Commit to long-term investment through a Canada Trade Infrastructure Plan.** Canada must build and maintain trade infrastructure that dependably and efficiently transports goods to and from market. Domestic and international trade corridors should solidify supply chains to establish Canada as a reliable business partner.
- **Expand abilities to head off preventable threats to supply chains.** Recurring labour disruptions continue to inflict damage to Canada's economy and reputation. Government should consider providing new dispute resolution tools, including the authority for the federal cabinet to compel binding arbitration for the resolution of a labour dispute in sectors that are essential to Canada's supply chains, including railways and ports. The Government should withdraw its Anti-Replacement Worker legislation as it will only raise costs on Canadians and businesses and further undermine our trading relationships.