



Canadian Chamber of Commerce Responds to Federal Budget 2019

Budget 2019 puts business on the sidelines, misses chance to fix fundamental flaws in our economy

OTTAWA – March 19, 2019 – Today's federal budget failed to address the fundamental issues that continue to undermine the ability of Canadian business to create more jobs and generate more prosperity for all Canadians, according to the Canadian Chamber of Commerce's analysis.

"We all want a Canada that is more prosperous for more Canadians, but the road to Canadian prosperity starts with helping this country's businesses create more opportunities for more Canadians. They are the ones that drive the economy, that start and grow businesses that hire Canadians and build projects. This budget did little to help them build that road," said the Honorable Perrin Beatty, President and CEO, Canadian Chamber of Commerce.

The Budget did deliver on some of the Canadian Chamber's specific policy proposals outlined in its Pre-Budget Submission and policy resolutions, including:

- Multiple funding mechanisms to ensure that high-speed internet access is Canada-wide by 2030, with \$1.7 billion specifically earmarked for rural, remote and Northern communities.
- \$631.2 million to expand Work-Integrated-Learning (WIL) programs, with a view to create up to 20,000 new WIL opportunities outside of STEM-related fields.
- \$150 million to create new partnerships between government and industry to create up to 20,000 new WIL opportunities.
- Multiple funding mechanisms to enhance apprentice programs in skilled trades.

However, the Budget failed to provide any meaningful solutions to the greatest concerns of Canadian business owners, including:

- A commitment to a comprehensive review of the taxation system to make it fair and less cumbersome for businesses.
- A broad-based commitment to reduce the regulatory burden on businesses.
- A renewed commitment to eliminating inter-provincial trade barriers.
- Support for SMEs to help them find new export opportunities and expand Canada's ability to diversify its trade.
- A clear strategy to move the Trans Mountain pipeline forward, given the significant investment made by Canadian taxpayers.

The Canadian Chamber will be seeking further clarification on some Budget proposals and policy interests that have the potential to impact businesses, including:

- The “regulatory roadmaps” might help address stakeholder issues and irritants in some sectors. While these efforts align with the Canadian Chamber’s interest in reducing the regulatory burden on Canadian businesses, the Budget proposals unfortunately maintain a narrow, lackluster, made-by-government solution to a made-by-government problem.
- The new Canadian Training Credit and EI Training Support Benefits to support the up-skilling and re-skilling of Canadians align with the Canadian Chamber’s recommendations. However, the potential impact on small businesses remains unclear. The Canadian Chamber needs more information and wants to see a commitment to consult business prior to implementation.
- The Budget offered little new information regarding the national pharmacare plan. The Canadian Chamber supports focusing on the 10% of Canadians that are uninsured or underinsured.
- The Canadian Chamber supports making the Global Talent Stream program permanent. The Canadian Chamber would like to see the program include a focus on bringing skilled immigrants to rural communities, where they are often most needed.

“The core issues facing our economy that are driving away investment and suffocating our ability to attract top talent are broken taxation and regulatory systems, and an inability to get our resources to tidewater. Without addressing the underlying, structural problems in our economy, we will not see the growth needed to create greater prosperity for Canadian families,” conclude Beatty.

The Budget overlooks the struggles of Canada’s small businesses, who continue to see their competitiveness erode compared to their counterparts in the U.S., that currently enjoy significant advantages in taxation and regulation.

“The two big anchors that drag on the competitiveness of businesses – taxation and regulation – remain firmly embedded within our national economy. You cannot increase prosperity for more Canadians without also helping those who are create it, Canadian businesses. The road to greater prosperity starts with those who build it and this budget falls well short in this regard, unfortunately,” added Beatty.

- 30 -

Contact:

Phil Taylor

Senior Director, Strategic Communications and Public Affairs

Canadian Chamber of Commerce

613.238.4000 (2231)

ptaylor@chamber.ca