

June 19, 2020

The Right Honourable Justin Trudeau, P.C., M.P.  
House of Commons  
Ottawa, Ontario,  
K1A 0A6

**RE: Canadian Manufacturing Strategy Needed to Help Canadian Economy Emerge from COVID-19**

Dear Prime Minister:

We are writing on behalf of Canada's manufacturing industry and our 1.7 million employees to share with you our vision of a Canadian manufacturing strategy that our collective associations believe is essential to not only help our country emerge from the COVID-19 crisis but to ensure that our economy thrives for years to come.

In our last letter to you on March 15, 2020, we commended the government for the bold actions taken during this crisis to shore up businesses and the manufacturing sector. You called on manufacturers to help in the fight against COVID-19 and we are very proud with how manufacturers responded. According to our most recent survey, one in four manufacturers retooled their operations to produce COVID-19 items like hand sanitizer, masks, shields, ventilators, and the very medicines that will eventually lead us out of the pandemic. In addition, manufacturers continued to operate at great cost to the companies and risk to their employees to make the food and daily items we all need. We believe this reminded all Canadians of the vital importance of the manufacturing industry.

However, we are not out of the woods yet and there are headwinds facing the sector. Outstanding issues surrounding access to the various assistance programs like the Canadian Emergency Wage Subsidy, and the Canadian Commercial Rent Assistance programs, remain a challenge for industry. And while manufacturers are struggling to stay afloat, they are still facing an onslaught of new environmental and other regulations, and potentially new requirements around employee sick day benefits. We urge you to consider the tremendous burden this puts on businesses and their limited capacity to adapt to any new rules that do not directly improve the efficiency and competitiveness of their business. We therefore call on the government to develop a new approach to regulatory development that includes a Regulatory Bill of Rights.

We have raised these issues with your Ministers and are diligently working together to resolve them, but progress is slow. We ask for your help in closing these gaps so that we not only maximize the positive impacts of all these initiatives but ensure that businesses are not unduly burdened during very precarious economic times.

But our focus, Prime Minister, is turning towards the future of Canada's manufacturing sector. Our associations have long called for a national manufacturing strategy as we believe it to be the best way to grow our essential sector to the benefit of all Canadians. The COVID-19 crisis affords us the opportunity to implement a recovery and growth strategy for manufacturing. This strategy should mirror the following steps to allow Canada to grow out of the short-term collapse and into long-term prosperity:

1. Respond: Governments must continue to refine and expand support programs to ensure stability in the sector, extend tax deferral and duty programs, and introduce consumer spending incentives to drive demand for manufactured goods.
2. Recover: Additional actions will be needed over the course of the next year to stabilize the economic recovery and increase focus on domestic capacity and capabilities. This must include improving government procurement, supporting business investment, and launching a “Made in Canada” campaign that celebrates goods made here.
3. Prosper: Strategic long-term growth will come through a modern industrial strategy that focuses on strengthening Canada’s business competitiveness. Focus must be placed on addressing historical challenges, including reducing the cost of doing business, improving regional value-chains, and leveraging our natural assets for economic development at home and abroad.

Implementing these recommended actions will help create the necessary foundation for a resilient, flexible, and innovative manufacturing sector that will help lead to prosperity for all Canadians. This strategy must focus on fundamental reforms to Canada’s approach to innovation and economic development by capitalizing on shifting societal needs for local manufacturing, the strategic opportunity to leverage health care and technology, and the long-term global opportunities in many of Canada’s areas of historic strengths.

Next week we will be hosting Canada’s first ever virtual lobby day where we will meet with MPs from across the country to discuss these ideas. It is our hope that all parliamentarians will work with us to ensure that Canada’s manufacturing sector not only emerges from this crisis but leads our economic recovery. We hope to count on your help and support to see remaining challenges resolved and our manufacturing strategy initiative realized. To that end, we would be happy to work with your office or a government point-person to ensure that we can move this all forward.

If there is anything our organizations or our members can do to help, please do not hesitate to contact any of us directly.

Yours sincerely,



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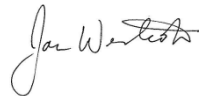
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