



## NATIONAL POLICY FRAMEWORK – OCTOBER 2008

PRIORITY	CME OBJECTIVES	POLICY ACHIEVEMENTS	CURRENT INITIATIVES
Strengthen manufacturing leadership	<ul style="list-style-type: none"> <li>▪ Develop a comprehensive policy strategy for manufacturing competitiveness at the federal and provincial levels.</li> <li>▪ Establish a Manufacturing Advisory Council at the national and provincial levels.</li> <li>▪ Raise public awareness on the importance and the future of manufacturing in Canada.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ House of Commons Industry Committee Report on Manufacturing Competitiveness – 23 unanimous recommendations adopted by the federal government – provide the basis for a comprehensive federal policy approach.</li> <li>▪ Manufacturing identified as a priority in 2007 Throne Speech.</li> <li>▪ CME Vice Chairs new Ontario Manufacturing Council; Premier’s Parliamentary Assistant heads study of manufacturing issues and solutions.</li> <li>▪ Quebec Government announced Manufacturing Strategy with \$620 million of measures over 5 years.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ CME Chairs the Canadian Manufacturing Coalition.</li> <li>▪ National President’s Council to advise on key manufacturing issues.</li> <li>▪ CME chairs intergovernmental manufacturing council of ADMs at the federal level; annual meetings with Deputy Ministers in most provinces.</li> <li>▪ Manufacturing Awareness Week.</li> <li>▪ Recognizing business excellence: National Innovation Awards, Awards for International Cooperation, Export Awards (BC, MB).</li> <li>▪ Creation of a “Building a Winning Manufacturing Sector” action committee in BC.</li> </ul>
Improve the tax environment for business investment	<ul style="list-style-type: none"> <li>▪ Build the most attractive tax environment in the world for business investment in productive assets, manufacturing technologies and skills development.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Federal government reducing the federal corporate income tax rate from 22.1% to 15% in 2012.</li> <li>▪ Ontario government reduced manufacturing income tax rate from 14 to 12 %.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Extend tax loss carry-back provisions from three to seven years.</li> <li>▪ Introduce an Employers’ Training Tax Credit, creditable against Employment Insurance premiums.</li> <li>▪ Reduce provincial payroll taxes; reduce Ontario corporate taxes to 8 %.</li> <li>▪ Reduce Canada’s combined federal and provincial corporate tax rate to 22% by 2012.</li> <li>▪ Harmonize provincial sales taxes with the GST.</li> <li>▪ Ensure property tax equity for industry (ON).</li> </ul>
Encourage investment in manufacturing technologies	<ul style="list-style-type: none"> <li>▪ Build the most attractive environment in the world to invest in manufacturing technologies.</li> <li>▪</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Two-year write-off for manufacturing and processing machinery and equipment introduced in 2007, for equipment acquired before 2010.</li> <li>▪ Federal capital tax eliminated in 2006, federal corporate surtax eliminated in 2008.</li> <li>▪ Ontario capital tax eliminated since 1/1/08;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide two-year depreciation for investments in manufacturing and processing equipment – for a period of at least five years.</li> <li>▪ Provide a tax refund for companies in a financial loss position because of the surging Canadian dollar.</li> <li>▪ Provide loan guarantees based on refundable tax losses.</li> <li>▪ Immediate elimination of remaining provincial capital taxes.</li> </ul>

		<p>government supports extension of accelerated CCA for 6 more years.</p> <ul style="list-style-type: none"> <li>▪ Quebec introduced capital tax credit for manufacturing, worth \$836 million; capital tax phased out and eliminated by 2011.</li> <li>▪ Capital taxes to be eliminated in NB (2009), MB (2011), QC (2011), NS (2012).</li> <li>▪</li> </ul>	
Encouraging sustainable environmental goals and priorities	<ul style="list-style-type: none"> <li>▪ Ensure the Federal government develops appropriate and sound targets (i.e. science-based, not politically driven).</li> <li>▪ Achieve Environmental Goals By Encouraging Industrial Innovation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Partnered with key sector association to prevent implementation of costly environmental regulations.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure manufacturers have a full toolbox of instruments available to meet environmental policy objectives (regulatory, voluntary, economic and technological).</li> <li>▪ Ensure regulations for Large Final Emitters have minimal impact on manufacturers' global competitiveness.</li> <li>▪ Annual meeting with Ministry of Environment at federal level and in several provinces.</li> </ul>
Ensuring a competitive regulatory environment in Canada	<ul style="list-style-type: none"> <li>▪ Streamline regulatory approvals, reduce regulatory compliance costs, ensure regulatory targets are economically and technically feasible and reduce unnecessary information and reporting requirements.</li> <li>▪ Eliminate inter-provincial trade barriers.</li> <li>▪ Eliminate unnecessary duplication and inconsistencies in regulations across Canada and with the United States.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CME authored the federal User Fee Act that requires federal departments to ensure internationally competitive regulatory service standards where user fees are charged.</li> <li>▪ Federal government and most provinces committed to reducing regulatory paper burden by 20%.</li> <li>▪ Prevented adoption of federal replacement worker legislation.</li> <li>▪ WSIB rate freeze for 2007-2008 in Ontario; successfully demonstrated non-regulatory alternatives for ergonomics</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assist the government in reducing regulatory paper burden by 20 % – costs manufacturers over \$5 billion per year.</li> <li>▪ Reduce regulatory compliance costs in key regulatory programs (ex: health &amp; safety, workers comp).</li> <li>▪ Reduce inter-provincial barriers to trade &amp; labour mobility.</li> <li>▪ Reduce border security &amp; customs compliance costs.</li> <li>▪ Accelerate product approvals in neutraceuticals, pharmaceuticals, medical devices, food and consumer products.</li> </ul>
Strengthen industrial innovation	<ul style="list-style-type: none"> <li>▪ Strengthening industrial innovation by:</li> <li>▪ Improving the Scientific Research and Experimental Development (SR&amp;ED) tax credit system</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaborative R&amp;D budgets have been slightly increased (NSERC).</li> <li>▪ NRC, IRAP are undertaking strategic reviews of how better to serve manufacturers.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improving the SR&amp;ED tax credit system to make the credits refundable and reduce administrative uncertainties.</li> <li>▪ Applying SR&amp;ED tax credits to pre-commercial prototyping and scale-up.</li> <li>▪ Providing an SR&amp;ED tax credit allowance for international</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Increasing funding for collaborative R&amp;D with industry</li> <li>▪ Strengthening the roles of NRC, IRAP, and Centres of Excellence in connecting manufacturers with innovative solutions in Canada and around the world.</li> <li>▪ Supporting lean consortia initiatives.</li> <li>▪</li> </ul>		collaborative R&D.
Ensure access to a reliable and cost-competitive supply of energy	<ul style="list-style-type: none"> <li>▪ Ensure reliable access to a reliable supply of energy at cost-competitive rates for industrial consumers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lobbied for extension on revenue cap on Ontario Power Generation assets.</li> <li>▪ Quebec's energy strategy recognizes electricity and the need for competitive industrial rates as essential for Quebec's economic development.</li> <li>▪ CME works closely with Canadian Industrial Program for Energy Conservation (CIPEC) to develop and deliver programs to enhance industrial energy efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure that tax and regulatory measures encourage capital replacement and investment in new technologies.</li> <li>▪ Ensure a more coordinated approach to planning energy generation and transmission planning to ensure reliable access and cost-competitive supply.</li> <li>▪ Advocate for the development of power generation to increase electricity supply and stabilize prices across Canada.</li> <li>▪ Promote the fast tracking on new and refurbished nuclear power generation programs in Ontario.</li> <li>▪ Support new hydroelectric projects in Quebec to increase supply, meet industrial demand and maintain competitive rates.</li> <li>▪ Strengthen support for energy efficiency measures through CIPEC.</li> <li>▪ CME is a member of the Coalition</li> </ul>
Connect Canadian businesses to procurement opportunities	<ul style="list-style-type: none"> <li>▪ Connect Canadian manufacturers to opportunities in oil sands and energy developments across North America.</li> <li>▪ Introduce a <i>Buy Canada</i> program for federal, provincial, and municipal procurement and infrastructure projects.</li> <li>▪ Connect Canadian technologies to solve public policy problems – GHG emission reduction, environmental improvement,</li> </ul>	<ul style="list-style-type: none"> <li>▪ CME's Oil Sands initiative – iCOSMO (online prequalification system), business missions, smart sessions, National Buyer-Seller Forum, Chicago Refinery partnership program.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advocating for the introduction of a policy favouring Canadian content in government-funded investments in public infrastructure to provide Canadian manufacturers with a level playing field.</li> <li>▪ Industry Canada is reviewing its industrial benefits policy for procurement.</li> <li>▪ CME is working with the World Bank and CIDA to identify business opportunities in international development institutions.</li> </ul>

	<p>health care, urban development.</p> <ul style="list-style-type: none"> <li>▪ Connect Canadian exporters to development projects around the world.</li> </ul>		
Ensure open and fair trade in international markets	<ul style="list-style-type: none"> <li>▪ Negotiate multilateral, regional, and bilateral trade agreements that eliminate both tariff and non-tariff barriers to trade in international markets.</li> <li>▪ Ensure effective enforcement of trade remedies.</li> <li>▪ Enforce IP protections and prohibitions on the import and export of counterfeit goods.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The House of Commons Industry and Public Safety Committees published unanimous reports in June 2007 – its recommendations would strengthen enforcement against counterfeit goods.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure that Canada’s free trade negotiations with Korea eliminate tariff and non-tariff barriers to trade.</li> <li>▪ As member of DFAIT’s Market Access Advisory Group, CME is advising officials involved in trade negotiations with the WTO, the United States, Korea, Japan, Latin American and Caribbean countries, and the European Union.</li> <li>▪ Reduce foreign tariffs on Canadian exports by pushing for a successful conclusion of the Doha Round of WTO trade negotiations.</li> <li>▪ CME chairs an industry steering group on Fair Trade – working to strengthen Canada’s trade remedy process.</li> <li>▪ CME is a leading member of the Canadian Anti-Counterfeit Coalition.</li> <li>▪ The House of Commons Industry Committee published a unanimous report in June – its recommendations would strengthen enforcement against counterfeit goods.</li> </ul>
Strengthening support for Canadian businesses in global markets	<ul style="list-style-type: none"> <li>▪ Connect the services of Canada’s trade commissioners, EDC, CCC, and CIDA more effectively to the needs of Canadian businesses in foreign markets.</li> </ul>		<ul style="list-style-type: none"> <li>▪ DFAIT has launched a legislative review of EDC to assess its capacity to meet the financing requirements of Canadian business in global markets.</li> <li>▪ CME is working with Industry Canada and Trading Houses associations to identify the structural causes that hinder the development of a stronger trading houses sector in Canada.</li> <li>▪ CME is working with federal departments to connect exporters with new business opportunities around the world.</li> </ul>
Ensure that Canada’s Borders are secure and trade efficient	<ul style="list-style-type: none"> <li>▪ Streamline border security and customs procedures.</li> <li>▪ Improve border crossing capacity (infrastructure and personnel) and make logistics</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant investments announced in border infrastructure.</li> <li>▪ CME designed the FAST pre-clearance system.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimize the impact of new product safety regulations in Canada and the United States on the flow of goods.</li> <li>▪ Work with US counterpart and Great Lakes Manufacturing Council to proactively highlight the importance of the Canada-US economic relationship with American decision makers and improve border</li> </ul>

	<p>and border crossings more efficient.</p> <ul style="list-style-type: none"> <li>▪ Implement technology solutions to speed trans-border traffic.</li> <li>▪ Move cargo clearance away from the border – to the North American perimeter where possible.</li> </ul>		<p>efficiency.</p> <ul style="list-style-type: none"> <li>▪ Represent the interests of CME members with the CBSA:</li> <li>▪ CME is on CBSA and DFAIT advisory councils.</li> <li>▪ WHTI – secure identification for trans-border travellers.</li> <li>▪ eManifest Stakeholders Partnership Network (eSPN).</li> <li>▪ A perimeter approach to product safety regulation.</li> <li>▪ CME partners with CBSA and DHS to prepare reaction to major terrorist attack.</li> <li>▪</li> </ul>
Make Canada the logistics hub of North America	<ul style="list-style-type: none"> <li>▪ Develop a National Logistics Strategy that enables Canada to take advantage of new trading patterns between Asia and North America.</li> <li>▪ Implement practical solutions to solve shippers' logistics problems and take advantage of new business opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CME has been a driving force in the formation of Canada's Gateway Councils.</li> <li>▪ BC division led a successful national campaign to support the creation and development of the newest world container port which opened in September 2007 in Prince Rupert.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CME is working with federal and provincial governments and other stakeholders to coordinate logistic initiatives such as Atlantic and Pacific Gateway initiatives and develop new options for container trade.</li> <li>▪ Work with governments to develop and implement intermodal logistics initiatives in various provinces.</li> <li>▪ Ensure the needs of industrial shippers are taken into account in the ongoing review of rail service.</li> <li>▪</li> </ul>
Strengthening workforce training and mobilization	<ul style="list-style-type: none"> <li>▪ Strengthen workforce training and mobilization by: <ul style="list-style-type: none"> <li>▪ Introducing an Employers' Training Tax Credit</li> <li>▪ Increasing support for local training consortia</li> <li>▪ Improving Canada's Foreign Workers Program for manufacturers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Government undertook review of Foreign Workers Program.</li> <li>▪ CME a member on Minister's Coordinating Committee for Manufacturing Skills.</li> <li>▪ CME-CLC co-chair Work &amp; Learning Knowledge Centre.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduce an Employers' Training Tax Credit creditable against EI premiums. HRSDC support for tax credit.</li> <li>▪ Connect &amp; coordinate workforce development programs with industry needs.</li> <li>▪ Increase support for local training consortia.</li> <li>▪ Improve Foreign Workers Program for manufacturers.</li> <li>▪ Addressing skilled labour shortages by better integrating immigrants aboriginals and disabled people into the workforce.</li> </ul>