

Canadian Chamber Network Unveils Top 10 Barriers to Competitiveness for 2013

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(Ottawa, ON) - Today, the Canadian Chamber of Commerce and its nationwide network of chambers of commerce, including the Fredericton Chamber of Commerce, unveiled its *Top 10 Barriers to Competitiveness* list for 2013. The *Top 10 Barriers to Competitiveness* is an initiative the Canadian chamber network undertook last year to draw attention to the barriers that are holding back Canada's progress and to urge all levels of governments to focus on increasing our country's ability to compete globally.

Canadian Chamber of Commerce President and CEO Perrin Beatty declared the initial year of the initiative a success. "As we take stock of the first year of the Top 10, many of the items we listed were addressed in the course of 2012," he stated. "Our members recorded a major victory when our appeal for change to the regulatory processes around natural resource projects was overwhelmingly accepted by the government. For a country so dependent on the success of natural resource projects, making a more efficient process is a huge contributor to competitiveness," declared Beatty.

The Canadian chamber network's number one issue in 2012 was Canada's skills shortage. "We were very satisfied to hear the Prime Minister also identify skills as a major priority issue of his government," added Mr. Beatty.

The Canadian Chamber network intends to maintain its focus on skills in 2013, particularly in addressing four key areas: upskilling, immigration policies, education-employment alignment and aboriginal education and workforce development.

"All four of the key areas identified are issues that are very relevant in New Brunswick and Fredericton," added Krista Ross, CEO of the Fredericton Chamber of Commerce. "The leadership shown by the Canadian Chamber and the power of the national chamber network to effect change that is meaningful on a local level is an invaluable tool for the Fredericton Chamber."

Addressing the *Top 10 Barriers to Competitiveness* will go a long way towards restoring Canada's competitiveness. The Canadian Chamber network is calling on its own membership, on governments, on labour organizations, on educators and others to tackle and overcome these barriers as tolerating them is simply not an option. Effectively addressing these 10 barriers will sharpen Canada's competitive edge and allow us to prosper in the global economy.

"The need for action is urgent. The standard of living of every Canadian depends on how well we respond to the challenge. We must identify and implement real, tangible solutions for breaking down the barriers to our competitiveness and for creating more opportunities and greater prosperity for Canadian businesses and families," concluded Perrin Beatty.

2013 Top 10 Barriers to Competitiveness

Skills shortages

Governments and businesses across regions and sectors will need to work cooperatively and aggressively to address this ubiquitous issue, particularly in four key areas: upskilling, immigration policies, education-employment alignment and aboriginal education and workforce development.

Barriers to world markets for Canadian energy products

The overseas market will be of critical economic importance to Canada in the 21st century. Federal and provincial governments must act now to support the development of the infrastructure and relationships needed to realize the full potential of Canada's energy endowment, or risk missing out on a historic opportunity.

Inadequate workforce productivity

Improved trends in business investment in productivity-enhancing technologies and equipment are encouraging but still leave Canada underperforming relative to its competitors. To improve its productivity, Canada must leverage advanced technologies and efficient infrastructure, support efforts to raise literacy and numeracy levels among workers and ensure its EI program is not a disincentive to work.

Inadequate public infrastructure planning

Government commitments to infrastructure have been intermittent and the criteria changeable, making private sector investment difficult and expensive. Mobilizing private investment to finance public goals is essential for infrastructure development.

Tax complexity and structure

Canada's tax system over-relies on income and profit taxes, the most economically-damaging forms of taxation. Canada's tax system is also overly complex and, as a result, imposes unnecessary and significant compliance and administration costs on businesses and consumers. Canada must create a simple, fair and growth-oriented tax system.

Poor innovation performance

Canada lacks a definitive innovation strategy that brings coherence to the many government policies and programs affecting private research, academic research and commercialization. A clear approach that leads to action is urgently needed. Poor innovation leaves Canadian business vulnerable to competitors and to changing economic conditions.

Deficient strategies for trade success in new markets

Canada's competitiveness is constrained by a focus on slow-growing, traditional markets. Canada must reduce its dependency upon its usual trading partners and expand its access to new markets in Asia, Africa and South America. Legal access to these markets is but the first step. Canada needs to construct trade strategies that will turn access into success.

Internal barriers to trade

Canada is still far from being a barrier-free internal market. Internal trade barriers cost Canada's economy more than \$14 billion each year. Canadian business still has to petition governments for the "right" to sell goods and services in Canada. Canadian business needs a new agreement that will deliver a single, unimpeded marketplace for internal trade, labour mobility and investment.

Uncompetitive travel and tourism strategies

Through a combination of high transportation costs and steadily reduced marketing efforts, Canada has slipped from seventh place among the world's tourism destinations to 18th place in just a decade. A huge industry, critical in every region, is struggling with its competitiveness and needs public policies that are forward looking and supportive.

Lack of access to capital

A critical element of business competitiveness in any industry is access to capital—be it through venture capital or through foreign direct investment. Canada must support a sustainable private-sector led venture capital market and increase its appeal to foreign investors.

Consult the *Top 10 Barriers to Competitiveness* document at www.chamber.ca.

*With more than 900 members, the **Fredericton Chamber of Commerce** is one of Atlantic Canada's largest chambers of commerce. A dynamic and relevant business organization, the Fredericton Chamber of Commerce is actively engaged in policy development that affects the competitiveness of our members and of the Canadian business environment.*

The **Canadian Chamber of Commerce** is the vital connection between business and the federal government. It helps shape public policy and decision-making to the benefit of businesses, communities and families across Canada with a network of over 420 chambers of commerce and boards of trade, representing 192,000 businesses of all sizes in all sectors of the economy and in all regions. News and information are available at Chamber.ca or follow the Canadian Chamber on Twitter @CdnChamberofCom.

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