



Greater Saskatoon and Canadian Chambers Outline Top 10 Barriers to Competitiveness

Saskatoon, February 19, 2016— The Greater Saskatoon Chamber of Commerce has added its voice to the Canadian Chamber of Commerce’s in identifying the Top 10 Barriers to Competitiveness for 2016, a list of key impediments that are preventing Canadian businesses from reaching their full potential and, in turn, Canada from improving its productivity and economic prosperity.

Business needs more than its own skills to win—it also needs a supportive environment and public policies to encourage competitiveness. This annual list of barriers points to economic hurdles of our own making, self-imposed limits on the growth of Canadian businesses. We see the effects of these barriers locally, with the millions of investment dollars that could be lost as a result of not ratifying the TransPacific Partnership agreement.

“Changing the policies that hinder business growth is the best way to stimulate our economy,” says Kent Smith-Windsor, Executive Director of the Greater Saskatoon Chamber of Commerce. “Along with the Canadian Chamber, we will continue to press for rapid action to address these barriers.”

This year’s edition of the Top 10 Barriers to Competitiveness covers several ongoing issues, from internal trade barriers between provinces to the lack of clarity concerning consultations with Aboriginal peoples and our inability to efficiently get resources to world markets. There are a number of new barriers as well, including Canadian businesses’ vulnerability to cyber crime and Canada’s lack of preparedness for the effects of climate change.

“These barriers are of our own making. They are the result of acting wrongly or failing to act at all, but we can eliminate them if we have the will to do so,” says Hon. Perrin Beatty, President and CEO of the Canadian Chamber of Commerce. “Government can provide the leadership to remove these hurdles. This is the opportunity to take another step towards a Canada that wins.”

[Read the full report of the Top 10 Barriers to Competitiveness.](#)

[Watch a short video presentation of the report.](#)

The Top 10 Barriers to Competitiveness

Public policies block small companies from becoming bigger

Canada has tax barriers and policies in place that keep its small businesses from growing into big businesses with more resources to hire, invest and innovate. Big firms are more productive, which is essential to the competitiveness of the Canadian economy. Yet, only 1.4% of mid-sized Canadian firms become big businesses. To grow Canada's companies, the government needs to change the corporate tax rates and breaks that penalize growth.

Canada is vulnerable to cyber crime

Canada loses \$3.12 billion to cyber crime per year, and nearly half of all small businesses have been the victim of a cyber attack because they are less equipped to handle attacks. The government has a role to play in ensuring small businesses get help with their digital literacy and cyber resilience.

Canada's trade agenda—new agreements are just the start

Canada has been aggressive in pursuing new trade agreements over the past few years but its businesses continue to face substantial barriers expanding abroad, and Canadian exporters are falling behind in key markets like China. Canada needs to help businesses scale up internationally. Canada also needs to ratify the Trans-Pacific Partnership and the Comprehensive Economic and Trade Agreement with the European Union, get new deals done with China and India, and cooperate on regulations with its trade partners.

Canadian resources cannot get to world markets

Canada's trade and foreign investment flows depend on natural resources and its future economic prosperity depends upon its ability to provide reliable infrastructure to allow Canadian energy resources to fuel Asian economic growth at world market prices. Yet, Canadian energy products are exported nearly exclusively to the United States because Canada lacks the infrastructure to get these products to markets abroad. Governments need to support pipelines and other infrastructure that will allow Canadians to trade with the world.

Poor literacy, numeracy and digital skills are limiting productivity in segments of Canada's workforce

Robotics and artificial intelligence are changing the workplace and increasing the demand for high-skilled workers. Yet, half of Canadians do not have the levels of literacy, numeracy and digital problem solving skills they need to compete in today's economy. Canada needs a plan to make sure people have the skills for tomorrow's jobs.

Canada needs a more aggressive and effective innovation strategy

Public and private sector R&D spending is vital for exports, jobs and wealth creation. Yet, federal R&D expenditures as a proportion of GDP have fallen by a quarter in just five years. Canada needs to reinvest in an innovation ecosystem that supports the capability of business to rapidly respond to change.

Canada is not ready for climate change

Climate change affects all Canadian industries, from agriculture and natural resources to tourism and defence. As nations advance policies and regulations to combat greenhouse gas

emissions, Canada must keep pace to maintain its competitiveness as a location for investment and a source of products. Canada needs clear federal policy on carbon regulation and a climate adaptation strategy.

Internal barriers to trade cost Canadians billions and restrict investment

The Canadian economy remains divided by artificial barriers to trade and labour mobility that frustrate business investment and cost consumers billions of dollars every year. To get free trade within Canada, the federal government should apply pressure on the provinces and expand the right of private parties to seek redress.

Lack of clarity regarding businesses' responsibilities to Aboriginal peoples constrains investment

In the cut and thrust of global competition, Canada can no longer afford for its governments, businesses and Aboriginal peoples to work at cross-purposes. Canada needs meaningful reconciliation with its Aboriginal peoples; however, it is not clear to businesses what reconciliation means and what they need to do to do their part in achieving it. The federal government, as the primary interlocutor between Aboriginal peoples and other constituencies, needs to lead the way.

Canada's brand does not support business competitiveness

The world sees Canada as a great place to live but not to do business, and Canada has not been doing a good job at changing those perceptions. A strong business brand would encourage foreign direct investment in Canada, increase awareness of Canadian export products and support Canada's tourism industry. The government must increase its efforts to improve its business brand through tourism and investment promotion.

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About the Greater Saskatoon Chamber of Commerce

The Greater Saskatoon Chamber of Commerce seeks to continually improve the economic conditions of Saskatoon, in particular, and Saskatchewan, and Canada in general; by carrying out such projects and activities as may be deemed to advance the legitimate interests of the business community and through it, the quality of life in our community. Founded in 1903, we now represent over 1900 members from every sector of the Saskatoon economy. Engage with us by following our Twitter [@StoonChamber](https://twitter.com/StoonChamber), or by visiting saskatoonchamber.com.

About the Canadian Chamber of Commerce

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 450 chambers of commerce and boards of trade, representing 200,000 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](https://twitter.com/CdnChamberofCom).

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