TRADE

Toronto Region Board of Trade is pleased to see the federal government continue to seek trade deals and improve market access for Canadian businesses. The new CPTPP deal is a positive step toward greater economic opportunities. This government has also taken a proactive and aggressive approach to ensure NAFTA continues to benefit Canadians.

However, while signing free trade agreements is important, enabling Canadians to fully realize the benefits of these trade deals is critical as well. The Board supports the government’s increased investments in trade commissioner services, but believe more can be done to educate and prepare SMEs to take advantage of Canada’s extensive network of free trade agreements. In its pre-budget submission, the Board urged the government to prioritize trade education and services to support CETA and the CPTPP agreement. With uncertainty over NAFTA remaining, this need is even more pressing.

INFRASTRUCTURE & TRANSPORTATION

The Board appreciates the government’s continued commitment to funding infrastructure, particularly in Canada’s largest cities; however, expediting funds to properly planned projects is necessary. The Canadian Global Cities Council (chambers of commerce from Canada’s eight largest urban centres) recently proposed a National Urban Strategy with recommendations for how infrastructure funds can be better and more quickly deployed to improve our large urban centres.

As trade is key to a growing economy, the Board supports investment in border infrastructure, most notably, improvements in airport security. We are hopeful these investments will reduce delays at Canada’s international airports.

Ensuring a robust supply of housing at affordable prices is of particular importance to talent attraction and retention. The government’s focus on housing, particularly providing loans for rental construction, is important. However, until other orders of government change their policies, its impact will be limited.

ECONOMIC DEVELOPMENT

New funding for regional economic development in Southern Ontario is much-needed. The government’s new focus on helping firms scale-up, develop new markets and adopt new technologies speaks to the real priorities of today’s business. This complements the recent decision to award funding to the Advanced Manufacturing Supercluster in the Toronto-Waterloo Innovation Corridor. As we have indicated in the past, economic development strategies should focus on existing strengths where government funds can help scale-up private sector opportunities.

The Board is pleased the government will continue to simplify procurement. In particular, we are encouraged by the nearly $200 million in funding committed to developing an e-procurement system which will make it easier for SMEs to participate.
## TALENT

The Global Skills Strategy remains a good approach to welcoming the talent our economy needs to remain globally competitive. The Board would like to see additional resources committed to reducing immigration backlogs, which hurt business and disrupt families.

The government’s continued investments in better labour market data and training are positive steps for workers and the broader economy. These includes:

- The Future Skills organization receiving the funding it needs to move ahead
- New investments in digital platforms and better data to help Canadians make informed career decisions
- The renewal of funding for Labour Market Transfer Agreements

## COMPETITIVENESS

The recent corporate tax reductions in the United States put new pressure on Canadian governments to ensure we remain globally competitive. Our lower corporate tax rate served as a noticeable advantage over our American neighbours, allowing businesses to compete and attract investment. With this advantage eroded, the government needs a plan to reduce taxes, eliminate red tape and improve productivity. The Board was looking for greater emphasis on reducing regulations and improving productivity—key longstanding competitiveness challenges. The proposed e-regulation system and economic strategy tables remain interesting ideas, but don’t meet the significant challenges posed by our global competitors. The Board encourages the government to review taxes for fairness and competitiveness.

## FISCAL MANAGEMENT

The Board supports many of the investments made in this budget, but we remain concerned about the government’s overall fiscal direction. Deficits may be warranted in the short term, but a clear path back to balance must be evident to ensure business confidence. While the debt to GDP ratio is declining modestly, continued reductions are dependant upon a stable economic environment. With NAFTA uncertainty and global economic pressure, the Board is concerned this situation may change. We encourage the government to refocus on reviewing its operational expenses and present a credible plan to return the budget back to balance.

## OVERALL RATING: B-

This year’s budget continues needed investments in key Board priorities: infrastructure, economic development, trade and talent. We are also encouraged by the government’s focus on equality, notably women’s important role in the workforce. In an economic environment threatened by significant risks and increased competition, the government must do more to focus on competitiveness and the cost of doing business. While the government is taking a fresh approach to longstanding equality issues, more emphasis must be placed on economic fundamentals.
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