



Roadmap to Recovery

In the middle of a once-in-a-century pandemic, it is difficult for Canadians, their families, businesses and governments to look beyond confronting the immediate effects of COVID-19. However, even as Canadians continue supporting each other today, we must also begin looking over the horizon to the post-COVID-19 world to start planning how our country and economy can emerge stronger.

Recovery starts with resilience. Supporting business and employees through the COVID-19 pandemic is helping to ensure they will be able propel our economic recovery.

While no one can predict with any certainty the economic, political and cultural changes this crisis will have on Canada and the rest of the world, we know these changes will be significant. The high level of collaboration among governments, businesses and civil society managing this pandemic should give Canadians confidence about our collective ability to deal with the long-lasting changes it will bring.

Developed in partnership with the Canadian Business Resilience Network's vast network of over 450 chambers of commerce and boards of trade and more than 100 of Canada's leading business and industry associations, the Roadmap to Recovery lays out nine policy areas and specific measures that our political leaders must start considering to help ensure a sharp and lasting recovery.

Getting Canadians Back to Work

Canada's workforce will not be the same when it comes time for recovery. In the span of one month, we went from one of the tightest job markets in history to over one million job losses. Employment may not return to pre-crisis levels at any point soon. Available jobs and the skills required will shift. Employers might increasingly look to automation to maintain operations during future crises and reduce risk. Canadians will need reskilling, upskilling and skills training programs to get them back to work. Education and training will also change, including a greater need for online learning and durable skills, with a focus on both work-integrated and lifelong learning. Ensuring all Canadians have opportunities to participate in the recovery will be essential for inclusive growth and widespread job creation.

We are asking the federal government to commit to:

1. Developing business-led labour market strategies tailored to communities by using local labour market information and real time data.
2. Using chambers of commerce and boards of trade as local hubs for employer collaboratives that will provide facilitated time and space for businesses to share, collaborate and plan by building benchmarks and resilience to futureproof workforce planning.
3. Conducting a comprehensive review of Employment Insurance (EI) to identify the reforms needed to respond to current and future workforce needs, ensuring Canadians remain connected to the labour force and including a strong upskilling/reskilling training component.
4. Leading by example in representing inclusive voices in recovery and getting Canadians back to work.

Keeping Supply Chains and People Moving

Getting business operations up and running after a prolonged shutdown is extremely challenging. The rollout of essential services rules across the country has created a patchwork that prevents the continuation of many of the critical functions that businesses and their customers require. Most industries will need to reactivate their entire supply chain, where the weakest point in the chain will determine the success of a return to economic activity. Given the all-consuming nature of COVID-19, companies cannot afford to accommodate additional disruptions caused by regulatory gridlock and interprovincial/territorial trade barriers. Trade-enabling transportation infrastructure is crucial to improving the flow of goods and people in Canada. Improving supply chain data and information can make Canadian supply chains more efficient and better prepared to respond to future disruptions.

We are asking the federal government to commit to:

1. Setting protocols for traveling and deploying technologies that protect passenger health to support the movement of people and rebuild confidence in travel and transit.
2. Bringing forward budgeted infrastructure funds from future years of the long-term infrastructure plan to recapitalize the National Trade Corridors Fund (NTCF).
3. Working with industry to identify and remove policy and regulatory barriers to supply chain innovation and digitization.

4. Leading the federal, provincial and territorial governments to remove all or most of their exceptions to the Canadian Free Trade Agreement (CFTA) no later than the end of 2020.
5. Working with the provinces and territories to dedicate additional resources to the Regulatory Reconciliation and Cooperation Table (RCT) under the CFTA.
6. Encouraging the provincial and territorial governments to commit to automatic mutual recognition of professional and trades qualifications whenever possible.
7. Encouraging the provincial and territorial governments to allow direct-to-consumer alcohol sales.

Managing Debt and Deficits

Canada will enter recovery with substantial new public and private debt. Federal and provincial/territorial governments used ample fiscal stimulus in an unprecedented health crisis, and further support may be necessary to avoid a prolonged economic downturn. Personal and private sector debt is also going to expand as households struggle to make payments and firms borrow to preserve their operations. Canada will have to walk a fiscal tightrope between reducing debt and deficits and maintaining a competitive tax system that encourages business investment and economic growth.

We are asking the federal government to commit to:

1. Conducting a comprehensive review of the Canadian tax system guided by the principles of tax competitiveness, simplicity and fairness.
2. Providing forward guidance on its fiscal position and debt-to-GDP ratio as well as reporting on the combined fiscal position of federal, provincial/territorial and municipal governments.
3. Using base-broadening measures to increase the amount of capital and economic activity available for taxation and debt reduction, including a time-bound tax incentive to encourage Canadian companies to repatriate more of their international earnings.
4. Mobilizing a privately financed stimulus package for productive and inclusive recovery, including the creation of Canadian Regeneration Funds nationally (the Canadian equivalent of U.S. Opportunity Zone Funds).
5. Applying a 100% capital cost allowance deduction in the first year of all tangible capital investments, excluding buildings, across all sectors of the economy.
6. Requiring international companies to charge an appropriate value-added tax on sales related to the purchase of digital services in Canada.

Navigating Global Fragmentation

The reversal of decades of economic globalization and international supply chains will create challenges for a trading nation like Canada. International trade patterns and global capital flows will shift as the pandemic disrupts the global economy. The pull of protectionist policies will grow as countries look inwards to recover from COVID-19, and the barriers erected during the crisis could be slow to come down. We should also expect restructuring in international tourism and transportation sectors, the effects of which will undermine our ability to attract international students. The Canadian tradition of internationalism will be forced to operate in a dramatically new global environment.

We are asking the federal government to commit to:

1. Working together with the business community to identify Canada's capabilities and gaps in critical supply chains, including what policies will support the ability to produce and import the products that are vital for Canada's economic well-being and what measures will help enhance the ability of Canadian companies to export into global supply chains.
2. Working with coalitions of likeminded allies to protect the critical elements of the rules-based trading system and develop norms critical to our national interests, including rolling back distortive industrial subsidies and protecting our ability to thrive in the digital and intangibles economy.
3. Prioritizing and better utilizing existing trade agreements, trade facilitation and border measures as we work to recover from COVID-19.

Adopting Technology and Innovation

The pandemic will change how we live, how we work and how we use technology. A crisis of this scale will undoubtedly alter consumer preferences and workplace norms. Canadians have suddenly been forced to work remotely, conducting virtual meetings and adopting online shopping and e-learning on a massive scale. An increasingly digital economy will require major investments in sophisticated networks, cybersecurity and electronics. It will also force businesses to adopt new technologies and business models to interact with customers, clients and employees.

We are asking the federal government to commit to:

1. Executing an effective plan for the rollout of broadband to all locations in Canada and fill the financial gap where there is not a business case for the private sector to do so.

2. Introducing programs, funding and incentives for technology adoption in businesses of all sizes and across all sectors to improve Canadian productivity.
3. Prioritizing the auction of the 3,500-megahertz spectrum so Canadians can take advantage of 5G networks.
4. Accelerating the pace of mmWave spectrum allocation so businesses can use the power of the Internet of Things (IoT) for logistics, smart cities/towns and other industrial purposes.
5. Developing a technology transfer strategy to enhance the commercialization of scientific research developed in Canada's academic, research and government institutions.
6. Adopting an "innovation box" regime that would reduce the corporate tax rate for income derived from patented inventions and other intellectual property connected to new or improved products, services and related innovative processes developed in Canada.
7. Expanding the size of the Venture Capital Action Plan and considering placing a 6% cap on the return on government investment.
8. Supporting an attractive angel investment and venture capital ecosystem to finance technology businesses and start-ups in Canada, including the availability of flow-through shares.

Ensuring a Resilient Resource Sector

Many Canadian resource companies find themselves in uncharted territory. The demand destruction from COVID-19 measures has caused oil prices to plunge and created significant declines in global demand for metals and forest products. The crisis has also demonstrated the importance of energy security as an essential service that not only powers our economy, but also our health systems. With the right supports, Canada can gain market share by innovating to create less emission intensive oil and gas products, providing billions in urgently needed government revenues and driving investment in renewable clean technologies. Trade policy and infrastructure are crucial for our resource sector to thrive in a different global economy and to take advantage of the fourth industrial revolution. Canada's abundance of natural resources, including energy, minerals, agriculture, forestry and fishing, will provide a strong competitive advantage as our economy recovers.

We are asking the federal government to commit to:

1. Creating a transparent, objective and third-party verified certification network for Canadian energy products to confirm sustainability and signal that holding equity in these companies can be compatible with the management of climate liabilities.
2. Adopting an infrastructure led approach to stimulate the resource sector and restore investor confidence in Canada's regulatory system.
3. Improving access for Canadian products in global markets through necessary trade enabling infrastructure for the resource sector.
4. Using the Canadian Minerals and Metals Plan (CMMP) to improve Canadian resilience and develop an export strategy that helps Canada feed into the recovery packages of other nations, especially as they pursue mineral-intensive green infrastructure and energy projects.
5. Using eco-renovation incentives to support internal demand for Canadian forestry products and improve the energy efficiency of Canadian homes 20 years and older, as well as encouraging provincial/territorial governments to do the same.
6. Continuing to work with Canada's energy producers, transportation industries and energy-intensive industries to develop a Clean Fuel Standard that will ensure emission reduction without sacrificing economic competitiveness.

Planning for Small and Medium Business Continuity

Emergencies, like pandemics, natural disasters and cyber attacks, pose unique challenges for small- and medium-sized businesses. Most will not recover at the same pace as larger businesses and many will not survive the crisis. SMEs will need substantial tools and resources to help them maintain operations and adapt to a different economy. They will also require help to prepare to weather the next crisis, including advice on legal/human resource issues, cash flow management, maintaining operations, cybersecurity and adopting business models with less physical presence (e.g., remote working and e-commerce).

We are asking the federal government to commit to:

1. Introducing support programs to assist businesses to prepare for the health and safety equipment, operating procedures, etc. needed to meet COVID-19 requirements, including renovating, sanitizing and reconfiguring physical premises, as well as purchasing personal protective equipment (PPE) for employees and customers.
2. Setting operating and equipment standards for business and ensuring there is a reliable supply of the equipment required.
3. Winding down COVID-19 support programs over time, recognizing different reopening times for economies and sectors, with different requirements depending on distinct business cycles.

4. Leaving government-backed COVID-19 liquidity programs in place after winding them down to readily reintroduce them when next required and reviewing programs annually to ensure they apply to emerging sectors and different business models.
5. Simplifying the eligibility criteria for support programs, consulting with the business community on how to do so and communicating criteria and available programs regularly through public and private sector channels.
6. Introducing continuity planning and cybersecurity certification programs for SMEs and offering financial incentives for completing them.
7. Conducting a review of business continuity insurance to ensure the availability of coverage for emergencies (health, natural, cyber), to clarify employers' liabilities for employees becoming ill or injured and to protect businesses that purchase this coverage.
8. Working with business, labour, health care professionals and others to develop emergency response guidelines for businesses and make this available through chambers of commerce and other channels SMEs use.
9. Introducing a Tax Free Business Emergency Savings Account where all firms eligible for the Small Business Tax Rate would qualify, and the annual limit would be the same as for individuals (\$6K in 2020).

Strengthening Our Public Health Infrastructure

A lasting implication of the pandemic is that resilient and efficient healthcare systems will become an even greater competitive advantage for nations. Governments will need to rethink the speed and agility with which they need to react to make public health decisions and provide financial relief to individuals and businesses. Doing so will involve revisiting policies on critical healthcare infrastructure, strategic reserves of key supplies and the need to ensure domestic production facilities for critical medical equipment. It will also include redesigning public sector procurement and the distribution of essential equipment for times of crisis.

We are asking the federal government to commit to:

1. Addressing gaps in the procurement of medical equipment, supplies, vaccinations and personal protective equipment through domestic production and enhancing Canada's ability to source a range of medical products from abroad.
2. Ensuring regulatory processes for COVID-19 testing, antibody testing and vaccine clinical trials accelerate and work to enable rapid wholesale vaccine distribution once available.
3. Striking a balance between public health and privacy for technologies that trace human interaction and if someone has been exposed to a COVID-19 carrier.

4. Providing mental health information and resources amid social distancing, equipping employers to offer mental health supports and providing funding for dedicated mental health help lines.
5. Emphasizing outcome-based procurement processes to innovate public health using the best technology and ensuring public health tools provide value for money.

Rethinking Government's Role and Priorities

There is no more fundamental role for government than protecting society in times of crisis. Wars, pandemics and serious recessions inevitably require increased government involvement in the economy and in society as a whole. However, once the crisis has passed, both the needs of society and the tools used to meet them may be profoundly different. The COVID-19 crisis demonstrates that, given the opportunity, the private sector will rise to the challenge and respond to changing conditions with a speed and flexibility that governments lack. As the government considers how to build a more secure future for Canadians, it must give priority to the economic fundamentals needed for growth and opportunity. Our goal should not be to return to the uncompetitive business conditions that existed before the crisis. Now more than ever, we need to encourage entrepreneurship and investment, not just to undo the damage inflicted by COVID-19, but also to achieve Canada's economic potential.

We are asking the federal government to commit to:

1. Continuing the high level of collaboration with the business community and establishing a recovery, growth and prosperity task force at the highest level.
2. Transitioning from emergency supports and a subsidy-based response to the COVID-19 crisis to a growth-led approach that makes Canada among the most competitive investment environments in the world.
3. Accelerating e-government and m-government adoption to improve the effectiveness of government programs, the efficiency of government operations and crisis response times and to reduce administrative burdens on business.