

# 2016 EDC Industry Stakeholder Panel

## INTRODUCTION

Export Development Canada's (EDC) Industry Stakeholder Panel is a group of industry leaders representing companies of all sizes from a variety of sectors such as manufacturing, technology, energy, defence and security, and services. The panel gathers once a year to share insights on Canadian trade and investment issues and to provide input on how EDC can better meet the evolving needs of Canadian companies. This executive summary provides a brief account of the meeting held in Ottawa on May 9 and 10, 2016.


### Highlights from the Evening Reception

Several important guests from the federal government joined the panel during the evening reception on May 9, 2016 at the Rideau Club. David Lametti, Parliamentary Secretary to the Minister of International Trade spoke to the panel about the new government's trade agenda. Key priorities include: strengthening the long-standing relationships with the US and Mexico; advancing trade in the EU with the Comprehensive Economic and Trade Agreement (CETA); and improving trade with emerging markets, including conducting extensive consultation with Canadians on the Trans-Pacific Partnership (TPP) agreement. The federal government is serious about being in a 'listening mode' to ensure that the government acts in the best interest of Canadians. The panel discussion that followed focused primarily on: changing the Canadian mindset to pursue global trade opportunities and remain competitive; encouraging small and medium sized companies (SMEs) to enter into high growth emerging markets; and supporting and managing innovation, particularly transformative innovation that addresses the required transition to a decarbonised world.

### Industry Stakeholder Panel Roundtable

The meeting on May 10 at EDC's Head Office was facilitated by Hershell Ezrin and included a roundtable with the panel members and presentations from EDC.

The Industry Stakeholder Panel provides important context for helping set EDC's strategy. EDC's President and CEO, Benoit Daignault, summarized what EDC had learned from the panel last year and what EDC had done in response. Recognizing that SMEs needed more support, EDC improved its approach and service offerings, ultimately leading to more transactions and financing for this customer



segment. EDC has also worked with the federal government to increase Canada's presence abroad. A new EDC office in Jakarta will be opening soon.

Panel members were asked to share their global business perspectives, opportunities and challenges in the annual roundtable and suggest solutions for EDC. Common themes and solutions from the industry leaders included:

- *Integrated approach:* Government coordination underpins many of the challenges discussed during the roundtable. A 'whole-of-government' approach is needed to address cross-cutting issues, avoid siloed thinking, and manage the full continuum of imports and exports.
- *Improving datasets, metrics and standards:* Industries have evolved, but how they are measured has not kept pace. For instance, Statistics Canada only measures the fabrication component of the manufacturing industry, even though manufacturing involves more than just fabrication. This lack of comprehensive data can affect how policies are made. The apparel industry is also grappling with how Canada measures and enforces what is "made in Canada". Access to good quality data is a competitive advantage, and EDC and the government have a role to play in ensuring this information is accurate, relevant and shared. For instance, having a national framework on cleantech data would help the cleantech sector make evidence-based decisions on how to invest. Generally, Canada best competes on quality, not price. Standards on quality would help make this distinction and should be considered during trade negotiations. Engineering companies would especially benefit internationally if more quality standards were in place.
- *Focusing on the array of innovation:* Some panel members suggested that Canada needs to focus and prepare for largescale, transformative innovation. This is especially true for emerging industries such as marine renewables and the agri-food sector. Others argued that Canada needs to support incremental process innovation to remain at the leading edge and, ultimately, to help companies stay in business. One suggestion was also to ensure the government's innovation agenda is aligned with foreign policy.
- *Supporting mid-level companies:* The hollowing out the mid-level companies, leaving only small and large enterprises was a frequent concern during the roundtable, particularly for industries such as aerospace, engineering and construction. Some panel members suggested that more could be done to foster practical innovation (not R&D-heavy innovation) and encourage inorganic growth through mergers and acquisitions.
- *Connecting peers and partners and the role of government:* Several panel members commended EDC and the Trade Commissioner Service (TCS) for their support in making connections for their members abroad. While business-to-business connections are critical, some suggested that more could be done to support peer-to-peer networks for establishing partnerships. However, other members cautioned that interactions such as peer-to-peer networking and matchmaking may best be led by the business community and those with credibility in the marketplace.

## Highlights of EDC's Spring 2015 Global Export Forecast

Peter Hall, VP and Chief Economist at EDC, provided a brief overview of [EDC's Spring 2016 Global Export Forecast](#) entitled "Growth: Its Own Worst Enemy?" Mr. Hall explained how he thinks growth is back but many do not see it – with turbulence and falling commodity prices eclipsing the growth story. On the growth side, the US market is anticipated to grow, the Euro area may balance with pent-up demand, and even though there are economic challenges with the large emerging countries such as Brazil, Russia and India, China's anticipated transition towards a consumer-based economy could lead to aggressive global economic growth. Markets that have previously been closed or sheltered to the global economy are also on the verge of opening up, representing major growth opportunities. Nevertheless, the Canadian dollar and commodity prices are expected to remain low and market volatility will continue. The challenge for Canadian businesses will be to seize the global growth opportunities and manage and mitigate the volatility – something EDC is well prepared to support.

## Canadian Foreign Investments Research

EDC's Corporate Research Department conducted an extensive survey to generate a new understanding of Canadian trade diversification. Daniel Koldyk, Senior Research Analyst at EDC, presented EDC's survey findings, which show that outbound international investments are strengthening Canada's economy, challenging the commonly held belief that outbound investment is detrimental to Canada. Many panel members expressed agreement with the research and the benefits of foreign affiliates. Several suggested that education and communication will play a vital role in helping to change the narrative. Moreover, these messages should be targeted to the average voter – explaining why and how foreign investments help the 'everyday' Canadian.

## Closing

Mr. Daignault thanked the members and noted that the insights and concrete suggestions from the panel are extremely valuable to EDC and its government partners and are an important source for developing EDC's strategy.

## Appendix: List of EDC Industry Stakeholder Panel Members

### In attendance:

#### **Perry Mitchelmore**

Chair of Board of Directors  
Association of Consulting Engineering  
Companies (ACEC)

#### **Ian Christie**

Executive Vice President  
Aerospace Industry Association of Canada  
(AIAC)

#### **Flavio Volpe**

President  
Automotive Parts Manufacturers  
Association (APMA)

#### **Mike Greenley**

Chair of the Board  
Canadian Association of Defence and  
Security Industries (CADSI)

#### **Bob Kirke**

Executive Director  
Canadian Apparel Federation (CAF)

#### **Ryan McEachern**

Managing Director, Canadian Association  
of Mining Equipment and Services for  
Export (CAMESE)

#### **David McInnes**

President and CEO  
Canadian Agri-Food Policy Institute (CAPI)

#### **Aneel Rangi**

General Counsel and Corporate Secretary  
Canadian Construction Association (CCA)

#### **David Fung**

Member of the Board of National Directors  
Canadian Manufacturers and Exporters  
(CME)

#### **Joy Nott**

President  
Canadian Association of Importers and  
Exporters (IE Canada)

#### **Robert Watson**

President and CEO  
Information Technologies Association of  
Canada (ITAC)

#### **Chris Campbell**

Strategic Advisor  
Marine Renewables Canada (MRC)

#### **Jon Dogterom**

Managing Director  
MaRS Cleantech Venture Services (MaRS)

#### **Warren Everson**

Vice President, Policy  
Canadian Chamber of Commerce (CCC)

### Absentees:

- Canadian Association of Petroleum Producers (CAPP)
- Forest Products Association of Canada (FPAC)
- MaRS (Life Sciences)
- Petroleum Services Association of Canada (PSAC)