INFLECTION POINT

A PLAN FOR A COMPETITIVE, PRODUCTIVE, PROSPEROUS CANADA

Calgary Chamber

2025

Canada is at an inflection point – one that demands a deliberate focus to boost economic growth and productivity. By empowering businesses of all sizes to grow and innovate – ultimately creating good jobs – we can boost Canada's productivity and rebuild Canada's economic foundation. This will bolster our global competitiveness and ensure a prosperous future for all Canadians.

The challenge: Untapped economic potential

Canada is facing critical challenges. But challenges come with opportunities – and choices.

Canada has the foundations for success: an enterprising population, abundant natural resources, a world-class reputation, strong democratic systems, and a good quality of life.

But we are currently not reaching our full economic potential.

Our productivity has been lagging, businesses are struggling, and everyday Canadians are feeling the impact. Canada's stalling productivity has negatively impacted workers, small businesses, corporations and Canadians – and has had a material impact on affordability, economic growth, and our strength as a trading partner.

Canadians are firm in their belief that the economy is a priority. According to data commissioned by the Calgary Chamber of Commerce in January 2025, **79 per cent of Canadians believe a strong economy makes for a strong society** – but only 39 per cent believe we are on the right track to achieve economic prosperity. By solving the challenges businesses are facing – with a keen eye to the impacts on workers and Canadians – we can improve the economy for the benefit of everyone.

The impact: Canadian affordability & prosperity

The economy, labour markets, affordability and regulatory uncertainty continue to concern businesses and employees alike. Many businesses are struggling. The rising costs of goods and services, insurance, taxes and interest rates have squeezed their bottom lines. Small businesses, in particular, have been struggling to rebound, with 57 per cent highlighting cost-related obstacles as a top issue in Q4 2024. With affordability a challenge for consumers, businesses have a limited ability to pass on costs to customers and instead are faced with decisions to reduce staff, limit investment in their growth or close their doors.

Jeopardized Canadian prosperity is felt by everyday Canadians, too. Our national survey also points to affordability issues as the top priority for Canadians across the country. Government must play a leading role in reversing Canada's cost of living challenges, recognizing that 63 per cent of Canadians attribute the decisions made by the federal government to Canada's cost of living situation. Moreover, only 21 per cent of Canadians are satisfied with the current level of support provided. This emphasizes that having the right policy, regulatory and economic landscape in place – at all levels of government – is an integral part of the solution to Canada's affordability and productivity concerns.

Top challenges facing Canadian businesses

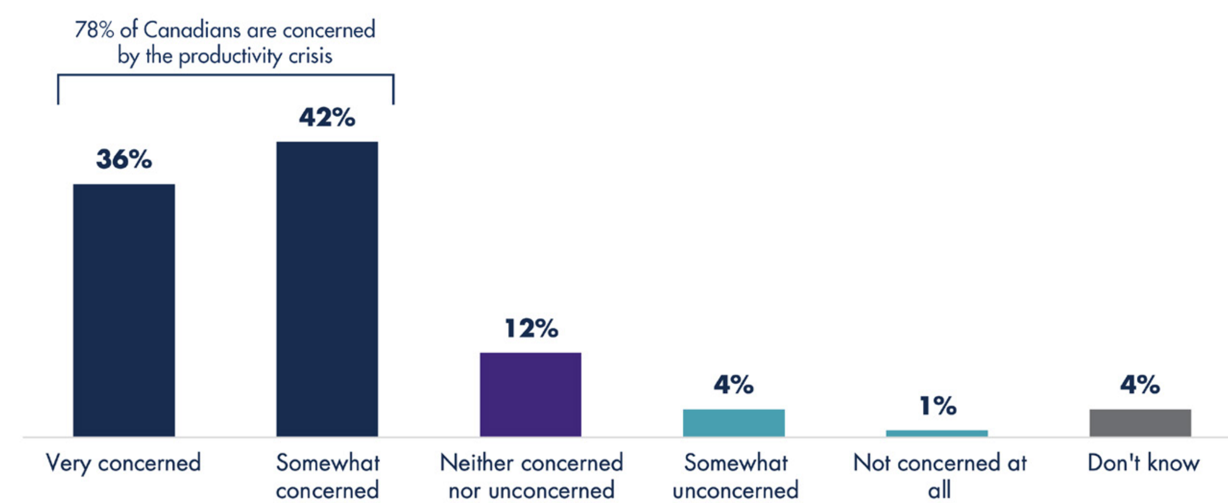
1. Cost of living
2. Economic growth
3. Taxes
4. Housing
5. Climate change

Source: Calgary Chamber of Commerce, Member Survey, January 2025

The culprit: Lagging productivity

Canada's productivity – the key to sustainable economic growth – is lagging. Canada has fallen from the 6th most productive economy globally to the 18th – a trend all Canadians should be concerned about. And they are: 78 per cent of Canadians are concerned by the productivity crisis.

How concerned are you with Canada's economic productivity trajectory?



Source: Calgary Chamber of Commerce, 2025

Productivity is the foundation of sustainable economic growth and if we can't reverse this trend, our quality of life – underpinned by government's ability to adequately fund health care, education, social services and infrastructure – will be at serious risk.

Increasing productivity directly addresses Canada's affordability crisis: higher productivity translates into higher wages, lower prices for consumers and higher margins for businesses. Ultimately, productivity is about growing our GDP relative to the size of our population. By improving tax competitiveness, cutting red tape, streamlining regulatory processes, investing in new technologies and supporting workers, governments and businesses can tackle our productivity challenges and bolster our economy – for the benefit of all Canadians.

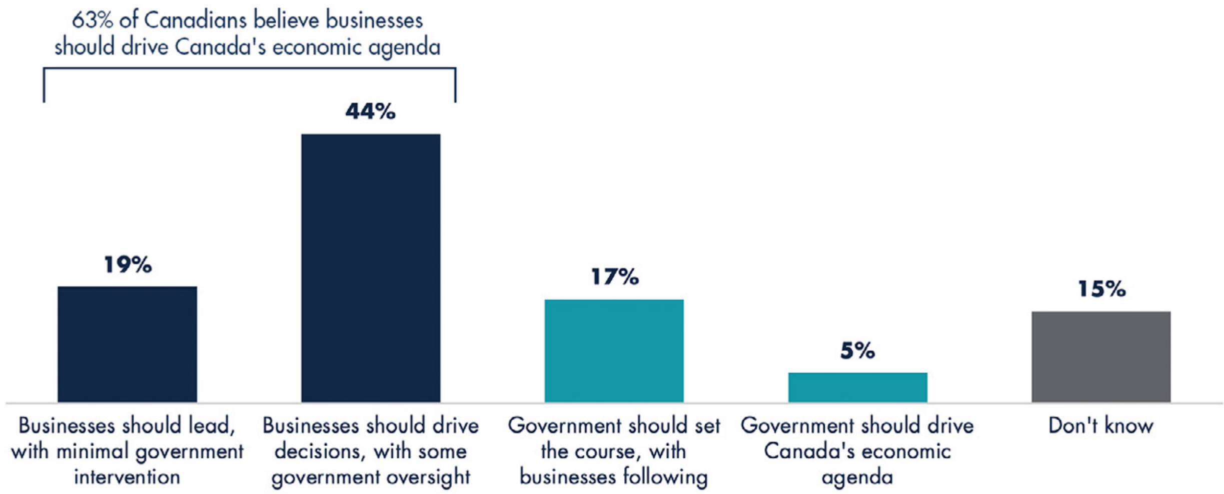
The solution: Canada's business community

Canada's business community is the driver of our economic future. From building homes and critical infrastructure, to exporting goods and expanding into new markets, to growing our economic and tax base, **businesses are central to solving our toughest challenges**.

Small businesses have a unique – and outsized – role in the Canadian economy, driving innovation, boosting economic growth and fostering community vibrancy. With 98 per cent of Canada's business community represented by small enterprises, and nearly 70 per cent of the private sector workforce employed by small businesses, they are undeniably the backbone of Canada's economy.

Canadians agree businesses should steer the ship, with 63 per cent indicating that businesses should drive Canada's economic agenda. Our members strongly agree that economic decisions should be privately led and publicly supported.

Who should set Canada's economic agenda?



Source: Calgary Chamber of Commerce, 2025

To thrive, businesses need a policy landscape that is competitive, simple and stable. Canadians know this to be true, too. Our survey shows that 69 per cent of Canadians believe it is important to have a business-friendly government – and only seven per cent disagree.

That's where our plan comes in.

***69%** of Canadians believe it is important to have a business-friendly government.*

The plan: *Inflection Point*

With only 26 per cent of Canadians satisfied with the government's efforts to create a thriving business environment, and only 25 per cent satisfied with efforts to grow the economy, we have our work cut out for us.

But we have a clear plan to get our economy back on track.

The Calgary Chamber's platform, *Inflection Point*, lays out a path for a competitive, productive and prosperous nation. We share evidence-based public policy recommendations that are backed and supported by both our business community and Canadians.

Our platform has been built through months of extensive consultation with our diverse members – 85 per cent of which are small businesses – from all sizes and sectors of the economy and representing over 400,000 employees. *Inflection Point* highlights for all political parties, elected officials and civil servants how both the business community and governments have an integral role in working together to address Canada's productivity crisis.

With a holistic view to bolstering productivity by strengthening the business community – and in service of Canadian prosperity – we, alongside our business community, have developed 82 recommendations in five key areas:

1. **Get back to business**, addressing regulatory barriers and impediments to competitiveness
2. **Expand our horizons**, investing in our trade infrastructure and relationships
3. **Propel an enterprising Canada**, supporting entrepreneurs to thrive in a global market
4. **Build a future-ready workforce**, promoting our talent and labour
5. **Advance community prosperity**, strengthening our communities to support well-being

Our perspective

The Calgary Chamber exists to empower our business community to advance a prosperous Calgary and Canada. We know public policy is far-reaching in both influence and impact, and we are dedicated to building strength and resilience for small business owners to large enterprises. This commitment includes advocating for policies that support business growth, Canadians' well-being and economic competitiveness. Therefore, we believe all policy should:

1. Facilitate investment and economic growth by providing certainty and stability for businesses of all sizes.
2. Incorporate principles that promote equitable opportunity and economic participation for all businesses, workers and Canadians.
3. Encourage and enable collaboration among all levels of government and business, leveraging all available tools to realize the full potential for economic growth.

Small businesses are a big deal.

Small businesses are the heartbeat of our economy, and our communities from coast-to-coast-to-coast. From bookstores and coffee shops to carpenters and mechanics, Canada runs on small businesses.

With nearly 1.2 million small businesses across the country – an impressive 97.8 per cent of all enterprises in Canada – these businesses have historically employed nearly 70 per cent of the private sector workforce and are responsible for one-third of Canada's GDP.

Canadians are avid supporters of small businesses, too, with **81 per cent of Canadians agreeing that small businesses are important to our economy**. Small businesses are among the most trusted institutions in Canada, with 62 per cent of Canadians indicating trust – a net-trust score of 52 points, according to the Calgary Chamber's commissioned study.

Canadians are also concerned about the well-being of small businesses, with only 28 per cent believing the federal government has done enough to support small businesses.

There is good reason to be concerned: employment growth has slowed in the past four years, and the growth of small businesses has lagged larger enterprises considerably, growing only 2.9 per cent compared to 7.3 per cent, respectively.

Tensions with the United States are likely to impede small business growth, with 42 per cent of exports to the U.S. coming from small businesses. Further, approximately 60 per cent of small- and medium-enterprises that export goods have the U.S. as their sole export destination.

Small businesses – and their productivity – must be prioritized if our economy is going to reach its potential. Throughout *Inflection Point*, we highlight specific recommendations to support small businesses, including streamlining regulatory requirements, fostering export opportunities, accelerating innovation, and encouraging workforce development.

A note on our data

In January 2025, the Calgary Chamber of Commerce commissioned a survey to understand Canadians' attitudes towards government policy, affordability and the economy. The survey, conducted by Crestview Strategy, was a representative, random, non-probability-based sample, and was in field between January 9 and January 15, 2025. To qualify for the survey, respondents were required to be 18 years or older and Canadian citizens. A probability-based sample of this size (n=2,800) would typically have a margin of error of approximately ± 2.19 per cent at a 95 per cent confidence level.

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Getting back to business

Addressing regulatory barriers and impediments to competitiveness

Canada's economic growth has lagged, in large part due to duplicative and arduous regulatory policy, making it a difficult place to do business. Our polling indicates that nearly 70 per cent of Canadians believe it is important to have a business-friendly government, while 59 per cent believe that a strong regulatory system is good for all Canadians. However, businesses are facing increased challenges. The Calgary Chamber's recent survey of members reveals that over 70 per cent believe government is not creating the conditions for their success.

To drive economic growth, innovation and productivity, all orders of government must address the barriers impeding our competitiveness and provide stability, certainty and smart regulation that businesses need to drive our economy. Developing an effective and efficient business environment will return dividends in business and economic growth, innovation, and ultimately, productivity.

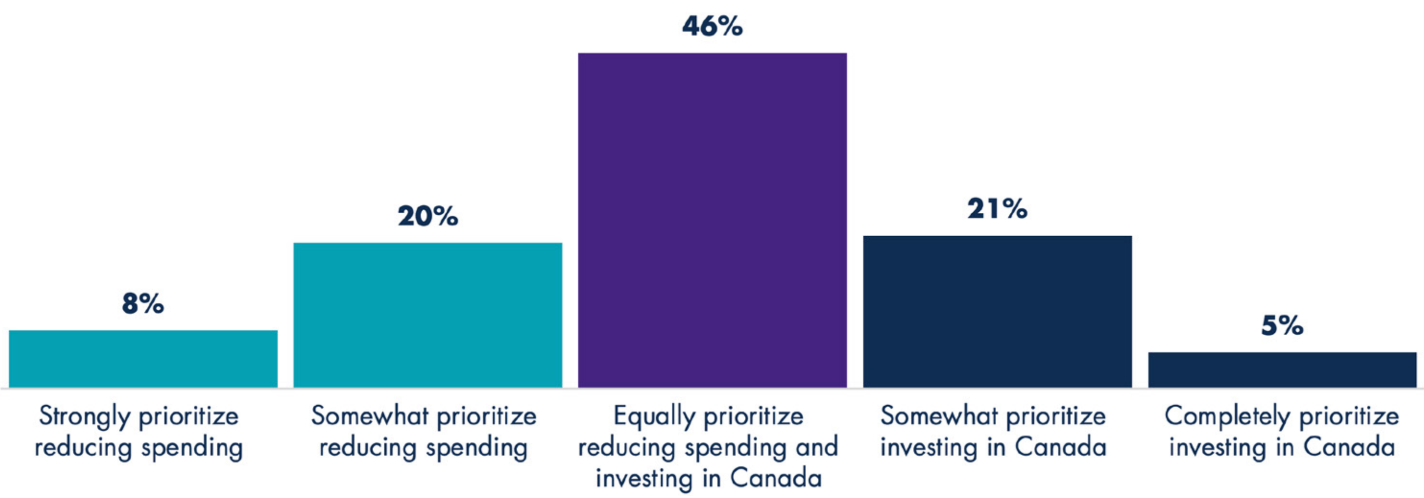
Fiscal responsibility

Canada's current fiscal condition must be a priority for government. With a projected deficit of approximately $48.3 billion – and likely higher given looming geopolitical challenges – and a national debt-to-GDP ratio of nearly 42 per cent in 2024-2025, a realistic and strategic plan to balance the budget is key to our economic future.

Moreover, our debt-servicing costs (public debt charges relative to total revenues) are predicted to continue to rise to 11.3 per cent in 2028-29 – well above the pre-pandemic seven per cent and comparable to what we currently spend on Canada Heath Transfers. Rising debt-servicing costs constrain our ability to adequately fund critical initiatives that support all Canadians, including healthcare, education, social services and infrastructure.

Cost escalations have also been accompanied by significant growth in the Federal Public Service, which is growing at more than twice the rate of the private sector. With over 100,000 full-time equivalents added since 2007, this is an important factor to consider as the government tackles Canada's fiscal responsibility and productivity challenges.

How do you believe the federal government should prioritize reducing spending versus investing in Canada?



Source: Calgary Chamber of Commerce, 2025

***66%** of Canadians are worried about potential cuts to social safety nets.*

Canadians expect the government to reduce spending while still investing in our country, suggesting a greater appetite for government to find efficiencies than deliver mass cuts. According to our recent polling, 28 per cent of Canadians believe the government must prioritize reducing spending, 26 per cent would prioritize investing in Canada, and 46 per cent of Canadians call for balanced plans to reduce government spending with investing in the future.

Our survey also shows that 66 per cent of Canadians are worried about potential cuts to social safety nets – meaning the pathway to fiscal prudence shouldn't be driven by cuts to key services Canadians rely on. Instead, the solution lies in growing the economy and finding efficiencies. By increasing both the size and number of businesses in Canada, the government will receive higher revenues from a larger tax base, which can be used to reduce the deficit, lower debt levels and invest in added growth. To achieve this, governments must ensure Canada's tax and regulatory systems are conducive to economic growth. This will bolster competitiveness between businesses, which fuels productivity, bolsters government revenue, and supports affordability for all Canadians.

Recommendations:

- **Commit to fiscal prudence by balancing spending with saving for the future and reducing the federal debt and deficit**. Ensure fiscal responsibility provides a stable and predictable economic environment to support growth and investment.
- **Reduce the federal debt-to-GDP ratio to less than 40 per cent** – with a strategy to maintain a downward trend – to compete with comparable global economies and bolster Canada as a strategic and reliable place to invest.
- **Focus on key fiscal anchors over the long term**, such as lowering the debt-to-GDP ratio, managing debt servicing costs, securing a AAA credit rating, and ensuring a strong balance sheets to avoid creating untenable future tax burdens.
- **Ensure all new and existing government policy considers the impact on economic growth and productivity**, recognizing a prosperous economy benefits all Canadians. Economic growth leads to increased government revenues which can fund health care, major infrastructure projects and ensure a strong Canada for everyone.

Investment certainty

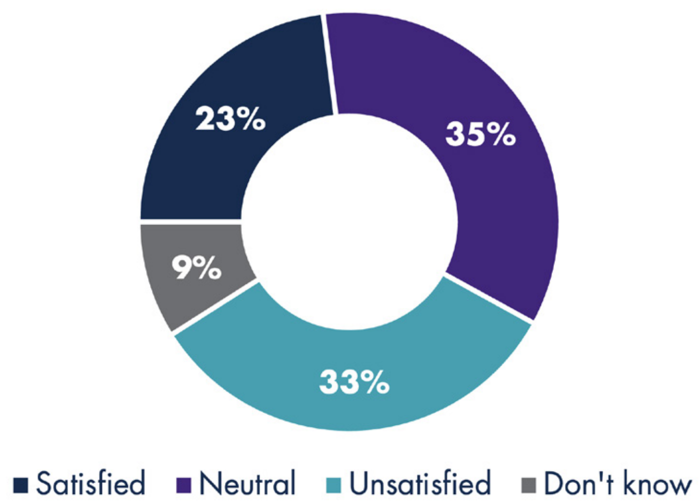
Certainty is critical to businesses' ability to make investment decisions, regardless of size or sector. To facilitate confidence, we strongly recommend that funding already allocated to existing capital programs – such as Investment Tax Credits and housing funding – is delivered as promised. Businesses have planned major projects around these programs and without funding certainty, projects could be shelved, leading to job losses and discouraging further investment in Canada. Maintaining investment certainty will be particularly important in attracting foreign direct investment, given the high mobility of capital.

Red tape & regulatory burden

Red tape is costly both in dollars and time. Our recent polling highlights that only 23 per cent of Canadians are satisfied with the government's ability to create a simplified regulatory environment in Canada. Between 2006 and 2021, regulatory requirements have increased by 40 per cent. This increase in requirements negatively impacts output and growth potential for business, causing investment dollars to flow into other jurisdictions. Our members are feeling the impact: nearly three-quarters of our businesses polled indicate Canada's regulatory environment is too complex.

The volume of red tape and the unintended consequences of layering regulations on businesses' operations stagnates growth and strands investments, which in turn reduces competition and innovation, leading to declining productivity. It also causes companies to look elsewhere and risks the permanent relocation not just of capital but of intellectual property to other jurisdictions. Governments at all levels must work together to reduce red tape, streamline regulation and permitting, and prioritize economic growth.

How satisfied are you with the current government's effort to create a simplified regulatory environment?



Source: Calgary Chamber of Commerce, 2025

Between 2006 and 2021, regulatory requirements have increased by ***40%****.*

Recommendations:

- **Expedite all regulatory approvals through fast-tracked and streamlined processes**, recognizing that government needs to move at the speed of business in order to provide investment certainty across economic sectors. Where possible, commit to the "one project, one approval" method and coordinate with provinces on the most economically efficient regulatory process.
- **Amend the *Impact Assessment Act***, removing the existing ministerial discretion to depoliticize nation-building projects. Companies need greater project certainty, which means streamlining and reducing the regulatory timelines, providing a greater emphasis on economic impact and amending the dedicated Project List to protect provincial jurisdiction.
- **Action the recommendations provided by the External Advisory Committee on Regulatory Competitiveness** to the Treasury Board, particularly those focused on expediency and modernization. These recommendations have the potential to ease pressures on businesses in Canada, especially for small and medium enterprises.
- **Undertake a review of business taxes in Canada**, streamlining and simplifying the tax regime to facilitate business investment decisions, ensure Canada is competitive with other jurisdictions, and incentivize businesses to grow.

Spotlight on small business

Canada cannot succeed without the strength of our small business community. Ensuring an efficient regulatory and investment environment is critical to Canada's broader economic prosperity and particularly for small business that often lack the resources necessary to navigate complex and costly systems. This includes:

- Expediting all regulatory approvals through fast-tracked and streamlined processes.
- Reducing federal granting and funding barriers and creating a small business concierge program to support businesses in navigating federal programs.
- Undertaking a review of business taxes in Canada with a specific focus on supporting small businesses.
- Ensuring affordable and reliable access to energy for small businesses already struggling with rising costs. This includes withdrawing costly regulations, like the Clean Electricity Regulations, which will create reliability and affordability challenges across Canada, particularly in provinces like Ontario, Saskatchewan and Alberta.

74% *of Canadians believe that ensuring access to reliable and affordable energy must be a top priority for government.*

Sustainable resource development

Aligning funding and regulatory frameworks with business needs will strengthen Canada's global competitiveness and economic stability and provide workers with the opportunities needed to succeed in a decarbonized, diversified economy. Our recent polling suggests that while 64 per cent of Canadians view climate change as one of the biggest threats globally, 74 per cent believe that ensuring access to reliable and affordable energy must be a top priority for government, underscoring the need to balance economic and environmental priorities.

A technology- and sector-agnostic approach to emissions reduction is necessary to allow companies to adopt the most effective solutions. Moreover, a balanced, market-driven approach to decarbonization will enable the adoption of the most cost-effective technologies to meet emissions targets, while maintaining reliable and affordable energy system.

Efforts to advance decarbonization technologies must be supported by regulations that are achievable with technologies commercially available today and that consider jurisdictional differences. This is especially true in the natural resources sector, including those with power generation capabilities such as the natural gas power generation and market structures used in Alberta.

Recommendations:

- **Withdraw plans to implement the proposed Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations**, recognizing that the proposed emissions cap imposes untenable financial and regulatory consequences across Canada.
- **Reverse course on Amendment 236 to the *Competition Act*, introduced in Bill C-59**. Given the severe lack of clarity and vague nature of this legislation, the government must withdraw or significantly amend the language. While the guidance issued by the Competition Bureau is directionally positive, guidance is not binding and does not provide the certainty businesses need.
- **Remove or significantly amend the Clean Electricity Regulations (CER)** given the severe negative impact it will have on the affordability and reliability of electricity in Canada. Moreover, the CER heavily impacts the ability to attract new technologies, including emissions reduction technologies and data centres.
- **Advance carbon contracts for difference (CCfDs) through continued consultation with industry**. CCfDs are critical for de-risking investment in decarbonization projects by guaranteeing long-term credit values and allowing companies to access financing.
- **Ensure eligible businesses can receive funding from the existing clean economy investment tax credits (ITCs)** in a timely and efficient manner. While the competitive landscape has changed since the inception of the ITCs, many projects have been developed in anticipation of being able to access credits. Reversing course risks stranding investments and a missed opportunity to attract capital amid instability in the United States. We must take this opportunity to develop strategic resource investments within our own borders, and work to attract investment that may have been deployed south of the border under the *Inflation Reduction Act*.
- **Develop and provide clarity on incentives and policies that advance biofuel, low carbon fuel, and sustainable aviation fuel, leveraging Canada's agricultural expertise**. Ensure incentive programs are designed to be competitive with the Clean Fuel Production Credit in the United States' *Inflation Reduction Act*.
- **Ensure policies, such as the recent changes to the Excessive Interest and Financing Expenses Limitation (EIFEL) rules**, do not negatively impact the development of large infrastructure projects by ensuring exemptions are available to support projects in Canada.
- **Establish a path forward for an industrial carbon offset market – led by the provinces and industries – that avoids market fragmentation** to provide certainty, optionality and to recognize jurisdictional differences. Further, promote compatibility amongst provinces with the anticipated implementation of Article 6 of the Paris Agreement. This will help ensure decarbonization projects remain commercially viable for private sector proponents.

Diving deeper:

- **Calgary Chamber submission:** *Proposed Regulatory Framework for an Oil and Gas Sector Greenhouse Gas Emissions Cap*
- **Calgary Chamber submission:** *Federal Clean Electricity Regulations*
- **Calgary Chamber submission:** *Competition Bureau regarding the changes to the Competition Act introduced in Bill C-59*
- **Calgary Chamber submission:** *Calgary Chamber encourages economic-focused Federal Budget 2025*
- **Calgary Chamber open letter:** *Calgary businesses sign open letter calling for the withdrawal of the oil and gas emissions cap*
- **Calgary Chamber open letter:** *Calgary Chamber encourages changes to CER*

*Internal trade barriers impede business growth, creating the equivalent of a **21%** tariff for trade within Canada.*

Expanding our horizons

Investing in our trade infrastructure and relationships

Global geopolitical instability, supply chain disruptions and Canada's precarious relationship with the United States have further emphasized the need for Canada to diversify our export markets, improve our competitiveness, and develop a business-first mindset.

Both businesses and people rely on the smooth and predictable movement of goods. As such, we must prioritize developing improved trade infrastructure – from ports and pipelines to railways and roads – to improve market access. Our member survey highlighted more than 70 per cent of businesses are concerned about U.S. policy affecting Canada, reinforcing the urgency for Canada to diversify its export markets and strengthen trade infrastructure.

Canada has 15 free trade agreements with 51 countries; however, the value of trade with 14 of them combined do not match the value of trade with the United States. To ensure the continued growth of Canadian businesses, we must also diversify our foreign trade opportunities, exploring global markets, such as Europe, Asia and South America. Further, while looking outside our borders, we must also solve the trade issues that plague businesses within our borders, as Canada's fractured interprovincial trade results in billions of dollars in lost GDP per year.

Spotlight on small business

Small businesses are the backbone of our economy, and in 2022, SMEs contributed 41 per cent of Canadian exports by value globally. To support growth and export opportunities for small businesses, government must:

- Invest in supply chain infrastructure ensuring small businesses have access to the domestic and international markets necessary to operate and grow their business.
- Support programs that connect and accelerate international trade, providing support to small business looking to access new markets.
- Reduce internal trade barriers such as arduous regulatory differences, licensing, transportation and labour mobility restrictions to allow small businesses to expand domestically.

Interprovincial trade

The threat of American tariffs on Canadian exports have underscored the importance of addressing our own internal trade inefficiencies. According to our recent polling, 76 per cent of Canadians agree that it should be easier to trade within Canada than outside of it. This is important given internal trade barriers – such as regulatory differences across provinces, paperwork requirements, and certification and accreditation disparities – create significant challenges amongst businesses and places the equivalent of a 21 per cent average tariff between Canadian regions.

That is in stark contrast to the international tariff rate on imports into Canada, which – notwithstanding the threat of U.S. tariffs – averages approximately four per cent. These barriers, including different building codes, environmental and transportation regulations, food safety requirements and labour designation restrictions, make it unnecessarily difficult to do business and attract skilled labour across provinces.

Interprovincial trade barriers impede affordability for Canadians. Interprovincial trade barriers create transactional friction, driving-up costs, eroding competitiveness and undermining Canada's productivity – all at a time when businesses and Canadians are grappling with significant economic pressures. A recent study highlighted interprovincial trade barriers add between 7.8 and 14.5 per cent to the price of goods and services purchased by Canadians.

Recommendations:

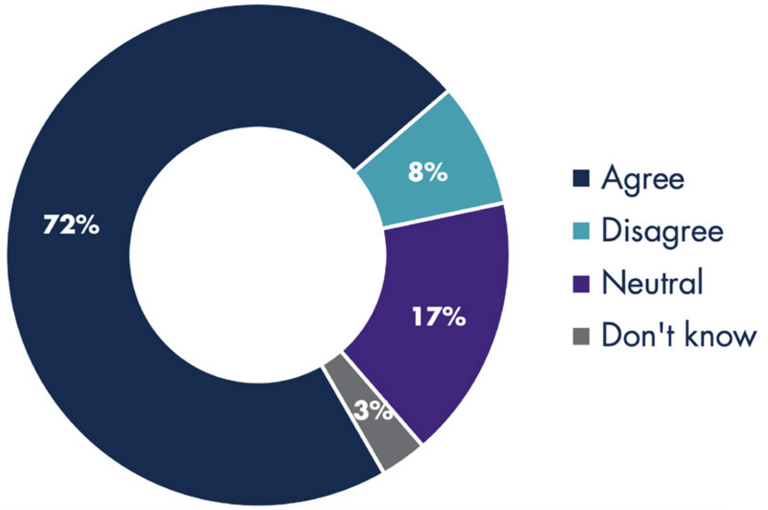
- **Work with provinces to reduce internal trade barriers such as regulatory differences, licensing, accreditation, transportation and labour mobility restrictions** by accelerating work already underway with provincial governments, the Canadian Free Trade Agreement and the Federal Action Plan to Strengthen Internal Trade.
- **Increase investment and improve regulatory processes to create interprovincial trade corridors** that include rail, highways, aviation and inland ports, bolstering connectivity between provinces and expanding growth opportunities for businesses.

International trade

International trade is a fundamental part of Canada's economy, with two-way goods and services trade reaching volumes in the trillions of dollars. With small businesses accounting for 42 per cent of Canada's exports to the U.S. and 41 per cent globally, trade-exposed businesses are found across all sectors and sizes. While tariff rates on international trade are relatively low, high administrative costs associated with importing and exporting goods make it more difficult for small and medium-sized businesses to access foreign markets due to non-tariff barriers.

Additionally, Canada's existing trade infrastructure has been challenged in recent years. With an impending review of the Canada-United States-Mexico Agreement (CUSMA) in 2026 – or sooner – the Canadian government must work to alleviate any unnecessary trade constraints to best position Canada as a reliable and strong trading partner with the U.S. and beyond. Our survey indicates 72 per cent of Canadians believe Canada should be less reliant on the United States, and less than half of Canadians believe the government has positioned Canada as a reliable trading partner.

Canada should be less reliant on the United States



Source: Calgary Chamber of Commerce, 2025

The Canada-U.S. relationship

The Canada-U.S. relationship has been a source of great prosperity for over 150 years, but this relationship is shifting under our feet.

While the uncertainty Canada faces is unsettling, great change is often accompanied by great opportunity. Canada can rally behind our leaders with a 'Team Canada' approach that unifies people, businesses, non-profits and governments. We are at a seminal moment, and must harness this opportunity to buy Canadian, promote Canadian businesses at home and around the world, strengthen our domestic competitiveness, and build for the future. Canada has the resources and know-how the world needs and must harness our economic potential to ensure prosperity today and tomorrow.

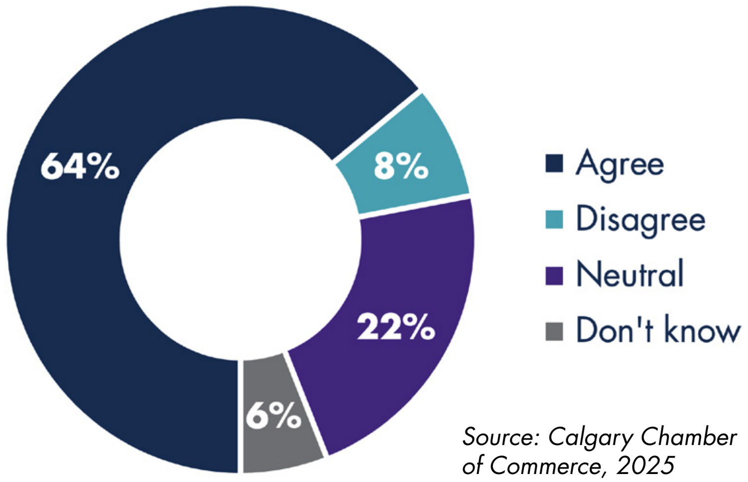
Recommendations:

- **Address potential trade irritants** with the pending 2026 CUSMA renewal, including our NATO commitment to reach two per cent of GDP spending on defensive capabilities, border security, potential policy issues surrounding the *Digital Services Tax Act*, *Online News Act* and *Online Streaming Act*, and dairy supply management.
- **Support a 'Team Canada' approach to international relations with the United States**. Ensure that constructive collaboration across all orders of government is top-of-mind, and that no sector or province bears a greater burden. Develop intergovernmental collaboration and strong communication with the U.S. federal government and state partners in key trading states to ensure Canadian businesses maintain their market access, and U.S. partners understand the value of Canada's supply chains.
- **Improve key sectors' access to markets** through more robust supply chains and trade infrastructure. Federal, provincial and territorial governments must collaborate to define Canada's national trade corridors and improve collection and utilization of trade and transportation infrastructure data to make informed investment decisions, targeting high-value projects that will contribute to Canada's infrastructure and supply chain security.
- **Continue to support programs that accelerate international trade**, connecting Canadian companies with international markets and attracting global companies to invest in Canada. With uncertainty surrounding tariffs between Canada and the U.S., it is more pressing than ever to expand and diversify our current trade opportunities.
- **Improve domestic policy, addressing regulatory burdens and restrictive tax structures impacting Canadian competitiveness**. Evaluate corporate tax rates to ensure Canada is competitive with comparative jurisdictions, enables businesses to grow, and becomes a top destination for foreign businesses to scale and invest.

Critical infrastructure

Having robust trade infrastructure is essential to increasing Canada's overall productivity, and Canadians believe the government has a critical role to play with 64 per cent in favour of the government championing critical infrastructure projects. As a nation reliant on trade for both imports and exports, efficient and expedient access to international markets is essential for growth. Canada's existing trade infrastructure, including rail terminals, international ports and transmission infrastructure has been challenged in recent years, impeding trade relations globally and decreasing our capacity and reliability as a trading partner. Investing in efficient, effective and advanced trade infrastructure is essential to lowering the cost of imports, boosting economic growth and bolstering productivity.

Canada should champion critical infrastructure projects



Source: Calgary Chamber of Commerce, 2025

Recommendations:

- **Create a National Industrial Strategy**, developed in partnership with businesses across Canada, to drive a cohesive approach to growth that leverages Canada's traditional and emerging economic strengths, including critical minerals and nuclear energy. This strategy should help Canadian businesses grow and scale across sectors by effectively addressing supply chain, transportation and labour concerns.
- **Increase domestic oil refining capacity** to reduce Canada's reliance on the American market. Establishing new export partners will enable a less volatile and more diversified trade portfolio. Canada's refining sector provides a valuable source of economic activity and high-income employment, which, when increased, can strengthen Canada's economic resilience and enhance energy security.
- **Champion and, where necessary, build infrastructure** that provides egress for Canada's natural resources, enabling access to tidewater. Work to develop access to both western and eastern coasts, as well as south of the border given energy demand is projected to rise for several decades.
- **Improve Canada's competitiveness in attracting large-scale investments** that enhance productivity and diversify the economy, such as AI data centers, manufacturing hubs, small modular reactors and critical minerals supply chain infrastructure.
- **Advance the critical mineral industry in Canada**, acknowledging Canada's unique opportunity to harvest rare and in-demand commodities. This includes building processing capacity to upgrade minerals domestically. Enhancing our ability to refine and process these resources within Canada will reduce reliance on foreign markets and improve Canada's leverage as a strategic trading partner.
- **Bolster Canada's defense capacity** to ensure we are a stable and secure jurisdiction for the benefit of our trade relationships, our business community and all Canadians. This includes an immediate commitment and clear plan to achieve Canada's two per cent NATO obligation.

*Confidence in Canada's supply chains has fallen from **10th** to **26th** globally in the last 15 years.*

Supply chains

Issues with Canada's supply chain infrastructure increase costs, delay projects and hinder competitiveness for businesses both domestically and internationally. Without efficient and reliable supply chains, not only does productivity suffer, but the cost of goods and services also increases for businesses and consumers.

Confidence in Canada's supply chains has fallen from 10th to 26th globally in the last 15 years, and we sit at 32nd when it comes to transportation infrastructure. Local businesses feel this, too: the Q3 2024 Canadian Survey on Business Conditions shows nearly one-third of businesses foresee further supply chain deterioration, a 20 per cent increase from one year ago. Worse, only 8.5 per cent of businesses expect improvements in supply chains over the next several months. Recent labour disruptions have exacerbated supply chain issues for businesses and everyday Canadians, with 61 per cent of Canadians agreeing governments should intervene in labour strikes that impact supply chains and critical infrastructure.

Recommendations:

- **Invest in supply chain infrastructure** including rail, pipelines and domestic manufacturing capacity, to mitigate pressure points and bottlenecks, bolster the reliability of transportation infrastructure, and ensure businesses receive low-cost access to the goods and services they need to operate, grow and expand.
- **Accelerate and advance the development of the National Supply Chain Strategy**. Timely action is essential to ensure businesses can adapt to local and global disruptions, increase competitiveness, and enable sustainable economic growth across the country.
- **Facilitate business certainty by resolving domestic labour disruptions in a timely and equitable manner**, reducing the impact on businesses and trade infrastructure. The recent lockout and strike action for rail operators, disruptions in the airline industry and the 2024 port strike have damaged our global reputation as a reliable trading partner and could negatively impact the impending CUSMA negotiations.

Diving deeper:

- **Calgary Chamber report:** *2024 U.S. Election: Strengthening Canada's Economic Future*
- **Calgary Chamber open letter:** *Open letter to Prime Minister Trudeau, Minister Joly and Minister LeBlanc regarding impending threats of U.S. tariffs*
- **Calgary Chamber statement:** *Calgary business leaders urge for stability in Canada's critical rail infrastructure*
- **Calgary Chamber statement:** *Reducing interprovincial trade barriers unlocks captive GDP, increases competitiveness of Canadian businesses*

Propelling an enterprising Canada

Supporting entrepreneurs to thrive in a global market

Entrepreneurship in Canada is facing a crisis. In fact, despite a growing population, Canada has 100,000 fewer entrepreneurs than we did 20 years ago. As businesses continue to see costs rise and regulatory burdens increase, their ability to invest in and adopt critical productivity drivers like research and development, automation, digital transformation and cybersecurity is stifled. If these challenges are not addressed, businesses will have less capacity to innovate and stay competitive, both of which are crucial for increasing productivity and long-term sustainable economic growth.

Access to capital

Access to capital is essential for increasing business growth and productivity across all sizes and sectors. Capital is required to invest in employees, new technology, research and development, and general business expansion. With the world's largest economy south of the border – and the mounting likelihood taxes will be lowered across the U.S. – the competition for capital is increasingly tight, yet in Canada, significant roadblocks remain. According to the 2024 Q4 Canadian Survey on Business Conditions, nearly one-third of businesses highlighted the rising cost of capital as a significant concern. For small businesses, challenges in accessing capital are particularly acute – and with small businesses representing over 98 per cent of Canadian businesses, government policies that can support the availability of low-cost and low-risk capital are essential to ensure our economy can grow and succeed.

The Canadian dollar

For the last several years, the low Canadian dollar has masked Canada's productivity challenges. As a resource-based economy selling commodities in American dollars, Canada has benefitted from the exchange rate and appeared to have a higher rate of growth because of the uplift we have received from the currency exchange.

The low Canadian dollar, while helpful for the resource sector, has been troublesome for small and emerging businesses, as the exchange rate has reduced our purchasing power, making it more costly for small businesses to invest. Further, a weak Canadian dollar contributes to inflation by increasing the price of imported goods. This drives up interest rates, making it even more difficult for small businesses to invest in their growth.

Our undervalued currency has also made Canada a less appealing place to invest, as returns generated in Canadian dollars may be less valuable once converted back into their home currency. This is exacerbated by volatility and uncertainty in the exchange rate. Ultimately, this impacts foreign direct investment, including start-ups reliant on international capital.

Spotlight on small business

Canada's entrepreneurs drive economic growth by innovating, stimulating consumer spending and creating jobs. When successful, this leads to increased productivity and enhanced global competitiveness. Advancing these small businesses requires government support, including:

- Cancelling changes to the capital gains inclusion rate, lowering Employment Insurance premium rates for small businesses, and increasing the current Small Business Tax Rate threshold.
- Establishing a program dedicated to supporting technology adoption within small businesses.
- Building capacity in small and medium-sized businesses on intellectual property guidance related to their business needs.
- Bolstering procurement opportunities within the Canadian government for small businesses and start-ups.

Recommendations:

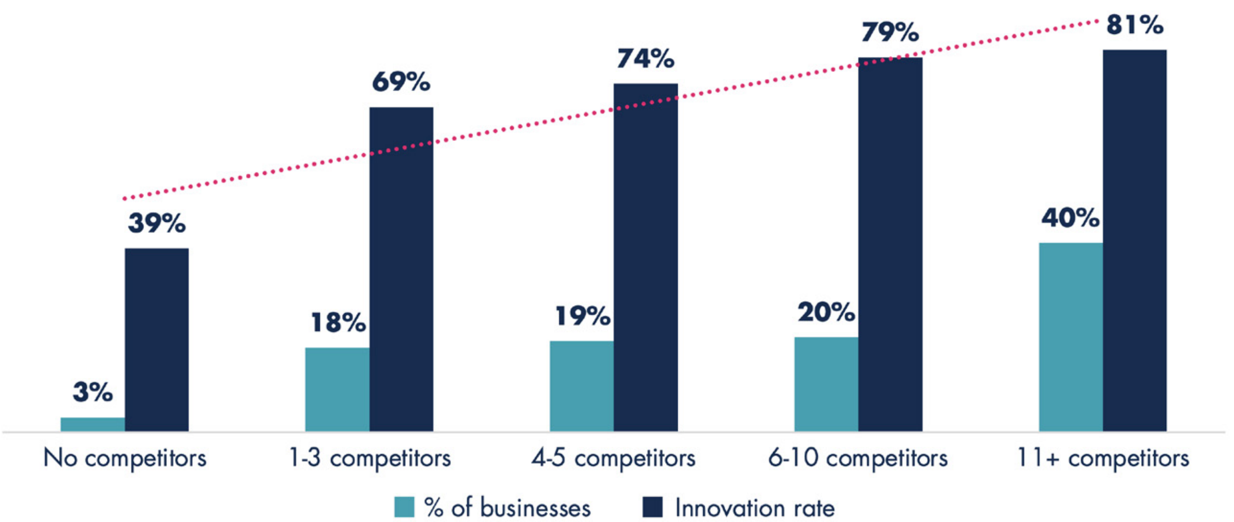
- **Cancel plans to change the capital gains inclusion rate**, returning the inclusion rate to one-half. Canada must remain an attractive location for investment on the global stage. By increasing the tax burden on capital gains, businesses will be unable to attract the capital necessary to grow or may choose to relocate to more competitive jurisdictions. Moreover, changing course will signal to investors that Canada is open for business.
- **Lower Employment Insurance premium rates for small businesses** to provide direct savings to businesses and employees leading to reduced expenses and increased cash flow.
- **Increase the Small Business Tax Rate threshold** currently at $500,000 to $750,000 and index the threshold to inflation moving forward. Increasing the threshold will allow businesses to benefit from lower tax rates as they scale, fostering growth and sustainability, and increasing the likelihood that businesses will remain in Canada as they expand.
- **Action the Indigenous Loan Guarantee Program** to support access to capital for Indigenous partners, ensuring funding is sector-agnostic, extends beyond the natural resource sector, and remains available for proponents in decarbonization, clean-tech and traditional energy spaces.
- **Reduce federal granting and funding barriers** including arduous application processes and long approval wait times. We also recommend the introduction of a small business concierge service to support businesses as they navigate through various federal processes. When businesses know they can obtain necessary funding and approvals without excessive delays and financial burdens, they are more likely to invest and expand.
- **Expand and promote grant and loan programs for diverse-owned small businesses**. Access to capital is significantly more challenging for diverse communities – despite business outcomes being high – with 37.9 per cent of businesses owned by visible minorities facing challenges related to accessing capital, compared to an average of 30.9 per cent of all Canadian businesses. Partner with financial institutions to administer loan programs to help reduce barriers to entrepreneurship.
- **Honour the extension of the Accelerated Investment Incentive**. Without this incentive, businesses have less capacity to invest in the infrastructure, technology, and innovation required to strengthen supply chains, enhance digital capabilities, and adapt to challenges like climate change and cyber threats. The incentive has enabled businesses across all sectors to reinvest tax savings into critical assets, technology upgrades, and workforce development.

Competition

The Competition Bureau has found fewer new businesses have entered the market since 2015, and overall competition has weakened. As competition decreases, companies gain more market share allowing them more influence over prices without risk of being challenged by competitors. This lack of competition reduces incentives for businesses to invest and innovate, ultimately harming both businesses and consumers.

Statistics Canada has also shown companies that face stronger competition are more likely to innovate and adopt new technologies compared to those in less competitive markets. For Canada to thrive in a rapidly evolving global market, it is essential that we support small businesses by catalyzing digital transformation and fostering homegrown innovation to increase competitiveness provincially, nationally and internationally.

Rate of competition versus likelihood of innovating or adopting new technologies



Source: Statistics Canada, Survey of Innovation and Business Strategy (5171) 2022, Custom tabulation by Statistics Canada

Recommendations:

- **Re-examine ownership thresholds of companies deemed to be operating in oligopolistic environments**, particularly in certain sectors such as airlines, telecommunications and grocery retailers. Ensure Canadian companies can remain competitive, while increasing innovation, ensuring affordability for Canadians, and allowing for greater foreign direct investment.
- **Reduce barriers to entry and expansion for entrepreneurs**, including by supporting access to capital, streamlining regulation, and easing interprovincial trade barriers.
- **Introduce pro-competitive procurement policies** to ensure small and medium-sized businesses can compete for government contracts. This includes streamlining application processes, accelerating decision-making, and clarifying decision criteria.

Digital adoption

Technology adoption and aptitude are lagging, especially for smaller businesses, which are largely focused on their daily business operations. Increasing the availability and accessibility of new technologies will enable them to grow and scale quicker than they otherwise would. Canadians also believe that governments have a role to play in technology and innovation, with our survey indicating that 74 per cent of Canadians believe the government should invest in technology and innovation, however only 38 per cent are satisfied with the government's support of technology and innovation to date.

In an increasingly digitized world, cybersecurity can also be a barrier for small to medium-sized businesses due to the high costs of implementing security measures, the need for specialized knowledge, and the complicated compliance regulations. With their limited resources, many small businesses divert their financial and talent resources to their operations, rather than investing in technology. Taken together, both physical and digital security impact businesses' ability to focus on operations, ultimately impeding productivity.

Recommendations:

- **Establish a program dedicated to supporting the adoption of technology across sizes and sectors of business in Canada**. Canada's technology aptitude is low – despite the fact we are global leaders in the development of AI – especially among small and medium-sized businesses. Programs that support digital planning, hardware and software, and attracting talent will provide sectors with increased productivity and business growth.
- **Build capacity in small and medium-sized businesses on intellectual property guidance related to their business needs**. This will enhance Canada's ability to capitalize on existing research and development opportunities helping advance their commercialization potential and growing our economy and workforce while keeping Canadian intellectual property, jobs and investment within our borders.
- **Enhance cyber security resilience for small businesses by developing a comprehensive awareness strategy and providing financial supports**. This includes promoting federal cybersecurity programs like CyberSecure Canada and the Get Cyber Safe campaign while investing in supports including grants and or subsidies for cybersecurity tools and services to support small businesses. These measures will ensure small businesses can implement critical security measures and protect their operations.

Home-grown innovation

Developing a successful framework to support our growing technology ecosystems necessitates a short- and long-term vision for the sector. As part of this vision, federal government support must be introduced to address friction points such as unnecessary regulation, a lack of available labour, limited adoption of emerging technology by Canadian companies, and potential capital flight from the country. Innovation is essential to allow business growth and expansion, and enhance productivity.

Recommendations:

- **Expand the scope of activities eligible under the Scientific Research and Experimental Development Tax Incentive Program (SR&ED)** to include research and development, as well as commercialization and intellectual property protection activities. We recommend the government simplify the SR&ED application process to decrease wait times for applicants.
- **Modernize the Sustainable Canadian Agricultural Partnership** by creating a digitization funding stream for agriculture and agrifood sectors to facilitate the commercialization and adoption of new technologies.
- **Bolster procurement opportunities within the Canadian government for start-ups** to support their ability to break into the industry. This includes simplifying the procurement application process and reducing wait times.
- **Undertake a thorough review of government-funded organizations intended to support entrepreneurs** to ensure barriers to entry are low and the real benefit for entrepreneurs is unique and tangible.

Diving deeper:

- **Calgary Chamber report:** *Despite momentum in lowering interest rates and high optimism, access to capital still a barrier for business*
- **Calgary Chamber response:** *Capital Gains Tax Changes Threaten Business Growth and Investment*
- **Calgary Chamber statement:** *Calgary Chamber statement on federal capital gains tax policy shift*
- **Calgary Chamber submission:** *Submission on the Scientific Research and Experimental Development (SR&ED) tax incentives*

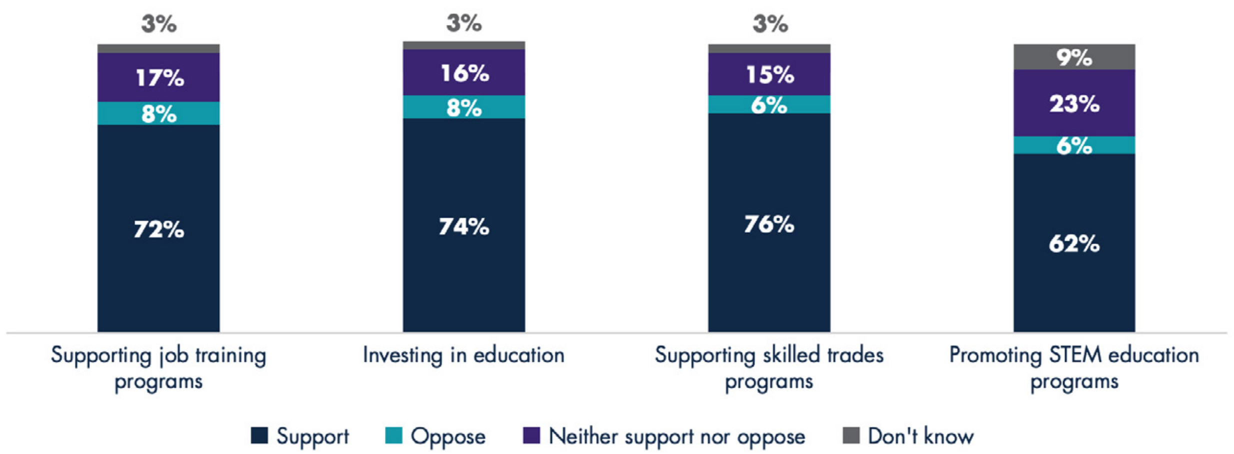
Building a future-ready workforce

Promoting our talent, labour & workforce development

Productivity is not about working more; it's about working better – and perhaps working less but producing more. To accomplish this, we need to invest in the workforce to ensure we have the most productive economy. However, despite having a highly educated workforce, a recent report shows Canada's labour force is not as productive as it can be, attributable to a gap in skills training. Ensuring everyone has the skills, tools and resources to succeed is essential. As such, business and government must work together to understand the skills gap and ensure workers are available where they are most needed. In doing so, not only will business be better off, but the quality of life of Canadians will also increase through higher wages and fewer work hours.

Moreover, with a national unemployment rate of 6.7 per cent – and 28 per cent of businesses citing recruitment of skilled employees among their top concerns – it is evident we have a skills mismatch in Canada. Therefore, to tackle our productivity constraints and ensure all Canadians have access to the workforce, we must focus on reskilling and upskilling, while also increasing the size of our workforce in conjunction with a broader economic strategy.

How supportive are you of the following measures to boost Canada's talent and labour pool?



Source: Calgary Chamber of Commerce, 2025

Spotlight on small business

With nearly 70 per cent of the private sector workforce employed by small businesses, it is critical governments invest in talent, labour and workforce development. This includes:

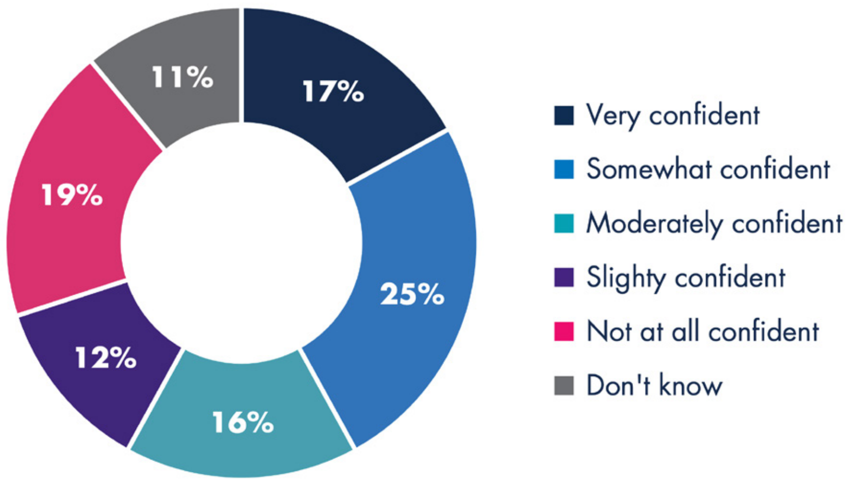
- Restoring funding through the Labour Market Transfer Agreement in support of the Canada-Alberta Job Grant Program, particularly for small businesses.
- Supporting talent development for small and medium-sized businesses with work-integrated learning opportunities.
- Funding dedicated newcomer entrepreneurship programs.

Skill development

A recent report by the Conference Board of Canada revealed Canada's GDP would be 1.8 per cent – or $49 billion – higher today if we had an adequately skilled labour pool over the past 20 years. Moreover, small businesses have been struggling with labour-related constraints, with more than 50 per cent highlighting it as a top concern for the next three months. Ensuring businesses can access the talent needed to succeed is essential.

Noting the importance of workforce development and the ongoing labour concerns many businesses are still facing, governments need to collaborate on innovative programs to support and advance workforce development that is adaptable to a changing economy.

Considering the current labour market, how confident are you that you can find a new job if required?



Source: Calgary Chamber of Commerce, 2025

Recommendations:

- **Restore funding through the Labour Market Transfer Agreement** in support of the Canada-Alberta Job Grant Program, particularly for small businesses. This will help businesses address the ongoing skills gap and allow them to develop talent without removing people from the workforce.
- **Support talent development for small and medium-sized businesses** with work-integrated learning opportunities for youth, on-the-job training and apprentice programs for skilled trades workers, and upskilling programs for existing employees.
- **Facilitate the attraction of world-class talent with dedicated support for post-secondary institutions** through research grants and other measures to accelerate the research advantage of Canadian institutions in areas such as medicine, quantum computing and tech.
- **Collaborate with post-secondary institutions** to develop a jurisdictionally tailored approach to the Post-Graduation Work Permit changes, especially in critical industries such as hospitality and tourism, construction and energy.
- **Legislate credential harmonization to facilitate labour mobility in the trades and professional designations**. This means working with the provinces and professional associations to set timeframes and processes to decrease the barriers to labour mobility from coast-to-coast-to-coast.

Workforce participation

For businesses to attract and retain the talent they need to grow, we need to embrace equitable opportunity for all. Promoting high workforce participation ensures Canadians can access the job market and progress towards personal prosperity, while also supporting Canadian businesses with the talent they need.

Simply put, a decline in workforce participation will not improve Canada's lagging productivity. More than half of our members support diversity and equal opportunity in the workforce with less than 15 per cent opposing. This mirrors Canadians' beliefs, as 58 per cent believe we should support diversity and equal opportunity in the workforce and only 13 per cent oppose.

Developing a diverse workforce also returns dividends in business outcomes. A 2024 report from Boston Consulting Group shows companies with above-average diversity in their leadership saw innovation revenues 19 per cent higher than those with below-average diversity, and a potential drop in staff attrition of 50 per cent. In order to solve Canada's productivity crisis, we need an all-hands-on-deck approach, and ensuring everyone can fully participate in our workforce will be a key part of the solution.

Recommendations:

- **Continue to fund early learning and childcare agreements**, recognizing accessible childcare is critical to reducing the labour shortage, increasing our labour force participation, boosting our GDP, and ultimately increasing the size of our economy. All levels of government must collaborate and prioritize the creation of additional private and not-for-profit childcare, while ensuring new and existing spaces remain affordable.
- **Support workforce participation in rural and remote areas** by maintaining funding for the Universal Broadband Fund, ensuring people can access employment opportunities regardless of geographical location.
- **Design workforce development programs to advance equitable opportunity**. Consider providing increased eligibility for businesses that hire and upskill people with disabilities, akin to the Canada-Alberta Job Grant.
- **Prioritize affordable access to mental health care through the implementation of federal transfers** to the provinces that support capacity building and service delivery, noting the severe impact that mental health has on workforce participation and productivity.

***58%** of Canadians believe we should support diversity and equal opportunity in the workforce.*

Immigration

While Canada has gotten ahead of itself on immigration, with infrastructure investments – not the least of which is housing – not keeping pace with population growth, decreasing immigration long term will shrink our economy.

Instead, Canada must have different short- and long-term plans: in the short term, Canada must slow its immigration and proactively build the community infrastructure needed to catch up to our population levels and set us up for the future. In the long term, we will need to sustainably increase immigration, ensuring levels match the labour market and community infrastructure. Failure to do this would be to the detriment of both newcomers and our economy.

Productivity measures economic growth relative to population, measured in GDP per capita. While decreasing population relative to economic growth will yield a higher productivity score, it means a shrinking economy. To grow the economy, Canada will need a larger labour force long term – and to achieve productivity, economic growth must increase faster than population.

Recommendations:

- **Consider regional and sectoral differences prior to making changes to immigration programs**, including for the Temporary Foreign Worker Program, recognizing immigration is a key driver of economic and workforce growth. The government should work with provinces and businesses to understand the in-demand skills needed.
- **Update the Temporary Foreign Worker Program** to ensure it works for sectors that depend on the program, including agriculture and tourism. This includes extending the time workers are eligible to remain in Canada and reducing the cost and complexity of performing a Labour Market Impact Assessment. This will help businesses achieve stability in their labour force and ease the cost of hiring.
- **Increase the provincial nomination limits** giving provinces greater authority to match immigration with jurisdictional labour needs. Provincial nominee programs have demonstrated considerable success and help ensure newcomers can secure employment in their field upon arrival.
- **Match immigration plans with infrastructure plans, including housing development, infrastructure, education and healthcare**. This requires a dedicated focus on labour programs for in-demand sectors, including agriculture and construction, that rely significantly on a labour market disproportionately comprised of newcomers.

Newcomer success

Immigration offers an opportunity to address Canada's labour challenges, and while infrastructure, particularly in major cities, has not scaled as fast as population growth, an increase in the number of workers is critical to Canada's economic growth.

At the same time, there are significant barriers preventing Canada from attracting the workers most needed to support our labour challenges and integrate foreign-trained workers into the labour market. Statistics Canada reveals immigrants who have landed within the last five years have an unemployment rate of 11.1 per cent, nearly double that of Canadian-born workers. At the same time, immigrants are twice as likely to start businesses as those who are Canadian-born and are the most likely demographic to pursue entrepreneurship. This disparity highlights the need for improved economic support, including credentialing, language programs of all levels, and updated accreditation processes.

Recommendations:

- **Support interprovincial and international credentialing** to increase the available talent and skilled labour pool. By increasing the number of credentialed workers, sectors facing labour shortages such as home construction and healthcare can access a greater pool of talent.
- **Enhance measures to address the labour shortage and set newcomers up for success**. Considering over 37 per cent of Canadian businesses anticipate facing labour-related obstacles this quarter, the government should advance measures that support credentialling and accreditation to ensure newcomers are eligible to work in in-demand fields.
- **Increase support for immigrant settlement agencies across the country**, many of which are facing challenges due to funding uncertainty. These agencies are critical to settling newcomers to Canada, providing English as a Second Language courses, helping newcomers join the local labour force and contribute to growing the economy.
- **Support dedicated newcomer entrepreneurship programs**, recognizing newcomers are more likely to start a business than second- or third-generation Canadians, in part due to challenges finding meaningful work upon arrival.

Immigrants are twice as likely to start businesses as those who are Canadian-born.

Diving deeper:

- **Calgary Chamber report:** *Unlocking our Talent Potential: A four-part series*
- **Calgary Chamber report:** *Refining Immigration Programs to Supercharge Economic Growth*
- **Calgary Chamber report:** *Go Big on Small Business: Recommendations to Support Small Business Success*
- **Calgary Chamber report:** *Refining Immigration Programs to Supercharge Economic Growth*

Advancing community prosperity

Strengthening our communities to support well-being

Without strong communities, we cannot have a strong economy. Quality of life in our communities is underpinned by housing affordability and accessibility, reasonable cost of living, and strong economic growth. When Canadians do well, businesses do well. For businesses, people thriving means a more resilient workforce, more compelling talent attraction, and consumers who have the disposable income to support their business.

Businesses – and small businesses in particular – are the heart of our communities. From coffee shops to farmers' markets, neighbourhood breweries to cozy bookstores, small businesses foster community vibrancy and connection. Businesses of all sizes and across many sectors will be central to addressing the barriers to quality of life for Canadians, with construction companies building homes and infrastructure, telecommunications companies ensuring we stay connected, and shops and restaurants keeping streets busy and safe.

Spotlight on small business

Businesses are integral to the vibrancy of communities across Canada, providing jobs, delivering goods and services, and contributing to the tax base that supports all Canadians. Ensuring local businesses have the tools and resources they need to prosper will support the well-being our communities. This includes:

- Enhancing the safety of small business by incentivizing infrastructure design that prioritizes community safety, and strengthening legislation to address vandalism.
- Developing a granting program to support small businesses with mitigating the impact of safety issues to their business.
- Advancing Canada's Connectivity Strategy to facilitate connectivity infrastructure for rural and remote small businesses.
- Investing in transportation infrastructure to ensure business can access both the talent and consumers they depend on.

To meet Canada's demand for housing, we need to double homebuilding rates from 240,000 to 500,000 per year.

Housing affordability

Our polling indicates 46 per cent of Canadians identify housing as a top priority for the next federal government. Canada's population has skyrocketed over the past several years, with a population growth of 3.2 per cent in 2023 – the highest increase since 1957. With a rapid rise in population comes an increase in demand for goods and services, notably housing. To meet Canada's demand for housing, we need to double homebuilding rates from 240,000 to 500,000 per year. However, builders face significant challenges to accessing the labour, materials, capital and land required – all of which have become less available and more expensive. As a result, housing starts across the country have been relatively flat while demand rises, resulting in a dramatic increase in the cost of housing.

The solution to Canada's housing crisis will be found in the private sector. Businesses will build homes, ship materials and train apprentices – all of which will be critical to increasing the number of housing starts in Canada, and will ultimately create economic growth, advance quality of life, and address affordability for Canadians.

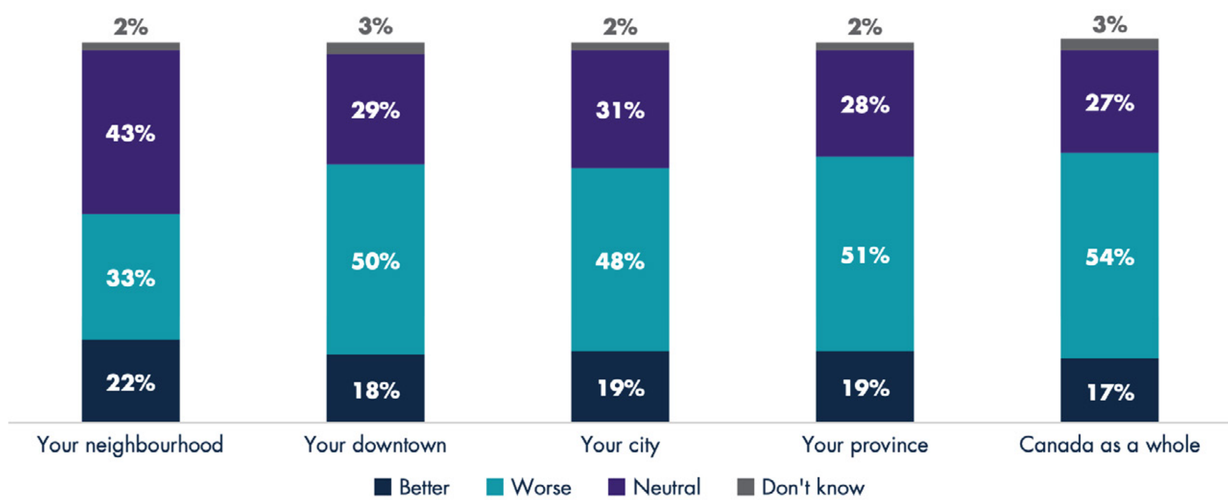
Recommendations:

- **Prioritize the expansion of housing starts across the country through strategic tax measures and direct funding programs**. This should include exploring the feasibility of eliminating the general sales tax on both the construction and purchasing of specific housing types. It should also prioritize financial support for non-market housing to ensure it is available where it is most needed.
- **Increase the available talent and skilled labour** for all aspects of housing construction, working with provinces and professional associations to support interprovincial and international credentialing.
- **Incentivize builders to produce higher-density projects** where appropriate, and work with municipalities to ensure sufficient community infrastructure.
- **Provide regulatory and financial incentives to encourage innovation in the construction industry**, including enhanced automation and technology integration where appropriate.
- **Ensure permitting timelines and funding moves quickly to provide certainty for project proponents**, working with all levels of government to reduce red tape.
- **Fund community infrastructure** such as transit, connectivity and utilities near future housing developments to support quality of life and property value for Canadians.
- **Sell surplus and underused federal lands for housing use** where appropriate, freeing up land to house up to one million people. This will present an opportunity to lower government real estate costs while increasing housing supply in major urban centres through cost-effective development.

Safety & crime

Public safety concerns across Canada are impacting the ability of local businesses to attract customers and talent and affecting bottom lines through vandalism and theft. Canadians are increasingly concerned with safety, with our survey indicating four in five have not seen improvement over the past five years. Research suggests a strong correlation between the prevalence of crime and business failure or relocation. If left unaddressed, safety and security concerns pose a risk to businesses' growth potential, long-term viability and consequently Canada's long-term social and economic resilience.

Do you feel public safety is better or worse than in the past five years in the following areas?



Source: Calgary Chamber of Commerce, 2025

Recommendations:

- **For beneficiaries of federal housing or transit support, require urban infrastructure designs to consider community safety**. Confirm that project proponents who receive federal support for projects in urban areas are leveraging principles of crime prevention through environmental design.
- **Design federal policy with public safety as a leading consideration**. Ensuring essential infrastructure, such as network infrastructure, ports, railways, highways and power generation facilities are protected should be a key factor in developing legislation. Penalties for domestic mischief or tampering with essential infrastructure should be introduced.
- **Provide consistent and predictable funding for disaster management programming** that responds to climate and weather emergencies such as wildfires, droughts, flooding, storms, extreme heat waves and cold snaps. Ensure climate impact mitigation strategies are in place for essential infrastructure such as highways, ports, railways, terminals and network infrastructure, and that targeted training programs are available to businesses.
- **Develop a granting program to support small businesses in mitigating the impact of safety and crime on their business and the broader community**, providing funding for basic physical safety infrastructure (i.e., CCTV cameras, lighting and wayfinding), to keep their businesses and our communities safe.

Community infrastructure

Developing strong and vibrant communities is key to supporting a thriving business community, and infrastructure is an essential part of this equation. Abacus polling from November 2024 shows only 31 per cent of Canadians rate the current state of publicly-owned infrastructure assets in their communities as good or excellent, 88 per cent are very pessimistic about Canada's infrastructure in the near future, and 92 per cent believe that our rapidly increasing population will increase pressure on existing infrastructure and demand for new and improved infrastructure.

Our polling indicates 50 per cent of Canadians believe that we are on the right track as a place to live, and we must ensure our competitive quality of life is upheld. By making key community infrastructure investments in transportation, sport, arts and culture, and tourism, the federal government can significantly improve community infrastructure and in doing so, create dynamic and vibrant communities that will support businesses across the country.

Recommendations:

- **Unlock funding that advances infrastructure essential to sport, entertainment, arts and culture, and tourism**, recognizing employees seek businesses located or accessible to vibrant and welcoming communities. This includes working with other levels of government to develop public transport and community spaces.
- **Invest in transportation infrastructure**, including infrastructure that connects Calgary's airport with downtown and to other jurisdictions, enhancing the city's position as a hub for regional tourism. Noting the connection between productivity and accessible city-wide transit, work with the provincial government to support their passenger rail strategy, particularly on efforts to connect major urban centers.
- **Air travel affordability in Canada must be prioritized**. As an enabler for the tourism, trade and investment sectors, affordability in air travel remains a significant barrier. In 2017, Canada ranked 65 out of 80 countries for air travel affordability. Because of Canada's vast size and limited alternatives to air travel, particularly in Western Canada, air travel should be viewed as an essential service. Reducing fees and addressing affordability challenges are critical to enhancing competitiveness, economic productivity, boosting tourism, and strengthening trade.
- **Update the mandate of the Canada Infrastructure Bank** (CIB) to support projects across all sectors with funding distributed based on projected population growth and industries with significant potential, including tourism and energy. By maintaining, but updating, the CIB's mandate, the government can maintain an independent and efficient approach to infrastructure spending.

Connectivity

High-speed internet and broadband connectivity are essential for Canadians and their everyday needs – enabling access to jobs, education, health care services and more. For businesses, the inability to access reliable internet means limiting the opportunities to grow, access additional markets, attract necessary talent, and improve productivity. In the agriculture sector alone, the provincial government estimates that improved connectivity could increase the sector's GDP by up to five per cent.

In Canada, more than 93 per cent of Canadians have access to high-speed internet, yet rural, remote and Indigenous communities still face significant barriers. People living in these communities also have compromised access to the labour market, which is problematic in an already constrained market – and troubling for economic reconciliation, particularly given so much of our economy has shifted online post-pandemic.

Recommendations:

- **Continue advancing Canada's Connectivity Strategy** ensuring connectivity infrastructure for all rural and Indigenous communities by 2030. The ability to access reliable internet means greater access to education, more opportunities to advance rural and remote economies, and accelerated implementation of innovation in rural areas, including agri-tech and clean-tech.
- **Strengthen the Criminal Code of Canada to address vandalism of critical infrastructure**. The Criminal Code should be amended to implement stricter penalties for vandalism of critical infrastructure, including copper, or willful damage to any essential operating equipment for critical infrastructure. Disruptions to vital components of everyday life can result in far-reaching harm that exceeds standard property theft and should be treated with the seriousness it warrants.
- **Amend the *Canadian Telecommunications Act*** to address copper theft and recognize the risks associated with the offence. Introduce a requirement for authorization to distribute, lease, sell or import telecommunications materials, and prohibit the dealings of illegally obtained copper.

Diving deeper:

- **Calgary Chamber report:** *Home Economics: Unlocking Growth through Housing Solutions*
- **Calgary Chamber report:** *Rural Connectivity: Unlocking the Alberta Advantage for Everyone*
- **Calgary Chamber submission:** *Submission to the Standing Committee on Transportation and Communications Study on Copper Theft*
- **Calgary Chamber report:** *Tourism sector optimistic in the face of headwinds*

Conclusion

Canada is at an inflection point. We have a critical opportunity to prioritize our economy and address the impediments to prosperity and success for Canadians and businesses.

To foster a sustainable economy, evidence-based policies are essential to maintain affordability, bolster investment, create good jobs and promote economic resilience. Governments must support businesses of all sizes and across sectors by acting to reduce barriers, promote innovation, and facilitate collaboration with all levels of government.

To increase productivity, address affordability and achieve our full economic potential, we must:

- Get back to business, addressing regulatory barriers and impediments to competitiveness
- Expand our horizons, investing in our trade infrastructure and relationships
- Propel an enterprising Canada, supporting entrepreneurs to thrive in a global market
- Build a future-ready workforce, promoting our talent and labour
- Advance community prosperity, strengthening our communities to support well-being

Share your voice

To our business community, your voice matters. You play a critical role in informing your Chamber's policy positions – and shaping our country's future. We encourage you to engage with policymakers, share your concerns and advocate for the changes needed to secure a prosperous future for both businesses and the people of Calgary. Visit our website at calgarychamber.com/overview-advocacy for ways to get involved and share your voice with your Chamber and with your elected officials and candidates. Together, we can create a more competitive, affordable and innovative that benefits all Canadians.

References

For references, use the following QR code to access the digital version with hyperlinks.

Better Together.

The Calgary Chamber exists to empower our business community to advance a prosperous Calgary and Canada. As the convenor and catalyst for a vibrant, inclusive and prosperous business community, the Chamber works to build strength and resilience among our members and position Calgary as a magnet for talent, diversification and opportunity. As an independent, non-profit, non-partisan organization founded in 1891, we build on our history to serve and advocate for businesses of all sizes, in all sectors across the city.

Calgary Chamber

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