



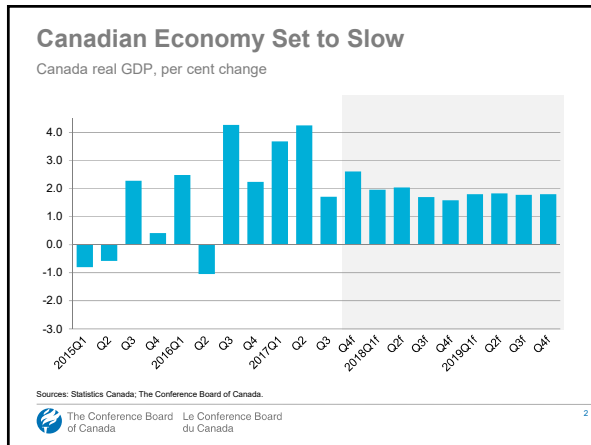
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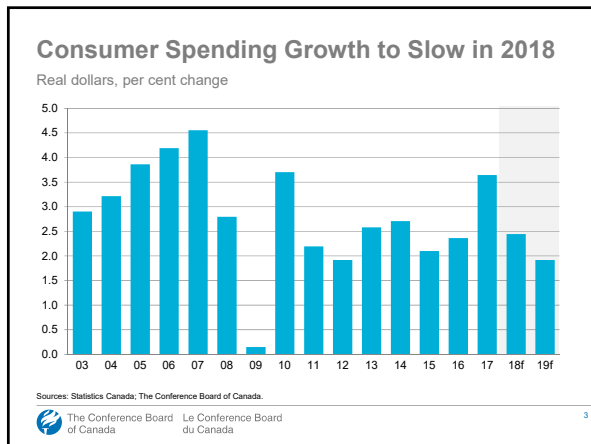
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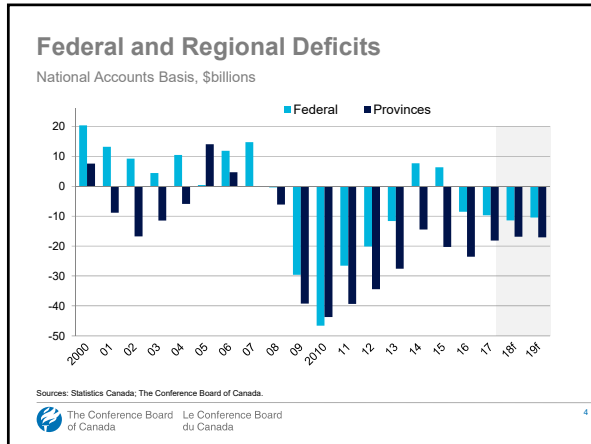
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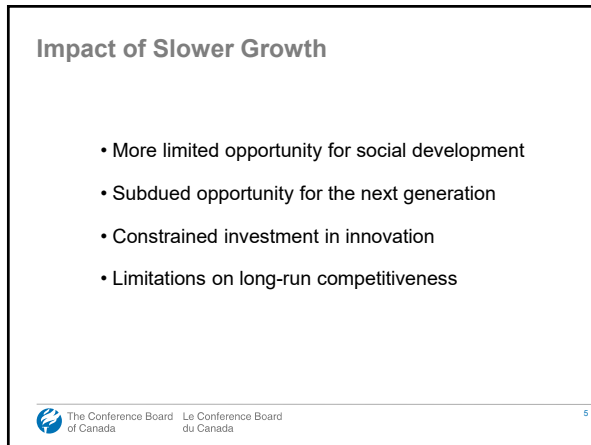
Dr. Daniel F. Muzyka
 President and Chief Executive Officer, The Conference Board of Canada
 Professor of Management, University of British Columbia
 January 18, 2018

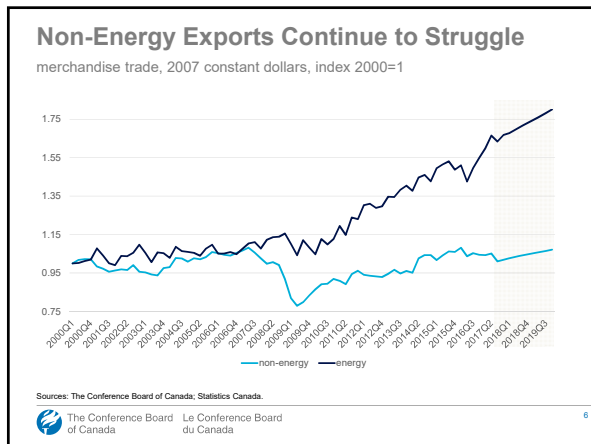
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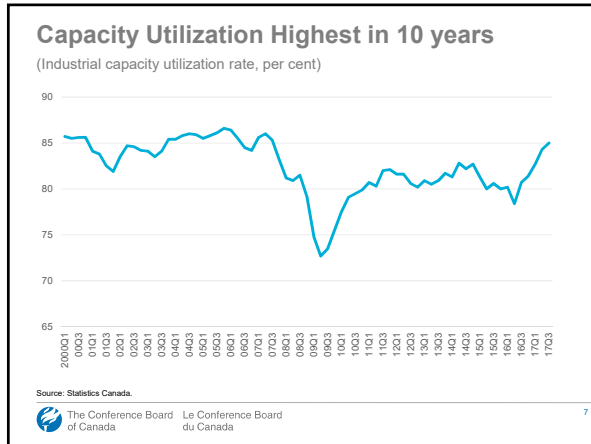


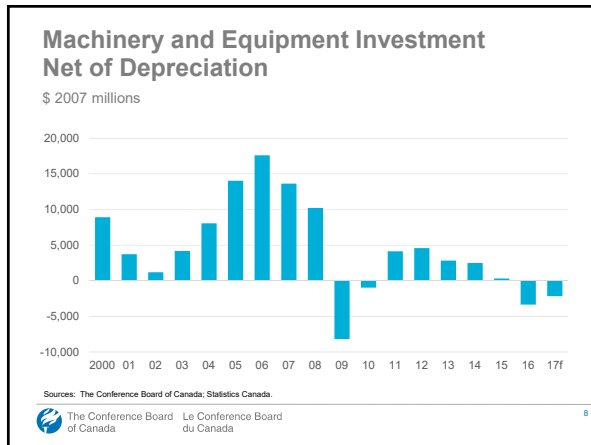


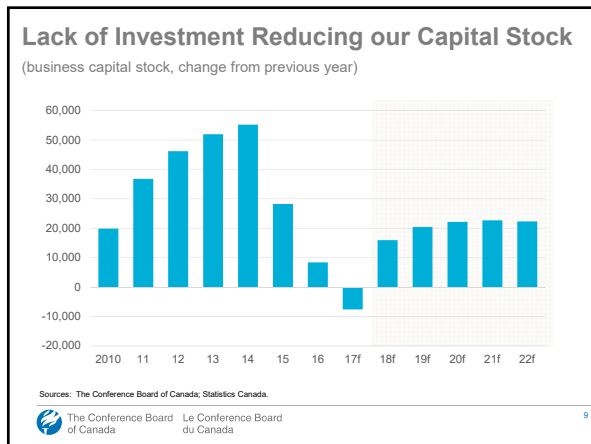


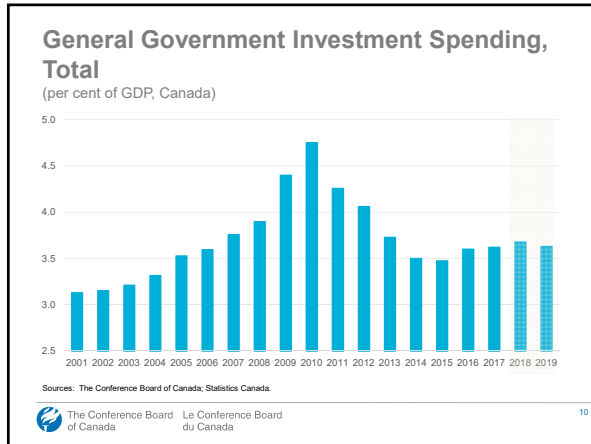


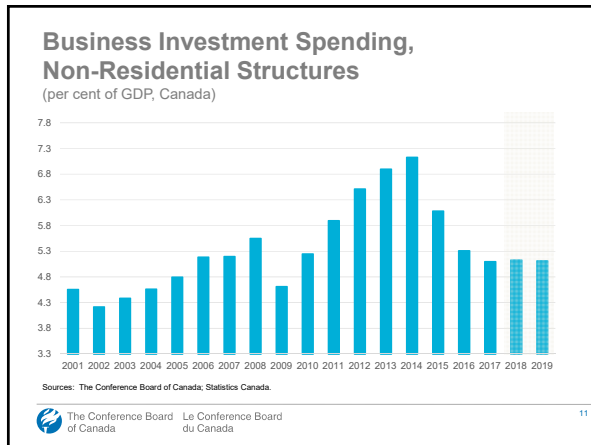


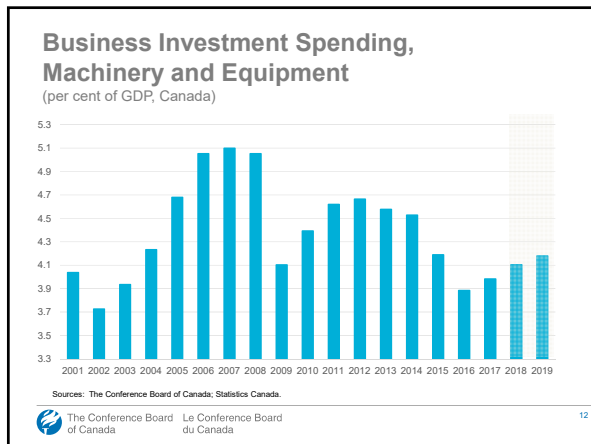


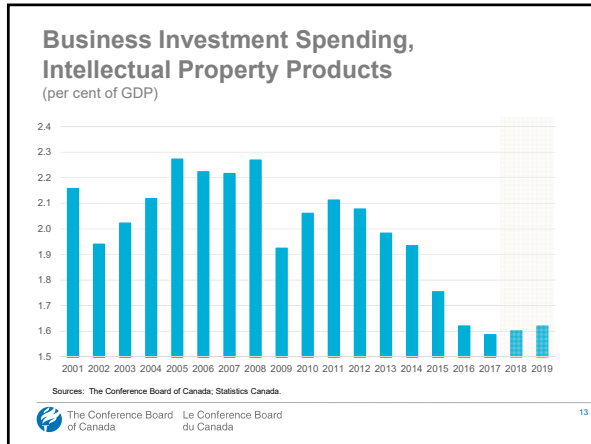








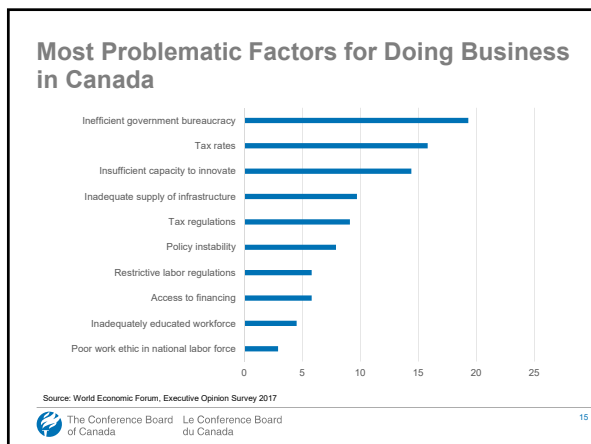




Why is Business Not Investing in Canada? Part I

- Difficulty finding skilled labour/high labour costs
- Manufacturing sector competing with southern U.S. and Mexico
- Lower dollar results in high import prices for retooling investment
- Elevated electricity prices (Ontario)

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Why is Business Not Investing in Canada? Part II

- NAFTA uncertainty
- Government policies and long approval processes
- Uncertainty about evolving environmental policies
- Fiscal situation and tax policy



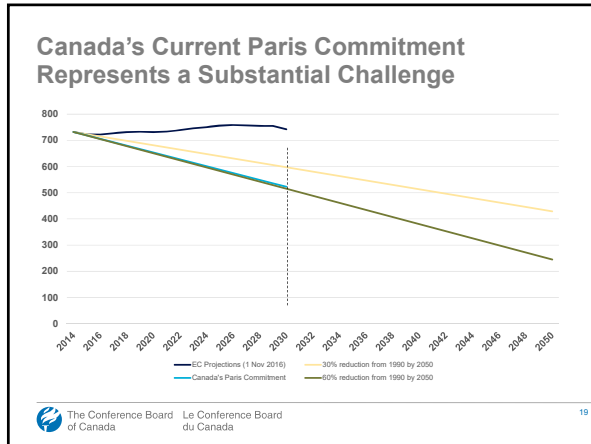


Why is Business Not Investing in Canada? The Bottom Line

- A study by Deloitte found that Canadian business leaders are more risk adverse than those in the U.S.
- One-third of Canadian businesses are investing below the median for their size and sector
- Canadian firms are not making the investments required to grow their business







Investment Spending

(Difference from Pathway 1, \$2011 millions)

	Electricity Gen.	Other	Total	Total Annual Average Investment	Total Annual Impact on GDP (direct and indirect)
Pathway 4	1,938,899	223,019	2,161,918	63,586	41,357
Pathway 5	1,867,329	1,549,217	3,416,545	100,487	50,092
Pathway 7	1,946,470	1,274,467	3,220,937	94,733	49,421
Pathway 8	1,737,153	-226,243	1,510,910	44,439	37,003

Sources: The Conference Board of Canada calculations using TIEFP data.

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What Would be Required if Met by Hydro Electric?

To meet the potential Canadian capacity would require 119 Limestone Generation Stations

The image shows a large-scale hydroelectric dam with several spillways and a concrete structure. The water level is visible behind the dam.

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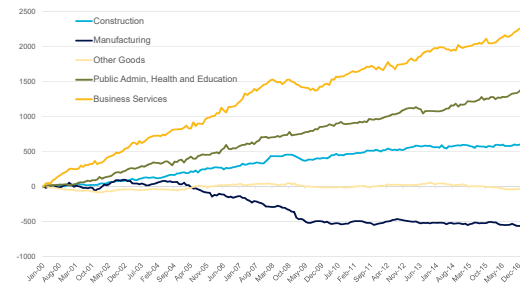


The Story

- We have slow growth ahead
- Whether growth increases depends upon intent, investment, and innovation
- Growth will be predicated on an increase in exports and export diversification
- Exploiting resources *and* the business activities associated with it are essential to growth
- We need to look for opportunity at every turn ...

Service Industries Have Driven Job Growth

Cumulative net job gains, thousands, January 2010 to February 2017



Sources: Statistics Canada, The Conference Board of Canada.