Open Letter to Canada's New Parliament from the Western Business Coalition

20 May 2025

Dear Members of Parliament,

On behalf of the Western Business Coalition, comprised of the Business Councils of British Columbia, Alberta, and Manitoba, and the Saskatchewan Chamber of Commerce, we would like to congratulate you on your election to Canada's 45th Parliament. As the first session gets underway, we ask you to bring an urgent focus on restoring Canada as an attractive place to base and build businesses. Put simply, if private sector economic activity remains weak, or if parts of our industrial base downsize or relocate to the U.S., Canadians will face a lower standard of living.

Canada's Home-Grown and External Economic Challenges

Adjusted for population, our economy has barely grown over the past decade. Canada had the second-weakest GDP per capita growth out of 38 advanced countries over 2014-2024 (**Figure 1**). In GDP per capita terms, the country has been in recession for the past two and a half years. Moreover, the OECD projects Canada will have the lowest per capita economic growth of any advanced country over 2020-30 and 2030-60 (Williams, 2021). We need to change this trajectory. The acute strain on people's living standards can be seen in the data on monthly food bank visits, which reached 2.1 million in March 2024, the highest in history, and up 90% from 2019 (**Table 1**).

The composition of economic activity has also shifted. The public sector has expanded greatly while the private sector has stagnated or declined (**Figure 2**). Over 2014-2024, per capita government spending grew by 11%, roughly twice the rate of per person household spending (6%). Meanwhile, again using per capita figures over 2014-2024, exports shrank by 2%, and capital investment in businesses and residential structures fell by around 22% and 11%, respectively.

Employment data confirm the same pattern. Public sector employment has grown by 23% since January 2019 compared to growth of only 10% in private sector jobs, while self-employment has shrunk by 1% (**Figure 3**). Ultimately, as the private sector generates the income growth and tax base to fund the public sector, Canada's growth pattern over the past decade is unsustainable and incompatible with rising living standards.

Compounding our home-grown challenges, U.S. President Trump's tariff policies now present a seismic shock to global trade. They are also a threat to Canada's industrial base given the prospect that companies may respond by relocating capacity from Canada to the U.S. Existing operations here may be starved for new capital investment or new hiring. Some may be wound down.

A Path Forward

We need a clear answer to this question: Why should companies choose Canada to base and build their businesses rather than the U.S. or elsewhere? Historically, natural resources, educated workers, policy stability, and access to U.S. markets have attracted investment. But these strengths have been eroded by harmful policies, complex regulatory processes, unreasonable timelines for an energy transition, and now President Trump's trade policies. While the list of needed changes to create a vibrant investment climate and growing economy is long, below are three key things parliament should address immediately:

1. Abandon the proposed oil and gas emissions cap

As our Coalition lays out in Untapped Potential: Driving Canada's Prosperity Through Natural Resources, the natural resource sector is a strategic advantage. It is a major contributor to exports, investment, jobs, productivity, and living standards. Yet its development is constrained by harmful policies. The proposed cap would impose rigid production constraints that undermine our economy (oil and gas is our largest export) and work against global emissions management objectives (many countries would like to access lower-emissions intensive fuel sources to displace higher emissions ones). Our recommendation is consistent with the federal government's commitment to the energy sector as a competitive advantage and supports Canada's objective to diversify our exports and reduce dependence on the U.S. In contrast, maintaining the cap would jeopardize oil and gas development, erode Canada's low-emissions export potential without achieving meaningful global emissions reductions, and remove opportunities for economic reconciliation and trade diversification.

2. Improve tax competitiveness

Canada needs a tax system conducive to long-term investment and retaining high-skilled workers. Changes to depreciation allowances made in 2018 were temporary, favoured short-lived assets and certain sectors, and are now being phased out. The 2024 Fall Economic Statement proposed an extension but was not implemented due to Parliament's prorogation. To encourage investment in long-lived assets, Canada should introduce broad and permanent accelerated depreciation so that a capital asset can be depreciated over less than its effective life across sectors and asset types. Also, reducing top personal income tax rates or expanding tax brackets would help companies attract and retain the high-skilled workers and senior staff essential for building high-productivity businesses.

3. Make regulatory excellence – i.e., high standards at minimum possible burden – a key priority across government

Canada's regulatory system is plagued with challenges from complicated forms and poor service for citizens, to slow, cumbersome, and expensive processes for large projects that deter business investment. The External Advisory Committee for Regulatory Competitiveness recently advised the government to address these challenges by making regulatory excellence a competitive advantage for the country: "*Regulatory excellence means households can trust Canadian products and services, businesses are confident about investing, and regulators are constantly striving to make compliance as easy as possible for all who interact with the system.*" To make this vision a reality, reducing burden while maintaining standards should be a focus across government. Implementing the Committee's recommendations, including improving ways of measuring regulatory burden, and those contained in Untapped Potential: Driving Canada's Prosperity Through Natural Resources, should be a priority.

Standing for public office is a substantial professional and personal commitment. You are elected to serve at a time when answering the question of why companies should choose to invest in Canada is critical to our prosperity. We thank you for taking on this role and wish you well as you strive to serve your constituents and all Canadians during your term in office. Please don't hesitate to contact us if we can be of help and we would be pleased to meet with you.

Yours sincerely,

Laura Jones
President and CEO
Business Council of British Columbia

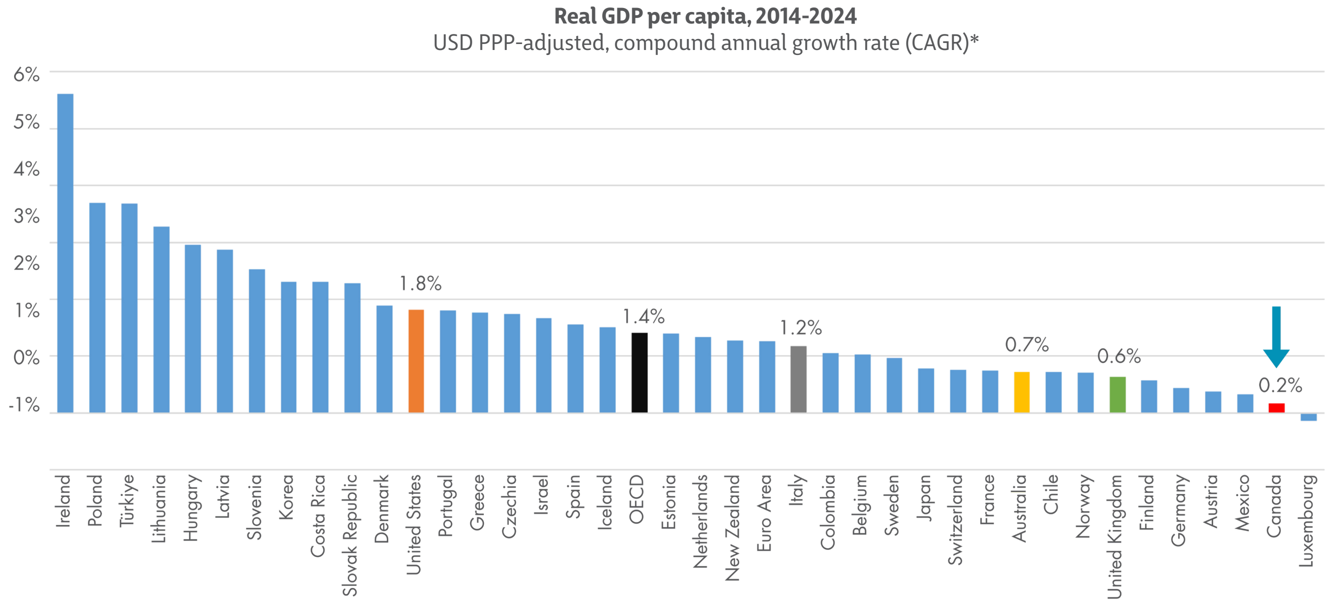
Adam Legge
President
Business Council of Alberta

Prabha Ramaswamy
CEO
Saskatchewan Chamber of Commerce

Bram Strain
President & CEO
Business Council of Manitoba

Appendix:

Figure 1: Canada was the second-weakest performer among 38 OECD economies over the past decade



* Data for Korea and Turkey are 2014-2023; 2024 not yet available

Source: OECD Statistics; BCBC.

Table 1: Food bank visits have nearly doubled since 2019

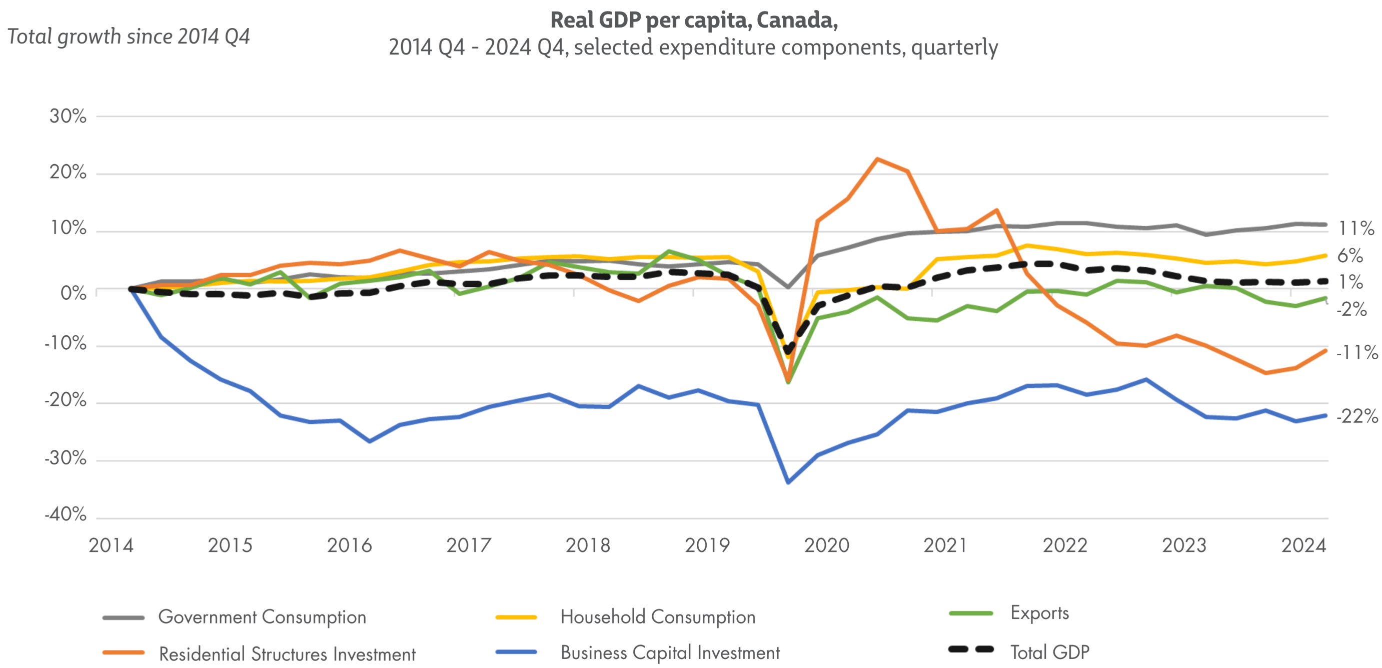
Monthly food bank visits, March 2024

	Canada	Western Canada*
Total visits	2,059,636	506,801
% with children	33%	35%
Change in total visits, 2019-2024	**90%**	**65%**

* British Columbia, Alberta, Saskatchewan, Manitoba

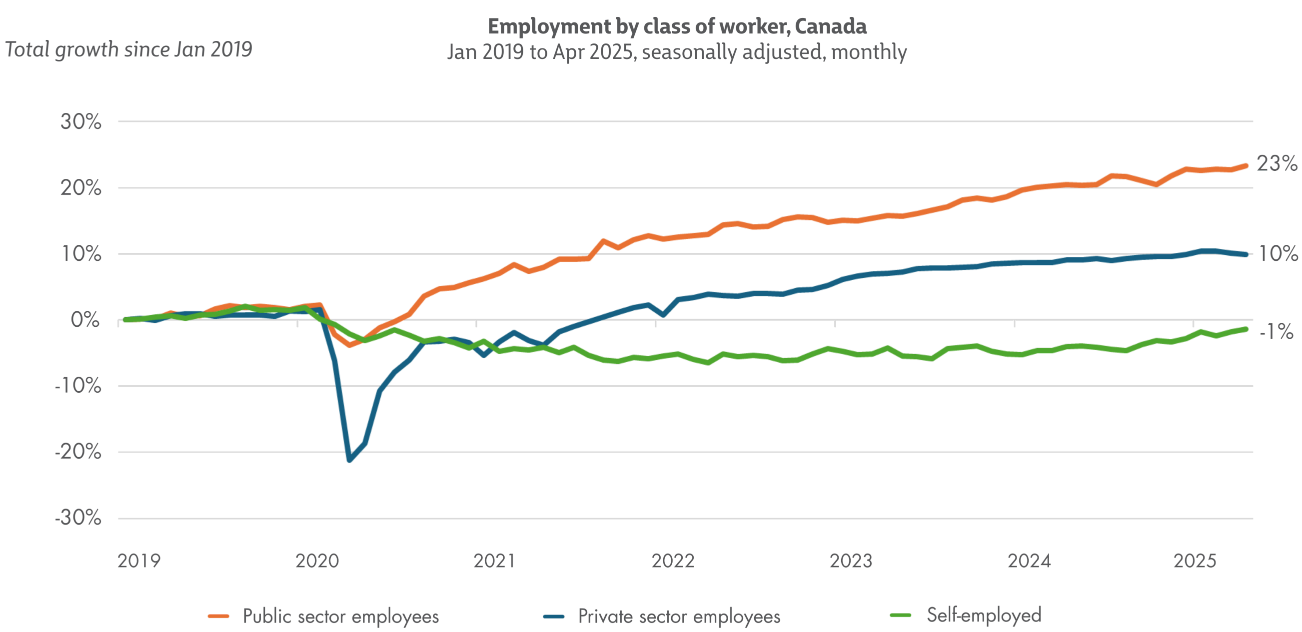
Source: Food Banks Canada

Figure 2: Adjusted for population, Canada's economy has barely grown in a decade



Source: Statistics Canada; BCBC.

Figure 3: Weak private sector hiring since 2019



Source: Statistics Canada; BCBC.

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