

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Écotech Québec

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

It is important to accelerate the green shift, support the development of clean technology and help our innovative SMEs market this technology. Funding for Sustainable Development Technology Canada (SDTC) must be renewed and a new tax credit similar to the current R&D credit but directly linked to marketing must be established. The development and marketing of clean technology would have a positive effect on all economic sectors in Canada as all sectors use clean technology. This would accelerate the shift towards a green economy.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Canada has a knowledge-based economy. We strongly suggest investing in the testing and use of home-grown innovations. The low rate of innovation relative to spending on R&D indicates that more effort is required in this area. The public sector (departments, public agencies, municipalities, etc) should play a leading role and serve as a technological showcase, facilitating the marketing of our innovations. Some governments, some municipalities and some public agencies have devised exemplary policies for reducing GHGs. Achieving excellence involves purchasing clean solutions before the private sector does (for instance an electric vehicle fleet, replacing traditional heating systems with renewable energy systems, etc). These policies could go hand in hand with other means to foster a "buy local" approach. Governments could give preference to local technology providers (often SMEs). These policies are good for the local economy, as they may draw in what could be the region's first major contract. We have even seen examples of new incentives such as bonuses for directors of procurement based on a percentage of purchases they make from SMEs offering environmentally-advanced solutions.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Several innovative companies lose expert foreign staff due to limits to their stay in Canada. Foreign workers are often well-integrated and play an essential role in developing innovations. The rules should be revised so as to facilitate their stay in the country.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Increased productivity is achieved through the use of innovative technology, ideally developed by our researchers. We are of the view that the two most important measures needed are: renewed funding for Sustainable Development Technology Canada (SDTC) and the establishment of a tax credit similar to the R&D credit but directly linked to marketing. Marketing capacity can be discriminating because in this sector supply is often ahead of demand. Accordingly, large buyers could play more of a leading role by encouraging businesses further. We would also note that Canada is lagging behind in the area of public procurement and government purchasing compared to countries in Europe and Asia. Practically-speaking, public procurement (departments, municipalities, etc.) could play a part in the development, testing and purchase of clean technology. A variety of tools are available to the public sector including preferential pricing, quantity-forcing, acting as first purchaser, etc. It would also be advisable to bring together technology users and developers while furthering the role of public procurement. Access to funding also influences businesses marketing ability. The funding chain tends to give businesses access to capital over the entire phase of development, from basic research all the way to marketing and public trading of shares.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Canadians, businesses and communities all face different challenges. But if we focus on business development and productivity we will affect Canadians and their communities. As previously mentioned, the development and marketing of clean technology will have a positive impact on all economic sectors in Canada because ALL sectors use clean technology; and this will contribute to accelerating the green shift.