

Speech by Andrew Saxton

Parliamentary Secretary to Canada's Minister of Finance

To the Canadian Chamber of Commerce

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Manila, Philippines

Mabuhay.

Thank you for the kind introduction and the opportunity to speak to you this evening. It is a pleasure to be back in Manila and the Philippines, on behalf of my colleague, the Honourable Joe Oliver, Canada's Minister of Finance.

I would also like to thank the Canadian Chamber of Commerce for hosting this event.

Your strong voice on key advocacy issues affecting business is critical to helping advance economic interests shared by our two countries. I would like to congratulate you on your work in these areas.

I am particularly pleased to be here in my capacity as Parliamentary Secretary to Canada's Minister of Finance, as well as being the Co-Chair of the Canada-Philippines Inter-parliamentary Group, a group that supports ongoing parliamentary relations between our two countries.

And it's been exciting to see the relationship between Canada and the Philippines grow stronger in recent years.

This week, I am participating in the World Economic Forum's East Asia Forum. It's an opportunity to promote Canada's trade interests and to learn more about the opportunities and challenges facing this region with respect to the global economy.

Prime Minister Harper has often said some of Canada's best exports are its people and I'm honored to be among some of our best here today.

I'm delighted to be back in this part of the world, which has become one of the fastest growing and dynamic regions, and an important partner for Canada. We've all witnessed this growth in recent years; I personally experienced this remarkable growth first hand during the eight years in which I lived and worked extensively in the Asia-Pacific Region in the financial industry specifically in Hong Kong and Singapore from 1994 to 2002.

I'd like to begin with some of Canada's strengths, while the global economy continues to be fragile and countries continue to struggle with high unemployment and weak economic growth, Canada has fared better than most.

Canada's resilience reflects the actions our Government took before the global crisis: lowering taxes, paying down debt, reducing red tape and promoting free trade. As Canada works to achieve its goal of returning to balanced budgets next year, we remain focused on the principles of good governance and sound economic and fiscal management.

In an uncertain global economy, our Government will stick with our low-tax plan for jobs and growth – a plan that is working across Canada.

Since we introduced the Economic Action Plan to respond to the global recession, Canada has recovered more than all of the output and all of the jobs lost during the recession.

The Canadian economy has posted one of the strongest job creation records in the G-7 over the recovery, with more than one million jobs created since July 2009.

Canada has weathered the economic storm well and the world has noticed:

- Real GDP is significantly above pre-recession levels—one of the best performances in the G-7.
- Both the IMF and the OECD expect Canada to be among the strongest growing economies in the G-7 over this year and next.
- For the sixth year in a row, the World Economic Forum rated the Canada's banking system as the world's soundest; and
- All the major credit agencies have reaffirmed their AAA ratings for Canada, and it's expected Canada will maintain this in years ahead.

But we will not rest on our laurels. That is why Canada's Economic Action Plan continues to focus on the drivers of growth and job creation—innovation, investment,

education, skills and communities—underpinned by our ongoing commitment to keeping taxes low, and returning to balanced budgets by 2015.

The continued effectiveness of our Economic Action Plan lies in our Government's balanced and responsible approach to economic management.

Canada's Economic Action Plan is focused on five pillars, I'll touch on them quickly:

- The first is **keeping taxes low** and creating a strong business climate; to maintain the best economic environment possible for Canadians to prosper. Our Government has done this through broad-based tax cuts and targeted tax relief for individuals, families and businesses since 2006. In fact, taxes are now at their lowest level in 50 years!
- The second pillar is **connecting Canadians with available jobs** by helping them acquire the necessary skills. Our Government is taking further steps to ensure federal funding and programs are directed toward meeting labour market needs.
- The third pillar is **opening new markets** for Canadian businesses abroad. Encouraging trade and foreign investment supports all sectors of the economy

and helps diversify our exports. Earlier today I had the privilege of witnessing the launch of Excelion technology at the Asian Hospital and Medical Center. A clear example of how Canadian innovation can be exported around the world.

- The fourth pillar is the **responsible development of our immense natural resources** –These major economic projects create jobs and spur development across Canada. Hundreds of resource projects are underway or planned over the next 10 years, representing a total potential investment of \$650 billion.
- Finally, **investing in world-class research, innovation and technology** to foster a vibrant entrepreneurial culture where new ideas are translated into products and services in the marketplace.

Allow me to briefly address the third pillar. Trade and investment are fundamental contributors to the success of Canadian businesses and, in turn, to Canadian prosperity.

Our Government's trade agenda has already made Canada one of the most open and globally engaged economies in the world. Our efforts are already yielding results.

Since 2007, we have reached free trade and investment agreements with 30 countries, and are negotiating with many more.

A recent example of our success with free and open trade is the conclusion of our agreement in principle on a Comprehensive Economic and Trade Agreement with the European Union. This agreement will allow Canada to seize a historic opportunity to gain preferential access to the largest market in the world—one with over 500 million consumers and a GDP of almost \$17 trillion.

In addition, Canada continues to pursue deeper trade ties with the Asia-Pacific region, recognizing that prosperity within APEC economies, and globally, depends on maintaining a commitment to free and open trade and investment.

Canada is working with its Asia-Pacific partners, including ASEAN, to realize the region's economic potential by exploring opportunities for cooperation.

Canada looks forward to furthering our common interests in APEC during the Philippines Chairmanship year in 2015.

We also look forward to implementing our very first bilateral free trade agreement in the Asia-Pacific region, with South Korea. This agreement will provide new access for Canadian businesses and workers to the world's 15th-largest economy and the fourth-largest in Asia.

As Canada continues to expand its export market and commercial relations with the Asia-Pacific region, we remain committed to working with the Philippine government to build bilateral trade and investment ties that will benefit both countries.

While much focus tends to be on the super powers of the region, China and India in particular, we cannot ignore that the by-products of this growth have influenced and stimulated economic growth through many of our ASEAN partners as well.

Through our Government's Trade and Investment Framework Arrangement with the Association of Southeast Asian Nations, we are committed to bolstering bilateral and regional commercial engagement.

The Philippines' economic performance continues to improve, as evidenced by the recent upgrade in the country's S&P credit rating and its declining debt. At the same time, the Canadian economy continues to grow and is now one of the strongest in the G-7. And so the time is ripe for both our countries to build on this momentum and to work together to further strengthen our economies.

A good example of this cooperation is the recent contribution by the Government of Canada of \$4.2 million to support capacity building and institutional strengthening for the Public Private Partnerships Centre in the Philippines.

This support to P3s is in line with the Government of Canada's plan to broaden its engagement with the private sector as the driving force behind sustainable economic growth.

I am confident that our partnership will result in many positive outcomes and successes for both our countries. I should also point out that the Filipino-Canadian community is the fastest growing ethnic community in Canada! And they are a very engaged group. In my riding of North Vancouver they got together and raised over \$60K in a few days for Typhoon victims

Before I conclude, I just want to emphasize again the importance of the Asia-Pacific region to Canada's economic future and prosperity.

Our Government remains committed to building deeper ties with this region and to opening new markets for Canadian exports.

In doing so, we will rely on the good governance and sound economic management that have served Canada well, and that serve as a model for other countries.

The Canadian Chamber of Commerce is a key partner in pursuing our objective of broadening and deepening our commercial relationship with the Philippines, and I would urge everyone in this room to look for ways that your own commercial and professional activities can contribute to and benefit from increased business linkages between the Philippines and Canada.

The Government of Canada looks forward to a strong and long-lasting bilateral relationship that will enhance prosperity in Canada and across the Pacific.

Thank you. Merci. Salamat po.