



June 20th, 2018

Mr. Doug Ford
Premier-designate of Ontario
Legislative Building, Room 281, Queen's Park,
Toronto, Ontario M7A 1A1

Dear Mr. Ford:

Re: Congratulations and Meeting Request to Discuss a Manufacturing Strategy for Ontario

On behalf of the 2,500 members of Canadian Manufacturers & Exporters (CME), the tens of thousands of manufacturers in Ontario, and their nearly 800,000 employees, congratulations on your election victory. I am writing to request a meeting to discuss how we can work together to grow Ontario's foundational manufacturing sector, for the prosperity of all Ontarians.

Manufacturing is the most critical business sector in Ontario. It directly accounts for over 12 per cent of GDP and 80 per cent of exports. Manufacturers generate significant economic spin-offs throughout the economy and Ontario's communities, including natural resources, technology, and in every service sector from banking to logistics. Factoring in these economic spin-offs, manufacturers drive nearly 30 per cent of all economic activities, 25 per cent of all jobs, and one-third of all government tax revenues.

A healthy manufacturing sector is critical to a healthy Ontario, an important message that you delivered during the election campaign. However, manufacturing in Ontario is at a crossroads today, and we need a coordinated strategy to grow the sector. We are losing ground to our international competitors in terms of investment, technology adoption, exports, and new product development. Ontario has lost its competitive edge. We must work together to bring it back.

As we wrote to you leading up to the election, CME launched a campaign focused on raising awareness about the importance of manufacturing in the province called Manufacturing Matters (www.manufacturingmatters.ca). We are currently consulting manufacturers across the province to get input on a long-term strategy, one we hope we can develop with your government, to strengthen and grow the sector and the good jobs that come with it.

In the interim, based on the feedback we have received to date through our consultations, urgent action can and must be taken by your new government, especially given the uncertainty being caused through the ongoing NAFTA renegotiations. These actions are directly aligned with your campaign promises to make life and doing business in Ontario easier, specifically:

- Repeal Bill 148 (except the minimum wage components) which has already caused significant cost increases to manufacturers through complex and unnecessary regulations, and which will fully go into effect on January 1, 2019;
- Create an industrial electricity rate for manufacturers to put electricity pricing relatively on par with competing US jurisdictions; and
- Pursue through the federal government changes to tax rules (Accelerated Cost of Capital Allowance and related tax credit programs) for the acquisition of machinery, equipment, and



technology to immediately boost capital investments and improve our competitiveness as a province.

Beyond these short-term priorities, we look forward to working with you in partnership on a range of other medium and long-term pro-growth initiatives essential for the health and prosperity of manufacturing and the province. These include skills development, cap-and-trade policies, international trade, technology adoption, and investment support.

Congratulations again on your victory. We hope to meet with you directly in the coming weeks to discuss these priorities and how we can once again make Ontario the engine of Canada's economy and return prosperity for all Ontarians. In the interim, if you or any of your team wishes to discuss any issues, please reach out directly to me.

Sincerely,

Dennis A. Darby, P.Eng., ICD.D
President & CEO

c.c. Rhonda Barnet, Chair of CME National Board of Directors
Dennis Dussin, Chair of CME Ontario Advisory Board
Mathew Wilson, Senior Vice President, Policy & Government Relations
Alex Greco, Director, Manufacturing Policy