



We were invited by the Department of Finance to attend the closed session on the Fall Economic Statement 2018. Good news! Some of our recommendations are reflected in the measures announced. Here are the highlights of the Statement that could have a direct impact on the development, financing and commercialization of Canadian clean technologies.

“One of the greatest opportunities for Canada's economy is connected to the global shift toward clean growth. [...] Pollution was free, so we had too much of it. This is the root of the problem and we are going to fix it.”, the Honourable Bill Morneau, Minister of Finance.

Increase investment in the clean technology sector by introducing Immediate Expensing for Clean Energy Investments and the Accelerated Investment Incentive, allowing businesses to immediately write off the full cost of specified clean energy equipment.

- Providing an accelerated capital cost allowance for clean energy equipment, specified clean energy equipment will be eligible for immediate expensing. With this change, the cost of specified clean energy equipment will be eligible for a full tax write-off the year it is put in use in the business.
- The Accelerated Investment Incentive will result in additional federal-provincial tax savings for cleantech users.
- This will spur new investments and the adoption of advanced clean technologies in the Canadian economy.

Support Canadian Clean Technology Innovators Through Venture Capital.

- An additional \$50 million on a cash basis to increase venture capital available to clean technology firms, under the Venture Capital Catalyst Initiative and beyond the \$400 million announced in Budget 2017.

Reform and modernize federal regulation and explore making regulatory efficiency and economic growth a permanent part of regulators' mandates.

- Promoting an up-to-date regulatory environment that reflects current public policy and business realities, challenges and opportunities.
- Review legislation to assess whether opportunities for legislative changes exist to further solidify that regulatory efficiency and economic growth is an integral part of regulators' mandates.
- Establish a dedicated External Advisory Committee on Regulatory Competitiveness, which will provide guidance on where new regulatory frameworks are required to deal with emerging technologies and will champion the use of regulatory sandboxes and pilots.
- Launch a Centre for Regulatory Innovation, a convener and focal point that is business-facing, helping businesses connect with relevant regulators and managing a roster of sandboxes.

Export Diversification Strategy, with a target of increasing Canada's overseas exports by 50 per cent by 2025.

- Increasing exports to overseas markets in the Asia-Pacific region and Europe, benefiting from the Canada European Union Comprehensive Economic and Trade Agreement (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- Build on CanExport by investing a further \$100 million over six years. This new funding will primarily target CETA and CPTPP markets.
- Creating a new mentors program, connecting Canadian entrepreneurs that are looking to move into new overseas export markets with seasoned Canadian business executives who have in-market experience.
- Expanding the Canadian Trade Commissioner Service's Canadian Technology Accelerator program globally with additional funding of \$17 million over the next five years.
- Enhancing trade services for Canadian exporters, investing \$25.4 million over the next five years to expand TCS advice and services in areas including intellectual property.

Remove Barriers to Internal Trade.

- Aligning regulations in the construction sector, including the harmonization of building codes across Canada.
- Harmonizing requirements for the trucking industry.

Accelerate support for business innovation in Canada.

- Provide a further \$800 million over five years to the Strategic Innovation Fund.

Source: [Fall Economic Statement 2018](#), Government of Canada