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• (1530)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call this meeting to order. This is meeting number 17 of the Standing Committee on International Trade.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, 2025, the committee is resuming its study of Canada and the forthcoming CUSMA review.

Welcome to our witnesses. I see that we have some new faces around the table today. Welcome to all of you.

From Garaga, we have Martin Gendreau, co-president. From the BC Lumber Trade Council, we have Kurt Niquidet, president. From the Ontario Chamber of Commerce, we have Daniel Tisch, president and chief executive officer.

Thank you very much. We appreciate your taking the time to be with us today.

We'll open the floor up with Mr. Gendreau, please.

The floor is yours for five minutes.

[*Translation*]

Martin Gendreau (Co-President, Garaga): Good afternoon, everyone.

Thank you very much for the invitation to appear before you today.

My name is Martin Gendreau. I am the co-president of Garaga and co-owner of the Novatech Group. Both Canadian companies manufacture garage doors, thermal entrance doors, decorative glass and patio doors.

Our family-owned business employs over 3,200 people in Canada and the U.S. We are heavily involved in Canada's supply chains and purchase almost all our steel in Hamilton, Ontario. Garaga and Novatech have roots in Quebec and take pride in creating jobs in the regions and investing in our communities through our foundation.

We are facing four challenges, which I would like to discuss with the committee today.

The first challenge is the issue of U.S. tariffs on steel. Canadian garage doors are subject to 50% tariffs on steel, while U.S. products coming into Canada are subject to only 25% tariffs. As a result, 30% of our Canadian production of garage doors is at risk because doors are manufactured locally in Canada and then exported to the

U.S. Since the beginning of the year, we have had to invest over \$20 million in our plant in Minnesota so that our sales in the U.S. market are generated there instead of at the plants in Barrie, Ontario and Saint-Georges de Beauce, Quebec. Customers were not willing to shoulder 50% tariffs. That was not possible.

Meanwhile, Canadian customers import approximately 200 million American garage doors into Canada and these doors are subject to only 25% tariffs. These tariffs are partially subsidized by American competitors to maintain their market share. I'd like to ask the committee whether there's a way to harmonize tariffs at 50%. Last week there were announcements about steel industry derivative products. That sounds good, but the HS codes have not yet been released, which leaves wide open the question of whether tariffs on garage doors imported from the U.S. will increase to 50%.

The second challenge is the unfair importation of steel from Asia. We have noticed a significant import of low-priced commodities containing insulation that does not meet our environmental regulations. Some of these products are below the cost of raw material. Due to U.S. tariffs on products from Asia, manufacturers from Asia are rerouting their production to Canada at very low prices. They are also using unregulated insulation. Customs officials have turned back three containers so far. We hope these importers will continue to face stringent measures to ensure compliance with Canada's environmental regulations.

Third, I'd like to discuss the challenge of steel supply with the committee. Up until last week, there was no clear strategy for the steel industry and this created a lot of uncertainty. We get our supplies exclusively from Hamilton, Ontario. We started to qualify international suppliers at the beginning of the year to protect our supply chain. We did not do that to save money. Without steel, we would not have garage doors and entrance doors. That's very important for us. We need the government to take a clear stand. The government must support the steel industry and ensure that it is not wiped out from Canada.

The fourth challenge is related to the workforce in the regions. There are many jobs in the regions and we cannot move our plants, which are rooted in the communities. Temporary foreign workers are essential. They work night shifts and weekends. Next year, we will lose 15 workers at Novatech, followed by an additional 30 the year after. These workforce losses will reduce our production capacity directly, making it harder to remain competitive with the U.S. market.

In closing, we'd like to make the following key demands. We would like 50% tariffs on American doors imported into Canada, so as to make this measure reciprocal. In addition, we want anti-dumping measures for Asian products, which have been entering Canada in increasing numbers since the Americans imposed tariffs on them.

We want to keep our production in Canada, create jobs in Canada and buy our steel in Canada.

Thank you very much for your attention.

I look forward to your questions.

• (1535)

[English]

The Chair: Mr. Niquidet, please, the floor is yours.

Kurt Niquidet (President, BC Lumber Trade Council): Thank you, Madam Chair and members of the committee. I am Kurt Niquidet, president of the BC Lumber Trade Council, representing the majority of BC lumber producers. Our sector accounts for about 40% of softwood lumber exports to the United States and supports roughly 100,000 jobs, contributing about \$6 billion annually to government revenues.

As you prepare for the 2026 CUSMA joint review, I want to highlight two priorities that are essential for securing fair and stable trade for our industry and for North American competitiveness.

Firstly, pursue a durable resolution to the softwood lumber dispute. Since 2017, Canadian producers have paid more than \$10 billion in unjustified duties. These costs burden Canadian companies and workers and raise housing input costs for U.S. consumers. At the same time, European imports facing no duties have displaced Canadian lumber in the U.S. market. Softwood lumber is a strategic input for North American housing, supply chains and economic resilience. Canada must pursue a durable settlement to the lumber V dispute, either within the CUSMA process or alongside it.

Secondly, we need to strengthen the CUSMA binational panel system. The chapter 10 binational panel system is Canada's most effective tool for challenging unjustified U.S. trade actions. Its rulings have direct force of law in the U.S., making it a critical tool for restoring fair market access. However, the system currently is not functioning as intended. Panel appointments face long delays. One challenge filed in 2017 did not reach a hearing until 2023. These gaps undermine Canada's ability to defend its interests and impose large costs on producers and communities.

Canada should use the 2026 review to strengthen chapter 10 by securing enforceable timelines for panel appointments. Predictable dispute settlement is foundational to a credible trade agreement.

To conclude, the 2026 CUSMA review is a critical moment. Canada must seek a long-term settlement to the softwood lumber dispute and strengthen chapter 10 with enforceable panel timelines. A stable rules-based system is essential for Canadian workers and communities and the credibility of CUSMA itself.

Thank you. I look forward to your questions.

The Chair: Thank you very much.

Mr. Tisch, please go ahead for five minutes.

Daniel Tisch (President and Chief Executive Officer, Ontario Chamber of Commerce): Thank you very much, Madam Chair and honourable members.

Thanks for the opportunity to appear before you today.

The Ontario Chamber of Commerce represents 60,000 businesses of every size in every sector and community in Ontario. It's a real privilege to be part of this meeting today.

Trade agreements, of course, are more than legal texts. They create the economic playing field for the businesses and communities of a trading nation. They provide clear and predictable rules of the game for businesses on all sides of the borders of this continent. When they work, they create jobs, they attract investment and they keep our supply chains resilient, and when they falter, as we're seeing today, there's uncertainty that stops businesses from hiring, from investing and from growing.

For us, the CUSMA review is not just a review; it's a test of whether North American economic integration, as it stands, can survive a White House whose policies are likely to push trade away from this continent.

The very idea of the trade agreement is under threat, so we have to reaffirm a simple truth: that trade agreements are written for businesses, not for governments. Having spoken regularly to the U.S. Chamber of Commerce and every state chamber in the Great Lakes region, I'm very confident in saying they agree with us that there should be fewer barriers to trade, not more, and that businesses believe free trade is working for them.

Surveys support this, finding that 94% of manufacturers across North America in all three countries rely on CUSMA for their operations, and no matter what the U.S. president may want, nearly 80% of Americans believe the agreement benefits their economy. Given this precious consensus, it's vital that we act on it.

We've polled our members, and 33% of Ontario businesses right now—a very low number—are confident we can renegotiate CUSMA on acceptable terms, and nearly half are not. At the same time, 61% of these businesses say they believe they can adapt to higher tariffs, but, of course, that resilience has limits and businesses are already making hard choices: 34% have diversified their suppliers, 33% have raised their prices and 28% are now marketing more to non-U.S. markets. Notwithstanding the U.S. president's reshoring fantasy, Ontario businesses are staying put: only 4% of respondents to our survey would even consider relocating part of their operations to the United States.

Of course, staying put and surviving does not mean thriving, so in November we spoke with one voice across Ontario's trade-impacted industries. We brought them all together earlier this year in the Ontario Business and Trade Leadership Coalition, and 18 senior leaders from the most trade-exposed sectors in Ontario joined me in putting forward some recommendations related to this review.

We've recommended three core things.

The first is preserving CUSMA as a trilateral and legally binding agreement with a fair dispute settlement process. The second is ending sectoral tariffs, as some of my colleagues have alluded to, and reducing uncertainty; we recognize this needs to be on a bilateral track adjacent to the trilateral track of CUSMA. The third is that we're recommending the government adopt an extend-and-refresh approach, not a comprehensive rewrite of the agreement so that it's a review, not a redo.

We also believe Canada must prepare for the risks that happen when you're dealing with an unreliable and unpredictable trading partner who's unresponsive even to the needs of U.S. businesses. That means we anticipate Ontario businesses will continue to need the federal and provincial governments as partners as they adapt to new operating models, new supply chains and new markets.

We're recommending that the federal government match Ontario's 15% manufacturing investment tax credit to create an aligned and combined 30% incentive for productivity-enhancing investments; avoid export bans on critical resources that could trigger retaliation; shore up domestic supply chains for essential goods and materials; and expand growth capital sources, including, we're pleased to see, the mandate of the Canada Infrastructure Bank; we saw that in the budget and we were encouraged by that, but we need to keep thinking about how we can keep providing more access for Canadian businesses.

Madam Chair, honourable members, in this period of trade turbulence, I'll conclude by saying CUSMA is not a nice-to-have; it is our lifeline and it is our lifeblood as we trade across this continent and beyond. Preserving and refreshing it is not just about trade; it's about competitiveness, it's about prosperity and it's about security that's inclusive and sustainable.

● (1540)

It's a moment for courage and clarity. We believe that we have to seize this opportunity to strengthen North America's economic foundation, and we believe that Canada's businesses, workers and communities are relying on us to do just that.

Thank you so much for your time.

We look forward to the conversation.

The Chair: Thank you all very much.

We will go to our members now.

You have six minutes, Mr. Groleau.

[*Translation*]

Jason Groleau (Beauce, CPC): Thank you, Madam Chair.

Thank you, witnesses, for coming here today. We are very grateful for that.

I'd like to recognize and welcome Mr. Martin Gendreau, a proud resident of Beauce. As everyone here knows, Beauce is the most beautiful region in Canada.

Mr. Gendreau is the co-president of Garaga, which manufactures garage doors, and co-owner of Novatech. He's a respectable businessman at the helm of a well-established business that has had a long-standing commitment to Beauce and the community for many years.

Garaga is well known to many people. It is the name of the hockey club where I had the privilege of playing for many years. We won Canada's championship, the Allan Cup, twice with the club. Those are beautiful memories. Those were the days, as the saying goes.

Mr. Gendreau, U.S. tariffs in your industry stand at 50%.

In your opinion, is the Liberal government doing enough to protect Canadian businesses in this tariff war?

If not, what recommendation would you offer to the government?

● (1545)

Martin Gendreau: It would definitely help us a lot if we could have reciprocal tariffs, meaning the same tariffs as our competitors.

We were forced to relocate production on our end. To keep jobs in Quebec and Ontario, we must have the ability to replace the volume relocated to American plants with domestic volume. The best way to do that is to sell more garage doors in Canada to customers that currently buy American products.

We are five regional and national manufacturers in Canada and we have all the production capacity needed to cover the entire American volume.

Jason Groleau: I think the U.S. tariffs on Asian countries have a direct impact, namely dumping. A significant proportion of steel from China is coming into Canada.

Am I correct?

Martin Gendreau: Over the past few years, many new Chinese companies, which often sell nearly identical products to our commodities, have set up in Vancouver, and in Toronto in particular. They don't offer any warranty. We have discovered that they are using insulation materials that fall short of Canadian regulatory standards. There is no doubt they have put us at a disadvantage in the marketplace.

Jason Groleau: Earlier, you alluded to the supply chain, steel and regulatory uncertainty.

Can you tell us what you mean by uncertainty?

Martin Gendreau: We'd like the government to have a clear plan for the steel industry. There were some grand announcements last week. What we really want is to have some clarity.

Last week, there was an announcement about a measure that will apply to \$10 billion worth of steel derivative product imports. We now need to have HS codes, or harmonized system codes, to ensure that garage doors and some of our inputs fall within these codes.

For example, we would like to know whether the wire we use for manufacturing garage door springs will be on the list of products subject to tariffs. We buy wire from Korea because there are no Canadian manufacturers. We used to get the wire from an Arcelor-Mittal steel plant in Hamilton, but it shut down in June.

Jason Groleau: Why did this plant shut down? That was a big business.

Martin Gendreau: It's just one of the ArcelorMittal plants that have shut down. It used to make wire. If you ask me, wire production was relocated to the U.S. We were buying a small quantity before it went out of stock.

Jason Groleau: You spoke about some grand announcements earlier. There are many loans. There have been many announcements.

In your opinion, do businesses, such as those in Beauce, prefer to get loans or would they prefer a resolution with Americans?

Martin Gendreau: Of course we would like to reach a resolution. We need stability. Temporary foreign workers are the best example. We are at full employment in Beauce. The unemployment rate is extremely low. We need temporary foreign workers if we want to have workers for our evening and weekend shifts.

I have witnessed what I would characterize as human suffering. People have settled down with their families, they have jobs and then they are forced to go back to their country. Businesses don't even have the capacity to replace these workers. Obviously, this would make sense in regions with very high unemployment rates, but a plant is not something that can be relocated. You can't just say you're going to move to another region because the unemployment rate is high when there are local workers and talent available.

Jason Groleau: One of our proposals is related to the fact that we use unemployment rates, and yet the reality varies from one place to another. Unemployment may be high in downtown Toronto or Vancouver, but 3% in our community. We have the lowest unemployment rate in Canada, which means there are no jobs.

Do you think the temporary foreign worker label should be changed to "economic workers"?

What do you think about that?

Martin Gendreau: To us, these are economic workers. They work evening and weekend shifts and they get good paycheques in this manufacturing sector.

Jason Groleau: It's costly to bring these workers here.

Martin Gendreau: Yes, it's very costly to bring them here. You need to plan infrastructure for their housing and so forth. It's complicated. It would be much easier if the workforce were available locally, but that's not the case.

Jason Groleau: I have a bit of time left.

Do you feel that there is currently a clear and consistent policy to support Canadian steel?

Martin Gendreau: There were some grand announcements last week. That's a good start, but more clarity is needed. We need HS codes to determine what will be subject to tariffs in order to plan our supply chains.

We will really need help from the government. There was an announcement about a measure that will apply to \$10 billion of derivative product imports. The government must have an idea of the HS codes. The sooner we know them, the better.

• (1550)

Jason Groleau: Thank you very much, Mr. Gendreau.

[*English*]

The Chair: Thank you very much.

Madame Lapointe, go ahead.

[*Translation*]

Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Thank you very much, Madam Chair.

I'd like to welcome the witnesses and to thank them for coming here.

Mr. Gendreau, earlier, you talked about the unfair importation of insulation products from Asia. You have observed that the industry is facing dumping of products from Asia that don't meet regulatory standards.

What did you do about that?

Martin Gendreau: We commissioned some tests through independent laboratories. We created an alliance with five of the major garage door manufacturers in Canada. We worked with the Norton Rose Fulbright lobby firm to ensure the tests were done by the book.

We also made representations to the Canada Border Services Agency, which has started to take action. We knew it had turned back three containers. That's a good start, but it's important to continue. That took time. We're not asking for anything special. We just want our foreign competitors to comply with the same rules as we do. These chemicals are prohibited in Canada in line with environmental agreements.

Linda Lapointe: Thank you.

I know my colleague from Beauce spoke about his region. I'll tell you about the Lower Laurentians. We also buy your doors.

Quebec businesses, which are majority francophone, are often located in the regions across the province. They face a number of specific challenges related to how their compliance is perceived in the American market.

Do you have any challenges with respect to language, certification and rules of origin?

Martin Gendreau: No, we don't.

However, we also operate in the U.S. Europe has been a big challenge. We have been asked why we don't export to other parts of the world, but Europe, for example, has imposed many tariff barriers in our non-tariff industry. In Europe, a garage door is classified in the same category as an elevator.

Linda Lapointe: That's not the case in Asia.

Martin Gendreau: There are fewer garage doors in Asia.

Linda Lapointe: Thank you.

Mr. Tisch, earlier, you said CUSMA needs to be reviewed and that fewer barriers are needed, not more.

What were you alluding to exactly?

[*English*]

Daniel Tisch: I'm sorry, but do you want me to clarify what I mean?

[*Translation*]

Linda Lapointe: Yes.

Daniel Tisch: Thank you for the question.

[*English*]

I would say that the less we put on the table, the better off we're going to be as a country. Given the interest that all three countries have in maintaining CUSMA—we refer to it as an “extend and refresh” approach—it's about extending and refreshing the agreement, but not substantially trying to renegotiate it. Therefore, I think it's about having some very clear objectives; looking at areas that could potentially be improved—I mentioned some of those, like automotive rules of origin—and other concerns that could align the interests of the three North American nations; and focusing—the U.S. in particular—on challenges that come from China. It's about looking at where there are shared opportunities, but fundamentally understanding that the agreement is overwhelmingly beneficial, as it is, to the businesses, workers and communities of all three countries.

[*Translation*]

Linda Lapointe: Thank you.

Mr. Niquidet, we have had trade disputes for a long time. I think we have always had trade disputes about softwood lumber.

Do you think acknowledging that the Quebec system is different from that of British Columbia would address CUSMA-related issues?

[*English*]

Kurt Niquidet: I don't think that would necessarily address the issue. We've made a lot of changes to our systems in response to previous U.S. demands to make them more market-based. However, we're still left basically facing what we're facing today: unprecedented levels of tariffs. We think, ultimately, there needs to be a negotiated settlement to this. That may involve policy changes, but more likely not. It's really about engaging the U.S. administration at the highest level, and also addressing the U.S. industry and its concerns.

● (1555)

[*Translation*]

Linda Lapointe: The Carney government wants to encourage people to buy more Canadian products, including softwood lumber.

Do you think this policy will address softwood lumber issues?

[*English*]

Kurt Niquidet: It will to some extent. Just to give you some context in terms of our domestic market relative to the U.S. market, currently the Canadian market makes up about seven billion board feet of demand, whereas in the United States it's about 50 billion board feet. The policies of trying to build more homes with Canadian wood are helpful. Nonetheless, the estimates we see are maybe that it would add two billion board feet of additional demand, whereas we're shipping about 12 billion to the U.S., so it's not going to offset it. Again, it's helpful, but access to the U.S. is absolutely critical for us.

[*Translation*]

Linda Lapointe: If we build more homes, there will be more demand for doors. I'm just saying that incidentally.

[*English*]

The Chair: Thank you very much.

We go now to Monsieur Savard-Tremblay for six minutes, please.

[*Translation*]

Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot—Acton, BQ): Thank you, Madam Chair.

I'd like to thank the witnesses for being here today. I'd also like to thank them for their presentations.

Mr. Niquidet, obviously, there are immediate solutions. You may have seen that the Bloc Québécois is calling for some urgent measures regarding the softwood lumber industry. Beyond that, we're here to speak about the CUSMA review or its renegotiation, depending on the form it will take.

You did say that we have already made the changes that needed to be made. In any case, in Quebec, the price of lumber released into the market is auction-based. It's therefore consistent with free trade rules. Obviously, I don't know as much about the British Columbia retail system as you do. My understanding is that it's also consistent with free trade requirements and rules.

As we know, Americans are employing calculated tactics to prolong litigation for as long as possible, fully aware the outcome will not be in their favour. However, we will face challenges as long as the process lasts.

The 2020 review of the investor-state dispute settlement mechanism was not bad, but it didn't fix everything. There is a deadline, but none for appointing an arbitrator.

Wouldn't it be a way to provide a real framework for litigation so that it doesn't drag on unnecessarily?

[English]

Kurt Niquidet: To your point, both British Columbia and Quebec have auction-based systems or market-based systems. The problem is that this has still resulted in duties. It's something we're challenging through the CUSMA binational panel, but it has just taken so long to get going. We feel like we have a strong case that there are no subsidies because we're auctioning our timber in a market-based fashion, but these delays have been a problem. That's why one of the key things in looking at the CUSMA review is to make sure we have enforceable timelines so we can defend our interests. That ultimately will also be helpful, I think, in getting to negotiations because we can use that as leverage.

[Translation]

Simon-Pierre Savard-Tremblay: There should also be a framework for the time allocated to appointing an arbitrator. That's what we have seen so far. That's what the Americans did.

[English]

Kurt Niquidet: Yes. I think they've been delaying the appointment of panellists. Ultimately, we just need to make that timeline clear and enforceable. It just hasn't been that way. As I mentioned in my opening remarks, in one instance we filed a brief in 2017 and didn't get to a panel until 2023, and we're still waiting for that panel to rule. This has been a major problem.

• (1600)

[Translation]

Simon-Pierre Savard-Tremblay: What is the ratio in numbers of public forest versus private forest in British Columbia?

[English]

Kurt Niquidet: About 95% of our land in British Columbia is public land, and the rest is private and federal.

[Translation]

Simon-Pierre Savard-Tremblay: A look at that shows Americans are somewhat disingenuous on this file. I think the ratio for Quebec is 90% public forest and 10% private forest. That's the difference between the two.

Even though Americans claim that public forests are a form of hidden subsidy, lumber from private forests is subject to the same

tariffs. Ultimately, they are undermining their own argument. They have shown that their argument does not hold up. As it is, we're the ones facing the problem and the challenges.

However, it should be relatively easy to at least exempt timber from the few private forests in Quebec and British Columbia.

[English]

Kurt Niquidet: That's one option. At the end of the day, it ultimately isn't about subsidies; it's really about protectionism. We have made these changes to auction off our timber and make it more like a private system, but we still see the U.S. taking these measures. We need to get to the negotiating table, and we see the CUSMA review as a possible window for doing that.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you.

Mr. Gendreau, since I have a bit of time left, I'll ask a quick question.

You spoke about tariffs on steel and reciprocal tariffs. That's a short-term solution.

What else could we have, based on what we hope to see in CUSMA? Can we play on the rules of origin, for example?

Martin Gendreau: I'm not very sure. Either there are tariffs or there are none. I'm tempted to say, make up your mind and then we'll get organized. We need to know where we stand.

As I told our Canadian and American teams, when you're playing a new sport, you have to play by the rules. I just want to know the rules. Once we know those rules, we'll get organized to make things work.

Simon-Pierre Savard-Tremblay: The ideal situation is for it to work well. In your case, your business is in Quebec and it exports to the U.S.

When you look at what can be done specifically for manufacturers, what message would you have for the negotiators?

Martin Gendreau: It would be perfect if we could go back to the way things were. I didn't go through all of that in vain.

[English]

The Chair: Thank you very much.

Mr. Mantle, go ahead, please.

Jacob Mantle (York—Durham, CPC): Thank you, Madam Chair.

Thank you to our witnesses for appearing and providing us valuable testimony on this issue.

I want to start with the Ontario Chamber of Commerce.

You spoke in your opening statement about sectoral tariffs. In Ontario, the primary sectoral tariffs affecting our industries are on steel, aluminum and automotive. As I understand it, those tariffs were instituted under the authority in section 232 in the United States on so-called national security grounds. There's been some discussion about the upcoming Supreme Court case that may be decided in the United States in respect of the IEEPA tariffs or these emergency reciprocal tariffs imposed on Canada in respect of fentanyl and other issues.

If the Supreme Court in the United States rules against the administration, will that have any effect on those most punishing tariffs in Ontario?

Daniel Tisch: It may have a positive impact, but that doesn't mean we have to let our guard down, and that certainly does not mean the administration, especially under this president, won't look for every other alternative to imposing tariffs on Canada.

Jacob Mantle: How would it have a positive impact, in your view? I understand there are different authorities. The steel and automotive tariffs under section 232 are not at issue in the Supreme Court case, whereas the IEEPA tariffs are. If those are struck down, will that change anything for Ontario automakers or steel producers?

- (1605)

Daniel Tisch: I see what you mean. No, I don't believe it would. I'm sorry; I was referring in general to the relief from certain types of tariffs and their effect on Canada.

There's no question that while we would obviously welcome a Supreme Court decision of that order, the number one thing I hear from Ontario businesses, actually, is we never want to be in this position again in the future. We don't want to be this vulnerable. We need to build our own economy. We need to reinvest in Canada. We need to make it easier to buy from other Canadians by bringing down interprovincial trade barriers, building the infrastructure for trade and ensuring that we can look after our own destiny and control what we can and never be in a position where we have such an incredible dependence on even our largest trading partner.

The work of diversification and the work of this committee, I think, will become even more important regardless of the Supreme Court decision.

Jacob Mantle: Thank you.

I have a similar question for the BC Lumber Trade Council. My understanding is that the tariffs affecting our lumber industry are twofold. One, under U.S. section 232, under the so-called national security tariffs, and two, the ongoing, ever-present anti-dumping and countervailing duties on Canadian softwood lumber. I have the same question for the Lumber Trade Council.

If the Supreme Court strikes down the IEEPA tariffs in the United States, will that have any effect on those other tariffs?

Kurt Niquidet: I don't think it would have any effect. It would sort of be a moral victory. Those IEEPA tariffs are not currently affecting our sector because, to my understanding, anything that was CUSMA compliant was exempt from that act, and that included softwood lumber.

Jacob Mantle: Thank you.

In your remarks you spoke about the need for what I think you called "a durable resolution to the softwood lumber dispute", and that the best way to get a durable resolution would be through a negotiated settlement.

In your view, do you see that happening in the near term?

Kurt Niquidet: I think it's possible. The challenge has been getting interest from the U.S. From what I understand, there have been engagements where softwood lumber has often been raised. Originally the U.S. just wanted to talk about steel, aluminum and energy, but in this latest sort of engagement I think they made that sort of conditional on having a conversation about softwood lumber later. We think it needs to be a priority and we need to continue to press the U.S. administration on coming to the negotiating table and getting a resolution. As I said, the CUSMA review may be that opportunity to pull them in.

Jacob Mantle: Thank you.

Just in the last 20 seconds, I have one final question for you, sir. In your response to some of the government's new measures, you mentioned the absence of firm timelines for some of the support.

Have you received any firm timeline from the government on those supports?

Kurt Niquidet: Yes, we're getting guidance now. The BDC program was originally announced in August. It took a little bit of time for them to design that program. Now companies are starting to make their application. The timelines, from what we understand, are all going to depend on each applicant and how they're going through the process with their banks. The BDC has been very good and very responsive. Now with these latest measures, they are basically just expanding that program.

We've been in conversations with the BDC and the federal government about making some tweaks to that program as well.

We think that things are starting to head in the right direction for sure.

The Chair: Thank you very much.

Mr. Fonseca, for five minutes, please.

Peter Fonseca (Mississauga East—Cooksville, Lib.): Thank you, Madam Chair.

What I'm hearing here is that we are all in agreement that the section 232 tariffs are completely unjustified.

Mr. Gendreau, you have an opportunity here to share with this committee. You've been through this before, as we went through NAFTA 1.0 and were renegotiating NAFTA. I don't know if the structure of your business was exactly the same then, but at that time how did you respond in addressing the section 232 tariffs?

Martin Gendreau: In the first term of—

• (1610)

Peter Fonseca: Yes, the first Trump administration—Trump 1.0.

Martin Gendreau: —of the administration, the tariffs were only on raw materials, so they had no impact on our product that we were exporting.

Peter Fonseca: That did not impact you at all at that time?

Martin Gendreau: No, because we were buying our steel from Canada and we were exporting a finished product to the U.S. that was not tariffed, but now it is this time.

Peter Fonseca: Okay, so now the section 232 tariffs have come in, and that's a shock to your business. You are in both Canada and the United States. You have all of your inputs, such as aluminum and steel, etc., coming in—

The Chair: Mr. Fonseca, I'm sorry to interrupt.

Are we having an interpretation problem?

A voice: It's okay now.

The Chair: My apologies.

Peter Fonseca: That's fine.

When that happened, how did you get together with your executive team and your board to be able to address production and those costs? Did you shore up...? Did you purchase more of the steel and aluminum you required? Did you look at production?

Martin Gendreau: We loaded up a lot. We were lucky that we had just purchased a large factory in Barrie, Ontario, the former RadioShack head office. We were able to load up raw materials before that. This plant was purchased last fall before the election in the U.S. and the goal of it was to export product to the U.S. Now it's a new story. We did that.

As I said in our opening remarks, right now our strategy is really to produce in Canada what is for Canada and produce in the U.S. what is for the U.S. market. We made a major capital investment in our Minnesota plant to be able to transfer production to avoid the tariff because our customers in the U.S. don't want to pay a 50% tariff. They cannot afford it.

Peter Fonseca: Okay. Now you are producing for the domestic market here in Canada, from your plants here, and then in the U.S.

Before this, what was the business plan? What percentage would you export into the U.S., and what percentage would be imported here from your U.S. plant?

Martin Gendreau: We made the investment in Minnesota, but that will be effective later next year. Right now, about 30% of our Canadian production of garage doors goes to the U.S. Our goal was to grow that, because although we have an important market share in Canada, there was more growth opportunity to the U.S.

However, as I said, if we can get the help of the government to get reciprocal tariffs, we'll be able to get market share of the Canadian customers who buy the U.S. product. We need to be able to sell the 30% we were exporting to the U.S. domestically within Canada.

Peter Fonseca: That's the 50% that you would like to be reciprocal with the U.S.

Mr. Tisch, I have some questions here.

From the Ontario perspective, this is about which elements... This CUSMA review that we're doing here is also about diversification. From 2018 to 2025, we increased our exports beyond the United States by 50%. From what you've heard from your members, what more can we do to achieve the next 50% goal in terms of diversification outside of the U.S.?

Daniel Tisch: I alluded in my remarks to some things that Canadian businesses need. I think the reality is that businesses need capacity and need capabilities. The government, I think, is going in the right direction here, but I do worry that for too many businesses, there's still a sense of inertia, not surprisingly, and the single best thing we can do is to get businesses to invest in themselves.

I gave the example in the advocacy we put forward to the committee today about matching Ontario's 15% manufacturing investment tax credit to get businesses to invest in themselves, but the other piece is helping businesses to de-risk international diversification by ensuring that government is working with businesses to strengthen the trade commissioner service and to strengthen the EDC's capacity to help businesses reach and tap into high-growth and non-traditional markets. I think it's targeting high-potential sectors as well, where we have high export and competitive advantage. I'd say those are defence aerospace, digital, AI, quantum, critical minerals, clean tech, infrastructure and nuclear areas.

It's a matter of being very strategic, but it's also about how we can de-risk the diversification proposition. It's replacing complacency with competitiveness. It's replacing dependence on one market with diversification to many, but I think businesses need the government at their side to de-risk that proposition.

• (1615)

The Chair: Thank you very much.

Now we're moving on to Mr. Savard-Tremblay for two and a half minutes.

[*Translation*]

Simon-Pierre Savard-Tremblay: Thank you.

Mr. Tisch, you described American tariffs as “massive self-harm”.

In your opinion, what measures or requirements should we add to the agreement to primarily make sure the U.S. government will not invoke a national emergency or section 232 of the Trade Expansion Act of 1962 to circumvent the agreement?

[English]

Daniel Tisch: In line with what my colleague here from the BC Lumber Trade Council has indicated, I think we have to pursue the bilateral track so that we get relief from the sectoral tariffs. At the same time, the best guarantee of our security is the renewal of the Canada-U.S.-Mexico trade agreement. We have to very much protect that trilateral conversation and the trilateral negotiating process. We have to do both at the same time.

If there is any insurance policy, it's the more that we can do.... Since we can't control the U.S., it's to control the things that we can here in Canada. That's why I come back to taking measures and being even more aggressive.

We think the government went in the right direction with a lot of measures in the budget. We like, for instance, the superdeduction, but the general conversation in the business community is that although they like it so far, they're not sure if it's going to be enough. Hence our proposal, in the case of manufacturing, to move from a tax deduction to a tax credit, which we think would have more of an effect in incentivizing businesses to invest in themselves.

[Translation]

Simon-Pierre Savard-Tremblay: Have you seen waves of relocation to avoid tariffs among the members of the Ontario Chamber of Commerce?

If so, have you identified any specific sectors?

[English]

Daniel Tisch: When you say reshoring, do you mean to the U.S., or do you mean to Canada?

[Translation]

Simon-Pierre Savard-Tremblay: I mean members of the Ontario Chamber of Commerce that would relocate to the neighbouring U.S. to avoid tariffs.

[English]

Daniel Tisch: One thing I mentioned in my remarks was that, in our survey, only 4% of businesses responding said that they would even consider relocating part of their operations to the U.S. We don't see that happening in a big way. I mean, the reality is that the U.S., frankly, right now is a risky investment proposition because no one knows whether these tariffs are permanent or are just a negotiating strategy. I'm not sure that the president himself even knows from day to day. That makes it a very risky proposition.

Certainly, there will be businesses that might move one production line there, as they would normally in any case, depending on the incentives, the availability of a workforce on the ground or being closer to customers in the normal course of things. There might even be some PR wins, if you will, for the U.S. However, fundamentally, you see manufacturing and construction investments in the U.S. going down, not up. You see manufacturing employment in the U.S. going down, not up in 2025.

The Chair: Thank you very much, Mr. Tisch.

We'll move on to Mr. Chambers, please, for five minutes.

Adam Chambers (Simcoe North, CPC): Thank you very much, Madam Chair. I appreciate the opportunity to have a round here. You're running a very efficient meeting. Thank you for letting a third round go.

Mr. Tisch, just thinking about Ontario and the broader Canadian economy—but Ontario is obviously a manufacturing hub in the country, as is Quebec, of course—and the status quo that we're in today.... How much longer can the economy sustain this kind of limbo period without any certainty in the relationship with America, whether that's the CUSMA—NAFTA—renegotiation or the current unjustified tariffs?

Daniel Tisch: It's very hard to speculate on that, Mr. Chambers. I've seen numbers suggesting that the scenario we're now in—of everything that was estimated earlier in the year as to what the impact of the tariffs would be—is still in the best-case scenario. We came very close to tipping into recession, as did the U.S., but we didn't. Unemployment levels seem to have stabilized. The forecast in Ontario I think is for 0.9% economic growth in 2026. This year it'll be, you know, maybe 0.8%. We'll see where it ends up at the end of the year.

However, none of this is success, so I say respectfully that the job of our elected leaders is to help work with businesses and prepare us for a future where the U.S. will remain our largest trading partner—I don't see any scenario where that's not the case—but where we're, at the same time, far more diversified and far more competitive. I think that's why we come back to investing in the infrastructure of independence—with airports, seaports, high-speed rail and all the other things that are going to help us trade across the country—showing continued leadership in bringing down inter-provincial trade barriers and helping businesses, being their partner, to diversify.

The more we can ensure that growth is led by the private sector and involves private sector investment, the more successful we're going to be.

● (1620)

Adam Chambers: You would say, though, that it's existential that we have a solution or some kind of conclusion, the best that we can, with our largest trading partner, which you acknowledge is likely to remain our largest trading partner. Is that correct? We can't sustain a status quo indefinitely.

Daniel Tisch: We need a resolution with the U.S., given how much.... I forget the number, but I think it's 26% of our GDP that depends on trade, and three-quarters of that is with the U.S. Naturally, there would be tremendous economic pain if some form of access to the U.S. market is not maintained.

However, the thing that I take some solace in is that our colleagues with whom we speak all the time in the U.S. business community are 100% aligned with us on this front, and they're making that case very forcefully to the administration.

Adam Chambers: All right.

Would it be fair to say 1% or 1.2% economic growth isn't anything to write home about?

You mentioned some companies might not be leaving, according to your survey, which might be optimistic, but certainly there are no new investments in manufacturing capabilities while we're in this limbo period. Is that correct? If you're making an investment decision, you're probably waiting to see how it goes.

Daniel Tisch: Capital wants certainty, and it's sitting on the sidelines in a big way right now not just in Canada but in the U.S. as well. Business wants predictability. We need to know what the rules are, and that de-risks the investment proposition.

I agree with you. This level of growth is not what we should be aiming for. The president says, "America first", and I think right now it's North America last if this trade policy continues. That's why I have some optimism that there are enough voices of common sense in America that are saying what we're saying. The challenge is, of course, to continue to work at a business-to-business level with both Republican and Democratic governors who believe in the trade agreement and ensure we protect this vital access to our largest trading partner while diversifying our trade to other economies.

The Chair: Thank you very much.

Mr. Lavoie, you have five minutes, please.

[*Translation*]

Steeve Lavoie (Beauport—Limoilou, Lib.): Thank you, Madam Chair.

I'd like to thank the witnesses for getting involved in this matter today.

My main questions are for Mr. Gendreau.

Good afternoon, Mr. Gendreau. It's a pleasure to have a manufacturer here with us.

We know the situation with the U.S. is exceptional. A number of experts have appeared before the committee and they have said such a situation has not been witnessed in history. These are people that have been involved in negotiations for over 50 years.

As you said from the outset, we'd all like this situation to be resolved in the near future. However, right now, we don't know if it will be resolved in the near future. It may take months and years before it is resolved. I'm not a prophet of doom, but that's how some situations unfold.

I have financed businesses in the past that went through challenging cycles in their sector. The businesses that fared better were often those that invested more during difficult periods.

As a manufacturer, have you made any investments in recent years?

Do you have any investment plans to shore up production, reduce costs and remain competitive, despite the current situation? We don't know if it can be resolved in the near future. It could take years, but businesses must continue to operate.

Do you have a back-up strategy, or are you just waiting to see whether this tariff issue will be resolved?

• (1625)

Martin Gendreau: Thirty per cent of our production was destined for the U.S. All available capital and production were relocated to the U.S., to our plant in Minnesota. We had to invest \$20 million to manufacture the same products in the U.S. as those made in Canada to serve the U.S. market.

We invested in the U.S. to serve that market.

Steeve Lavoie: Right now, you have invested \$20 million in a plant in Minnesota, primarily in—

Martin Gendreau: It's an investment in production capacity.

Steeve Lavoie: To increase production capacity at the U.S. plant, but not here in Quebec.

Martin Gendreau: For now, no, because we're going to relocate 30% of our production to the U.S. once the project is completed.

That's why it's crucial for us to recapture production volume in Canada from our U.S. competitors who sell in Canada. That's critical to protect our production volume and our jobs in Canada.

Steeve Lavoie: I see.

Earlier, you mentioned that you need help from the government.

If you were to get help and money tomorrow morning, where and how would this money be invested?

Martin Gendreau: We don't need money; we need your help. You announced some measures, but we need HS codes to determine where we stand. We need a workforce—

Steeve Lavoie: Can you describe what you mean by "HS codes" to make it clear to the average person?

Martin Gendreau: Last week, the government announced 25% tariffs on steel derivative products. There are harmonized system codes on some products, and customs officers ask what these products are. That applies to large categories of products, but we don't have the details. We need the details to determine which products the codes apply to so we can implement a good strategy that will help us move forward.

With respect to the workforce and temporary foreign workers, it's difficult to invest without a workforce. It's really a matter of providing clarity and stability so we know where we stand.

We really assumed that tariffs were here to stay, unfortunately. Perhaps we were pessimistic, but we felt we had to adopt a strategy just like in a new sport. We have to adapt the business to this situation.

Steve Lavoie: How would you adapt?

I don't know if you know this, but I was a banker in my former life and our favourite term was "predictability". Our goal was to ensure predictability for businesses. When we extended business loans, our priority was to ensure the business could remain sustainable.

These are uncertain times and this is not going to change in the near future. The question is: What tangible steps can be taken now, instead of waiting for things to become predictable again?

Things may never be predictable again. We don't know. What can be done?

What can businesses do?

How can the government work with you to ensure that despite this unpredictability, we continue to move forward, improve productivity, enhance processes, and open and diversify markets without waiting for predictability?

If there is predictability, well and good, but as we used to say, a banker hopes for the best, but prepares for the worst.

How can businesses prepare for the worst?

Martin Gendreau: It's not complicated for us. There are 200 million American garage doors coming into Canada. Let's impose 50% tariffs as Americans did with us, and we'll do the rest. That's all we're asking for. The HS codes the government announced last week need to be confirmed. My understanding is that the measure will come into effect on December 26.

If we can confirm that garage doors are affected, we will ask all our sales teams to call all customers that purchase from Americans to tell them they will pay 50% effective December 26. We will advise them to buy their doors from us in Canada instead of buying them in the U.S.

That's the key support we need. There was a suggestion that there are \$10 billion in imported derivative products. The government must have the codes.

[English]

The Chair: Thank you very much.

Thank you for the very valuable testimony from all of three of you. We appreciate your time.

We will suspend while our other panel comes to the table.

Thank you.

• (1625) _____ (Pause) _____

• (1635)

The Chair: I call the meeting to order.

We have with us, from Nuvation Energy, Michael Worry, chief executive officer. From the Surrey and White Rock Board of Trade, we have Joslyn Young, chief executive officer.

Welcome to both of you. Thank you for taking the time to appear today.

Mr. Worry, I invite you to make opening remarks of up to five minutes, please.

Michael Worry (Chief Executive Officer, Nuvation Energy): Thank you.

Madam Chair and members of the committee, thank you for the opportunity to appear today.

My name is Michael Worry. I'm the CEO, CTO and founder of Nuvation Energy. Founded in 1997, Nuvation designs and sells battery management systems. All of our design and manufacturing are right here in Ontario. These are the control electronics at the heart of modern energy storage systems.

A battery energy storage system uses large batteries to capture electricity and store it for later use. Energy storage assets help meet peak demand and reduce the need for generators to increase power output.

Fundamentally, energy storage is needed for grid reliability and stabilization. It is also required for the growth of artificial intelligence. AI has very high uptime requirements as well as large power fluctuations, so these AI data centres require energy storage, and the grid was not designed to handle that.

Canada's energy storage market is expanding at extraordinary speed. Between 2019 and 2024, national capacity grew by nearly 192%.

I'd like to highlight that last week, the Minister of National Defence, the Minister of Public Safety and the Communications Security Establishment issued a joint advisory warning that foreign adversaries are targeting critical infrastructure across "power, water, health, finance and transportation".

For those of us building these systems every day, this was not new information. Modern energy systems depend on relatively small and inexpensive control electronics that regulate power, manage batteries, connect to the cloud and interface with the grid. These components, which are the kinds of things that Nuvation makes, are the brains of the system. Today, too many of these originate from suppliers aligned with countries whose behaviour poses serious national security concerns.

Canadian companies in this sector face pressure on two fronts. First, foreign state-backed competitors export control electronics at artificially deflated prices that no Canadian manufacturer can sustainably match. Second, tariff uncertainty means that we increasingly cannot offer the price certainty needed to win U.S. contracts as their integrators look to us as a secure option to protect their infrastructure.

The result is a catch-22: We can't win in the United States because of pricing uncertainty, and we can't win in Canada because ultra-low-cost foreign products win our own procurements, leaving both countries vulnerable to high-risk components.

Even when governments try to select Canadian suppliers, origin loopholes and white labelling allow foreign manufacturers to route their products through Canadian or allied intermediaries. Under CUSMA's point-of-origin standards, final assembly here can legally qualify a product as Canadian-made, even when the most sensitive components come from elsewhere.

It's important to note that not all components carry the same risk. We should focus our emphasis on the high-risk components to match up supply chain realities and protect our energy storage industry. For example, a battery cell is a relatively low-cost commodity. However, control electronics, inverters, firmware and communications hardware are high-risk components because they enable remote access, remote updates and deep visibility into system operations. If compromised, these devices can allow a foreign actor to harvest sensitive operational data, disconnect equipment from the grid or even trigger a lithium battery fire.

The reality is that there are a wide range of examples that I'm happy to give during further questions. Sometimes these are large marquee attacks, and sometimes we're seeing foreign adversaries attack even fairly small examples.

The challenge is about to scale up dramatically. The Prime Minister has announced plans for a national east-west electrical grid, which is awesome, but if such a project proceeds under today's procurement and origin rules, we actually risk embedding those same vulnerabilities across the entire backbone of Canada's future energy system. A national grid could be a generational opportunity or the largest expansion of foreign-controlled access to our infrastructure that Canada has ever seen.

Ontario has already been in great action. Bill 5, Bill 40 and Bill 72 give the province the authority to restrict high-risk foreign suppliers, require economic resilience considerations in procurement and prioritize Canadian products, but most provinces and municipalities lack the resources or expertise to address these risks, so federal leadership is essential.

Our recommendations are the following.

First, enact a mandatory national security review for public procurements involving control electronics, inverters or grid-connected systems to identify and exclude high-risk components from foreign adversaries.

Second, to ensure Canadian industry can still source what they need, distinguish between high-risk components and low-risk components in any policy change on this issue.

Third, improve point-of-origin definitions for critical infrastructure components, whether within CUSMA or otherwise, so that adversarial suppliers cannot hide behind a simple final assembly.

Fourth, audit existing installations of grid-connected control electronics to identify vulnerabilities that are already in place.

● (1640)

Chair and members, Canada's energy transition and the rapid growth of our data centre and AI economy cannot be built on control systems that we cannot trust. Canadian companies cannot scale without being undercut by state-supported imports priced to buy access to infrastructure rather than to compete on innovation.

Last week's advisory made it clear that compromised supply chains are a cybersecurity threat. We must move from telling operators that they should prioritize security to giving them the policy and legal tools to do so.

Thank you, and I look forward to your questions.

The Chair: Thank you very much.

Ms. Young, go ahead, please, for five minutes.

Joslyn Young (Chief Executive Officer, Surrey and White Rock Board of Trade): Thank you, Ms. Chair and members of the committee, for the opportunity to speak with you today.

I'm here to offer the perspective of Surrey and White Rock, one of Canada's fastest-growing and most strategically important economic regions.

Surrey's geographic and economic scale is significant. Our city is large enough to hold Vancouver, Burnaby and New Westminster combined, with substantial land left over. That size translates directly into national economic value. Surrey accounts for roughly 22% of metro Vancouver's industrial land at a time when job-enabling land is scarce across the region.

We also anchor one of North America's most strategically positioned logistics corridors, stretching from the U.S. border to the Fraser River and connecting into rail, road and marine networks that support the Pacific gateway. Our employment concentration in transportation and warehousing is 60% higher than the regional average, underscoring our central role in goods movement. We are culturally diverse and speak over 100 languages, connecting us to economies around the world.

We welcome measures announced in budget 2025 under the One Canadian Economy Act agenda. These commitments will support economic resilience, advance key sectors and help Canadian businesses diversify beyond traditional markets. More than anything, what we need is a stable trade environment in order to reach our collective goals.

A recent policy resolution we authored has already influenced measures like supply chain diversification, the reduction of inter-provincial trade barriers and stronger SME supports. However, with 64% of businesses reporting cross-border uncertainty as a major concern, many are adjusting productions, delaying investments or considering relocation. Many of the SMEs in our region do not have the capacity or desire to scale up rapidly. Others wish to expand but are constrained by uncertainty, rising costs and the risks associated with entering new markets.

We have heard directly from local businesses about the profound impact of tariffs, from the small nail salon that can no longer afford to import special packaging they relied on to a large paper product manufacturer with \$100 million in sales annually that has acted swiftly to reduce its reliance on U.S. imports by 30%.

CUSMA remains the cornerstone of North American economic stability. Our national resolution highlighted that unpredictable trade actions can undermine competitiveness, cause layoffs and discourage further investment. The upcoming review is, therefore, not just a procedural exercise. It is a chance to reinforce predictability, strengthen integration and ensure that the agreement continues to work for businesses on both sides of the border.

Drawing on what we've heard from SMEs and on the recommendations endorsed nationally through our resolution, several priorities should guide Canada's approach.

These include a stable, tariff-free North American marketplace. Tariffs on key Canadian industries drive up costs and disrupt supply chains. Canada must continue pushing for the removal of unfair tariffs, establish a clear trilateral process to prevent new trade disputes and use proportionate responses that defend Canadian interests without hurting our own industries.

We also need to modernize chapter 16. The list of eligible professional occupations has not been updated since the 1990s and no longer reflects today's workforce. Expanding it to include modern sectors like tech, finance and the creative industries would remove barriers for businesses and strengthen North American labour mobility.

Third and final, we need to stand up for all people. CUSMA currently includes limited protections for women, gender-diverse groups and indigenous peoples, leaving barriers to participation and equitable benefits. While the U.S. has moved backwards in this

area, in Canada we know that our diversity is our strength. We recommend that Canada use the review to strengthen protections and ensure meaningful consultation with impacted groups.

As you consider Canada's position heading into the CUSMA review, I encourage you to look beyond macroeconomic indicators and consider the very real human impact of trade instability on the SMEs that form the foundation of our economy. We need businesses of all sizes, of all types and from diverse groups of people to be productive and resilient for our nation to prosper.

Surrey and White Rock stand ready to contribute to a strong and competitive marketplace. With proactive leadership, Canada can protect its economic interests, support its business community and strengthen its position on the global stage.

Thank you for your time. I look forward to your questions.

• (1645)

The Chair: Thank you very much.

We'll go to Mr. Chambers, for six minutes, please.

Adam Chambers: Thank you, Madam Chair.

Thank you to our witnesses for appearing today.

Mr. Worry, thank you for some sobering testimony.

You mentioned countries—plural. Can you indicate which countries we should be concerned about? I assume the CCP is one. Are there other countries?

Michael Worry: It's a great question.

Usually, when we talk about foreign adversaries, really we're talking about the CCP.

In the U.S., it's often enumerated as China, Iran and other various countries like Russia, but if we look at what's impacting energy storage, we're really talking about the CCP.

Adam Chambers: Did I hear correctly that you can trigger a lithium-ion battery fire?

Michael Worry: That's correct.

This is the sobering risk that we're talking about here. For example, Nuvation makes battery management systems. The key job of a battery management system is to manage the battery and prevent a lithium battery fire. In the same way that it is designed to prevent a lithium battery fire, that could be manipulated by a bad actor, in order to cause a lithium battery fire.

Adam Chambers: An example would be that it would allow it to overheat, or they would take out some of the safety precautions or override them somehow. Is that what you're getting at?

Michael Worry: That's correct.

If it's a battery management system that came from a foreign adversary and they embedded, in advance, an Easter egg to be able to provide false data injection, they could, for example, provide inaccurate data during charging, which would result in the battery overcharging. That would result in a lithium battery thermal runaway.

Fundamentally, the battery management system is there, at the functional safety level, called UL 1973, in order to keep the battery safe. Fundamentally, if your safety system is compromised, then you don't have a system safety at all.

Adam Chambers: Do you have examples of this potentially occurring or how some of these have been manipulated by a foreign adversary?

Michael Worry: Sadly, this is not a theoretical situation. This has become an alarming reality.

As an example, there were a variety of Deye power conversion systems. Deye is a Chinese power conversion system. There was actually a firmware update that was done that resulted in a large number of these systems going off-line. That, in and of itself, was not a state malicious attack, but it demonstrates that inside energy storage, it's highly common that these systems can be remotely accessed.

Many of the systems that Nuvation has in the field can be remotely accessed. For a trusted partner, that is a useful tool, because it is helpful to tune the system, configure it and have it operate well. However, for a bad actor, that supply chain security is a substantive risk. That system can be taken off-line and even cause structural damage.

• (1650)

Adam Chambers: Did you follow the 5G wireless discussion in Canada?

There seem to be some parallels here. Is that correct?

Michael Worry: Yes, so imagine this was Huawei, with a large lithium battery attached.

Adam Chambers: I assume the state of adoption of this technology is increasing as well. Is that correct?

Michael Worry: Substantively, yes. There are gigawatt hours installed throughout Canada.

Adam Chambers: Right, and that pace is continuing to increase, as people try to store the energy for lower energy bills. Hospitals put in battery storage systems, as an example. Some of this technology is being used in those applications.

Michael Worry: That's correct.

That's actually where you see a lot of energy storage is—renewables integration, AI data centres and critical facilities.

Adam Chambers: If Parliament does not take action now, I assume that once these storage systems are in place it's much more difficult to remove them.

Michael Worry: That's correct.

These control electronics are a single-digit percentage of the cost of the system. If done in advance and prioritizing domestic suppliers, it is relatively easy—in fact, quite easy—to install a system that has all safe domestic controls.

If we allow this east-west corridor to go in with foreign adversary electronics, it is very difficult to get them out afterwards.

Adam Chambers: Have you had discussions with the government, various ministries, about your concerns? Is this a new advocacy for you, or have you been at this for a few months or years?

Michael Worry: We've been at this for the better part of a year.

We've made excellent progress in Ontario, with Bill 5 and Bill 40, working with Premier Ford and Minister Lecce. We have very good relationships with them. In Ontario, it's very much a bipartisan support.

Equally, we've been highly active in the U.S. I've been to Capitol Hill multiple times, and it's a bipartisan issue there.

We continue to get very good support on this. Really, we're here in order to educate that this risk exists, and we need to be in action about it.

Adam Chambers: I note that you do have a number of recommendations, but overall, you would implore the committee and Parliament to address the concerns that you've raised here today.

Michael Worry: We would implore that, yes. We need to be aware that this risk exists, and we need to be in action in order to prioritize domestic suppliers.

Adam Chambers: Okay.

Thank you, Madam Chair.

The Chair: Madam Lapointe.

[*Translation*]

Linda Lapointe: Thank you very much, Madam Chair.

I'd like to welcome the two witnesses.

Ms. Young, has the removal of some interprovincial barriers helped your organization, The Surrey & White Rock Board of Trade?

[*English*]

Joslyn Young: Yes. Certainly, we've seen some advancements, at least in the attitude or the thought process between where businesses used to want to do business just across the border with the U.S.—that was easy—and where now they're starting to think beyond. They're thinking east to west instead of north to south.

However, there are still, I would say, a lot of people just sitting back and waiting to see how things will go. This is because they'd rather not risk getting into any new market and leaving behind what they know has worked for them.

I had one business say to me that it takes about a year to get into a new market. I was telling them that they need to diversify, and they responded, "But, Jocelyn, it takes a year, and we have limited resources. We've made so many investments on our current supply chain." I said, "Well, you have three years left of Mr. Trump, so you can decide what you want to do now or later."

At the Surrey and White Rock Board of Trade, we have established a trade hub, and we are looking for funding to improve the B2B networking that can happen across the country by building a database that connects all of the chamber CRM systems. That would allow us to do business with each other more easily. Right now, those relationships are not necessarily established or thought of first.

• (1655)

[Translation]

Linda Lapointe: I know there are occasional trade missions abroad, but do you have any domestic missions to open up new markets east to west? What would be the most promising market for you?

[English]

Joslyn Young: It sounds like you've read my PacifiCan application.

In fact, we would love to do interprovincial trade missions. We feel that would be an excellent way to improve B2B connections.

The current appetite is there. We have many different industries. There's agritech, for example. Innovation Boulevard in Surrey is very strong. There are opportunities to connect with various provinces; most in the tech space, I'd say, would go across Canada. We also have a very rich post-secondary environment with SFU and other universities in the area that work with industry to create new solutions to businesses' problems.

[Translation]

Linda Lapointe: As far as The Surrey & White Rock Board of Trade exports are concerned, is the existing infrastructure, such as railways and ports, sufficient for your export needs?

In your opinion, are there things that need improvement?

[English]

Joslyn Young: I have formerly worked for both CN and the Vancouver Fraser Port Authority, so I can tell you that Surrey is very ideally situated to support our trade capacity.

What we do need is more trade infrastructure. We need more port capacity, and we also need the road and rail infrastructure to lead us to those ports. What people don't think about is that the west coast is the end of the line. All of the trade supply and the supply chains get pushed into the Vancouver region, and then they're stuck. Where do you go from there? If that's not working well, trade for across Canada does not work well.

Yes, we have a great base, but we do need more.

[Translation]

Linda Lapointe: Thank you.

Earlier, you alluded to the need to defend everyone when you spoke about diversity. I also have the privilege to serve as the chair of the national women's Liberal caucus. Women make up 40% of members of parliament.

In your opinion, what does it take to help more women and first nations? I know it's more difficult to access capital.

In your opinion, what are our greatest needs?

[English]

Joslyn Young: We need to offer education, first of all. Most SMEs started with a good idea but not necessarily the knowledge that they need to, for example, read a profit and loss statement; so the business will get ahead of them, and then they don't have what they need in order to take it to that next level, bring in investment and grow the business.

We have established something called The Business Growth Academy, which will allow for peer-to-peer learning. We take those in the know in the business community who have gone through it and can teach others how to get through those hurdles. Again, going to the post-secondary environment that we have, we're connecting with the universities for microcredential learning. Because of the diversity of our population, everyone's very welcoming in the Surrey—White Rock region, and they know what it takes to be successful. They also know how hard it is, and they like to help each other.

That's what we've established in order to try to help our business community. I would love to help other chambers across Canada establish the same opportunities.

[Translation]

Linda Lapointe: Thank you.

I looked up your business, Mr. Worry. It has a presence in the U.S. and Canada.

What is the percentage breakdown of your business activities across the two countries?

Michael Worry: Thank you for your question.

I speak a little French but I'm better in English.

[English]

The majority of operations are in Waterloo. We're a company of about 80 people, and about 75 of those are in Waterloo, Ontario, Canada.

[Translation]

Linda Lapointe: Thank you.

[English]

Michael Worry: All of our manufacturing is done here in Ontario, in Markham.

[Translation]

Linda Lapointe: Thank you.

[English]

The Chair: Thank you very much.

Next is Mr. Savard-Tremblay, please, for six minutes.

[Translation]

Simon-Pierre Savard-Tremblay: Thank you, Madam Chair.

I'd like to thank the witnesses for joining us. I'd also like to thank them for their presentations.

My first question will be open-ended.

Mr. Worry, you've already told us outside this committee about China's practices, some of which are questionable. You said Chinese state subsidies make it impossible for Canadian and Quebec producers to match their low prices.

As part of the CUSMA review, how can we get to some kind of common framework for North America to push back against these practices?

• (1700)

[English]

Michael Worry: That's an excellent question. Nuvation has been selling battery management systems for 18 years, and we've always been more expensive than China, but it's been, perhaps, 30% more expensive. What has happened is really shifted in the last two years. In 2024, China dramatically dropped its pricing on battery cells, battery management systems, power conversion systems, everything, way below manufacturing costs. In a span of 12 months, pricing dropped 60% or 70% on a lot of these components. That is way below manufacturing efficiencies. These are people who are purchasing access to a market.

As we've been speaking with government officials about this, we originally were having conversations around tariffs or ability to protect it. What we have found, actually, is that, in both the U.S. and Canada, people tell us that there's no price where this is safe, so it's not a tariff situation. It's a situation where we just need to ban these foreign adversary electronics and prioritize domestic suppliers.

[Translation]

Simon-Pierre Savard-Tremblay: That's on trade iniquity.

Let us now turn to security and the security of the American electricity grid. That component counts.

Does that warrant prohibiting technologies from outside North America in such a context because of some of the Chinese practices that we are aware of?

[English]

Michael Worry: Yes, we believe we need to prioritize domestic suppliers with allied nations. Really, supply chain security is about banning foreign adversaries or bad actors who might have a motivation in order to do bad things with these electronics. As an electrical engineer, I believe that if you take an electronic device and put it in a different enclosure or put a different label on it and

weight label it, it doesn't change the underlying risk of those electronics. That's one of the things that we're concerned about. We're seeing electronics coming from foreign adversaries, where a small change is made on them, and then there's a false sense of security that it is labelled as a made-in-Canada product, when in actuality, the risk profile of that product is unchanged.

[Translation]

Simon-Pierre Savard-Tremblay: To your knowledge, do we have enough information? Do we have the necessary data?

Do we have enough details to fully understand the unfair practices of other countries, in the clean technology sector in particular?

Do we have any documentation or measures? Obviously, the goal is to measure and to counter these practices.

Do we have the necessary tools or should we develop others? If so, which ones?

Michael Worry: That's a good question.

[English]

If we look at other places that have advanced on this, Ontario has already done Bill 5 and Bill 40, which give us good guidance on what we can do as Canadians in order to protect ourselves from foreign adversaries. We can also look at the U.S. In our government relations work in the U.S., we're up to 12 states now that have varying levels of laws that either restrict or ban foreign adversary electronics in energy storage or more generally in U.S. infrastructure.

We can be a fast follower on this, because a number of states and provinces have already helped us write legislative language in order to do what we need to do here.

[Translation]

Simon-Pierre Savard-Tremblay: In 2026, the CUSMA agreement will be reviewed and revised. A genuine common North American strategy on critical minerals should be established. Of course, the issue of North American economic and geopolitical security is linked to this.

I know it's difficult to address that in the current climate of Canada-U.S. rivalry and the trade conflict, as the relationship is incredibly complex.

That said, how can we have common rules of origin that would enhance Canada-U.S. co-operation?

Is it possible to establish certain thresholds for regional content as part of a North American strategy for transformation and refining, for example?

• (1705)

Michael Worry: That's an excellent question.

[English]

What we see is that the high risk is really in the electronics. This is in hardware and software. Most of the legislative work we've done is in that direction. If you get down to rare minerals, which is also a very key issue, those are low-risk components. From where I sit, in a role of supply chain security, we don't need to be worried about electronic backdoors hidden in raw minerals, because they're fundamental elements. When we get up to semiconductors, processors and memory code, this is where electronic backdoors can exist. That's the level at which we believe this needs to be legislated.

As engineers, we believe that where something is designed is more important than where it is manufactured. To your point about what we should do inside CUSMA, I think we need to look at rules around where these electronics were designed. If they come into Canada and they get put in a different box with a different label on it, that doesn't change where those electronics were designed. It does not in any way change the risk profile.

That would be my recommendation to CUSMA: Look at where these electronics were designed. We actually have a whole risk matrix profile that Nuvation helped develop. I co-chair a cybersecurity committee inside NAATBatt. We help develop regulations and guidelines on how to measure where things are designed, and the risk that comes with that, rather than where something is manufactured, because there's moderate incremental risk with that.

The Chair: Thank you very much.

[Translation]

Simon-Pierre Savard-Tremblay: Madam Chair, may I ask the witness to table the report in question, if possible, as part of the committee's study?

[English]

The Chair: I'm sorry. I didn't—

Michael Worry: There's a risk matrix table that I'd be happy to provide.

The Chair: If you could supply that to the committee, yes, that would be very helpful.

Mr. McKenzie, go ahead, please. You have five minutes.

David McKenzie (Calgary Signal Hill, CPC): Thank you, Madam Chair.

Picking up on this conversation, Mr. Worry, I'm just wondering about the extent of the installed equipment. You mentioned some critical components. The fascinating part for me is that everything that's critical is critical because it's critical—backup power systems for hospitals, for instance. I mean, these are some of the most important installations we have. At this point in time, would most of this installed equipment be at risk?

Michael Worry: That's one of our recommendations: Do an assessment of existing installed equipment. Though we did list that as a later recommendation, we think really the key point is that we need to stop increasing the risk. We need to stop inviting potential thieves into our homes.

If you think about it, fundamentally, you lock your house when you leave. If someone's outside, they have to break in, and that's

hard. That's how our firewalls are designed and how our networks are designed. If you invite a thief in and leave them in your house and then leave, it's relatively easy for them to take whatever they want and walk out the front door.

That's what we're doing today, and we need to stop that practice.

David McKenzie: We're already some period of time behind.

Michael Worry: We are.

David McKenzie: You mentioned the time frame in which prices were dropped dramatically. That's a subsidy effect in order to penetrate the market. That's an intentional tactic, I think, by various bad actors globally. How long have we been subject to that?

Michael Worry: It's been two years. This started in 2024.

David McKenzie: You mentioned that some U.S. states have in place, or have begun to put into place, legislation to address this. There's some awareness of this in the U.S. Your company is present there as well.

Michael Worry: Yes. We also have operations in the U.S. I've been to Capitol Hill in Washington, D.C., three times. I'll be there again next week. There is strong bipartisan support for this issue. There is a lot of concern in the U.S. around foreign adversaries in China. There are so many examples of what's going on there.

On *60 Minutes* recently, they talked about how it's gone down to the level of Littleton, this little town of 10,000 people. China was caught hacking into the water supply of a little town of 10,000 people. There's no economic value here. There's no intellectual property here. This would only be done in order to set themselves up to later take advantage of that situation. That's the concern here. We continue to invite the CCP—

The Chair: I'm sorry. I hate to interrupt, because this is valuable testimony, but we have a translation problem.

Please give us a second.

• (1705) _____ (Pause) _____

• (1710)

The Chair: All right.

Mr. McKenzie, I'll give you back a little bit of extra time.

David McKenzie: Thank you, Madam Chair. I was going to ask if you wanted me to take it from the top, but three minutes will be more than sufficient. Thank you.

I'm sorry for that interruption, Mr. Worry. These things do happen.

You were just talking about Littleton, where there was some interference. That sounds to me like a practice run.

Michael Worry: That's correct. Yes, that's what we're seeing. Littleton was one of some 200 sites that were found like that in the U.S. This is the CCP practising and positioning themselves in order to in the future take advantage of that access in the event of a crisis or conflict.

David McKenzie: Thank you for bringing these concerns. I will never sleep again, I suspect.

Voices: Oh, oh!

David McKenzie: Ms. Young, I want to ask you about the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the CPTPP. Is that something you're aware of? What would your members think about that being advanced and perhaps concluded someday?

Joslyn Young: Our members are happy for any kind of certainty when it comes to government relationships, regulations and the stability of being able to do business. If you ask your average small to mid-sized business what they know about that, maybe it's not a lot. Maybe they don't have the capacity to spend time looking into things that are beyond the day-to-day. What they do know is that when they all of a sudden have to hire a lawyer or a customs broker or a logistics consultant, because they no longer understand what's going on in their own business, those are the real day-to-day impacts that they see and that they ask us about: Can we get some answers? Can we understand what's happening? Can we please have some stability?

They just can't make any business decisions right now. We're seeing millions of dollars just sitting on the table waiting to be invested.

David McKenzie: Along that line, how long can your members hold out in this climate of uncertainty?

Joslyn Young: It depends. The top performers are taking advantage of the lack of action from others. They're making investments and decisions. Some are saying they're going to sit back and wait. That's the majority. Some are investing elsewhere. Some have to lay off workers, because they are unable to feel like there's something positive down the road.

You have to think that most of the small and mid-sized businesses in Canada are employing a lot of our neighbours. They really depend on those jobs. They're the ones who make the economy go round. This current climate is difficult for them. They just really want some answers.

David McKenzie: Thank you.

The Chair: Mr. Fonseca, go ahead, please.

Peter Fonseca: Thank you, Madam Chair.

Ms. Young, it sounds like there's tremendous potential in Surrey and White Rock. You have rail, road, ports and the opportunity to grow. In your opening remarks, you brought up the business-to-business trade hub. Can you tell us when it was first established and some of the successes that have come out of that trade hub?

Joslyn Young: The Surrey and White Rock Board of Trade used to be two chambers of commerce. They just officially came together,

after quite some time, in October. We're now the Surrey and White Rock Board of Trade. The trade hub is about six months old.

When I look back at what we've done before, I would say we've had a lot of policy successes, but when it comes to interprovincial trade missions, those are still on the books. Our greatest wish, to build the B2B networking across the country, is still to come. We're looking for some government funding to support that work so that we can roll it out to chambers across Canada. That is our hope.

The Surrey and White Rock Board of Trade does currently have over 25 signed MOUs with countries around the world. We regularly have round table discussions with visiting consuls general. Then we bring in impacted industries or potential customers and suppliers for those different countries. The B2B matchmaking piece that we're doing in the old-fashioned way, face to face, has been very successful. We're hoping to build that across the country with the trade hub.

• (1715)

Peter Fonseca: Great.

You said you have 25 MOUs. Are those interprovincial or are those with other countries?

Joslyn Young: Those are with other countries.

Peter Fonseca: We just heard about the CPTPP. Would they be some of the CPTPP countries? We just signed an agreement with Indonesia, which is another opportunity. Can you tell us about some of those MOUs?

Joslyn Young: Absolutely. These MOUs are essentially to build communication and connections. That is the purpose. For example, we've had Mexico come to the table and talk to us about the various different industries they have in the Baja part of Mexico. They've talked to us about the different trade missions they'd like us to join. There are perhaps agritech food shows. That's a big one.

We have a great relationship with the consul general of Guatemala. I don't say that just because he gives me coffee whenever I visit. It's also about cultural understanding and potential tourism back and forth. Really, it does come down to business. Guatemala and Canada have a great relationship when it comes to bringing agriculture workers into the country. That's an official way that we work together. We'd like to expand upon those opportunities.

The MOUs are really to say that I work with you and you work with me. We recognize each other and these potential opportunities.

Peter Fonseca: I hope you're getting support from our trade commissioners' offices.

Joslyn Young: Yes.

Peter Fonseca: Those services are available. Great. That's wonderful to hear.

Mr. Worry, you mentioned Ontario's Bill 5 and Bill 40, which restricted any of these foreign controls from being able to be used here in Ontario. Is that what that legislation did?

Michael Worry: Bill 5 was enabling legislation that then gave Minister Lecce the ability to put regulations in place. Now we're going through a phase of drafting those regulations, which do indeed then restrict foreign adversaries' ability to participate in contracts to attach to the Canadian grid.

Bill 40 goes one step further. It actually provides funding to support that program. Domestic suppliers will be more expensive than foreign adversary suppliers. What they do is they buy access to the electric grid. Bill 40 provides the funding in order to support the Bill 5 initiative.

Peter Fonseca: Is this something you'd want to see in other provinces, this type of legislation? What are you looking for federally?

Michael Worry: I think what Ontario has done shows excellent leadership. I think to scale that up to a federal level would be an excellent path to go on.

Peter Fonseca: Do we have enough production here to support what's needed in terms of producing those controls?

Michael Worry: Absolutely. That's an excellent question, because it's a really important point. We can't just universally ban everything foreign adversary or ban everything China. For example, there are the battery cells themselves. China produces 92% of all lithium battery cells globally. We don't have the ability to manufacture those battery cells locally here in Canada or even in North America. We still require the ability to purchase those cells.

Conveniently, those are a lower-risk component. We can't hide an electronic backdoor inside a chemical battery. The electronics are thankfully a small percentage cost of the overall system. That's the high risk. That's really where we encourage focus.

The Chair: Thank you very much.

Mr. Savard-Tremblay, you have two and a half minutes.

[*Translation*]

Simon-Pierre Savard-Tremblay: Ms. Young, can you speak to some liberties that the U.S. has taken with respect to the spirit of CUSMA as well as certain circumventions that have taken place?

You once spoke out about some cases, including the suspension of certain exemptions.

Can you expand on that?

• (1720)

[*English*]

Joslyn Young: I can't speak to any bad behaviour on that in particular. What I can tell you is that the Pacific northwest economic region of British Columbia's Lower Mainland, Washington state and some surrounding areas are very familiar with working well together. At a conference we attended in the summer, people from both sides of the border got together to talk about how we could work together. I was in the room when the U.S. ambassador directly said that Canadians have been "mean and nasty". That right there impacted the relationship. We later followed up. The consul general of the U.S. came to visit us in Surrey. We had a conversation around what kind of relationship we want to have. We want to have

upfront, authentic, honest relationships where people don't have to worry about aggressive tactics.

What the business community is doing is solving the problems that government has failed to solve. A Canadian company will talk to their U.S. counterpart. They will agree to split the tariffs that are impacting one of them. They will say, for instance, you take the Canadian customers here and the U.S. company will take the U.S. customers. They literally split their customer base. This is an example of how the companies are actually solving problems while they wait for government to figure it out.

The Chair: Thank you very much.

Mr. Chambers, you have three minutes.

Adam Chambers: Thank you, Madam Chair.

Mr. Worry, would you be able to provide the committee with a list of some companies you follow closely that you think we should be more concerned about? I don't mean in public here today. Could you follow up in writing with some of the companies you bump up against that you believe are connected to foreign state actors?

Michael Worry: We can definitely provide that. We can provide that information to the committee, yes.

Adam Chambers: Excellent.

Have you provided a list like that to the federal government yet? Do you believe the government is aware of which companies they should be concerned about?

Michael Worry: We've provided some of that information to the Province of Ontario and the work we've done in the U.S. I don't think we've done that yet at a federal level in Canada. We'd be happy to provide that.

Adam Chambers: Thank you very much.

This is a broader question. How close are we to residential applications or a broader use of battery systems residentially? Is that something we can expect to see over the next few years, or are we a few years out from that?

Michael Worry: If we look at the installations of energy storage that are going in, utility-level installations are the largest percentage at some 80%, based on batteries' capacity and megawatt hours installed. In terms of quantity or unit number, there are lots of residential installations going in. Increasingly, utilities tend to encourage and incentivize residential energy storage installations, especially when it's done alongside solar installations. Basically, once you hit a certain percentage in terms of penetration of renewables in a utility area, you want to incentivize your customers to use energy storage. On a sunny summer afternoon, you don't want more energy on the grid. Electricity is kind of like water: Once it's made, it has to go somewhere. It either has to go to a load or it has to be stored.

Adam Chambers: Thank you very much, Madam Chair.

The Chair: Mr. Lavoie, you have three minutes, please.

[*Translation*]

Steeve Lavoie: Thank you, Madam Chair.

I'd like to thank the witnesses for coming here.

Ms. Young, you said your community is very culturally diverse. Can you tell us a little about opening new markets? As you know, Canada wants to open up markets, including with the Indo-Pacific and with the Association of Southeast Asian Nations, or the ASEAN.

Are you already doing business in this region? Is it likely that trade between Canada and these regions will increase?

Can you tell us a little about the strength of cultural diversity in your region?

[*English*]

Joslyn Young: The cultural diversity and the languages spoken mean that we already have existing relationships in these countries. All that's needed are the supports in order to invest in a new country, which of course we have. You often have to look in many different places in order to understand it as a new business person who wants to start business in another country or to sell to another country. Through the trade hub, we'll be offering these supports by taking all the different government programs and putting them in one place. What busy business people don't have time for is researching what is out there. We are putting that all in one place so that they can find it there easily. We're also providing that education.

The other thing we need to do is broaden our scope in the countries where we already are doing business. These are countries that understand Canada and what we have to offer. We need to look at different markets within those countries where we're already doing business. That's what I recommend we do. Surrey has, of course, every industry you can think of. We have the most manufacturers out of any city in British Columbia. There are many opportunities, especially with our supply chains so close to the ports as well.

• (1725)

[*Translation*]

Steeve Lavoie: What are the most promising and the most attractive sectors that can be developed internationally?

[*English*]

Joslyn Young: It depends on the country. Different countries have different interests in terms of what they would like to import from Canada. In Asian countries, for example, it's Canadian fruit and pork. Agriculture is very big. There are also many services that are exportable. It's not just products. We need to think about it from that side of the coin as well.

What we really need to think about is educating these countries on what it is we have to offer. Trade missions are the best place to do that. What we've heard from the business community is that it feels like a bit of a photo opportunity versus real business-to-business conversations and figuring out what we can do together. I would encourage government to think about bringing more industry representatives on the trade missions and making time for those real conversations.

The Chair: Thank you very much.

Thank you to our witnesses.

For the information of the committee, Thursday will be our last meeting of this session. We have the Minister of Industry for the first hour. In the second hour, we are doing forced labour.

The clerk got some messages from Buenos Aires and Brasília. The missions have indicated that the dates we had suggested for April do not work for them. We'll now tentatively look at the break week in May. The clerk will get back to us.

Is everybody good? Okay.

The meeting is adjourned.

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