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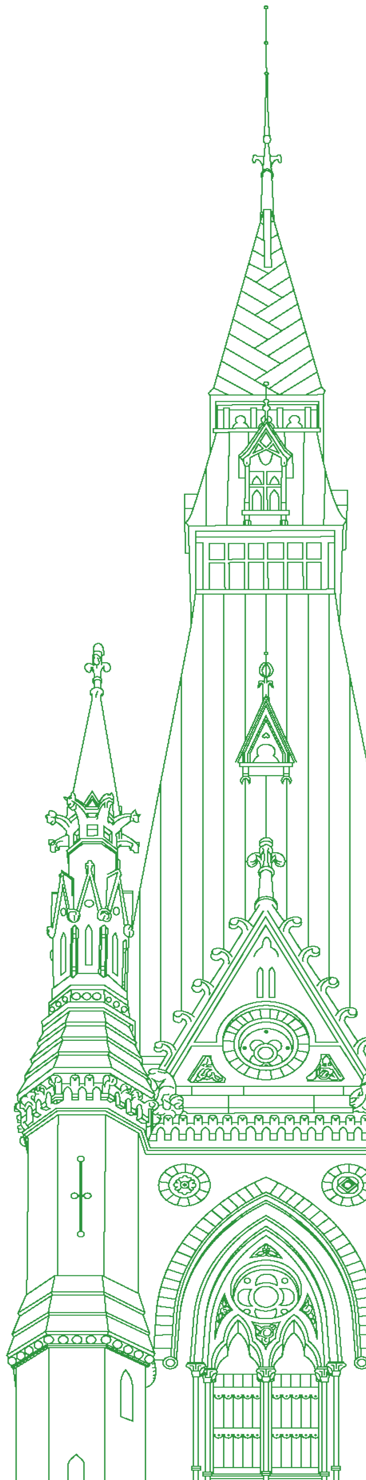

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• (1105)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling the meeting to order.

This is meeting number 39 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, which we are much anticipating, all of us.

We have with us today, from the Canadian Meat Council, Kyle Larkin, president and chief executive officer.

Welcome, Kyle. We all know you very well. We talk meat and eat meat all the time, so it's always great to have you here.

From the Canadian Coalition of Aluminum Extruders, we have Jamie Neil, chief financial officer of Dajcor Aluminum, by video conference.

It's great to see you, Jamie. I'm glad you were able to join us today.

From White Birch Paper, we have Guy Trottier, general manager.

Welcome to you all.

Mr. Larkin, I invite you to make an opening statement of up to five minutes, please.

Kyle Larkin (President and Chief Executive Officer, Canadian Meat Council): Good morning, everyone.

Thank you, Chair and members of the committee, for inviting us.

My name is Kyle Larkin. I am the president and CEO of the Canadian Meat Council, also known as the CMC. The CMC is the voice of Canada's federally licensed meat industry and the largest component of Canada's food processing sector, with annual sales exceeding $32 billion a year and supporting nearly 300,000 jobs across the country.

Our members process over 90% of Canada's meat, including beef, pork, veal, lamb and bison, supplying Canadian families in more than 90 export markets with safe, traceable and high-quality protein. The Canadian red meat sector is diverse, encompassing large multinational operations and many small and medium-sized enterprises that form the backbone of rural Canada.

We appreciate the invitation today to speak to the Canada-United States-Mexico Agreement, as our largest customers can be found in both countries. CUSMA and NAFTA before it have made our meat and agri-food supply chains highly integrated. The free trade pact has also benefited the meat processing sectors in all three countries, allowing them to competitively trade among each other and export to high-value markets around the world.

As you may know, Canada's meat processing sector is highly dependent on international markets. Each year, we export around 65% of the pork we produce and 50% of the beef. This amounts to over $10 billion in exports of meat products every year, with the United States and Mexico accounting for the majority of those exports.

The U.S. in particular accounts for $4.2 billion in exports of Canadian beef and $1.5 billion in exports of Canadian pork, for a total of $5.7 billion. In return, the U.S. sends $2.2 billion of meat products to Canada each year. Not only does this two-way trade benefit Canadian producers and processors, but it also benefits American ones. For example, our sister association in the United States, the American Meat Institute, notes that exports to Canada and Mexico of American meat products added $91 in value per cattle head and $28 per market hog.

Mexico is also an important and growing market for Canadian meat. It is our third-largest market for Canadian beef, with annual exports of $272 million in 2025, a growth of over 10% in one year. For Canadian pork, Mexico represents our fourth-largest market, accounting for $371 million in exports last year, a growth of over 17% in one year.

The political turmoil caused by the American administration has opened the door for Canadian meat processors and exporters. During my participation in the team Canada trade mission in Mexico, I was able to experience first-hand the potential growth opportunities and demand for Canadian beef and pork.

Due to this high volume of exports, the continuance of CUSMA is of the utmost importance to the Canadian meat processing sector. Thankfully, all three of our countries' agri-food sectors are aligned on calling for a full 16-year renewal of the agreement as it stands.

At the Canadian Meat Council, we continue to work closely with our sister organizations in the United States and Mexico in advocating to our leaders to uphold the agreement. In fact, I will be in Washington, D.C., next week to meet with members of Congress, senators and officials from the U.S. administration, as well as an organization named the Agricultural Coalition for USMCA, to highlight the cross-border economic benefits of the agreement.

At the same time as we advocate for CUSMA, we must ensure that we remain competitive at home in Canada. That's why the CMC continues to advocate for regulatory harmonization with the United States. This includes aligning our enhanced feed ban program with U.S. standards to eliminate unnecessary compliance costs. This regulatory change alone could save the processing sector $25 million a year. It also includes aligning our defatted beef regulations, which would allow the Canadian sector to extrapolate the same amount of ground beef from trimmings as the American sector does.

Both regulatory changes would allow us to remain competitive while supporting food affordability here in Canada. We must also continue to monitor potentially harmful policies in both the U.S. and Mexico that could limit cross-border trade, including mandatory country of origin labelling, known as MCOOL, and inspection inconsistencies.

Finally, the high integration among the agri-food sectors in Canada, the United States and Mexico is a strength for our negotiators. CUSMA and NAFTA before it have supported the cross-border trade of agri-food products, ensuring food affordability, food security and North American food sovereignty. It is paramount that CUSMA continues in its entirety. This remains the number one priority for Canada's red meat processing sector.

Thank you very much.

● (1110)

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

Mr. Neil, you have up to five minutes, please.

Jamie Neil (Chief Financial Officer, Dajcor Aluminum, Canadian Coalition of Aluminum Extruders): Good morning, Chair and members of the committee.

My name is Jamie Neil. I'm the interim president and CFO at Dajcor Aluminum. I'm here today speaking to you on behalf of the Canadian Coalition of Aluminum Extruders. We represent about 90% of the aluminum extrusion capacity in Canada.

One year ago, we directly employed 4,000 Canadians. Today, we have lost 500 jobs and employ around 3,500 Canadians across this great country. If we do not act, we will lose another 500 to 1,000 jobs this year, and businesses will begin to close in two to three years. Aluminum extrusions support another 100,000 jobs in SMEs across many industries in this country.

Our companies have been operating in Canada for decades. These are not short-term businesses; they are Canadian manufacturers with long histories, skilled workers, large investments in equipment and deep knowledge that would be very hard to replace if lost.

Canadian aluminum extruders buy raw aluminum, often from Quebec, and turn it into shapes and parts that other industries need. These products are used in things like vehicles, rail, buildings, solar panels, data centres, aerospace, defence and many other applications. We are the link between Canadian raw aluminum production in Quebec and the finished products that Canada wants to build. This link is now under serious pressure.

There are three major problems that are happening at the same time.

The first problem is the loss of the U.S. market. The United States has historically accounted for 40% of Canadian extrusion productions. Section 232 tariffs have made the market much harder to access. Even more concerning, the tariffs are now being applied to the full value of the product, not just the aluminum itself. This means the tariffs are being applied to Canadian labour, Canadian overhead, Canadian fabrication, Canadian finishing and other Canadian value-added manufacturing. This is a major problem. If it continues, we believe extrusion exports to the United States will fall to zero.

The second problem is that the Canadian market is smaller than it once was. We're down about 15% from the 2023 peak for aluminum extrusion consumption in Canada, largely because of a slower economy and lower construction activity. We recognize that government policies, such as the buy Canadian policy, will help over time, and we support these efforts, but those projects often take years to reach manufacturers like us, and they do not solve the immediate issue.

The third problem is the surge of imports into Canada. As other countries also lose access to the U.S. market, they're looking for places to sell their aluminum extrusions, and Canada has become one of those places. We see large increases in imports from countries like Vietnam, Turkey, Thailand, the UAE, Malaysia and many others. This is not sustainable.

We're also concerned about unfair trade practices and products being moved through third party countries to avoid trade rules. We have heard from industry insiders that Russian aluminum is flowing through countries such as Turkey and then ultimately entering Canada as finished extrusions. This matters, because Canadian producers follow the rules. We employ Canadians, we invest here, we buy Canadian aluminum and we pay Canadian wages, but we are being asked to compete in a market that's becoming increasingly unfair.

There is also an issue with U.S. imports coming into Canada. We have a 25% countertariff on U.S. aluminum extrusions, but that's been largely under remission. We face barriers entering the marketplace in the U.S., but it faces no barriers entering the Canadian market. This creates an imbalance.

If Canada loses its aluminum extrusion industry, the damage will not stop with our companies. Quebec aluminum producers would lose an important Canadian customer, downstream manufacturers would lose reliable local supply, communities across Canada would lose skilled manufacturing jobs, and Canada would become more dependent on foreign suppliers for products that are important to our sovereignty. The reality is simple: If this part of the supply chain disappears, others will likely follow.

We're asking for urgent help.

First, Canada must restore fair access to the U.S. marketplace. On Tuesday, we met with Janice Charette when we were in Ottawa as a group, and we are encouraged by her knowledge of our industry and the impact of the revised section 232 application. We believe that she will fight for our industry to have more fair access to the U.S. market.

Second, Canada must protect domestic markets from import surges. We believe that tariff rate quotas, or TRQs, that protect the steel industry would help our industry. The U.S.'s closing of its doors to low-cost imports cannot leave Canada as the landing place for that material.

Third, Canada needs stronger import monitoring and enforcement so that we can better track aluminum products coming in and prevent circumvention, dumping and unfair trade. We have a standing CITT trade case against China that began in 2008 and was recently renewed for five more years. We know that Chinese metal is still making its way through other low-cost regions into Canada, but we do not have the enforcement available to catch this today.

Our industry is not asking to avoid competition. We're asking for a fair chance to survive and compete.

● (1115)

We have the people, we have the equipment, we have the experience, we have the plants and we have the ability to support the Canadian economy, but we need markets to sell to. We're asking this committee and government to treat this as urgent.

Thank you, and I welcome questions.

The Chair: Thank you very much.

Mr. Trottier, please go ahead for five minutes.

Guy Trottier (General Manager, White Birch Paper): Good morning. My name is Guy Trottier. I'm the general manager of a pulp and paper mill located in Quebec City. We're right next to the Chateau Frontenac. We're owned by White Birch Paper. This mill has been in operation since 1927, which is 99 years of operation. I've had the privilege of being involved with the company for over 35 years.

Our business was formerly steered toward newsprint manufacturing, with products sold worldwide. India was a major customer for products but has completely faded away in the last few years as we have observed changes in business relations between the countries. With the decline in demand for newsprint both locally and internationally, our production site has engaged in a strong diversification effort to reposition our production line.

We now have three niche segments: high brightness paper, recycled kraft and recycled paperboard. Our most recent project involved converting machine one from newsprint to recycled kraft paper.

We were pursuing several goals in this conversion. We wanted to reduce our consumption of wood chips. The increased tariffs on lumber have made Quebec's wood chips less available and more costly. The second thing we were pursuing was to steer our production toward products with increasing demand versus newsprint and to position our manufacturing site away from mega-producers of commodity products. We also wanted to become a large recycling centre and to bring a plastic substitution replacement solution to the market.

We successfully started this new operation. A few months after start-up, at the beginning of 2025, the threat of tariffs emerged in the United States. Our products' destination was 90% to U.S. originally, but this had us revise our position and steer sales differently.

Nevertheless, if tariffs had been imposed at this critical point in time, which was early 2025, it would have potentially ruined all our efforts toward this project. We have now diversified our product portfolio and fully ramped up production and sales, a success that came with a massive internal effort by our team.

This project was initially presented in 2022 and benefited from the electricity rebate program from the Quebec Ministry of Finance. That was a strong tailwind that allowed us to reduce the risk of the project and come up with an attractive return on investment. The electricity rebate program came to an end at the end of 2025. That's really important to mention. It is now difficult to bring additional projects to life in light of this.

Our mill has presented a new project aiming at consolidating the future of our production site. We are now looking for ways to support this new effort. Over the last seven years, we've had the opportunity to visit a few dozen pulp and paper production sites around the world. Right now, China has become the largest producer. It used to be the United States. Now it really is China, and the United States is second.

Worldwide, what we're witnessing is large investments in new manufacturing sites. We're also seeing massive upgrades of existing ones. Mills in Quebec and Canada that previously benefited from an abundant wood chip supply and energy sources are now competing against really big machines, and we are basically trailing behind in this industry right now. The worldwide competition is increasingly fierce.

The world is changing. The way that countries do business together has changed as well. The big question now becomes how we work together to provide future generations with an opportunity to continue manufacturing operations in this new environment.

Thank you.

● (1120)

The Chair: Thank you all very much.

Thank you, Mr. Trottier. It was a very informative presentation.

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

Welcome to the committee today.

[*Translation*]

Bernard Généreux (Côte-du-Sud—Rivière-du-Loup—Kataskomiq—Témiscouata, CPC): Thank you, Madam Chair.

Thank you to all the witnesses. I would also like to thank my colleagues for inviting me to be here this morning.

Mr. Larkin, very quickly, I just want to say hello for Stéphanie Poitras and Vincent Breton. They're major pork processors in my riding, people who are well respected for the work they do. They also provide a lot of jobs.

If I may, I'd like to start with some questions for Mr. Trottier.

Mr. Trottier, I'm the member for Côte-du-Sud—Rivière-du-Loup—Kataskomiq—Témiscouata, and you're at the Quebec City plant. If I understand correctly, you weren't necessarily involved with the Rivière-du-Loup mill, which unfortunately closed its doors last fall, but it was under your company's management. It went bankrupt. If I understand correctly, each of the entities in your company is independent. There were 190 jobs there, and now they're gone, unfortunately. That mill had been there for 60 years.

What were the biggest challenges you faced in Rivière-du-Loup? I know that you also considered the possibility of changing the machinery like you ended up doing in Quebec City. Why do you think that wasn't possible in Rivière-du-Loup?

Guy Trottier: Obviously, my focus has always been the Quebec City mill, but I do have extensive experience in the pulp and paper industry, so I was able to keep an eye on what was happening in Rivière-du-Loup.

The Rivière-du-Loup mill was heavily focused on exporting newsprint to India. As I explained earlier in my presentation, India has gradually reduced its orders from Canada. This has been happening a lot in recent years. Normally, what they did was place orders, but they were the ones who set the price. It was a different way of doing business. They would place orders, then set a price for the order. Obviously, the price kept dropping. It dropped to such a low level that people eventually decided they no longer wanted to take those orders. India therefore withdrew from the Canadian market in what one might call a slightly more strategic way.

Bernard Généreux: In that particular case, were we competing with China? China and India are quite close to each other, after all.

Guy Trottier: What I'm seeing in the international pulp and paper sectors these days is that Russia, China and India are working together. That's been very obvious in recent years. A number of mills in eastern Canada, which used to work with India and China, completely halted exports. The Soucy mill took a direct hit. If I remember correctly, 60% to 70% of its production went to India.

Bernard Généreux: What about your view of the relationship between the United States and Canada, particularly regarding softwood lumber and everything that stems from that, such as wood chips, which you need to make paper?

I'm well aware of it, because I know who bought the plant in Rivière-du-Loup: it was the Groupe Lebel. Based on my recent discussions with Louis-Frédéric Lebel, the 10% tariffs recently imposed by the U.S. government have hardly helped the Canadian industry—right now, they allow Europe to ship lumber to the U.S. that's cheaper than what we can produce just a five-hour drive away. It's incredible, really, when you think about it.

Do you think the Liberal government's relationship with the U.S. government—the way it treats the U.S., or the way it works with the U.S.—is hurting exports to the United States, particularly at this time?

● (1125)

Guy Trottier: What we're currently seeing is that wood chips—a by-product of softwood lumber—are much harder to find in Quebec. Things are also harder in terms of prices. Our Papier Masson mill—located nearby in Gatineau—has had to start sourcing wood chips from Ontario, because wood is scarce in Quebec and prices are very high. The mill has therefore managed to secure a wood supply from Ontario.

As for the relationship with the United States, there's no doubt that all these tariffs are reducing the number of softwood lumber producers in Quebec and driving up the price of all by-products—in our case, wood chips.

Bernard Généreux: Do you think Canada's approach should be different? This morning, I read that Mexico and the United States have begun negotiations. In fact, they started beforehand, but now they are embarking on a more significant round of negotiations. Canada is at the table, but it feels like we tiptoed in.

Do you think we should really be pushing the Canada–United States–Mexico Agreement negotiations much harder than we currently are?

Guy Trottier: I'd like to answer, but that's not really my area of expertise. I wouldn't be able to provide a precise answer on that subject.

Bernard Généreux: Is your project in Quebec—

[*English*]

The Chair: You have 25 seconds remaining, Mr. Généreux.

[*Translation*]

Bernard Généreux: Someone's stealing our time here too—that's not good. I'm joking, but time always flies by too quickly.

Mr. Trottier, thank you very much, and thank you for your testimony.

[*English*]

The Chair: Thank you very much.

Mr. Ehsassi, you have six minutes.

Hon. Ali Ehsassi (Willowdale, Lib.): Thank you, Madam Chair.

Thank you also to the three witnesses. I found your opening remarks very comprehensive and informative, so I'm grateful for that.

I will start off with the Canadian Meat Council.

Mr. Larkin, allow me, first of all, to say thank you for all the energy you are putting into the work you're doing. You're here today, I saw you in Mexico during the Canada trade mission and you'll go off to Washington pretty soon. You have a very good perspective on the overall industry in all three of the CUSMA countries.

Just for the benefit of all of us, could you tell us how integrated the industry is among the three countries?

Kyle Larkin: That's a great question.

I'll give you an example on the cattle side, which I'm sure you've heard from our friends at the Canadian Cattle Association. You can have cattle that's born and raised in, let's say, Alberta, Canada, moved to the U.S. for fattening and finishing and then moved back to Canada for processing by one of the companies that I would represent.

We're highly integrated on the cattle side and equally integrated on the pork side. The processors on both sides of the border and in Mexico work fairly closely together, just as our organizations do. The Canadian Meat Council has a memorandum of understanding with the American Meat Institute and the Mexican organization, called Comecarne, and the premise of the MOU for all three of our organizations is to work together on CUSMA and push for a flat renewal of the agreement.

Hon. Ali Ehsassi: You also touched on the issue of the need for harmonization, so what are some of the non-tariff barriers that in your opinion could benefit from greater harmonization among the three countries?

Kyle Larkin: There are two regulatory pieces we're missing here in Canada. Our American counterparts are more competitive within the U.S. and internationally in terms of extrapolating more meat from cattle specifically than we can in Canada, and it costs our beef processors a significant amount of money every year.

Number one is specified risk material or the enhanced feed ban. It has two different names depending on who you're speaking to. This originated when we had BSE, the foreign animal disease, in Canada about 20 years ago. The U.S. brought in regulatory changes to deal with this at that time, but they have moved forward and past those regulatory changes to allow beef processors in the U.S. to derive more meat from the carcasses of cattle, specifically for pet food.

We're not there yet. We've had good signals from the Government of Canada that we'll get there likely by the end of the year, but there's still some work to be done. The issue that's newer per se is defatted meat. In the U.S, for five-plus years, they have been able to use this new innovation, an extrapolation process, to take the lean trim—the fat from the cow—and put it in a process to extrapolate more ground beef from the carcass and out of the lean trimmings.

Here in Canada, we are not allowed to use that extrapolation process and mix the ground beef taken out of it with the ground beef that we deliver to Canadians, but we are—and this is the crazy part—allowed to extrapolate ground beef and export it to the U.S. for them to use. We're allowed to export it, but we're not allowed to use it here in Canada.

That's why we're working with the CFIA to try to get our regulations on defatted beef updated so we can use this new innovation, which would allow us to get more ground beef from the cattle supply we already have here in Canada. Our economic impact study shows that it could lower the price of ground beef on the store shelf by over 5%. There's a real benefit here to the affordability for Canadians.

● (1130)

Hon. Ali Ehsassi: As a concluding question, you said you're working with the CFIA, so how long have you been working on this specific project?

Kyle Larkin: The first project on specified risk material has been going on for five-plus years, so we're glad to see that we're finally at the finish line.

On the defatted beef submission, we just put it in two months ago, so we're currently working with our CFIA officials to get it past the finish line. We're really looking for those regulations on defatted meats to be updated by the end of the year. It is a new process. It's a new innovation, at least for us in Canada, but as I said, it's been around for five-plus years in the U.S., and beef processors in that country have been enjoying that process for quite some time.

Hon. Ali Ehsassi: That's understood. Thank you so much for that.

Now I'd like to go to the representative from the aluminum sector. Thank you again for your opening remarks.

You touched on some of the pressures you're facing from imports of aluminum. Could you elaborate on that so we all have a much better sense and a much better picture of the pressures your sector is facing?

Jamie Neil: Certainly, and thank you for the question.

If we look at 2023 and 2024 as averages in the pre-tariff regime, we can look at countries like Malaysia and Turkey. Last year, they brought in 40% to 50% more metal than they brought into the country in 2023 and 2024. This year alone, in early 2026, the United States has seen an increase in imports of 10%, or $3 million per month as an average increase.

These are numbers that we find challenging to compete with. Oftentimes, the folks who are importing from offshore can bring in a fully formed extrusion cheaper than I can buy a raw aluminum log from Quebec. It makes it very challenging to compete in this space when they are undercutting our market from a raw perspective.

Hon. Ali Ehsassi: What would the remedy for that be?

Jamie Neil: We believe it's something similar to what steel has received: tariff rate quotas that would benchmark averages for 2023 or 2024. The steel TRQs have specified rates for market economies, which is 75% of the historical values, and non-market economies, which is 20% of the historical values, and then tariff rates above that.

Hon. Ali Ehsassi: Thank you.

The Chair: I'm sorry, Mr. Ehsassi, but your time is up. Thank you very much.

Mr. Deschênes, welcome to the committee today.

[*Translation*]

Alexis Deschênes (Gaspésie—Les Îles-de-la-Madeleine—Listuguj, BQ): Thank you, Madam Chair.

Good morning, everyone. It's a pleasure to be here with you.

I thank the witnesses for joining us.

I'll start with you, Mr. Neil, because Quebec's primary aluminum sector accounts for 90% of Canada's total production. Can you tell us about the current impact of tariffs—which you mentioned briefly—in terms of job losses in Quebec?

[*English*]

Jamie Neil: Overall, as an industry, we've lost 500 jobs this year since the tariffs came into place. As a group, we're starting to assess the new impact of the section 232 tariffs. They're now on the full value of the extrusion, which is therefore tariffing our labour. We believe that this year alone, we'll lose another 500 to 1,000 jobs from the 3,500 that we sit at today.

How we look at it, from a Quebec perspective, is that the raw producers have a global product. They have a comparative advantage on energy. When you're smelting and casting the raw log, the lowest cost of energy will win that business. Our businesses—we take that log and push it through a press, and out comes a long shape that we cut, manufacture, colour, etc.—compete regionally. We draw a circle of about 500 miles or 800 kilometres around our facilities, and that's where we would compete.

The folks who bring material in from Malaysia, Turkey and Vietnam are bringing it in at such a low cost—30% or 40% lower than what we can produce it for in Canada—that we don't have a comparative advantage on labour versus countries like that. We don't have a comparative regulatory environment versus countries like that, so they're able to undercut us and impact our jobs in Canada.

● (1135)

[*Translation*]

Alexis Deschênes: If I understand correctly, these job losses are mostly in Quebec, aren't they?

[*English*]

Jamie Neil: It's all across Canada. A colleague from Vancouver I was with in Ottawa on Monday and Tuesday has laid off 50% of their workforce. We've had a 10% reduction in our workforce in southwestern Ontario. Metra Canada has had layoffs in Quebec.

It's felt across our industry, which is across Canada.

[*Translation*]

Alexis Deschênes: You mentioned companies that will have to shut down if something isn't done.

[*English*]

Jamie Neil: That's the trajectory we are on over the next two to three years. Businesses will close or businesses will move to the United States. Our business has a sister facility in eastern Kentucky. We are adding shifts at that facility because the demand is being driven to the U.S. while we cut shifts in Canada. Producers like us that only have Canadian facilities, like the colleague I mentioned from Vancouver, are looking to acquire facilities in the U.S. because that's where production is being driven. Other colleagues in Ontario are looking to greenfield facilities in the U.S. because that is where investment is being driven.

[*Translation*]

Alexis Deschênes: How many closures or relocations do you anticipate within the next two or three years?

[*English*]

Jamie Neil: There are 10 member companies of our coalition that do exactly what we do. The losses depend on company-specific products they manufacture. Some of us are heavier into the auto space, and some of us are heavier into the architectural space or the building space. As those markets go or as those markets are eaten up by offshore imports, those businesses will lose shifts, close, or move facilities south of the border.

[*Translation*]

Alexis Deschênes: About 10 companies are expected to be at risk within the next two or three years. How many jobs does that mean?

[*English*]

Jamie Neil: Our industry currently employs 3,500 employees directly across the country. We support over 100,000 other jobs in the SME sector that take our products and manufacture them into other items, whether it's [*Technical difficulty—Editor*].

The Chair: Hold on, Mr. Neil. We have a connection problem.

Mr. Neil, please continue now.

Jamie Neil: We currently have 3,500 direct employees within Canada in our industry. However, we support more than 100,000 jobs in other SMEs that take our products and further manufacture them, whether that's in rail systems like Bombardier-Alstom, in auto industries that are supported up and down through tier one sourcing in Canada, or in the architectural space. There's a vast utilization of our product across many industries.

Our 3,500 direct jobs may be the canary in the coal mine, and we may go first, but the hundreds of thousands of jobs that sit under us in the supply chain are likely to move as well and follow where the extrusions and the upstream manufacturing are done.

[*Translation*]

Alexis Deschênes: The aluminum sector is the subject of a dumping complaint. I also heard mentioned that Canada plans to file a complaint against the United States. Is there any progress on that front?

[*English*]

Jamie Neil: We see challenges from low-cost regions that are importing materials into Canada. We've had a CITT case against China, but we know they are likely transshipping through other countries like Malaysia, Vietnam and Thailand. We don't have the enforcement capability to check mill certificates on all the products that enter our country.

I foresee challenges when Janice sits down across from the folks to negotiate CUSMA 2.0, and they see imports surging into Canada from low-cost regions. They might believe that Canada is a source to transship through into the U.S. for these countries. We need to close that back door, and we need to get back to the normalized levels we had in 2023 and 2024 for imports.

● (1140)

[*Translation*]

Alexis Deschênes: Thank you.

[*English*]

The Chair: Thank you very much.

We'll go to Mr. Groleau for five minutes, please.

[*Translation*]

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

Good morning, witnesses.

I will begin with Mr. Larkin, from the Canadian Meat Council. How important is the stability and predictability of the Canada–United States–Mexico Agreement, or CUSMA, for Canadian producers?

Kyle Larkin: Thank you for the question, Mr. Groleau.

[*English*]

It's extremely important. We have a member in Quebec, just south of Montreal, who has a plant in that area and also a plant in the U.S. They're one of the largest veal manufacturers in the world. I can tell you that there are concerns about the uncertainty between their business in Canada and their business in the U.S.

I have another member in Quebec, a pork processor, who is actually considering moving his entire business, his entire facility, from Quebec to the United States because of the current uncertainty. I hear concerns from that particular member almost on a weekly basis about the stability of CUSMA and the uncertainty caused by the American administration.

There are real impacts on jobs and real impacts on economics.

[*Translation*]

Jason Groleau: How will this impact jobs, as you mentioned?

[*English*]

Kyle Larkin: It's difficult to tell. Every facility obviously has a different employment structure and different job categories. Thankfully, agri-food products remain USMCA-compliant and therefore tariff-free. That has allowed the pork processors and the beef processors to continue employing the suite of employees they have had since before this turmoil. However, as we look towards the future, if the uncertainty continues and especially if we see any tariffs on agri-food products, including meat products, we're probably going to see some job cuts.

[*Translation*]

Jason Groleau: We will soon be reviewing CUSMA. We just returned from a trip to Brazil and Argentina regarding another agreement, this one with Mercosur. Frankly, Brazil and Argentina want more market share for beef and poultry.

If we open that door, could that work against us in renegotiating CUSMA? Could it be risky to open a door with Mercosur on this issue? Could it have a direct impact on CUSMA renegotiations?

[*English*]

Kyle Larkin: That's a great question.

Yes, absolutely, would be my quick answer to your question. Just two weeks ago, Bloomberg reported that President Trump was going to open the doors and allow all meat to come into the U.S. tariff-free. He heard from his colleagues in the Republican Party on Capitol Hill, and a day later, Bloomberg reported that they were rolling back that program and weren't going to be doing that.

There's a lot of sensitivity in the U.S. regarding food affordability and meat affordability, just like there's sensitivity in Canada, but that doesn't mean we need to carve out and really impact our beef sector. We have a choice here in Canada: We either bring in cheap imports or have a strong, growing beef sector, and that includes our ranchers, our farmers and our processors.

In 2025, we imported about 36,000 tonnes of beef from Mercosur countries. About 20,000 of those tonnes came in at a tariff of 26.5%. That shows you how competitive beef from places like Brazil and Argentina can be.

We're working fairly closely with our chief trade negotiator to ensure that if an agreement is signed with Mercosur, we don't sacrifice beef for other sectors, and instead we create very specific tariff rate quotas specifically for lean trim, as we have a demand for lean trim here in Canada to produce extra lean and lean ground beef. Canadians have an insatiable appetite for lean ground beef, but we cannot allow more primals to come into Canada, meaning tenderloins, strip loins, etc. We have a hard red line on that and we'll continue to have that.

[*Translation*]

Jason Groleau: Thank you for your answer.

While renegotiating CUSMA, could we find ways to better harmonize trade with the United States and Mexico? Do you have any suggestions for us to help you grow?

Kyle Larkin: That's a good question.

[*English*]

There are two answers to your question: yes and no.

First of all, I would say that if CUSMA is simply renewed in its current form, we would be more than content to have that, especially if it's a 16-year renewal, which is what our industry and the American agri-food industries are pushing for.

Are there areas that could be improved? Absolutely, there are. One I would highlight is the RCC, the Regulatory Cooperation Council. We need to get that back online. We need to get that work recommencing. There's a lot of regulatory harmonization that we can have between Canada and the U.S.

As I look towards Mexico, there is a role for the CFIA and the Government of Canada to play to ensure that our inspection systems have equivalency and that there is inspection consistency, because sometimes when we send beef products or pork products down there, we see that one inspector decides one way and another Mexican inspector decides a different way. That has a real impact when our companies are spending dollars to export product down to Mexico, only for it to be sent back to Canada. We had a case about two months ago of beef from Manitoba that was sent down to Mexico, reached the border and then had to be sent back because of inspection inconsistencies.

● (1145)

[*Translation*]

Jason Groleau: Thank you.

[*English*]

The Chair: Thank you very much.

Go ahead, Madame Lapointe.

[*Translation*]

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

I'd like to welcome the witnesses. This is a very interesting conversation.

Mr. Trottier, I believe you are in the riding of Beauport—Limoilou, represented by our colleague Steeve Lavoie, who could not be here today due to a committee scheduling conflict. He also serves on the Standing Committee on Finance. He asked me to formally convey his apologies to you.

From what I understand from our discussion, the Quebec government has stopped offering certain programs in which you participated, leaving you in a difficult financial situation. How could the federal government, in collaboration with the provincial government, help you address this situation?

Guy Trottier: Steps have already been taken with the federal government. We're talking about the strategic response fund, among other things. Our company has therefore met with federal government officials, and productive discussions are already under way.

Certainly the provincial government, as you know, has been restructuring since Mr. Legault stepped down. So things are on hold for a few months at the provincial level.

That rate rebate program was truly beneficial, as it funded up to 40% of projects through electricity rebates. A company like ours consumes over $50 million worth of electricity per year. So it's very helpful when a program like that can assist us with a project.

As I mentioned earlier, the global industry is modernizing, of course, and becoming increasingly competitive. We simply cannot stop modernizing our infrastructure—both for the products we manufacture and for our domestic competitiveness. It is essential that we continue to improve because, if we don't, others will easily surpass us. That is what we are seeing in the world right now.

Linda Lapointe: I see. Thank you.

So the goal is to strengthen your company's competitiveness, but also that of companies like yours across Canada.

Guy Trottier: Absolutely.

Linda Lapointe: Such strengthening would be provided through the strategic response fund you mentioned earlier—is that so?

Guy Trottier: Among others.

Linda Lapointe: Okay. Perfect.

I have a question for the Canadian Coalition of Aluminum Extruders.

Mr. Neil, you mentioned earlier that you are involved in the aerospace, automotive and architectural sectors. Are you familiar with the Raufoss Technology company?

[*English*]

Jamie Neil: We do not supply to them, but we may have colleagues who do.

[*Translation*]

Linda Lapointe: Very well.

In my riding, that company manufactures aluminum rims. I get the impression that the automotive and aerospace sectors are doing well.

Earlier, you mentioned the dumping of parts coming in from Thailand, Vietnam, Malaysia and Turkey. In which sectors are these dumping countries predominantly active? Could it be in architecture, which you mentioned earlier?

[*English*]

Jamie Neil: Automotive is tougher to dump into because there are stricter regulations. There are higher barriers to entry, and the tier ones that sit in Canada today all require specific certifications to supply into the automotive industry. It will be one of the last industries where we'll see dumping. It's more the standard shapes, the racking systems, the architectural materials and the building supplies. It is easier to dump into those spaces. Think of the transition between your hardwood flooring and your tile flooring, or the finishing piece that goes beside the backsplash in your kitchen.

[*Translation*]

Linda Lapointe: You mentioned earlier that there were layoffs, but I can tell you that Raufoss, a company that makes aluminum rims for cars, is still expanding. It's quite complicated to implement a plan; it's very costly. We're talking more about companies that manufacture intake parts, which are easier to produce.

You mentioned aluminum earlier. Where do companies engaged in dumping get their raw aluminum?

[*English*]

Jamie Neil: Primary production around the world is centred in four places. China is the biggest primary producer. The Middle East, including the U.A.E., is a primary producer. Turkey is a primary producer, and so is Quebec. The metal comes from those places because they have the lowest-cost access to energy. It's very energy-intensive to take alumina and melt it down into logs that are then shipped around the world. That's where the raw materials exist.

● (1150)

[*Translation*]

Linda Lapointe: Thank you, Mr. Neil.

Mr. Larkin, you mentioned veal earlier. Where is the veal processing slaughterhouse located?

Kyle Larkin: It's in Laval.

Linda Lapointe: I see. I thought it was in Terrebonne.

Kyle Larkin: No, I think it's just north of Montreal. I'll be visiting it in July.

Linda Lapointe: I just have a question about ground beef—

[*English*]

The Chair: I'm sorry. Be really quick.

[*Translation*]

Linda Lapointe: You said that if we imported beef, it could lower the price of ground beef by 5%. I would say that Canadian customers would like to see the price of beef drop significantly—by more than 5%.

[*English*]

Kyle Larkin: Do I have the opportunity to respond?

The Chair: Do it quickly.

Kyle Larkin: I totally agree, Madame Lapointe. What's impacting the price of ground beef right now is the low cattle supply we have in Canada. It's the lowest we've had in decades.

I know our friends in farming and ranching are working to grow the herd. We had a 2.5% growth in the herd last year, while the U.S. had a negative percentage in growing the herd. This is the first time in a while that Canada and not the Americans is leading the way in growing the herd. There's some more work to be done over the next two or three years in terms of growing the herd, but as we grow the herd, the price of beef will come down.

The last point is on beef processors. They are actually losing $200 to $300 per head right now because of the high price of cattle over the past four years. I have beef processing members in Manitoba, Shawinigan and Charlottetown who are cutting back on shifts right now, cutting back on work, because they can't afford to process more beef.

[*Translation*]

Linda Lapointe: Thank you.

[*English*]

The Chair: Thank you very much.

Next is Monsieur Deschênes for two and a half minutes, please.

[*Translation*]

Alexis Deschênes: Thank you, Madam Chair.

Mr. Larkin, you mentioned that you are going to the United States very soon and that you travel there regularly.

What are your American partners saying about this idea we are promoting—namely, that there is a shared interest in renewing the Canada–United States–Mexico Agreement, or CUSMA? What feedback have you received?

[*English*]

Kyle Larkin: From what I hear on the ground, especially from Republican members of Congress and senators, the message over the past 12 months has shifted a bit. The message 12 months ago was, “We're giving a long leash to President Trump and we're allowing the administration to do what they need to do on the tariff front.” The last time I was there, which was in November, the message had changed. I think the leash had shortened a bit, and especially Republican members of Congress were getting a little more bullish with the administration and on promoting the USMCA.

We saw a letter come out in November from bipartisan members of Congress—Democrats and Republicans—that was sent to the White House. Their ask of the White House was for a flat renewal of the USMCA for 16 years.

We have a lot of allies on Capitol Hill in both parties. I expect we'll have very positive meetings next week as we meet with these folks. When I meet with our stakeholders on the ground—the Meat Institute and the other agri-food associations in Washington, D.C.—their message, again, is for a flat renewal of the USMCA for 16 years. They're getting positive messages from the White House, from the Trump administration, that agri-food, as we've seen over the past 12 to 18 months, has very much been carved out of the tariff conversation.

I think there's a clear recognition by the administration and by the Secretary of Agriculture that tariffing food increases the cost at the grocery store. That's why we saw them backtrack on tariffs on things like bananas, coffee, etc.

All agri-food continues to be CUSMA-compliant, so there's a strength there, as I said in my opening remarks, for our negotiators to really lean on the agri-food sector. We also supply the majority of fertilizer to the U.S., so there's a real strength in that relationship that we need to continue taking advantage of.

[*Translation*]

Alexis Deschênes: Mr. Neil, do you believe that the revenue we collect from Canadian tariff responses is being put to good use? What do you recommend?

[*English*]

Jamie Neil: We are not currently enforcing the countertariffs. They've been under remission from the start. Aluminum products are able to cross tariff-free into Canada from the U.S. under the HS codes that we participate in—7604 and 7608—if they're being used in further manufacturing. Effectively, all aluminum extrusions are used in further manufacturing, so they come in completely tariff-free from the U.S.

We see no benefit to keeping product out of Canada. We've also seen no benefit to revenue being generated that could be further disbursed to the industry.

● (1155)

The Chair: Thank you very much.

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

Adam Chambers (Simcoe North, CPC): Mr. Larkin, welcome back to the committee.

I understand you have a newborn at home, a potential future challenger to Mr. Naqvi's seat here in Ottawa. It's a special thing, so congratulations.

I was listening to your testimony today and from previous appearances. In it you suggested that CUSMA is essential to a well-functioning and integrated supply chain. Is that still your position?

Kyle Larkin: Yes, it is, absolutely.

Our largest customer is the U.S. There's a lot of work being done right now on trade diversification, including by the industry, and trying to find customers in other places globally, but the U.S. is our current largest customer and will continue to be our largest customer for the vast foreseeable future.

Adam Chambers: Your position would be that a successful negotiation and conclusion to the current or upcoming CUSMA negotiations would be essential for your members.

Kyle Larkin: Yes, 100%.

Adam Chambers: How should we take the observation that Mexico is seemingly having ongoing and formal discussions in advance of this CUSMA deadline? How do you interpret the fact that Mexico is having these discussions and it does not appear that Canada is? Are you concerned? Do you think we should be at the table? What do you read into that fact?

Kyle Larkin: Am I concerned? It's yes or no. I'm concerned, yes, because we need to get the deal done with the U.S. and Mexico. A lot of the industry is based on the relationship we have with both countries. It's no because I'm also a believer that we need to get the best deal possible at the table. We can't rush things.

My worry for our friends in Mexico is that they may be rushing into things and getting a deal that may not be beneficial to their own country. We saw the same thing happen with our friends in the European Union and in the United Kingdom.

That's not the direction we want to go. We want to ensure that the agreement, first of all, remains the same as the one we have right now, but if there are amendments or edits to it, we want to ensure that it continues to support the agri-food sector here in Canada and in the United States.

Adam Chambers: Those are very fair warnings.

You might recall that in the 2018 renegotiation, Mexico and the U.S. basically defined the deal and then brought it to Canada as a bit of a “take it or leave it” at the end. Do you think that is also a risk this time, given the dynamic that we see?

Kyle Larkin: It could be a risk. It depends on what we see with CUSMA.

What I've heard from interlocutors in Washington, D.C., and the U.S. is that there's no appetite from the administration to bring the agreement to Congress. They don't have the votes from even their own party in the House or on the Senate side.

When we look at potential updates or amendments to the agreement, we're very much looking at side letters on key issues. The key issues we hear about in the media and every day are obviously dairy, aluminum, lumber, etc., but in terms of the fundamental agreement that we have among our three countries, I hear very positive messaging from our friends in the U.S.

Adam Chambers: That's very encouraging.

Would it also be your position or testimony that a resolution or a successful renegotiation of CUSMA is in Canada's best interest, generally?

Kyle Larkin: Yes, absolutely.

Adam Chambers: That's good.

I will just flip to Mercosur for a second, because you had a couple of good exchanges on that.

We recognize that any deal that Canada would do with another country could be viewed by the United States in a particular light, not that it would prevent us from doing any free trade deals. Our position is that we should be expanding trade with other countries. However, do we have to be mindful about how we might structure a deal with Mercosur so as not to potentially create additional frictions with the U.S. at a very crucial moment?

Kyle Larkin: We at the Meat Council are the most pro-free trade folks you'll find, but as you folks around the committee table know, any free trade agreement we sign—or most of them we sign—have TRQs, or they have some elements to them that aren't about free and unfettered access. That's what the Brazilians and Argentinians are asking for—full, unfettered access to Canada. That would absolutely have a major impact on the beef sector in Canada.

There are definitely concerns we have heard from our American counterparts about the backdoor treatment for imports through Canada into the United States. I can tell you that the beef processing sector and ranchers in the U.S. are very sensitive to imports coming in from places like Brazil and Argentina. We've seen that happen over the past few months when Trump had to backtrack on some of the moves we made.

The last piece I'll note, which I haven't mentioned yet, is that we also need to ensure that our SPS—our sanitary and phytosanitary—and inspection systems are equivalent to those of the folks in Mercosur. I would note to the committee that our last audits of the establishments in the Mercosur countries were in 2018 in Brazil and in 2015 in Argentina. We need to ensure that our CFIA inspectors are getting out there and inspecting establishments that are currently exporting to Canada to ensure that they are at the same level as our food standards.

● (1200)

Adam Chambers: Thank you, Mr. Larkin.

The Chair: Thank you.

Mr. Naqvi, please go ahead for five minutes.

Yasir Naqvi (Ottawa Centre, Lib.): Thank you very much, Chair.

I'm going to ask maybe one or two questions and then share my time with Ms. Khalid for some follow-ups.

Mr. Larkin, thank you very much. I'm really grateful to you for sharing this information. We've been very privileged in this committee to have presentations from members of the pork and beef communities. The views are fairly consistent, and that's good to know.

You and I were having an off-line conversation earlier about the opportunities that are opening up in other parts of the world because of our efforts in trade diversification, especially in Asia. China is a big market, and Southeast Asia is a big market.

Can you speak a little about what those opportunities look like? What are some of the challenges that the sector is facing to really optimize these opportunities for meat?

Kyle Larkin: In Asia, it's very interesting. We have very mature markets, and we have markets that are emerging. In the mature bucket, we have Japan and South Korea, which are two of our largest customers for pork and beef products. Japan actually competes with the United States on a yearly basis to be our number one customer for pork. They're usually about $50 million or $100 million off, one way or another.

China is obviously a massive market for agri-food products globally in general. We were really pleased to see the reintroduction of beef access to the Chinese market a few months ago, but as all of you folks around the table know, our pork industry continues to be impacted by the 25% retaliatory tariffs on Canadian pork. That has cost pork processors in Canada specifically about $175 million since the imposition of those tariffs.

Market diversification is not something new to the sector, and there are great opportunities in places like Thailand, Indonesia and the Philippines. There are growing markets there and growing exports. We have challenges with countries like Indonesia and Malaysia, which have high halal requirements. We do have halal-certifying bodies here in Canada that have been certified by the Indonesian authorities, for example, but we're continuing to deal with what I'll call non-tariff barriers in exporting our halal beef to Indonesia, where we were just approved for export a few months ago. That's a major potential market. We just have to get past these non-tariff barriers that we're currently dealing with.

Yasir Naqvi: That's very interesting, because part of the effort through these agreements is to get rid of these non-tariff barriers. I look forward to working with you on this, because I think the halal certification piece could easily be resolved, given that our certification process aligns with their certification process. I appreciate that comment.

I'll pass the microphone to Ms. Khalid.

Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you very much.

MP Naqvi's line of questioning is a great segue into mine.

Mr. Larkin, you represent about 90% of all the meat processing in Canada. You deliver to over 90 different markets across the world as well, not just domestic ones. When we are in the process of negotiating different trade agreements with different countries, how does your membership work with the different communities to make sure that we are not only being contextually compliant, but also living up to the standards and finding and providing trade in those new markets?

I'll give the example of Australia and New Zealand. Picking up on Mr. Naqvi's point on the halal certification process, they have been able to tap into the markets not just in beef but also in lamb in the Middle East, in a lot of the Asia-Pacific regions and even in Canada. There are some consumers here who purchase frozen beef and lamb from Australia and New Zealand to complete our markets.

I would love to know about that process of research and development of innovation to make sure that we are living up to providing delivery to the markets we're negotiating contracts with.

● (1205)

Kyle Larkin: That's a very good question. I don't think I have enough time to answer the entire question, but I would highlight two pieces for you.

One is that we have the Indo-Pacific agriculture and agri-food office, based in Manila, Philippines. It was established in 2024 with a five-year mandate and a five-year funding bucket. Our ask of the Government of Canada is to make that office permanent and grow on its success.

You mentioned the Australians and the New Zealanders. I would also mention the Americans. All three countries have had regulatory officials in all of these fast-growing Indo-Pacific markets for quite some time. For example, there have been USDA officials—U.S. Department of Agriculture officials—in every single market for a few years now. We have regulatory officials in Manila, Philippines, whose mandate is the entire Indo-Pacific, and we need to make the funding permanent in Manila and grow on that success. We need more regulatory folks in the Indo-Pacific to help us.

The second piece is that the Canadian Meat Council coordinates foreign audits to Canada on a yearly basis. For example, we just had the Dominican Republic audit here a few weeks ago. We'll have Japan's coming up in a few months. Their foreign regulatory officials come to Canada and inspect our establishments so that we can continue exporting—or even start exporting—to their countries.

There is a lot of work being done on the international stage, and we are always working hand in hand with our officials at Global Affairs, the CFIA and AAFC.

The Chair: Thank you very much.

I believe there is a point of order.

[*Translation*]

Linda Lapointe: Madam Chair, excuse me for interrupting, but I would like to clarify something.

Mr. Larkin, I just returned from a parliamentary mission to Brazil and Argentina. Earlier, you mentioned that the sanitary regulations, which are actually audited by Health Canada, had not been audited since 2018. However, that is not at all what we heard—either in Argentina or Brazil. They said they were applying the regulations and that we were monitoring them here on Canada's behalf.

[*English*]

Kyle Larkin: Can I respond to that?

The Chair: Yes, quickly.

Kyle Larkin: Thank you, Chair.

I looked at the information on the CFIA's website just yesterday. The last time we had our CFIA inspectors physically go to Brazil was in 2018, and for Argentina it was in 2015. They were physically in Paraguay and Uruguay in 2022, I believe.

One of the largest beef exporters in the world is Brazil, which is followed pretty closely by Argentina. Our message is to ensure we have an inspection equivalency, because our companies here in Canada spend millions of dollars a year to ensure they're CFIA-compliant—for good reason—but we need to ensure the folks importing into Canada are also CFIA-compliant.

[*Translation*]

Linda Lapointe: They will ensure that they comply with Canadian regulations there.

[*English*]

The Chair: Absolutely. One thing committee members did was talk beef all the time and reiterate CFIA's regulations and so forth. Rest assured that from the committee's end—and I know from the PS's end too when he does this—those issues were raised a lot in order to make sure they understood that we expect CFIA quality.

Thank you all very much for your information. We go together on these issues, and we'll see how we do this year. We're excited about moving forward on the CUSMA review, and we hope that we'll be able to solve all of the problems ahead.

I will suspend for a moment until our other witnesses come to the table.

● (1205)

_____________________(Pause)_____________________

● (1210)

The Chair: I'm calling the meeting back to order. Thank you very much.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, May 5, 2026, the committee is commencing its study of international trade-related activities of certain federal entities.

We have with us today, from the Canadian Commercial Corporation, Robert Kwon, president and chief executive officer, and from Invest in Canada, Laurel Broten, chief executive officer.

Welcome very much to both of you. I apologize that we are starting a few minutes late, but we will try to catch up.

Ms. Broten, if you would like to, please give your opening remarks of up to five minutes.

Laurel Broten (Chief Executive Officer, Invest in Canada): Good afternoon, Madam Chair. I thank you and members of the committee for the invitation to appear today.

It's a pleasure to join you to discuss the role that Invest in Canada plays within Canada's trade portfolio and the importance of global investment as a driver of trade, growth and competitiveness.

[*Translation*]

Thank you for this opportunity to participate in your study today.

Invest in Canada's mandate is to promote, attract and facilitate foreign direct investment to support economic prosperity and drive innovation across the country.

[*English*]

We advance this mandate by carefully curating global marketing and outreach campaigns in target markets and by serving as a single-window entry point for global investors pursuing large-scale transformational investments in key sectors. Invest in Canada focuses on attracting new greenfield investments and large-scale capital. We also support global companies with existing Canadian footprints to make significant reinvestments and to expand or diversify their Canadian operations.

Invest in Canada provides a concierge-style service to global investors through dedicated relationship and account management. We work closely with federal, provincial and territorial partners, including the trade commissioner service and in-market partners, to deliver a coordinated and competitive Canadian value proposition and to provide seamless end-to-end service and support.

[*Translation*]

We are proud to provide partners with access to our bespoke intelligence and data portal so that they have the necessary tools to inform their investment attraction activities.

[*English*]

These tools ensure that partners share a consistent narrative and dataset with all international investors, regardless of the point of interaction.

As part of Canada's international trade ecosystem, Invest in Canada plays a distinct and complementary role within the portfolio by focusing exclusively on the attraction and facilitation of global investment. This work supports trade by attracting international investors whose capital, technology and networks help Canadian firms integrate into global value chains and expand exports or who in turn become global exporters from Canada themselves. In this way, investment attraction is a key enabler of trade growth.

As global trade and investment relationships evolve, diversification is becoming increasingly important, with major investors seeking resilient and balanced portfolios. In this context, Canada stands out as a reliable partner with a strong and distinct value proposition that resonates with global investors. Canada offers economic stability, the rule of law, a predictable and increasingly streamlined regulatory framework, an educated workforce, deep natural resource endowments, the best tax treatment for new business investments in the G7 and access to 1.5 billion consumers across 16 free trade agreements, representing two-thirds of global GDP.

● (1215)

[*Translation*]

Invest in Canada's sectors of focus are aligned with those attracting companies with strong export potential, including advanced manufacturing, extracting critical minerals and other natural resources, value-added agriculture, and energy, just to name a few, further solidifying the connection between trade and investment.

[*English*]

Let me highlight two examples of recent investments by global companies that will drive long-term economic growth in Canada as well as export from Canada.

The first is a large European energy company that recently invested in a Quebec-based critical minerals company. This project represents approximately $630 million U.S. in capital expenditure and has been described as essential for Canada's defence and economic security, positioning the country as a reliable domestic supplier of battery materials for the global energy transition.

The second is a recent Japanese investment in a manufacturing facility focused on producing electric vehicle battery tray enclosures. The new facility is expected to create approximately 1,000 direct jobs and is fast becoming a key part of the local ecosystem. As always, a team Canada approach was key to these investment attraction successes.

Despite Canada's achievements, it is crucial to highlight that global competition for investment is fierce. As investors evaluate the entire Canadian ecosystem, including talent, energy, infrastructure, regulatory environment and access to supply chains, a coordinated approach is an increasingly robust Canadian value proposition that will always be essential.

Let me conclude with this: Investment is a win-win. Canada offers what global investors are seeking, and attracting strategic global investments will continue to enhance Canada's integration into global markets, strengthen economic resilience, support sustainable long-term growth and drive increased export well into the future.

Thank you very much. I look forward to answering your questions.

The Chair: Thank you very much.

Go ahead, Mr. Kwon.

Robert Kwon (President and Chief Executive Officer, Canadian Commercial Corporation): Good afternoon, everyone.

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

In today's global environment, marked by geopolitical realignment and ongoing disruption across critical supply chains, countries are actively seeking trusted, reliable partners. This creates a clear opportunity for Canada to lead.

For 80 years, the Canadian Commercial Corporation has supported Canadian exporters and strengthened bilateral trade relationships through our government-to-government contracting model. With our expertise in international government procurement and contract negotiations, CCC plays a unique role in the Government of Canada. We work alongside EDC financing and insurance and Global Affairs Canada's network to support Canadian exporters selling to governments abroad.

We provide support to Canadian exporters from the beginning of their contract journey to the end by helping them navigate complex markets, by streamlining contract administration and by working closely with Canadian exporters and foreign government buyers to address and mitigate risks. Our contracts are backed by the Government of Canada, so foreign government buyers can trust that they will be delivered as agreed upon.

What we do translates into real economic benefits for Canada. Over the past five years, CCC has signed $17 billion in export contracts for Canadian exporters, with more than $4 billion signed last year alone. In addition to these signed contracts, we are actively managing a contract portfolio with a value of about $10 billion. We expect these exports to sustain more than 41,000 jobs in Canada over the next five years.

CCC operates through three business lines. The first is the defence production sharing agreement, or DPSA. Our key public policy mandate is administrating the DPSA on behalf of the Government of Canada. This defence trade agreement enshrines Canada as part of the U.S. domestic military supply base, which enables Canadian exporters to sell goods and services to the United States Department of Defense on equal footing with their U.S.-based competitors.

We receive a parliamentary appropriation for this business line, and services are offered free of charge to Canadian exporters. Last year, we delivered an exceptional return on our parliamentary appropriation: For every dollar of the appropriation, CCC signed $139 in export contracts.

Canadian defence exporters rely on this privileged access to the U.S. defence market, the largest in the world, to build capacity and to expand additional global markets. Through strategic and concerted efforts to expand our reach across branches of the U.S. Department of Defense, the DPSA has seen a 22% compound annual growth rate over the past five years, with opportunities for Canadian exporters in such diverse sectors as food, medical supplies, construction supplies and even snowplows.

Our second business line is referred to as international prime contracting, or IPC. As Canada advances its trade diversification, CCC is uniquely positioned to help Canadian exporters navigate uncertainty and capture high-value global opportunities through our IPC business line. It's a key driver of export diversification and growth. It's an important tool to support Canada's goal to double non-U.S. trade by 2035. IPC enables government-to-government contracting in sectors of national importance, such as aerospace, nuclear, agriculture and defence.

● (1220)

The Chair: Could you complete your presentation, Mr. Kwon? We're running over time.

Robert Kwon: I'll conclude by highlighting one key example where CCC exemplifies the work in support of diversifying Canada's trade.

Last year, after more than five years of negotiations, CCC delivered a truly historic contract that strengthens Canada-EU ties and brings back an iconic Canadian aircraft. We signed a contract with six EU countries for the sale of 22 Canadian-built amphibious firefighting aircraft from De Havilland Canada. That will lead to 500 jobs directly and more than 3,000 jobs throughout its supply chain. CCC was involved from the very beginning of this very complicated contract. We're very pleased to support this important Canadian exporter.

In closing, honourable members, in an increasingly uncertain world, Canada's reputation as a trusted partner is one of our greatest competitive advantages. CCC exists to turn that reputation into results for Canadian businesses, for Canadian workers and for the Canadian economy.

Thank you.

The Chair: Thank you both very much.

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

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

Thank you to our witnesses for appearing and providing the committee with valuable testimony.

My questions will be for Ms. Broten.

I'm going to ask you a few questions about your most recent report. You called it the best performance in a decade. Is that correct?

Laurel Broten: Are you speaking to the 2024 report?

Jacob Mantle: Yes, your most recent report.

Laurel Broten: Yes.

Jacob Mantle: You said you focused on new greenfield investment. Could you tell me what percentage of FDI in Canada was new greenfield investment, expansions of productive capacity or additions of machinery, equipment and IP?

Laurel Broten: Our focus at Invest in Canada is on the largest, most transformative investment. On the greenfield investment side, we would work with areas of priority for the federal government.

I'll give you an example of that. Vianode—

Jacob Mantle: I'm looking for a breakdown, Ms. Broten, of the FDI that you calculated last year. What percentage is the new greenfield investment?

Laurel Broten: I don't have the breakdown of the differential of the greenfield in front of me, but I think it's really important to recognize that we were—

Jacob Mantle: Okay. Thank you.

What percentage of the investment was foreign entities acquiring Canadian companies?

Laurel Broten: I think that information is available. I don't have it right in front of me at this point.

I would say it is really important—

Jacob Mantle: I'll give you the answers. It's 49%, according to your own data. By my understanding from reading your report, about half of Canada's inflows last year were from the acquisition of Canadian companies by foreign companies. Does that create new capital in Canada?

Laurel Broten: I want to distinguish for you what we work on at Invest in Canada. The files we provide to the concierge service are a select group of files that are really important to the federal government. The FDI report we produce is a roll-up of all activity that's happening across the system, among all of our partners, and other activities that we may not be actively engaged in. It provides a picture of what's happening in Canada.

Jacob Mantle: I understand that. Thank you, Ms. Broten.

Laurel Broten: I want to speak to your question about—

Jacob Mantle: I want to understand this. You're trumpeting last year as the best success in a decade. I'm trying to unpack that and see where there is success or not.

Laurel Broten: Why don't we talk—

Jacob Mantle: I see that 49% is non-new capital creation. Less than a quarter was new greenfield investment.

Let's talk about productivity.

Laurel Broten: Can I just talk to you about one very prominent—

● (1225)

Jacob Mantle: I'm sorry. I have to continue with my questions. I have limited time, Ms. Broten, so I—

Laurel Broten: Can I talk about a really important M and A file that—

The Chair: Ms. Broten, hold on. Members have a limited amount of time, and they want to ask their questions.

Laurel Broten: Sure.

The Chair: Continue, please.

Jacob Mantle: Thank you.

I'm going on to productivity. A famous economist said, “Productivity isn't everything, but in the long run it is almost everything.” Adjusted for inflation and growth in the labour force, is business investment in non-residential capital up or down in the last decade?

Laurel Broten: Productivity is driven by FDI. There are a great number of statistics with respect to that.

Jacob Mantle: Absolutely. Is it up or down in the last decade?

Laurel Broten: We see it in the work we do and the files we work on. You can see the impact of the productivity drivers of the technology enhancements that are brought in by some of the major global players, like Siemens and K+S, or those products, so the files we work on are absolutely driving productivity.

Jacob Mantle: Right. Is it up or down?

Laurel Broten: Productivity across the country has remained somewhat stagnant. I recognize that fact—

Jacob Mantle: It's actually down.

Laurel Broten: —but with the files we are working on—

Jacob Mantle: I will correct you there, Ms. Broten. It's down in the last decade.

Laurel Broten: —we are confident that they are driving productivity up.

Jacob Mantle: Given that Canada's non-residential capital is down in the last decade, where does Canada rank among the G7 for productivity-producing investment?

Laurel Broten: Canada does very well with respect to the ranking on the FDI side. My responsibility is what's happening with respect to FDI.

The Kearney ranking index this year put Canada second in the confidence index. The dollars coming into the country are increasing year over year as a percentage.

I know this committee is about trade diversification. It's really key to recognize—

Jacob Mantle: Thank you. I think you tried to answer it, but I want to get back to my question, Ms. Broten.

Laurel Broten: —the diversification of those coming into the country as investors as well.

Jacob Mantle: You were saying that you're focused on greenfield investment that drives productivity, and you think we have a good record on that. According to RBC, in Q2 of 2026, Canada ranks last among G7 nations for productivity-producing investment, so it's concerning to me that the CEO of Invest in Canada is trumpeting that we do well in investment, but doesn't know that we rank last in investment.

Laurel Broten: It's really important to recognize that we don't touch all of the investments—

Jacob Mantle: Let me ask you another question about productivity, Ms. Broten.

Laurel Broten: —across the country.

Yasir Naqvi: Chair, can I interject for a second?

We've had a very healthy tradition at this committee of being respectful. We all have political points to make, but let's let our guests finish their sentences. You've shown a lot of latitude in letting members ask questions, so I'll ask Mr. Mantle to show the same respect we've always shown at this committee, because it works really well.

Jacob Mantle: I'm going to respond to that, Madam Chair.

I disagree with the member's view that I'm being disrespectful. I think that's unfair. I'm asking questions the witness clearly has no answers to. If she doesn't have answers to them, I will give her the answers. Then we'll move on to the next question.

Yasir Naqvi: Well, Chair, interrupting somebody mid-sentence does not help. Letting them finish the sentence is—

Jacob Mantle: I'm not going to let a witness drag out the time by filibustering the answer to a question because they don't know the answer.

The Chair: I don't think it's fair to make the assumption that the witness isn't giving you.... She's trying to give you the best information she has in front of her.

For any information you are requesting that she doesn't have with her, we would appreciate it, Ms. Broten, if you could supply that to the committee following the meeting today.

All right. Let's go back and have a nice, cool meeting, with everybody being respectful.

You want to get your answers, but get them in a respectful manner. The witness will give them to you to the best of her ability today in the meeting.

I stopped the clock. I'm resuming the clock now.

Jacob Mantle: I have another question on productivity.

Has investment in new capital been at a rate that outpaces the rate at which capital wears out or becomes obsolete in Canada? Said another way, has capital stock per worker increased or decreased over the last decade?

Laurel Broten: I would like to be able to answer the questions you're asking me, Mr. Mantle.

That is not the focus of the dataset we collect. We collect FDI data across the country. In 2025, for example, we saw the second-highest FDI inflows for the country, with 883 projects announced, 44,000 jobs created and $1.5 trillion in total FDI stock. That is the dataset we utilize to report on what's happening across the country.

What we work on at Invest in Canada specifically are a number of key projects that—

Jacob Mantle: Let's take the headline number on FDI.

Laurel Broten: —are very targeted.

Jacob Mantle: Over the last decade, what was Canada's net inflow or outflow of FDI?

Laurel Broten: Let's focus, for example, on the United States. Canadians invest more in the United States than what comes into Canada from the U.S. That is true.

Jacob Mantle: Would it surprise you to hear about RBC's report for Q2 2026? There was $1 trillion in outflow in the last decade.

● (1230)

Laurel Broten: It does not surprise me.

Jacob Mantle: Given all of that—decreasing productivity, decreasing capital inflows, less capital per worker and a net outflow of $1 trillion over the last decade—do you stand by your statement that we're having the best performance in a decade?

Laurel Broten: My focus is on incoming FDI. I know you're taking a calibration of what's happening in the country with respect to outflow and inflow of FDI.

What I would say to you is that the work we are currently doing collectively across the country is to ensure that Canada is investable. We are hearing from global investors, many of whom are Canadian, that this is a time when they are very focused on seeing more investment in Canada. That's the work we are doing with global providers. That is a conversation we've been having across the country for many years now with respect to Canadian investment globally, which is important. It is important to be connected globally.

I'll give you an example. Over the last 10 years, South Korea has increased investment in Canada by 479%. For Australia, it's a 210% increase. For Japan, it's a 42% increase. We are seeing those global investors increasingly—

Jacob Mantle: Why is there a $1-trillion outflow, then?

Laurel Broten: —invest in Canada.

Jacob Mantle: Why don't the numbers match up, then?

The Chair: Thank you very much.

I'm sorry, Mr. Mantle. We're a minute and something over time.

Thank you both for doing what you do.

Mr. Naqvi, go ahead, please.

Yasir Naqvi: Thank you very much, Chair.

Welcome to both witnesses. Thank you for the work you and your respective organizations are doing.

You alluded to this. As you know, the Prime Minister and the government have set some really ambitious targets for trade diversification, especially as it relates to non-U.S. markets. CCC and Invest in Canada are very much part of that effort. You've been given very specific instructions in that regard.

Mr. Kwon, I'll start with you.

Later, Ms. Broten, I'll have the same question for you.

Since that strategy was outlined, what kinds of tactics and tools are you using to meet the goal of doubling non-U.S. exports through your engagements both in Canada and abroad?

Robert Kwon: As I said earlier, CCC has been doing this government-to-government work for about 80 years. We're applying our very unique Canadian G2G construct, in the way the contracts are structured, to allow our Canadian exporters to participate to a greater degree in accessing foreign government procurement markets. One of the greatest features CCC provides in this business model is that we, as the prime contractor, assure the performance of the contractor, thereby reducing the procurement risk for the foreign buyer.

With that as context, to answer your question, Mr. Naqvi, we've done a number of things recently that have been highly effective. The whole-of-government approach that we're doing with Invest in Canada, EDC, the trade commissioner service and certainly the many heads of missions throughout the world where we pursue opportunities has been a very coordinated effort and is getting better. This is not to suggest that it's perfect, but certainly we are showing up. Canada is showing up more as team Canada, providing not just a transactional set of discussions but also actual solutions, capabilities and the types of ideas that are longer-term and about economic co-operation and development.

Those have resulted in some very concrete examples. I mentioned in my speech rescEU and the firefighting aircraft from De Havilland. That's one.

Two, last year we signed a contract that was north of $1 billion with the German navy. We're taking Lockheed Martin Canada and Royal Canadian Navy IP...for a combat management system that Germany is acquiring from Canada. They're trying to standardize that across their frigate class. They're going to start with one existing class. Their vision is to extend it to two or three additional fleets. That will last well over 25 years, creating hundreds of jobs throughout Canada but mainly in Atlantic Canada. That's just another example of where we're not getting into a simple transaction. We're truly looking for a win-win between the two countries.

Another example is from Bangladesh, in our very critical agricultural sector. Through CCC, through this government-to-government mechanism, we've been supplying the Bangladesh Agricultural Development Corporation with potash from Campotex. We've been doing that for the last dozen years. We just entered our 12th contract. Over those many years, we've delivered from Canada over four million tonnes of this very critical mineral that is vital to many countries but certainly Bangladesh, where agriculture is such an essential part of the economy.

● (1235)

Yasir Naqvi: Thank you.

Ms. Broten, I will ask you the same question. Giving specific examples is very important, because it focuses the mind.

Laurel Broten: When we talk about the connectivity of investment attraction to trade diversification, I can use the example, sticking with potash, of K+S, a German company that's invested $3 billion in Bethune, Saskatchewan. That potash is being exported around the world.

You can think about Roquette in Portage la Prairie, Manitoba, as an example. They are the largest pea protein plant, with 125,000 tonnes of yellow peas being exported.

Integrally connected to export are the global players that come into Canada, help us scale our operations and then export globally. Another example would be HyLife pork from Thailand. They have come into Manitoba as well. That product is in markets that they were familiar with.

In terms of the work that's happening with respect to investment attraction, just to tie it back to some of the questions that were being asked, if you go through a facility of a modern manufacturer—for example, players like LG-NextStar, with which we've been privileged to work—it will be the most modern, efficient and productive facility you will see. Our goal at Invest in Canada is to increase our productivity capacity in Canada by bringing in these globally connected modern players that bring new technology and innovations to Canada.

That's an example of some of the work we do to drive that.

The Chair: Thank you very much.

Mr. Deschênes, you have six minutes.

[*Translation*]

Alexis Deschênes: Thank you very much, Madam Chair.

Good morning, Ms. Broten. Let's talk a little about sources of foreign investment and how to diversify them. According to your 2024 report, the United States accounted for 45% of direct foreign investment. Has that changed recently?

Laurel Broten: We are nearly ready to present our 2025 report, but we continue to see that the United States remains a significant source of foreign investment.

What I explain to my team and to those we speak with is that the United States will always be important to Canada—that's a given. However, our responsibility is to diversify potential investors in Canada. We're really starting to see an increase in investment from Europe, particularly from France. As soon as the Comprehensive Economic and Trade Agreement was implemented, we saw increased investment from France, Germany and other countries around the world. We can provide you with specific statistics on that. These countries are definitely increasing their investments in Canada, and they are focusing on the same investment sectors as the United States.

Alexis Deschênes: The increase in investment is mainly coming from Europe, isn't it?

Laurel Broten: No, it's not limited to European countries. It also includes South Korea and Japan. Furthermore, we are really starting to have in-depth discussions with the United Arab Emirates, for example, and elsewhere around the world.

Alexis Deschênes: Do we have mechanisms in place to safeguard our intellectual property in the midst of these foreign investments?

Laurel Broten: Absolutely.

We work very closely with Global Affairs Canada, as well as Innovation, Science and Economic Development Canada, which administers the Investment Canada Act. We ensure that we operate in an area to guarantee that this truly benefits Canada. For example, imported technologies help manage our economy and increase our productivity. Invest in Canada is not responsible for promoting Canadian technology worldwide, but rather for attracting other technologies to Canada, and that is what we are currently doing.

● (1240)

Alexis Deschênes: With these foreign investments in Canada, isn't there a risk that Canada's intellectual property could also be acquired?

Laurel Broten: When it comes to protecting our intellectual property around the world, it is very important for us to ensure that companies will accept the Investment Canada Act. In this context, it is not up to us to make the decision; it is up to the other companies. We know how to guide companies, and we must let them know that they will be responsible for complying with the act and managing their investments properly.

Alexis Deschênes: There is a process, then—is that right?

Laurel Broten: Yes.

Alexis Deschênes: The foreign entity must undergo a certain screening process. What is checked during this process?

Laurel Broten: The Investment Canada Act is administered by Innovation, Science and Economic Development Canada, which ensures that the decision will benefit Canada. The department will therefore manage the sectors in which we are comfortable with foreign investment.

Alexis Deschênes: Will there be background checks on the people behind the companies and on the ownership structure?

Laurel Broten: We are not the ones managing that process, but the process is there to protect Canada.

Alexis Deschênes: I see.

As part of your work and research on foreign investment, do you coordinate with Quebec?

Laurel Broten: Absolutely. We work very closely with Investissement Québec. We meet with them frequently all over the world. Companies come to Canada together and we organize their visits. We explain how the federal system works. For example, this year there was a change to the productivity super-deduction. We explain what that means to the companies, and Quebec handles its own side of things. Our work is truly consolidated.

Alexis Deschênes: One of the strategic advantages we have in Quebec is our hydroelectric power and our commitment to transitioning toward electrification. What do investors have to say about this?

Laurel Broten: Quebec has always been a leader in renewable electricity, specifically hydroelectricity, and this has really helped in recent years in handling companies that want to have a sustainable mandate in Canada or elsewhere in the world. It's very important. We work very closely with Quebec.

You are probably aware that we operate based on requests from the provinces. For example, if Quebec says it won't have this type of company, we won't connect it with Quebec. The work we do together truly represents a partnership between us and Investissement Québec. The situation in Quebec regarding green energy has always been something very important for companies.

Alexis Deschênes: So, where do these—

[*English*]

The Chair: Thank you very much.

I'm sorry, sir. Your time is up.

Mr. McKenzie, you have five minutes.

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

I'd like to thank both of our witnesses for their time and for bringing their expertise to the committee.

Mr. Kwon, you mentioned the wildfire-fighting aircraft and De Havilland. Am I correct in understanding that those aircraft are being built in Calgary?

Robert Kwon: That is correct, sir. The majority of them are assembled there. I believe there is a wing piece coming from Victoria, but the main assembly is in Calgary.

David McKenzie: Sir, on behalf of Calgarians and Albertans, thank you for the work at CCC to ensure the success of that enterprise.

Ms. Broten, a long time ago, I worked for a particular government department. Foreign direct investment was part of that government department. I know that your tenure with Invest in Canada has been relatively short, but at what time did the foreign direct investment attraction exercise get rolled out of what used to be the Department of Foreign Affairs?

Laurel Broten: Invest in Canada came into existence about eight years ago. Maybe we were the new kid on the block to some extent. Foreign direct investment has always been a key priority of governments across the country, but at that point, in creating Invest in Canada, Canada determined we needed our own entity.

We have worked very closely—I grew up in Alberta, so I've spent a lot of time out in Alberta as well—and very collaboratively with our subnational partners. Before this role—the privilege to lead Invest in Canada—I led Nova Scotia's trade and investment organization. We really recognized that we needed a partnership with the subnational players, and I think we've established that strongly in Alberta.

● (1245)

David McKenzie: I heard some of that from my colleague.

How many people work for Invest in Canada now?

Laurel Broten: There are 66.

David McKenzie: Statistics Canada just announced that in Q1 2026—these are fairly fresh numbers—there was a $17.2-billion investment outflow. I think you were touching on the fact that your job is to bring it in, but at some level you must be concerned when it's going right back out the door. Indeed, over the last decade, two dollars exited for every dollar that came in. What problem do we have that has to be fixed in order to change that?

Laurel Broten: I had a chance, while answering the questions of your colleagues, to talk about how our responsibility is FDI inflow. FDI inflow is tied to our regulatory environment—our processes in Canada.

I speak to investors every day who are very excited about what is taking place in Canada with respect to streamlining investments and tackling taxation issues with the new productivity superdeduction—all of those things. Although my responsibility is not the outflow, I think we can assume that the improvements to regulatory structures and others will also impact Canadian investors who look around the world.

David McKenzie: In some ways, you're a bit like a waiter who has to sell the steak or the fish of the day. I have to believe that when you and your team are speaking to foreign partners who might be looking for investment opportunities around the globe and considering Canada as one possible destination, from time to time you get some rather specific feedback on why they may not choose Canada. Can you be more specific? It's my view that there's a bit of a regulatory challenge in Canada, but can you give some examples to this committee of what you've heard directly from potential investors in Canada?

Laurel Broten: Well, it's really important to recognize that we need to get things built in Canada, and we are seeing action by the government. I am hearing from clients around the world that that's really important to them, that we need to streamline regulation. I myself was in a provincial government and have done a lot of regulatory reform. We can't have processes that sit upon processes. The work to streamline regulatory improvements.... Investors and companies are not opposed to being good citizens and adhering to regulation, but they want to understand how to get from point A to point B, how long it's going to take and how many steps there will be.

All of the efforts being made to streamline that are really improving our value proposition that we are able to speak to investors around the world about.

David McKenzie: So—

The Chair: Thank you very much, Mr. McKenzie. I'm sorry. I have to keep everybody really tight. You have 24 seconds remaining.

David McKenzie: Thank you.

The Major Projects Office doesn't fix some of the significant regulatory problems we have. It creates an express lane around the problems. Have you gotten that feedback? There's no certainty in a major projects office. One has to go on bended knee and ask for permission, as opposed to knowing the rules and the framework from the outset. It sounds to me like the feedback you've gotten is that investors would rather know the framework ahead of time.

Laurel Broten: Investors want to know the framework and want to understand the pathway, but they are also very pleased with the establishment of the Major Projects Office and the positive impacts it will have.

The Chair: Thank you very much.

Mr. Fonseca, go ahead, please, for five minutes.

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

Thank you, Ms. Broten and Mr. Kwon. I will continue on that line of questioning.

We are hyperfocused on building one Canadian economy. What does that mean? It means that when an investor is looking to Canada, it is seamless. It is a one-stop shop, and they're able to invest.

We have some ambitious goals. We're talking about $1 trillion in foreign direct investment over the next five years. Today, the person who champions Canada best—our Prime Minister, Mark Carney—is in New York City. In September, he will be meeting in Toronto with 100 of the largest—or maybe the largest—sovereign wealth funds, pension funds, etc., from around the world to look to bring in that investment.

Of course, the work that both of you do helps in getting us to that ambitious goal.

MP McKenzie was talking about some of the challenges we have domestically. You have had the opportunity to head up investment for Nova Scotia. You've lived in Alberta. I know you were a cabinet minister in Ontario, and now you are here at Invest in Canada, Ms. Broten.

When you speak to our provincial counterparts and when we talk about having one economy.... I can tell you that the federal government has gotten rid of the 53 barriers that were in front of the one Canadian economy, but we are working hard to address the barriers that still exist between provinces, even down to the municipal level, with all of the regulatory regimes, which I'm sure many of those looking to invest in Canada bring up.

Can you tell me what your strategy is, what you have done and how you have addressed this with provincial counterparts?

● (1250)

Laurel Broten: Very important work is being done, and I can tell you that we are feeling it and businesses are seeing it. There is a streamlining of regulatory approvals. There is a willingness.

I was talking about the partnership we have with Quebec and the partnerships we have with every province, and I can tell you that there really is a Canadian desire to improve our realities and still have strong standards and to make efficient changes in a way that I don't think we've seen before across the country. This work is crucial. Businesses are seeing it.

You don't have to take my word for it. The best indication is that we ranked number two globally in FDI confidence this year. That is a global assessment of how executives view a country and whether they are confident in investing there. Number two is a very good spot for Canada, and we've gone up in terms of that percentage.

Peter Fonseca: We have a very strong brand right now. You can look at our workforce, our rule of law and the trade agreements we have around the world, and how to capitalize on that at this time and bring in that investment.

Is that something that you also capitalize on, Mr. Kwon, when you go out to market?

Robert Kwon: Absolutely, sir. What we're trying to do as team Canada—and Laurel plays a very important role, as we do, along with other partners in the trade portfolio—is create a virtuous circle.

In the case of FDI, Laurel and I have had these chats. As we're attracting investments into this country to create economic activity, it makes sense in certain sectors where CCC plays a role and is good at government-to-government work to impart that knowledge and the capabilities from day one. It's so that even as part of the investment strategy and the business case that foreign investors are making, they understand immediately that upon success on the ground here in Canada domestically, eventually they'll have to export to international markets. Having that knowledge and knowing that there's a capable path give them greater confidence.

Peter Fonseca: On that, just quickly I'll say that all politics are local. We speak with local businesses all the time—with small and medium-sized enterprises and also with large enterprises. I have never referred one of those businesses to either of you, because I don't know where the portal is, how to get to you or what you can do for them. I would like more information in order to deliver that to the riding of Mississauga East—Cooksville.

We have other Mississauga members here—Iqra Khalid—and others from across Ontario and across Canada and Quebec. We want to have that information so we can.... Proactively, do you go out and find businesses that will fit the niche or the gap you see and then take them in to look at contracts for those businesses, or do they have to find you? I ask because I don't think they'll be able to do that.

Robert Kwon: I—

The Chair: I'm not sure there's sufficient time for that answer. I'm going to ask you to give it very briefly, but if you can, please also send some additional information on both companies to the committee.

Give a brief answer, if possible, to Mr. Fonseca.

Robert Kwon: The answer is yes—both directions. We actively seek...focusing on SMEs. Last year alone, we supported over 800. Sixty-nine per cent of that number is SMEs.

I could cite a couple of very specific examples, mostly Mississauga-based. There's a small manufacturer led by a woman. It's about camouflage uniforms.

As a very quick side note, CCC actively partners with the Department of National Defence, or DND, in the support of military donations to Ukraine. In the background, we are the procurement agency.

The Chair: Thank you very much.

We'll go to Mr. Deschênes for two and a half minutes.

[*Translation*]

Alexis Deschênes: Thank you, Madam Chair.

This morning, it was reported that Dominic LeBlanc will travel to the United States to negotiate the renewal of the Canada–United States–Mexico Agreement, or CUSMA. To what extent is the uncertainty surrounding the revision of the CUSMA undermining your efforts to attract investment to Canada?

Ms. Broten, let's start with you.

● (1255)

Laurel Broten: There is no doubt that uncertainty is not good for investors. Right now, I can tell you that at the beginning of 2025, there was a brief period during which companies stayed on the sidelines and watched to see how things would unfold. This year, we will see another significant increase in foreign investment. We're already seeing this in Statistics Canada's data.

We've certainly started to look ahead. In Canada, we continue to manage the situation with the United States: our products go to the United States and products from the United States come to Canada. The United States will always be important to us, but it's very important for us to diversify and do business with other countries.

That is what we're working on, but we're still working with U.S. companies that want to invest in Canada.

Alexis Deschênes: Do you ever see foreign investors who ultimately decide to invest in the U.S. instead, out of fear of tariffs?

Laurel Broten: They decide to come to Canada. In certain sectors, that's for sure. We see that every day.

Alexis Deschênes: But do some decide to invest in the U.S. instead out of concern about tariffs?

Laurel Broten: There is no doubt that uncertainty is something we have to manage with companies. When it comes to diversification, we try to identify and work with companies that want to come to Canada to take advantage of our strengths, namely, our natural resources. In that regard, these companies want to come to Canada, regardless of the noise surrounding Canada's relationship with the United States.

[*English*]

The Chair: Thank you very much. I'm sorry, but the time is up.

Mr. Chambers, go ahead for four minutes.

Adam Chambers: Thank you, Madam Chair.

Mr. Kwon, are there any regions or countries in the world where you do not operate?

Robert Kwon: At the moment, we are less active in Africa, in general. Certainly, some of those countries, because of a host of different factors, are both economically and politically unstable. These are areas where we don't typically look, because we're trying to manage risk on behalf of Canadian exporters.

Adam Chambers: Are you involved in China?

Robert Kwon: No, we're not.

Adam Chambers: You're not involved in China. Is it for some of the reasons you just noted, like political or reputational risk?

Robert Kwon: At the moment, we have no transactions or contracts in China, and nothing in the foreseeable future.

Adam Chambers: Thank you.

Ms. Broten, if you're back at committee a year from now, how will we know what success looks like for your organization? How do you measure success?

Laurel Broten: We measure success by the projects we work on that land in Canada. We measure success by the entire ecosystem. That's why we talk about FDI.

Your colleague was asking questions on this. Canada has the highest FDI flows per capita in the G7. That's a good measure for us to look at again next year. Canada is ranked number one for global competitiveness among G7 countries. We look at what the OECD says. We look at what the IMD says. We look at what Statistics Canada says. We look at our own datasets to determine what our success is in Canada.

Adam Chambers: Is that due to your organization's existence?

Laurel Broten: We work on our own files with our concierge service. We provide knowledge across the country to every agency that does this work, and there are datasets that we provide. In that way, we lever the work we do across the country.

Is every file touched on by us? No, but we provide a single-source port of entry to greenfields, resolving issues that prevent something from getting built, even after the final investment decision. We are now working extensively on capital attraction as well.

Adam Chambers: Shouldn't you have one metric that your organization is measured by so that we know whether it's successful and worth having 60 FTEs? If you're going to take credit for large macro numbers, how are you measuring your organization?

Laurel Broten: We have a departmental results framework, like every other organization. We measure based on the number of transactions. We measure based on the marketing touch we have. We measure on the products we provide across the country.

Adam Chambers: I apologize, but I'm going to be cut off by the chair here shortly.

Shouldn't it just be on greenfield FDI? Is that not really what we're trying to get at here?

Laurel Broten: We do greenfield FDI. We do reinvestment FDI. We do capital attraction FDI. It is really what's happening across the country in the bulk of the measures.

Adam Chambers: I have one final question.

You're familiar with the Ericsson deal from a couple of years ago, from November 2024. There was much fanfare by the government. Who owns the IP? Do you know who owns the IP that's produced in that facility?

● (1300)

Laurel Broten: I think that was my first event as CEO of Invest in Canada—

Adam Chambers: Yes.

Laurel Broten: —so I don't have all the details of that.

Adam Chambers: Who owns the IP?

Laurel Broten: My understanding is that it would be Ericsson.

Adam Chambers: That's right. We used Canadian taxpayer dollars to lure a foreign company here to build capacity, but the IP isn't actually owned by Canada.

Laurel Broten: It created jobs that Canadians go to work in every day—

Adam Chambers: Look, I think there's a reasonable debate to be had—

Laurel Broten: They pay taxes.

Adam Chambers: I believe there's a reasonable debate to be had on whether or not we should be supporting Canadian firms that build here and keep intellectual property here, instead of cheering on the hollowing out of Canadian corporate Canada—which you're doing here today—and producing IP for other foreign entities.

Laurel Broten: I won't disagree with you that we should build up our IP.

The Chair: Ms. Broten, you are out of time.

Laurel Broten: That's not the work that we do at Invest in Canada.

The Chair: Thank you very much.

Ms. Lapointe, you have four minutes.

Adam Chambers: Thank you.

[*Translation*]

Linda Lapointe: Thank you, Madam Chair.

Ms. Broten and Mr. Kwon, thank you very much for being with us. Your opening remarks were very interesting.

You mentioned Export Development Canada and Global Affairs Canada. Which organization do you report to?

Laurel Broten: Global Affairs Canada.

[*English*]

Robert Kwon: It's Global Affairs.

[*Translation*]

Linda Lapointe: Thank you.

Mr. Kwon, Ms. Broten said earlier that there were 66 people on her team. How many people are there in your organization?

[*English*]

Robert Kwon: Our organization has 128 employees. Most of them are based here in Ottawa. Some of our business development folks are more remote and travelling.

[*Translation*]

Linda Lapointe: You mentioned earlier that you weren't going to China, and that there wasn't really much investment in Africa.

Here, we conducted a study on Africa, and we focused on certain countries, such as Morocco and West African nations. I understand that there are 54 countries in Africa, but are there any you're considering with a view to establishing better ties with Africa?

[*English*]

Robert Kwon: We have a number of sources that we constantly look to in order to get market intel. Of course, we go through the full network of Global Affairs—all the mission heads and the trade commissioner service—and now, with all the heightened interest in defence and security, certainly the defence attaché network. We're all plugged in there. Over and above that, we speak extensively to Canadian exporters.

As much as I characterize that Africa is not the primary priority at the moment, we are still actively pursuing a few transactions there. I'll give you one very specific one. There's a company called SGL, Sander Geophysics Limited. It's a Canadian surveying company. It's doing some surveying work in Ivory Coast and Tanzania to look at energy mining. That's a concrete example. It's not a contract, but we're in the early stages of exploring. Where it makes sense, with Canadian capabilities, we are on the ground there.

In Morocco, we have De Havilland aircraft that we're refurbishing and selling. In the past, we've helped to build soccer stadiums in Cameroon.

We are active in that continent when it makes sense. At this very moment, it's a bit lighter—again, very openly—but as I said, this one particular Canadian exporter I cited is a concrete example, as is Morocco.

[*Translation*]

Linda Lapointe: We've just returned from a trip to Argentina and Brazil, where we often heard that they're eager to attract Canadian investment, mainly in the mining sector, but also in agricultural equipment. Obviously, they want our potash, believe me.

Do you assist Canadian companies in making these investments in the mining sector?

[*English*]

Robert Kwon: This is not specifically related to the mining sector, but I accompanied Minister Sidhu and former Minister Ng on virtually every single trade mission, including earlier this year when we were in the Middle East. I think in the third week of June we'll be in Japan, and I'll be there again. This will probably be my third trip there.

We are very active, and I personally travel way too much for trade missions. In the work we do, we work and travel very extensively with my EDC colleagues because of the nature of that work. In February, I went with the minister responsible for NRCan, Tim Hodgson, to Poland for a very important team Canada effort to sell CANDU nuclear reactors to Poland.

● (1305)

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

[*Translation*]

Linda Lapointe: Thank you.

[*English*]

The Chair: I need approval for $1,500 for the study we are currently doing.

Are all in favour?

Some hon. members: Agreed.

The Chair: Thank you very much to our witnesses. Please send the committee some additional information pertaining to today. That would be appreciated.

The meeting is adjourned.