



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

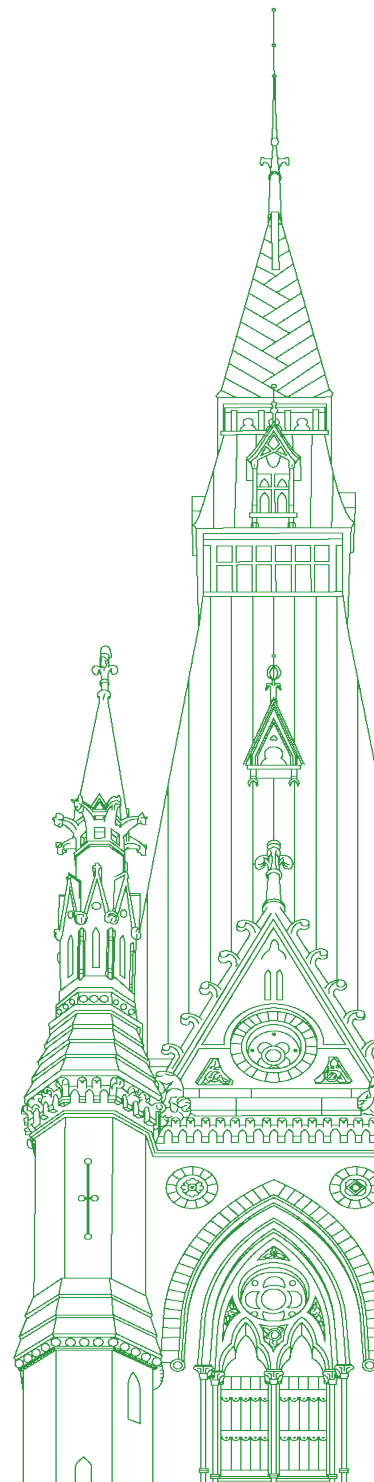
Standing Committee on International Trade

EVIDENCE

NUMBER 047

Thursday, October 8, 2026

Chair: Judy A. Sgro



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• (1535)

[English]

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

This is meeting number 47 of the Standing Committee on International Trade.

We have witnesses who are all with us virtually. We have with us today, as an individual, Normand Mousseau, scientific director and professor of physics, Institut de l'énergie Trottier, Polytechnique Montréal; from Canadians for Nuclear Energy, Christopher Keefer, president; and from Vision Marine Technologies, Alexandre Mongeon, chief executive officer, by video conference.

We will start with opening remarks of up to five minutes. When you see my hand raised, it gives you 30 seconds to close off. Otherwise, the technician will just turn you off.

Thank you very much. I apologize for being a few minutes late.

Mr. Mousseau, you have five minutes for opening remarks.

[Translation]

Normand Mousseau (Scientific Director, Institut de l'énergie Trottier, and Professor of Physics, Université de Montréal, As an Individual): Madam Chair, members of the committee, thank you for inviting me.

Before I begin, I'd like to say a few words to introduce myself. I am a professor of physics at Université de Montréal and the scientific director of the Institut de l'énergie Trottier at Polytechnique Montréal.

My remarks draw on the institute's work to transform the Canadian energy system through the accelerated electrification of energy services, within the global context of energy transition. In this brief presentation, I'd like to highlight three points in particular.

Firstly, the federal electrification strategy, which aims to double electricity generation by 2050, could be a springboard for domestic businesses, provided that it places innovation at the heart of its objectives and its application within the Canadian economy.

Secondly, for a medium-sized economy such as Canada's, it's impossible to invest across the country in fossil fuel development while supporting and developing a strong, competitive and high-value-added industrial manufacturing sector. Choices will have to be made.

Finally, the industrial policy cannot be limited to critical mineral development. To maximize the value and benefits of critical minerals, the policy must not revolve around their development. Instead, the policy must integrate that development across the value chain.

Despite estimated investments of over \$1.2 trillion, the federal electrification strategy makes almost no mention of the role innovation plays. Nevertheless, doubling the electricity grid won't happen simply by creating an identical copy of the current grid. Instead, the current grid must be thoroughly adapted to take account of ongoing advances and transformations.

While the rest of the world—China, for example—is developing and deploying new electrical technologies, from generation and transmission to distribution and end use solutions, Canada is treading water and losing ground to these other countries.

If Canada wishes to export clean technologies, it must develop competitive niches. This means ensuring that the hundreds of billions of dollars invested in upgrading electricity grids help to create markets for these innovations and their deployment across Canada. Innovation must be at the heart of the federal strategy, not only through funding for research and development, but above all through its integration into Canadian markets and across the Canadian energy system.

It is also important to choose between fossil fuels and clean technologies in a medium-sized economy such as Canada's, which is characterized by structural constraints on labour and capital. We cannot develop both the oil and gas sector and the clean technology sector simultaneously across the country. This pits them against one another.

As we have recently demonstrated, the development of the fossil fuel sector comes at the expense of the manufacturing sector. For example, in British Columbia, the province's decision to prioritize the oil and gas sector has been linked to a significant decline in manufacturing investment since 2014, while Quebec's focus on electrification has enabled and encouraged growth in manufacturing investment, which has doubled in Quebec during this period.

If Canada wishes to develop a strong cleantech sector, it will have to give the sector the attention it needs. It will have to implement strategies that prioritize the sector in certain regions of the country, while completely steering clear of investment in the fossil fuel industry in those same regions.

As for critical minerals, while the extraction of mineral resources contributes to Canada's economic development, it also exposes Canada to the international cycles that dominate the sector. To reduce this exposure, Canada must, as we know, keep a larger share of the value chain in the country. However, oil and gas development is not conducive to retaining a larger share of the value chain. Instead, the goal must be integrated into industrial and manufacturing development, which must therefore be strengthened.

In summary, to increase the export capacity of clean technologies, Canada must first strengthen the industry domestically through the federal electrification strategy. Canada must also encourage innovation and the creation of domestic markets. The processing of critical minerals requires a strong link with the manufacturing and industrial sectors. Canada can't have it both ways. Promoting investment in the fossil fuel sector across Canada is incompatible with the need to support and strategically develop competitive, high-value-added industrial and manufacturing sectors. It is essential that the federal government prioritize support for these sectors in regions where fossil fuel industries are not yet established.

These observations are meant not to hinder economic development, but to ensure the resilience of the Canadian economy by aligning industrial policies with the electrification strategy. This will create Canadian-based markets, an essential condition for the diversification and competitiveness of our exports.

Thank you.

• (1540)

[English]

The Chair: Thank you very much.

Mr. Keefer, go ahead, please.

Christopher Keefer (President, Canadians for Nuclear Energy): Thank you, Chair and members of the committee.

I'm Chris Keefer, president of Canadians for Nuclear Energy. We're a grassroots advocacy organization that's been instrumental in expanding federal support for nuclear energy, winning the refurbishment of the Pickering nuclear station and advancing a national nuclear industrial policy that centres the interests of, particularly, Canadian workers.

Canada is one of only six countries in the world capable of designing, building and exporting its own nuclear reactors. My argument today is that we need to decide whether to build on that advantage or increasingly become a supplier within other countries' nuclear industries. In practical terms, will we invest in our CANDU technology, or will we pivot toward American-origin designs such as the Westinghouse AP1000 reactor?

The trade war has forced Canadians to think more seriously about strategic autonomy and our national economic interests. Our nuclear technology choices deserve the same scrutiny.

Westinghouse argues that its current Canadian ownership through Brookfield and Cameco makes the AP1000 a Canadian choice and opens a much larger international market to Canadian suppliers. However, Westinghouse is headquartered in Pittsburgh, where most of its employees work. Its flagship reactor, the AP1000,

is subject to U.S. export controls and its supply chain is U.S.-based and international.

Canadian manufacturers will be competing against American, Korean and other international suppliers for that work, with far less leverage and in a trade war in which the U.S. is actively threatening Canadian auto and aerospace manufacturing in an effort to bring it south of the border.

Washington is using financing and diplomacy to sell its AP1000 reactor technology around the world and rebuild its own nuclear industrial base. Canada needs an equally deliberate approach.

With CANDU, Canada owns the intellectual property through Atomic Energy of Canada Limited. We have an established domestic industry of engineers, manufacturers, fuel suppliers and service companies, built up over generations. We also have a successful international export record. Nine CANDU 6 reactors have been exported to South Korea, China, Romania and Argentina. Our last five international deliveries were completed on schedule and within budget.

Enhanced CANDU 6 is a conservative modernization of that proven reactor, incorporating modern safety improvements. At roughly 750 megawatts, it is well suited to growing electricity grids, like those in the Philippines, for example, that may struggle to accommodate larger gigawatt-scale reactors. Its natural uranium fuel cycle also avoids dependence on foreign enrichment.

Romania offers a concrete example of the economic value of such exports to Canada. Canada is supporting the construction of two additional CANDU reactors there with up to \$3 billion in export financing recently announced, and decades after the original sale in the 1980s, Canada has secured nearly \$1.9 billion in contracts to refurbish and extend the life of just one of the existing Romanian reactors already on that site.

These are long-term industrial relationships. A CANDU export creates demand for Canadian engineering, specialized equipment, fuel and services over the operating life of the plant, but our ability to win future exports also depends on what we build here at home. At Darlington, the federal and Ontario governments have committed nearly \$21 billion to four American-designed BWRX-300 small modular reactors. Canadian workers and suppliers will benefit, but we are ultimately helping commercialize U.S.-owned reactor IP.

Had we chosen the enhanced CANDU 6 for that site, we would be much further along in establishing a modern reference project to offer international customers. We should not repeat that missed opportunity with the AP1000 constructed domestically in Canada.

My recommendation is that Canada build upon its recently announced nuclear energy strategy with a laser focus on CANDU exports, combining competitive export financing, government-to-government diplomacy, nuclear co-operation agreements, and long-term fuel and service partnerships. That strategy also needs domestic projects behind it. Provinces ultimately make their own reactor selections, but Ottawa controls federal loans, loan guarantees and technology development funding.

These investments should prioritize Canadian-owned technology and the long-term economic benefits it creates for Canadians. For more than 70 years, Canada has invested billions of public dollars developing CANDU technology. The decision we make today will determine whether that investment compounds to generate Canadian jobs, industrial capability and export earnings, or whether we increasingly direct our capital towards building other countries' nuclear industries.

Thank you very much for your attention.

• (1545)

The Chair: Thank you.

Mr. Mongeon, you have five minutes.

[Translation]

Alexandre Mongeon (Chief Executive Officer, Vision Marine Technologies Inc.): Good afternoon, Madam Chair and members of the committee. Thank you for inviting me to appear today.

My name is Alexandre Mongeon. I am co-founder and CEO of Vision Marine Technologies Inc., a Canadian company specializing in marine electrification that has been building electric boats in Quebec for over 30 years.

We have delivered over 2,000 vessels and have developed globally recognized expertise in marine electric propulsion. However, our activities extend far beyond the manufacturing of electric boats. We've developed a 180-horsepower electric outboard system designed to be integrated into boats by manufacturers all over the world.

Some elements of this technology are protected by patents, while others are the subject of pending patent applications and assignments. This intellectual property is a strategic asset that supports our international development and commercialization. Our system has already been integrated into a number of boats, including those made by international boat builders. The H2 model from Four Winns, part of the Beneteau Group, even received CE certification in 2025. Our recognized E-Motion system has also received CE certification on other vessels. In 2023, our E-Motion technology propelled the world's fastest electric boat to over 180 kilometres per hour, setting a world speed record for an electric boat manufactured in Quebec. This achievement demonstrates the level of technology and expertise that Canada can develop in the field of marine electrification.

Our company already has a strong international focus. Around 96% of our products are exported outside Canada. In the United States, our group has over 100 employees. We operate six sales and service centres in Florida, as well as one in California.

The potential for growth is considerable. According to projections by Grand View Research, the global market for electric boats, including hybrid models, could exceed \$14 billion U.S. by 2030.

However, Europe currently accounts for only around 2% of Vision Marine Technologies Inc.'s production. We have the technology, the talent, the product and access to international markets. However, our financial resources remain limited when it comes to increasing our production capacity while simultaneously expanding our presence in multiple markets. At this stage, our main challenge is not only technological, but also industrial and financial.

Scaling up internationally requires substantial investment to increase production, obtain the necessary certifications, establish a distribution and service network, and support commercial development. Vision Marine Technologies Inc. now finds itself at this crucial stage. Our ambition is clear: to transform more than 30 years of Canadian expertise into a genuine global industrial presence, while keeping our technology, intellectual property and production capacity in Canada. We do not have the resources to match this ambition.

That is the reality we want to share with the committee today. I'm happy to answer any questions. Thank you.

• (1550)

[English]

The Chair: Thank you very much.

Moving on to our members, Mr. McKenzie has six minutes.

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

Professor Mousseau, if I might, I'll direct my first question to you.

You mentioned new Chinese technology for generating electricity, if I followed you correctly, sir. Could you expand on that? The generation of electricity, at least to my understanding, has been a well understood technology for a long time. Perhaps you could give us a moment on what's new.

Normand Mousseau: What's new is that they're mastering the technology. They're the ones producing the solar panels at the cheapest price today. They're the ones mastering the battery technology. They're even developing long-term storage technology now. Where Canada should be present, it's not, so we are essentially missing in terms of production. They're also mastering multi-gigawatt transmission lines that we don't master in Canada. They can build them. They can design them. We are not there at all.

In many sectors along the electricity sector, Canada is not there, while China is leading the way. This means that we don't have the intellectual property, we don't have the products displayed and we don't know how to install or build them.

David McKenzie: Professor, this committee has heard testimony about the use of slave labour in parts of China, particularly in the production of batteries in relation to motor vehicles. Do you have concerns about that? China may be leading in technology development, but if they're doing so using slave labour, is that of concern to you?

Normand Mousseau: My concern is that Canada does not own these technologies, doesn't know how to build them and cannot compete. The issue is not how China....

I'm concerned about safe labour, but to me, that's not the issue today. The issue is how Canada can use the investment it's planning to make in the electric grid, for example, to support innovation and make sure that we have a real strategy to have people here, working, developing the technology and selling this technology across the world. At the moment, we're not doing that.

David McKenzie: In essence, if I can sum it up, you mentioned that we can't do both. We can't have investment in the petroleum industry as well as in the clean-tech industry. If I've misrepresented that, please correct me.

What I want to know is whether that general idea is in respect of public dollars and investments, or you're of the view that there is a limited amount of private capital that could be attracted to Canada and our industries.

Normand Mousseau: It's both.

Canada has a very regionalized economy, so you can have provinces that develop oil and gas while others develop the manufacturing sector. We've seen it in the past. We see it today. Quebec and Ontario are more in manufacturing. Alberta and British Columbia, more and more, are turning to fossil fuels, for example.

Canada cannot put fossil fuels at the core of its full development across the country. We need to have various regional strategies where we can support these technologies. It's important to have both private and public capital, and also the attention of governments in terms of the development of strategies and policies.

British Columbia, for example, had a report a year ago calling for a real industrial policy. There has been no industrial policy on manufacturing for more than 15 or 20 years in B.C., as the focus has been on natural gas development. That is costing this capacity.

David McKenzie: Is it your view that—I'm going to use this expression—we can't walk and chew gum at the same time? I'm of the

view that we can do all of these things in parallel, but that's not your opinion. Is that correct?

Normand Mousseau: We can do them in parallel, but not in the same place. If we push for gas development, for example, in the Maritimes, they cannot support other sectors. It's the same thing in Quebec. If we push for shale gas, we will see clear drops in investments in manufacturing.

We need to at least protect the regions of the country where we will put efforts to develop the core industrial bases.

David McKenzie: Thank you, Professor.

I'd like to direct a question to Mr. Keefer.

This committee heard testimony earlier this week with respect to the potential value proposition. Cameco now has a significant stake in Westinghouse, along with its partner. They're representing the advancement of that technology as a Canadian opportunity. You see that differently.

• (1555)

Christopher Keefer: Yes. I think it's an interesting question.

As you know, Westinghouse is currently owned by Cameco and Brookfield. I use the term "currently" because ownership of Westinghouse has shifted four times in the last 25 years. It's had British owners, with British Nuclear Fuels Limited. Famously, Toshiba, a Japanese company, owned Westinghouse prior to its bankruptcy, during the construction of the Vogtle nuclear power plant in the U.S. Right now, there's been a confidential filing for an IPO, which may see some of that ownership stake change.

When we look at what benefits will accrue to Canada of Westinghouse's success, certainly, institutional shareholders at Brookfield and shareholders at Cameco will see benefits, but the money that's poured back into developing the technology is going to go where Westinghouse is headquartered. As I mentioned before, that is in Pittsburgh, where the vast majority of its engineering workforce is.

I think that's what really distinguishes the technology choices we have ahead of ourselves here. Investments in—

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

Go ahead, Ms. Acan.

Sima Acan (Oakville West, Lib.): Thank you very much, Madam Chair.

Professor Mousseau, thank you very much for joining us today.

You previously told the natural resources committee that Canada is “a major energy...exporter, not an energy superpower” and that much of the technology used in new electricity generation comes from abroad.

I have no doubt that you know this already. Canada is accelerating its ambition to become a global superpower. The Pacific link pipeline, LNG expansions, measures of Bill C-39 and investments targeting critical minerals and clean energy are some key strategic initiatives showing the direction we are heading in.

Which clean energy technologies or value chains would you propose we should have as the top priority for our country?

Normand Mousseau: First, I would say Canada cannot become an energy superpower, because we are not controlling the price of these commodities. These commodities are controlled outside of Canada, so we are just a price-taker. In that sense, we cannot really be a superpower.

In terms of technology, we will be investing in new lines, for example, so all types of technologies linked to doubling the grid are places where Canada could be present. There are also places in terms of long-term storage. With the winters we have, we need much more energy in the winter than we do in the summer. That requires energy storage capacity, and this is also something that can be developed.

In terms of energy usage, we can use electricity. We will not be developing heat pumps, but can we manage to integrate them into industry, for example, and master how we do this? That would not be the technology but mastering the know-how.

Those are places where Canada could be.

In terms of critical minerals, we need to be able to move up the value chain, and this can only be done by coupling this with an industrial sector. That doesn't have to be energy. It can be any sector that will require these products in reasonably large quantities for a specific product.

Sima Acan: Thank you very much.

Professor, this question is actually both for you and for Dr. Keefer. You mentioned, and repeated, that Canada is increasingly importing the technologies used to build its electricity system.

Dr. Keefer, you said CANDU gives Canada domestically anchored technology and supply chains, which we already know. We have the full cycle of the supply chain around CANDU technology.

Where precisely do you agree or disagree on Canada's remaining nuclear export advantage?

Normand Mousseau: To me, there are limitations to Canada's capacity to export CANDU. We've seen it in the past. We've exported only a few reactors. In today's context, the issue is how we can support the financing of this. Also, there is the fact that the CANDU reactor has the issue of having to be rebuilt every 25 years for the core, which is an expensive technology.

Clearly, we have to push it, but I believe the market is relatively small at the export level.

Christopher Keefer: CANDU reactors are the third most widely deployed reactor technology in the world, following American PWRs and BWRs. Certainly, in the past, we have competed against far larger players, such as American companies and French companies.

I think there's a strong demand for a reactor, particularly in an era of impending energy security concerns, that avoids enrichment. All of the countries we've exported CANDU reactors to have developed the ability to fabricate their own nuclear fuel. Nuclear fuel, particularly with the American-based technologies, is an incredibly difficult thing to master and it's available in only a few different countries.

While it's not a reactor that the whole world is going to develop and build at home, I think there are important cases, particularly with the sizing, again, of the enhanced CANDU 6, which is 750 megawatts. That is a truly unique offering. We have small modular reactors that are more in the 300-megawatt range being offered by other players, but the enhanced CANDU 6—again, based on CANDU 6 lineage, which was so successfully deployed around the world—fits that niche quite well. There are a number of countries' grids that can accommodate that reactor, but not a larger reactor at this point.

● (1600)

Sima Acan: Dr. Keefer, can you talk about the refurbishment of the CANDU reactors? I believe it's about 40 or 50 years. What is the benefit back to Canada when we export a CANDU reactor outside and when the refurbishment is in place? What are the benefits to Canada in terms of jobs and the supply chain?

Christopher Keefer: CANDU reactors are distinct, again, from those American-style reactors in that we perform something analogous to an engine swap out every 30 years. It's not a replacement of the entire reactor, but the pressure tubes inside it, primarily. This is a source of activity for the nuclear industry domestically and internationally.

For instance, in the setting of Romania, Cernavodă's unit one is currently undergoing refurbishment, and 1.9 billion dollars' worth of contracts were issued to AtkinsRéalis for the refurbishment of this reactor. We see recurring revenue coming from these exports that were made historically in the 1980s and 1990s. I think that's quite attractive, and it has maintained, in contrast to many other western nuclear industries around the world, a very active and engaged set of Canadian suppliers and engineers, which, again, have atrophied in other western locations.

Sima Acan: Thank you.

Dr. Keefer, as you mentioned CANDU 6 in your opening remarks—

The Chair: I'm sorry, Ms. Acan. You have nine seconds remaining.

Sima Acan: Thank you so much.

The Chair: Go ahead, Monsieur Simard.

[Translation]

Mario Simard (Jonquière—Hébertville—Pays-des-Bleuets, BQ): Thank you very much, Madam Chair. I'm happy to use these nine seconds.

Thank you, witnesses.

Mr. Mousseau, it is a pleasure to see you again. In your last exchange with my colleague, you once again demonstrated your ability to debunk myths. I'd still like to come back to that briefly, because here, from a political perspective in Ottawa, we hear a great deal about Canada as an energy superpower. I'm not putting words in your mouth, but you put it very well just now: Canada cannot be an energy superpower, as it does not control oil prices or market rates. We also need to debunk the myth that the more oil we produce, the cheaper it is for consumers at the pump. We mustn't think in those terms. I think that's quite clear, and I hope that the report we're going to draft will mention this.

I'd like to steer the discussion towards the following point. The more we look at the government's current policy—which aims, through the Pacific Link project, among other things, to increase oil exports—the more we realize that it is inconsistent. I would like you to talk to us about this because 91% of our oil exports go directly to the United States. If, today, we want to develop something like Pacific Link, the aim is to wean ourselves off our dependence on the Americans.

In your professional judgment, if we produce more oil, does that necessarily mean we'll be able to develop new markets? Do you think, rather, that energy consumption in North America follows a pattern that is set to continue? As proof, the only product exempt from customs duties in the current tariff war is oil. Are we not somewhat captive to the American market when it comes to oil?

Normand Mousseau: We'll bring the oil to Vancouver and we'll be able to export it, but the question will be the price. Prices are expected to fall once the war in Iran is over, because we have seen an increase in production capacity elsewhere. There will be a revival in the Middle East to boost production and recoup losses. Prices will fall against a backdrop where the cost of transporting a barrel of oil from Alberta to Vancouver is very high.

The Trans Mountain pipeline is already operating at a loss, and the charges are higher than for transporting oil from Alberta to Texas. The new pipeline will be even more expensive. If we charge the actual cost, it will be very difficult to make a profit from exporting a barrel of oil in a global context where prices are falling.

In my view, the problem is that the focus in Canada is on oil. Consequently, not enough attention is being paid to manufacturing

and industrial development. This is narrowing Canada's economic diversity.

• (1605)

Mario Simard: I was just getting to that. We're a bit stuck at the moment because it is, after all, a zero-sum game. The investments the federal government makes in fossil fuels are investments it is not making in renewable energy. I think that's what you touched on a little in your opening remarks.

At present, the increased spending on gas and oil infrastructure, in my view, risks exacerbating the delay we're already facing in terms of electrification. Do you think this is a viable argument?

Normand Mousseau: At the very least, what should be done is to guarantee—for example in provinces that are not focused on oil and gas, such as Quebec and Ontario—similar investments that would structure and modernize electricity investments. That's what's missing.

It's clear to see that British Columbia's position is unambiguous. By focusing on natural gas—owing to the jobs it creates, the government's attention and the type of capital being invested—it's impossible to maintain and develop a manufacturing sector. Investment in the manufacturing sector in British Columbia is in free fall, whereas the opposite is true in Quebec.

It's obvious that fundamental choices must be made, and we can't do both because the type of capital isn't the same and the duration isn't the same. It's easy to drill and start operating an oil well. Building an industry takes decades; losing it happens quickly. It's a very, very different structure when it comes to economic development.

Mario Simard: Like me, you've seen the electrification policy announced by the federal government, which proposes to double the share of electricity in Canada's energy mix by 2050. We know that it currently accounts for 17%. Do you think it's ambitious to double that share by 2050?

Normand Mousseau: I actually expect it to be more than that. It will have to be more than doubled. However, announcing that it will be more than doubled is scary. So, for me, this is fine. The big issue here is that this strategy lacks any vision for innovation. Right now, the energy system is being transformed. All you have to do is look at what's happening elsewhere. Instead, we should use that vision to say how we innovate and how we incorporate innovation into our practices, the products we use and the industry—in terms of its capacity—by creating domestic markets. If we want to export, the best way to provide capital to the industry is to offer a domestic market that will enable the development of products, their testing, their demonstration and, after that, their promotion abroad.

Mario Simard: Thank you.

[English]

The Chair: I am sorry to interrupt, Professor, but I have to move on.

Mr. Au, you may go ahead, please.

Chak Au (Richmond Centre—Marpole, CPC): Thank you.

I want to ask Mr. Keefer a few questions.

You have been warning that the loss of nuclear sovereignty is a serious problem for Canada. In January 2024, you even said that Canada risks performing low-value assembly while the U.S. retains high-value engineering design and export control.

Since then, have you seen any progress or improvement on this front?

Christopher Keefer: I was pleased to see that the Canadian nuclear energy strategy focuses largely on CANDU, particularly that the federal government recognizes that the export reactor that Canada has is the CANDU reactor. I think we are seeing through some of the slightly dubious marketing around not only the Westinghouse AP1000 but also the BWRX-300, for which, again, we're making substantial investments—\$21 billion between the federal government, the Ontario ratepayer and the Ontario government—to develop a first-of-a-kind technology for GE Hitachi.

It's very much in keeping, I think, with the surrendering of Canadian IP that we've seen not only in the broader branch planting of the economy but also in the loss of some of our economic complexity in the aerospace industry. I think we have something really unique here. Canada used to lead and used to own IP in a number of strategic sectors. In communications, for instance there was Nortel and BlackBerry. CANDU is one of the few areas where we really retain this leadership and this full sort of tier-one status. I think we have some pretty clear choices to make.

I'm pleased to see the direction in which things are heading, and I believe that the trade war really drives home these questions in a much stronger way. I think co-operation with U.S. companies on nuclear had a much stronger place—if you could imagine an auto pact-style arrangement, where there was goodwill between the countries and a real desire to take advantage of the comparative advantage of the countries and work co-operatively.

Those days are certainly behind us at the present, and I think the question is whether this is a temporary blip in otherwise sunny relations, or a little bit more of a ratchet or something that's at risk of recurring in the future.

I hope that answers your question.

• (1610)

Chak Au: To follow, I would like to ask whether you have seen any progress in Canada securing sovereign IP or in even more control of our own exports of nuclear energy?

The U.S. has some authority over us. Is that right? They have some constraints on us to export nuclear energy. Have you seen progress in that respect?

Christopher Keefer: To clarify, with CANDU technology, because we own the IP and we developed it, we have control over our own exports. When it comes to U.S.-origin technology, despite Westinghouse's Canadian ownership through Cameco and Brookfield, the technology itself is developed in the U.S. and there are controls on its exports. That shouldn't dramatically affect us if we're, for instance, collaborating with the Poles on exporting some AP1000 components or BWRX-300 components. That being said, that would apply to normal times and we certainly don't seem to be living in those.

The exercise of those export controls is at the mercy of the Secretary of Energy. It can be a political process. It certainly shouldn't be, but it can be. It provides Americans with the ability to disadvantage Canadian suppliers through bureaucratic delays and things like that. I think it's a risk that, again, a couple of years ago may have sounded a little bit paranoid, but not so in the recent context of just how insane, frankly, Canadian-U.S. relations have become. I think the Gordie Howe bridge is a really incredible example of the change in trade relations.

I think it's wise that we at least approach this with our eyes wide open to the potential of those export controls being weaponized against the Canadian supply chain.

Chak Au: I want to shift the focus a little bit.

Canada wants to become a major nuclear exporter again, but countries like China can offer a foreign customer not just a reactor design but also financing, engineering, construction and a domestic supply chain as one package. Can Canada realistically compete with that model? What would government and industry have to do differently to make CANDU exports commercially competitive?

The Chair: That's a great question, but only 20 seconds remain.

Can you somehow give a very brief answer?

Christopher Keefer: It's absolutely correct that China and Russia retain a huge advantage here, but the reality is that there are markets that will not accept Chinese and Russian technology. I think Canada has the potential there to try to mimic some of those capabilities and become competitive.

The Chair: Thank you very much.

Monsieur Lavoie, you have five minutes, please.

[Translation]

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

Mr. Mousseau, I'd like to talk to you.

You piqued my interest during your earlier discussion with my colleague opposite, who has talked a lot about oil this week. I think that's the word he's used most often this week. I'm teasing him a bit.

You know, we are an energy powerhouse and we want that to grow even more in Canada. Oil isn't the only energy source in Canada.

However, there is one thing that struck me. That's why I want to talk to you. You were talking about prices, which were going to drop in five, 10 or 15 years. I'll be perfectly honest, I have a bit of trouble accepting the prediction that, in 10 or 15 years, the price of oil will drop, knowing that we're not immune, on a global scale, to different scenarios. Ten years ago, no one on the planet could have predicted that we would be where we are today.

Now we're talking about long-term strategies. We're trying to figure out how we want to position ourselves across a number of different energy sources. We want to diversify exports. I also fully understood the aspect of regional diversification that you raised earlier. I found that very interesting. However, what gives me pause is the idea of planning and predicting prices, and how that influences our long-term decisions on strategies and investments in costly projects.

So I'd like to hear you talk a little more about that, unless you have a crystal ball and I don't know it. I'll let you tell us about that.

• (1615)

Normand Mousseau: Actually, I wasn't talking about 10 to 15 years. I was talking about a year or two from now, if the war ends.

Steeve Lavoie: You know, building a pipeline or other projects is a very long-term endeavour.

Normand Mousseau: Yes, I know that, but these investments are being made in a global context where there are a number of players who will want to produce oil and who can produce low-cost oil.

On the other hand, as far as I'm concerned, this is public money, and that's where the problem really lies. If they were building the pipeline with private money, I would say all the better if they make money and too bad if they don't. However, for me, it's mainly the fact that this focus, this money and this effort being put into gas development across Canada are undermining Canada's capacity. That's the issue we're discussing here, among other things—namely that the export of clean technologies is undermining Canada's ability to export clean products precisely because we can't do everything. In addition, attention is being completely diverted away from these important issues and away from the centres where technology is being developed and deployed.

Steeve Lavoie: I have two quick questions for you.

You were talking about the price and the fact that others can do it. Do you include the geopolitical aspect in your analyses?

Normand Mousseau: What do you mean?

Steeve Lavoie: I'm talking about the entire geopolitical aspect. As we know, Canada is geopolitically stable. When it comes to investment, we know that it attracts more investment compared to other parts of the world and our neighbours to the south. Over the past year of related discussions, we've been hearing about predictability. That's the word that's come up most often. That's what people, governments and investors are looking for.

In your analysis, when you talk about a project like that, do you think that Canada's geopolitical situation is still working in its favour?

Normand Mousseau: Yes. Again, however, that is not the core of the analysis we conducted. In my opinion, countries may be willing to pay a little more to ensure security. However, they won't pay \$5 or \$10 more per barrel of oil, for example, to ensure greater availability. Historically, we know that countries will keep strategic issues in mind for a few years, but will then quickly seek out the lowest prices because, otherwise, it's too expensive. I look at Indonesia and see how much it's currently paying to subsidize its citizens' use of propane. The costs in the budget have nearly doubled this year.

Steeve Lavoie: Okay. Thank you very much, Mr. Mousseau.

Mr. Mongeon, you were talking about exporting your boats. Were you referring more to the boats themselves or the technology involved?

Alexandre Mongeon: I'm talking about both, the motors and the boats.

Steeve Lavoie: Are you looking for a motor that you can add to any type of boat?

Alexandre Mongeon: It works in any type of boat, whether it's 20 feet, 30 feet or 40 feet long. It's like installing a Mercury out-board motor on a boat. Boat manufacturers around the world don't produce their own motors, so they buy a gasoline motor or an electric motor, which they can purchase from our company. We export a bit to Europe, but mainly to the United States.

Steeve Lavoie: Thank you.

[English]

The Chair: Thank you very much.

Mr. Simard, you have two minutes, please.

[Translation]

Mario Simard: Thank you very much, Madam Chair.

I don't have much time, Mr. Mousseau, but I'd like to go over something with you. In the past, we've discussed the federal government's electrification strategy and the associated tax credits.

Given the way this strategy is structured, is it aimed more at helping certain provinces catch up in terms of electrification than at truly driving commercialization and generating exports related to electrification and the surrounding industry cluster?

I don't think that supporting the construction of lines will drive innovation. In your opinion, is there currently a framework for innovation in electrification within federal policy?

Normand Mousseau: No, and we think that's a significant gap. Innovation must absolutely be at the heart of this transformation. Again, it's not just about supporting basic research. It's also about figuring out how to integrate innovation into networks and how to deploy those networks at scale.

Therefore, we need strategies and pilot projects that align with visions of large-scale deployment. The federal government could also play a role in strengthening collaboration among the provinces, which tend to work a lot in silos, despite their relatively small markets.

• (1620)

Mario Simard: This is a bit of a blind spot for the government right now. However, it is still taking some action. For example, there is IDEA Contrôle, which we've already discussed. This is the type of initiative that could prove promising. These are people capable of implementing storage technologies to manage peak power demand. So supporting this type of initiative would be more beneficial.

Normand Mousseau: Yes, and the initiatives need to be integrated, as well. So we have to create the market for these technologies to be purchased, integrated and demonstrated in real-world settings. Right now, the government is supporting the industry until it has a product to sell, and then tells it that, since none have been sold, it won't buy the product. In Canada, this happens very often.

Mario Simard: Thank you very much.

[English]

The Chair: I appreciate that.

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

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

Thank you also to our witnesses for appearing and for providing their valuable testimony. I apologize to them, as I'm going to take some time away here to deal with an issue of committee business.

Madam Chair, I'd like to move the motion that I put on notice a few days ago, October 5. It was put on notice before the committee with respect to Taiwan, particularly with respect to the trade and co-operation framework agreement that is agreed between Canada and Taiwan.

I believe everyone has a copy of the motion, so I will not reread it in its entirety. In summary, it acknowledges the work of the Government of Canada to support ongoing parliamentary efforts to deepen our bilateral relationship with Taiwan. We've had the ambassador here speaking about that. It requests the government to sign the agreement that has been outstanding since at least March of this year.

In response to a written question that I asked of the government, I've been informed that there's nothing outstanding and that the agreement is simply awaiting signature. The motion would also ask the government, from its perspective, what is outstanding with the agreement that would be preventing it from being signed.

As you are aware, Madam Chair, we're about to head to Taiwan in an act of friendship and solidarity with Taiwan and its position. I'd like the committee to express its support for Taiwan before we do that.

I would also like to mention that the foreign affairs committee proposed a similar recommendation this week in the House in its report with respect to this agreement as well, so there would be

alignment between the foreign affairs committee and the international trade committee.

Those are the reasons I'd like to move this motion today. Thank you.

The Chair: If I could add, Mr. Mantle, we have already adopted a previous report recommending the same thing, and we are waiting for that to happen, so it's a duplicate.

You also have a problem with the date of October 15 and asking for a response. It's not possible for that to happen unless we get an answer tonight, and I don't think that's going to happen.

Anyway, I open the floor to the committee for discussion on this motion.

Go ahead, Mr. Naqvi.

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

I appreciate my colleague Mr. Mantle putting forward this motion. I have been in conversation with him, and I appreciate that he gave me a heads-up. My suggestion to him was that, of course, he's free to move this motion, but we could leave the matter at that for the time being for some of the reasons you just suggested, which are absolutely appropriate.

Also, I believe you are planning to do a bit of a planning meeting when we come back after Thanksgiving, in order to talk about the kinds of matters and motions we want to deal with in the House. I have also organized a meeting with Ms. Kusie, who is the new vice-chair and critic for international trade, in order to discuss all these various motions.

I think it would be better to deal with these matters once those conversations have been had among all of us, so we have a better sense of the plan of work. There are a lot of other notices of motions and interest on the part of other members, and it would be unfair if we just start dealing with motions as one-offs.

The Chair: Thank you very much. I think your points are well taken.

For Tuesday, October 20, I'm planning a committee meeting so that we can go through the multitude of motions and studies we have on our plate.

I would be interested to hear a comment back from Mr. Mantle, and then Mr. Genuis.

• (1625)

Jacob Mantle: Thank you, Madam Chair.

The Chair: Just as a reminder, we have witnesses, and we only have three minutes left.

I have Mr. Mantle, if he wants to respond. Otherwise, I'm going to—

[Translation]

Linda Lapointe (Rivière-des-Mille-Îles, Lib.): This witness is from my riding, and I'd like to speak with him.

[English]

Jacob Mantle: The gentleman...right now?

Linda Lapointe: Yes.

Jacob Mantle: I'm happy to speak about this at the beginning of the next panel if Madame Lapointe would like to...

The Chair: For the moment, let's just hold this down. Let's try to complete the witness list here.

[Translation]

Linda Lapointe: Okay.

[English]

The Chair: We'll switch over to—

[Translation]

Mario Simard: Hold on, Madam Chair.

I have never operated that way. If a motion is proposed, we don't move on to something else just to propose another motion afterwards. We can adjourn the debate on this and decide to take it up another time, but we can't come back to it. I've never seen that happen in any committee. I've never operated that way.

When someone moves a motion, we either debate it fully or adjourn the debate and come back to it another day. We can't just bounce it back and forth like that. I've never seen that before.

[English]

The Chair: Thank you, Mr. Simard. I appreciate that. I know you're new to this committee, and I want you to know that we work very well together. Everybody understands one another's objectives, and we try to accommodate as best we can.

Is it okay with everybody if Ms. Lapointe gets her questions in?

(Motion allowed to stand)

The Chair: Thank you.

I appreciate your point, Mr. Simard.

Madame Lapointe, you have about five minutes.

[Translation]

Linda Lapointe: Thank you very much, Madam Chair.

Thank you all very much. I am pleased to welcome the witnesses.

Mr. Mongeon, welcome. You are from my riding and you have been in Boisbriand for a long time. I appreciate your being here.

Earlier, you talked about exports: 96% of your production—including not only the boats but also all the motors you manufacture—is mainly destined for the United States. There are distribution networks in Europe. What are you missing? What would you need? After all, there is Export Development Canada.

Alexandre Mongeon: We reviewed development support programs with these groups, but the support was inadequate. It was covering about 3% or 4% of the total cost.

Today, in the United States, we're probably the biggest player in the electrification sector because we've invested substantial

amounts over the last eight to 10 years. We would probably need to do the same in Europe, which is a much larger market than the United States. Demand is higher there, and people are much more knowledgeable about electrification than in Canada. That's the part [Technical difficulty—Editor].

Linda Lapointe: I didn't hear the last sentence you said about Europe. We can't hear you.

Can you hear me?

[English]

The Chair: Mr. Mongeon, we're not able to hear you. Just give us a minute to see if we can correct the technical problem.

[Translation]

Alexandre Mongeon: Can you hear me now?

Linda Lapointe: Yes, it's back.

In your last sentence, you referred to Europe.

Alexandre Mongeon: Europe is a much larger market than the U.S. market. However, spending or investment is much greater than government subsidies. Government subsidies are really minimal compared to the spending that will be necessary to achieve the results we have on the American side.

Linda Lapointe: When you talk about patents and the intellectual property you have in the field of motorization, do you have any competitors in that area, whether in Europe or the United States?

Alexandre Mongeon: In terms of propulsion performance, we have virtually no competition. We're talking about much lower power levels, low-speed power, with an average speed of five to 10 kilometres an hour for a boat. No one is currently competing with us.

Linda Lapointe: Are the tariffs currently imposed by the United States hurting you?

Alexandre Mongeon: They started affecting us a few weeks ago. Previously, we were able to negotiate and work with them, but since the latest announcements, yes, we have been heavily impacted by these tariffs.

Linda Lapointe: I have another question. You have surely heard about the new productivity mega deduction.

Is this something that will be useful to you for machinery purchases or other upcoming initiatives in the development of your business?

● (1630)

Alexandre Mongeon: We do not intend to purchase machinery. If we did, it would likely be used, but we don't intend to make any purchases. We prefer to use local assemblers or subcontractors rather than invest in our own equipment.

Linda Lapointe: Thank you.

What message would you like us to take away regarding electrification and innovation? What should we be promoting to help you?

You said earlier that there's a potential market of \$14 billion and you still seem quite alone, based on what you've just told me.

What kind of support do you want from the Government of Canada?

Alexandre Mongeon: We would like to have support for the industrialization and commercialization of the product in Europe, since the Asian market is taking the lead in that area. Asian companies are our only competitors. You could say they're still in the developmental stage, but they're moving very quickly into those markets. So we'll soon have to compete with them. We may be about a year ahead of them, but we know they're coming at us full force.

Linda Lapointe: Thank you very much for being here.

[English]

The Chair: Thank you very much.

[Translation]

Mario Simard: Madam Chair, I have a point of order. I want to understand this properly. I don't want to block the process. That's not in my nature. However, you see, I still need some clear guidance.

I've never been to a committee meeting where we introduce a motion, decide to stop discussing it and then move on to another issue, with the idea that maybe we'll come back to the motion a bit later. I've never operated in that way. I would like to understand how you operate.

Witnesses will be appearing soon. I have many questions for the representative from Vale Base Metals. However, if we postpone the discussion of the motion until the time allotted for the next panel, some questions will inevitably go unasked.

In that case, when we decide to be "flexible" on motions, does that require unanimous consent? How will we proceed?

So, here's the thing. I have some concerns. I completely understand this. However, I think that we still need to tighten up our procedures a bit. If I submit a motion, I expect to have a debate on it and to ultimately receive a response. Either the motion is approved or rejected. I'm saying this with all due respect.

[English]

The Chair: Thank you, Mr. Simard.

When an individual has the floor, they are free to move a motion if that's how they choose to use their five minutes. Once somebody's moved a motion, we do have to respond to that motion.

Again, as I said, we have worked well together, all of us. We have tried to work these things out so that we're not taking away valuable time from the witnesses.

Mr. Mantle moved it. Ms. Lapointe didn't want to lose her opportunity to accommodate...which I suggest we would do for each other. We understand that. She managed to get her questions in. I'm suggesting that the witnesses can leave now if they choose.

We have to go back and call a vote, defer or whatever on this motion before we can get to our other witnesses.

I have Mr. Mantle's motion. Mr. Mantle has heard the discussion here. Is there further discussion on this, or do we call a vote on this motion?

[Translation]

Mario Simard: Perhaps we should let our witnesses go. They surely don't want to sit through this.

[English]

The Chair: Yes, exactly. That's why I suggested that we thank the witnesses.

Thank you for your very valuable information on this study. We appreciate it. I'm sure you will see it reflected when we do a report.

Now that the witnesses have been dismissed, we will go back to Mr. Mantle.

Are there any other comments on Mr. Mantle's motion?

Mr. Genuis.

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Madam Chair.

Just very briefly, Mr. Naqvi spoke about this motion as if it were a study motion, saying that it should be considered in the context of other potential committee business and studies. I think it's worth noting that it's not a study motion. It's a proposal for the committee to express itself on an issue, not to conduct a study.

Regarding the timeline of the minister's response, it's simply a matter of a request. If the minister wants to respond a few days later, I mean, theoretically, the motion could be amended to substitute a different date. I don't know if there's any point. It's just a suggestion.

We're all saying things on the record. We are saying that if it's not October 15,

• (1635)

[Translation]

it's not the end of the world.

[English]

The point is that this is not a motion to do a study. It's simply for the committee to express itself on an important issue—that is, asking the government to sign the agreement with Taiwan. I think that notably does go beyond previous recommendations of the committee.

Thank you.

The Chair: Are there any further comments?

Mr. Ehsassi.

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

I just want to clarify something. I certainly appreciate the spirit with which Mr. Mantle has introduced this motion, but at no point did I hear Mr. Naqvi suggest that this was a study. This is certainly a matter. I think the definition of a matter, when it comes to committee, is anything that comes before a committee and anything that requires all the members to opine on.

Solely for the purposes of making sure this committee functions better and there is consensus to the extent possible among the members, I would agree with everything Mr. Naqvi has suggested so far.

The Chair: Is there any further discussion?

We'll call the question on the motion.

Jacob Mantle: Can we have a recorded vote, please?

The Chair: Yes...happily.

(Motion negatived: nays 6; yeas 5 [*See Minutes of Proceedings*])

The Chair: We will now resume our meeting.

While our witnesses start to come up to the table, I will go through this for the information of the committee. October 20, as you have heard, is a committee meeting to discuss future business. October 22 will be our Mercosur report. On October 27, if everything is in agreement, we will have the North American customs brokers association. That's Canada, Mexico and the United States. They will come before the committee in an in camera session.

We will move on.

Thank you very much. We're suspending.

• (1635) _____ (Pause) _____

• (1640)

The Chair: I will bring the meeting to order.

Thank you all very much. I offer my apologies to our witnesses. We're running a few minutes behind. Could we have some peace and quiet in the room, please?

From the Canadian Commercial Corporation, we have Mr. Kwon, president and chief executive officer.

Welcome back. It's good to see you again.

We also have Christian Dechamplain, senior director of business development at the Canadian Commercial Corporation. From Export Development Canada, we have Alison Nankivell, president and chief executive officer—welcome back—and Jean-Philippe Nolet, vice-president of structured and project finance. From Vale Base Metals, we have Jeff Gaulin, vice-president, corporate affairs.

I'd like to remind witnesses that they may ask their questions in English or French. I believe you all have the interpretation device connected and know how it works.

We will start with Mr. Kwon for an opening statement of up to five minutes. When you see my hand go up, you have 30 seconds to complete your deputation.

Mr. Kwon, you have the floor.

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

Thank you very much, Madam Chair and honourable members of the committee, for inviting me and my colleague to appear before you.

For 80 years, the Canadian Commercial Corporation has helped Canadian companies access international markets through government-to-government contracting. As a Crown corporation, we leverage the reputation and credibility of the Government of Canada to help Canadian exporters succeed in sectors that are strategic, complex and critical to Canada's long-term prosperity.

While clean energy encompasses a broad range of technologies, I will focus my remarks today on nuclear power, for the purposes of this committee's research. This is where CCC is currently seeing the greatest level of demand and where it has active contracts and opportunities under development.

Around the world, governments are seeking reliable, low-carbon sources of electricity. At the same time, geopolitical uncertainty is driving countries to secure trusted suppliers and partners. Canada is uniquely positioned to meet both needs. Its nuclear sector is entering a period of significant growth. Over the past year alone, CCC's nuclear opportunity pipeline has increased by more than 300%. Today, CCC is working to deliver two near-term nuclear-related projects valued at approximately \$1.8 billion, and we have more than 45 billion dollars' worth of opportunities in our sights over the next 15 years in Europe and Asia.

These markets represent a tremendous opportunity for Canada. Nuclear exports generate high-value economic activity across the country. A single nuclear project can support 100 to 200 Canadian companies throughout the supply chain.

Success depends on more than our world-class technology. It requires Canada to present a coordinated and competitive offer to buyers. That is why a team Canada approach is absolutely essential. CCC, Global Affairs Canada, NRCAN, EDC, Finance Canada, Atomic Energy of Canada and the Canadian Nuclear Safety Commission, as well as industry partners, all need to be part of this team. Each of us has an important role to play. When these partners work together cohesively, Canada is far better positioned to compete against countries that already bring highly coordinated government support to their nuclear exports.

CCC is aligned with the nuclear energy strategy released by NR-Can last June. CCC is referenced as an important tool for our government-to-government contracting model and contract structuring expertise. CCC helps reduce risk for foreign government buyers of Canadian nuclear technology, while providing confidence that Canada stands behind the contractual commitments being made.

As the strategy document outlines, reactor exports establish multidecade partnerships that support enduring geopolitical and commercial relationships. The initial 40-year lifespan of reactors are regularly extended once and sometimes even twice, building long-term relationships that advance Canada's foreign policy interests. These contracts require sustained engagement with foreign governments, long-term financing solutions, regulatory co-operation, supply chain coordination and significant government support. We're committed to working with our federal partners and with Canadian industry to help turn these opportunities into long-term economic growth, high-quality jobs and enduring international partnerships.

In closing, honourable members, for your reference, CCC has shared a Canadian capabilities guide that features dozens of clean-tech exporters from across the country. These companies have been vetted by CCC for future export opportunities.

I very much look forward to collaborating with our federal partners to help these companies scale their operations, expand into new markets and increase their sales globally.

Thank you very much for your time.

● (1645)

The Chair: Ms. Nankivell, you have five minutes, please.

[Translation]

Alison Nankivell (President and Chief Executive Officer, Export Development Canada): Madam Chair and committee members, thank you for inviting me.

I'm joined today by Jean-Philippe Nolet, vice-president of structured and project finance.

We're pleased to contribute to your study on Canada's clean energy, clean technology and critical mineral exports.

For the benefit of people who aren't very familiar with our agency, I would like to briefly summarize the mandate of Export Development Canada, or EDC. We're Canada's export credit agency. Our mission is to support and develop the country's international trade. To fulfill this mandate, we provide financing, insurance and guarantees, for example. We also leverage our international presence and our network to integrate Canadian companies into global supply chains.

[English]

We also have one of Canada's largest structured and project finance teams, which enables us to support both domestic and international projects. We operate on commercial terms, which ensures our work complements that of the private commercial banks and insurers.

We feel well positioned to contribute to your study. It feeds into Canada's clean economy, including clean tech, nuclear and critical minerals. These all count as strategic sectors of focus for EDC.

It's also timely to have this discussion, because we just published today our annual clean-tech report, which we will table to the committee. Of note, the report outlines why, in this era of geopolitical tensions, energy price volatility and supply chain disruptions, clean tech has become an increasingly competitive trade opportunity for Canada and one that will bolster our long-term economic resilience. The report identifies our strongest opportunities in six areas of value chains: batteries, electric vehicles, fuel cells and hydrogen technologies, nuclear energy, electricity grid equipment and critical minerals.

It's important here to emphasize the need for Canada to strengthen its capabilities all along these value chains, especially as it relates to nuclear technologies and critical minerals. In fact, we've delved separately into this economic imperative in a white paper we published recently, called "From resources to resilience: How Canada can capture more value through trade". We will be happy to also table this paper with the committee. In it, our economics team found that Canada can increase its economic complexity by producing more sophisticated and unique value goods and services and, through that activity, could add nearly \$100 billion to our GDP by 2035.

In practice, that would look like converting copper and steel, for example, into complex electrical grid infrastructure systems, or moving downstream from uranium to exporting nuclear energy systems and life-cycle services. With Canada's leading research institutions, innovative companies, highly skilled workforce and attractive investment environment, we're in a strong position to upscale this way.

I'll end here by reinforcing how committed EDC is to growing Canada's economic complexity, bolstering the types of clean economy companies that can capture more value from global value chains. As a note, since 2012, when we made clean tech a strategic priority, we've become a leading financier in this sector, facilitating nearly \$60 billion of clean-tech business. In 2025 alone, we served an all-time high of 548 customers, facilitating \$8.3 billion in business.

The critical mineral space is, of course, one where our support spans the full ecosystem as well, from project development and mine expansions to processing facilities, suppliers of goods and services, and exporters delivering Canadian mining technologies to the world. Given our national strategic imperative to accelerate these projects, we've expanded our scope to provide earlier preconstruction financing that helps viable projects move forward.

Finally, as it relates to our support for nuclear, EDC is certainly playing a key role, along with CCC and our other team Canada colleagues. We're engaged in conversations that ministers are having with several governments around the world that recognize the potential of Canada's nuclear sector.

In the years ahead, we look forward to supporting Canadian capabilities in areas like small modular nuclear technology innovations and the development and refurbishment of nuclear plants.

• (1650)

[Translation]

Thank you for giving me the opportunity to share some information about EDC. We would be happy to answer your questions.

Thank you.

[English]

The Chair: Thank you very much.

We'll have Mr. Gaulin, please, for five minutes.

[Translation]

Jeff Gaulin (Vice President, Corporate Affairs, Vale Base Metals): Thank you, Madam Chair and committee members.

I'm pleased to be here today to speak with you about critical minerals, as well as mineral exports and development in Canada.

[English]

At Vale Base Metals, we are stewards of nickel, copper and cobalt in Canada, Brazil and Indonesia, led by a global leadership team in Toronto.

In Canada, our 7,000 employees mine, explore and process minerals from eight mines and three refineries. Last year, we produced 101,000 tonnes of refined, defence-ready, battery-grade nickel; 89,000 tonnes of copper concentrate to power AI and electrify the future; and 3,241 tonnes of cobalt, the most of any NATO country.

Our refineries in Wales and Japan also ensure that Canadian critical minerals reach diverse customers around the world in Europe, Asia and America. In 2025, we sold 4.5 billion dollars' worth of Canadian critical minerals worldwide: 34% to Europe, 26% to the United States and 20% to Asia-Pacific. We are well diversified, yet still ready to grow.

Our greatest commodity is trust. At Vale Base Metals, we provide mineral security to a world in transition. Our combination of geology, geography and reliability allows us to deliver a responsible supply today to transform the world of tomorrow. Canadian critical minerals power, without interruption, global AI and data centres, robotics and defence systems, energy and telecommunications. The opportunity to grow Canada's mineral trade starts now.

The International Energy Agency reports that the demand for critical minerals is surging, that supply for refined minerals is highly concentrated in China, which suppresses prices, and that the threat of export controls is rising. In short, critical minerals have become weaponized, a new geopolitical currency as countries and companies scramble to fortify their supply chains.

The strategic vulnerability of others is a strategic opportunity for Canada. Canadian critical minerals galvanize the industrial base in the economies of our trading partners such as Korea and Germany. They create jobs in energy, technology, automotive and defence. Germany is Vale Base Metal's second-largest global market for Canadian minerals, behind only the United States, yet only 1% of German nickel is supplied from Canada. This shows a tremendous opportunity for Canada to both increase trade and grab global market share.

Before we can sell more Canadian minerals, we need to get them out of the ground. Despite Canada's polymetallic endowment, we are not extracting enough minerals today to keep our existing refineries competitive. Mineral production has been in decline in Canada for the past decade. Nickel is down 44%, and copper is down 23%.

VBM mined 85,000 tonnes of nickel last year, yet we had to import an extra 14,000 tonnes of nickel to Sudbury, the capital of nickel production in the western hemisphere and home to the second-largest deposit in the world. We had to import. We need to reverse this trend and get mining and refining growing again in Canada.

For example, VBM operates the Voisey's Bay mine in Labrador and the Long Harbour refinery in Newfoundland, operations that are strategically located on Canada's east coast. We could extend the lives of the mine and of the refinery to supply the EU for decades with 37,000 tonnes per year of low-carbon, high-purity class one nickel, 18,000 tonnes per year of copper, and 2,600 tonnes of cobalt.

The nickel and cobalt that comes from Voisey's Bay is used in superalloys for defence, aerospace and energy, exactly the types of minerals our partners and allies need in Germany, Poland, Japan and Korea.

Our trading partners are not going to switch easily from their suppliers today in China or Russia. Those markets will fiercely protect their industrial competitiveness. Canada needs to compete for global market share through a sharper value proposition that mitigates risk for our trading partners. Our mineral trade needs to offer production continuity, brand protection and cost competitiveness. That is mineral security.

• (1655)

Today, the high cost of developing Canadian minerals is a barrier to trade. Mining CEOs are not rewarded by investors for building geopolitically strategic mines or refineries. They are rewarded for disciplined capital allocation on projects that generate the best returns.

This is where federal action can help: Lighten the cost burden to accelerate brownfield opportunities—

The Chair: Mr. Gaulin, I'm sorry. I have to interrupt you.

Can you finish your last comments in response to some of the members? We're very tight for time.

Jeff Gaulin: I have two lines.

IRRs and NPVs get mines built, not MOUs. It is time to grow mining and move from "just in time" to a world of "just in case".

Thank you.

The Chair: Those are great points.

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

Jacob Mantle: Thank you, Madam Chair.

Thank you to our witnesses for appearing and providing their valuable testimony.

My first question is about nuclear. I leave it open to whichever members of the panel want to answer, but they will likely be from EDC or CCC.

We've heard about two technologies over the course of this study, the Westinghouse AP1000 and the CANDU model. My understanding of the state of play is that AtkinsRéalis is working on a new model of CANDU, but that's several years away from being available technologically and further away from being available for export. We heard from Westinghouse and Cameco that the AP1000, of course, is currently operating their technology in 57% of reactors around the world.

Do you have any preference for one technology over the other in terms of your support for selling this technology across the world? Westinghouse, of course, is now owned by the Canadian companies Brookfield and Cameco. We've seen these two competing technologies.

Do you have any opinions on those? Are you supporting them equally? Do you favour one over the other, and if so, for what reasons?

Alison Nankivell: Thank you for the question.

I'll start off by just clarifying that there is a transaction that EDC is involved in that involves Westinghouse AP1000 and a Polish utility. We've put forth a letter of support, but that letter of support

was not in support of Westinghouse. It was in support of the Canadian suppliers who would be supplying the project. It is being proposed to encourage the Polish utility and Westinghouse to procure as much of their supply chain as possible from Canada, as opposed to other jurisdictions.

Any support we have provided so far has not been directly to Westinghouse or any of their technology. It has only been proposed to support a Canadian supply chain that might go into the ultimate Westinghouse project.

Robert Kwon: From CCC's perspective, similarly, we've been engaging with AtkinsRéalis Candu Energy on a number of projects around the world. At the moment, we're exploring opportunities in Poland and Turkey and opportunities—largely refurbishment—for the existing fleet of CANDUs around the world, including in Romania, where we are actively involved.

From our perspective, it's really a matter of supporting the demand and the pull from the Canadian exporter, in this case AtkinsRéalis CANDU. That's where we've been focusing our energy at the moment.

Jacob Mantle: Thank you for that.

Just to follow up on your response there, if I'm understanding it, you're making a distinction between Canadian companies that are involved in supplying things to Westinghouse and Westinghouse itself. Why are you making that distinction? Do you not consider Westinghouse to be owned by Canadian companies or supporting the Canadian supply chain?

I'm curious there. Are you checking each and every other Canadian company that you are supporting to ensure that the supply chain is in Canada?

Alison Nankivell: When we work on a project, we do have a verification and definition of the Canadian supply chain. It is done with an estimate provided and the list of Canadian suppliers involved. Whether it's CANDU or Westinghouse, we would try to provide support equivalent to what we believe the Canadian benefit is. In the context of benefits, there is a greater benefit related to the IP side of CANDU, just in terms of estimates of benefit, as opposed to the Canadian identity of something. It's about the underlying impact of Canadian value-add that is part of that value chain. IP owned by Canada would be part of it.

It's not that we don't support Westinghouse. Our calculation for support of any nuclear project is based on a calculation of Canadian benefits, and we're quite precise in how we do that.

• (1700)

Jacob Mantle: To be clear, I'm fairly agnostic on these technologies, but there seems to be a divergence in the government supporting one over the other. At least that's my impression. The nuclear strategy references CANDU about a billion times, and references the AP1000, in brackets, once.

It seems to me that there's a picking of winners and losers going on. I'm not suggesting that this is what your organization is doing, but that's the impression that I'm getting. I'm just trying to understand why that may be the case.

Thank you.

The Chair: Thank you very much, Mr. Mantle. You have 18 seconds remaining.

I think Mr. Mantle was trying to make a comment there.

Mr. Fonseca.

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

Thank you to our witnesses. What I see before us is our team Canada approach. We have CCC, EDC and the private sector here with Vale. As we look at this team Canada approach, also including, of course, Global Affairs, we have diplomatic missions and the Canadian industry.

I'll start my questioning with Mr. Kwon.

To help us win more major government-to-government clean-tech contracts around the world, this approach that we're taking, how do you see that and how can we take it from where maybe it's good to where it's great so that we all come together? Does that include all provincial governments, etc., so that we can have a one team Canada approach to all of these major projects that you're talking about?

Robert Kwon: Thank you very much for that important question. The way I would respond is that we are witnessing—certainly through CCC, in real time—this renewed team Canada effort. By that, I mean greater coordination earlier on than what I've witnessed in the last five years. That is playing out in real time vis-à-vis our foreign government buyers, where they see more unified, consistent messaging, and the fact that Canada is able to present a more integrated, more cohesive solution to these opportunities.

A case in point—I'll probably get the date wrong—was in the middle of February of this year when I accompanied Minister Hodgson along with EDC colleagues and others as part of that team Canada. For the first time in my long time here, we were able to present a team Canada solution, a credible one, including a very early indication with respect to the degree and magnitude of our financing capacity.

In the past, some of those discussions always happened later on and ended up creating rework, rediscussions. This time around, certainly back in February, we saw real action that said, "Look, as a country we are committed. We're serious." We presented a very credible, serious solution that I think, on the other side, was taken on board and is under assessment.

Just to give you a real example of going from good to great, to answer your question, it is really about showing up with an integrated solution and having those discussions up front, early and consistently, throughout the network. I think that is really powerful.

Peter Fonseca: I'll open it up on the strategic exports office, which was just set up in July. Is that the next component so that a minister or a prime minister would be able to pick up the phone,

call their counterpart and get through any kinds of roadblocks or bring clarity to a project in order to enable it to move forward?

Maybe Ms. Alison Nankivell would like to answer that.

Alison Nankivell: Thank you for the question. I think that's right. The strategic exports office is Canada engaging in trade diplomacy in a way that most other countries do already. It's quite prevalent in Asia. It's quite prevalent in Europe. By having an office focused on this, we are finally, I would say, using the full capabilities we have to project a strong lobbying effort for key contracts.

Obviously, the strategic exports office is for larger-scale contracts. I believe \$100 million and above is the target, but it's incredibly important, as Bobby noted, to have a team Canada approach. It's very clear that there is coordinated financing and coordinated support—for example, in the case of CCC government-to-government contracting—but also that there is an expression of this being an important part of the country-to-country relationship that happens with major contracts. The strategic exports office is really a forum to organize all of us better, to project one voice and to ensure that we are all comparing and building our pipeline together around those key projects and those most likely to move the needle for Canada.

• (1705)

Peter Fonseca: Thank you.

Mr. Gaulin, if I can ask—

The Chair: I'm sorry, but you have 30 seconds.

Peter Fonseca: Very quickly, you know, we have agreements around the world. We have CETA and CPTPP. Where do you see the opportunities in terms of the diversification and growth that you're talking about?

Jeff Gaulin: For us, it's about continuing to sell to the markets where we are and taking increased market share rather than spreading ourselves too thin in too many markets.

Peter Fonseca: Thank you.

The Chair: Thank you very much.

Mr. Simard is next, please, for five minutes.

[Translation]

Mario Simard: Thank you, Madam Chair.

Ms. Nankivell, we met not too long ago. I remember our discussion. We discussed your 2025 report, which cited \$9 billion for the oil industry. We also discussed your 2024 report, which outlined forms of support. You then explained what the distinction between the forms of support—insurance, guarantees and direct support—entailed. You explained this and I understood it clearly. Thank you for that. I find this helpful.

Today, the government wants to diversify the oil export markets. Since Export Development Canada, or EDC, provides export insurance, I figure that the organization must have carried out some analyses. Given that 91% of Canada's oil exports go to the United States, I find it hard to see how we can achieve significant diversification. The United States is the natural market. There are transportation costs and everything that goes along with them. The government now wants to build a new pipeline to export more oil. I assume that EDC has data on this somewhere. This will require export insurance and guarantees.

I would like to hear your thoughts on this. How can we truly diversify the heavy oil sector? Do you have any data? Have any people in your organization carried out studies on this?

Alison Nankivell: In terms of specific data, I'm not sure. However, my colleague might have something, since he specializes in financial projects. That's also a major part of the plan to increase oil production here in Canada.

I'll let him respond.

Jean-Philippe Nolet (Vice-President, Structured and Project Finance, Export Development Canada): Thank you for the question.

When financing a project of this scale, the analysis would normally focus on the commercial aspects. This would come into play right from the start of the project analysis. Before granting a loan or making an investment in a project, it's important to understand that EDC wouldn't typically be the only player. We would be part of the financial solution and we would have investors—

Mario Simard: Sorry to interrupt you. I'm talking about data. The government doesn't make the decision to invest \$44 billion in a pipeline without knowing whether a market exists for it. I assume that data is available somewhere showing that a market for crude oil exists outside the United States.

Do you have anything on hand to show the committee that a market exists for Canadian oil, for example in Europe or Asia? I'm looking beyond the current geopolitical situation to a time when things may return to normal. Is there a market for Canadian heavy oil outside the United States?

Jean-Philippe Nolet: We're talking about heavy oil here. I don't want to speculate about any specific project. It depends on each project. It could be an expansion of an existing asset or a previous project. I don't want to speculate on this point. However, I can say that we have supported the liquefied natural gas industry, or LNG industry. That support was based on investments. At the time, there was demand in Asia. There were contracts in place to support that investment. There was a concrete plan before EDC invested significant amounts in the project.

For future projects, this analysis will—

Mario Simard: I like what you're saying right now. Investments in LNG took place because there were clients at the time. There was something concrete. We're now discussing the construction of a new pipeline. Are there any clients? Is there anything concrete?

I don't think that the government makes decisions in the dark like this. Analyses have been done. If I were the government, I would consult with EDC. The agency has expertise in this area. I would want to know whether a business case has been developed for this. I would like to know whether I'll still be selling exclusively to the United States and whether I'll be captive to the American market.

However, I gather from your comments that we haven't reached that stage yet.

• (1710)

Alison Nankivell: The TMX Group and other agencies of that nature are undoubtedly the most specialized in this type of demand. When it comes to Asia, we often ask them to carry out research on the demand in China, Korea or Japan. This expertise falls more within the TMX Group's purview than EDC's purview.

Mario Simard: I want to go extremely fast.

Madam Chair, I'll keep it brief with Mr. Gaulin.

[English]

The Chair: I'm sorry. There are only six seconds remaining, Mr. Simard.

[Translation]

Mario Simard: Mr. Gaulin, we'll get back to the issue that I wanted to discuss with you. We've already talked about the possibility of setting floor prices. We'll try to discuss this later in order to prevent mining projects from being undermined by China, which engages in dumping. We can discuss this later.

[English]

The Chair: I'm sorry, but I'm going to have to ask, Mr. Gaulin, if you could answer throughout the meeting another way, or if you could speak to Mr. Simard at the end of the meeting.

[Translation]

Mario Simard: I'll have some time later.

[English]

The Chair: We're very tight for time today.

Mr. McKenzie, please go ahead for four minutes.

David McKenzie: Thank you, Madam Chair.

As an item of committee business, I would like to move the motion that was tabled on October 6. I move:

That, in light of Stelco's recent announcement that it will lay off up to 500 workers at its Hamilton and Nanticoke facilities, placing devastating...strain and uncertainty on steelworkers [the committee] invite the Minister of Finance and National Revenue to appear for one meeting....

That is a decent portion of the motion, but not all of it, Madam Chair. I believe it has been circulated to members of the committee.

The Chair: It's being circulated now while we're in the middle of the testimony.

Just for the members, when we have witnesses, we should try not to.... I know it's your time, and you have every right to move this, but I would just ask committee members, when we have witnesses here, that we try not to interrupt the flow of the meeting.

You have moved it. You've given notice of it, and you're correct to be able to do this. I don't know that we have a lot of time for debate it, and I think it might have been a good thing for us to have additional time to discuss it. At the moment, though, the motion is before us.

Am I hearing anything from anyone as to how they'd like to deal with this? Otherwise, I'm going to go straight to dealing with it.

Are there any comments or discussion?

Yasir Naqvi: Chair, with your permission, I just want to make the same comment I made earlier. We haven't done business in this committee in this way, where people are just tabling motions. We have worked in a very cordial fashion, working ahead of time in coming up with an arrangement.

I'm looking forward to working with Ms. Kusie in this committee as the new international trade critic and vice-chair. We have not had the opportunity to have that meeting because she has not been at the committee for the last two weeks, and that's totally understandable. A meeting has been scheduled for next Thursday, two weeks from now, between her and me, to have this exact conversation and to go through all the motions before us so that we can determine a plan that works for all parties. I have not even had the chance to speak to Mr. Simard in terms of what he would like to discuss.

I feel that the system worked well in the past, and I would again suggest—and I've suggested it to my colleagues—that they can table these motions. Perhaps they want to lobby Ms. Kusie on their side, the Conservative side. Then when she and I talk, we can then determine a work plan that works for everyone, along with Mr. Simard's thoughts and agreement as well.

David McKenzie: Madam Chair...?

The Chair: I have to go to Mr. Simard first.

Mr. Simard, go ahead.

[Translation]

Mario Simard: I understand that discussions are already taking place in the Standing Committee on Industry and Technology to carry out the same type of study. I fully agree with my colleagues that the issue is of paramount importance.

Is the Standing Committee on International Trade, here, the best place to carry out this type of study? I don't know. I'm not convinced. I do know that the people in the Standing Committee on Industry and Technology are having this discussion right now. I don't want to hold anyone up. However, if we want to get back to the matter at hand and hear from the witnesses, I would rather adjourn this debate and perhaps get back to it a bit later.

• (1715)

[English]

The Chair: Mr. McKenzie, go ahead.

David McKenzie: Madam Chair, I had a momentary hope that I might salvage some of my four minutes, but I'm there now.

I'm sure that all the members of the committee on both sides would agree with the importance of this issue. My purpose in pushing this forward today is not to put anyone in a difficult position or to make our choices limited. I do not wish to force the other members to vote against such an important motion.

Perhaps we can table this now, and as my friend across has indicated, there will be some discussions amongst our leadership members for the purposes of ensuring that important studies like this come forward.

The Chair: We will hold this down, as far as doing any further action on this until we—

Yasir Naqvi: We can just adjourn debate on this and then go back to the witnesses.

The Chair: We've adjourned the debate on this.

Thank you very much, Mr. McKenzie. It's very much appreciated.

(Motion allowed to stand)

The Chair: I'm just trying to look at the clock.

Mr. McKenzie, you have two minutes. How is that?

David McKenzie: Thank you, Madam Chair.

Mr. Gaulin, I believe you gave some testimony before one of the committees of the House, natural resources, last year, in 2025. I don't know what month of the year that was, whether that was in the fall or....

Jeff Gaulin: It was in February, I think.

David McKenzie: It was perhaps as much as a year and a half ago, then. I'm just trying to get a rough time frame because you gave that committee some recommendations. Really, what I'm going to ask you for is an update on those recommendations.

Are we actually making forward progress, or are we just having a lot of speeches and discussion? That's what I want to understand.

Jeff Gaulin: There has been significant progress on permitting and licensing reform. There's been significant movement on accelerating decisions for projects. There's been significant funding investment available for industry, particularly around infrastructure.

One area that, I think, remains a bit of a gap for us is what to do with our existing mines that still have decades of life in them, rather than the new mines, and the protection of our existing processing and refining assets. These are economically fragile. They are under intense international pressure. They are not cost-competitive for us, but they absolutely are assets of strategic national importance.

I would say, if there's an area for continued activity, it would be around getting more out of our existing mines, which can bring production to market very rapidly to increase our trade. As for our processing assets, while we may not compete on the scale of China, we do compete very significantly in important mineral production, particularly among NATO and G7 allies. We need to protect our refining and processing capacity.

The Chair: Thank you very much. That's it.

David McKenzie: Thank you, Madam Chair.

The Chair: Mr. Naqvi, you have three minutes.

Yasir Naqvi: Thank you very much, Chair.

Thank you to all the witnesses for being here. I think I've worked with all of you in some instances. We've been in meetings together, really sort of living and practising the team Canada approach that everyone has mentioned, which is quite effective, especially in international markets—sitting in those rooms and talking to other governments and businesses that are looking at Canada with a tremendous amount of hope and opportunity in terms of the energy security that we can offer them.

I want to go back to the nuclear issue that both Mr. Kwon and Ms. Nankivell were speaking of.

To better understand, the team Canada approach that you're referring to, which we do, all of us, together, outlines the kinds of services and tools that Canada has available to make these transactions, to make something like nuclear, which is significant.... How are we on a competitive basis, with respect to what Canada is offering versus other jurisdictions that are in the same marketplace trying to sell their nuclear systems?

I feel that we're unique and far more effective than other places, but I want to hear from you. Is my assessment correct or not?

• (1720)

Robert Kwon: Our experience, I mean relative to—and let's exclude Russia in terms of nuclear technology—the western sphere, has been that we are very competitive. I'm not an expert, so please take it in that spirit, but one of the very attractive features of the CANDU Canadian solution is that we have a very healthy, robust supply chain in Canada. The technology in and of itself relies on natural uranium, with no enrichment whatsoever. In today's context of the geopolitical situation, as well as sovereign capabilities, all that narrative actually speaks well to the Canadian solution.

There is also the fact that Canada is also a very trusted and reliable partner at the highest level and all the way down at the commercial level. We are consistently relied upon to uphold the highest standards, not just from the perspective of responsible business conduct but also from that of procurement laws and so forth, regulatory consistency.

When you put all that together, along with our own core value set as Canadians, and that sort of permeates through the industry as well, I think it is very much the case that Canada has a very compelling case. That's why at the moment we are witnessing this sort of demand pull and the opportunities as team Canada across the world for CANDU. It is for this very reason.

My last comment, which I should have mentioned earlier, is that I think Canada also, more than anything else, has proof points through our domestic nuclear industry that we are able to fulfill constructions, new builds and refurbishments—on budget and on schedule—that nobody's ever done. Canada, from end to end, has proven to the world that we have a very compelling solution.

The Chair: Thank you very much.

Mr. Simard, you have one minute, please.

[Translation]

Mario Simard: Mr. Gaulin, I would like you to circle back to the topic discussed a bit earlier regarding a floor price and then a strategic reserve to ensure that we maintain our advantages in critical minerals.

Jeff Gaulin: I'll respond in English.

Mario Simard: Yes, yes. No problem.

[English]

Jeff Gaulin: The opportunity is tremendous, I think, for Canadian critical minerals to expand their market share. I think we have everything from exploration to advanced mining, manufacturing and processing.

I would come back to my biggest point. I think one of the biggest barriers right now, and I think it's only going to grow in a world where supply chains are so fragile, is whether we are cost-competitive. There are other jurisdictions that will almost always supply product at a lower cost. I think there is an advantage to some of the things we do. Our high standards, as I indicated, give us the opportunity to provide security and brand protection to other markets, but we don't always get paid a premium for that. Sometimes we do, but it's not enough to sustain operations, and it's definitely not enough to signal new growth.

I think we have to look at our operations and ask how we can produce a tonne of nickel, copper, cobalt, lithium or graphite in a way that the price is not a barrier for somebody else to buy it. We are far away from a lot of other markets. There are a lot of markets around the world that would love to buy. As supply chains shrink and transportation costs become higher, and the pathways to send some products around the world become a little more insecure, that's going to be a challenge.

The Chair: Thank you, Mr. Gaulin. You have my apologies for having to interrupt your valuable testimony.

Mr. Au, you have three minutes.

Then it will be Mr. Ehsassi for three minutes.

Chak Au: Thank you very much.

I have a question for Mr. Kwon. We know that we have a very high concentration of attention in southeast Asia, the ASEAN countries and perhaps in Europe as well. Are we ignoring some other parts of the world that might have a high demand for our clean energy, for example, Taiwan?

We talked about Taiwan earlier. What is our approach to a place such as Taiwan? You are talking about government-to-government contracts. Would that exclude Taiwan as one of our customers?

Robert Kwon: The short answer is no. In the case of Taiwan, as part of that team Canada approach in the space of foreign policy alignment, we would consult extensively, as we always do, with Global Affairs and the geographic desks.

As it pertains to the clean-tech space in the Indo-Pacific, where we've put some focus, admittedly doing business in that region is challenging even in the best of times. Over the past three or four years—my colleague can speak to it first-hand—we have explored a number of clean-tech-related opportunities, for example, in Indonesia, around smart utilities and water management. Those have progressed but have obviously not translated into signed contracts yet. The Canadian solutions are very viable, but in the economics on the other side, especially in the example that I'm alluding to—on the Indonesian side—there are a lot of barriers on their own side that are getting in the way. It's not so much to do with Canadian solutions. That's one concrete example.

We've explored a number of opportunities in the Philippines. We've had some early discussions in Thailand, but nothing specific to your first country, which is Taiwan, on any of those issues in the clean-tech space.

• (1725)

Chak Au: This is exactly my concern. I think people perhaps do not appreciate the competition in southeast Asia. In that case, if we are just concentrating on the so-called hot areas—you mentioned the Philippines and Indonesia—there are just talks.

Again, my concern is this: Are we ignoring some parts of the world that would be potentials?

Robert Kwon: I would only speak for CCC. We are not specifically excluding certain markets. Where the G to G resonates, we follow.

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

Mr. Ehsassi, you have two and a half minutes.

Hon. Ali Ehsassi: Thank you very much, Madam Chair.

Allow me to join every other member in thanking all of our witnesses. Each of you has done an exceptional job, not just today but on previous occasions as well.

Given the limited time that I have, I will ask Mr. Gaulin a couple of questions.

During your introductory remarks, you touched on two things. First, you specifically said that you're not extracting enough in Canada. Could you unpack that for us and explain to us what some of those barriers are?

Secondly, you talked about cost competitiveness. I assume that would be relative to some other mining companies—perhaps Chinese mining companies. Could you also elaborate on that?

Jeff Gaulin: For those of us who are mature miners in Canada and have been around for a while—120 years or more—the opportunity for us to expand in our existing footprint is immense because we sit upon some of the best mineral deposits in the world. The challenge is that all the cheap and easy stuff has been mined. We have to go deeper. Going deeper, you have a lot of minerals there, but it's much more expensive than building something right at the surface.

One of the challenges, as we continue in a volatile price market that is dominated by a couple of players who do definitely suppress prices, is that it's tough for us to go to our board and to our investors to say, “Put \$3 billion more into Sudbury, Newfoundland or Labrador” with the uncertainty of what the return would be. To put it more specifically, our average price per tonne of nickel last year, for example, was \$15,500. Our all-in cost before we start spending capital to grow is \$12,500. That leaves very little room for margin if some markets wish to oversupply the world market and drive down prices. That's our challenge. That's why being cost-competitive is so important in the future.

Hon. Ali Ehsassi: Just so there's no ambiguity, who would you say is suppressing prices?

Jeff Gaulin: Indonesia is the world's largest producer of nickel, with more than 60% of market share, and it's on a path to 70% by the end of this decade. Chinese-backed investment in that jurisdiction can increase supply overnight, or a change in Indonesian government policy could open the floodgates, flood the market with nickel and drive down prices. It's done that to the point where, in the last two years, 40% of the nickel produced in Australia has been shut in and projects cancelled.

The Chair: Thank you very much.

I sincerely thank all the witnesses for their valuable testimony. I apologize for the disruption, but I'm glad we were able to finish the meeting.

Happy Thanksgiving to everybody.

I'll adjourn the meeting.

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