

**LET'S
LEVEL**



**THE PLAYING
FIELD**

MOVING ECONOMIES

FINA PRE-BUDGET SUBMISSION
AUGUST 2025

RECOMMENDATIONS

To strengthen Canadian competitiveness, we strongly urge the incoming government to take the following action:

1. Unlock private sector investments through competitive tax policies that level the playing field with other jurisdictions, particularly the U.S., such as accelerated depreciation on infrastructure and supply chain investments.
2. Reform regulatory processes for the approval of infrastructure and major resource projects so that decisions are made quickly, with timing predictability clear from the outset, while allowing for adequate public consultation.
3. Modernize Canada's labour laws to mitigate economic harm and improve supply chain reliability by establishing a clear and transparent process to resolve disputes rapidly.



INTRODUCTION

The **Moving Economies** coalition welcomes the opportunity to contribute to the federal government's pre-budget consultations. Our recommendations focus on one clear objective: restoring Canada's competitiveness in the global economy.

This submission is made within a context largely influenced by the current situation in the U.S. Recent tariffs by the Trump Administration have renewed focus on aspects of the Canadian economy which existed prior to the imposition of U.S. tariffs. Private sector investment in Canada is lagging the U.S. and other OECD peers due to a less attractive tax regime and slow, unpredictable regulatory approval timelines.

Canada's long-term economic performance depends on the strength of its trade and investment foundations. Yet today, these foundations are under strain. Canada is losing out on capital investment to peer economies with more competitive fiscal frameworks and faster, more reliable project approvals. Labour disruptions are destabilizing supply chains. Productivity growth is stagnating. At a time when global markets are being reshaped by shifting alliances and economic nationalism, Canada must move decisively to protect its national interest.

The United States, our largest trading partner and competitor for capital, is acting boldly. In July 2025, the U.S. enacted the One Big Beautiful Bill Act, which made 100% bonus depreciation for capital assets permanent. This move will significantly accelerate investment south of the border. Meanwhile, Canada has not kept pace. Our tax and regulatory systems have become a drag on growth, making it harder to build, invest, and create jobs.

In this moment of global uncertainty and economic strain, Canada must do more to strengthen the foundations of its supply chains. That means creating the conditions for investment through a more competitive tax environment, streamlining regulatory approvals to get major infrastructure projects built, and modernizing labour laws to ensure service reliability in essential sectors like rail and ports. These actions will help protect Canada's national interest and ensure long-term growth, resilience, and global competitiveness.

1. UNLOCK PRIVATE SECTOR INVESTMENT THROUGH COMPETITIVE TAX MEASURES

Private sector investment is critical to growing Canada's economy, creating jobs, and building the infrastructure needed to compete globally. However, Canada's investment climate is falling behind. Businesses are choosing to invest elsewhere because of uncompetitive tax policies and the rising cost of doing business.

The United States has moved aggressively to attract capital, enacting permanent 100 percent bonus depreciation for eligible assets under the One Big Beautiful Bill Act in July 2025. This puts Canada at a significant disadvantage. While the federal government has taken some steps to support

investment, such as proposing extensions to the Accelerated Investment Incentive, these measures do not go far enough to level the playing field with the United States.

Canada must act now to create the right conditions for private sector investment. Competitive tax tools like 100 percent immediate depreciation for infrastructure expansion projects, modernization of equipment, and supply chain-related investments are simple, effective solutions. These policies would increase capital formation, improve productivity, and drive long-term economic growth across sectors.

RECOMMENDATION:

Implement competitive tax policies that encourage investment in Canadian infrastructure and supply chains, especially related to infrastructure expansion projects and modernization of equipment. These should include 100 percent immediate depreciation comparable to those available in the United States.

2. REFORM REGULATORY PROCESSES TO GET MAJOR PROJECTS BUILT

Canada needs to build more and build faster. Too many major projects are delayed or cancelled because of regulatory uncertainty, unpredictable timelines, and overlapping approval requirements. This has weakened investor confidence, delayed job creation, and held back the infrastructure needed to grow the economy.

Regulatory processes in Canada are slower and more duplicative than in other jurisdictions. This puts Canada at a disadvantage when competing for global investment.

Investors need confidence that projects will be approved or rejected within a predictable timeframe. Delays add cost and complexity and ultimately drive investment elsewhere. A more transparent, accountable regulatory system with faster timelines would help unlock private capital and strengthen supply chains. This must be done while upholding the highest standards of transparency, environmental stewardship, and meaningful engagement with Indigenous communities.

RECOMMENDATION:

Reform Canada's regulatory processes to ensure timely, transparent, and predictable decisions for infrastructure, resource, and industrial projects. Improvements should include clearer timelines, better coordination between jurisdictions, and more efficient consultation practices that support both economic growth and the public interest.

3. MODERNIZE LABOUR LAWS TO SUPPORT SUPPLY CHAIN RELIABILITY

Supply chain reliability is critically important in the context of Canada's trade-based economy. In the last two years, Canada experienced more than 62 work stoppages in the transportation sector alone, an unacceptable level of disruption. The frequency of these disruptions has tarnished Canada's reputation as a reliable trading partner.

Canada needs a better way to solve labour disruptions. We require a framework that encourages fair wages and working conditions and protects

employees' right to strike. At the same time, there must be a mechanism that protects all other Canadians, including other unionized workers, and the broader public interest, when collective bargaining fails at essential components of our transportation system, such as railways and ports.

This new framework is required to minimize the broad economic damage caused by disruptions to Canada's crucial supply chains.

RECOMMENDATION:

Modernize Canada's labour laws to better manage labour disruptions in essential sectors. This should include stronger tools such as binding arbitration, along with a clear framework that protects the public interest when collective bargaining fails.

ABOUT MOVING ECONOMIES

Moving Economies is a national coalition of industry associations committed to strengthening Canada's competitiveness through better supply chain policy. The coalition brings together voices from across the economy that depend on reliable infrastructure, efficient regulations, and private sector investment to move goods, grow businesses, and support jobs in every region of the country.

Through coordinated advocacy and evidence-based recommendations, **Moving Economies** supports practical policy reforms that will help Canada build faster, invest smarter, and modernize its approach to economic growth.

SIGNATORIES:

- Canadian Federation of Agriculture
- Canadian International Freight Forwarders Association
- Chemistry Industry Association of Canada
- Fertilizer Canada
- Forest Products Association of Canada
- Freight Management Association of Canada
- Global Automakers of Canada
- National Maritime Group
- Railway Association of Canada
- The Mining Association of Canada



CONTACT

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