

BRAD DUGUID – THE REGENT DEBATE: IS CANADA FACING AN EXISTENTIAL CRISIS IN COMPETITIVENESS?

C.D. Howe Institute's second Regent Debate took place earlier this month. Four prominent voices sparred over the following question: Is Canada Facing an Existential Crisis in Competitiveness? Today: the case against from former Ontario economic development minister Brad Duguid.

OK, let me start off by saying, I admire and respect all of my former political colleagues on the panel here today. I knew Dwight and Joe when they were positive, optimistic finance ministers. What happened to you guys?

I hope that political retirement doesn't have the same impact on me.

Look, we know there are some very serious challenges that we must address and overcome to be at our competitiveness best, but to say that Canada is in an "existential crisis" in competitiveness today, given the amount of investment, the low levels of unemployment, and our international competitiveness rankings is beyond negative, it's just wrong.

For the sake of our future competitiveness, I certainly hope our business leaders in the room today are more positive and optimistic about our place and our potential in the global economy.

Regardless of how this debate goes, the business leaders in this room and around the world are voting on Canada's competitiveness with their investments.

Don't take my word for it – just look at the facts.

It's pretty hard to say we are in a competitiveness crisis when our unemployment rate just hit a 40-year low last week.

It's pretty hard to say we're in a competitiveness crisis when The Global Competitiveness Report, produced by the World Economic Forum, ranks Canada 12th out of 140 nations in competitiveness. The best judge of whether your economy is competitive is not what politicians say, but what investors do.

It's pretty hard to say that Canada is in a competitiveness crisis when the 2018 A.T. Kearney Foreign Direct Investment Confidence Index ranks Canada Number 2 in world in attracting foreign direct investment.

It's pretty hard to say that Canada is in a competitiveness crisis when Canada attracted the most FDI flows per capita in the entire G7 from 2008-2017.

My optimism does not end there.

Our world is changing swiftly; every sector of our economy is in a technological state of disruption. Just because we are competing reasonably well today is no guarantee we will do so tomorrow.

But, there is reason for optimism when it comes to our potential to compete in the new economy. Canada is producing some of the most sought-after talent anywhere in the world today. We rank first in the OECD when it comes to postsecondary attainment and first for women attaining postsecondary education.

The Global Innovation Index ranks Canada 18th out of 128 countries in innovation – good, in my view but we can and must do better.

It's not a fluke that Ontario stands as one of the finalists in the much publicized Amazon headquarters sweepstakes. Venture capital investment, once dried up completely, is at record levels today in Canada.

Canada is recognized as having global leading strengths in artificial intelligence, cyber security technology, blockchain technology, quantum technology and clean tech, all critical areas of great potential in the new economy.

All that being said, the arguments put forward by our colleagues today are not to be discounted. Many of the concerns they express are valid and must be addressed if we are to be at our best.

But, despite those challenges, the facts are undeniable. We are competing in today's economy and doing reasonably well – most if not all key indicators demonstrate that. And the other key is that we also have great potential to excel and own the new economy.

So, let us not wallow in negativity, and instead work together – government leaders, business leaders, and labour leaders – to become even more competitive and confidently prepare ourselves to lead in the new economy.

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