

“We must seize the moment” at G20: Canadian Chamber of Commerce

Ottawa, June 22, 2010: Today, Canada’s largest business association released an important report that reviews the front-and-centre issues that will be discussed at the G20 summit in Toronto on June 26 and 27, 2010.

When the G20 leaders meet, they are expected to tackle an ambitious agenda that includes: mapping out a strategy for countries to withdraw enormous economic stimulus, finding a way forward on resolving global imbalances, pressing for an open and rules-based trading regime, and strengthening the global financial regulatory system.

“This summit is an opportunity for Canadian leadership,” says Perrin Beatty, President and CEO of the Canadian Chamber of Commerce. “Toronto gives Prime Minister Harper an opportunity to promote Canadian values and present solutions that serve our own interests and the global community’s in a balanced way.”

The G20 leaders must embrace an effective and efficient rules-based trading system, reaffirm their commitment to open markets, and remove existing barriers to trade and capital flows. They must set an example by quickly removing protectionist measures adopted during the downturn, including barriers contained in stimulus packages. “When so much of our prosperity depends upon trade, the prime minister must call on world leaders to not simply talk about their opposition to protectionism, but to demonstrate their commitment through their actions,” says Beatty.

The prime minister must also urge world leaders to emulate Canadian financial system practices and regulations. As part of an international financial reform agenda, leaders need to ensure adequate capital and liquidity standards, and build a principles-based framework for global financial supervision through better collaboration and coordination among regulators. Achieving a commitment to ambitious peer review will be an important milestone. “In the end, new standards for banking regulation and supervision must be able to avoid another financial crisis while still encouraging growth and innovation,” says Beatty.

Canada must remain adamant about its opposition to a global financial transaction tax. Such a tax would increase the excessive risk-taking that led to the financial crisis. It would institutionalize moral hazard by setting aside dedicated funds to help major financial institutions in times of distress.

“Although Canada is but one relatively small voice, this is an opportunity to have a great impact. We must seize the moment,” stated Beatty.

The Canadian Chamber’s report, *The G20 Leaders Summit: Recovery and New Beginnings* can be viewed at www.chamber.ca

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