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ARCHIVE: A Competitive Net-Zero Strategy



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As Canada and Canadians move towards a greener, more sustainable, net-zero future, the business community is leading the way. Through leading investments in renewable energy, to a greener grid, to increasing climate action throughout our supply chains, there is much for Canada's business community to be proud of and for government to support.

To ensure Canada's pathway to net-zero is competitive, enhances investment, creates jobs for Canadians and promotes innovation, how we get there matters. Investments that support business-led transitions, offset market development, and a predictable business environment are crucial to meeting these goals. Canada's business community is eager to collaborate with government to develop the framework to enable the greatest economic opportunity for the next generation.

From agriculture, to transportation, to energy and natural resources, to manufacturing, and everything in between, leaders in Canadian business are stepping up. We understand that the economy and the environment should advance in lock-step. Building environmental and economical thinking together is how we can achieve net-zero while we keep Canadians working.

Key Issues

- **Innovation.** Innovation in the private sector is what will deliver both climate action and job creation, but to play this role government and the business community must work together to create a competitive environment for investment.
- **Collaboration.** Partnering with Canada's energy industry to define net-zero and identify solutions is vital for our shared climate action. Together we can advance a lower emission energy future that fully capitalizes on Canada's opportunity to benefit from clean technologies and the export of Canadian energy.
- **Economic opportunity.** Achieving net-zero is one thing. A competitive transition is another. Let's make sure Canada's approach to net-zero is the greatest economic opportunity for our generation and leverages Canada's climate leadership and economic strengths.
- **Industry.** An economically competitive pathway to net-zero demands a collaborative partnership that puts the business community in the leadership position to drive the government's ambitions.
- **Agriculture.** Canadian agriculture feeds the planet. Nobody does sustainability better. Let's keep that story going by investing in trade enabling infrastructure and supporting agricultural exports so that Canada can continue to be a key contributor to the world's net-zero solutions.
- **Transportation.** Canada's transportation leaders are committed to achieving net-zero emissions, but how we get there matters. This means committing to clear policy directions and an agnostic policy framework that recognizes the benefits of electrification of transport in addition to the role biofuels, hydrogen and renewable natural gas can play in driving cost effective decarbonize of other vehicle classes.
- **Natural resources.** Canada's resource sector – natural gas and oil, mining, forestry – can deliver low-emission energy and other products to meet global needs, while

developing new clean technologies that can deliver emission reduction in Canada and abroad. Canadians can and should be proud of our natural resources.

Policy Recommendations

Central to Canada's pathway to net-zero will be scaling technologies that help heavy industries pursue cost effective decarbonisation.

In the recent federal budget, government signalled that they want to introduce a Carbon Credit Utilization and Storage (CCUS) tax credit. CCUS will be an important technology that could be key in reducing emission intensity of key commodities and in creating blue hydrogen. Business and Government must work together to ensure any new CCUS tax credit will be effective in driving the technology and accessible to industry.

There is no question that achieving net-zero will require the deployment of new zero emission technologies. To compete with other nations and ensure Canada is able to effectively make use of its considerable climate expertise, it will be important to retain our own clean technology start-ups and build our manufacturing capacity. As such, we will remain in conversation with the government on its list of zero emission technologies that are eligible for significant tax reductions.

Canada is a resource producing nation and, as such, our pathway to net-zero will have to reconcile our ambitions and the prominent role natural resources play in structuring our economy, from oil and gas, to mineral, agricultural products, and forest products.

Consequently, our path to decarbonisation will need to include both the reduction of emissions and access to a global and robust offset market. A key focus will be to ensure that Canadian industries can access offset markets to help them achieve compliance with various federal and provincial carbon pricing regimes.

In addition, we recognize that as a producer of world class resource commodities and exporter of leading clean technologies, Canada's approach to net-zero must consider our

domestic and international opportunities. Government must work with industry in developing its net-zero strategy to ensure the most cost effective and economic competitive pathways are pursued. This will require acting locally and exporting globally.

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