COMPREHENSIVE GROWTH STRATEGY:

CANADA

A. ECONOMIC OBJECTIVE AND KEY POLICY COMMITMENTS

Economic Objective

Over the short term, the economic objective of the Government of Canada is to close the output gap by creating stable and high quality jobs, fostering economic growth, and maintaining a low tax environment. This objective is underpinned by the Government's plan to return to a balanced budget in 2015.

Going forward, the Government of Canada's ultimate economic objective is to boost potential output growth and maximize living standards for Canadians through a policy framework that encourages education and skills development, innovation, openness to trade and investment, responsible resource management, economic diversification, and a strong financial sector. This policy framework is firmly anchored in a commitment to long-term fiscal sustainability. Through our St. Petersburg Fiscal Strategy, Canada has set the goal of achieving a federal debt-to-GDP ratio of 25 per cent by 2021.

The Government of Canada's economic objective of creating high quality jobs and pursing economic expansion in a balanced and fiscally responsible manner will ensure that growth is sustainable. A robust policy framework will help ensure that Canadian consumers and businesses are in the best position to respond to any future economic shocks.

Canada's approach will foster positive spillovers though an openness to global trade, productivity spillovers, and the shared benefits of research and innovation. Sustainable economic growth allows the rest of the world to continue to benefit from demand from Canadian businesses and individuals. Exports of Canada's natural resources, developed in a responsible and sustainable manner, will support jobs and growth in Canada and abroad.

Key Commitments

1. $1.3 BILLION INFRASTRUCTURE INVESTMENT

   Funding over 2 years to support additional strategic investments in public infrastructure and transportation services across Canada.

2. ENHANCED JOB MATCHING SERVICE AND MODERNIZED NATIONAL JOB BANK

   Initiative to provide job seekers with modern and reliable tools to find jobs that match their skills, and provide employers with better tools to look for qualified Canadians. Through a secure, authenticated process, registered job seekers and employers will be automatically matched on the basis of skills, knowledge and experience.

3. REDUCE BARRIERS TO ENTRY AND PROMOTE COMPETITION IN TELECOMMUNICATIONS SECTOR

Introduction of a legislated cap on wholesale domestic wireless roaming rates, amendments to provide telecommunications regulators with the power to impose administrative monetary penalties, and announcement of an additional auction of commercial mobile spectrum in early 2015.

4. $1.6 BILLION IN NEW FUNDING FOR RESEARCH AND INNOVATION

Including the creation of the Canada First Research Excellence Fund to help Canadian post-secondary institutions excel globally in research areas that create long-term economic advantages for Canada.

5. CANADA-EU COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT AND THE CANADA-KOREA FREE TRADE AGREEMENT

B. ECONOMIC OUTLOOK AND CHALLENGES TO GROWTH

Current and Future Growth Prospects

	Key Indicators					
	2013***	2014	2015	2016	2017	2018
Real GDP (% yoy)	2.0	2.4	2.6	2.4	2.3	2.2
Nominal GDP (% yoy)	3.4	4.4	4.3	4.4	4.4	4.2
Output Gap (% of GDP)*	n.a.	n.a.	n.a	n.a.	n.a.	n.a.
Inflation (%, yoy)	0.9	2.0	1.9	2.0	2.0	2.0
Fiscal Balance (% of GDP)**	-0.3	-0.1	0.1	0.2	0.2	0.3
Unemployment (%)	7.1	7.0	6.8	6.5	6.4	6.3
Savings (% of GDP)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Investment (% of GDP)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current Account Balance (% of GDP)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

***A positive (negative) gap indicates an economy above (below) its potential.**

****A positive (negative) balance indicates a fiscal surplus (deficit).**
***** Indicators can be presented on a fiscal year basis, should they be unavailable for the calendar year.**

Key Drivers

Private domestic demand has been the main driver of the Canadian economy over the recovery, initially led by business non-residential investment, which has been broad-based across sectors, including manufacturing. However, continued global economic uncertainty has contributed to a slowing of business investment growth since early 2012. Residential investment has also played a key role over the recovery. On the other hand, the role of government spending continues to decline following a period of expansionary stimulus as the federal government is committed to returning to balanced budgets in 2015.

Going forward, real GDP growth in Canada is expected to remain modest but to pick up in 2014 and 2015, reflecting stronger global demand. The Canadian economy is expected to rotate toward exports, as the ongoing recovery in the U.S., the recent depreciation of the Canadian dollar, and new trade agreements coming into effect support export growth. With respect to domestic demand, business investment is expected to pick up after slowing since early 2012, while residential investment will moderate as recent actions taken by the federal government to ensure the long-term sustainability of the Canadian housing market have taken effect.

By sector, the services sector will continue to be the key driver of Canadian economic growth, particularly services that provide high-value such as health, education, and finance. Natural resources, especially crude oil, will also continue to be an important part of the Canadian economy, although their impact on growth will be strongly influenced by fluctuations in international prices.

Assessment of Obstacles and Challenges to Growth

Canada’s macro economy is sound, although stronger export growth and a pick-up in business investment are needed to support more balanced and sustainable growth.

Canada has performed relatively well coming out of the Great Recession. However, some cyclical slack still persists. This can be observed, for example, in the unemployment rate, which remains above its pre-recession levels despite a decline since September 2009.

Prospects for global growth and the uncertainty over commodity prices remain the most important risk for the Canadian outlook. Further downward surprises on global growth could lead to further declines in lower commodity prices, particularly for crude oil. A decline in crude oil prices would reduce activity in the resource sector, but it also reduces costs for business and firms, providing a boost to growth elsewhere in the economy. However, lower crude oil prices would have a negative impact on Canada’s terms of trade. This would dampen growth in economy-wide prices and the value of Canada’s exports, which would in turn put downward pressure on nominal GDP.

Elevated levels of household debt are the main domestic risk to the outlook. In particular, household debt-to-income ratios remain at historically high levels despite a recent moderation in the growth of mortgage credit and continued low interest payments on mortgage debt. Moreover, elevated house prices and a build-up of supply in some segments of the housing market suggest imbalances in the housing sector. However, since 2008 the federal government has taken measured steps to improve the soundness of the mortgage market and to ensure the long-term stability of the Canadian housing market.

According to the gap analysis by International Organizations, relative to some large systemic economies, Canada is not a major contributor to global gaps. Nonetheless, Canada has a number of policy challenges, many of which have also been identified by International Organizations. While addressing many of these challenges will require significant collaboration among all levels of government, the federal government is continuing to do its share in strengthening its policy efforts in these areas.

Canada faces several challenges in the labour market. Imbalances between unemployment and job vacancies persist in certain regions and occupation groups, and while some unemployed are having difficulty finding work, some employers and businesses are expressing concerns about the challenges of finding skilled workers, which is acting as an important impediment to growth. Labour shortages are particularly acute in skilled trades as well as high-skilled professionals in science-based occupations. A number of more vulnerable groups, including less-skilled individuals, recent immigrants, Aboriginal peoples, persons with disabilities, and older Canadians, are also not participating to their full potential in the labour market. According to the International Organizations, gaps in labour-market information, barriers to increasing the supply of skills in demand through education and training, limited responsiveness of the immigration system to labour market conditions and regulatory barriers to inter-provincial labour mobility are factors that have been impeding Canada's effort in overcoming skills shortages.

Population aging and the associated weaker growth in labour supply could exacerbate existing labour shortages over the medium term. The employment rate will also inevitably fall in the long run as a result of population aging, meaning the positive impact of employment growth on incomes will wane in the coming years. While the continued development of emerging economies may keep upward pressure on commodity prices, Canada should not count on future gains in commodity prices to drive income growth. As a result, improving productivity will become even more important in sustaining income growth in the years ahead. However, productivity in Canada has lagged that of most peer countries since the 1990s. Canada must continue its efforts to set the right conditions for strong productivity growth. In this context, Canada agrees with the assessment of the International Organizations that Canada should strengthen its policies and support for research and development to spur innovation, reduce barriers to internal competition particularly in network industries, and lower barriers to foreign direct investment. Canada is also working to strengthen its venture capital market to support access to financing.

C. POLICY RESPONSES TO LIFT GROWTH

New Macroeconomic Policy Responses (including Reforms to Frameworks)

Canada is committed to returning to balanced budgets at the federal level by 2015 and, as announced at the September 2013 G-20 Summit in St. Petersburg, to achieving a federal debt-to-GDP ratio of 25 per cent of GDP by 2021 or earlier if economic growth is significantly stronger than expected. Furthermore, the Government of Canada pledged in its October 2013 Speech from the Throne to introduce **balanced budget legislation** that "will require balanced budgets during normal economic times, and concrete timelines for returning to balance in the event of an economic crisis". Work on this initiative is underway. Sustainable public finances help keep interest rates low, instil confidence among consumers and businesses and provide room for future tax reductions; all of which will in turn support economic growth and job creation.

With respect to monetary policy, Canada's monetary policy framework consists of two key components: a flexible exchange rate and an inflation-control target. A flexible exchange rate permits Canada to pursue an independent monetary policy suited to the needs of our own economy and acts as a 'shock absorber'. The inflation target provides a precise goal against which to measure the conduct of monetary policy, increasing the central bank's public accountability. Together with sound public finances, low and stable inflation will help maintain an attractive business environment for both domestic and foreign firms.

The 2007-09 global financial crisis underscored the importance of robust financial sector oversight—not only for the soundness of individual financial institutions, but also for the stability of the financial system as a whole. The G-20 has committed to an ambitious reform agenda focused on reducing the probability of crisis and enhancing the capacity to respond to crises. Canada continues to be a leader in terms of implementing international standards, as confirmed through the recent IMF Financial Sector Assessment Program for Canada. Canada's regulatory and supervisory framework was found to demonstrate strong compliance with international standards, and Canada was among the first advanced economies to adopt the Basel III capital standard and to establish a framework for Domestic Systemically Important Banks.

The Canadian financial sector regulatory framework involves five federal entities with distinct and complementary mandates, including the Bank of Canada, the Office of the Superintendent of Financial Institutions (OSFI) and the Canada Deposit Insurance Corporation (CDIC), and the Financial Consumer Agency of Canada (FCAC) as well as the Department of Finance. Well-established mechanisms exist to ensure collaboration, information sharing, and cooperation among financial sector regulatory bodies, including the Financial Institutions Supervisory Committee (FISC), tasked with exchanging information on matters relating to the supervision of financial institutions, and the Senior Advisory Committee, tasked with advising the Minister of Finance on important financial sector policy issues, including potential vulnerabilities to the financial system and appropriate policy responses to those risks.

New Structural Policy Responses

Investment and Infrastructure

Investment, especially in infrastructure, is an important policy theme for Canada as part of a broader set of initiatives to support growth through increased innovation, entrepreneurship, and productivity.

Infrastructure Investments

Canada is committed to developing the infrastructure necessary for strong and sustainable growth.

Canada's 2014 federal budget allocated a further **$1.3 billion over two years to support additional strategic investments in public infrastructure and transportation services** across Canada. This is in addition to the ten-year $53-billion new Building Canada Plan for provincial, territorial, and municipal infrastructure that was announced in early 2013, which was the largest long-term federal infrastructure commitment in Canadian history. The resulting enhancements to transportation networks will facilitate the efficient movement of people and goods (including in the natural resources sector) and enhance connectivity in urban areas, both of which have positive spillovers for growth. An example of new investments funded by the $1.3 billion allocated in the 2014 federal budget is the New Bridge for the St. Lawrence project, for which funding of $165 million over two years on a cash basis was announced. The Champlain Bridge between Montreal and the South Shore of the St. Lawrence River is one of the busiest in Canada—used annually by about 50 million vehicles—and is a key crossing for the Montreal area, supporting approximately $20 billion in international trade per year.

The New Bridge for the St. Lawrence project will be undertaken as a public-private partnership which will allow the federal government to leverage the expertise and innovation of the private sector. The Government of Canada is supporting innovative approaches to building infrastructure projects, including through public-private partnerships (P3s), which can provide better value for money for taxpayers' investments and improve project delivery.

Strengthening Capital Markets

Recognizing that a strong investment climate requires deeper, more resilient capital markets, the Government of Canada continues to take steps to improve the regulation of Canada's capital markets. Work is progressing towards establishment of a common regulator as part of a **Cooperative Capital Markets Regulatory System.** British Columbia, Ontario, Saskatchewan, New Brunswick, Prince Edward Island and Canada signed a Memorandum of Agreement Regarding the Cooperative Capital Markets Regulatory System which formalizes the key features of the Cooperative System. All other provinces and territories are invited to participate in the implementation of the Cooperative System.

Strengthening Canada's Venture Capital Market

In general, Canada's SMEs have a relatively high level of access to financing. However, access to capital for young, innovative and high-growth potential firms has been identified as an area for improvement. Recognizing this, Canada created the Venture Capital Action Plan (VCAP) to help increase private sector investment in early-stage risk capital to support innovative high-growth firms. In 2014, the federal Government invested in a few high-performing funds and partnered with interested provinces, private sector investors and fund managers towards the creation of large-scale private sector-led fund of funds. The implementation of the VCAP is continuing.

Another component of the VCAP is the Canada Accelerator and Incubator Program (CAIP), which has the objective of providing support to enhance the services of outstanding and high-potential Canadian business accelerators and incubators that work with innovative, high-growth firms to help them develop into superior early-stage investment opportunities. Canada's 2014 federal budget provided **an additional $40 million to CAIP** (increasing the total program funding to $100 million over five years) to help entrepreneurs create new companies and realize the potential of their ideas through mentoring and other resources to develop their business. In June 2014, the Government of Canada announced the 15 best-in-class organizations chosen to advance in the selection process. The investment will support a sustainable private sector-led venture capital sector in Canada.

Employment

Canada continues to work toward developing a skilled, mobile, flexible and inclusive workforce in the face of population aging, continued globalization, and increased skill requirements resulting from technological advancements. In particular, in response to the gaps and imbalances identified, the Government of Canada is focusing its efforts on a number of priority areas.

Addressing Misalignment of Skills and Jobs

To address a misalignment between the skills of the unemployed and those required by employers, Canada will continue to improve the process of matching Canadians with available jobs. An important initiative in this area is the Canada Job Fund agreements between the federal government and provinces and territories. A key part of the agreements is the Canada Job Grant, which will be available to businesses planning to train unemployed and underemployed workers. This initiative will help increase employers' participation in skills training decisions, to ensure that the training provided to workers will be better aligned with job opportunities, particularly in sectors facing skills mismatches and labour shortages. The federal government is also finalizing the renegotiation of the Labour Market Development Agreements to reorient training toward labour market demand. Furthermore, the federal government will launch an **enhanced Job Matching Service** and a **modernized National Job Bank**. The enhanced Job Matching Service will automatically match registered job seekers and employers on the basis of skills, knowledge and experience, while the National Job Bank will provide job seekers and employers with timely access to job postings and consolidated labour market information. These initiatives will not only make it easier for job seekers to find jobs that match their skills but will also help employers look for qualified workers.

Training for Jobs in High-Demand Fields

It is important to ensure that the country's future workforce is preparing for job opportunities and receiving training in fields that will be in high demand in the future. To support this, the federal government is announcing initiatives to ensure federal investments in youth employment to provide young Canadians with real-life work experience in high-demand fields. In particular, it is dedicating $40 million toward **full-time internships for post-secondary graduates in high-demand fields** such as science, technology, engineering, mathematics and the skilled trades for 2014–2015 and 2015–2016. Up to $30 million of this amount will be committed to the National Research Council's Industrial Research Assistance Program to support youth internships in small- and medium-sized enterprises undertaking technical research and development projects.

As employers and various organizations have identified an acute need for skilled tradespeople, another key objective for Canada in the area of employment is to help apprentices complete their training and to encourage more individuals to consider a career in the skilled trades. The federal government is therefore creating the **Canada Apprentice Loan** by expanding the Canada Student Loans Program to provide apprentices registered in Red Seal trades with access to over $100 million in interest-free loans each year. In addition, the federal government will reduce non-financial barriers to completing apprenticeship training and obtaining certification by introducing **the Flexibility and Innovation in Apprenticeship Technical Training pilot project**. This project will expand the use of innovative approaches to apprentice technical training by testing the feasibility of using in-class simulators, e-learning modules, remote learning sites and video conferencing, to replace or supplement traditional in-class training, so that apprentices could continue to work and earn an income while fulfilling the technical training requirements of their programs, which have traditionally required block training across most of the country.

Encouraging Labour Market Participation of Under-Represented Groups

Canada will also focus its efforts on helping under-represented groups, including less-skilled individuals, youth, recent immigrants, Aboriginal peoples, women, persons with disabilities and older workers reach their full potential in the labour market. To achieve this, the federal government is introducing a new generation of Labour Market Agreements for Persons with Disabilities by providing $222 million annually to improve employment outcomes for persons with disabilities by enhancing their employability, increasing employment opportunities and generating the best possible results for Canadians through the investments. The Government of Canada is also **reallocating $15 million annually within the Youth Employment Strategy (YES) to support up to 1,000 full-time internships for recent post-secondary graduates in small and medium-sized enterprises**. In addition, it is undertaking a review of the YES to better align the program with the evolving realities of the job market. With respect to new immigrants, $14.0 million over two years and $4.7 million per year ongoing will be provided to launch the **Express Entry system**, a new recruitment model, to allow the federal government, provinces and territories, and employers to actively target highly skilled immigrants under key economic immigration programs. Previously, applicants for economic immigration to Canada would be assessed in the order in which they applied. Under Express Entry, more economic immigrants will be assessed more quickly where the labour market requires their skills. Given that women are key contributors to economic growth and prosperity, a number of measures have been taken to boost the labour market participation of women in Canada. Building on the Economic Action Plan 2013 commitment of $20 million over three years to help small and medium-sized enterprises provide women entrepreneurs with greater access to support, the federal government will provide support to increase mentorship among women entrepreneurs, while also conducting consultations to determine how best to support women to start and grow their businesses. Increasing labour market participation of under-represented groups is particularly crucial in the face of changing composition of the Canadian population.

Competition

The federal government is continuing efforts to intensify competitive pressures in the economy, to spur productivity improvements and innovation.

Increasing Competition in Telecommunications Sector

Canada is taking additional steps to **reduce barriers to entry and promote competition in the telecommunications sector**, an area identified as a priority by International Organizations. This includes introducing legislation to reduce wholesale roaming rates and enhancing consumer protection and regulatory compliance. In particular, the federal government has amended the Telecommunications Act to cap wholesale domestic wireless roaming rates to prevent wireless providers from charging other companies more than they charge their own customers for mobile voice, data and text services. Given that Canada's largest wireless companies have an incentive to use high mobile wireless roaming rates to ensure that new entrants are not, and do not become, fully effective competitors, new entrants are likely limited in their ability to bring attractive product offerings to market. This practice has led to reduced product choice, higher prices for consumers and less innovation in the Canadian mobile wireless market. In addition, the federal government has proposed amendments to the Telecommunications Act and the Radiocommunication Act to provide the Canadian Radio-television and Telecommunications Commission and Industry Canada with the power to impose administrative monetary penalties on companies that violate established rules such as the Wireless Code and rules related to the deployment of spectrum, services to rural areas and tower sharing.

In July 2014 the Government of Canada announced that an additional auction of commercial mobile spectrum (AWS-3) will take place in early 2015. In every region of the country, the majority of this spectrum will be set aside exclusively for operating new entrants, representing over half of the spectrum being made available and the largest single block ever reserved for new entrants in Canada. This approach will provide a clear pathway for companies looking to expand their wireless network and to deliver fast, reliable services to

Canadians.

The Government of Canada has also introduced reforms to **modernize Canada's intellectual property framework** to better align it with international practices and reduce the administrative burden for innovative Canadian businesses. Canada's existing framework for protecting intellectual property is not aligned with international practices, creating unnecessary costs for businesses. Harmonizing Canada's intellectual property regime with international norms will help Canada's businesses access international markets, lower costs and draw foreign investment to Canada by reducing the regulatory burden and red tape faced by businesses.

Increasing Competition in Financial Services

The federal government is also taking action to encourage more competition in financial services and will take a number of steps to improve the ability of new entrants and smaller banks to compete while preserving the current stability of the sector. First, the Government of Canada will **address the interests of smaller banks in relation to the regulatory framework**. The Office of the Superintendent of Financial Institutions (OSFI) has appointed an advisor to reach out to small banks and trusts and will address challenges faced by these institutions where feasible. OSFI will also review and, where appropriate, streamline the approval process for establishing a new bank. Second, the Government will seek to **ensure the ability of smaller banks to access funding**. Potential measures include requiring large banks to provide access to deposit products from small federally regulated banks and trusts through dealers. Third, the Government will **support the growth of credit unions on a national scale**, which improves choice and service coverage for consumers and also enhances the stability of the financial sector. The Government will continue to study and consult on other measures to encourage competitive financial services.

Removing Barriers to Internal Trade

More must be done within Canada's borders to ensure the free movement of goods and services across provincial and territorial boundaries. Barriers to internal trade can impede the creation of jobs and economic growth, particularly by preventing the most efficient allocation of resources and reducing competition.

In a recent report, Canada's Public Policy Forum indicated that a key challenge in strengthening internal trade is that governments and stakeholders are unable to gauge the economic impact of barriers due to a lack of data and research. To identify remaining barriers and plan for their removal, the Government announced in Economic Action Plan 2014 the development of an **Internal Trade Barriers index**, which will be modeled on the Services Trade Restrictiveness Index of the OECD. The index will help Canadian governments better identify and understand the impact of measures that are currently restricting trade, and prioritize their removal.

Given that many internal trade barriers fall under provincial and territorial governments, the types of actions that the federal government can unilaterally take to lower provincial and territorial trade barriers within Canada are very limited, and they will not be effective without cooperation of provinces and territories. In August 2014, provinces and territories agreed to undertake a **comprehensive renewal of the Agreement on Internal Trade**. Considering the desire to ensure more consistency with modern international trade agreements, parties will focus early efforts on initial priority areas: government procurement, goods, services, investment, technical barriers to trade, and regulatory cooperation.

Supporting Research and Innovation

In order to be able to make competitive gains and create high-quality, value-added jobs, Canadian businesses will also need to better harness innovation and translate knowledge into marketable products and services. Consistent with the federal government's commitment to supporting Canada's innovation system, Economic Action Plan 2014 announced **more than $1.6 billion over the next five years** in new funding for research and innovation. This includes the creation of the Canada First Research Excellence Fund, which will receive total funding of $1.5 billion over the next decade, to help Canadian post-secondary institutions excel globally in research areas that create long-term economic advantages for Canada. In addition, the federal government will provide an additional $46 million per year to the granting councils in support of advanced research and scientific discoveries.

Supporting Small Businesses

Given the important role small businesses play in the Canadian economy, the Government of Canada has introduced new tax relief to support the competitiveness of these businesses. T**he Small Business Job Credit** will effectively lower small businesses' Employment Insurance (EI) premiums from the current legislated rate of $1.88 to $1.60 per $100 of insurable earnings in 2015 and 2016. The credit will be available to any firm that pays employer EI premiums equal to or less than $15,000 in those years and is expected to benefit almost 90 per cent of all EI premium-paying businesses in Canada by reducing their EI payroll taxes by nearly 15 per cent.

Trade

The federal government is committed to maximizing trade as a driver for growth. Canada is pursuing trade liberalization multilaterally, regionally, bilaterally and unilaterally through domestic reforms.

Canada is a strong supporter of multilateral trade negotiations at the World Trade Organization (WTO). Canada has already implemented most of the requirements of the WTO's new Trade Facilitation Agreement (TFA), and is prepared to move forward on remaining **TFA requirements** in tandem with other trading partners. To help ensure the TFA contributes to global growth, Canada will be a **launch donor in support of new World Bank efforts** to help developing countries with TFA implementation. To further stimulate developing country imports into Canada, in November 2013 Canada provided $10.3M over five years to establish the **Canadian Market Access and Capacity Building Services**

Project, which will support 10,000 small and medium-sized enterprises (SMEs) and 500 trade supporting organisations in developing countries.

Building on our active participation in the multilateral trading system, Canada has an active network of Free Trade Agreement partners that it is working to expand. On August 5, 2014, **Canada and the European Union (EU) announced the completion of negotiations on the Comprehensive Economic and Trade Agreement (CETA)**. The CETA is broader in scope and deeper in ambition than Canada's previous trade agreements, covering virtually all aspects of Canada-EU trade. CETA will eliminate tariffs and guarantee market access for Canadian goods and services to the EU market of 500 million people with economic activity of almost $17 trillion. CETA will also cover the full range of elements that shape modern international trade areas such as intellectual property, government procurement, labour mobility, sustainable development and regulatory cooperation. A joint Canada-EU study that supported the launch of negotiations concluded that, such an agreement could bring a 20 per cent boost in bilateral trade and a $12 billion annual increase to Canada's economy. Canada and the EU are now proceeding with next steps, including legal review, translation and ratification.

On March 11, 2014, Canada and Korea announced the conclusion of the **Canada-Korea Free Trade Agreement** (CKFTA), Canada's first FTA in the fast-growing and dynamic Asia-Pacific region. The CKFTA is a state-of-the-art, comprehensive agreement covering virtually all sectors and aspects of Canada-South Korean trade, including trade in goods, services, investment, government procurement, intellectual property, labour and environment cooperation. The CKFTA is projected to boost Canada's GDP by $1.7 billion and increase Canada's exports to South Korea by 32 per cent.

Launched in November 2013, **Canada's Global Markets Action Plan** (GMAP), the government's strategy to support the pursuit of commercial success by Canadian companies in global markets, as well as two-way investment and innovation linkages, addresses domestic initiatives to help Canadian businesses, especially SMEs, better integrate into global value chains. The GMAP targets the markets that hold the greatest promise for Canadian businesses and ensures that all diplomatic assets are harnessed to support their commercial success. SMEs are key players in the Canadian economy and generate many new jobs, but these companies face higher challenges than others when they expand into new markets. Building on Canada's cuts to taxes and domestic red tape, the GMAP gives particular attention to SMEs by tailoring trade promotion and support services to their special needs. Of the Canadian SMEs currently exporting, only 29 per cent are present in emerging markets. The Global Markets Action Plan aims to increase this proportion to 50 per cent by 2018.

Building on efforts in recent years to lower barriers to import including the elimination of 1,800 tariffs on imported machinery, equipment and manufacturing inputs, providing more than $450 million in annual tariff relief to industrial manufacturers, and easing customs requirements for low-value shipments, in early 2015 Canada will further simplify its import processing by introducing a Single Window Initiative (SWI). The SWI, which will be fully implemented by mid-2016, will enable a "single window" approach to processing most goods that require an import licence, permit or certificate. Other elements of Canada's border modernization efforts include further improvements to paperless filing, account-based processing and electronic payment options. These measures will promote increased import volumes, stimulating competition and lowering prices. Simplified import processes will further ease the entry of manufacturing inputs, lower manufacturing production costs, and help build growth and jobs in the Canadian manufacturing sector.

Other measures

Given that the ultimate objective of the federal government is to maximize the standard of living and the quality of life of Canadians, the Government has also put forward new measures to help make life more affordable for Canadian families. The new measures include: the Family Tax Cut, which is a federal tax credit that will allow a higher-income spouse to notionally transfer up to $50,000 of taxable income to a spouse in a lower tax bracket and will provide a maximum amount of $2,000 in tax relief for couples with children under the age of 18 starting in the 2014 tax year; increasing the Universal Child Care Benefit (UCCB) for children under the age of six by $60 per month, as of January 1, 2015; expanding the UCCB to children aged six through 17 in the amount of $60 per month per child, as of January 1, 2015; and, increasing the Child Care Expense Deduction dollar limits by $1,000, effective for the 2015 tax year.

Overall, the policy initiatives included in Canada's growth strategy will result in higher economic output and employment in Canada both in the near and longer term. By supporting fiscal sustainability, strong productivity growth and international trade they will also contribute to global rebalancing through a reduction in Canada's current account deficit. Measures to increase the capital stock, such as investment in transportation infrastructure and policies to boost labour input by addressing skill mismatches and labour shortages and raising the participation of underrepresented groups, will increase the productive capacity of the Canadian economy and lead to higher potential output. These efforts will be complemented by policies to strengthen productivity through research and innovation, increased competition and removing barriers to both internal and international trade. Canada's policy agenda is designed to foster positive spillovers to the rest of the world through its openness to trade and investment, the transfer of knowledge through productivity enhancements and ensuring that underlying macroeconomic fundamentals are sound.

ANNEX 1: ST. PETERSBURG FISCAL TEMPLATE — UPDATE

1. **Update on Fiscal Strategy:** Please provide a summary of any changes to your fiscal strategy for achieving a sustainable debt-to-GDP ratio over the medium-term. If your projections for the debt-to-GDP ratio have changed, please explain whether this has been due to changes in economic assumption, or other factors (please specify), referring to the information provided.

   No change

2. Medium-term fiscal strategies (required for advanced economies – only if updated):

   a. Overall strategy for debt sustainability

   The Government of Canada's top priority is implementing policies focused on raising Canada's economic potential and creating stable, well-paying jobs. These efforts to support jobs and growth are underpinned by the Government's planned return to balanced budgets in 2015.

   The return to balanced budgets in 2015 will contribute to lowering the federal debt-to-GDP ratio to its pre-recession level by 2017 and puts the Government well on its way towards achieving the federal debt-to-GDP target of 25 per cent of GDP by 2021.

   b. Debt-to-GDP ratio objective

   As announced at the G-20 Summit in St. Petersburg, in September 2013, the Government of Canada is committed to achieving a federal debt-to-GDP ratio of 25 per cent by 2021. The Government may consider advancing the planned targets if Canada's economic growth is significantly stronger than expected.

   c. Intermediate objectives

   The Government of Canada is on track to balance its budget by 2015. Canada's provinces are also committed to returning to balanced budgets over the medium term and have taken actions to achieve this goal.

   d. Expenditure and revenue reforms

Expenditure Reforms:

The 2013 Fall Update of Economic and Fiscal Projections and Budget 2014 reaffirmed the Government of Canada's commitment to control the size and cost of government operations:

- The 2013 Fall Update of Economic and Fiscal Projections reintroduced a freeze on departmental operating budgets that will apply for two years beginning in 2014-15. The operating budget freeze will put increased focus on improving the efficiency of internal government operations and administration. *This measure is expected to generate savings of more than $1.6 billion over two years.*

- Budget 2014 announced the Government of Canada's intention to transition from currently paying 75 per cent of benefit costs to equal cost-sharing with retired federal employees participating in the Public Service Health Care Plan (except for low-income pensioners), and to increase from two to six years the length of service required for a person to be eligible to join the plan as a pensioner (except for current pensioners). *It is expected that the final package of changes approved in March 2014 will result in fiscal savings of roughly $6.7 billion over six years.*

Revenue Reforms:

- Budget 2014 announced a number of measures that reflect the Government of Canada's ongoing commitment to improving the fairness and integrity of the tax system, including, among others, actions to address international aggressive tax avoidance by multinational enterprises. *These measures are expected to generate over $1.7 billion in additional revenue in 2013-14 and the following five years.*

- Budget 2014 also proposed restoring the effectiveness of the excise duty on tobacco products by adjusting the domestic rate of excise duty on such products to account for inflation, and eliminating the preferential excise duty treatment of tobacco. *These measures are expected to generate additional revenues of about $3.3 billion in 2013-14 and the following five years.*

e. Reforms to strengthen the fiscal framework

In its October 2013 Speech from the Throne, the Government of Canada pledged to introduce balanced budget legislation that "will require balanced budgets during normal economic times, and concrete timelines for returning to balance in the event of an economic crisis".

3. Medium-term projections, and change since last submission *(required for all members)*:

		Estimate	Projections				
	2012-13*	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Gross Debt							
ppt change							
Net Debt (per cent of GDP)	33.3	32.3	31.5	30.3	28.8	27.3	25.9
ppt change *(- indicates improvement)*	*-0.3*	*-1.0*	*-0.8*	*-1.2*	*-1.5*	*-1.5*	*-1.4*
Budgetary Balance[1] (per cent of GDP)	-1.0	-0.3	-0.1	0.1	0.2	0.2	0.3
ppt change *(+ indicates improvement)*	*0.6*	*-0.7*	*0.2*	*0.2*	*0.1*	*0.0*	*0.1.*
Primary Balance (per cent of GDP)	0.6	1.2	1.3	1.5	1.6	1.7	1.8
ppt change *(+ indicates improvement)*	*0.3*	*0.6*	*0.1*	*0.2*	*0.1*	*0.1*	*0.1*
CAPB							
ppt change							

1. Negative value signifies a budgetary deficit; positive value signifies budgetary surplus

4. Economic Assumptions, and change since last submission *(required for all members)*:

The debt-to-GDP ratio and deficit projections are contingent on the following assumptions for inflation and growth:

		Estimate	Projections			
	2013	2014	2015	2016	2017	2018
Real GDP growth	2.0	2.4	2.6	2.4	2.3	2.2
ppt change *(+ indicates improvement)*	*0.4*	*-0.1*	-	-	-	*n.a.*
Nominal GDP growth	3.4	4.4	4.3	4.4	4.4	4.2
ppt change *(+ indicates improvement)*	*0.3*	*-0.3*	*-0.4*	-	*0.1*	*n.a.*
ST interest rate	1.0	0.9	1.2	2.1	2.9	3.4
ppt change	-	*-0.1*	*-0.3*	*-0.4*	*-0.6*	*n.a.*
LT interest rate	2.3	2.3	3.0	3.6	4.1	4.3
ppt change	*0.5*	-	-	*-0.1*	*-0.1*	*n.a.*

ANNEX 2: NEW POLICY COMMITMENTS

1. Macroeconomic Policy Responses (including Reforms to Frameworks)

Balanced Budget Legislation	A pledge to introduce balanced budget legislation
Implementation path and expected date of implementation	Work is currently underway on this initiative. Parliamentary approval is required.
What indicator(s) will be used to measure progress?	The federal government will be required to have balanced budgets during normal economic times.
Explanation of additionality (where relevant)	The legislation will enshrine the Government's current approach to fiscal policy in law to help ensure continued prudent fiscal management.

2. Investment and Infrastructure

$1.3 billion in additional strategic investments in public infrastructure and transportation services	A further $1.3 billion over two years to support additional strategic investments in public infrastructure and transportation services across Canada, including funding for the New Bridge for the St. Lawrence project and funding for highways, bridges and dams located in national parks and along historic canals
Implementation path and expected date of implementation	Funding for the new infrastructure projects will be allocated over the coming two years. The timing of development and construction will vary by project.
What indicator(s) will be used to measure progress?	The websites for relevant Government of Canada departments and agencies (e.g. Infrastructure Canada, Transport Canada, Parks Canada Agency, etc.) are a useful source of information regarding project updates.
Explanation of additionality (where relevant)	This commitment builds on investments announced in early 2013 as part of the new Building Canada Plan, Canada's long-term plan for infrastructure.

Cooperative Capital Markets Regulatory System	
Implementation path and expected date of implementation	The Memorandum of Agreement Regarding the Cooperative Capital Markets Regulatory System contemplates a phased approach to implementing the Cooperative System. Based on the implementation milestones set out in the Memorandum of Agreement, the Parties are targeting the cooperative capital markets regulator to be operational in the fall of 2015.
What indicator(s) will be used to measure progress?	Progress may be measured against the implementation milestones set out in the Memorandum of Agreement that was announced in September 2014.

Explanation of additionality (where relevant)	British Columbia, Ontario, Saskatchewan, New Brunswick, Prince Edward Island and Canada signed a Memorandum of Agreement Regarding the Cooperative Capital Markets Regulatory System which formalizes the key features of the Cooperative System. Consultation drafts of the proposed uniform provincial and complementary federal legislation were released in September 2014 for public comment.

Supporting Entrepreneurs through Intensive Mentoring	**An additional $40 million to CAIP**
Implementation path and expected date of implementation	Proposals for CAIP were accepted until October 30, 2013. On June 20, 2014, the Prime Minister announced 15 best-in-class organizations chosen to advance in the selection process. Final announcements on funding are being made at the conclusion of the respective due diligence processes.
What indicator(s) will be used to measure progress?	Successful candidates will receive funding over a five-year period. The National Research Council of Canada will administer contribution agreements with each recipient that include performance milestones and reporting requirements that must be met over the term of the agreement.
Explanation of additionality (where relevant)	The Request for Proposals under CAIP, launched in September 2013, attracted a significant number of high-quality applications from organizations across the country. To increase the impact of CAIP in helping entrepreneurs realize the business potential of their ideas, an additional $40 million has been provided to the program over four years, starting in 2015–16, increasing its total funding to $100 million.

3. Employment

Enhanced Job Matching Service and Modernized National Job Bank	**Investing $11.8 million over two years and $3.3 million per year ongoing to launch an enhanced Job Matching Service (JMS) to provide job seekers with modern and reliable tools to find jobs that match their skills, and provide employers with better tools to look for qualified Canadians. Through a secure, authenticated process, registered job seekers and employers will be automatically matched on the basis of skills, knowledge and experience.**
Implementation path and expected date of implementation	The Government of Canada is collaborating with the provinces and territories to coordinate systems across all jurisdictions to facilitate implementation. Additionally, as employers applying for temporary foreign workers must post their jobs on the Job Bank website, the new JMS will be able to match unemployed Canadians with employers offering available jobs that match their skills in their region. The enhanced JMS is expected to be launched by fall late 2014-early 2015.
What indicator(s) will be used to measure progress?	Successful launch of the new JMS.
Explanation of additionality (where relevant)	N/A

Internships for post-secondary graduates in high demand and support for youth internships in small and medium sized enterprises	Dedicating $40 million toward supporting up to 3,000 full-time internships for post-secondary graduates in high-demand fields such as science, technology, engineering, mathematics and the skilled trades for 2014–15 and 2015–16. **Providing $30 million of this amount to the National Research Council's Industrial Research Assistance Program (IRAP) to support youth internships in small- and medium-sized enterprises (SMEs) undertaking technical research and development projects.**
Implementation path and expected date of implementation	$10M: The Government of Canada will solicit and fund projects to support internships for post-secondary graduates in high demand fields such as science, technology, engineering, mathematics and the skilled trades. This new initiative is being implemented in fiscal year 2014 -15. $30M: IRAP is delivering incremental funding through its normal Youth Employment Program (YEP) delivery. Incremental to IRAP, the YEP is currently available in fiscal year 2014-15.
What indicator(s) will be used to measure progress?	$10M: The following key performance measures will be used to measure progress: • Number of clients served • Number of clients employed or self-employed • Number of clients who returned to school $30M: The following key performance measures will be used to measure progress: • Number of SMEs served • Number of jobs supported within a SME • Number of youth projects Number of graduates supported through youth projects
Explanation of additionality (where relevant)	N/A

Creating the Canada Apprentice Loan	**The Canada Apprentice Loan will allow eligible registered apprentices in their first Red Seal trade apprenticeship to apply for interest-free loans of up to $4,000 per period of technical training. Interest charges and repayment of Canada Apprentice Loans will not begin until after loan recipients complete or terminate their apprenticeship training program.**
Implementation path and expected date of implementation	The Canada Apprentice Loan will be available to apprentices in January 2015.
What indicator(s) will be used to measure progress?	It is expected that upwards of 26,000 apprentices per year will apply for over $100 million in Canada Apprentice Loans.
Explanation of additionality (where relevant)	N/A

Flexibility and innovation in Apprenticeship Technical Training pilot project	Expand innovative approaches to the delivery of apprentice technical training aimed at reducing non-financial barriers to completing training and obtaining certification.
Implementation path and expected date of implementation	The Government of Canada is developing an implementation approach, informed by consultations with stakeholders with the objective to start pilot projects in late 2014-early 2015.
What indicator(s) will be used to measure progress?	This is a research-oriented initiative and an evaluation framework will be developed, with indicators to be included in pilot project agreements. The number of pilot projects implemented from 2015 will be an initial indicator to measure project progress.
Explanation of additionality (where relevant)	N/A

Reallocate $15 million annually within the Youth Employment Strategy	To facilitate the linkages between SME employers and youth, $15 million annually within the YES will support up to 1,000 full-time paid internships per year for post-secondary graduates in small and medium-sized enterprises (SMEs)
Implementation path and expected date of implementation	The initiative will be implemented through a national call for proposals for projects expected to be two years in length, beginning in fiscal year 2014-2015.
What indicator(s) will be used to measure progress?	The following indicators will be used to measure performance: • Number of clients served • Number of clients employed or self-employed • Number of clients who returned to school
Explanation of additionality (where relevant)	N/A

Express Entry system	Providing $14.0 million over two years and $4.7 million per year ongoing to launch Express Entry, a new application management system that will allow the Government of Canada, provinces and territories, and employers to actively target skilled immigrants under key economic immigration programs.
Implementation path and expected date of implementation	Starting January 2015, skilled foreign workers will indicate their interest in immigrating to Canada by providing information electronically about their skills and work experience. Candidates who are most likely to succeed in Canada's labour market, based on human capital characteristics, job offer or nomination by a Province or Territory, will receive an Invitation to Apply for permanent residence.

What indicator(s) will be used to measure progress?	A performance measurement strategy (PMS) is under development and will be implemented before Express Entry launch in January 2015. This PMS will utilize a combination of new and existing performance indicators and measures, including: • volume and inventory of applications and processing times for Express Entry applicants; • the skill profile and attributes of candidates issued an Invitation to Apply (ITA); • the number and percentage of Express Entry candidates issued an ITA who have a job offer from a Canadian employer; and, • economic outcomes for skilled immigrants selected through Express Entry. The results from these indicators will be monitored regularly.
Explanation of additionality (where relevant)	N/A

4. Competition

Encouraging competition in the telecom sector	**Introduction of a legislated cap on wholesale domestic wireless roaming rates, amendments to provide telecommunications regulators with the power to impose administrative monetary penalties, and additional auction of commercial mobile spectrum in early 2015.**
Implementation path and expected date of implementation	Legislative cap on wholesale wireless roaming rates were included in the *Economic Action Plan 2014 Act, No.1,* which received Royal Assent on June 20, 2014. Amendments to provide for an administrative monetary penalties regime were included in the Economic Action Plan 2014 Act, No.2, tabled on October 23, 2014. Parliamentary approval is required.
What indicator(s) will be used to measure progress?	Indicators include pricing, usage and investment in the telecom sector.
Explanation of additionality (where relevant)	N/A

Modernize Canada's Intellectual Property Framework	**Legislative amendments required to ratify or accede to the following widely recognized international treaties: the Madrid Protocol, the Singapore Treaty, the Nice Agreement, the Patent Law Treaty and the Hague Agreement.**
Implementation path and expected date of implementation	Legislative amendments pertaining to trademarks were included in the *Economic Action Plan 2014 Act, No.1,* which received Royal Assent on June 20, 2014. Amendments pertaining to patents and industrial designs were included in the Economic Action Plan 2014 Act, No.2, tabled on October 23, 2014. Parliamentary approval is required.

What indicator(s) will be used to measure progress?	The Government has tabled the above treaties in Parliament. Accession is dependent upon the passage of indicated legislation.
Explanation of additionality (where relevant)	N/A

The Government will address the regulatory framework interests of smaller banks	
Implementation path and expected date of implementation	OSFI appointed an advisor to reach out to small banks and trusts and identify and then address challenges faced by these institutions, where appropriate. The advisor's work is ongoing. Following a review of the OSFI approval process, appropriate changes to streamline the process may be implemented on an incremental basis.
What indicator(s) will be used to measure progress?	Indicators may include the appointment of the advisor, updated public guidance and supervisory approaches that are proportionate to banks' systemic importance, and the potential streamlining of the approval process for establishing new banks.
Explanation of additionality (where relevant)	N/A

Seek to ensure the ability of smaller banks to access funding	
Implementation path and expected date of implementation	The Government continues to consider further flexible funding options for smaller banks. This process is ongoing.
What indicator(s) will be used to measure progress?	Indicators may include consultations on funding options for smaller banks.
Explanation of additionality (where relevant)	N/A

Support the growth of credit unions on a national scale	
Implementation path and expected date of implementation	Ongoing consultations with credit union system and provincial authorities on facilitating entry of interested credit unions into the federal framework.

What indicator(s) will be used to measure progress?	Indicators include finalization of consultations.
Explanation of additionality (where relevant)	N/A

Reducing barriers to internal trade	**Development of an Internal Trade Barriers Index to identify measures currently restricting trade between provinces and territories, to help all jurisdictions in focusing reforms on priority areas.**
Implementation path and expected date of implementation	This initiative was announced by the federal government in February 2014 and is currently in its design phase. The government will work with sub-national governments to populate the Index as quickly as possible. Cooperation of sub-national governments is required to create the Index, as well as to undertake priority reforms.
What indicator(s) will be used to measure progress?	Indicators of progress include the number of industry sectors covered by the Index and its geographic scope.
Explanation of additionality (where relevant)	N/A

$1.6 billion new support for research and innovation	**A key component of the initiative is the creation of the Canada First Research Excellence Fund, which supports the global leadership of Canadian post-secondary institutions in research areas that create long-term economic advantages for Canada.**
Implementation path and expected date of implementation	The details of the Canada First Research Excellence Fund are being finalized with the expectation that funding of $50 million in 2015–16, $100 million in 2016–17, $150 million in 2017–18, and $200 million annually in 2018–19 and beyond will be disbursed through an open and competitive process based on peer review. The other components of the $1.6 billion new funding will be distributed over the coming years.
What indicator(s) will be used to measure progress?	Grants awarded to post-secondary institutions under the Canada First Research Excellence Fund will be reported publicly. The overall program relevance and performance will be evaluated periodically after implementation, per government policy. The status of other components will be published in departmental reports of leading organizations.
Explanation of additionality (where relevant)	N/A

Small Business Job Credit	Small businesses' Employment Insurance (EI) premiums will be reduced from the current legislated rate of $1.88 to $1.60 per $100 of insurable earnings in 2015 and 2016
Implementation path and expected date of implementation	The Small Business Job Credit will apply to Employment Insurance (EI) premiums paid by small businesses in 2015 and 2016. It will be automatically administered by the Canada Revenue Agency, which will determine eligibility and calculate the amount of the credit. Once calculated, the credit will be applied against any outstanding debt and then the remaining amount, if any, will be refunded to the small business.
What indicator(s) will be used to measure progress?	Automatically administered by the Canada Revenue Agency.
Explanation of additionality (where relevant)	N/A

5. Trade

Fully implement all TFA requirements in tandem with trading partners	
Implementation path and expected date of implementation	Canada already meets most of the requirements of the TFA. Canada will work to implement the remaining procedural provisions of the TFA in tandem with trading partners.
What indicator(s) will be used to measure progress?	Canada will have implemented the great majority of the provisions of the TFA by November 2014.
Explanation of additionality (where relevant)	N/A

Canadian Market Access and Capacity Building Services Project	
Implementation path and expected date of implementation	To further stimulate developing country imports into Canada, in November 2013 Canada provided $10.3M over five years to establish the Canadian Market Access and Capacity Building Services Project, implemented by the Trade Facilitation Office of Canada. This project will assist small and medium-sized companies in more than 40 developing countries to develop their capacity to export to the Canadian market.
What indicator(s) will be used to measure progress?	The target for the Canadian Market Access and Capacity Building Services Project is to support 10,000 small and medium-sized enterprises (SMEs) and 500 trade supporting organisations in developing countries over five years.
Explanation of additionality (where relevant)	N/A

Canada and EU CETA	On August 5, 2014, Canada and the EU announced completion of negotiations on CETA, which covers all aspects of Canada-EU trade, including goods, services, investment, government procurement, and many others.
Implementation path and expected date of implementation	A legal review of the CETA text is ongoing, followed by translation. The CETA text must be made official in 23 official EU languages. This will be followed by the process required to approve the agreement in Canada and the EU along with the steps necessary to bring policies, regulations and legislation into conformity with the obligations under CETA. CETA will enter into force once both Parties have completed their implementation procedures and ratified the agreement. The overall process starting from the conclusion of the negotiations through the legal review, translation, and approval process is expected to take approximately two years.
What indicator(s) will be used to measure progress?	CETA is signed, ratified, and entered into force.
Explanation of additionality (where relevant)	N/A.

Canada Korea Free Trade Agreement	On March 11, 2014, in Seoul, Prime Minister Stephen Harper and President Park Geun-hye of South Korea announced the conclusion of the Canada-Korea Free Trade Agreement (CKFTA) negotiations, Canada's first FTA in Asia.
Implementation path and expected date of implementation	Canada and South Korea are working on their respective domestic implementation processes with a view to having the CKFTA enter into force as soon as possible.
What indicator(s) will be used to measure progress?	The CKFTA is signed, ratified, and entered into force.
Explanation of additionality (where relevant)	N/A

Canada's Global Market Action Plan	Under the Global Markets Action Plan, the Government of Canada is concentrating on the markets that hold the greatest promise for Canadian business through vigorous trade promotion and ambitious trade policy. The Global Markets Action Plan will ensure that all Government of Canada assets are harnessed to support the pursuit of commercial success by Canadian companies and investors in key foreign markets, to generate new jobs and new opportunities for workers and families.
Implementation path and expected date of implementation	The *Global Markets Action Plan* was officially launched on November 27, 2013, and will be implemented over the next 5 years.

What indicator(s) will be used to measure progress?	The *Global Markets Action Plan* sets targets to grow Canada's SME footprint in emerging markets and create new jobs for Canadians. The targets under the plan are as follows:
	Five-Year Target to Increase SMEs Exporting to Emerging Markets
	• Grow Canada's SME export presence in emerging markets from 29 percent to 50 percent by 2018.
	    ○ This would grow Canada's SME footprint in emerging markets from 11,000 to 21,000 companies.
	    ○ This growth would create more than 40,000 net new jobs.
	
	The following tools will be used to track the specific five-year SME target as well as progress on implementing the Global Markets Access Plan more generally:
	
	• Data from Statistics Canada, in particular the Exporter Register, to track the international footprint of Canadian SMEs in emerging markets, as well as employment changes.
	
	• TRIO, the Client Relationship Management System for the Canadian Trade Commissioner Service, to track the growth of its SME client base and monitor sectors and markets of interest, in particular to SMEs.
	
	• TRIO to track how the services we give to Canadian clients lead to their success in pursuing opportunities that range from sales to innovation partnerships to investments.
	
	• Client Service Surveys to measure satisfaction with the services provided by the Canadian Trade Commissioner Service.
	
	• Updated study on the Canadian Trade Commissioner Service identifying how Canadian companies benefit from its services.
	
	• Ongoing tracking of the implementation of various initiatives announced in the *Global Markets Action Plan*, including the development of Market Access Plans, the creation of a new advisory council, the opening of new Trade offices, the launch of sector strategies, etc.

Explanation of additionality (where relevant)	N/A