

Economic Club of Canada

On June 13th, the Economic Club of Canada hosted a keynote address with the Honourable Jonathan Wilkinson, Canada's Minister of Natural Resources.

This event was sponsored by the Insurance Bureau of Canada and the Canadian Gas Association.

Time To Build

As a global population, we are under immense responsible to reduce carbon emissions and prevent the destructive potential of climate change. We also find ourselves in an era of extraordinary economic opportunity and global financial markets are driving the investment investment decisions in search of long-term gains that are steering away from assets that will perform poorly in a low-carbon world. Canada has chosen to be a leader in this global economic shift.

KEY TAKEAWAYS

- The future of the world must and will be a lower-carbon one and around the world, businesses large and small, unions and governments are in a race to reduce carbon emissions
- Successful businesses interpret and adapt to changes in the environment in which they operate—it's what shareholders expect and employees depend on.
- Governments are no different. The economic future of Canadians depends on us making the right choices to make sure that Canada will thrive in a low-carbon world.
- Economically, Canada is very well-positioned with significant areas of comparative advantage that will be relevant in a low-carbon world.
- Going slow and just hoping for the best is a choice—and a much riskier one. There are two paths Canada can take:
 - o The first path (PATH 1) accepts that climate change is a reality that we can and must address, prompting a shift in investment and innovation.
- The second path (PATH 2) starts with shrugging off the damage that climate change has already caused. It pretends that climate concern is a fad that will fade, and we don't need to do anything to keep our economy healthy for the long term. I'm convinced taking the second path would mean our environment and our economy would suffer.

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- PATH 1 is a relevant plan for the future: An economy that works for all Canadians including those who work in conventional energy, achieved through strategies in which the economy changes, grows and becomes more resilient, and the environment is better protected.
- Successful strategies leverage comparative advantages...
- *Canada boasts:*
 - o Well-educated and highly trained people
 - o In-demand natural resources that are increasingly including critical minerals and hydrogen
 - o Innovative energy and clean technology companies, technologies and expertise
 - o Banking, regulatory, political and legal systems that are stable
 - o Trade agreements with major economies around the world
 - o and world-leading ESG standards.
- *Canada's Plan for the Future has four pillars:*
 - o Identify and seize key opportunities that will be enabled by the shift toward a low-carbon future
 - o Thoughtful policy approach when it comes to Canada's oil and gas resources
 - o Build and scale clean power
 - o Meaningful Indigenous engagement and active participation
- The four pillars form the foundation for a natural resource and resource-enabled industrial strategy that will drive jobs, competitiveness and economic prosperity for Canadians in a low-carbon future.
- Budget 2023 represented a fundamental and generational additional investment in a clean growth agenda and a clean growth future.
- Time is not our friend in the fight against climate change.
- At this historic moment, the environmental movement – which has at times found itself to be in opposition to some development – will need to become comfortable with an enhanced focus on building things—in the right way for sure—but building things.
- To the business community, explicit and concrete commitment to Canada's emission reduction and nature protection goals are table stakes for the energy transition conversation—anything else is just greenwashing.
- Canada can either model behaviours that will help the world achieve the targets that will allow us to avoid ecological catastrophe, or we can play an active part in leaving unimaginable environmental challenges to our children.
- Taking the position of ignoring climate action at home, will also ensure that Canada misses out on the extraordinary economic opportunities that will be enabled through the transition to a low-carbon future.

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