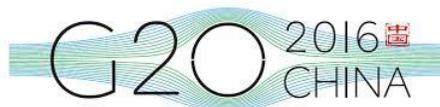


2016

GROWTH STRATEGY

CANADA



A. Economic Context and Objective

Economic Objective

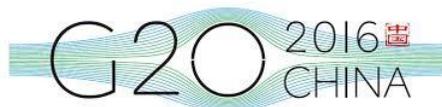
Canada's overarching economic objective remains to ensure prosperity and rising living standards for all Canadians. However, through the 2016 budget, the new Government of Canada is taking a fundamentally different approach to achieve this objective. This approach focuses on growth and includes putting forward measures that will grow the economy for the benefit of every Canadian. It includes smart investment and fair choices. In particular, strengthening the middle class, making targeted investments in infrastructure and innovation, and investing in Canadians in ways that promote inclusive growth are key for the Government of Canada.

Short-term Challenges

Slowing global growth and significantly lower commodity prices have led to a slowing of real GDP growth in Canada from 2.5 per cent in 2014 to 1.1 per cent in 2015. Non-residential business investment contracted sharply in 2015, largely driven by declines in the oil and gas sector, while household consumption growth remained moderate. In 2016, Canada continues to undergo complex adjustments to the declines in global commodity prices and in its terms of trade. Slower-than-expected U.S. growth and then wildfires in Alberta have weighed heavily on Canada's growth in the first half of 2016. Growth is expected to firm up in the second half of 2016, as oil production resumes and rebuilding begins in Fort McMurray, and supported by the ongoing expansion in the U.S., the lower Canadian dollar, accommodative monetary and financial conditions, and fiscal measures introduced by the Government in Budget 2016. Overall real GDP growth in 2016 is expected to be just below 1.5 per cent in 2016 (1.4 per cent from Private Sector Survey in February 2016 and 1.3 per cent from July Bank of Canada Monetary Policy Report).

Long-term Challenges

However, Canada cannot rely indefinitely on accommodative monetary and fiscal policy to build potential output growth. While Canada's economic growth was largely dependent on higher labour force participation and strong commodity prices in the decade leading up to the 2008-09 recession, population aging and the recent impact of low oil prices on the economy demonstrate that Canada cannot rely on these historical drivers of growth to power the economy in the longer term. Higher productivity growth driven by more innovation, as well as a more educated, skilled, innovative and capital-intensive labour force, and increased labour market participation by under-represented groups will be essential to raising Canadians' living standards.



B. Macroeconomic Policy Actions to Support Growth

Monetary Policy

The Bank of Canada's target for the overnight rate has remained unchanged at 0.5 per cent since July 2015, a historically low level. As such, monetary conditions are very accommodative. While conventional monetary policy rates are low, there is room for the Bank of Canada to use unconventional monetary policies if warranted.

Fiscal Policy

In an environment of sustained economic weakness, the Government of Canada's 2016 budget makes strategic investments totalling around 2.5 per cent of GDP (\$50.2 billion) over the next six years in order to provide immediate support for the economy as well as raise the potential output over the long-term. Investments in infrastructure and in innovation will form the foundation for a more inclusive society—one that delivers stronger growth and a better quality of life for the middle class and those working hard to join it.

This reflects the Government of Canada's commitment to make use of its available fiscal room to support growth. Canada has a low debt burden, with public debt charges as a percentage of budgetary revenues at near-historic lows.

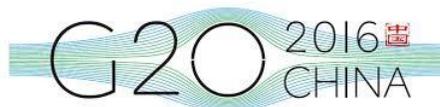
C. Structural Reform Priorities

C1. Implementation of Past Growth Strategy Commitments

In 2016, Canada continued to make important progress towards full and timely implementation of its commitments from the 2014 Brisbane Growth Strategy and the 2015 Antalya Adjusted Growth Strategy. More than half of Canada's Brisbane and Antalya key commitments have been fully implemented, and implementation of the remaining commitments are in progress.

Canada has experienced delays in implementing some measures due to the need to follow lengthy but necessary procedural and legislative steps. For example, before bringing the Canada-EU Comprehensive Economic and Trade Agreement (CETA) into force, ratification must be sought in Canada and the EU, and any necessary changes to the regulations and legislations of both parties must be made in order to align themselves with the obligations of the agreement. Moreover, for some measures, ongoing consultations with other levels of governments and stakeholders are being carried out as they are critical for effective and impactful implementation.

In addition, in 2016, the Government of Canada has adopted a fundamentally different approach that focuses on growth and not austerity. The approach uses more growth-friendly fiscal policy to support the economy, particularly by making investments that will strengthen economic growth. The Balanced Budget Legislation enacted last year is inconsistent with this approach and has been repealed.



Furthermore, given the 2016 budget focus on providing support to and strengthening the middle class, further reductions to the federal small business income tax rate are being deferred.

C2. New Structural Reform Measures

In addition to the measures included in the Brisbane and Antalya growth strategies, the Government of Canada continues to put forward a series of growth-enhancing measures that aim to not only help position Canada for long term growth but also support growth in the near term.

Promoting Inclusive Growth

For growth to be sustainable, it must be inclusive. Over the past thirty years, income growth of the wealthiest Canadians has outpaced that of other Canadians. Canada needs to ensure that economic growth benefits all Canadians if it is to build a fairer and more inclusive society.

Recognizing the important role the middle class plays in Canada's economic success, the Government is taking actions to strengthen the middle class. An important initiative includes the **reduction of the second federal personal income tax rate** to 20.5 per cent from 22 per cent, and the introduction of a new top federal income tax rate of 33 per cent for individuals with more than \$200,000 in taxable income each year.

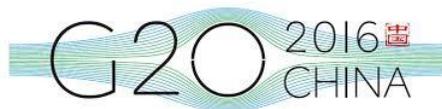
The Government also replaced the previous complicated child benefit system with a new **Canada Child Benefit**. This new benefit is simpler, better-targeted, more generous and tax-free, and provides greater support to low- and middle-income families. In addition, while Canada's retirement income system has been successful in reducing the incidence of poverty among Canadian seniors, some seniors continue to be at a heightened risk of living on low incomes. The Government therefore **increased the Guaranteed Income Supplement**, by up to \$947 annually, to help the most vulnerable Canadian seniors.

The Government's substantial investments in Indigenous communities' primary and secondary education (listed in "Advancing Labour Market Reform, Educational Attainment and Skills") and social infrastructure (listed in Section D) will also contribute to promoting inclusive growth.

Advancing Labour Market Reform, Educational Attainment and Skills

Building a workforce that is not only highly educated but also responsive to changing skills requirements is critical. However, for many Canadians, rising costs have made post-secondary education less affordable while some segments of the population face barriers to acquiring the skills and experience they need to participate fully in the labour market.

To ensure that Canada's future workforce receives the necessary education and training to be well prepared to take advantage of new job opportunities, the Government will undertake a series of **reforms to the Canada Student Loans Program** to make post-secondary education more affordable and student debt loads more manageable. Moreover, recognizing that First Nations children may not be



reaching their full potential in terms of education, which is preventing their full integration into the labour market, the Government will also **invest in the primary and secondary education of First Nations children**. These measures also contribute to promoting more inclusive growth.

The support for education will further be complemented by initiatives to help young people gain the skills, abilities and work experience they need to find and maintain good employment. The Government will make additional investments in the **Youth Employment Strategy** to help young Canadians develop skills and gain valuable work experience to support a more successful transition to the workforce.

In addition to equipping young Canadians with the necessary education and training, it is also important to help individuals stay connected to the labour market when they become unemployed. Therefore, the Government is making **changes to the Employment Insurance (EI) system**. Eliminating the higher EI eligibility requirements for new and re-entrants – primarily young Canadians and recent immigrants – will provide support while they seek re-employment, and extending the Working While on Claim pilot project will ensure that claimants always benefit from accepting work.

Encouraging Innovation

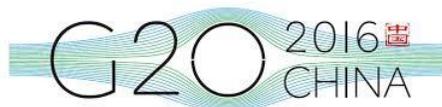
Increased investment in R&D and innovation is critical to increasing external competitiveness and productivity.

The Government is developing a new Innovation Agenda to build an innovative economy. As a first step, recognizing the fundamental role played by Canada's universities, colleges and other research institutions in developing highly skilled and creative workers, the Government will provide **funding for infrastructure projects at post-secondary institutions** and affiliated research and commercialization organizations. In addition to enhancing and modernizing research and commercialization facilities on Canadian campuses and industry-relevant training facilities at college and polytechnic institutions, this initiative will support projects that reduce greenhouse gas emissions and improve the environmental sustainability of these types of facilities.

Enhancing Environmental Sustainability and Trade Openness

Supporting a clean economy will help position Canada to take advantage of opportunities in the new global economy by diversifying the economy and opening up access to new markets, while reducing emissions and generating well-paying jobs for Canadians.

In this regard, the Government of Canada will provide over \$1 billion over four years starting in 2017-18 to **support clean technology**, including in the forestry, fisheries, mining, energy and agriculture sectors, to help Canada transform into a low-carbon economy. In the context of the **pan-Canadian Framework on Clean Growth and Climate Change**, the Government will also provide \$2 billion over two years to support provincial and territorial actions that materially reduce greenhouse gas emissions.



In addition, the Government remains committed to reducing trade barriers. As part of this effort, the Government of Canada has recently **eliminated or waived import tariffs** on a number of additional manufacturing inputs and on ferries of all sizes, and, to ensure a fair trade environment, it has taken steps to strengthen the trade remedy system.

Improving and Strengthening the Financial System

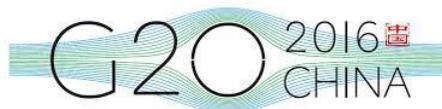
The Government continues to monitor the housing market in Canada and is committed to implementing policy measures that maintain a healthy, competitive and stable housing market. In December 2015, the Government announced coordinated actions to **strengthen the resilience of Canada's housing finance system**. These included an increase in the minimum down payment for newly insured mortgages on the portion of the house price above \$500,000, increases in guarantee fees for Canada Mortgage and Housing Corporation (CMHC)-sponsored securitization programs, and a plan to update regulatory capital requirements for residential mortgages. The Government has also announced funding to develop methods for gathering data on purchases of Canadian housing by foreign homebuyers to better understand the role of foreign homebuyers in Canada's housing market. Further, in June 2016, a federal, provincial and municipal working group on the housing market was created to study the current state of the Canadian housing market and provide policy advice.

D. Investment

Improving Infrastructure

In recent years, congestion resulting from rapid growth in Canadian cities and the demand for safer and more resilient communities have made the need for infrastructure investment more acute. In addition to the immediate benefits in terms of job creation in various sectors, as well as the generation of significant economic spinoff activity, infrastructure investment will also ensure that Canadians continue to benefit from modern, efficient and sustainable infrastructure that is the foundation of our quality of life and long-term prosperity. In addition to the new infrastructure investment announced in 2016, the Government of Canada made significant commitments related to public investment in infrastructure and to enhancing existing infrastructure support in its 2014 Brisbane Growth Strategy and 2015 Antalya Adjusted Growth Strategy and 2015 Antalya Investment Strategy.

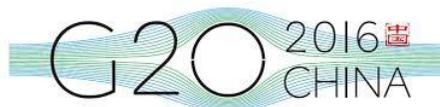
Among the measures included in Canada's 2015 Antalya Investment Strategy, two measures on improving the investment ecosystem have been fully implemented. These include: helping manufacturers to invest in productivity-enhancing machinery and equipment through an accelerated capital cost allowance and restoring the mandatory long-form census to improve the quality and accessibility of national data. One measure, the corporate tax relief for small business, was partially implemented, as explained in section C1. The remaining investment measures are all on track (see details below in Annex 1).



Budget 2016 includes the Government's phase 1 of the long-term plan on infrastructure. Phase 1 of the plan provides \$11.9 billion over five years and includes following investments:

- \$3.4 billion over three years to upgrade and improve public transit systems across Canada;
- \$5.0 billion over five years for investments in water, wastewater and green infrastructure projects across Canada; and
- \$3.4 billion over five years for social infrastructure, including affordable housing, early learning and child care, cultural and recreational infrastructure, and community health care facilities on reserve.

The Government is also providing funding for innovative infrastructure projects through the Post-Secondary Institutions Strategic Investment Fund (listed above in "encouraging innovation").



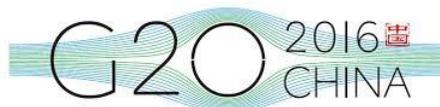
Annex 1. Past commitment – Brisbane and Antalya commitments

The purpose of these tables is to monitor the implementation of members' previous commitments.

Brisbane and Antalya Key Commitments for Monitoring Purposes

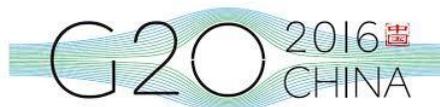
<ul style="list-style-type: none"> \$1.3 BILLION INFRASTRUCTURE INVESTMENT 	Funding over 2 years to support additional strategic investments in public infrastructure and transportation services across Canada		
Inclusion of the commitment in growth strategies	This measure was included in the Brisbane growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	N/A	N/A	All projects are proceeding and are at various stages of implementation.
Impact of Measure	The Government's strategic investments in federal infrastructure and transportation services, including in key international crossings, the New Bridge for the St. Lawrence in Montreal, and other transportation services are contributing to economic growth and job creation in communities across the country.		

<ul style="list-style-type: none"> 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.		
Inclusion of the commitment in growth strategies	This measure was included in the Brisbane growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	1- Launch of Job Match for job seekers –	These policy	The enhanced JMS was rolled out in early

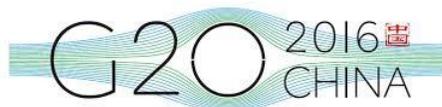


	<p>Canadian citizens, permanent residents as well as Immigration, Refugees and Citizenship Canada's Express Entry (EE) candidates can create accounts and profiles to be matched with jobs posted on Job Bank for Employers.</p> <p>2- Launch of the new Job Bank for Employers (JBFE) - Employers can advertise their job vacancies for free and in both English and French.</p> <p>3- Launch of Job Match for Employers - Employers with jobs advertised on JBFE will be able to access lists of local qualified job seekers and send them invitations to apply.</p> <p>These modules include the following features: paperless registration, job ad customization, improved security and an improved matching algorithm.</p>	<p>actions were gradually implemented between January and April 2015 as per ESDC's Budget 2014 commitment to modernize Job Bank and launch an enhanced JMS.</p>	<p>2015 and it allows job seekers and employers to be matched according to skill, experience, knowledge, location and job requirements. The JMS uses a new validation process which ensures the authenticity of job seekers and employers who register to use Job Bank.</p>
<p>Impact of Measure</p>	<p>The new JMS has served over 200,000 job seekers and 60,000 employers have created accounts since it was introduced in early 2015. Of the 73% of employers who voluntary reported filling a vacancy, 48% were as a direct result of Job Bank.</p>		

<p>• REDUCE BARRIERS TO ENTRY AND PROMOTE</p>	<p>Introduction of a legislated cap on wholesale domestic wireless roaming rates, amendments to provide telecommunications</p>
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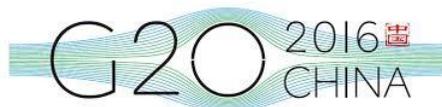


COMPETITION IN TELECOMMUNICATIONS SECTOR	regulators with the power to impose administrative monetary penalties, and announcement of an additional auction of commercial mobile spectrum in early 2015.		
Inclusion of the commitment in growth strategies	This measure was included in the Brisbane growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	N/A	N/A	<p>These measures have been implemented as announced.</p> <p>The legislative cap on wholesale wireless roaming rates was included in the Economic Action Plan 2014 Act, No.1, which received Royal Assent on June 20, 2014.</p> <p>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, which received Royal Assent on December 17, 2014.</p> <p>Three spectrum auctions have taken place in 2015 (AWS-3; 2,500 MHz; and Residual).</p>
Impact of Measure	<p>The above noted measures are part of a broader strategy since 2008 to improve choice, prices and service in Canada's telecommunications market (see details on the website of Innovation, Science and Economic Development Canada: http://www.ic.gc.ca/eic/site/ic-gc.nsf/eng/07389.html). The Government's actions on spectrum and other telecommunications issues have had a positive effect: wireless prices have fallen on</p>		



	<p>average 22 percent since 2008.</p> <p>As a result of the recent spectrum auctions, the amount of spectrum available to provide mobile services to Canadian consumers grew by almost 60 percent between early 2014 and May 2015. This is the largest amount of spectrum ever released in such a short time in Canada.</p>
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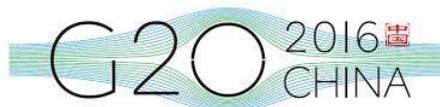
• SMALL BUSINESS JOB CREDIT	The Small Business Job Credit will effectively lower small businesses' Employment Insurance (EI) premiums from the current legislated rate of \$1.88 to \$1.60 per \$100 of insurable earnings in 2015 and 2016.		
Inclusion of the commitment in growth strategies	This measure was included in the Brisbane growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	<p>The Government announced the Small Business Job Credit in September 2014.</p> <p>The credit provides relief to small businesses for Employment Insurance premiums paid in 2015 and 2016.</p>	<p>The Small Business Job credit is available in 2015 and 2016.</p>	<p>In 2015 and 2016, the Small Business Job Credit will be available to any firm paying employer Employment Insurance premiums equal to or less than \$15,000 in those years.</p> <p>The credit will effectively reduce small businesses' EI rate by 28 cents from the legislated rate of \$1.88 to \$1.60 per \$100 of insurable earnings. The credit is calculated as the difference between premiums paid at the legislated rate and the reduced small business rate.</p>
Impact of Measure	The 2016 Report of the EI Chief Actuary projects that \$636 million		



	will be returned to small businesses over the two years of the credit. Almost 90 per cent of all Employment Insurance premium-paying businesses in Canada will receive the credit, reducing their Employment Insurance payroll taxes by nearly 15 per cent.
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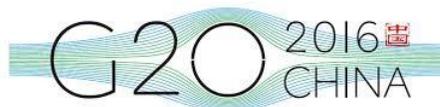
<ul style="list-style-type: none"> CANADA-EU COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT AND THE CANADA-KOREA FREE TRADE AGREEMENT 			
Inclusion of the commitment in growth strategies	This measure was included in the Brisbane growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	After signing the legally reviewed Canada-EU CETA, Canada and the EU will undertake internal ratification and implementation. The Canada-Korea FTA entered into force on January 1, 2015; no further action is needed.	Canada and EU are aiming to sign the CETA in 2016 with entry into force in 2017.	Legal vetting of the CETA was concluded on February 29, 2016. Signing, ratification and implementation will follow.
Impact of Measure	A joint Canada-EU study that supported the launch of negotiations concluded that a trade agreement with the EU could bring a 20-percent boost in bilateral trade and a \$12-billion annual increase to Canada's economy. The Canada-Korea FTA is expected to increase Canadian exports to South Korea by 32 percent and to boost the Canadian economy by \$1.7 billion.		

<ul style="list-style-type: none"> ACCELERATED CAPITAL COST ALLOWANCE 	Provide manufacturers with an accelerated capital cost allowance for machinery and equipment acquired after 2015 and before 2026
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Inclusion of the commitment in growth strategies	This measure was included in the Antalya growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	N/A	N/A	This measure has been implemented as announced. Legislation to enact this measure received Royal Assent in June 2015.
Impact of Measure	This measure provides manufacturers with an accelerated CCA at a rate of 50 per cent on a declining-balance basis for eligible assets acquired after 2015 and before 2026. This measure supports the competitiveness of the manufacturing sector by encouraging productivity-enhancing investment in machinery and equipment.		

• SUPPORT TO PROVINCES AND TERRITORIES TO HARMONIZE APPRENTICESHIP TRAINING	Support to the provinces and territories for implementing recommendations made by the Canadian Council of Directors of Apprenticeship to harmonize apprenticeship training requirements in targeted Red Seal trades		
Inclusion of the commitment in growth strategies	This measure was included in the Antalya growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	In July 2015, Federal, Provincial and Territorial Labour Market Ministers announced that apprenticeship training for the first ten Red Seal trades will be harmonized by September 2016 in most jurisdictions, and to harmonize training for two-thirds of Red Seal	The aim is to harmonize a total of 30 Red Seal trades in most jurisdictions (outside Quebec) by 2020.	There is strong momentum and collaboration with industry across the country. Most jurisdictions are on track for the implementation of nine of the first ten trades by September 2016. The tenth trade,

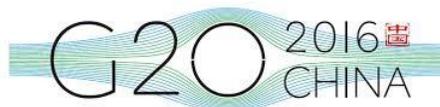


	<p>apprentices by September 2017.</p> <p>Ministers also signed a Provincial-Territorial Mobility Agreement in July 2015, which details jurisdictional commitments to allow apprentices to work temporarily or move permanently between provinces and territories and receive recognition for hours worked and other training completed.</p>		<p>Heavy Duty Equipment Technician, was harmonized as part of phase 2 due to common training with other Red Seal trades. All nine trades that are part of phase 2 are also harmonized and most jurisdictions are on track to implement them by September 2017.</p> <p>In addition, work is underway to harmonize the next set of five trades by September 2018, with pan-Canadian consultations launched for two trades.</p> <p>In January 2016, the Provincial-Territorial Mobility Agreement was implemented.</p>
<p>Impact of Measure</p>	<p>Skilled trades are essential to Canada's economic prosperity. This measure reduces barriers to accreditation in the skilled trades and improves labour mobility, ensuring that skilled workers are available where the jobs are.</p>		

Other Non-key Commitments

Brisbane Commitments

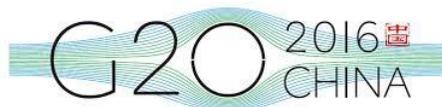
<p>• Balanced Budget Legislation</p>	<p>A pledge to introduce balanced budget legislation</p>
<p>Implementation path and expected date of implementation</p>	<p>The <i>Federal Balanced Budget Act</i> has been passed by Parliament and came into force on July 1, 2015.</p>



Status of Implementation and Impact	The Government has subsequently repealed the <i>Federal Balanced Budget Act</i> .
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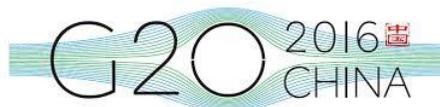
<ul style="list-style-type: none"> Cooperative Capital Markets Regulatory System 	The Government is moving forward to implement the Cooperative Capital Markets Regulatory System, in partnership with provinces and territories.
Implementation path and expected date of implementation	The Memorandum of Agreement Regarding the Cooperative Capital Markets Regulatory System contemplates a phased approach to implementing the Cooperative System.
Status of Implementation and Impact	<p>Participating jurisdictions are making progress on refining a federal-provincial legislative framework and developing a harmonized rulebook. Updated consultation draft capital markets legislation, along with draft initial regulations, were released for public comment.</p> <p>British Columbia, Ontario, Saskatchewan, New Brunswick, Prince Edward Island, Yukon and Canada are jointly engaged in the creation of the Cooperative Capital Markets Regulatory System. The Cooperative System is designed to preserve local perspectives while streamlining the capital markets regulatory framework to enhance Canada's financial services sector, support efficient capital markets and manage systemic risk. In July 2016, participating governments named the initial Board of Directors of the Capital Markets Authority Implementation Organization, which will lead in the transition to implementation of the proposed cooperative regulatory system.</p>

<ul style="list-style-type: none"> Supporting Entrepreneurs through Intensive Mentoring 	An additional \$40 million to the Canada Accelerator and Incubator Program (CAIP)
Implementation path and expected date of implementation	In June 20, 2014, the Prime Minister announced 15 best-in-class organizations chosen to advance in the selection process. Since that time most of the program's funding has been allocated following detailed due diligence, enabling the successful organizations to begin to scale up their services to entrepreneurs.
Status of Implementation and Impact	<p>This measure remains on track.</p> <p>The objective of the additional funding to CAIP is to help entrepreneurs realize the business potential of their ideas.</p>



<ul style="list-style-type: none"> • Internships for post-secondary graduates in high demand fields 	<p>Dedicating \$40 million to support 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.</p> <p>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.</p>
<p>Implementation path and expected date of implementation</p>	<p>The Government of Canada solicited and funded projects to support internships for post-secondary graduates in high demand fields such as science, technology, engineering, mathematics and the skilled trades. This initiative was implemented over two years ending March 31, 2016.</p> <p>IRAP delivered incremental funding through its ongoing Youth Employment Program (YEP) . Incremental to IRAP, the additional YEP funding was available in fiscal year 2014-15 and 2015-16. Interns were paired with innovative SMEs, providing training experience and supporting private sector R&D.</p>
<p>Status of Implementation and Impact</p>	<p>Status: Completed</p> <p>Employment and Social Development Canada is still prioritizing projects that provide work experience in high-demand fields such as science, technology, engineering, mathematics and the skilled trades. The National Research Council (NRC) has delivered support for youth internships in SMEs' R&D projects.</p>

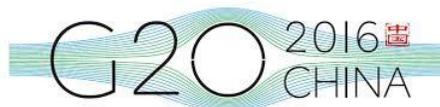
<ul style="list-style-type: none"> • Creating the Canada Apprentice Loan 	<p>The Canada Apprentice Loan allows eligible registered apprentices in Red Seal trade apprenticeship to apply for interest free loans of up to \$4,000 per period of technical training for a lifetime maximum of 6 years of interest-free status. Interest charges on Canada Apprentice Loans will not begin until after loan recipients complete or terminate their apprenticeship training program.</p>
<p>Implementation path and expected date of implementation</p>	<p>The Canada Apprentice Loan was made available to apprentices as of January 2, 2015.</p>
<p>Status of Implementation and</p>	<p>This measure has been implemented.</p> <p>It was estimated that at least 26,000 apprentices per year would</p>



Impact	<p>apply for over \$100 million in loans.</p> <p>As of March 31, 2016, total applications received amount to 27,638 with total Canada Apprentice Loans (CAL) approved totalling 22,402. Canada Apprentice Loans disbursed amount to \$86.3 million, to 19,134 recipients.</p>
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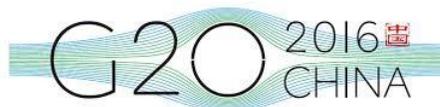
<ul style="list-style-type: none"> Flexibility and innovation in Apprenticeship Technical Training pilot project 	<p>Expand innovative approaches to the delivery of apprentice technical training aimed at reducing non-financial barriers to completing training and obtaining certification.</p>
<p>Implementation path and expected date of implementation</p>	<p>The Flexibility and Innovation in Apprenticeship Technical Training pilot project was launched in January 2015 through a Call for Proposal process. The Pilot is expected to end in March 2018.</p>
<p>Status of Implementation and Impact</p>	<p>As of June 1, 2016, Employment and Social Development Canada approved 10 multi-year projects to test alternatives to block training and the Canadian Apprenticeship Forum (CAF) project to support the evaluation of the overall pilot.</p> <p>The project sites are in the early stages of implementation and are working towards establishing initial milestones.</p>

<ul style="list-style-type: none"> Reallocate \$15 million annually within the Youth Employment Strategy (YES) to support youth internships in small and medium sized enterprises 	<p>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)</p>
<p>Implementation path and expected date of implementation</p>	<p>The initiative was implemented beginning in fiscal year 2015-2016.</p>
<p>Status of Implementation and Impact</p>	<p>Completed. While a national call for proposals was not utilized, this initiative was implemented through “continuous intake” of applications.</p>



<ul style="list-style-type: none"> • Express Entry system 	<p>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.</p>
<p>Implementation path and expected date of implementation</p>	<p>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.</p>
<p>Status of Implementation and Impact</p>	<p>Completed. The new system was launched in January 2015.</p> <p>Express Entry selects the top economic immigrants who are most likely to succeed in Canada and contribute to the Canadian economy, the labour market and communities. Express Entry helps newcomers participate more fully in the economy and integrate more quickly into Canadian society. Express Entry will help ensure the immigration system addresses Canada's economic and labour market needs while reducing backlogs and improving processing times.</p> <p>In the first year of Express Entry, almost 10,000 Express Entry candidates landed as permanent residents in 2015. In 2016, an average of 1,800 new profiles are being created each week, and just over 62% of candidates claimed a job offer or a provincial or territorial nomination.</p>

<ul style="list-style-type: none"> • Modernize Canada's Intellectual Property Framework 	<p>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.</p>
<p>Implementation path and expected date of implementation</p>	<p>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, which received Royal Assent on December 17, 2014.</p>
<p>Status of Implementation and Impact</p>	<p>This measure is on track.</p> <p>Economic Action Plan 2014 harmonized Canada's intellectual property administration framework with international norms, with</p>

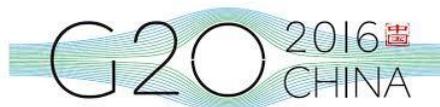


	a view to helping innovative Canadian businesses access international markets, lowering costs and reducing the regulatory burden and red tape.
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<ul style="list-style-type: none"> The Government will address the regulatory framework interests of smaller banks 	<p>The Government is considering adjustments to the regulatory framework to address the needs of smaller banks. This process is ongoing.</p>
<p>Implementation path and expected date of implementation</p>	<p>The Office of the Superintendent of Financial Institutions (OSFI) has established a small bank advisor to address some of the challenges faced by smaller federally regulated financial institutions. The advisor's work is ongoing. OSFI has reviewed the entry process for new banks with a view toward streamlining it.</p> <p>In addition, the Government announced in Budget 2016 that the Department of Finance will undertake a financial sector legislative review and begin consulting stakeholders including smaller banks in the coming months. The review provides an opportunity to examine the legislative and regulatory framework in light of emerging trends and developments, to ensure it remains robust and technically sound.</p>
<p>Status of Implementation and Impact</p>	<p>Status: The measure is on track.</p>

<ul style="list-style-type: none"> Seek to ensure the ability of smaller banks to access funding 	<p>The Government continues to consider further flexible funding options for smaller banks. This process is ongoing.</p>
<p>Implementation path and expected date of implementation</p>	<p>The Government of Canada has improved the ability of smaller banks to access funding from the Canada Mortgage and Housing Corporation (CMHC). For example, CMHC's new allocation methodologies have refocused portfolio insurance and securitization programs towards smaller lenders.</p>
<p>Status of Implementation and Impact</p>	<p>Status: The measure is on track. The Government is seeking to improve the ability of new entrants and smaller banks to compete while preserving the safety and soundness of the sector.</p>

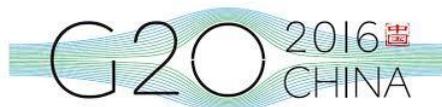
<ul style="list-style-type: none"> Support the growth of 	<p>The Government is supporting the growth and competitiveness of</p>
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credit unions on a national scale or regional scale	credit unions.
Implementation path and expected date of implementation	The Government has introduced legislative measures to implement the announcement in the 2016 Federal Budget to provide targeted protection against transitional risks in moving to the federal framework, and to facilitate a smooth entry process.
Status of Implementation and Impact	Status: The legislative measures were introduced as part of Bill C-15: An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures, which received Royal Assent on June 22, 2016.

• 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	On December 12, 2014, the Government announced that Ernst & Young has been awarded the contract to develop the Index (http://news.gc.ca/web/article-en.do?nid=914169). As noted in the news release, Ernst & Young will engage businesses and consumers on significant barriers and their economic impact as part of this process. The work is anticipated to be completed in December 2016.
Status of Implementation and Impact	This measure is on track. By identifying sector by sector barriers to internal trade and enabling comparison to reference year data, the index is intended to play a key role in identifying and addressing measures that currently restrict trade within Canada. An agreement in principle on a new Canadian Free Trade Agreement (CFTA) was announced July 22, 2016. The proposed agreement would update and replace the existing Agreement on Internal Trade (AIT) and increase trade liberalization between provinces and territories.

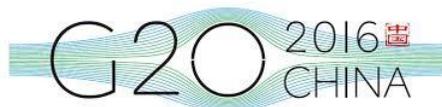
• \$1.5 billion in new support for research and innovation	Including the creation of the Canada First Research Excellence Fund to help Canadian post-secondary institutions excel globally in research areas that create long-term economic advantages for Canada
Implementation path and	On December 4, 2014, the Government launched the first two



expected date of implementation	competitions under the Canada First Research Excellence Fund. Under the first competition, \$350 million was awarded in July 2015 (see further details at: www.cfref-apogee.gc.ca). The second competition is underway to allocate up to a further \$950 million, with applications due in October 2015 and results to be announced in the summer of 2016.
Status of Implementation and Impact	This measure is on track. By enabling Canadian post-secondary institutions to strategically advance their greatest strengths on the world stage, the Fund will help them compete with the best in the world for talent and partnership opportunities, make breakthrough discoveries and seize emerging opportunities that create long-term benefits for Canadians.

• Fully implement all TFA requirements in tandem with trading partners	
Implementation path and expected date of implementation	Canada already meets almost all of the requirements of the TFA. Canada will work to implement the remaining procedural provisions of the TFA, and notify the WTO of its acceptance of the agreement, in tandem with other WTO members.
Status of Implementation and Impact	This measure is on track. Small technical changes to Canadian law are required in relation to two articles of the TFA (treatment of rejected goods, and technical provisions in respect of goods in transit). Domestic procedures are underway to implement the required changes – amending legislation was tabled in Parliament in April 2016 – and to make Canada’s notification of acceptance.

• 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 \$10.3 million 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.



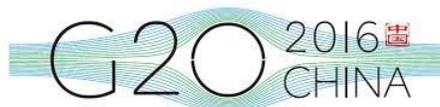
Status of Implementation and Impact	In progress
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• Canada's Global Market Action Plan	Under the Global Markets Action Plan, the Government of Canada is concentrating on the markets that hold the greatest promise for Canadian business through vigorous 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. Canada is currently preparing a new trade and export strategy.
Status of Implementation and Impact	A new trade and export strategy will be prepared in the year ahead.

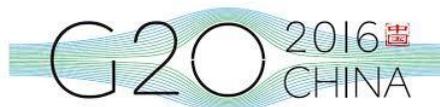
Antalya Commitments

• Reduction in Small Business Tax Rate	Reduce the federal small business tax rate from 11 per cent to 9 per cent by 2019
Implementation path and expected date of implementation	The federal small business income tax rate was reduced from 11 per cent to 10.5 per cent effective January 1, 2016.
Status of Implementation and Impact	Budget 2016 announced that further reductions in the small business income tax rate will be deferred.

• Additional investment in jobs and skills training	New funding for job and skills training, including at other levels of government and leveraging partnerships
Implementation path and expected date of	This will include investments in provincial and territorial Labour Market Development Agreements (LMDAs), and Canada Job Fund Agreements (CJF) training programs led by the provinces and

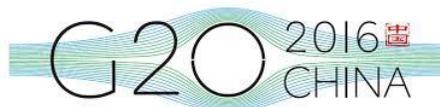


<p>implementation</p>	<p>territories, renewed and expanded funding for the Aboriginal Skills and Employment Training Strategy (ASETS), and support for training facilities, delivered in partnership with labour unions.</p> <p>Budget 2016 laid out the Government's plan to support skills training to help Canadians succeed in the labour market.</p> <p>As a first step, the Budget proposes additional funding of \$125 million for the Labour Market Development Agreements and \$50 million for the Canada Job Fund Agreements in 2016-17 to boost support for skills and training.</p> <p>Funding include \$15 million over the next two fiscal years for ASETS (\$5 million in 2016-17 and \$10 million in 2017-18) to better align training with community needs in the areas of housing construction, water treatment, child care and local administration. On May 25, 2016, the Minister of Employment, Workforce Development and Labour announced additional ASETS supports of \$45 million in 2016-17. Funding also includes \$50 million per year thereafter to the Skills and Partnership Fund (SPF), which provides skills development and training for Indigenous peoples, in partnership with businesses and other levels of government.</p> <p>Over the summer of 2016, the Government will work closely with Indigenous organizations, provinces and territories to engage stakeholders in broad-based consultations to identify ways to improve these agreements and guide future investments.</p>
<p>Status of Implementation and Impact</p>	<p>Status: On track</p> <ul style="list-style-type: none"> • Amendments to the LMDA and CJF agreements to flow the additional funding are being negotiated with P/Ts. • Broad-based consultations with Pan-Canadian stakeholders have been launched under the Forum of Labour Market Ministers, with a summary report of what was heard to be presented to Ministers at their next meeting in October. <p>ASETS</p> <ul style="list-style-type: none"> • Over the period April 2010 to June 2016, ASETS agreement holders had served approximately 273,035 clients, with over 99,765 securing jobs and approximately 48,625 returning to school. <p>SPF</p> <ul style="list-style-type: none"> • A total of 16 SPF projects have been extended for one year (2015-16), and subsequently extended to Fall 2016, to continue to build skills and increase the participation of Indigenous peoples in the labour force by targeting training in high-skilled, high-demand jobs across the country.



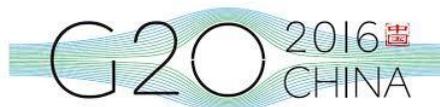
	<ul style="list-style-type: none"> • With respect to the \$50M in SPF funding for 2016-17, a call-for-proposals was launched on May 25, 2016, by Minister Mihychuk. This call closed on July 29, 2016 and implementation of successful proposals is expected to begin in Fall 2016. • Over the period April 2012 to June 2016, SPF agreement holders had served approximately 3,055 clients, with over 10,730 securing jobs and approximately 1,370 returning to school. • The Government of Canada recognizes that funding increases alone will not improve the labour market program outcomes of Indigenous people. Building on an already well-established relationship, Employment and Social Development Canada is consulting with Indigenous leaders and organizations, employers and other key stakeholders on potential improvements that can be made to Indigenous labour market programming to inform a renewed and expanded ASETS.
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<ul style="list-style-type: none"> • A new innovation agenda will be launched 	Significant investments for research and innovation
Implementation path and expected date of implementation	Budget 2016 indicated that the Government will define a new Innovation Agenda over the coming year that will position Canada as a centre of global innovation. The Agenda will be a cross-government effort to bring clarity of purpose to current forms of innovation support, and improve performance measurement and outcomes. It will be developed and implemented in collaboration with provinces and territories, the private sector, post-secondary institutions and other stakeholders.
Status of Implementation and Impact	Budget 2016 articulated key principles (above) of the Innovation Agenda and included some interim investments, including \$2 billion over the next three years for post-secondary research and innovation infrastructure, \$800 million over four years, starting in 2017-18, to support innovation networks and clusters, and \$50 million in 2016-17 to increase support to innovative SMEs through IRAP.

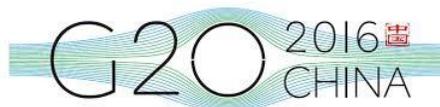


Investment Strategy Commitments

	Facilitators	Safeguards
Investment Ecosystem	<p>Supporting Improvements in Investment Climate</p> <ul style="list-style-type: none"> Sustainable and growth-supporting fiscal policy planning framework <p>Status: Implemented. The Government repealed the Federal Balanced Budget Act.</p> <ul style="list-style-type: none"> Encourage productivity-enhancing investment by manufacturers <p>Status: Implemented. The accelerated capital cost allowance (CCA) for machinery and equipment assets used in manufacturing and processing acquired after 2015 and before 2026 has been legislated.</p> <p>Facilitating Financial Intermediation</p> <ul style="list-style-type: none"> Promote domestic savings through an enhanced Canada Pension Plan <p>Status: In progress. Discussions with provinces and territories were launched in December 2015 and an agreement in principle was reached in June 2016 on the broad parameters of a Canada Pension Plan enhancement. The Government will be moving forward to legislate this agreement.</p>	<p>Enabling Appropriate Legal and Institutional Settings</p> <ul style="list-style-type: none"> Improve fiscal transparency <p>Status: In progress</p> <ul style="list-style-type: none"> Improve the quality and accessibility of national data <p>Status: Implemented. The long form census has been restored and 2016 Survey was mailed out in May 2016.</p>
Infrastructure	Supporting Improvements in Investment Climate	Enabling Appropriate Legal and Institutional Settings



	<ul style="list-style-type: none"> • Transformative public investment in infrastructure <p>Status: In progress. The Government has fully launched all new measures under the \$53 billion New Building Canada Plan.</p>	<ul style="list-style-type: none"> • Enhancing existing infrastructure support <p>Status: On track. The Government has announced measures to provide provinces and territories greater flexibility to commit funding under the New Building Canada Plan by March 2018.</p>
SMEs	<p>Facilitating Financial Intermediation</p> <ul style="list-style-type: none"> • Corporate tax relief for small businesses <p>Status: Implemented. A reduction in the small business corporate income tax rate from 11 per cent to 10.5 per cent was legislated in 2015. Budget 2016 announced that further reductions in the small business income tax rate will be deferred.</p>	<p>Enabling Appropriate Legal and Institutional Settings</p> <ul style="list-style-type: none"> • Kick-start investment in innovative firms <p>Status: In progress. The Government will define a new Innovation Agenda over the coming year and announced interim investments, including \$2 billion over the next three years for post-secondary research and innovation infrastructure and \$800 million over four years to support innovation networks and clusters.</p> <ul style="list-style-type: none"> • Capacity building and increasing access to financing for SMEs <p>Status: In progress. Of note, the necessary legislative and regulatory amendments were made to implement Canada Small Business Financing Program, which enhances the ability of Canadian small businesses to secure capital to grow their businesses and create jobs.</p>



Annex 2. New and Adjusted Policy Commitments since Antalya

This annex is for describing new measures introduced since Antalya, or Brisbane and Antalya commitments that have been adjusted or modified.

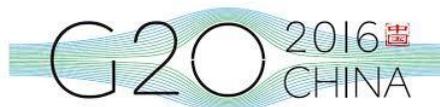
Please complete a table for each new or adjusted commitment put forward in 2016. Please keep to no longer than 1 page for each policy commitment.

Improving Infrastructure

• New Infrastructure Plan	Targeted investments in public transit, water, wastewater and green infrastructure projects, and social infrastructure
Implementation path and expected date of implementation	Phase 1 of the Government's infrastructure plan will provide \$11.9 billion over five years. These investments will support clean growth and create jobs across the country. Phase 1 includes \$3.4 billion over three years to upgrade and improve public transit systems across Canada through the creation of a Public Transit Infrastructure Fund, \$5 billion over five years for investments in water, wastewater and green infrastructure projects, and \$3.4 billion over five years for social infrastructure, including affordable housing, early learning and child care, cultural and recreational infrastructure, and community health care facilities on aboriginal reserves. Phase 1 will be implemented through bilateral agreements with provinces and territories, as well as other key stakeholders (e.g. Federation of Canadian Municipalities). It is expected that most of these agreements will be signed by Fall 2016 regarding transit and green infrastructure. Phase 1 funding will be provided over the next five years (project implementation may continue beyond that horizon).
What indicator(s) will be used to measure progress?	Indicators currently under development.
Explanation of additionality or adjustment (where relevant)	This funding represents new and incremental support from the federal government.

Promoting Inclusive Growth

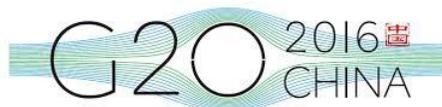
• Middle Class Tax Cut	Reduce taxes for middle-income earners
Implementation path and expected date of	The Government of Canada has reduced the second federal personal income tax rate to 20.5% from 22%, funding it partially by



implementation	introducing a new top federal personal income tax rate of 33% for individuals with more than \$200,000 in taxable income. This measure took effect on January 1, 2016. In total, nearly 9 million Canadians are benefitting from this measure, with an average annual tax reduction of \$330 for single Canadians and \$540 for couples.
What indicator(s) will be used to measure progress?	Estimates of the amount of tax relief provided to middle-income earners will be updated as new data become available.
Explanation of additionality or adjustment (where relevant)	This measure has been adjusted from the Antalya Adjusted Growth Strategy to provide more details on the tax rate changes and estimated impacts.

• Increased support for families	New Canada Child Benefit
Implementation path and expected date of implementation	Budget 2016 replaced the previous complicated child benefit system with a new Canada Child Benefit. This new benefit is simpler, better-targeted, more generous and tax-free, and provides greater support to low- and middle-income families, compared to the previous system. Nine out of ten families will receive more in child benefits than under the previous system and families benefitting will see an average increase in child benefits of almost \$2,300 for the 2016-17 benefit year. Payments to families began in July 2016.
What indicator(s) will be used to measure progress?	The impact of this measure on the number of children living in poverty and on disposable income will be tracked; estimates will be updated as new data become available.
Explanation of additionality or adjustment (where relevant)	This measure has been adjusted from the Antalya Adjusted Growth Strategy to provide more details on benefit amounts by family net income, phase-out rates, and overall impacts.

• Improving the retirement income system	Increasing the Guaranteed Income Supplement for single seniors
Implementation path and expected date of	The Guaranteed Income Supplement top-up benefit has been increased by up to \$947 annually for the most vulnerable single seniors as of July 2016. This will support those seniors who rely

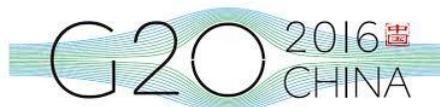


implementation	almost exclusively on the federal Old Age Security and Guaranteed Income Supplement benefits and may therefore be at risk of experiencing financial difficulties.
What indicator(s) will be used to measure progress?	Legislation enacting this measure.
Explanation of additionality or adjustment (where relevant)	This measure represents an investment of over \$670 million per year and will improve the financial security of about 900,000 single seniors across Canada.

Advancing Labour Market Reform, Educational Attainment and Skills

<ul style="list-style-type: none"> Improving Employment Insurance 	Changes to the Employment Insurance system
Implementation path and expected date of implementation	<p>The Government is taking action to improve the EI system, which includes:</p> <ul style="list-style-type: none"> Eliminating the higher EI eligibility requirements that restrict access for new entrants and re-entrants to the labour market; Extending the Working While on Claim pilot project until August 2018.
What indicator(s) will be used to measure progress?	Legislation to enact these measures.
Explanation of additionality or adjustment (where relevant)	This new commitment is not linked to previous G20 Summit Commitments.

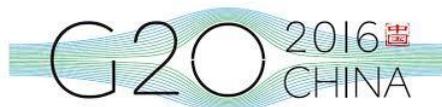
<ul style="list-style-type: none"> Making Post-Secondary Education More Affordable 	Reforms to the Canada Student Loans Program to make post-secondary education more affordable for students from low- and middle-income families and ensure that student debt loads are manageable.
Implementation path and expected date of implementation	Reforms will include a 50% increase to the Canada Student Grant amounts for students from low- and middle-income families and part-time students, and an increase to the loan repayment threshold under the Canada Student Loans Program's Repayment Assistance Plan to ensure that student debt is more manageable.



	<p>These reforms will be in place for the 2016-17 academic year.</p> <p>Going forward, the Government will also work with provinces and territories to expand eligibility for Canada Student Grants and to introduce a flat-rate student contribution to determine eligibility for loans and grants, to replace the current system of assessing student income and financial assets. These measures are expected to be in place for the 2017-18 academic year.</p>
What indicator(s) will be used to measure progress?	Regulations enacting these measures.
Explanation of additionality or adjustment (where relevant)	This new commitment is not linked to previous G20 Summit Commitments.

<ul style="list-style-type: none"> Helping Youth Obtain Valuable Work Experience 	Increasing support for the employment and training opportunities for youth.
Implementation path and expected date of implementation	<p>The Government will provide new funding for the Youth Employment Strategy in 2016-17 to create new green jobs and to increase employment and training opportunities through the Skills Link and Young Canada Works programs. The Government will also double the size of the Canada Summer Jobs Program for three years, beginning in 2016-17.</p> <p>In addition, the Government announced an Expert Panel on Youth Employment to assess the barriers faced by vulnerable youth in finding and keeping jobs. The panel is expected to report to the Minister of Youth and the Minister of Employment Workforce Development and Labour by December 2016.</p>
What indicator(s) will be used to measure progress?	Number of employment and training opportunities supported through the Youth Employment Strategy.
Explanation of additionality or adjustment (where relevant)	This new commitment is not linked to previous G20 Summit Commitments.

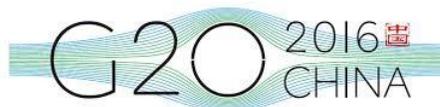
<ul style="list-style-type: none"> Improving the Education Outcomes of First Nations Children 	Substantial investments in primary and secondary education on reserve
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Implementation path and expected date of implementation	<p>The Government will make substantial investments in primary and secondary education on reserve, totalling \$2.6 billion over five years and starting in fiscal year 2016-17.</p> <p>This funding includes investments in the current on reserve primary and secondary education systems to address immediate funding needs and program cost growth, investments in language and cultural programming, and investments in literacy and numeracy programs and special needs education.</p>
What indicator(s) will be used to measure progress?	<p>The percentage of First Nations peoples aged 18-24 living on reserve who have completed high school will be one of the indicators to measure progress.</p>
Explanation of additionality or adjustment (where relevant)	<p>This funding represents new and incremental support from the federal government.</p>

Encouraging Innovation

<ul style="list-style-type: none"> • Strategic Infrastructure Investments at Post-Secondary Institutions 	Funding for infrastructure projects at post-secondary institutions and affiliated research and commercialization organizations
Implementation path and expected date of implementation	<p>Starting in 2016-17, up to \$2 billion over three years will be made available through a time-limited Post-Secondary Institutions Strategic Investment Fund, to support up to 50% of the eligible costs of infrastructure projects at post-secondary institutions and affiliated research and commercialization organizations, in collaboration with provinces and territories. This initiative is aimed at enhancing and modernizing research and commercialization facilities on Canadian campuses, as well as industry-relevant training facilities at college and polytechnic institutions, and projects that reduce greenhouse gas emissions and improve the environmental sustainability of these types of facilities. The application deadline was May 9, 2016, and funding decisions will be made over the May to June 2016 period.</p>
What indicator(s) will be used to measure progress?	<p>Indicators include the number of projects supported through the Post-Secondary Institutions Strategic Investment fund, as well as the amount of funding levered from other partners and the pace of project implementation. Projects are to be completed by April 30, 2018.</p>
Explanation of additionality or	<p>This new commitment is not linked to previous G20 Summit</p>



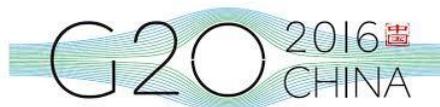
adjustment (where relevant)	Commitments.
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Enhancing Environmental Sustainability

• Investing in and Promoting Clean Growth	Strategic funding for clean technology to support a clean growth economy
Implementation path and expected date of implementation	<p>The Government has proposed over \$1 billion over four years, starting in 2017-18, to support clean technology, including in the forestry, fisheries, mining, energy and agriculture sectors. Funding will be allocated as part of the Government's Innovation Agenda, which will be developed in the coming year.</p> <p>In addition, the Government will provide over \$130 million over five years, starting in 2016-17, to Sustainable Development Technology Canada and to Natural Resources Canada to support clean technology research, development and demonstration activities.</p>
What indicator(s) will be used to measure progress?	Indicators will be developed as part of future funding allocations and program design.
Explanation of additionality or adjustment (where relevant)	This measure represents new and additional support from the federal government.

Trade Openness and Promoting Competition

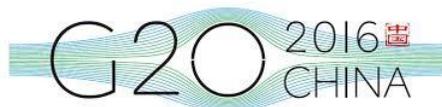
• Expanding Trade Opportunities	Eliminate or waive tariffs on a number of goods
Implementation path and expected date of implementation	<p>The 25% tariff on ferries of all sizes imported after October 1, 2015 has been waived. In June 2016, tariffs were eliminated on about a dozen additional manufacturing inputs.</p> <p>The Government has also launched public consultations on eliminating tariffs on food manufacturing ingredients other than supply-managed products. The consultation process closed on June 21, 2016, and analysis is in progress.</p>
What indicator(s) will be used to measure progress?	Legislation or regulations enacting these measures, and the conclusion of the consultation process.



Explanation of additionality or adjustment (where relevant)	These new measures build on previous actions by the Government to foster an open trade and investment environment which allows firms to thrive and provide better jobs for Canadians.
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Improving and strengthening the financial system

<ul style="list-style-type: none"> Strengthen resiliency of Canada's housing finance system 	Coordinated actions to strengthen the resiliency of Canada's housing finance system, increase market discipline in residential lending, and promote long-term stability and balanced economic growth
Implementation path and expected date of implementation	<p>The minimum down payment was increased from 5 per cent to 10 per cent for the portion of the property price above \$500,000 for government-backed insured mortgages effective February 15, 2016;</p> <p>Regulations constraining the use of government-backed portfolio-insured mortgages became effective July 1, 2016;</p> <p>Guarantee fees for CMHC-sponsored securitization programs were increased effective July 1, 2016;</p> <p>Plans to update regulatory capital requirements for residential mortgages to ensure that capital requirements keep pace with market developments and risks by end-2017; and</p> <p>Allocate \$500,000 to Statistics Canada in 2016-17 to develop methods for gathering data on purchases of Canadian housing by foreign homebuyers.</p>
What indicator(s) will be used to measure progress?	Regulatory amendments, regulatory guidance, and allocation of funding.
Explanation of additionality or adjustment (where relevant)	This new commitment is not linked to previous G20 Summit Commitments.



Annex 3. Past commitment – St. Petersburg fiscal commitment

Please include the overall assessment of the 2010 Toronto commitments.

The Government of Canada met its commitment to at least halve its deficit by 2013. The Government net debt-to-GDP ratio is projected to begin declining in 2017.

Please update the tables as follows:

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

	Estimate Projections (per cent of GDP)						
	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Gross Debt	51.9	53.3	54.9	54.5	53.7	52.8	51.9
<i>ppt change</i>	-1.1	1.4	1.7	-0.4	-0.8	-0.9	-0.9
Federal Debt ¹	31.0	31.2	32.5	32.4	32.1	31.6	30.9
<i>ppt change</i>	-1.3	0.1	1.4	-0.1	-0.3	-0.5	-0.7
Budgetary Balance ²	0.1	-0.3	-1.5	-1.4	-1.0	-0.8	-0.6
<i>ppt change</i>	0.4	-0.4	-1.2	0.1	0.3	0.3	0.2
Primary Balance	1.4	1.0	-0.2	-0.1	0.3	0.7	0.9
<i>ppt change</i>	0.2	-0.4	-1.2	0.1	0.4	0.4	0.2
CAPB	-	-	-	-	-	-	-
<i>ppt change</i>	-	-	-	-	-	-	-

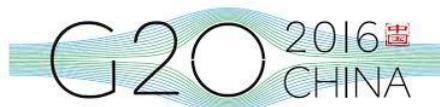
* Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year.

1. Federal debt is defined as total liabilities less total (financial and non-financial) assets. 2. A positive (negative) balance indicates a fiscal surplus (deficit). Presented on a fiscal year basis.

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

	Estimate Projections						
	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Real GDP growth	2.5	1.1	1.4	2.2	2.2	2.0	1.9
<i>ppt change</i>	0.3	-1.4	0.3	0.8	0.0	-0.2	-0.1
Nominal GDP growth	4.3	0.5	2.4	4.6	4.3	4.2	4.1
<i>ppt change</i>	0.5	-3.8	1.9	2.2	-0.3	-0.1	-0.1

* Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year.



Annex 4. Pre-Brisbane commitments

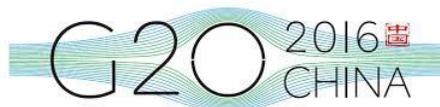
The purpose of these tables is to monitor the implementation of members' Pre-Brisbane commitments.

Pre-Brisbane Commitments

Please include a maximum of 5 important structural reform commitments from Action Plans prior to Brisbane.

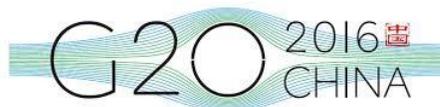
Commitment	
Continuing to support research, innovation, and skills development.	
Structural reform/monetary & exchange rate policies	Action Plan
Structural reform	Cannes Action Plan
Rationale for carrying forward	To support inclusive and clean growth by promoting productivity and providing a strong foundation for innovation and the competitiveness of Canadian industry.
Update on Progress	<p>Progress: In Budget 2016, the Government of Canada provided \$3 billion over the next two years in new funding to support Canada's advanced research leadership and business innovation. This includes \$2 billion for post-secondary research and innovation infrastructure. Announced measures are currently unrolling.</p> <p>Measurability: Details on the individual expenditure plans for each federal department and agency responsible for delivering the commitments are available in their respective Report on Plans and Priorities (http://www.tbs-sct.gc.ca/rpp/index-eng.asp).</p> <p>Background on the post-secondary infrastructure initiative can be found at: http://www.ic.gc.ca/eic/site/051.nsf/eng/home</p>

Commitment	
Canada will introduce a renewed Global Commerce Strategy in 2013 and pursue major free trade agreements with the European Union, Japan and India, and Trans Pacific Partnership (TPP) countries.	
Structural reform/monetary & exchange rate policies	Action Plan
	Los Cabos Action Plan



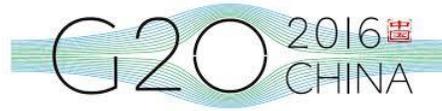
Structural reform - Trade	
Rationale for carrying forward	Canada's trade is excessively concentrated with the United States. Diversifying export markets will foster trade and investment and benefit Canadians by giving them access to a wider range of goods and services, exposing firms to greater competition and providing greater access to new technologies. This will encourage innovation, investment and competition, fostering stronger, more sustained and better balanced growth.
Update on Progress	<p>Progress: In November 2013, Canada launched its Global Markets Action Plan (the successor to the Global Commerce Strategy), which aligns trade, development and foreign policy tools to advance Canada's commercial interests around the world.</p> <p>In terms of free trade agreements, the Canada-Korea Free Trade Agreement, Canada's first such agreement in Asia, entered into force on January 1, 2015. In August 2014, Canada and the EU announced the successful conclusion of negotiations on a Comprehensive Economic and Trade Agreement (CETA), and an agreement on the TPP was announced in October 2015. Canada continues to pursue major trade agreements with India and other countries.</p> <p>Measurability: Legislative</p>

Commitment	
Economic Action Plan 2013 presents \$70 billion in new and existing infrastructure funding through the Building Canada plan, and for First Nations and federal infrastructure over the next 10 years.	
Structural reform/monetary & exchange rate policies	Action Plan
Structural reform – Infrastructure Investment	St. Petersburg Action Plan
Rationale for carrying forward	Investments in Canada's public infrastructure create jobs, economic growth and provide a high quality of life for families in every city and community across the country. This will contribute to strong, sustainable, and balanced growth.
Update on Progress	<p>Progress: The Government has fully launched all new measures under the \$53 billion New Building Canada Plan:</p> <ul style="list-style-type: none"> • All components of the NBCP (base funding provided through

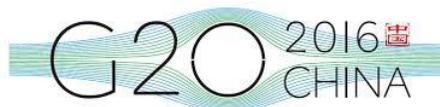


	<p>the Gas Tax Fund and the Goods and Services Tax Rebate, as well the program funding provided through legacy programs, as well as the New Building Canada Fund) are currently operational; and</p> <ul style="list-style-type: none"> • In April 2016, the Government announced measures aimed at accelerating funding commitments under the New Building Canada Fund, with a view to committing all remaining funding by March 2018. <p>The Government is also moving forward with large federal capital projects, including:</p> <ul style="list-style-type: none"> • Beginning construction on the New Bridge for the St. Lawrence project, following financial close on the P3 contract in June 2015; and • Completing the first stage of the procurement process (the selection of three short-listed bidders through a Request for Qualifications) for the Gordie Howe International Bridge project, which will provide a new highway-to-highway connection between Windsor, Ontario and Detroit, Michigan. <p>Measurability: Federal expenditures on infrastructure from 2014 to 2024.</p>
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<p>Commitment</p> <p>Economic Action Plan 2013 reduces barriers to accreditation of apprentices, supports the use of apprentices, and introduces the Canada Job Grant to better match Canadians with available jobs. The grant provides funding for businesses planning to train Canadians.</p>	
<p>Structural reform/monetary & exchange rate policies</p> <p>Structural reform – Skill Development</p>	<p>Action Plan</p> <p>St. Petersburg Action Plan</p>
<p>Rationale for carrying forward</p>	<p>This commitment will help to lower labour market frictions by reducing barriers to accreditation and better matching Canadians with available jobs in high-demand fields. This will increase workforce flexibility and promote both strong and sustainable growth.</p>
<p>Update on Progress</p>	<p>Progress: Work is continuing with provinces and territories to further harmonize apprenticeship training and certification requirements in targeted skilled trades. At the Forum of Labour Market Ministers meeting in July 2015, Ministers announced that</p>



	<p>the first ten trades will be harmonized by September 2016 in most jurisdictions. Building on these successes, Ministers announced a new target of harmonizing a total of 30 Red Seal trades in most jurisdictions by 2020 (outside Quebec). Two-thirds of the 30 trades identified are expected to be harmonized by 2017.</p> <p>The Canada Job Grant has been successfully implemented in all provinces and territories (except Quebec) and is now in its third year of implementation. During the second year of implementation (2015-16), provinces and territories reviewed the Canada Job Grant in their respective jurisdictions. A Pan-Canadian summary has been prepared and the final report is with the Forum of Labour Market Ministers for their review. Federal-provincial/territorial officials continue to work together on shared commitments under the Canada Job Fund Agreements.</p> <p>Measurability: The number of trades for which apprenticeship training and certification requirements were harmonized and the number of jurisdictions taking part in these agreements. The number of Canadians receiving training through the Canada Job Grant each year.</p>
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Annex 5. Key Economic Indicators

Please update table of key indicators as follows:

	Key Indicators					
	2015***	2016	2017	2018	2019	2020
I. Macroeconomic Indicators						
Real GDP (% yoy)	1.1	1.4	2.2	2.2	2.0	1.9
Nominal GDP (% yoy)	0.5	2.4	4.6	4.3	4.2	4.1
Output Gap (% of GDP)*	-	-	-	-	-	-
Inflation (% yoy)	1.1	1.6	2.0	2.0	2.0	2.0
Fiscal Balance (% of GDP)**	-0.3	-1.5	-1.4	-1.0	-0.8	-0.6
Unemployment (%)	6.9	7.1	6.9	6.5	6.4	6.3
Savings (% of GDP)	-	-	-	-	-	-
Investment (% of GDP)	-	-	-	-	-	-
Public Fixed Capital Investment (% GDP)	-	-	-	-	-	-
Private Fixed Capital Investment (% GDP)	-	-	-	-	-	-
Total Fixed Capital Investment (% GDP)	-	-	-	-	-	-
Current Account Balance (% of GDP)	-	-	-	-	-	-

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

**A positive (negative) balance indicates a fiscal surplus (deficit). Presented on a fiscal year basis