

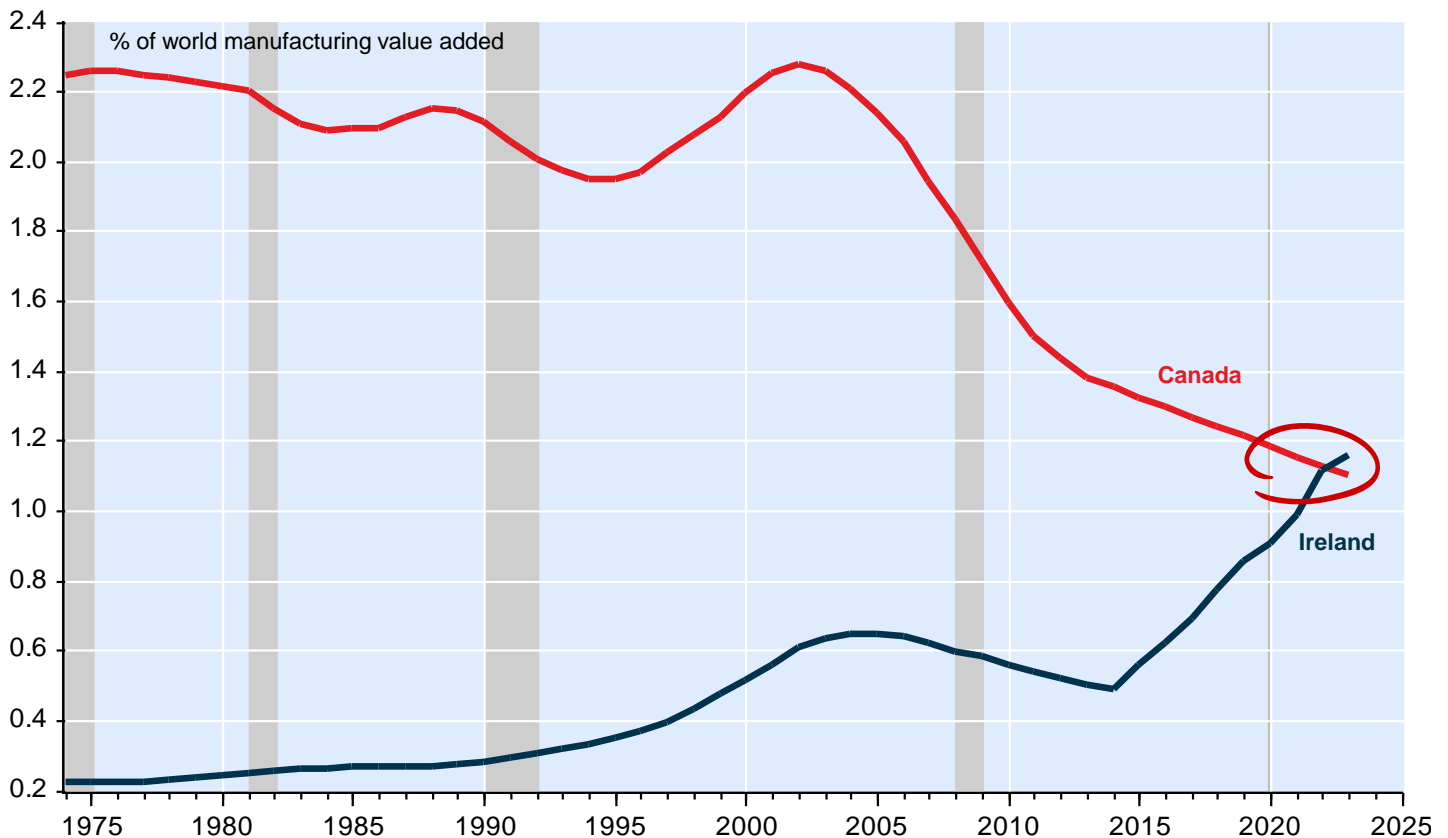
Canada Watch

By Stéfane Marion and Ethan Currie

Canada enjoys a major comparative advantage within the OECD when it comes to providing affordable energy to its industries—especially in manufacturing, where natural gas and electricity alone make up over 60% of energy use. Unfortunately, this advantage—which should position Canada as a prime destination for foreign capital—has been completely eroded by excessive regulation. According to Statistics Canada, regulatory requirements in manufacturing have surged by 42% since 2005, now totaling over 105,000. The result has been a profound atrophy of Canada’s manufacturing base—unmatched across the industrialized world. As today’s *Hot Chart* shows, the decline has reached such an extent that Canada’s factory sector is now smaller than Ireland’s, a country with one-eighth our population. Ireland’s industrial ascent is a stark reminder of what Canada has lost to red tape and policy inertia. It’s time for Ottawa to sound the alarm on regulatory overreach and complacency—forces that now pose a direct threat to our national security and economic sovereignty, as the country posts the largest manufacturing trade deficits in its history.

Canada: Overtaken by Ireland in manufacturing—an industrial wake-up call

Manufacturing value added as a share of world total in constant 2015 \$USD, 5Y moving average



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