

Joint Policy Priorities

On the occasion of a visit to Canada by German Chancellor Olaf Scholz and Federal Minister for Economic Affairs and Climate Action Dr. Robert Habeck, the Transatlantic Business Initiative (TBI), the Business Council of Canada (BCC), the Canadian Chamber of Commerce (CCC) and the Canadian German Chamber of Industry and Commerce (CGCIC) reaffirm policy priorities shared by the German and Canadian business communities.

Germany and Canada have been close economic partners for many years. In these uncertain times, it is more important than ever for our two countries, and the European Union, to work together to strengthen economic and political cooperation and defend our shared values. Support for multilateral institutions and rules-based international commerce must remain at the core of European and Canadian economic and trade policy.

Currently we are facing several crises. The COVID-19 pandemic, well into its third year, continues to pose serious challenges to public health. The pandemic and Russia's war of aggression against Ukraine have disrupted international supply chains. The conflict in Ukraine not only threatens peace and stability in Europe but has triggered an energy crisis and may yet cause a global food crisis. However, Russia's belligerence has fostered international cooperation among like-minded countries on a scale not seen since the end of the Cold War.

Business leaders in Germany and Canada stand ready to do their part in helping to overcome these challenges. To that end, we urge closer cooperation between our countries in the following areas:

- **Trade and investment:** When fully implemented, the Canada-EU Comprehensive Economic and Trade Agreement (CETA) will deepen economic integration and provide greater certainty for businesses on both sides of the Atlantic. This makes it all the more important that CETA, with its very important investment protection chapter, is ratified by all EU Member States with no further amendments or delays.
- **Energy and climate:** Hydrogen and its derivatives will play a critical role in decarbonization efforts around the globe. While markets for renewable and low-carbon hydrogen are still in their infancy, increased Canada-Germany cooperation has the potential to accelerate the hydrogen market ramp-up in both countries and support international hydrogen trade.
 - In the short-term, Europe needs to wean itself from its dependence on Russian energy and increase its imports of energy products, especially LNG, from other suppliers. Currently, global LNG supply is limited, as is Europe's capacity to import it. By speeding up the deployment of Canadian LNG export facilities, Canada can help keep European industry running and households warm.

- We foresee a time when the infrastructure for LNG exports will be converted to enable exports of hydrogen, for example in the form of ammonia, thereby helping our countries meet their climate targets. By deepening and expanding their hydrogen partnership, Germany and Canada can accelerate this transition.
- **Critical minerals:** Germany and the EU are seeking to diversify their supplies of critical minerals and to build resilient and sustainable supply chains with trusted and reliable partners. Canada is rich in mineral resources and has much to offer. The Government of Canada is committed to enhancing Canada's capacity at every stage of the critical minerals value chain: exploration, mining, processing, manufacturing and advanced manufacturing, and recycling. We strongly support these efforts, recognizing that German and Canadian competences and services can complement each other.

To boost the supply of critical minerals for the green and digital economy will require:

- detailed mapping of potential exploration and refinery projects in Canada or with Canadian investment in other countries;
 - a clear understanding of reliable transportation routes and regulatory frameworks; and,
 - financing and de-risking instruments from both the German and Canadian governments.
- **Key enabling technologies:** The world is experiencing significant shortages of semiconductors, with far-reaching repercussions for companies and consumers. Public and private investments are urgently required to meet current and future demand. To this end, we welcome investments by the Government of Canada into photonics and semiconductor manufacturing, and those within the framework of the EU Chips Act.

Semiconductors are essential to the world's green transition and to a wide range of intelligent and energy-efficient technologies. In support of this transition, Canada and the EU should:

- refrain from any attempt to set up closed semiconductor value chains in their respective jurisdictions, instead fostering cooperation on semiconductors;
- ensure equal market access and competition conditions that enable a level playing field, which is beneficial for companies both in Canada and Europe; and,
- promote international standardization efforts in the field of semiconductors.

At the same time, Canada, Germany, and the EU should enhance research cooperation in the fields of artificial intelligence, quantum computing, and other key enabling technologies.

As business organizations on both sides of the Atlantic, we know that closer international cooperation makes our economies stronger and contributes to a higher quality of life for all citizens. We will continue to support and defend the rules-based international order while working to overcome the many challenges we face. We look forward to working with our respective governments in pursuit of these objectives.

About the BCC, CCC, CGCIC and TBI

Founded in 1976, the **Business Council of Canada (BCC)** is a not-for-profit, non-partisan organization representing business leaders in every region and sector of the country. The Council's member companies employ 1.7 million Canadians, contribute the largest share of federal corporate taxes, and are responsible for most of Canada's exports, corporate philanthropy, and private-sector investments in research and development. Through supply chain partnerships, service contracts and mentoring programs, Business Council members support many hundreds of thousands of small businesses and entrepreneurs in communities of all sizes, in every part of Canada.

The **Canadian Chamber of Commerce (CCC)** is Canada's largest and most activated business network — representing 450 chambers of commerce and boards of trade and more than 200,000 businesses of all sizes, from all sectors of the economy and from every part of the country — to create the conditions for our collective success.

The **Canadian German Chamber of Industry and Commerce (CGCIC)** is a not-for-profit organization that has been supporting German and Canadian companies in almost all areas of international trade for over 50 years. Recognized by the German Federal Ministry of Economic Affairs and Climate Action as the official representative of German trade and industry in Canada, and the primary contact for Canadian and German companies wishing to do business in each other's countries, we provide services, networking, and education to help these businesses thrive.

The **Transatlantic Business Initiative (TBI)** is the point of contact for economic policy issues, particularly for the German government and the governments of the United States and Canada as well as for EU institutions. The initiative is supported by four business associations: the Federation of German Industries (BDI), the Association of German Chambers of Industry and Commerce (DIHK), the Federation of German Wholesale, Foreign Trade and Services (BGA) and the Association of German Banks (BdB).