



**Canadian
Manufacturers &
Exporters**

**Manufacturiers et
Exportateurs du
Canada**



August 29, 2012

Mr. Chungsen Leung, MP
Parliamentary Secretary for Multiculturalism
Chungsen.Leung@parl.gc.ca

Mr. Rick Dykstra, MP
Parliamentary Secretary to the Minister of Citizenship and Immigration
rick.dykstra@parl.gc.ca

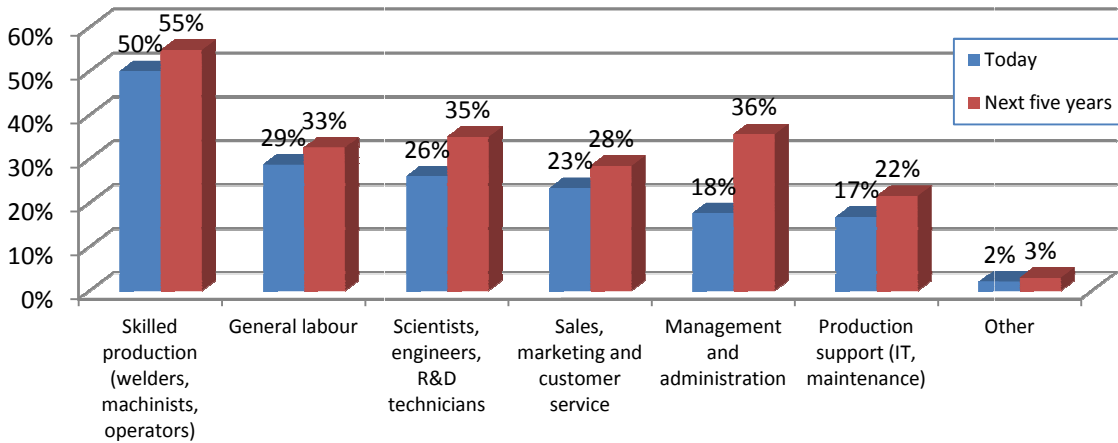
Re: Consultations on 2013 Immigration Levels Planning

Dear Messrs. Leung and Dykstra:

I am writing on behalf of the 10,000 members of Canadian Manufacturers & Exporters (CME) regarding the ongoing consultations on Canada's current and future immigration levels and mix. CME is Canada's largest industry and trade association with representation and members in all provinces covering all sectors of the economy. CME is also the Chair of the Canadian Manufacturing Coalition which represents over 50 national business associations. Furthermore, I represent the interests of our members on Citizenship and Immigration's Deputy Minister's Advisory Committee. While we submitted comments through the online questionnaire, I wanted to provide additional background and specific priorities for your information that could not be included online.

Today, Canada is facing skills and labour shortage that is impacting our economic performance. In a recent survey of our members, nearly 50% of companies indicated they had a labour shortage today and are expecting them to grow over the next five years. As the chart below shows, while the most pressing area of labour shortages reported is in skilled production, the shortages are wide spread across all job classifications in all areas of operations.

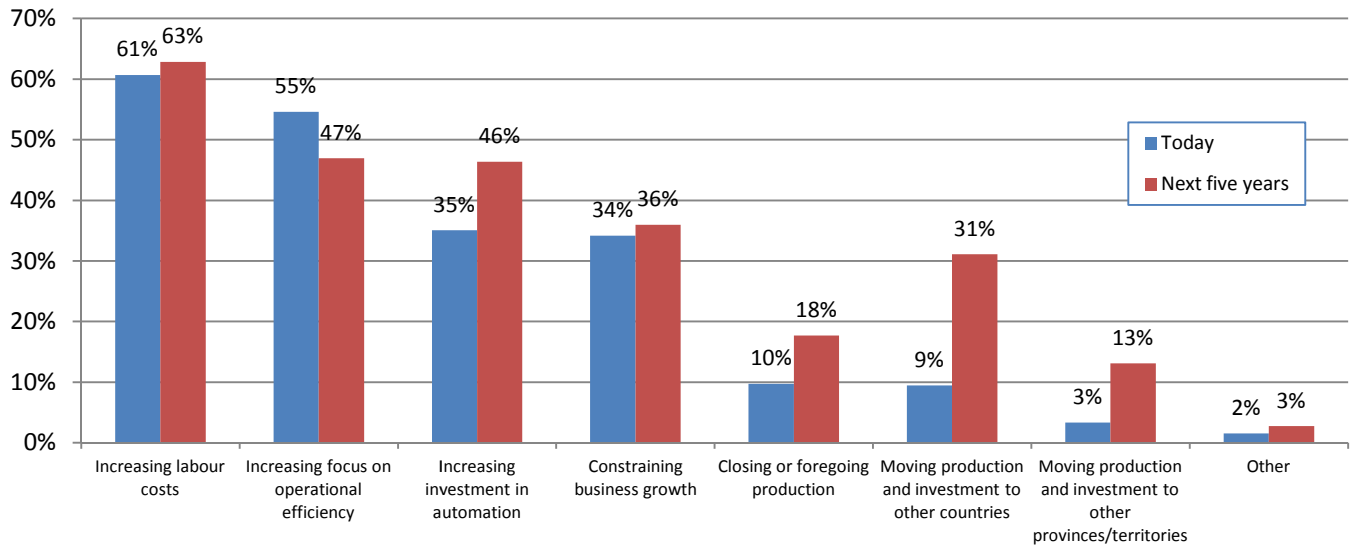
In which occupations is your company facing labour shortages today, and in which do you anticipate challenges over the next five years?



Source: Canadian Manufacturers & Exporters Management Issues Survey 2012

The economic consequences to Canada for these labour shortages are significant. As shown below, while companies are investing heavily in operational efficiencies and automation to overcome labour shortage, these actions will be insufficient. As a result, companies are reporting increasing wage rates (which makes domestic production more expensive and less competitive), as well as constraints on business growth and potential closing or moving production outside of Canada.

What are the direct impacts of labour shortages on your company?



Source: Canadian Manufacturers & Exporters Management Issues Survey 2012

While the priority for Canadian companies is to develop and grow the domestic labour pool, there are significant challenges with this approach, including the reality that demographics is shrinking the labour pool and that fewer youth looking to enter industry generally, and skilled trades more specifically. As such, immigration will be a significant source for both skilled and unskilled labour if the Canadian economy is to significantly grow going forward.

As a result of these challenges, CME has been fully supportive of the government's proposed changes to the immigration system, temporary foreign worker programs, and other programs aimed at boosting the size and skills of Canada's labour force. We also believe these current consultations are a critical step in reforming Canada's immigration system. Based on the consultation questions and the feedback from our member companies, there are several key points we want to emphasize:

- The economic needs of the country must be a priority for general immigration. As noted above, businesses are facing labour shortages today that will increase in the future. Immigration will be a critical source to fill those labour gaps as the domestic labour supply will not keep up with economic needs. As such, the level of economic immigrants should be increased to meet the needs of business across the country.
- Overall immigration levels will likely need to increase to sustain and foster economic growth. Depending on the mix of immigration between economic, family reunification, and humanitarian, the current levels of immigration are likely insufficient. General increases should be planned and then monitored and adjusted regularly depending on specific economic needs as to ensure proper levels.
- Existing needs of business should be a priority when qualifying potential immigrants. The current immigrant selection process is very general which results in immigrants not being properly matched to current job vacancies and the needs of industry. Business should be directly involved in the process by pre-selecting and sponsoring immigrants based on specific needs, as well as their previous experience. When immigrants are chosen for employment, fast-track mechanisms should be established to speed the process.
- Current foreign workers and students should be given a priority for immigration. If foreign nationals are already living and working in Canada, the settlement process has already been largely established and a transition into the economy will be much smoother. This is especially true when foreign workers are already in Canada on temporary work permits and have already found suitable employment.
- Essential skills (such as language) and technical skills of potential immigrants must be weighed more heavily in selection criteria than other criteria. This change in selection criteria has been proposed by the government as is fully supported by CME. Economic success of immigrants in Canada is often tied directly to their language skills as well as their technical skills, rather than academic criteria. Pre-qualifying the technical skills sets of immigrants based on Canadian standards will help companies identify the best suited potential employees. However, processes must be established to fast track skills credential certification in Canada to allow foreign workers full employment opportunities in Canada. Without this, those foreign workers that have been pre-qualified will be unable to work at the levels needed.
- A mix broad of economic immigrants is required. While technical skills are critically important, so are many other skills sets. As noted above, companies are facing shortages in most areas of labour and as such, need a broad mix of economic immigrants that includes technical skills and also skills such as management and general labour.

- The family reunification program, while important, should be modified to ensure that Canada fully benefits from immigrants. Specifically, the skill sets of family members of immigrants should be fully understood when immigrating and their skills certified where practical. This will help both the families as well as the economy.
- Provincial governments must be encouraged to be more directly involved in determining immigration levels based on specific economic needs of their region. Today, too few provinces are involved establishing the immigration requirements based on the specific skill sets required for economic growth.

Thank you for the opportunity to comment on changes to Canada's immigration program and future economic needs. I hope these recommendations are helpful to the consultations. As we move forward, CME would be pleased to partner with the Government of Canada to work with the broader business community, provinces, labour, and post-secondary institutions to facilitate implementation of these necessary reforms.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mathew Wilson", with a long horizontal flourish extending to the right.

Mathew Wilson
Vice President, National Policy

Cc:
Neil Yeates, Deputy Minister, Citizenship and Immigration Canada