



**SURVEY QUESTIONS FOR PRE-BUDGET CONSULTATIONS 2012 – Submitted By Sara Anghel, Executive Director National Marine Manufacturers Association Canada**

As you are aware, given past appearances before the House of Commons Standing Committee on Finance, the National Marine Manufacturers Association (NMMA) Canada is the leading association representing the recreational boating industry in North America. NMMA member companies produce more than 80 percent of the boats, engines, trailers, accessories and gear used by boaters in North America. The association remains committed to facilitating industry growth through programs focusing on public policy development, market research and data, product quality assurance and marketing communications. We represent 100 members in Canada and another 1300 members in the United States and continue to be focused on identifying opportunities for collaboration with government in order to both maintain a safe, secure recreational boating environment for Canadian boaters while also growing our industry and contributing to Canada's overall national economic well-being.

**1. Economic Recovery and Growth**

*Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?*

Parks Canada, responsible for maintaining Canada's incredible network of national parks and historic sites (including a wide range of waterways and canals serving the recreational boating community across the country) plays a critical role in ensuring the economic well-being of the recreational boating sector. It is our understanding that boating seasons could potentially be further shortened by recent fiscal restraint measures on Parks Canada services. This would represent a significant economic blow to our industry (both direct and indirect). While public consultations (which NMMA Canada is strongly engaged in) have been initiated, we would ask the Finance Committee to prevent further cuts from being levied against Parks Canada, given the very important role it plays in the tourism, cultural and transportation sectors, among others.

Transport Canada was dealt significant departmental cuts (-10.7% through 2012-13) in the 2012 federal budget. Although the cuts were made to help Canada's economic recovery, they have major implications on programming, services and staffing levels within Transport Canada and therefore greatly affect the recreational boating industry. On behalf of our members across Canada, I am asking the Finance Committee to keep these in consideration as part of your Committee's deliberations in advance of the next federal budget.

**2. Job Creation**

*As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?*

The recreation boating industry in Canada injects approximately \$15.6 billion directly into Canada's national economy each year, creating 111,747 direct jobs. Cross-border trade by individual consumers is a significant element of the recreational boating industry, and indeed, is encouraged by industry players.

However, NMMA maintains its position that consumers importing products into Canada from the United States abide by the same rules as manufacturers selling in Canada.

As an example, if a Canadian engine manufacturer imports a number of units from their plant in the U.S., they are required to pay NAFTA duties which arise from stringent and outdated rules of origin. However, in cases where an individual consumer is importing a final product (ie. a boat) labeled as "Made in the U.S.A", the individual arriving at customs is permitted to import the product into Canada under preferential market access. Thus, it is more lucrative for a Canadian consumer to purchase a product in the US at a less expensive, duty-free price, than it is to make the same purchase in Canada. Domestically, the same product will have a higher price tag-a result of the manufacturer having to pass on to consumers the higher cost of importing product subject to NAFTA duties.

Canada and the United States need to establish a level playing field so that individual consumers are subject to the same NAFTA duties as Canadian manufacturers. The existing discriminatory tariff regime, applied to the boating industry writ large, places Canadian manufacturers and distributors at a comparative disadvantage, while indirectly supporting American counterparts.

In 2011, Canada received revenues of \$800 million in imports and \$320 million in exports from the recreational boating industry and these numbers will grow with a reduction to trade barriers on import/export duties between Canada and the U.S. Further growth will also be realized with greater industry input on new regulatory developments on engine and boat construction and in Canada/U.S. consultations on regulatory streamlining through the Regulatory Cooperation Council.

### **3. Demographic Change**

*What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages? N/A*

### **4. Productivity**

*With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?*

The recreational boating industry will see further growth and productivity through programs focusing on public policy development, market research and data, product quality assurance and marketing communications. NMMA believes furthering regulatory harmonization efforts across all transport modes (including marine) as per Canada/U.S. cross-border initiatives will also result in greater productivity for our industry.

### **5. Other Challenges**

*With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?*

The Office of Boating Safety, currently housed within Transport Canada, like all other government departments, has been tasked with identifying savings and cost efficiencies. While NMMA supports this effort, we remain concerned with the cuts specific to boating safety officers. As previously conveyed to other federal officials, we wish to take this opportunity to emphasize the importance of the Office of Boating Safety and the Pleasure Craft Licensing Program within Transport Canada to our members and the larger recreational marine industry. This office and its officials have a significant positive impact on

recreational boating – from contributing to the development of important policies and regulations affecting our sector to ensuring the safety of boaters across Canada through public awareness and marketing campaigns. As future budget decisions are made, please do keep in mind that the Office of Boating Safety and its important initiatives are an absolute necessity to the continued safety and growth of our industry.