Good morning

Thank you all for coming. Today I will present the findings and recommendations of Analytica Advisers’ 2016 Report into the Global and Canadian Clean Technology Industry. Our fifth such annual report.

The global market for clean technology goods has reached over $1.1 trillion in 2014. Up from $550 billion in 2005.

Canada is losing global market share. In that same period, Canada’s ranking as a clean technology goods exporter fell from 14th to 19th place in the table of top 25 global exporters.

During that period, our global market share fell by 41 percent, second to last on exporters’ ranking.

And for the first time in six years as analysts for this industry, we also must report a **decline** in overall industry revenues. Up until two years ago we reported **growth** of four times that of the overall Canadian economy, but that growth has now stopped.

Revenues are down from $11.7 billion in 2013 to $11.6 billion in 2014 at a time when the global market is expanding fast.

This report underlines the urgency of taking action to reverse this trajectory and get back to the growth of previous years.

Because, by many measures, clean technology continues to be a great Canadian success story. Especially when it comes to jobs.

The clean technology industry added another 5,000 jobs last year. It now directly employs over 55,000 people in almost 800 firms.

Many of these are young people, working at the start of their careers in positions that range from finance, to engineering, to manufacturing and global sales.

The people in this industry are working in companies that are creating and scaling-up technologies that protect our environment. And many that can help ensure that Canada meets its legally binding Paris Treaty commitments for a 30 percent reduction in GHG emission levels of 2005 by 2030.

But crucially, the industry can also, with the right engagement from the private sector, across all levels of governments and with an innovative approach to public and private finance, help Canada deliver on the other half of The Vancouver Declaration. That of Clean Growth. Several industry leaders are here with us today and can attest to this.

In this year’s Report, the industry demonstrated beyond a shadow of doubt, that it is globally competitive.

For the first time, export revenues for Canada’s clean technology firms surpassed half of the total revenues, reaching $6.6 billion with nearly a quarter of export sales coming from markets beyond the US.

87 percent of Canadian clean technology companies were exporters in 2014, and 91 percent anticipate exporting by 2016.

However, liquidity to finance these projects is one of the industry’s biggest challenges.

These companies are still investing heavily in innovation, spending over $1.2 billion in R&D in 2014 and $7.6 billion cumulatively over the past six years, of which a remarkable 71 percent was from firms with less than $50 million in revenue.

As you can tell from its heft, the *Report* series primarily provides information and analysis that managers, investors and policy makers need to make the decisions that make the difference between a company thriving or struggling.

But it also plays a role in the wider national conversation about the future of our economy. So it doesn’t just report on the data, it makes 7 recommendations.

The first priority is to stimulate deployment of clean technology innovation through combined private and public sector action.

1. This includes implementing a substantial and rising price on carbon that will send a signal to all economic actors to examine the risk associated with energy and fossil-fuel inputs.
2. But because the initial price on carbon may not stimulate the take up of all the innovations that are ready to deploy and are cost effective versus alternatives. Canada also needs to implement regulation in selective industries based on performance standards and concepts such as Best Available Technology.
3. Alongside this, Canada must implement policies that foster the procurement of scaled up innovation in high visibility projects including infrastructure for our communities. There is an acknowledgement of the role of cities in fighting climate change. As places for commerce and daily life, cities are also core to building new industries. 70% of the companies in Canada’s clean technology industry are located in cities. And it is empowering cities to invest in innovation within infrastructure and to make purchasing decisions that include innovation, that may have the most impact.

But infrastructure and procurement policies will not be effective unless we can finance the deployment of clean technology based on the following actions.

1. We need public actors to provide insurance as we did in the last century for mortgage-based consumer borrowing so that when cities buy from innovators, they can access affordable insurance for delivery and performance.

A national clean technology warrantee insurance program would allow companies to buy innovations while staying prudent.

A Canadian Low Carbon Economy Fund or Green Investment Bank could offer contract and long term warrantee insurance vehicles, like a Canadian Mortgage and Housing Corporation for clean growth economy. This would mean establishing clear innovation criteria for the fund.

1. Internationally in the G77, we also need financial innovation for climate finance. Canada should deploy climate finance-related overseas development assistance as a backstop to private capital not as a substitute for it, again as insurance not liquidity. And with full knowledge of Canadian clean technology solutions.
2. And we need to move quickly to level the playing field with fiscal policies that take full account of our G20 commitments.

And although we have focused on accelerating deployment of clean technology solutions today, we must not stop investing in innovating.

1. Canada needs to invest in the next generation of innovation by doubling current investments in order to maintain technological leadership where we have established it and to stake-out new areas of leadership.

Now allow me to wrap up. There are worrying signs that Canada is in real danger of repeating the mistakes of the past. This year’s report makes sobering reading regarding the opportunities that have been lost, and that could be lost in the future.

Canadians want this industry to succeed and it can. If we work together across the private and public sector, we will build an industry that serves society, the environment and the economy.

I will now yield the floor to the Minister of Environment and Climate change.