



**FOR IMMEDIATE RELEASE**

contact: [info@carboncompetitiveness.ca](mailto:info@carboncompetitiveness.ca)

## **Competitive edge: Commission recommends strategies to help Canadian industry decarbonize**

**Priorities should be to strengthen carbon markets and explore coordinated border carbon charges and carbon standards with the U.S.**

**OTTAWA, October 22, 2024**—The right policy mix can set Canadian industries up for success, even in the face of global decarbonization, say a pair of reports released today by the [Commission on Carbon Competitiveness](#).

The reports provide recommendations to governments on how to help Canadian industry build its competitive edge while reducing emissions and remaining internationally competitive.

- Report #1: [Assessment of Carbon Competitiveness in Canada's Heavy Industrial Sectors](#)
- Report #2: [Policies to Achieve Industrial Decarbonization in Sectors Facing Competitiveness Risks](#)

First, federal and provincial governments should strengthen Canada's carbon markets to protect industrial competitiveness as our industries decarbonize.

At the same time, Canada should explore coordinated carbon charges and carbon standards on imports with our largest trading partner, the United States. The U.S. presidential election next month could have significant implications for the future of

Canadian industrial decarbonization, and policymakers should be prepared to adapt their strategies in response.

These are among the key recommendations contained in the new reports from the Commission on Carbon Competitiveness, a group of leading Canadian and U.S. experts in economics, climate policy, technology, and trade law. The reports follow more than a year of study, analysis, and consultation with Canadian industry leaders.

The Commission's first report, "[Assessment of Carbon Competitiveness in Canada's Heavy Industrial Sectors](#)," identifies the unique competitiveness challenges faced by specific Canadian industries as they work to reduce their emissions. The status quo is not an option: all of them will need to lower their carbon footprints if they hope to compete globally and attract investment in a world that increasingly cares about the carbon embedded in traded goods.

The second report, "[Policies to Achieve Industrial Decarbonization in Sectors Facing Competitiveness Risks](#)," makes recommendations to policymakers on how best to support industrial decarbonization, while ensuring that production doesn't leave Canada for jurisdictions with less ambitious climate policies — a phenomenon called carbon leakage.

### **Commission recommendations:**

- That federal and provincial governments work closely together on the rules for Canada's industrial carbon markets ahead of the next phase of these programs, beginning in 2027.
- Design carbon markets to accommodate industrial sectors that are at high risk of carbon leakage. Not all sectors fit that bill.
- Restructure carbon markets to ensure a sufficient demand for carbon credits, in order to drive investment in decarbonization.
- Policymakers should look at supporting strong carbon markets by imposing border carbon adjustments on imported goods, leveling the playing field between decarbonizing Canadian industries and competitors in less regulated jurisdictions.
- Implementing border carbon adjustments will be complex, and Canada would struggle to adopt them unilaterally. Cooperation, particularly with the U.S., will be essential.

- Consider emissions-intensity standards, whereby Canada and the U.S. would agree that products above specified levels of embodied carbon emissions simply can't be imported.
- That the federal government create a high-level task force on carbon competitiveness, with a focus on coordination with the U.S.
- Canada should also use its presidency of the G7 in 2025 to advance international cooperation on border carbon adjustments and emissions intensity standards.
- That federal and provincial governments facilitate sector-by-sector decarbonization roadmaps in partnership with industry. The Commission's analysis shows that each sector's competitiveness and decarbonization needs are different, and that each requires a tailored plan.

The Commission on Carbon Competitiveness will continue to engage with Canadian policymakers and industry leaders on its recommendations. Those consultations will inform a follow-up report from the Commission next year.

### **Webinar today to discuss recommendations**

The Commission will host a webinar today to further explore the recommendations in its new reports. [Register here](#).

### **Quotes**

**Aaron Cosby**, Chair of the Commission on Carbon Competitiveness and Senior Associate with the International Institute for Sustainable Development:

"The Commission on Carbon Competitiveness is thinking about the critical question: how do we ensure that our industries are at the forefront of innovation and competitiveness in the global green markets of the future? It's a question our key trading partners are taking very seriously, and we can either play the game or get left behind."

**Michael Bernstein**, Vice-Chair of the Commission on Carbon Competitiveness and Executive Director of Clean Prosperity:

"We have a critical opportunity to help Canadian industries reduce emissions while at the same time protecting the economic benefits that industry delivers, especially good-paying

jobs for Canadians. To keep Canadian industry competitive in a decarbonizing world, we'll need to strengthen Canada's carbon markets and cooperate closely with the United States."

**Marisa Beck**, Vice-Chair of the Commission on Carbon Competitiveness and Research Director, Clean Growth at the Canadian Climate Institute:

"Industrial carbon pricing is the most important tool in Canada's carbon competitiveness toolkit. Done right, it can protect heavy industry, attract international investment, drive long-term innovation, and, above all, reduce emissions."

### **About the Commission on Carbon Competitiveness**

The [Commission on Carbon Competitiveness](#) is a group of leading Canadian and U.S. experts in economics, climate policy, technology, and trade law.

The Commission was established in March 2023 with the goal of helping Canadian industry remain globally competitive as the world decarbonizes, reduce greenhouse gas emissions, attract new investment, and develop long-term competitive advantages in emerging low-carbon industries.

The Commission is supported by the International Institute for Sustainable Development, Clean Prosperity, and the Canadian Climate Institute, and funded by the Trottier Family Foundation, with additional support from the Chisholm Thomson Family Foundation.

Learn more at: [carboncompetitiveness.ca](https://carboncompetitiveness.ca).

Contact the Commission at: [info@carboncompetitiveness.ca](mailto:info@carboncompetitiveness.ca)