

The following is a pared down version of the Industry Strategy Council's executive summary. Text of the full report is available [here](#).

The Council

The Industry Strategy Council was created to assess the impact of COVID-19 on Canada's economy and identify the scope and depth of its impact on industry, inform government's understanding of specific sectoral pressures, and serve as a means to receive the business communities' input on the pandemic's impact. The work was based on consultations with stakeholders representing businesses, academic institutions, associations, community organizations, Indigenous communities and youth groups.

Impact of COVID-19

In the decade following the last recession, Canada's economic growth was among the highest in the G7. Despite enviable performance, the Canadian economy was operating below its real potential. Canada faced persistent historical challenges, particularly in terms of productivity, private investment, trade and physical and digital infrastructure.

When the health crisis erupted, a significant portion of the economy came to a halt. Known weaknesses in the economy contributed to the magnitude of the shock. In the early months of the pandemic, Canada's real GDP suffered its largest and sharpest contraction since data were first compiled in 1961, with a steep decline of 18%.

Key findings

The crisis affected the economy unevenly. The hardest-hit sectors (tourism and hospitality, airlines, retail, aerospace, oil and gas) are also the most difficult to rebuild. Certain groups of businesses have been hit harder, including businesses owned by women and minorities. The recovery will also be uneven and will take time. GDP is not expected to return to its pre-pandemic level before 2022, or even 2024 in some sectors. The recovery will depend on effectively managing public health risks and countering the next waves of the pandemic. The shock of the pandemic will bring new global priorities, and Canada must prepare for them.

Three-phase action plan and five recommendations

The Council has proposed a three-phase action plan: Restart, Recover, Reimagine. These phases are interconnected and are presented as a response continuum to deal with the emergency, rebuild strengths and look to the future. Given the current context, these need to be implemented alongside other key areas of investment in the health/bio-sciences sector.

Restart

1. Restore confidence among Canadians by continuing employment and income assistance and managing health risks so that we can safely restart business.

2. Stabilize the hardest-hit sectors and provide assistance that meets the needs of the various sectors to preserve hundreds of thousands of jobs and thousands of businesses.

Recover

3. Streamline programs, eliminate those that are ineffective and expand and bolster those that work to strengthen key factors of economic success:
 - o Train/attract the best talent
 - o Accelerate digitization
 - o “De-risk” innovation projects

Gaps in financing need to be addressed, with the roles of financial Crown corporations adapted where necessary. Canada must move quickly to address its physical and technological infrastructure deficit.

Reimagine

4. Develop a made-in-Canada industrial strategy to ensure that our leading industries help Canadians prosper in the new post-COVID-19 world. An ambitious industrial strategy for Canada should include four main pillars:
 - o Become a digital and data-driven economy
 - o Be the environmental, social, and governance (ESG) world leader in resources, clean energy, and clean technology
 - o Build innovative and high-value manufacturing where we can lead globally
 - o Leverage our agri-food advantage to feed the planet
5. Use the challenge posed by the COVID-19 crisis as an opportunity to build solidarity and create new partnerships between the public and private sectors (to leverage investments) and between governments within the federation to pool our strengths, while respecting the jurisdiction of all parties.

An implementation mechanism

This three-phase plan, focused on investment and growth, will require broad support and close cooperation. Implementation must include monitored progress, follow up and adaptation based on feedback. The Council and the Economic Strategy Tables could be the focal point for implementing the plan.

Inspiring ESG principles

This plan speaks to government as a strategic economic player, with business both active and involved. The notion of shared responsibility is reflected in a commitment by business to ESG principles, which call for them to act ethically with regard to environmental, social and governance issues. It is believed this ethical stance will inform the way we do business and create wealth in Canada.

Polytechnics Canada's Analysis

The Council's report reflects recommendations proposed by Polytechnics Canada and others who participated in the consultation process, but the focus is very much on business-oriented solutions and financing. It is worth considering Recommendation 4 (detailed above), as these are areas where polytechnics are well-positioned to deliver on the Council's vision. Two additional areas where polytechnics provide solutions are upskilling/reskilling and innovation support.

The report references training aligned with business requirements and a need to assess worker skills to identify and fill gaps. Polytechnics are leaders in the delivery of short-cycle training and upskilling, serving Canadians looking to upgrade their skills, who are unemployed or underemployed. Polytechnics Canada members offer nearly 17,000 continuing education, professional development and corporate training courses. Services like prior learning assessment and recognition, bridge-training and advanced placement also facilitate labour market transitions.

On innovation support, a made-in Canada industrial strategy will require collaboration with innovation intermediaries across the country. Polytechnics serve as local gateways to the innovation ecosystem for thousands of business partners every year, focusing on activities such as digital technology adoption, prototype development, design or demonstration and process improvement. Last year, Polytechnics Canada members conducted more than 3,300 applied research projects for 2,375 industry partners. Demand has increased over the last 12 months.

While the Council conducted extensive consultations as part of its mandate, it is important to read the report with an understanding of its membership and their potential biases. Members are CEOs from ten sectors, mostly representing medium to large companies. Sectors absent from the Council include construction, education and arts/entertainment, among others. As such, we will continue to work with the Council to ensure the breadth of solutions, capabilities and expertise resident at Canada's polytechnics are known.

[Members of the Industry Strategy Council](#) are each expected to chair an [Economic Strategy Table](#) focused on their sector in the months ahead.

[Please see here for a more detailed roadmap of the Council's proposed recommendations.](#)