



INVESTMENT INDUSTRY ASSOCIATION OF CANADA  
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

## NEWS RELEASE

**For immediate release**

### **Foreign acquisitions of Canadian companies are wakeup call for Canada to become more competitive globally, says Investment Industry Association**

**TORONTO, June 26, 2007** - "Recent reports that Canada's economic demise is imminent as a result of the acquisitions by foreign firms of Canadian-bred companies are misleading," said Ian Russell, President and CEO of the Investment Industry Association of Canada at an Economic Club of Toronto luncheon held today in Toronto.

"The degree of activity in the global marketplace has not been bad for Canada so far. We have held our own on the global stage: the dollar value of our exports has increased by almost 8 percent since 2001. China's demands for our industrial raw materials have pushed up world prices for our commodities. Canadian GDP has grown at 3 percent in the past four years. The ratio of Canadian firms acquiring versus being acquired is almost 3:1", said Russell.

"Competition from developing nations has, to a large extent, driven our economy and Canada has benefited from globalization, however, there are nonetheless early signs that our ability to compete may be threatened. We need to take steps now to shape a national policy that will enable us to compete in the global environment and allow us to prosper in the years ahead".

According to the Mr. Russell, our current problems have not been created by globalization – they have been created because we do not have strong enough internal or regulatory incentives for growing our businesses. To promote our economic growth and support competitive strength, the head of the Investment Industry Association outlined a six-point plan:

- A favourable tax environment –we must reform the tax system to encourage increased capital formation, especially for smaller businesses.
- Better trade policies—we need regulatory reform in our trade policies. Globalization requires policies with a worldview.
- Clear and consistent decision-making—how government implements the policies is just as important as which policies are implemented.
- A national securities regulator—the federal and provincial governments need to work together to lower the regulatory burden in capital markets, and improve our competitiveness.
- A principle-based—not rules-based—regulatory regime—a regulatory system that facilitates efficient markets while ensuring fairness.
- A commitment to productivity—our government needs to articulate the urgency of getting on with our competitive agenda.

Our social and physical infrastructure, our natural resource base, our educated population give us a great starting place on the global playing field. “We must now put in place the policies to encourage competitiveness in the new global environment”, said Russell.

For a full copy of Ian Russell’s remarks, please visit [www.iiac.ca](http://www.iiac.ca).

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The Investment Industry Association of Canada, formerly the industry association arm of the Investment Dealers Association of Canada (IDA), advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, the Investment Industry Association has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

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