Tax and regulatory reform key to offsetting effects of
Canada’s aging population

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VANCOUVER—If policymakers want to offset the effects of Canada’s aging population and subsequent decline in labour market growth, they must make the country more attractive to business investment, finds a new study released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“Over the next few decades, Canada’s population and workforce will age, with likely serious implications for economic growth and living standards unless policymakers take action,” said Steven Globerman, senior fellow at the Fraser Institute and co-author of Aging, Capital Investment and Standards of Living.

As the population ages, labour market growth will slow while demand for health care and government-provided income support programs for older Canadian will increase. Consequently, Canada must rely more heavily on business investment—not labour market growth—to fuel future economic growth.

Unfortunately, in recent years Canada has performed poorly in attracting business investment, which underscores the need for large-scale tax and regulatory reform.

“For Canada to compete for business investment in a global economy, governments from coast to coast must make the country a more attractive place to invest,” Globerman said.

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