

# ISSUE IN FOCUS



*Celebrating 100 Years*

SASKATCHEWAN  
CHAMBER *of* COMMERCE

## Overregulation of Potash Industry

### Background:

Saskatchewan is the world's largest producer and exporter of potash and the ten potash mines in our province support many jobs, plus a significant amount of investment in the Canadian economy. Despite the clear value of these mines however, Saskatchewan's potash companies continue to face tough competition from companies elsewhere in the world who pay significantly lower rates of tax and operate under much less strict regulatory regimes.

### Issue:

Canadian potash companies are already facing significant cost increases due to cumulative regulatory burdens. It is important that the federal government consider the combined impact of its transport, trade, and environmental policies, instead of viewing each in isolation.

Potash mining is obviously an energy-intensive, trade-exposed (EITE) industry and Canadian potash companies compete globally against producers who are not held to equivalent standards (or any standards) and are therefore already competing at a significant disadvantage. Additional regulation in Canada will very likely lead to carbon leakage, which is clearly not the desired goal of the federal government.

### Recommendations:

1. That the federal government incorporates global benchmarking into their carbon pricing approach. Saskatchewan's potash mines are already leaders in innovation and sustainable development, recognized as being best-in-class with respect to worldwide potash mining emissions intensity.
2. That the Government of Canada to balance its environmental goals with the competitive realities of the global potash industry and consider the unintended consequences of too much regulation on the competitiveness of our potash companies.

# History:

Letters to Federal Ministry of Environment & Natural Resources 2018