Prosperity and Growth Strategy for Northern Ontario

A plan for economic development, inclusiveness and success

April 9, 2018
The Prosperity and Growth Strategy for Northern Ontario (PGSNO) is designed with a regional approach to economic development in mind. As part of the PGSNO, we will specifically consider:

- Current Context in Canada
- Building on Collaborations
- Challenges and Opportunities for Growth
- Priorities for Northern Ontario
  1. Supporting Innovation
  2. Growing Companies
  3. Building Stronger Communities
- Outcomes
- Next Steps
The Minister of Innovation, Science and Economic Development Canada announced in April 2017, a plan to encourage innovation and attract global investment and talent to every region of the country, including Northern Ontario.

While supporting the Innovation and Skills Plan, this strategy is aligned with a range of federal and provincial government priorities including supporting a strong middle class, sustainable infrastructure, jobs and innovation, export and investment.
Building on Collaborations

- At its core, the PGSNO is intended to enhance and build on the ongoing federal and provincial programs and collaborations to address the needs of Northern Ontario’s communities and its residents.

- Collaboration, coordination and communication are key to the success of the PGSNO. As such, FedNor will continue to work with other government departments and stakeholders to respond to the various needs of the communities throughout the region as we collectively implement the Strategy.

Source: FedNor, 2014
**Demography**

- Between 2006 and 2016, the population of Northern Ontario fell 3.8 percent, from 843,845 to 811,000

- Home to 105 of Ontario’s 127 Indigenous communities, including 31 remote reserves of which 25 are diesel dependent. Positive natural growth is only occurring within the Indigenous population

- The population in Ontario’s Francophone areas is expected to decline between 2011 and 2036

- The number of people leaving the region exceeds the number of individuals coming into the region

**Infrastructure**

- Many small and single-industry dependent communities have limited services and infrastructure to attract new business investment

- Many rural and remote areas lag in terms of access to broadband and some lack broadband altogether
Challenges

Economy

- Current labour shortages and growing labour demand projections make workforce shortages one of the biggest challenges over the next three to five years.

- Virtually all Northern Ontario businesses are small and medium-sized, employing less than 500 workers, most of them have been historically dependant on primary sectors such as forestry and mining.

- Less than three percent of Northern Ontario small and medium sized enterprises (SMEs) are exporters.

- The employment rate is below the provincial average.

Business Development

- Businesses in small, rural and remote communities are isolated from the larger clusters and professional networks limiting their decision-making capacity, their access to corporate investments and their overall competitiveness.

- Northern Ontario SMEs exhibit less business innovation activity (37%) compared to the rest of Canada (42%).

- Energy, transportation and financing costs are higher in Northern Ontario than the rest of the province.
Innovation and Technology Adoption

- Businesses in mining, forestry, steel, agriculture and tourism sectors are transitioning to become a knowledge-based and innovation-focused economy in response to growing global demand.

- Advanced technologies, including those of digitization and automation, help manufacturers reduce production costs, improve productivity and international competitiveness, and generate demand for new skills and employment opportunities.

- The regional innovation ecosystem is successfully bringing people, institutions, businesses, and government together to move ideas to market and support economic growth.

- Emerging innovation clusters of post-secondary institutions, entrepreneurs, researchers and capital in health sciences and bio-medicine will require access to capital to grow.
Entrepreneurship, Trade and Digital Economy

- **New Information and Communication Technology (ICT)** systems are available to bridge geographic and technological barriers.

- **Entrepreneurship** training for: 1) women, 2) trades people and 3) older workers is an opportunity for growth and for creating and transitioning businesses in smaller communities.

- Whole-of-government approach to **access export markets** and business development through new high growth trade agreements that support both export and domestic growth opportunities.

- New **growth opportunities** in existing sectors such as **agriculture** that leverage private investments for innovative ideas like greenhouse technologies.
Building Stronger Communities

• Municipalities and Indigenous communities are prepared to take a leadership role in developing their economies to attract new business investment.

• Major transformative projects like the Ring of Fire and regional energy and road infrastructure to connect remote First Nations and provide economic opportunities for generations to come.

• The growing Indigenous population and residents currently not participating in the labour force provide a potential pool of existing resources to help address skill shortages.

• Leverage the Federal Action Plan for Official Languages.
Goal:
Expand and strengthen the regional innovation ecosystems to support competitive businesses and economic growth

Strategies/Actions:

• **Regional Innovation Ecosystems:** To expand the regional ecosystems to support commercialization and to accelerate growth through adoption of technology:
  – Continue support for the five Regional Innovation Centres, colleges and universities
  – Expand access to capital opportunities targeted towards innovative firms
  – Strengthen linkages between innovation stakeholders with federal and provincial programs
  – Target investment towards creating more incubators, accelerators and innovation hubs

• **Regional Clusters:** Promote the development of regional clusters by supporting the expansion and integration of innovation activity in existing economic sectors and supporting the expansion and integration of business activities in emerging sectors such as digital, health sciences, and bio-medicine
Goal:
Enhance the delivery of supports for business start-ups and scale-ups to grow competitive companies and stimulate economic growth

Strategies/Actions:

• **Technology Adoption:** To promote the adoption of technologies to support competitive businesses and clean growth in urban and rural areas:
  – Enhance technology adoption by SMEs to improve productivity
  – Coordinate and deploy enhancement of digital connectivity investments
  – Support the adoption of clean technology

• **Sector development:** Invest strategically in potential growth sectors (i.e., agri-food) to help single industry communities diversify their economies
Goal:
Enhance the delivery of supports for business start-ups and scale-ups to grow competitive companies and stimulate economic growth

Strategies/Actions:
• **Indigenous Business Growth**: Bring federal and provincial governments, and the private sector together with growth-oriented business and/or business organizations to provide the services they need to develop and grow over the long term; focus on advancing Indigenous Tourism Ontario, renewable energy, a Centre of Excellence for Indigenous Mineral Development, food security, and Indigenous forestry

• **Women Entrepreneurship**: Encourage greater participation by women in the economy, by helping more majority women-owned companies into world class businesses; continued support to PARO Centre for Women’s Enterprises to explore opportunities to expand services to other parts of the region and a more targeted initiative such as women entrepreneurship related to skilled trades

• **Building a Bilingual Workforce**: Work collaboratively with all partners to identify and leverage employment opportunities by marketing the benefits of hiring French-speaking immigrants, enhancing connections with employers and improving information services to help employers that are interested in recruiting and hiring French-speaking skilled workers navigate the immigration system
Goal:
Enhance the delivery of supports for business start-ups and scale-ups to grow competitive companies and stimulate economic growth

Strategies/Actions:
• **Scale-up and Export Development:** To boost efforts to help increase the number of businesses reaching new markets:
  – Enhance and expand existing supports to SMEs seeking to scale up and increase global exports and networking opportunities
  – Leverage existing successful events such as the Northern Ontario pavilion of the Prospectors and Developers Association of Canada (PDAC) mining showcase, and the Royal Agricultural Winter Fair, in order to increase exports
  – Promote collaborations among trade and export organizations
• **Program Access:** Enhance access to federal business programs including:
  – Staff and service partner training to assist businesses
  – Pathfind and provide access to federal programs and services including the Innovation Canada portal, access to expertise available through the Clean Growth Hub, the Business Development Bank and the National Intellectual Property Strategy
  – Work with regional partners (Community Futures Development Corporations, Economic Development Officers, Chambers of Commerce, libraries, etc.) to provide local points of access for accessing web-based supports
Goal:
Help communities better respond to opportunities and challenges

Strategies/Actions:
• **Municipalities and Indigenous Communities**: Invest in building the economic development capacity of municipalities and Indigenous communities to attract new business investment, create jobs and contribute to the growth of the economy. Investments are proposed in the following areas:
  – Continue collaboration with Indigenous Services Canada and the Province to support comprehensive community planning in Indigenous communities
  – Continue working with stakeholders, including Community Futures Development Corporations to plan and leverage resources to increase business opportunities and job creation
  – Invest in community infrastructure to attract businesses and create employment
  – Support the development of new businesses and employment opportunities related to regional infrastructure
Goal:
Help communities better respond to opportunities and challenges

Strategies/Actions:

- **Talent Attraction and Retention:** Develop a Talent Attraction and Retention Strategy which will promote a positive image of Northern Ontario and its unique lifestyle advantages and act as a long-term approach to addressing current and future human resource challenges in the region:
  - Continue to invest in training development activities and provide support for targeted local training opportunities
  - Work in collaboration with all levels of government to attract skilled and highly qualified newcomers
  - Develop an initiative in partnership with post-secondary institutions aimed at facilitating international students integration into Northern Ontario
  - Assist communities to build their capacity to facilitate newcomer integration and retention, including French-speaking and bilingual newcomers
By implementing this plan, Northern Ontario will see:

• More businesses export products and services
• More businesses develop and adopt technologies
• More opportunities for Indigenous peoples and enterprises
• More opportunities for women entrepreneurs
• More professional, science and tech-related jobs
• More skilled and trade workers
• Strengthened communities, better equipped to respond to opportunities
• A stronger innovation ecosystem that will accelerate business growth
Next Steps

- Develop future actions and initiatives with appropriate partners
- Establish benchmarks and indicators to track results
- Organize public announcements as joint areas of actions are undertaken
- Evaluate outcomes and adjust actions as required
- Report on accomplishments