

Unleashing Ontario

ONE IN A SERIES OUTLINING THE BENEFITS OF LOCATING IN ONTARIO

FALL 2021



Welcome to Ontario – the economic engine of Canada!

In the 20th century, Ontario's economy was built on the strength of traditional industries: natural resources, manufacturing, farming, and food production. Those mainstay sectors remain vibrant, even as they retool to apply new technologies and innovations to compete in the digital age.

But Ontario is also where the new economy has emerged in force. It's where financial services are broadening into fintech and revolutionizing the way we invest. Where artificial intelligence is ushering in the era of safer, cleaner, connected transportation and lower cost manufacturing. And where stem cell research is leading to a world where we cure and even prevent deadly diseases.

That's what's special about Ontario: it's where new innovations, platforms, and technologies meet the muscle of the industrial economy. It's a place to test new ideas. A place that can drive real economic growth for the next generation.

Welcome to Ontario – we're Open for Business!

Vic

Victor Fedeli, Minister

We're in the heart of North America

Ontario's mass of land and lakes extends from a mineral-rich North to the farms and vineyards of the south, pierced by a dense urban corridor that runs east-west along the United States border.



As Ontario's capital, Toronto is a world-class city with a remarkable downtown core and vibrant neighbourhood communities. Photo: Destination Toronto

Like the freshwater Great Lakes that shape our borders, we're big. Bigger than Texas. More than double the size of California. And we're connected: an easy drive across any of the 14 border crossings to the United States; just a hop by air to New York, Washington, or Chicago; a straight shot to Tokyo, London, Mumbai, or any major destination.

We're vast, young, and diverse

With a population of more than 14 million, (and growing every year) Ontario is home to 40% of Canada's population and one of North America's largest jurisdictions. In fact, if we were a U.S. state, we would rank fifth by population.

We are also younger than the rest of the G7. Millennials, those aged 18 to 34, are the largest generation in many of our largest cities, including Toronto, Ottawa, and Kitchener-Waterloo. We've welcomed people from more than 150 countries; a diversity expressed in the symphony of the 200 languages spoken on our streets.

We have a stable and competitive business environment

A well-functioning society creates trust and participation, demonstrates political stability, upholds the rule of law, and enjoys positive relations with other regions. Companies that choose Ontario can have confidence in the province's long term political and economic stability. Ontario is at the centre of one of the most stable and competitive business environments in the world. Strategically located in the heart of North America, Ontario offers companies access to more than 187-million consumers within a day's drive of the Greater Toronto Area.

We're tolerant, inclusive, and connected

Ontario is what the future should look like. A livable space with the comforts and quality of

life to attract talented people, especially the next generation of digital natives, looking for a home. We're aware that digital technologies and machine learning are changing the way we live. We know they raise hard questions about the future of work, privacy, and income equality.

But we're not afraid to try new approaches. We know that governments and firms must invest in training programs that help employees get the skills they need for an information economy. And our publicly-funded higher education system gives us the latitude for collaboration between government, business, and academia to re-tailor curriculums and priorities to meet changing economic needs.

Above all, people want places that work. Where we can get around on public transportation. Raise a family. Where no one is denied quality healthcare when they're sick and a hospital visit isn't accompanied by the threat of bankruptcy. A festival of entertainment and inspiration.

A place we can breathe.

That's our Ontario.

By the numbers

There are a few important numbers that paint a picture of what Ontario has to offer your company, employees, and families. Call these "10 Reasons to Think Ontario".

1. 2nd largest automotive manufacturer in North America
2. 2nd largest IT cluster in North America
3. 2nd largest financial hub in North America
4. 2nd largest centre for food processing in North America
5. Free Trade deals with 51 countries, reaching 1.5 billion consumers (\$1 billion in daily 2-way trade with the U.S.)
6. 70% of adults have post-secondary education
7. 55,000 STEM graduates every year
8. Employer healthcare contributions are 1/3 the cost of the U.S. average
9. 10 business-day work permit processing for highly skilled talent
10. Ontario cities rank among the Best Places to Live & Work in North America

And there's more

Canada has claimed first prize in the annual 2021 Best Countries Report, a ranking released by U.S. News & World report and their partners. Canada moved up from number two in 2020 for Best Overall Country and also ranked first in Quality of Life. There were several new metrics in the report, including racial equity, commitment to social justice, adaptability, and commitment to climate goals. "Canada is also perceived as having a good job market, caring about human rights, and is committed to social justice. Additionally, the country finished first in being viewed as not corrupt, and respecting property rights," says the Report.



Many Ontario communities enjoy the splendor of the great outdoors, where recreation is only a step away. Photo: City of North Bay

Canada has also claimed another important first prize. Canada is now the top destination for global talent according to one of the world's most prestigious management consulting firms. In the most striking shift in a new report from Boston Consulting Group, Canada passed the U.S. to become the first-choice location for foreign workers. "The reputation Canada has built for itself is evident in its broad appeal," stated the report. "The country is the number-one work destination for many of the types of people that countries prize, including those with Masters or PhD degrees, those with digital training or expertise, and those younger than 30."

While we're talking firsts, Ontario has ranked first in Site Selection magazine's Canadian Competitiveness Award for five consecutive years. The report based its rankings on three main criteria related to private sector construction/expansion projects: total capital

invested, total jobs created, and total size of construction/expansion project. An increasing share of Canada's foreign direct investment activity is going into Ontario. While Ontario comprises approximately 40% of Canada's population, it realizes closer to 50% of the FDI deals and dollars, continuing to punch above its weight.

CBRE also weighed-in with their Scoring Tech Talent report, proving that Ontario has the infrastructure for innovation and the talent for tomorrow. Led by Toronto, now North America's 3rd largest tech talent pool at 275,000, and by far the fastest growing at 42.5%, three Ontario regions were also rated as top-ranked or emerging tech hubs. Ottawa leapt four spots to No. 10, for its high concentration of tech talent (highest in North America). The report's "Next 25" up-and-coming markets included Waterloo Region as the No. 1 to watch!

Toronto is not only the province's capital, but is a world-class city, ranking high among the 129 global cities. The city was ranked fourth in the major cities in the world for foreign direct investment in the latest fDi Intelligence report on Global Cities of the Future. Canada's largest city reached that level for its allure and potential for international business, investing, and entrepreneurial success in key areas such as cost-effectiveness and connectivity. Toronto was also recognized for its economic potential, business friendliness, and human capital and lifestyle.

The real number to watch for is 7

Actually, it's \$7 billion. That's how much this government has lowered the cost of doing business in Ontario... and that's an annual savings.

This is not some notional number. The math is very real. Start with Workplace Safety Insurance Board premiums. They have been lowered by 47%, for an annual savings of over \$2.2 billion (without any reduction to the benefits). A capital cost allowance was introduced, allowing Ontario companies to write-off new equipment, in-year. That's an almost \$1 billion annual savings. The various red-tape and burden reduction programs generate \$330 million in savings every year. This will continue to grow, as the government brings a spring and fall Red Tape Bill to the Legislature annually.

“**\$7 Billion**
in Annual Savings”

The latest business savings are the reduction of commercial and industrial hydro rates, by 14% and 16% respectively. And the provincial share of local property taxes was dropped to standardize province-wide at .88% – a savings of \$450 million every year. Add these and all the other tax reductions together, and it's an annual savings of \$7 billion for Ontario's businesses.

This is a game-changer for Ontario, and the reason why (pre-Covid) Ontario added over 300,000 new jobs in just 18 months. All of these fundamentals are still in place. They are why Ontario saw both domestic and foreign direct investment continue so strongly throughout the worldwide pandemic.

And this is what we mean by Unleashing Ontario.

Unleashing Ontario is an official economic development newsletter from the Ontario Minister of Economic Development, Job Creation and Trade.

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