

An Integrated Economic Development Master Plan



2017 AND BEYOND

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Introduction

By Definition

At the core of economic development is the interdependency of the factors sustaining economic growth and human development.

There are several systems that feed this, including connective economic, political and social infrastructures. These, in turn, generate the needed resources used to improve social well-being resulting in wealth generation, job creation and community renewal through innovation. The strength of the relationship between economic and social capital ensures that economic activity remains resilient.

An **Integrated Economic Development Master Plan** bolsters the local economy and ensures the community's continued vibrancy. The **Inukshuk**, which graces the cover of this document, demonstrates this requisite stability where **strength and balance reside based on the interconnectedness of its parts**. It is this interconnectedness that creates the framework for Northumberland County's Master Plan.

Each of the components outlined on the following page shares an interdependency that provides a framework for economic development in Northumberland. The integration of these components will result in an innovation-driven department.

In creating an Integrated Economic Development Master Plan for Northumberland, **the mandate is to provide an ongoing framework for development** – to insure that the qualities that make the County unique become a critical component of the Master Plan.

What follows in this plan is an overview, as well as the context, vision, method and goals for the department's six portfolios, and combined action item matrix.

The Process

Over the past year all areas of our department have gathered to outline priorities and communicate these so they can be shared with others within the County.

Extensive research and consultations have taken place, all of which are evident within the attached Master Plan. This internally-driven document involved face-to-face consultations and input from 100 key community stakeholders over a series of six public consultations,

The Master Plan as presented allows for further input. Given the nature of the activity involved – projects, supported and related initiatives, and related investment – Council will be an active participant in this process.

Components of an Integrated Economic Development Master Plan

1. Focused and Robust Entrepreneurship/Can-Do-Attitude:

Entrepreneurship and innovation are inseparable components for economic renewal. Creating an environment which supports focused and robust entrepreneurship is essential to a community's well-being.

2. Research and Policy Engagement/Anticipating and Understanding Goals:

The process is research develops policy, which creates programs that result in funding. Research is dependent upon engagement with community stakeholders that benefit a community as a whole.

3. Flexible Social Infrastructure/Supporting Physical and Emotional Needs:

It is essential to develop partnerships with non-governmental organizations, not for profits, the faith community and service clubs to garner broad-based community support.

4. Resilient Economic Activity/Dollars for Goods and Services:

A resilient economy is one which builds human and social capital through dollars spent for production, consumption, distribution, and exchange of goods.

5. Skilled and Diverse Workforce/Productivity over Increased Number of Jobs:

By attracting skilled labour and promoting educational opportunities through technical training, public education and workforce development, existing businesses renew, and potential businesses are attracted to a highly productive community.

6. Connective Infrastructure/Services for Day-to-Day Living:

Residents need to be connected to external opportunities and markets via transportation corridors, technology, services and institutions of wellness and learning.

7. Liveability/Quality of Life:

An Integrated Economic Development Master Plan is designed to support the creation of public amenities and the renewal of established communities.

8. Serendipity/All Aspects Coming Together When Needed:

A collective vision which ***"brings together people, partnerships and possibilities for a strong and vibrant Northumberland"*** is essential for integration.



Defining Economic Development

"There is a constant resonating buzz across the Country on the topic of economic development. Politicians, business leaders, labour; anyone who has a vested interest in the field uses their own platform to announce the 'best practice' to the economic development 'problem'. We are constantly inundated with a particular vision of what economic development is and how economic development can be achieved. The great rhetoric of industrial planning, business growth, business retention and expansion programs, place marketing, and job creation are the mantra. These are temporary programs and results of specific actions around business development, workforce programs, business programs, or business planning.

Existing economic development programs appear to be a broad range of tools that support a multitude of needs for a community to address economic development. In general, however, the current approach to economic development focuses on a common core of marketing, investment attraction, business retention and expansion, and job creation. These approaches are based on external, imposed programs that are 'done' to a community,

Communities and local economies are different and dynamic: traditional models do not recognize the complex and, sometimes chaos nature of individual communities. Traditional models do not recognize the connection and integration of unique solutions that are required for each community and local economy. Traditional models are based on expected and anticipated results, using a standard model of implementation without realizing the need for an integrated process that extends beyond the short-term gains of temporary solutions.

*Economic development is building on the qualities of YOUR community NOT filling the gaps or deficiencies."**

*Source: 2016 Discussion paper by Integrated Economic Solutions

The Federal View of Economic Development

The current federal agenda for positioning Canada as a global centre of innovation is articulated by **Innovation Science and Economic Development Canada** (formerly Industry Canada):

- First, we want to foster an entrepreneurial and creative society. We want to prepare Canadians to embrace change, to take smart risks, and to be resourceful enough to create their own opportunities.
- Second, we want to support global science excellence. We want to invest in world-class science and research. As well, we want Canada to be the destination of choice for the best and brightest people from around the world.
- Third, we want to build world-leading clusters of innovation. We recognize that science, insight and innovation are interconnected and tend to work in tandem. We believe that businesses, post-secondary institutions, government and other sectors of society can work together to bring products and services to market a lot faster. This is a model that Canada must build on.
- Fourth, we want to grow companies and accelerate clean growth. That means supporting the start-up and scale-up of small and medium-sized companies. It also means doing more to keep these companies in Canada rather than losing them to other countries.
- Fifth, we want to compete in a digital world. That means capitalizing on digital technologies, such as cloud computing and driverless cars. These technologies promise to radically change the nature of work and the way we do business. Canada needs to capitalize on these technologies to give our country a competitive edge.
- Finally, we need to make it easier for companies to do business in Canada. That means working with all levels of government to lower barriers, allowing Canadian businesses to prosper at home and abroad.

This is an ambitious agenda. However, Northumberland has each and every one of these qualities to become part of this vision. Innovation is not limited to technology alone – Northumberland’s strengths lie in agriculture, food and entrepreneurship, and the resources that we, as a County, have committed to supporting these endeavours.

*“Long-standing partnerships among industry, academia and government have contributed to the establishment of Ontario as a globally renowned centre of excellence for research and commercialization in the agri-food sector. In agri-food, like in many sectors, Ontario has consistently been a leader and innovator. **The Ontario Agri-Food Venture Centre (OAFVC) located in Northumberland County**, for instance, is a one-stop shop for food processing start-up companies and expansions in the province. The centre offers production, processing, packaging, storing, and business services designed to add value to food product as will be discussed further in the report. Innovative research and technology clusters in the agri-food sector have emerged throughout the province. These clusters function to ensure that food producers and processors have the tools they need to create products more efficiently and sustainably.”**

*Source: Fertile Ground – Growing the Competitiveness of Ontario’s Agri-food Sector, Ontario Chamber of Commerce, 2016

This type of recognition drives opportunity and further supports the premise of utilizing what we have to better achieve and what we want for the residents of Northumberland.

The world of innovation speaks to disruptive technologies, which give rise to change and risk. Disruptive technologies need to be balanced with disruptive organizations – ones which embrace innovation and change that support the needs of our constituents. Inherent in this Integrated Economic Development Master Plan is the role of the Economic Development Department and, by extension, the multiple portfolios within it.

Alignment with Northumberland's Strategic Plan



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Vision

To bring together people, partnerships and possibilities for a strong and vibrant Northumberland County.

Mission

To be a best practices leader of County government and collaborative partner with our member municipalities, and community partners.

Core Values – Corporate

Care and Support

- We respect and understand the needs and priorities of our internal partners. We work with each other and our community partners to be part of a caring culture.

Collaboration and Communication

- We share ideas and experience to enhance collective knowledge and effectiveness.
- Collaboration and communication define successful relationships.

Honesty and Integrity

- We hold ourselves and each other to high standards that demand accountability and transparency in all actions.
- We align our beliefs with our actions.
- We say what we are going to do and we do what we say.

Innovation and Excellence

- We are committed to quality work practices, as well as continual improvement.
- We take the time to complete work right the first time and look for opportunities to strengthen and develop enhanced performance and services.

Mutual Trust and Respect

- We treat others the way we want to be treated, being considerate, accepting of personal differences and acting with courtesy, dignity and fairness.
- We understand the importance of quality service delivery and customer service. We are fair, consistent and helpful.

Accountability

- We are accountable for our behaviours, actions, and results.
- Accountability is the commitment to, and alignment with, the County's core values, mission, goals, and objectives. It also includes the responsibility for ensuring that decisions support the core values and that we follow through on commitments with energy and enthusiasm.

The Four Strategic Pillars for Action

The four strategic pillars are used to define Northumberland's priorities for the next four years. They also and provide a framework upon which decisions and departmental goals can be formed.



Economic Innovation and Prosperity

Dependent upon the ability to plan for, market and develop our assets:

- Develop a comprehensive and collaborative Economic Development Master Plan
- Continuing development of the Northumberland County Brand
- New Canadian Attraction
- Entrepreneurship Initiatives

Sustainable Infrastructure and Services

Dependent upon the ability to develop and maintain existing levels of service and infrastructure:

- Action Projects and Plans
 - Colborne Emergency Services Base
 - Golden Plough Lodge Rebuild
- Asset Management
- Implement high level goals in Master Plans
 - Transportation Master Plan
 - Waste Management Master Plan
 - Cycling Master Plan
 - Forest Master Plan
- Continue to seek Opportunities for Partnerships, Enhancements and Funding

Thriving and Inclusive Communities

Dependent upon our ability to balance varying community needs:

- Assess and Strengthen community social infrastructure
- Strengthen the local definition and measurement of “Thriving and Inclusive Communities”
- Develop a Municipal Poverty Reduction Strategy
- Continue to develop Newcomer Strategies
- Foster a municipal and corporate culture of Heritage and Community Vitality

Organizational Excellence

Dependent upon our ability to produce high levels of resident satisfaction:

- Leadership Development
 - Enhance Professional Development and Leadership Building Opportunities for Staff and Elected Officials
 - Support Succession Planning initiatives that promote from within
 - Review and ensure that Compensation Policies are competitive
 - Develop a Communication Strategy around Core Values, Mission, and Vision
 - Continue to implement Staff Engagement Strategies
 - Continue to revise Hiring Practices that capture Employment Trends
- Develop Performance Metrics for regular reporting to Council and the Public based on Responsibilities by Department
- Develop a Communications Master Plan that complements the Goals and Objectives of the County
- Develop and Enhance mechanisms to Share Information, Experience and Technological Best Practices through local working groups

Shaping the Integrated Economic Development Master Plan



Image source: Trinity College School

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The Integrated Economic Development Master Plan is shaped by extensive research and analysis as evidenced by both the available statistical data, as well as multiple research initiatives which are detailed within this component of the plan.

Northumberland County at a Glance

Map of the County and its seven municipalities:



Statistical data specific to economic drivers within Northumberland:

Population, 2016	Northumberland	Province	% of Prov.
Total	85,598	13,448,495	0.6%
0 to 14	11,340	2,207,970	0.5%
15 to 64	51,995	8,958,865	0.6%
65 and over	22,260	2,251,655	1.0%

Population Growth, 2011-2015

Total	4.2%	4.4%	–
0 to 14	-1.7%	1.2%	–
15 to 64	-11.5%	-7.4%	–
65 and over	19.7%	16.6%	–

Family Income, 2011 National Household Survey	Northumberland	Province	% of Prov.
Economic families (number)	24,670	3,528,375	0.7%
Economic families average income (\$)	86,119	100,152	86.0%
Couple-only (number)	11,900	1,197,250	1.0%
Couple-only average income (\$)	78,513	89,678	87.5%
Couple with children (number)	9,340	1,689,175	0.6%
Couple with children average income (\$)	106,484	121,285	87.8%
Lone-parent (number)	2,785	520,715	0.5%
Lone-parent average income (\$)	51,949	58,622	88.6%

Labour Force, 2011, National Household Survey

Employed	37,925	6,297,005	0.6%
Unemployment rate (%)	8.3%	8.3%	–
Unemployed	3,440	567,985	0.6%
Labour Force	41,365	6,864,990	0.6%

Employment by Industry, 2011 National Household Survey

Total	37,925	6,297,000	0.6%
Agriculture, forestry, fishing and hunting (11)	1,555	95,220	1.6%
Mining, quarrying (21)	150	28,190	0.5%
Utilities (22)	910	55,215	1.6%
Construction (23)	3,040	382,570	0.8%
Manufacturing (31-33)	5,100	657,625	0.8%
Food, Beverage and Tobacco	715	89,805	0.8%
Textile mills (313)	0	3,545	0.0%
Textile product mills (314)	0	4,000	0.0%
Clothing manufacturing (315)	0	8,695	0.0%
Leather and allied product manufacturing	0	1,100	0.0%
Wood product manufacturing	205	16,090	1.3%
Paper manufacturing (322)	220	20,825	1.1%
Printing and related support activities	65	29,880	0.2%

**Employment by Industry,
2011 National Household Survey (cont.)**

	Northumberland	Province	% of Prov.
Petroleum and coal product manufacturing	20	3,980	0.5%
Chemical manufacturing (325)	605	38,865	1.6%
Plastics and rubber products manufacturing	545	42,065	1.3%
Non-metallic mineral product manufacturing (327)	110	18,390	0.6%
Primary metal manufacturing (331)	215	28,445	0.8%
Fabricated metal product manufacturing (332)	515	62,460	0.8%
Machinery manufacturing (333)	290	50,440	0.6%
Computer and electronic product (334)	90	45,820	0.2%
Electrical equipment (335)	340	15,985	2.1%
Transportation equipment manufacturing (336)	935	121,770	0.8%
Furniture and related product manufacturing (337)	60	29,805	0.2%
Miscellaneous manufacturing (339)	130	25,665	0.5%
Wholesale trade (41)	1,000	291,215	0.3%
Retail trade (44-45)	4,460	701,300	0.6%
Transportation and warehousing (48-49)	1,430	294,020	0.5%
Information and cultural industries (51)	555	169,540	0.3%
Finance and insurance (52)	835	353,230	0.2%
Real estate and rental and leasing (53)	475	128,355	0.4%
Professional, scientific services (54)	1,945	486,775	0.4%
Management of companies and enterprises (55)	0	6,230	0.0%
Administrative services (56)	1,735	277,785	0.6%
Educational services (61)	3,095	474,205	0.7%
Health care and social assistance (62)	4,500	668,435	0.7%
Arts, entertainment and recreation (71)	860	128,705	0.7%
Accommodation and food services (72)	1,965	377,605	0.5%
Other services (81)	1,815	279,405	0.6%
Public administration (91)	2,490	441,370	0.6%

**Employment by Industry, Agri-food Industry,
2011, National Household Survey**

	Northumberland	Province	% of Prov.
Agri-food Employment	5,270	714,655	0.7%
Crop and Animal Production (111-112, 115)	1,545	88,975	1.7%
Food and Beverage (311-312)	715	89,805	0.8%
Food Manufacturing (311)	635	78,000	0.8%
Beverage and Tobacco Manufacturing (312)	80	11,805	0.7%
Leather and allied product (316)	0	1,100	0.0%
Farm product wholesaler-distributors (411)	20	3,480	0.6%
Food, bev. Tobacco wholesaler-distributors (413)	140	36,275	0.4%
Agricultural supplies wholesaler-distributors (4183)	55	4,075	1.3%
Food and beverage stores (445)	1,130	166,575	0.7%
Food services and drinking places (722)	1,665	324,370	0.5%

Number of Business Locations by Industry, 2015, CBP*

Total	2,913	1,426,469	0.2%
Unclassified	219	170,274	0.1%)
Sub-total, classified	2,694	1,256,195	0.2%
Agriculture, forestry, fishing and hunting (11)	415	48,415	0.9%
Crop and Animal Production (111-112, 115)	110	46,652	0.2%
Mining, quarrying (21)	13	1,999	0.7%
Utilities (22)	3	2,375	0.1%
Construction (23)	282	128,095	0.2%
Manufacturing (31-33)	62	36,207	0.2%
Food, Beverage and Tobacco (311-312)	11	3,868	0.3%
Food manufacturing (311)	10	3,238	0.3%
Beverage and tobacco manufacturing (312)	1	630	0.2%
Textile mills (313)	1	268	0.4%
Textile product mills (314)	1	472	0.2%
Clothing manufacturing (315)	2	1,087	0.2%
Leather and allied product manufacturing (316)	0	208	0.0%
Wood product manufacturing (321)	13	1,849	0.7%

**Number of Business Locations by Industry,
2015, CBP* (cont.)**

	Northumberland	Province	% of Prov.
Paper manufacturing (322)	0	378	0.0%
Printing and related support activities (323)	2	3,210	0.1%
Petroleum and coal product manufacturing (324)	1	152	0.7%
Chemical manufacturing (325)	0	1,333	0.0%
Plastics and rubber products manufacturing (326)	0	1,345	0.0%
Non-metallic mineral product manufacturing (327)	2	1,233	0.2%
Primary metal manufacturing (331)	0	411	0.0%
Fabricated metal product manufacturing (332)	9	5,301	0.2%
Machinery manufacturing (333)	4	3,739	0.1%
Computer and electronic product (334)	1	1,494	0.1%
Electrical equipment (335)	1	1,027	0.1%
Transportation equipment manufacturing (336)	6	1,547	0.4%
Furniture and related product manufacturing (337)	2	2,712	0.1%
Miscellaneous manufacturing (339)	6	4,573	0.1%
Wholesale trade (41)	56	42,823	0.1%
Retail trade (44-45)	326	94,722	0.3%
Transportation and warehousing (48-49)	210	72,052	0.3%
Information and cultural industries (51)	14	20,409	0.1%
Finance and insurance (52)	103	71,566	0.1%
Real estate and rental and leasing (53)	215	221,529	0.1%
Professional, scientific services (54)	139	180,432	0.1%
Management of companies and enterprises (55)	48	33,101	0.1%
Administrative services (56)	72	53,106	0.1%
Educational services (61)	15	13,701	0.1%
Health care and social assistance (62)	228	87,999	0.3%
Arts, entertainment and recreation (71)	53	21,158	0.3%
Accommodation and food services (72)	170	41,967	0.4%
Other services (81)	254	83,180	0.3%
Public administration (91)	16	1,359	1.2%

Number of Business Locations, 2015 All Industries, CBP*	Northumberland	Province	% of Prov.
Total	2,913	1,426,469	0.2%
Without employees	1,240	980,505	0.1%
Total with employees**	1,673	445,964	0.4%
1-4 employees	1,006	257,148	0.4%
5-9 employees	315	79,572	0.4%
10-19 employees	190	51,426	0.4%
20-49 employees	111	36,351	0.3%
50-99 employees	25	11,741	0.2%
100-199 employees	18	5,618	0.3%
200-499 employees	6	2,929	0.2%
500 +	2	1,179	0.2%

Number of Business Locations, Food and Beverage Manufacturing, 2015 ,CBP*

Total	11	3,868	0.3%
Without employees**	3	1,566	0.2%
Total with employees	8	2,302	0.3%
1-4 employees	1	637	0.2%
5-9 employees	3	507	0.6%
10-19 employees	1	411	0.2%
20-49 employees	0	352	0.0%
50-99 employees	0	167	0.0%
100-199 employees	2	117	1.7%
200-499 employees	0	93	0.0%
500 +	1	18	5.6%

*Source: CBP - Canada Business Patterns, Statistics Canada

**Indeterminate category, establishment does not maintain an employee payroll, but may have a workforce which consists of contracted workers, family members or business owners

Supportive Research

Beginning in 2008, research conducted over a seven-year span resulted in the following documents. Extensive community consultation in areas specific to economic development formed the foundation for this important material. Collectively, this research created the framework for the existing Economic Development Department and, through extensive consultation, provided a highly informed starting point for initiating the Integrated Economic Development Master Plan.

PREMIER-RANKED TOURIST DESTINATION (PRTD), 2009 PROJECT

This industry-driven project evaluated Northumberland's accommodations, attractions, festivals and events, and the food and beverage industry.

- Funded in partnership with the Ontario Ministry of Training, Colleges and Universities, the Ontario Ministry of Tourism, and the Government of Canada.
- The project also examined accessibility, visitation patterns, and future development plans for businesses, events and attractions.
- The recommendations, supported by an industry-led committee, include a three-year Tourism Development Action Plan for the County, and the creation of a Rice Lake Tourism Renewal Strategy.
- Developed by the Ontario Ministry of Tourism, the PRTD framework evaluates a tourism destination through its product offerings, performance and futurity, as well as identifying weaknesses and gaps, and pinpointing opportunities that might be used to create a sustainable competitive advantage.
- Identifying these tourism opportunities creates an investment attraction role for the County and lends support to the local industry for tourism development.
- There is a significant growth opportunity in Northumberland with an annual visitation rate of 1.3 million people per year, the key GTA market being within an hour drive, and over 100 million potential tourists within a one-day drive.

REGIONAL LOCAL FOOD BUSINESS RETENTION AND EXPANSION (BR+E) PROJECT, 2011-2012

The first of its kind, the Regional Local Food BR+E project crossed into nine jurisdictions and fostered numerous new partnerships in Eastern Ontario.

- The project offered participants a unique opportunity to explore and develop relationships between local government, non-government organizations, local food businesses, and stakeholders in the local food movement.
- Each community continues to help local food producers, processors and retailers find new markets, identify opportunities to increase revenue, to ultimately grow their businesses.
- This project demonstrated how a number of jurisdictions can work in partnership to help develop the local food sector in ways that are specific to each community, while also making progress on a series of common regional goals.

Regional Recommendations

- **Collaboration** – Strengthen collaborations, communication and information sharing regionally
- **Infrastructure and Facilities** – Development of infrastructure and facilities
- **Market Expansion/Seasonality** – Increase supply and demand regionally
- **Economic Impact/Awareness** – Promote the economic impact of our local food networks
- **Investment Attraction** – Secure investment in the local food sector
- **Labour Force Development** – Establish the local food sector as a workforce development priority
- **Regulations and Processes** – Clarify regulations and advocate for streamlined processes

NORTHUMBERLAND EMPLOYMENT LANDS STUDY, 2012

The purpose of this study was to understand the supply position of investment-ready industrial lands in each of the County's seven member municipalities. Specifically, the intent of this project was the following:

- Determine how much employment land there is in the County
- Analyze the available supply from lot size, frontage and zoning perspectives
- Determine how much of the available land can be serviced in the short to longer terms
- Determine whether the available land supply positions the County appropriately to attract additional economic development

NORTHUMBERLAND COUNTY OFFICIAL PLAN, 2013

The Official Plan is a policy framework that outlines the following:

- Provides the strategic direction required to realize common goals and objectives
- Provides flexibility where flexibility is desired, and strength where strength is needed
- Complements and supports local initiatives
- Informs and enhances the collaborative processes that now exist between municipalities in the County
- Recognizes the diversity that exists and builds on the strengths of the County, as a whole and each of its component parts

NORTHUMBERLAND IMMIGRATION PORTAL, 2013

This online portal initiative became the catalyst for Business Immigration and New Canadian attraction in Northumberland.

- Funded by the Municipal Immigration Information Online (MIIO) program of the Ministry of Citizenship, Immigration and International Trade.
- Northumberland County's immigration portal was developed in 2012 and launched in April 2013.
- The portal project was developed by the County's Economic Development and Tourism department, which also continues to manage and maintain the portal.
- A Community Stakeholders Working Committee, composed of community volunteers, provided collective input as development of the portal project progressed.

Economic Development Portfolios



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The Economic Development Department has become a strategically integrated collection of services – all related to the economic well-being of Northumberland and, by extension, the communities that constitute it.

Focusing on sectors, services and projects with county-wide implications, the department created individual “portfolios” to encourage staff and stakeholder engagement based on industry expertise.

The Northumberland County Economic Development portfolios include the following, and are listed in the order in which they became established in the department:

- Manufacturing Attraction and Retention
- Tourism – Marketing and Development
- Agriculture and Food
- Small Business and Entrepreneurship Development
- Business Immigration
- Land Use Planning and Inspection Services

Each portfolio within the department hosted a Community Partner Consultation to further refine and shape its contribution to the Integrated Economic Development Master Plan.

In total, nearly 100 engaged and informed community partners took part in six sessions to explore and validate a broad vision/direction of integrating economic development initiatives and activities throughout Northumberland.

The results of those sessions are detailed within this plan. They each follow a standard format, which addresses the following:

- The context within which the portfolio falls
- The background and purpose for each portfolio
- The individual portfolio’s vision, method and goals to be achieved

Manufacturing Attraction and Retention



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Context: Planning for Resilience

Manufacturing attraction is undertaken in conjunction with municipal partners as a critical component of any economic development function. In jurisdictions with limited capacity to perform this function, a more significant role is undertaken at the County level. Less human and financial resources are expended for manufacturing retention by the County as this tends to be the purview of the individual municipality.

Northumberland County strives to support the over 90% of businesses within the County, which are functionally micro and small enterprises, while ensuring there are supports in place to attract and retain larger employers. Development and growth in both areas will guarantee that the community's vibrancy is maintained.

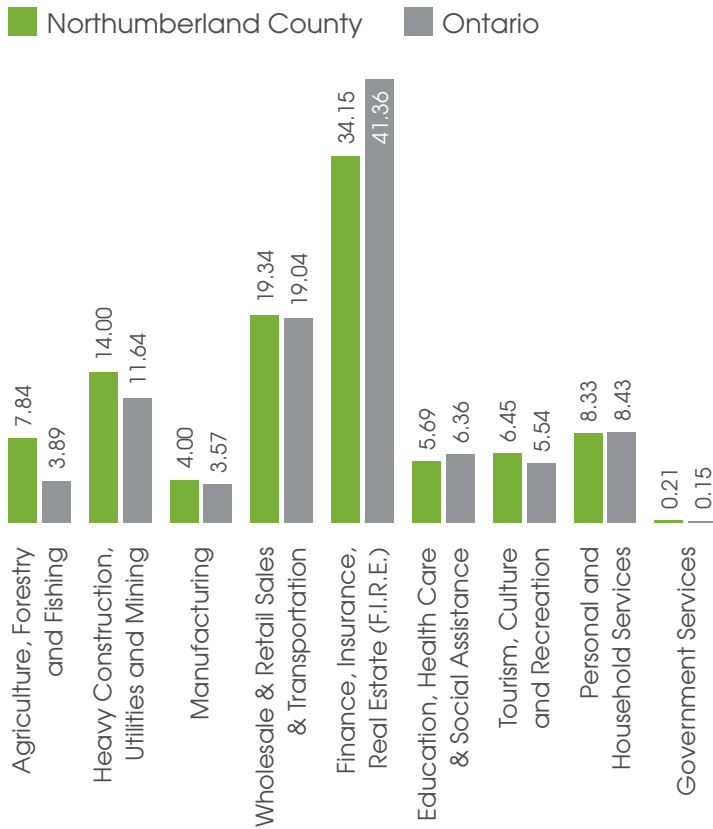
In the mid- to late-1900s the employee per square foot of ratio of manufacturing operations remained relatively high. The turn of the century proved to be a time of disruption for the sector. Many large manufacturers sought to cut costs by decreasing their overall land use and workforce, and as a response to technology being developed to lead to leaner and more environmentally-friendly operations.

Manufacturing jobs remain a staple source of high wage employment in Ontario communities. However, in a bid to remain competitive in a marketplace where goods and labour can be created and shipped from overseas for pennies on the dollar, more North American manufacturers are turning to robotics and new multi-sited labour force models.

In order to present a strong and concise case to site selectors seeking development lands, upper and lower tier municipalities must work together to anticipate barriers to the sale of development lands. Areas to focus on include hydro costs, water, sewage and road infrastructure life spans, improvement schedules and anticipated costs, as well as ensuring there exists a local workforce ready and willing to enter the industry.

From a workforce development perspective, with a strong food and farming local economy, Northumberland County is well positioned to pursue opportunities in food and beverage manufacturing. From a transportation corridor standpoint, the County is well positioned to actively seek warehousing and logistics opportunities.

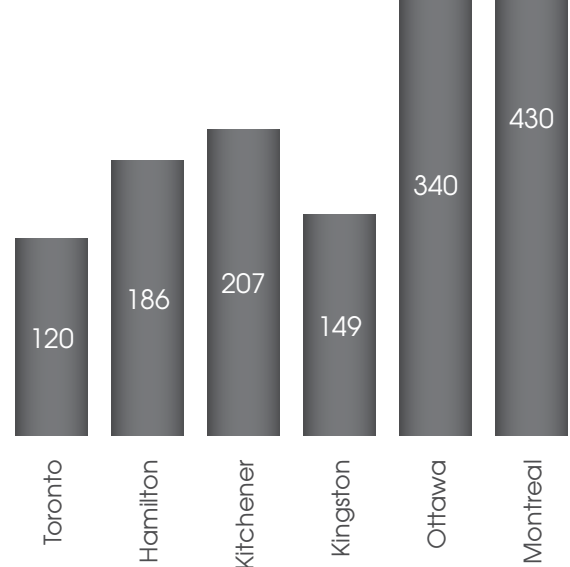
% Distribution By Industry



Close to Major Canadian Cities*

Northumberland offers business and industry the ideal location, capable of serving many of Canada's larger centres.

From Cobourg via Highway 401, Northumberland is:



(Source: Canadian Business Pattern data, Statistics Canada, June 2011)

* Distance in kilometers

STRETCH

YOUR BOUNDARIES

JUST EAST OF TORONTO

Ranney Gorge
Suspension Bridge

BRIGHTON • COBOURG • COLBORNE
PORT HOPE • RICE LAKE • TRENT HILLS

Northumberland County

Vision

To create a culture which is unique, nimble, innovative and highly adaptable in order to support an increasingly innovative manufacturing sector.

To recognize that relationship building creates trust, which in turn supports change, and accepts risk as an essential element of leadership.

Method

By creating an integrated data base of relevant investor information, economic development staff within the County will be able to track inquiries and create more robust and streamlined responses for site selector inquiries.

As research and development (R&D) becomes integral to manufacturing investment, we will concentrate efforts in the development of rural infrastructure, including traditional and digital highways.

We will focus on exploring and developing the advantages associated with our proximity to numerous transportation corridors.

We will establish investment funding for advanced manufacturing in Northumberland from various sources.

Goals

- Coordinate service delivery internally, and extend this to lower tier and partner services
- Engage project-specific expertise to support unique and specialized activities
- Continue to develop relationships based on trust and mutual benefit
- Increase the awareness of global implications on economic development initiatives
- Explore and be prepared to respond to consumer-driven demand for food processing and manufacturing renewal with products which necessitate nimbleness and an exceptionally skilled workforce

Tourism – Marketing and Development



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Context: Enhancing the Northumberland Brand

Northumberland County is a diverse and thriving tourism destination offering many unique cultural and exhilarating outdoor experiences. Much of the success of tourism in Northumberland has developed through ongoing efforts to build and support collaborations and partnerships between industry (usually entrepreneurial business ventures) and government organizations.

As a lead destination management organization for the region, Northumberland Tourism works to build the strength of local businesses by encouraging the development of new experiential tourism opportunities. This helps ensure local businesses are able to remain competitive and relevant to changing consumer needs and interests.

By assisting and supporting the industry with marketing and research, consumer/trade services, workforce development and experience/product development, the tourism portfolio strives to maximize the region's brand recognition to successfully attract new visitors, increase visitation and spending, and enhance the overall economic impact of tourism.

"The County of Northumberland has a lot to offer for those seeking adventure and nature appreciation. There are a number of provincial parks and conservation areas waiting to be explored. Ganaraska Hiking Trail, Northumberland Forest, [and] Ganaraska Forest also provide hiking opportunities. The area is full of outdoor opportunities."

Tony deGroot

(Source: <http://www.tonydegroot.com/RecAdv/RecAdv30.html>)

Northumberland Tourism works in partnership with Kawartha's Northumberland (the Regional Tourism Organization 8, RTO8) serving Northumberland County, Kawartha Lakes, as well as the City and County of Peterborough, the Ontario Ministry of Tourism, local tourism partners and the Business & Entrepreneurship Centre Northumberland. It creates business development programming and resources based on best practices for small businesses and entrepreneurs, focusing on the growth of outdoor tourism and cultural endeavors.

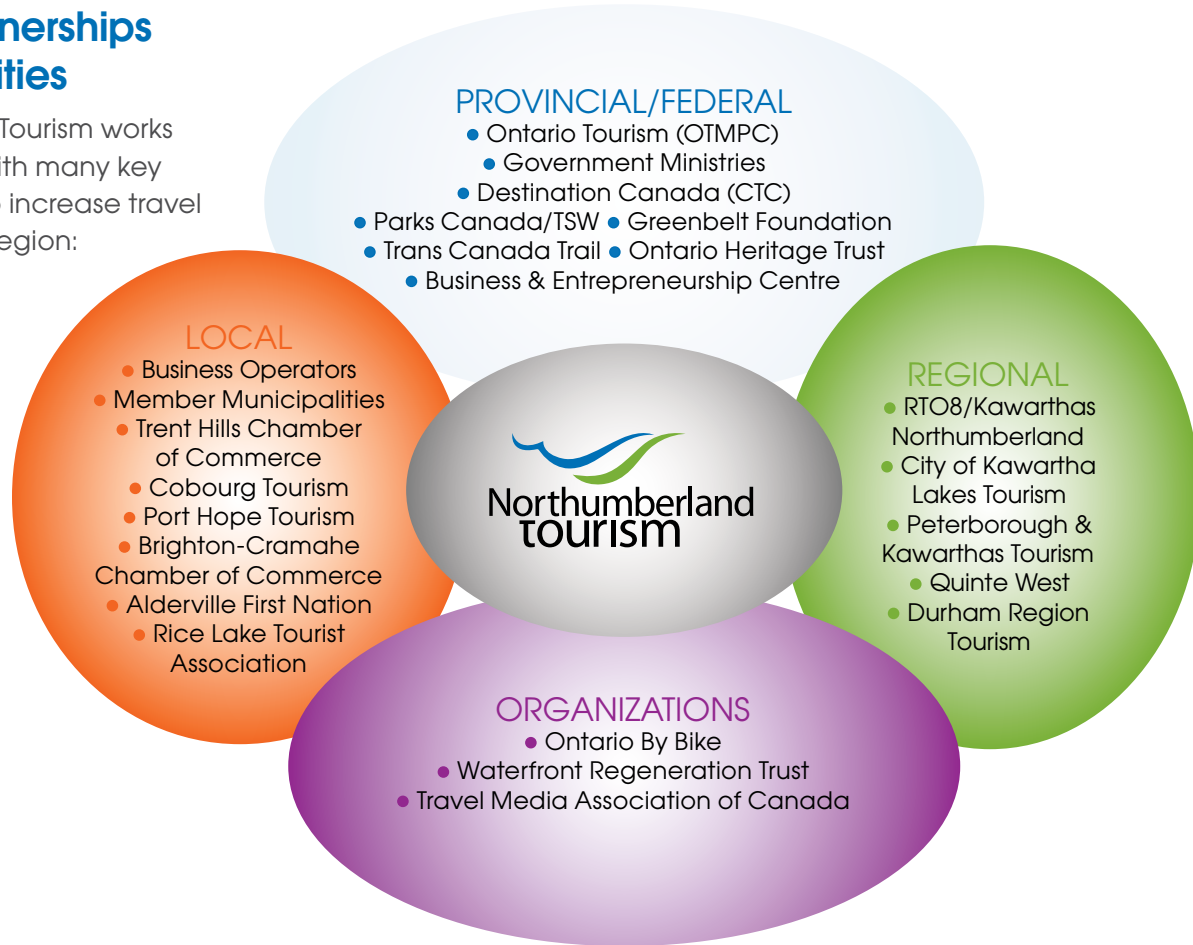
Supportive coaching for businesses seeking to create new experiential tourism models is underway. Interest is growing in a new service to help tourism businesses connect with local, albeit non-traditional, tourism business partners. Some tourism businesses have successfully partnered with local food processors and the Ontario Agri-Food Venture Centre (OAFVC) to attract new and repeat customers by showcasing craft beverages and artisan foods created in the area.

As new partnerships are created and explored, participants often become champions, once they see how experiential tourism allows operators to "do what [they] do best and partner for the rest," while reaching a broader audience and enjoying greater success.

(Source: Gross Morne Institute of Sustainable Tourism)

People, Partnerships and Possibilities

Northumberland Tourism works collaboratively with many key sector partners to increase travel intentions to the region:



Travel Media Kit

The Northumberland County Travel Media Kit was developed with key highlights to interest travel journalists.

It has been successful in increasing our editorial exposure internationally and attracting new travel media to Northumberland.



Map Guides



Northumberland Tourism is noted for the development of its five map guides that have gained so much popularity. The sixth pictured here (far right) is produced by Agriculture & Food but also used for tourism attraction.

Bike & Win Contest

Northumberland Tourism launched a popular social media contest in 2017. The partnership with a popular metro-area bike chain was intentional to increase tourism spending from the GTA.



Vision

To position Northumberland as a diverse and thriving tourism destination offering fun, unique, rich cultural and outdoor experiences. To market the County as a destination of choice and increase the economic impact of tourism locally.

Method

As technology advances, Northumberland Tourism is committed to implementing research-based best practices in consumer marketing, while maintaining a commitment to explore and adopt new and innovative ways to promote the County as a unique destination, where appropriate.

By focusing on enhancing Northumberland County's outdoor recreation assets, partnerships can be encouraged with provincial programs (for example trails and cycling initiatives). These efforts will complement previous successes in developing the Greenbelt Cycling Route and the Waterfront Trail, which resulted in branded niche products serving to increase the region's profile.

Current services (as listed in the Northumberland County Tourism Services 2016 publication) will continue, with a developmental focus on increasing industry resources to enhance the expertise and competitiveness of local industry. Anticipated methods include expanding workshops, workforce development, product development, and connecting businesses with community partners.

Goals

- Continue to explore innovative ways to promote Northumberland as a destination, and develop integrated marketing plan to attract visitors
- Collaborate with industry leaders to develop new experiences, especially during shoulder seasons to increase visitation, accommodation occupancy, and visitor experience
- Expand brand awareness of Northumberland as Ontario's prime cycling destination and increase cycle tourism
- Expand outdoor recreation/natural heritage opportunities through regional partnerships
- Work with provincial and regional partners to create and deliver tourism experience enhancement programs and opportunities similar to Edge of the Wedge Experiential Tourism offered at GMIST, Newfoundland (Gross Morne Institute of Sustainable Tourism): "Do what you do best and partner for the rest" philosophy.
- Improve visitors' experiences and wayfinding through signage, mobile applications, and encourage and support accessible WiFi corridors in Northumberland
- Encourage investment and development of public spaces, for example avatars, walking tours and food tours

Agriculture and Food



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Context: Cultivating Innovation

Agri-business is alive and growing in Northumberland. A part of Ontario's \$13 billion agricultural food sector, the County offers an impressive 200 agricultural commodities with 231,303 acres of farmland in use. The total gross farm receipts at last recorded census were \$152 million. (See chart on page 37.)

When Northumberland County led the Regional Local Food Business Retention and Expansion (BR+E) in 2011, it signified a promise of commitment to expand the agriculture portfolio to include a focus on food products. An outcome of the Regional Local Food BR+E, the Ontario Agri-Food Venture Centre (OAFVC) was designed to be a focal point for County economic development efforts, and a key to unlocking the potential in local agri-business value. This would add opportunities while, at the same time, minimize barriers that rural entrepreneurs (with little-to-no access to true state of the art facilities) often encounter.

The creation of an affordable food-processing resource for local farmers and food entrepreneurs encourages and enables the increased interest in new food-business opportunities in Northumberland.

A partnership with the Business & Entrepreneurship Centre's Faster Forward Program has facilitated a food and beverage business mentorship team. These members are well-appointed to guide new and expanding businesses through the complex world of food-product regulations, commercial viability and consumer marketing. The local agriculture industry is comprised nearly entirely of entrepreneurial businesses.

It is the goal of Northumberland Economic Development to increase awareness of agriculture-related career opportunities in the County, both in primary production and in agriculture service fields (i.e. large animal vets, seed sales, grain elevator operation).

Through a strong partnership program delivered with the Community Training and Development Centre, an Open Minds program was developed to showcase local agriculture jobs to middle-school students in the area. Moving forward, this award-winning program will be expanded to include additional agri-food careers and explore any gaps in the value chain to encourage future entrepreneurial opportunities open for exploration through the department's Summer Company or Starter Company programs.

Operating closely with food industry experts to track and predict market trends, staff engage with provincial policy experts for agriculture economic development and rural land use planning. This ensures that local experiences are shared and taken into consideration as often as possible when the province is developing or considering changes to policies.

With a multi-pronged approach to ensure the continued growth, sustainability and innovation of agriculture and agri-food businesses, Northumberland County Economic Development does the following:

- Nurtures relationships to increase shelf space at local food retailers for locally produced food products.
- Works closely with immigration services to promote entrepreneurship connected to ethno-cultural food opportunities.
- Encourages new crop experimentation, diversification and value-adding opportunities.
- Promotes the importance of agriculture to the local economy.
- Connects with policy makers and industry leaders to share community success stories.

Northumberland County at a Glance

Statistical Data Specific to Agri-Food Economic Drivers within Northumberland

Major Field Crops, 2016 Census (acres)	Northumberland	Province	% of Prov.
Winter wheat	15,956	1,080,378	1.48
Oats for grain	1,860	82,206	2.26
Barley for grain	723	103,717	0.70
Mixed grains	3,216	92,837	3.46
Corn for grain	37,636	2,162,004	1.74
Corn for silage	4,725	295,660	1.60
Hay	40,037	1,721,214	2.33
Soybeans	42,048	2,783,443	1.51
Potatoes	346	34,685	1.00

Major Fruit Crops, 2016 Census (acres)	Northumberland	Province	% of Prov.
Apples	953	15,893	6.00
Peaches	2	5,232	0.04
Sour Cherries	1	2,121	0.05
Raspberries	17	680	2.50
Strawberries	50	2,915	1.72
Grapes	71	18,718	0.38
Total fruit crops	1,133	51,192	2.21

Major Vegetable Crops, 2016 Census (acres)

Sweet corn	144	22,910	0.63
Tomatoes	25	15,744	0.16
Green peas	8	16,268	0.05
Green or wax beans	9	9,732	0.09
Total vegetables	763	135,420	0.56

Livestock Inventories, 2016 Census (number)

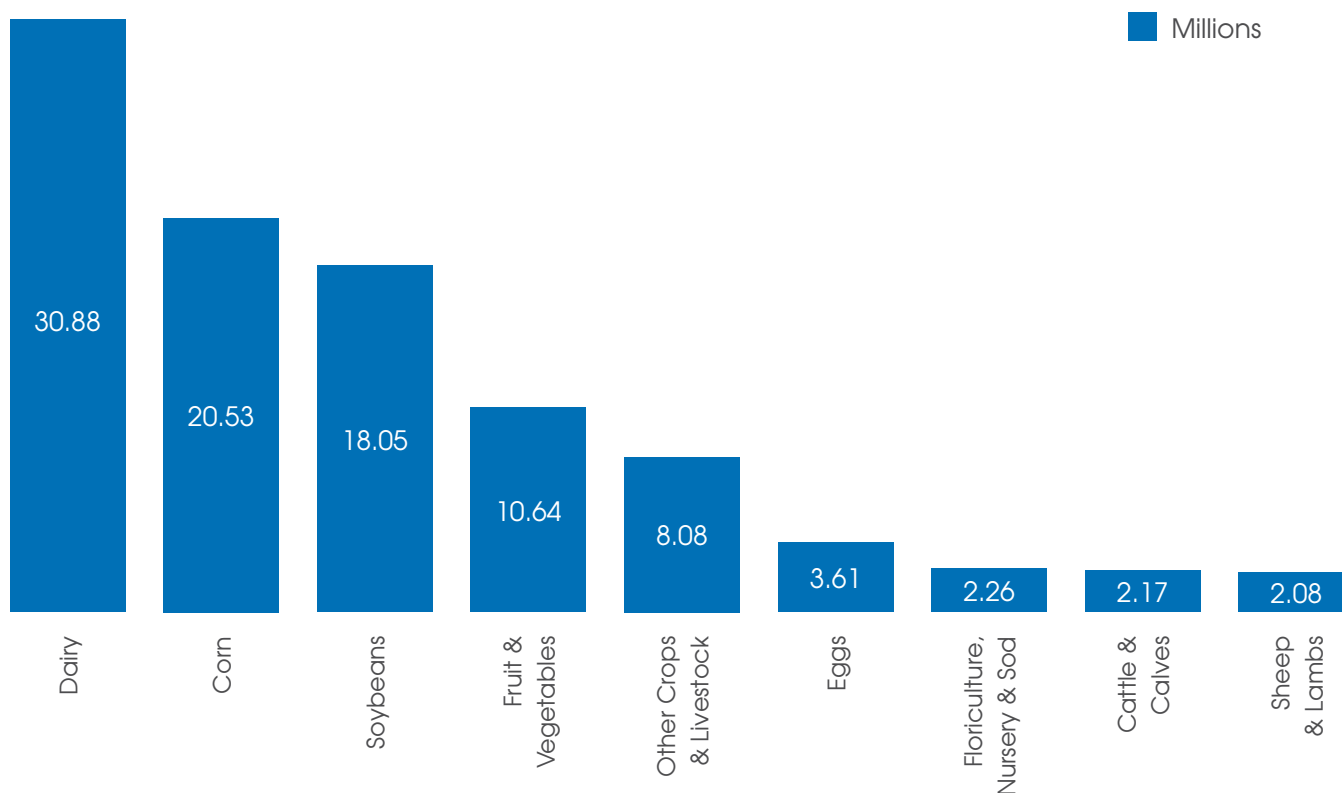
Dairy cows	4,877	311,960	1.56
Beef cows	6,225	236,253	2.63
Steers	1,367	305,514	0.45
Total cattle and calves	24,058	1,623,710	1.48
Total pigs	5,226	3,534,104	0.15
Total sheep and lambs	8,906	321,495	2.77

Poultry Inventories, 2016 Census (number)

Total hens and chickens	417,057	50,759,994	0.82
Total turkeys	X	3,772,146	–

Farm Cash Receipts for Main Commodities in Northumberland 2016

(Total = \$111.65 million)



Regional Local Food Business Retention and Expansion (BR+E)



Vision

To position Northumberland County as a leader in best practices for supporting new Canadian agri-business start-ups, development of food and agriculture opportunities on small and medium sized properties, and consumer engagement to facilitate understanding of, and support for, the agriculture sector.

Method

Develop a better understanding and responsiveness to address agri-business and foodpreneur needs through outreach and networking.

Create new resources to respond to the needs of local agri-food production and processing businesses, including courses and workshops for professional development and consumer and client engagement.

Explore partnerships with the educational institutions in the region to encourage student tours and utilization of the Ontario Agri-Food Venture Centre (OAFVC).

Focus efforts on ways to help partners and clients create, connect, invent, invest and employ.

Goals

- Develop a thriving agri-food sector
- Expand locally-applicable resources for new entrants to agri-business operations
- Facilitate a more streamlined process for agri-business expansions
- Create and increase shelf-space opportunities for local niche food product clients
- Develop a multi-pronged approach to sustainable agriculture development
- Deliver an industrial and institutional cooking apprenticeship program
- Participate in events to showcase the OAFVC and the products of its clients

Small Business and Entrepreneurship Development



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Context: Nourishing Business Growth

The economic prosperity of Ontario's rural communities relies largely on micro, small and medium enterprises (MSMEs). Northumberland County is no exception. Since approximately 90% of businesses in Northumberland qualify as a micro or small business (less than 15 employees), the importance of this sector as the backbone of Northumberland's local economy cannot be overstated.

Through the Business & Entrepreneurship Centre, Northumberland receives dedicated funds from the provincial government to provide programs and services for people in the planning, start-up and growth stage of their business. Northumberland has set itself apart from other Business Enterprise and Advisory Centres by successfully creating innovative programs to support existing businesses with local volunteers serving as sector- and service-specific mentors and coaches.

Working to maintain the title as Ontario's Most Entrepreneurial Community, Northumberland offers unique, innovative, and results-focused training for entrepreneurs.

Educational development and training opportunities are offered to clients based on their life-stage (students, youth, and second career) to help build professional networks in an environment which nurtures trust and mutual understanding.

When it comes to business-focused programs and activities, business retention, start-ups, and job creation are the key benchmarks that help to measure the success of local programs. Local partners, determined to deliver a shared vision and common goals, continue to ensure success of all business programs and initiatives.

To nourish business growth, it is important to establish a supportive environment while building a culture of entrepreneurial innovation and creativity. By focusing on early identification, development and execution of new initiatives, Northumberland County does just that.



The Business & Entrepreneurship Centre

6,000

decisions and actions
clients are helped
to consider

**Each Year
on Average**

1,738

inquiries are made

87

new jobs
are created

76

new businesses
are started

320

seminar
attendees

Core Partnerships

Core partners provide essential resources necessary to manage and deliver programs and services.



Community Partners

These partners work with the Business & Entrepreneurship Centre on specific activities of mutual benefit.



Vision

To provide programs and services to support business owners in Northumberland, including dreamers in the planning stage, entrepreneurs in the start-up stage, and owner/operators who have an established business in Northumberland.

Method

By involving local resources including, but not limited to government funds, and engaging community volunteers, and skill development training opportunities, the Business & Entrepreneurship Centre Northumberland provides the most effective and comprehensive small business and entrepreneurial development programs and services in Ontario.

Goals

- Create new and innovative programs and services to serve Small Business and Entrepreneurial Development
- Strengthen involvement of community partners in programs and services to increase effectiveness and scope
- Create an Accelerator to foster entrepreneurial learning and development with new methods and techniques

Business Immigration



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Context: Attracting a Diverse Workforce

The provision of settlement and immigration services is a key component of an attraction and retention strategy for Northumberland County. The economic reality faced by most communities in rural Ontario includes an aging population with low replacement levels which increases the threat of a skilled labour shortage. Working to negate these challenges, Northumberland County is supporting a thrust in local economic development. The County is focused on attracting a diverse workforce – one corresponds to new demands in a shifting labour market.

With a dedicated business-immigration portfolio, the County is well positioned to reap the social and economic benefits of welcoming and retaining immigrant entrepreneurs, as well as newcomers, with diverse skill sets and talents. Prioritizing these efforts is in step with the national dialogue on immigration, as well as provincial efforts to promote Ontario as a destination of choice for immigrants. This priority was informed by research and empirical knowledge showing how immigrant entrepreneurs drive economic growth.

“Data from the Labour Force Survey indicate that in 2009, 17.5% of immigrants aged 18 to 69 were self-employed compared with 14.4% of the Canadian-born population.”

(Source: Economic Insights Business Ownership and Employment in Immigrant-owned Firms in Canada by David Green, University of British Columbia; Huju Liu and Yuri Ostrovsky, Statistics Canada; and Garnett Picot, Institute for Research in Public Policy and Citizenship and Immigration Canada. Release date: March 21, 2016, <http://www.statcan.gc.ca/pub/11-626-x/11-626-x2016057-eng.htm>)

Research supports a strong business case for newcomers and immigrants enhancing rural economies. This is particularly evident in the context of demographic shifts caused by declining birth rates and aging populations – issues that otherwise may raise questions about the capacity of rural communities to remain viable.

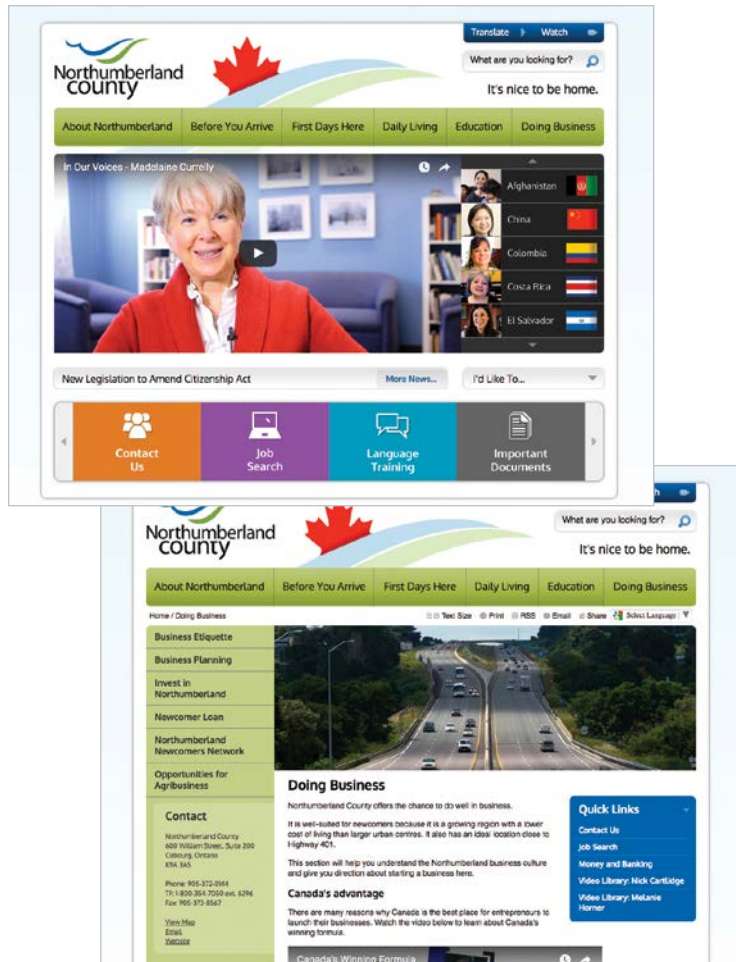
The prioritization of the economic integration of newcomers comes with the acknowledgement that there are specialized social supports required to serve the sector. The creation of specific supports for immigrant entrepreneurs and the growing visibility of local cultural groups are indicative of the newcomer market as a source of emergent and resilient economic opportunities.

The vibrancy of the community relies on newcomer attraction and the ability of the community to foster a welcoming and supportive environment for all.

By working to ensure all residents (multi-generational residents and newcomers) are afforded an equal chance to build the kind of life they aspire to in Northumberland, the local economy benefits from social and cultural diversity, as well as the introduction of new economic opportunities and resources.



Newcomer Portal Site



Stand Up Banner



Brochure (Print and Digital)



Does your organization provide services to immigrant women and newcomer families?

- ☐ Do you have immigrant-family clients?
- ☐ Do you need help in addressing the requests for services from your immigrant-women clients and their families?
- ☐ Do you want to improve the cultural competencies of your organization?
- ☐ Do you want to work with other community groups to help immigrant women integrate better in Northumberland County?

If you answered **yes**, we need you.

Vision

To provide specialized support for newcomer entrepreneurs, the development of a more formal community-wide immigrant-partnership council, and support for a full and enhanced settlement agency in Northumberland County. Continued support for immigrant entrepreneurs will require strong community connections to link resources and expertise with community experiences.

Method

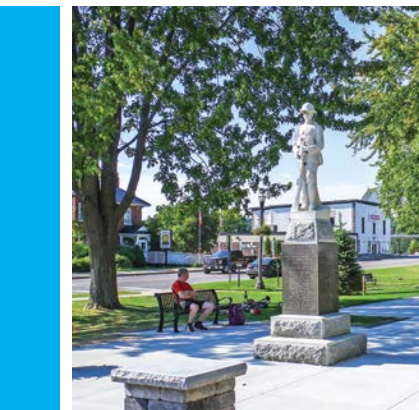
By prioritizing community engagement, this portfolio will build new partnerships while continuing to foster the sponsorship groups that started to come together in 2015 to sponsor Syrian families to come to Canada and live in our community.

Sound and relevant settlement programming is the key to improved economic outcomes and successful integration of newcomers.

Goals

- Creation of a local immigrant partnership council with the participation of the business sector, faith community, settlement, training and skills development, schools, non-profit sector and member municipalities
- Development of a Municipal Strategy on Settlement and Integration
- Creation of a local business support network for immigrant entrepreneurs
- Eventual delivery of full settlement services in Northumberland County
- Research-based initiatives that address increasing demands and demographic shifts as an outcome of increased immigration and migration activity in the area

Land Use Planning and Inspection Services



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Context: Planning the Workplace Landscape

Land Use Planning and Inspection Services is the final portfolio outlined in this master plan. This important service is undertaken in conjunction with municipal partners as a critical component of any economic development function.

Rural Ontario faces specific challenges in relation to aging and outdated infrastructure, as well as how to meet the needs of an aging population. Both the importance placed on newcomer attraction and the need to facilitate an entrepreneurial lifestyle are unique needs to Northumberland.

These needs must be balanced with the established value placed on the preservation of historic towns, villages and buildings, as well as the importance of green space, open fields and a clear skyline.

A county-wide Land Use Plan is important in order to preserve the longstanding community assets and aesthetics of seven different municipalities (each with unique value to the community's economic and social structure) while addressing the need for economic growth, be it through the development of local commercial/industrial lands, or accommodating planned expansions of major transportation corridors (i.e. GO Transit, 407 ETR).

While Municipal Official Plans detail local planning matters in policies and schedules, the County Official Plan provides direction to ensure alignment between local development applications.

Ensuring compliance with provincial policies and delivering a consistent "Northumberland identity" means planning for prime employment, natural and archeological heritage areas, as well as aggregate resources. Since land use can be a "hot button" topic, there is a need to ensure community interests are taken into consideration. An ad-hoc working group may be convened to allow local-level input and suggestions in the adoption of Official Plan amendments.

Another key need is to decrease the amount of downtime businesses spend waiting looking to expand operations in Northumberland County. This portfolio is refining a one-window "Review Service" for local development applications.

Working in cooperation with lower tier planning departments, the Land Use Planning and Inspection Services portfolio provides a foundation for managing growth and change. In turn, this will support and build Northumberland's unique identity as an entrepreneurial and innovative community in an efficient manner.

Quick Facts

85,598

2016 population

102,517

2034 projected population

1,895

Total land area (km²)

117

Urban land, including hamlets (km²)

587

Protected agricultural land (km²)

129

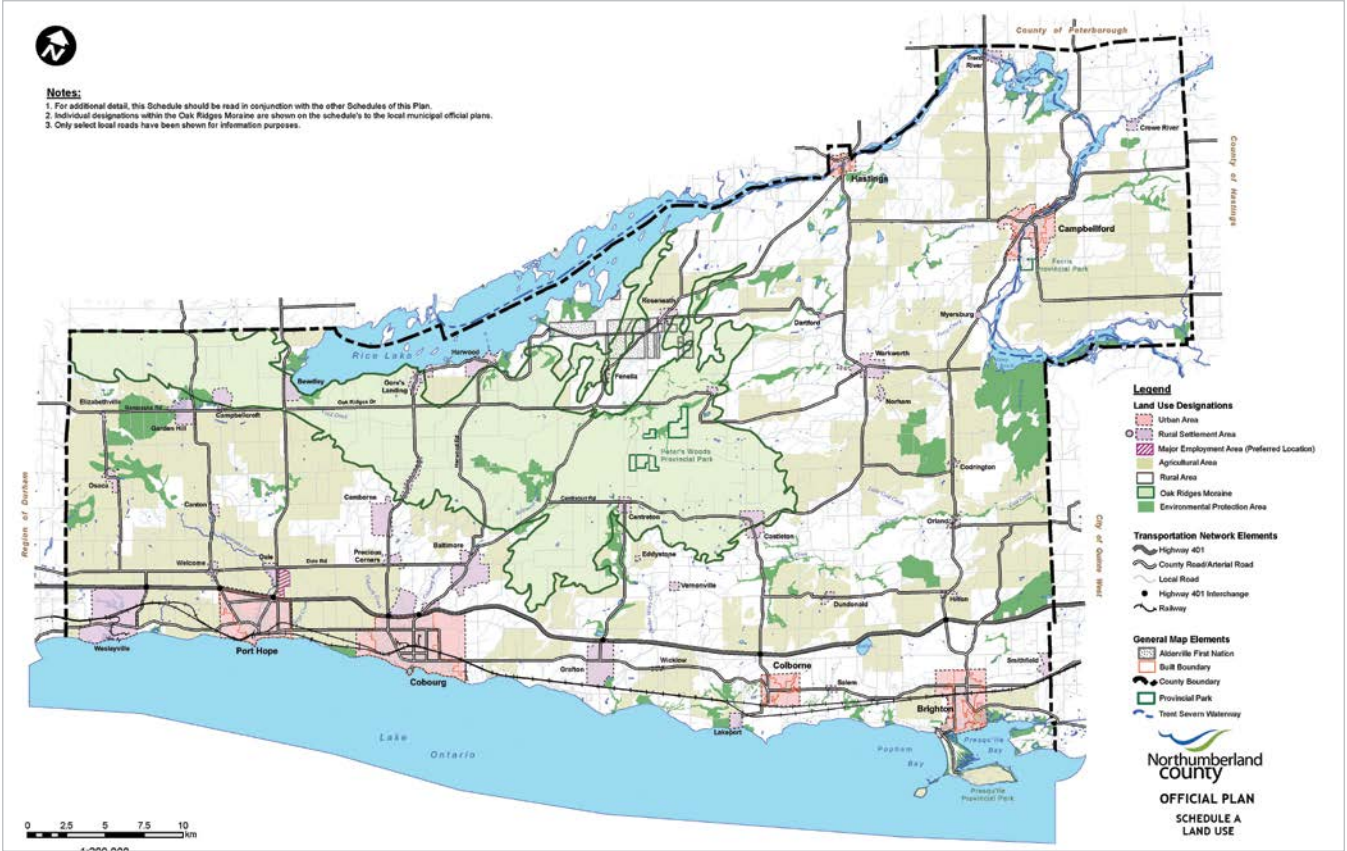
Protected environmental land (km²)

352

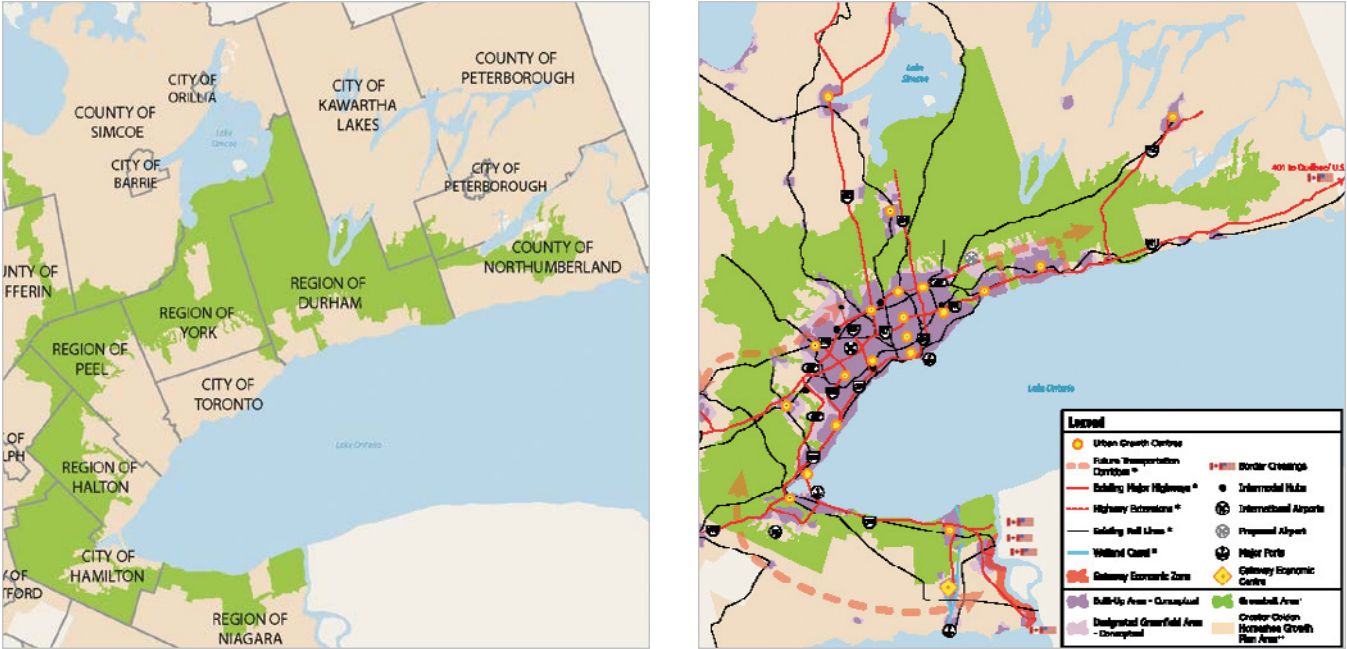
Amount of Oak Ridges Moraine within Northumberland (km²)

SOURCE: Statistics from 2016 Census, Statistics Canada, and County Land Use Planning

Northumberland County Official Plan



Ontario Growth Plan for the Greater Golden Horseshoe



GROWTH PLAN AREA

MOVING GOODS

Vision

To foster prosperous communities.

Method

By increasing engagement with land owners in the community, this portfolio will continue to implement a true two-tier land use planning system that relies on the County Official Plan to address regional land use planning matters, and offers consistent land use planning principles across local municipal boundaries.

Inspection services will continue to be the County's "boots on the ground" by building relationships with land owners, developers and trades persons of every new building to facilitate an understanding of future growth potential in the County.

Goals

- Formalize a major employment area to provide accommodation for businesses seeking to locate in Northumberland
- Formalize a natural heritage system with protected natural areas across the County
- Assess the agricultural sector and develop policies to protect viable farm land and support the local agricultural community in Northumberland
- Ensure extraction of mineral aggregate deposits are protected and ensure that extraction is carried out in a manner that minimizes social, economic and environmental impacts
- Establish inspection services as "the hub" for all information related to on-site sewage systems and plumbing permits
- Develop a database for tracking and monitoring all inspection-related permits across Northumberland

Next Steps

Image source: Tony deGroot



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Integrated Economic Development Action Item Matrix

	 Manufacturing Attraction & Retention	 Tourism	 Agriculture & Food	 Small Business & Entrepreneurship Development	 Business Immigration	 Land Use Planning & Inspection Services
Focused & Robust Entrepreneurship	Develop new food and beverage sector opportunities	Focus on innovative destination marketing and supporting industry collaboration and partnership to stay competitive	Increase awareness of local agriculture jobs and Agri-Food entrepreneurship	Develop new programs to foster support for small businesses and entrepreneurs	Focus on support for immigrant entrepreneurs	Promote one-window development applications
Research & Policy Engagement	Increase outreach and engagement with the creation of an angel network and social financing	Increase industry resources including business development tools	Demonstrate the socio-economic impact of agriculture, assist in the creation of new ag policies and research	Create an access agreement between external BACs and the provincial business registry	Establish a settlement agency in Northumberland	Address growth trends and land use policy updates. Address updates to plumbing code
Flexible Social Infrastructure	Increase use of surveys and pilot programs. Develop trust in community by establishing expectations between stakeholders	Increase industry participation in outreach and communication efforts	Facilitate food-focused procurement and a local distribution system	Strengthen ties with community partners. Increase recruitment and develop new Faster Forward teams	Create an Immigrant-Partnership Council, as well as municipal strategy for settlement and integration	Create ad-hoc committees to review EAPs and AAPs for applications. Create a committee to address major, ongoing, and common planning concerns
Resilient Economic Activity	Network with site selectors and increase awareness of global impact on the local economy	Showcase market-ready and unique experiences to differentiate Northumberland's brand	Research food trends and ethno-cultural crops. Increase shelf-space for locally-developed food products	Showcase best practices/local superstars including specific people and services we have here versus elsewhere	Develop a 'welcome wagon' type of service for New Canadians moving into Northumberland	Benchmark the approval timeline with a one-window, re-zoning and development processes to reduce business downtime and revenue losses
"Skilled, Diverse Workforce"	Engage with experts for specific projects. Encourage a nimble and cross-trained workforce	Support professional development for marketing and experience enhancement. Partner with RTO8 and other agencies	Offer agriculture business development workshops and courses. Build awareness and resources as a "foodpreneurship" start-point	Create an innovative business coworking centre of excellence	Develop support for migrant worker integration programs	Support professional development for design, inspection and installation services
Connective Infrastructure	Explore the advantages of our location within the transportation corridor (including ramifications of driverless transport trucks)	Expand local natural heritage offerings (i.e. forest/trails). Support expanding WiFi corridors and public transit	Build a multi-pronged approach to sustainable agriculture. Develop the Agri-Food Asset Map	Explore and develop expectations for increased external program delivery at hotspots in Northumberland	Initiate school board recruitment for international students	Establish an on-site sewage inspection and historical database
Liveability	Promote Northumberland as community of choice for the semi- and recently-retired, as well as home-based businesses	Engage local businesses in collaborating with tourism industry to broaden tourism product offering	Support crop diversification, as well as land use diversification	Work with MAGNET to develop a strong database of human resources	Continue to have sponsorship groups actively work on integration programs and ethnic and cultural celebrations	Understand and maintain the importance of design aspects and designated heritage systems
Serendipity	<i>Northumberland's role as a provincial leader in supporting small business and entrepreneurial start-ups is affirmed as many large manufacturing interests invest in a robotic "workforce"</i>	<i>Provincial and consumer interest in outdoor and cultural product on the rise, creating a perfect opportunity to foster new partnerships, link key attractors and grow tourism</i>	<i>Provincial interest in developing a local food infrastructure at the same time we were creating the OAFVC</i>	<i>As the County grows the highly successful Faster Forward program requiring additional volunteer mentors and coaches, MAGNET launches a platform to showcase the talent and skills of local human resources</i>	<i>Federal Syrian refugee program rallied engagement in plight of New Canadians as we work to establish local settlement services</i>	<i>As the County takes on more proactive planning and inspection services, community engagement and outreach, opportunities increase to promote other Economic Development services</i>

Integrated Economic Development Action Item Matrix



Intended Outcomes

Facilitating the objectives and priorities within this plan will lead Northumberland to promote and encourage the following outcomes:

- Economic Growth and Vitality
- Business and Employment Growth
 - Increased Domestic and Foreign Investment
 - Generate Wealth and Prosperity (strengthen quality of life)
 - Increased Assessment/Tax Revenue
- Positive Business Climate and Business Experiences
- Positive Business Profile and County Image as an Investment Location
- Monitor and Measure Economic Performance and Results

Key Performance Indicators (KPIs)

The following KPIs express Northumberland's key intended outcomes in measurable terms:

- Northumberland's overall economic growth, employment and tourism numbers
- New employers moving to Northumberland
- Number of residents living and working in Northumberland
- Increase in the non-residential tax base
- Number of people working in agri-food industries
- Foreign investment leads and prospects

Key Intended Outcomes Supported by the Master Plan

- Support business attraction, retention and expansion
- Attract institutional, industrial and commercial development
- Support the start-up and growth of small business
- Support entrepreneurship that fosters research, commercialization and innovation
- Continue to increase Northumberland's domestic and international profile through strategic marketing and promotion and strategic partnerships

Recommendations

The department's strategy sits on a nimble structure – one that allows it to be flexible to meet new shifts and changing priorities that are brought about not only internally but also externally.

The centering of priorities will always be governed by how responsive strategies are to the opening of new markets, to new methodologies and the emergence of movements that shape and redefine the economic and social landscapes of Northumberland. The department's ability to meet new demands is reliant upon its overarching vision that the kind of economic development strategy we pursue will always build on the strength of Northumberland's resources and talents.

The following recommendations are the essential elements of insuring the success of an integrated plan. They form the basis for the most effective and efficient basis for the provision of services.

Enhanced Shared Services

- To continue to develop equitable opportunities for the departmental portfolios to support economic prosperity and renewal in Northumberland in cooperation with multiple municipal jurisdictions

Partnership Development

- To strategically pursue and support both public and private sector partnerships which contribute to the economic well-being of Northumberland and support the attraction and retention of talent and technology

Business Hub Framework

- To develop an innovative, entrepreneur-driven coworking space which brings together expertise and financial resources for new business growth and retention throughout Northumberland

Branding

- To align economic development and community goals which support quality of service and result in brand being synonymous with quality i.e. the best place to do business

Innovation Driven

- To relentlessly enhance innovation-driven assets and practices which support cluster development

Clarity of Message

- To constantly inform and engage stakeholders in support of the objectives of the department

Environmental Scan



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Information Overview – Master Plan Supplement

Context

In relation to the Integrated Economic Development Master Plan, the purpose of this information is to provide credible and accurate background to where Northumberland County may best benefit from future events.

Sources

The statistics and interpretations presented in this Environmental Scan were sourced from information supplied by many secondary sources, which are noted within this document.

Scope

This environmental scan provides a general summary of the macro level trends affecting economic prosperity, growth and innovation.

Key demographic and economic trends are highlighted here that may have future impact on economic development in Canada, in Ontario, as well as in Northumberland County.

Demographic Trends

Global Demographics

7.5 BILLION PEOPLE

- In 2011, the global population reached 7 billion people. At the beginning of 2016 it had increased to 7.4 billion and was projected to increase another 83 million by the end of the year.
(International Monetary Fund, 2016)

LOWER FERTILITY, LONGER LIFE EXPECTANCY

- The recent past has seen enormous changes in fertility rates and life expectancy. In 2014, total fertility for the world had fallen from 4.5 to around 2.5 children per woman. Meanwhile, average global lifespans rose from 64.8 years in the early 1990s to the present day average of 70.0 years.
(Economic & Social Affairs, 2013)

GROWING URBANIZATION

- The world is seeing high levels of urbanization and accelerating migration. 2007 marked the first year where more people lived in urban areas than in rural areas. Projections indicate that by 2050 approximately 66% of the world population will be living in cities. (World Urbanization Prospects, 2014)

AREAS OF HIGHEST POPULATION GROWTH

- Over the next 40 years, 99% percent of projected growth will occur in countries that are classified as less developed. These include Africa, Asia (excluding Japan), Latin America and the Caribbean, Melanesia, Micronesia, and Polynesia.*
- Between now and mid-2050, two other global population shifts are projected as follows:
 - India will surpass China in 2022 to have the largest national population.*
 - Nigeria will reach nearly 400 million people, more than double its current level, moving it ahead of Brazil, Indonesia, Pakistan, and the United States to become the world's third-largest population.*

(*International Monetary Fund, 2016)

RESULTING CHALLENGES

- Many challenges will result from this rapid population growth, including the need to provide jobs for large numbers of people and give them the human capital (quality education, training and health) they need to be productive.*
- Nations must also lay down the physical capital and infrastructure required to support higher employment; otherwise mass suffering and political, social, and economic instability and conflict could become ever more common.*

(*International Monetary Fund, 2016)

National Demographics – Canada

AGING BABY BOOMERS

Statistics across Canada show the impact of the large number of baby boomers, born between 1946 and 1965, on the country’s age structure. In 1982, the baby boomers were young adults in the 17 to 36 age range. Thirty years later, they are in the older 47 to 66 age range. (Statistics Canada, Population by Age and Sex, 2012)

NUMBER OF SENIORS VS. NUMBER OF CHILDREN

The proportion of children within the population continues to decline.

On July 1, 2012, there were an estimated 5,663,200 children aged 0 to 14 in Canada, representing 16.2% of the total population. They accounted for 22.0% of the population in 1982. The most recent population projections show that the proportion of children aged 0 to 14 years could fall below 16.0% during the 2030s. They also show that between 2015 and 2021, the number of children will be surpassed by the number of seniors. (Statistics Canada, Population by Age and Sex, 2012)

TABLE 47: POPULATION PROJECTION BY AGE GROUPINGS – CANADA VS. ONTARIO; 2016-2031 PROJECTIONS

Age Group	Canada (population in millions)					Ontario (population in millions)				
	2016	2021*	2026*	2031*	Outlook	2016*	2021*	2026*	2031*	Outlook
Children (0-14)	6.0	6.5	6.7	6.8	▲	2.3	2.5	2.7	2.8	▲
Youth (15-25)	4.4	4.3	4.5	4.9	▲	1.8	1.7	1.8	1.9	▲
Working Age (15-64)	24.5	24.9	25.2	25.6	▲	9.7	10.0	10.2	10.4	▲
Seniors (65 and Over)	6.0	7.1	8.4	9.6	▲	2.3	2.7	3.2	3.7	▲

Statistics Canada, Population by Age and Sex, 2012 * Projection

Provincial Demographics – Ontario

1% ANNUAL RATE OF POPULATION GROWTH

- In 2015, Ontario's population was projected to grow by 31.3% (approximately 4.2 million), from and estimated 13.5 million in 2013 to almost 17.8 million by 2041. (Ontario Ministry of Finance, 2015)
- In 2013, the annual rate of growth of Ontario's population was projected to remain close to 1.0% for most of the projection period. (Statistics Canada, 1971-2013 and Ontario Ministry of Finance Projections)

MIGRATION ACCOUNTS FOR 73% OF THIS GROWTH

- In 2015, net migration was cited to account for 73% of all population growth in the Province over the 2013 to 2041 period, with natural increase accounting for the remaining 27%.*
- In the second half of the projections, the contribution of natural increase should moderate as baby boomers increasingly reach senior years and the number of deaths increases more rapidly.*
(*Ontario Ministry of Finance, 2015)

NUMBER OF SENIORS VS. NUMBER OF CHILDREN

- In 2013, the number of seniors aged 65 and over was projected to more than double from almost 2.1 million, (or 15.2% of population), to over 4.5 million (or 25.5%) by 2041. The growth in the share and number of seniors should accelerate over the 2013 to 2031 period as baby boomers turn age 65. After 2031, the growth in the number of seniors should slow significantly. (Ontario Ministry of Finance, 2015)
- The number of children aged 0-14 should increase gradually over the projection period, from 2.2 million in 2013, to over 2.6 million by 2041. The children's share of population should fall gradually from 16.2% in 2013 to 14.9% by 2041. (Ontario Ministry of Finance, 2015)
- In 2014, the Ministry of Finance projections included three scenarios for Ontario. The medium, or reference scenario, was considered most likely to occur. The low- and high- growth scenarios provide a reasonable forecast range based on plausible changes in the components of growth.

NATURAL INCREASE VS. NET MIGRATION

- In any given year, the contributions of natural increase and net migration to population growth have varied. Net migration levels to Ontario have averaged about 79,000 per year in the past decade, with a low of 52,000 in 2006-07 and a high of 98,000 in 2011-12. (Ontario Ministry of Finance, Fall 2014)
- Births and deaths have risen slowly and at a similar pace. As a result, the natural increase was fairly stable at about 50,000 annually over the last decade. (Statistics Canada, 1971-2013, and Ontario Ministry of Finance Projections)
- In 2011, net migration was projected to increase significantly as current net losses of population through interprovincial migration subside. Ontario's annual net migration gain was projected to rise from 82,000 to 96,000 during the first five years of the projection. Over the rest of the projection period, net migration levels should increase more gradually to reach 128,000 by 2040-41. (Ontario Ministry of Finance, Spring 2011)
- In 2013, the share of population growth accounted for by net migration was projected to rise from 61% in 2013-14, to reach over 89% by 2041 as a result of lower natural increase. (Statistics Canada, 1971-2013, and Ontario Ministry of Finance Projections)

Local/GTA Demographics

POPULATION GROWTH

- 2015 projections indicated that all regions would see a shift to an older age structure. Regions where natural increase and net migration would become or remain negative will see the largest shifts in age structure.
- The GTA is expected to remain the region with the youngest age structure as a result of strong international migration and positive natural increase. (Ontario Ministry of Finance, 2015)
- The GTA is projected to be the fastest growing region of the Province, with its population increasing by almost 3.0 million, or 45.8%, to reach over 9.4 million by 2041. The GTA's share of provincial population is projected to rise from 47.6% in 2013 to 52.9% in 2041. (Ontario Ministry of Finance, 2015)

TABLE 48: POPULATION SHARES OF ONTARIO REGIONS, 1991 TO 2041

Share of Ontario Population (%)	1991	2001	2011	2021	2031	2041
GTA	42	44.5	47.2	49.3	51.2	52.9
Central	22.2	22.1	21.6	21.1	20.7	20.3
East	13.9	13.5	13.2	13	12.9	12.7
Southwest	13.7	13	12	11.1	10.4	9.8
Northeast	5.8	4.8	4.3	3.8	3.4	3
Northwest	2.4	2.1	1.8	1.6	1.5	1.3

Source: Statistics Canada, 1991–2011, and Ontario Ministry of Finance projections.

A Closer Look at the GTA, Close Proximity to Northumberland

- In 2013, within the GTA, Toronto's population was projected to rise from 2.77 million to 3.64 million in 2041, an increase of 31.3%, similar to the provincial growth rate.
(Statistics Canada, 1971-2013, and Ontario Ministry of Finance Projections)
- 2015 projections showed growth in the other census divisions of the GTA (Durham, Halton, Peel and York) to be significantly faster than the Ontario average, with the addition of almost 2.1 million people to the suburban GTA.*
- Peel alone would see its population increase by 724,000 over 2013-41, a 52.2% rise.*
- Halton would be the fastest-growing census division in Ontario over the projection period, with growth of 72.7% to 2041.*

(*Ontario Ministry of Finance, 2015)

Economic Trends

Global Economic Trends

THE STATE OF THE GLOBAL ECONOMY

- Labour markets are continuing to recover from the economic and financial crisis of 2008-09, but the global economy is in a “low-growth trap” characterized by low commodity prices, weak global trade and diminishing capital flows. (OECD, Economic Outlook, 2016)
- There has been a marked divergence in economic recovery across regions and countries. North America’s economies have rebounded relatively quickly and strongly, in contrast to the Eurozone. (OECD, The State of the North American Labour Market, 2016)

GLOBAL ECONOMIC OUTLOOK

- In June 2016, the World Bank projected global growth at 2.4%, which is lower than initial projections of 2.9% in January 2016. (World Bank, Global Economic Prospects, 2016)
- By 2018 global growth is projected to pick up to 3%, as stabilizing commodity prices provide support to commodity exporting emerging markets and developing economies. (World Bank, Global Economic Prospects, 2016)
- Asian economies were given more promising forecasts. For 2016, China’s growth was estimated at 6.7%, and South Asia at 7.1%. The World Bank suggests that most South Asian economies have benefited from the decline in oil prices, low inflation, and steady remittance flows. (World Bank, Global Growth Forecast Again Revised Lower to 2.4%, 2016)
- The Latin American and Caribbean regions were expected to experience a 1.3% decline in 2016. Brazil in particular was forecasted to experience a relatively significant decline (-4%). (World Bank, Global Growth Forecast Again Revised Lower to 2.4%, 2016)
- Growth also remained weak in the Middle East and North Africa (MENA) as unstable socio-political conditions and weak global growth continued to hamper economic activity across the region. (World Bank, MENA Quarterly Economic Brief, 2016)

GLOBAL ECONOMIC RISKS

- Britain’s decision to leave the European Union (Brexit) has added uncertainty over the global economy. Many economists expect Brexit to negatively affect financial conditions worldwide, as the European Union (EU) is one of the world’s largest trading blocs, and a major trade partner with China and the United States.*
- If the EU breaks, it could result in the restructure of many trade deals. Canada’s direct trading relationship with the United Kingdom is relatively small, accounting for just 3.5% of Canadian exports.*
- Brexit may also lower consumer and business confidence around the world and cause fluctuations in stock, bond and foreign exchange markets.*

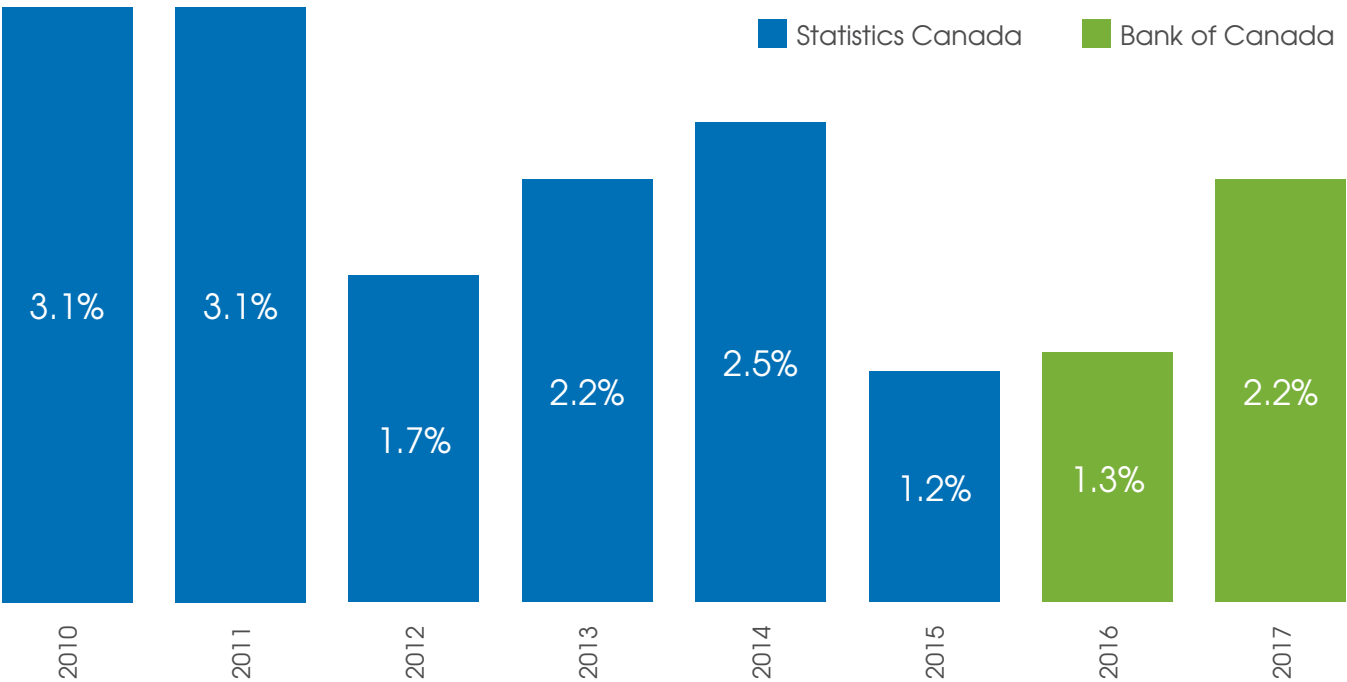
(*CBC News, EU Referendum: Vote to Leave puts Britain on Uncertain Course, 2016)

National Economic Trends – Canada

THE STATE OF THE CANADIAN ECONOMY

- Canada’s labour market performance was hampered in 2014 by the sharp decline in global crude oil prices, which have taken a toll on the provinces that rely most heavily on energy production (i.e. Alberta, Saskatchewan and Newfoundland and Labrador). (Government of Canada, Budget Plan, 2016)
- The fall in oil prices negatively impacted Canada in terms of trade, and reduced activity and investment in the energy sector. This resulted in a recession in 2015. Gross domestic product (GDP) fell by 0.7% in the first quarter of 2015, and again by 0.3% in the second quarter. However, the Canadian economy emerged from recession in the third quarter of 2015, with a growth of 2.3% GDP. (The Canadian Chamber of Commerce, Crystal Ball Report, 2016)
- Overall, Canada’s real GDP grew by 1.2% in 2015, which is less than half as much as in 2014. (Statistics Canada, The Daily, 2016)

CANADA’S ANNUAL ECONOMIC GROWTH – YEAR-OVER-YEAR PERCENT CHANGE IN REAL GDP, 2011-2015



Source: Statistics Canada, Year-over-Year Percent Change in real GDP; 2011-2015

CANADA'S ECONOMIC OUTLOOK

- In 2016, the Bank of Canada projected GDP growth of 1.3% (down from the original projection of 1.7%) and 2.2% in 2017, as the economy shifted toward non-resource based activity. The Canadian economy adjusted to the fall in commodity prices (energy in particular), and shifted towards non-commodity exports. (Bank of Canada, Monetary Policy Report, 2016)
- Output has fallen sharply in industries most affected by commodity prices, but has risen in the rest of the economy (especially export-related industries), allowing new job creation to re-employ displaced workers. (OECD, Economic Survey of Canada, 2016)
- The combination of exchange rate depreciation, Canada's flexible labour markets, and monetary and fiscal policy supported the shift towards non-resource production. The outlook for exports of non-energy manufactured goods looked strong heading into 2016, while suppliers to the depressed resource sectors faced another difficult year. The Bank of Canada predicted that the energy sector would trim investment by another 20% in 2016, on top of the estimated 40% plunge in 2015. (OECD, Economic Survey of Canada, 2016)

CANADA'S HOUSING MARKET

- Canada is vulnerable to a decline in real estate. In 2016, the Bank of Canada warned that homes were 10-30% overvalued, while the International Monetary Fund (IMF) estimated 7-20% overvaluation depending on the region. However, Canada's banking system is sound, and the authorities have implemented a series of measures to cool the house price boom (e.g., an increase from 5% to 10% down payments for mortgage amounts exceeding \$500,000). (OECD, Economic Survey of Canada, 2016)
- While real estate prices in Vancouver and Toronto areas continued to rise in 2016, home affordability showed improvement in several provinces, including Calgary, Montreal and Ottawa. (National Bank, Housing Affordability Monitor, 2016)
- The Province of British Columbia is attempting to deter foreign ownership, which has been long suspected of driving up prices, by imposing a 15% tax on foreign nationals buying property in Metro Vancouver. The tax came into effect on August 2, 2016 and there is some speculation that it will cause foreign investors to shift their purchases to Toronto. (Global News, B.C.'s new foreign buyer tax kicks in Tuesday, August 2016)

KEY ECONOMIC INDICATORS

- Household debt has risen to record levels in relation to household incomes (\$1.9 trillion or 165% of disposable income). (Statistics Canada, The Daily, 2015)
- According to the Fraser Institute, combined federal and provincial net debt increased from \$834 billion in 2007-08 to a projected \$1.3 trillion in 2015-16. This combined debt equals 64.8% of the economy or \$35,827 for every person living in Canada. (Fraser Institute, The Cost of Government Debt in Canada, 2016)
- The 2016 Federal Budget emphasized its plan for higher spending on transportation projects and social infrastructure such as public housing and green programs. (Government of Canada, Budget Plan, 2016)
- With extra spending on infrastructure (\$11.9 billion), Aboriginal people (\$8.4 billion) and a restructured child benefit scheme, the government expected to run a federal deficit equivalent to 1.5% of GDP in 2016-17, narrowing to 0.6% of GDP by 2020-21. (Government of Canada, Budget Plan, 2016)

- As of June 20, 2017, \$1.00 CAD was at \$0.75 USD as continued weakness in oil prices and other commodities put downward pressure on the currency. In 2016, with the dollar at the lowest level in 11 years, Canadian export prices were highly competitive and translating into stronger margins for many products (e.g., beef products, clothing, and fabricated metal and auto parts). (The Canadian Chamber of Commerce, Crystal Ball Report, 2016)
- Canada ranked 13th on the 2015-16 World Economic Forum Global Competitiveness Index, up two spots from the year prior. (World Economic Forum, The Global Competitiveness Report, 2015-16)
- Canada's labour productivity growth during 2000 to 2015 ranked only fifth among the G7 countries. (OECD, The State of the North American Labour Market, 2016)
- Interest rates stabilized in 2016. The yield on a three-month Canadian treasury bill was set to remain at 0.5% in 2016, after declining from 0.9% to 0.5% in 2015. (CBC News, Bank of Canada holds interest rate steady at 0.5%, 2016)

EXPANDED CANADA PENSION PLAN (CPP)

- CPP benefits rose by 1.4% in Jan. 2017.*
 - The maximum monthly benefit for new Canada Pension Plan recipients has increased by \$21.67 in 2017, while monthly old-age security benefits have risen by about \$8 over last year.*
 - The maximum monthly CPP retirement benefit for new recipients aged 65 was \$1,092.50 at the beginning of 2016, which represented an annual increase of \$330 compared to January 2015. The monthly maximum for 2017 is \$1,114.17, a difference of \$21.67 a month or \$260.04 annually. The current amount will remain the same until January 2018. For existing recipients, benefits will rise by 1.4 per cent.*
- (*Benefits Canada, 2017)

TRADE AGREEMENTS

Canada's export-based economy relies upon a trade network that accounts for more than 60% of the country's collective incomes. (The Canadian Chamber of Commerce, The Infrastructure that Matters Most, 2016)

Comprehensive Economic and Trade Deal (CETA)

- On Oct. 30, 2016, Canada and the European Union (EU) signed a Comprehensive Economic and Trade Deal (CETA) that will grant privileged access to each other's markets when it is enacted. It removes over 99% of the tariffs between Canada and the EU, allows greater access to government procurement, clarifies rules and ensures that European geographical names on food products are respected. Overall, it will make it easier for companies to do business across the Atlantic.*
- CETA will provide Canada with access to the EU's more than 500 million consumers. Canadian workers throughout the country stand to benefit significantly from increased access to this 28 country market which generates \$20 trillion in annual economic activity.*

(*Government of Canada, Benefits of the Canada-European Union: Comprehensive Economic and Trade Agreement, 2016)

Canadian Free Trade Agreement (CFTA)

In July 2016, Canada's internal trade ministers reached an agreement on interprovincial trade, called the Canadian Free Trade Agreement (CFTA). The deal replaces the 20-year-old Agreement on Internal Trade, which contained protectionist barriers, inhibiting competition. The CFTA will open up procurement markets and reduce regulatory burdens for business. The deal establishes a process for standardizing things like transportation safety regulations for the shipping industry, or even the size of Canadian milk cartons. (The Globe and Mail, Provinces Negotiating Final Details of Free-Trade Deal, 2016)

Proposed China Free Trade Agreement

Relations with China and other Asian economic powers hinge on attracting investment from those countries and building pipelines to export energy products. A study by the Canada-Child Business Council and the Canadian Council of Chief Executives estimated that a free-trade agreement with China would create up to 25,000 new jobs in Canada by 2030, adding 0.14% to GDP. Among the sectors that would benefit most would be automotive equipment, chemical, machinery, oilseeds and seafood. (Export Development Canada, The Future is Now for a Canada China Trade Agreement, 2016)

Timelines for a free-trade agreement with China have not been identified, as Prime Minister Trudeau has stated that prior to striking a deal, Canada will “need to see improvements in human rights, as well as assurances that Canadian companies operating in China will be treated fairly”. (Vancouver Sun, Justin Trudeau sees no need ‘to rush’ on China Free Trade Deal, 2016)

Proposed Trans-Pacific Partnership (TPP)

The Trans-Pacific Partnership (TPP) is a free-trade pact among 11 nations around the Pacific, including Canada, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The TPP was “thrown for a loop” in January 2017 after U.S. President Donald Trump signed a memorandum formally withdrawing the U.S. from the multilateral trade agreement. (The Financial Post, Trans-Pacific Partnership Salvage Talks as Its 11 Nations Converge on Canada, 2017)

Canadian beef and pork producers are among the big winners under the TPP deal, but Canada’s dairy industry faces adverse impacts. The increase in imports from 10 other TPP countries would displace about 250 million litres of Canadian milk. There would also be increases in imports of eggs (2.3%) and chicken (2.1%).*

Additionally, under the new rules, Canada’s tariffs on auto vehicle imports would be phased out over five years, and the amount of content made in a TPP country needed for a vehicle to be imported tariff-free lowered to 45%. As a result, automakers could put parts (made in low-cost jurisdictions that are not part of the TPP) into a vehicle and still import it tariff-free to Canada. Combined, these TPP provisions would give a marked advantage to low-wage Asian supplies of parts, to the detriment of Canadian firms.*

(*The Globe and Mail, The ABCs of TPP, 2016)

Provincial Economic Trends – Ontario

THE STATE OF THE ONTARIO ECONOMY

Ontario generates 37% of Canada's GDP and is home to almost 50% of all employees in high tech, financial services and other knowledge-intensive industries. (Government of Ontario, About Ontario, 2016)

Small and medium businesses are a vital part of Ontario's economy. They employ more than half the workforce in Ontario. (Innovation, Science and Economic Development Canada, Key Small Business Statistics, 2016)

Ontario's fiscal situation has improved over the last five years. The 2015-16 deficit was at \$5.7 billion and is expected to drop to \$4.3 billion in 2016-17. The Province's net debt however is slated to rise by 4.1% to \$308 billion at the end of 2016-17. (Ministry of Finance, Jobs for Today and Tomorrow: 2016 Ontario Budget, 2016)

The government continues to borrow to fund projects, including \$137 billion over the next 10 years for public infrastructure such as roads, bridges, public transit, hospitals and schools. This builds on previous commitments, resulting in about \$160 billion to public infrastructure investments over 12 years, starting in 2014-15. (Ministry of Finance, Jobs for Today and Tomorrow: 2016 Ontario Budget, 2016)

The United States remains Ontario's largest trading partner, as it is the destination for nearly 80% of the Province's exports. The U.S. market is particularly important for many Ontario industries, including motor vehicles, mechanical equipment, plastics, steel and pharmaceuticals. (Ministry of Finance, Jobs for Today and Tomorrow: 2016 Ontario Budget, 2016)

The services-producing sector made up nearly 80% of total employment in Ontario in 2015. (Statistics Canada, Employment by Industry, 2015)

In 2015, the three sectors with the largest employment shares were wholesale and retail trade (15%), health and social assistance (12%) and manufacturing (11%). (Statistics Canada, CANSIM table 282-0088, 2016)

ONTARIO'S ECONOMIC OUTLOOK

Ontario's real GDP growth was forecast at 2.2% in 2016 and 2.4% in 2017. A decline to 2.0% is expected by 2019. (Ministry of Finance, Jobs for Today and Tomorrow: 2016 Ontario Budget, 2016)

In the first quarter of 2016, Ontario's GDP rose 0.8%, faster than any G7 nation. According to Finance Minister Charles Sousa, the gains were attributed to the low Canadian dollar boosting Ontario's auto industry. (The Star, Ontario Economy Growing Faster than Projections, 2016)

TABLE 51: ONTARIO ECONOMIC OUTLOOK (PERCENT); 2013-2019 PROJECTIONS

Organization Projection	2013	2014	2015	2016*	2017*	2018*	2019*
Real GDP Growth	1.3	2.7	2.5	2.2	2.4	2.2	2.0
Nominal GDP Growth ⁸	1.9	4.1	3.6	4.0	4.6	4.2	4.0
Employment Growth ⁹	1.8	0.8	0.7	1.1	1.2	1.2	1.1
CPI Inflation ¹⁰	1.0	2.4	1.2	1.8	2.0	2.0	2.0

Source: Statistics Canada and Ontario Ministry of Finance, 2016

*Ontario Ministry of Finance planning projection. Note: Employment growth and CPI inflation are actuals in 2015

ADDITIONAL NOTE: On average, private-sector economists are anticipating slightly higher real GDP growth of 2.3% in 2016, 2.5% in 2017, 2.3% in 2018 and 2.1% in 2019. (Ministry of Finance, Jobs for Today and Tomorrow: 2016 Ontario Budget, 2016)

TABLE 52: PRIVATE SECTOR FORECASTS FOR ONTARIO REAL GDP GROWTH (PERCENT); 2016-2019 PROJECTIONS

Organization	2016*	2017*	2018*	2019*
BMO Capital Markets (January)	2.2	2.3	–	–
Central 1 Credit Union (January)	2.7	3.1	–	–
Centre for Spatial Economics (January)	2.4	2.6	2.2	2.2
CIBC World Markets (January)	2.2	2.6	–	–
Conference Board of Canada (January)	2.3	2.3	2.1	2.1
Desjardins Group (January)	2.2	2.3	2.0	1.5
IHS Global Insight (January)	2.0	2.0	2.3	2.4
Laurentian Bank Securities (January)	2.4	2.5	–	–
National Bank (January)	2.0	2.0	–	–
RBC Financial Group (December)	2.5	2.7	–	–
Scotiabank Group (February)	2.2	2.7	–	–
TD Bank Financial Group (January)	2.2	2.0	–	–
University of Toronto (January)	2.3	2.8	2.7	2.2
Private-Sector Survey Average	2.3	2.5	2.3	2.1
Ontario's Planning Assumption	2.2	2.4	2.2	2.0

Source: Ontario Ministry of Finance, Survey of Forecasters, 2016

*Ontario Ministry of Finance planning projection.

ADDITIONAL NOTE: Nominal GDP is gross domestic product (GDP) evaluated at current market prices, GDP being the monetary value of all the finished goods and services produced within a country's borders in a specific time period.⁹ Employment growth refers to the annual change of the number of persons employed (full or part-time).¹⁰ Inflation measured by consumer price index (CPI) is defined as the change in the prices of a basket of goods and services that are typically purchased by specific groups of households.

OTHER ECONOMIC PROJECTIONS

- Ontario's exports are expected to rise by 3.0% annually, on average, over the 2016 to 2019 period. (Ministry of Finance, Jobs for Today and Tomorrow: 2016 Ontario Budget, 2016)
- Ontario's new cap and trade system could position Ontario as a world leader in innovative green technologies. The system allows the government to set a limit on the total level of greenhouse gas (GHG) emissions produced by entities covered by the cap and trade system. As part of the system, GHG emitters can purchase emissions allowances from the government through quarterly auctions. These auctions are expected to accumulate significant proceeds. (Ontario Chamber of Commerce, Emerging Stronger, 2016)
- Health care is the largest part of the provincial budget (38.7%), accounting for approximately 40 cents of every dollar. However, health spending is slated to grow at an average annual rate of 1.8% over 2015-16 to 2017-18. This compares with average pre-recession growth of 7.4% between 2000 and 2008.*
- Spending will be similarly restrained when it comes to education and social services, with both growing at comparable rates to health care over the next two years.*

(*Conference Board of Canada, Balanced Budget: Coming Down to the Wire, 2016)

Concluding Commentary

Information presented within the Environmental Scan is subject to the ever changing global landscape and its value is based on the situation at the time the research was conducted. It provides historical context and is a projection as to opportunity and risk.

Its purpose in relationship to the Integrated Economic Development Master Plan is to provide credible and accurate background to where Northumberland may best benefit from future events.



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COVER IMAGES: Aerial Photos: CCO Productions, Cobourg; Inukshuk sculpture crafted by Hoselton Art in Aluminum, Colborne

