

2016 Ontario Pre-Budget Consultations

February 2016



GUELPH CHAMBER
OF COMMERCE

Introduction

The Guelph Chamber of Commerce is the voice of business in the Guelph community. With more than 900 members, we have been recognized by the Chamber Accreditation Council of Canada (CACC) with its highest level of distinction. Accreditation with Distinction is a formal acknowledgement that a Chamber of Commerce has been successfully evaluated by the CACC against rigorous national standards of policy, service and performance. This distinction places the Guelph Chamber in an elite group of Chambers of Commerce in Canada that are demonstrating to the business community that their Chamber is run in a strategic and professional way and that the operations reflect national standards of business excellence.

With a strong commitment to our *Mission Vision and Values*, the Guelph Chamber of Commerce continues to be a strong advocate for business. We work closely with all three levels of government on issues that affect business. A few good examples of initiatives we have engaged in include bolstering opportunities in manufacturing, agriculture and trade and municipal policy innovation to ensure competitiveness. Through the launch of the Guelph Economic Leadership Forum, the Chamber has been able to convene and articulate vital discussions and take concrete actions related to moving forward the economic and trade agenda. In addition, the Chamber's *Strategic Plan 2015-2018* commits to bolstering growth for Guelph businesses by facilitating greater access to bi-national & global trade opportunities. The Ontario government has made a recognizable commitment to fostering a dynamic business environment as well as build tomorrow's infrastructure in a focused and strategic way. The Chamber shares the same goal through its *Strategic Plan* commitment to advocate for a public policy and public investment strategy that accelerates business growth and opportunity.



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Economic Synopsis

The regional economy and Guelph have fared relatively well since the recession compared to other regions in the province, though not without its difficulties and challenges. On the whole, however, the outlook is positive as the region's unemployment rate continues to fall and the region's employment growth rate leads the province. The region's auto-related sector is improving as a result of the rebound in U.S. auto sales. The announcement by manufacturer Linamar to add 1,200 jobs at their Guelph plant we view as an early indication of improved manufacturing prospects in the region.

The region's diverse sector mix, which includes strong manufacturing, information and communications technology (ICT), and agriculture sectors, is better able to absorb economic and market risks. Significant education institutions in the region provide stability and growth potential for start-ups.

Population growth will remain steady with rising net migration into the region. A diminishing net interprovincial outflow to the west and a rising intra-provincial net inflow are the main expected unfolding trends while net international migration is seen holding near current levels. Rising intra-provincial net migration reflects the region's attraction as a high-tech and higher education hub.

The region is creating jobs at a rate that outpaces the provincial average with an expected addition of 30,000 jobs over the next two years. Coupled with the fact that the regional unemployment rate, already below the provincial average of 7.3, is expected to shrink to 6.2 percent by 2016.

Housing markets performed well in 2014. Residential housing sales are expected to continue to grow at a strong pace for the next few years, rising by 4.3 percent in 2015 and 4.5 percent in 2016. Guelph is well positioned to punch above its weight in the global fight for talent, entrepreneurs, capital and business investment and expansion.

Enabling Economic Growth & Opportunity

Background:

As the province of Ontario invests in trade-enabling infrastructure, including public assets such as airports, roads and marine safety systems, these all play a critical role in providing businesses with avenues to get their goods to market. Encouragingly, the 2015 Budget announced that the province would make an unprecedented investment of more than \$130 billion in public infrastructure projects over ten years. Similarly, the federal government has pledged to invest nearly \$125 billion in infrastructure over the next ten years. While we applaud the size of these commitments, it is imperative that the federal and provincial governments employ these funds strategically.

The Morrison By-Pass offers an important connection point for greater ease of getting goods to market and ensuring Ontario's economic vibrancy. While the public safety and economic arguments in favour of the bypass have been shared with successive provincial governments, the opportunity to come together as a business group and provide solid, up-to-date evidence of the regional economic and trade benefits of this critical piece of highway infrastructure, has been gratifying. The consensus amongst stakeholders in business, community and local government that this is a vital investment in infrastructure is also worth noting.

Recommendations:

The Guelph Chamber of Commerce recommends the following for consideration:

1. As the Ontario government develops its long-term transportation planning the business community looks forward to seeing the inclusion of the Morrison By-Pass project in the Ministry of Transportation 5 Year Construction Plan.
2. That both the federal and Ontario governments develop a coordinated infrastructure investment strategy that prioritizes investment in trade-enabling infrastructure.



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**111 Farquhar Street, Suite 201
Guelph, ON N1H 3N4**

T 519.822.8081

F 519.822.8451

E chamber@guelphchamber.com

guelphchamber.com