

ATTRACTING INVESTMENT AND BUSINESS GROWTH

With the potential for new market developments in mining, forestry, the bioeconomy, agriculture, energy and tourism, the North will need to attract new investments and build a stronger culture of entrepreneurship.

“If Northern Ontario is to be a value-added producer the region must eventually produce its own designers, engineers and architects. To succeed in high-end markets, the region must develop a reputation for distinctive products and distinctive styles.”

Dr. David Robinson and Ivan Fillion, Laurentian University

Northern Ontario will face unprecedented challenges to capture investment from foreign markets. The transformation of the global economy is reshaping traditional trade and investment patterns. As new economies in Asia expand and the next economic upturn takes hold, competition for capital will increase. To compete, the North will need a dynamic, coordinated response supported by government-led policies and strategies and benchmarked against aggressive investment attraction efforts of other jurisdictions.

A northern investment strategy needs to be developed and northern investment teams need to build networks, engage investors early and act quickly with responses tailored to particular investment opportunities. Investment attraction programs should be refocused to build on the North’s competitive advantages. The advice and involvement of business, scientific and community leadership will be instrumental in shaping investment and sector strategies.

To strengthen a culture of entrepreneurship, a supportive climate will require more effective business networks, access to capital and skilled workers, education, innovation and research, as well as a streamlined regulatory environment. Attracting angel investors to high-potential, high-risk opportunities will be a priority.

In addition, it is critical to focus on nurturing small businesses. These businesses account for about 60 per cent of all job creation in Canada and an estimated 24 per cent of Ontario’s GDP. Mentoring, succession planning and a range of training from developing business plans to intellectual patents will build management capacity of small businesses.

Supporting their growth and entrepreneurial activity will be vital to attract and retain young people and bring new investment into the region.

Plan of Action

1. Develop and implement a Northern Investment Strategy with comprehensive competitive intelligence for each market region, new market action plans for key industries and marketing strategies for niche products and services. This will include an emphasis on early involvement and rapid response for investment decisions.
 - a) Align provincial investment programs with Growth Plan priorities.
 - b) Engage business, community, scientific and Aboriginal leadership in economic development strategies through existing and new industry clusters and by restructuring the Northern Development Councils as technical working groups.
 - c) Focus on existing industry issues, business retention and time-sensitive opportunities for key growth industries.
 - d) Create business development, export, and labour market strategies for emerging sectors with strong growth potential and competitive advantages. Support partnerships among municipalities, Aboriginal communities and businesses to advance these strategies.
 - e) Strengthen relationships in key markets. Expand inbound and outbound trade missions and showcase northern investment opportunities.
 - f) Work with industry, labour, professional associations and communities to identify strategies to attract highly skilled workers for labour shortages.

2. Increase business support to sectors with significant competitive advantages and growth potential and to firms aggressively pursuing market expansion, research and development, and introduction of innovative technologies.

3. Increase public procurement opportunities through local procurement approaches.

4. Expand the role of Small Business Enterprise Centres to increase training and mentoring in business management and entrepreneurship, and to strengthen their networks among industry, economic development organizations, Aboriginal enterprises, and the research and education sectors.

5. Strengthen access to venture capital and angel investment through an expanded business angel network linked to northern research and innovation centres and with new mechanisms supporting co-investment and syndication.

6. Increase flexibility of business support programs to meet sectoral needs (e.g., access to capital for tourism) and examine alternatives to equity positions for Aboriginal enterprises.