

A MANUFACTURING ACTION PLAN FOR ONTARIO

Six steps to drive investment, improve competitiveness, and create jobs

Manufacturing matters to Ontario

The province is home to more than 20,000 manufacturing operations and over 800,000 manufacturing employees. Manufacturing accounts for 15% of Ontario's GDP, 75% of Ontario's international exports, and 80% of all the new products commercialized in the province. Manufacturing is an anchor for high-value, high-paying jobs in Ontario's resource, construction, utilities, and services sectors as well. Every dollar of manufacturing output in the province generates \$3.50 in total economic activity and requires \$0.19 in services input. Ontario's manufacturers are at the forefront of international competition, innovation, and technological change. They are competing with the best of the world for customers, investment, and product mandates. To succeed, they require a business environment that is equally world-class. Other jurisdictions are moving aggressively to attract investment, grow their value-adding manufacturing base, and create high-paying jobs. Ontario, too, needs an Action Plan for Manufacturing — a plan to make Ontario a preferred location for manufacturers to locate, invest, export, employ, and grow.

■ Make manufacturing a provincial policy priority:

- Take the lead in acknowledging the innovative and high-tech reality of manufacturing in the province and improving the image of the sector across Canada.
- Define and implement coordinated policy objectives aimed at strengthening manufacturing in Ontario.
- Place a rapid response unit in the Premier's office to help recruit and retain manufacturing investments.
- Ensure all policy decisions deliver a net economic benefit to Ontario's manufacturing sector.

■ Build a modern manufacturing workforce:

- Ensure that educational programming at all levels of schooling is aligned with industry needs.
- Strengthen Science, Technology, Engineering, and Mathematics technical training programs at primary, secondary, and college levels.
- Introduce a refundable tax credit for workplace training to improve the skills of existing employees.
- Increase apprenticeship ratios to increase the number of apprentices.
- Work with the federal government, labour, and industry to reform the immigration system to better align the skills of foreign workers with industry needs.

■ Support manufacturing investments:

- Establish a strategic investment fund to help attract and retain new product mandates in Ontario.
- Make Ontario's R&D tax credit refundable.
- Introduce direct funding programs to support industrial innovation and industry-driven collaboration with post-secondary institutions, with a specific focus on product development, process improvement and commercialization.
- Target business support programs to improve productivity and expand global trade.

■ Create a world-class regulatory system:

- Champion and fully implement Ontario's Regulatory Policy and Regulatory Impact Analysis to reduce compliance costs and help avoid wasteful, unnecessary, and duplicative regulations.
- Implement best practices in efficient and effective, risk-based regulatory management to improve regulatory compliance, simplify compliance requirements, and reduce compliance costs.
- Eliminate unnecessary differences in regulations and compliance requirements with the federal government, other provinces, and other jurisdictions.
- Reform pension regulations to reduce costs for defined benefit plan sponsors.

■ Improve our connections in Canada and to the world:

- Lead an effort to eliminate restrictions on internal trade and labour mobility within Canada.
- Work with the federal government to adopt a reciprocal market access strategy in trade negotiations and ensure that trade agreements increase exports of value-added manufactured products by eliminating both tariff and non-tariff barriers.
- Mobilize international networks to develop international business opportunities for Ontario manufacturers and attract new product mandates to Ontario.

■ Ensure reliable access to cost-competitive infrastructure:

- Upgrade energy generation and transmission infrastructure and improve the competitiveness of industrial/manufacturing rates for electricity.
- Invest in critical trade infrastructure, especially the 400 series highways and the Windsor and Fort Erie gateways.
- Ensure that Ontario's telecommunications infrastructure has the capacity to handle high-volume digital traffic that is essential to modern manufacturing.

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