

Windsor economy performing poorly: Report

Future 'bright' despite low ranking

By Doug Schmidt, The Windsor Star

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**Windsor is 21st among 25 census
metropolitan areas in an economic
activity index developed by CIBC World
Markets Inc.**

Photograph by: File photo by JASON KRYK, The Windsor Star

Despite recent rave reviews from such authorities as the Conference Board of Canada, the Financial Times and the Intelligent Community Forum, Windsor still has one of the poorest performing economies among Canadian cities, according to a new report by one of the nation's top banks.

With Toronto leading the pack, Windsor is 21st among 25 census metropolitan areas in an economic activity index developed by CIBC World Markets Inc. and distributed to its investment clients. The report covers the 2011 first quarter.

In the CIBC's "economic snapshot," Windsor is tops in population loss compared to the same period a year ago, and it ranks near the bottom of several other key performance variables, including unemployment, consumer bankruptcies and housing sales.

CIBC gives credit for Toronto's top-rated status, despite such challenges as steep real estate prices, traffic congestions and infrastructure deficits, to its population growth and the "robust activity of the city's economy during the economic recovery ... outpacing the national average by a wide margin."

Windsor's ranking may appear bleak, but "it is better than it was ... it used to be very negative," CIBC deputy chief economist Benjamin Tal said, referring to his bank's previous assessments.

The bottom line for investors, said Tal, is that "if you invested in Windsor a year ago, you'd probably be better off today." That trend appears to be continuing, he added.

"As an investor, where do you want to be? You want to be in a city that shows upward momentum," said Tal.

Local economies striving for diversification in tough times got top marks and that's something being emphasized in the Windsor area, said Ron Gaudet, CEO of the WindsorEssex Economic Development Corporation.

"Our reality is we are seeing things going in the right direction," he said, adding that includes a big dip in the unemployment rate.

"Things are dramatically better in this region," said Gaudet. "We are a region in transition ... I see a very bright future in this," said Jennifer Jones, board chairwoman of the Windsor-Essex Regional Chamber of Commerce.

In part because of the recent municipal and federal elections, Jones said her organization's members have been extensively surveyed, and there has been "a lot of confidence expressed."

While the CIBC survey, based on what Tal calls "a cold measure of economic activity," may not be a rosy one for Windsor, Jones said there are other recent surveys "showing our community in a different light."

Earlier this year, the Intelligent Community Forum thinktank rated Windsor in the top seven of 450 applicant communities seeking designation as intelligent communities.

In April, the London-based Financial Times fDi Magazine counted Windsor among the Top 10 cities of the future for the Americas. In May, the Conference Board of Canada rated the Windsor region as "strongest in Canada" in terms of short-term job prospects and the only one among 26 CMAs with positive prospects.

"I see a very bright, robust future," said Jones.

The CIBC report's Windsor snapshot, however, "suggests this city is not out of the woods yet," said Tal.

"I'm an optimist, but I'm also a realist - we still have a long way to go," said Gaudet.

After Toronto, Kitchener, Winnipeg, Regina and Montreal were the next-ranked cities showing positive first-quarter growth over last year, according to CIBC. Overall, Windsor is just behind Saskatoon and Kingston and ahead of Sherbrooke and Saint John.

The CIBC's "Canadian Cities: An Economic Snapshot" can be viewed at: http://research.cibcwm.com/economic_public/download/metro_monitor.pdf.

dschmidt@windsorstar.com

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