

MEDIA RELEASE

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Business and Community Leaders Discuss Economic Outlook for Windsor-Essex Cited in Ontario Economic Report

Windsor, ON – Today, the Windsor-Essex Regional Chamber of Commerce (WERCC), in partnership with the Ontario Chamber of Commerce (OCC), hosted a roundtable event with local businesses and government leaders to launch and discuss the findings of the *Ontario Economic Report* (OER). The OER is a new platform that will help shape public policy discussions around building prosperity in Ontario's economy.

Discussions at the event focused on the OER's data detailing current and projected regional and provincial economic issues. Economic outlook data reveals that the unemployment rate in the Windsor-Essex census metropolitan area (CMA) is expected to rise to 6.5 percent (up from 6 percent in 2016) and the median residential price \$187,000, reflecting a 3.9 percent increase over last year.

Another concern is the falling participation rate. The proportion of the working age population that is not a part of the labour force now sits at a 15-year high of 35 percent. The participation rate includes the long-term unemployed who may not be counted on unemployment surveys. The chronic downward trend of the participation rate suggests a structural problem in our local and provincial economy. "We are leaving labour income and wealth on the table," said WERCC President & CEO Matt Marchand.

Exports have been declining as a measure of our GDP since 2000. Ontario used to export about 50 percent of what we produce and now we export about 35 percent. A weak domestic market and poor export performance both contribute to an environment in which business derives less prosperity from business operations such as the production of goods and services.

According to the OER, these challenges are a result of the current economic environment, in which increased costs associated with production, regulation and housing have resulted in weak market and labour force activity. Businesses in Ontario are operating in a risk-averse environment, in which they are disinclined to grow production by investing or hiring.

Additional key findings in the OER are from the Business Prosperity Index. This Index shows that, despite total business prosperity increasing since 2000, prosperity is increasingly generated from asset and liability management, rather than the production of goods or services. This means that Ontario businesses are less likely to earn income from actual business activity today than they have in the past. This has led to a vulnerable fiscal environment faced by Windsor-Essex businesses and consumers.

WINDSOR-ESSEX REGIONAL Chamber of Commerce

While Ontario enjoyed an average 2.6 percent real GDP growth rate between 2000 and 2006, the source of wealth generated from the production of goods and services actually declined by 12 percent during that same period. Since the recovery from the “great recession”, production activities fell a further 12 percent over that period. Broadly, this means Ontario’s business prosperity is increasingly dependent upon non-production, financial activities.

“By convening community leaders to discuss regional challenges and opportunities outlined in the OER, the Windsor-Essex Regional Chamber is providing a platform for collaboration and collective problem solving,” said Allan O’Dette, President and CEO of the OCC. “It is this type of local dialogue that harnesses regional economic opportunities, while shaping the future of public policy in Ontario.”

The results of the OER highlight the key policy issues that the WERCC intends to prioritize in 2017, including workforce development, infrastructure, energy, and health care. Central to the organization’s work is the notion that industry and government tackle these issues together to grow economic prosperity and drive positive change for all Ontarians.

The event was hosted in partnership with CPAO (Chartered Professional Accountants Ontario) and WFCU Credit Union. This initiative is part of a broader set of discussions bringing together leaders from across several diverse sectors to address the challenges that the province’s business community is facing; made possible by CPAO.

About the OER:

Economic data that was discussed included a Business Confidence Survey conducted in partnership with Fresh Intelligence, a Business Prosperity Index developed by the Canadian Centre for Economic Analysis (CANCEA), and an Economic Outlook for 2017 prepared by Central 1 Credit Union. These datasets, viewed together, reveal broad challenges to Ontario’s economic health.

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