WINDSOR-ESSEX REGIONAL
Chamber of Commerce

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Windsor-Essex Chamber Takes National Leadership Role to Urge Response to Aggressive Incentives Offered by Other Jurisdictions

Windsor, Ontario – The Windsor-Essex Regional Chamber of Commerce and the London Chamber of Commerce, along with 15 other Ontario Chambers, have teamed up to urge a response to aggressive incentive programs used to lure business away from Ontario by other jurisdictions. This policy resolution is up for discussion at the Canadian Chamber Annual General Meeting, taking place September 27-29 in Charlottetown, PEI.

The resolution states that:

Canada's international competitors are increasingly using hyper-aggressive techniques to lure Canadian businesses, causing job losses here at home and weakening the Canadian economy. Government has a responsibility to both fully understand the impact that competitor jurisdictions' business attraction efforts are having on the Canadian economy and devise strategies to counteract them.

The Windsor-Essex Regional Chamber and the London Chamber raised the issue in a Chamber network call in June and the response from Ontario Chambers was strong and immediate.

This resolution was submitted by the Windsor-Essex and London Chamber of Commerce and co-sponsored by 15 Ontario Chambers.

"The issue of incentives came up time and time again at our First-Ever Policy & Solutions Forum, with our partners Unifor and the University of Windsor, in May 2014. There was a general consensus among business, labour and academia that there is a need to respond to hyper aggressive incentives from other jurisdictions," said Matt Marchand, Windsor-Essex Regional Chamber of Commerce President & CEO. "We want our members and the community to know that we heard their concerns clearly and are now taking action Canada-wide."

A second resolution from the Windsor-Essex Regional Chamber states that:

The Maritime Goods Movements Act (MGMA) was proposed in the United States congress in 2013. The legislation would impose a fee on all cargo discharged at Mexican and Canadian ports and bound for the U.S. The fee was based on the value of the goods being shipped and would replace the current Harbour Maintenance Tax (HMT). Fortunately, the proposed tax was defeated in recent congressional negotiations, but is a clear indicator that there is some support for this type of tax potentially in the future.

“The Windsor-Essex Regional Chamber wants to be proactive on this important issue to enhance and protect Windsor’s status as a key trade gateway,” said Marchand.

Following approval at the AGM, the Windsor-Essex Regional Chamber can move forward with advocacy efforts. These resolutions will help set the Canadian Chamber’s policy agenda for the upcoming year.

The Windsor-Essex Regional Chamber of Commerce has won four awards over the last two years for their work in policy, advocacy and excellence in operations, member services and community leadership from the Ontario Chamber of Commerce and look forward to continuing strongly in these efforts.

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Recognizing and devising strategies to counteract the generous incentives offered by competitor jurisdictions

Issue

Canada's international competitors are increasingly using hyper-aggressive techniques to lure Canadian businesses, causing job losses here at home and weakening the Canadian economy. Government has a responsibility to both fully understand the impact that competitor jurisdictions' business attraction efforts are having on the Canadian economy and devise strategies to counteract them.

Background

In January 2014, manufacturers in Eastern Ontario received a letter from the New York economic development agency urging them to relocate south of the border. The letter advised Canadian businesses that in light of rising energy prices, "setting up an operation just across the border in St. Lawrence County, New York, may be a competitive strategy you should consider."

These kinds of overtures from competing jurisdictions are becoming increasingly common and are reflective of the tremendous effort American states and other countries are exerting to attract foreign investment. For example, American state and local governments have spent approximately $64B in the last 30 years on grants, training programs, and tax credits designed to attract and retain business investment (Mattera et. al, 2013).

Most worrying from a Canadian perspective is the fact that neighbouring jurisdictions are among those that spend the most on foreign attraction. New York state leads the way ($11.4B spent on grants and credits encouraging investment and job creation over the last 35 years), followed by Michigan, Oregon, and Washington.

Canada has much to offer in terms of a competitive tax system, a highly skilled and educated workforce, and an improving regulatory regime. However, in a globally connected economy where capital is increasingly mobile, possessing a good business climate may no longer suffice.

Recommendations

That the federal government:

1. In coordination with businesses and chambers of commerce from across Canada, undertake an expedient review of the full impact – in terms of both GDP losses and job losses – that competitor jurisdictions' business attraction efforts are having on Canada's economy.

2. Devise strategies that can be fairly, equitably, and harmoniously applied across all provinces and territories that will counteract the negative impact that foreign business attraction strategies are having on Canada's economy

SUBMITTED BY THE LONDON CHAMBER OF COMMERCE, CO-SPONSORED BY THE AJAX-PICKERING BOARD OF TRADE, BELLEVILLE CHAMBER OF COMMERCE, BRANTFORD-BRANT CHAMBER OF COMMERCE, GREATER KINGSTON CHAMBER OF COMMERCE, NEWMARKET CHAMBER OF COMMERCE, ONTARIO CHAMBER OF COMMERCE, GREATER OSHAWA CHAMBER OF COMMERCE, GREATER PETERBOROUGH CHAMBER OF COMMERCE, RICHMOND HILL CHAMBER OF COMMERCE, SARNIA LAMBTON CHAMBER OF COMMERCE, GREATER SUDBURY CHAMBER OF COMMERCE, TILLSONBURG DISTRICT CHAMBER OF COMMERCE, TIMMINS CHAMBER OF COMMERCE, TORONTO REGION BOARD OF TRADE, WINDSOR-ESSEX REGIONAL CHAMBER OF COMMERCE, WOODSTOCK CHAMBER OF COMMERCE.

The International Affairs Committee of the Canadian Chamber of Commerce supports this resolution