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THE ONTARIO BUSINESS REPORT

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New York-Ontario Economic Summit builds on free trade foundation

New York Governor George Pataki and Ontario's Premier Mike Harris greet each other at Niagara Falls recently, where they co-hosted the successful New York-Ontario Economic Summit.

Free trade has proven to be very good for both Canada and the United States. Trade between the two nations has almost tripled since 1989, and now supports more than two million jobs in each country. Ontario and New York have done particularly well as barriers have fallen. Two-way trade between the province and New York State topped $30 billion last year.

The numbers show where the Ontario/ New York economic relationship is headed. Canada is New York's biggest export market at $11.4 billion in 2000, and Ontario accounts for 75 per cent of those export sales. New York is Ontario's second largest U.S. customer (after Michigan), ringing up sales of more than $18 billion last year. Almost one quarter of the entire Canada/US "truck-carried" trade (valued at $53 billion) now passes through western New York/Ontario border crossings, an increase of 26 per cent over the past five years.

Government and business leaders recognize that the continued prosperity of the trans-border region requires careful planning and a long-range view. Ontario and New York took the first step toward even closer economic co-operation in late June with a ground-breaking Economic Summit held in Niagara Falls, Ontario and Buffalo, New York.

Co-hosted by Mike Harris, Ontario's Premier and New York Governor George Pataki, the Summit attracted 500 delegates. Business, industry, communities, local and regional governments and academia were well represented at the conference, which explored numerous opportunities to build on the free trade foundation.

Addressing delegates, Premier Harris noted the many similarities between the governments of Ontario and New York. "Governor Pataki is well-known for cutting taxes, reducing red tape, introducing workfare and encouraging private sector job creation," said Mr. Harris, "all areas

continued on page 2

WHAT'S INSIDE

continued from page 1

New York-Ontario Economic Summit builds on free trade foundation

that we've also had great success with in Ontario. But we have more than that in common. We're both working hard to build on our strong relationship and increase trade. Doing so will benefit people and create jobs on both sides of the border."

The Summit greatly strengthened the relationship between the two jurisdictions. Premier Harris and Governor Pataki signed a Memorandum of Understanding and Co-operation at the historic meeting, setting the stage for future consultations on transportation, trade development, business partnership opportunities, tourism and technology.

Acting as a catalyst, the Summit has generated three new bi-national initiatives that are already underway. The Niagara Bi-National Region Economic Roundtable will develop an economic vision and action plan, with representatives from the private sector, Niagara and Halton regions, the City of Hamilton and neighboring New York counties. A Bi-National Tourism Steering Committee will lead the drive to boost the already popular Niagara Region as a tourist destination. The Niagara Bi-National Education Partnership will offer scholarships and seed money to support education and economic development on both sides of the border.

The Summit featured working sessions on tourism development, transportation and trade corridors, partnership opportunities in bio-technology and information technology, photonics and micro-electronics. Delegates also received practical advice on how to do business effectively in the trans-border region.

The new activity generated by the Summit builds on several cross-border trade measures that date back to the mid-1990s. Ontario and New York have a solid history of working together on regional marketing campaigns and in coalition with colleges and universities. The Canada-U.S. BorderNet Alliance is a regional network of business organizations focusing on trade, tourism and investment.

"We already have a great track record of co-operation for mutual benefit," said Robert Runciman, Ontario Minister of Economic Development and Trade. "We share common economic interests and a vibrant, healthy trading partnership. This Summit is just the start of what I'm certain will be a new era of co-operation between our jurisdictions."

Continuing the momentum generated by the Summit, Minister Runciman and Empire State Development Corporation Chairman Charles Gargano will produce a report to highlight key findings and identify new areas for consultation.

New York Governor George Pataki shared the Premier's optimism regarding the benefits of co-operation.

"By working together we can create new jobs and opportunities on both sides of the border," Governor Pataki said. "With this successful Economic Summit as a launching pad, I am convinced we can now look forward to even more progress in the months ahead. I know that Premier Harris shares my commitment to strengthening the partnership between New York and Ontario, and I want to thank him for helping to make this summit such a major success."

High tech industries in Summit spotlight

One of the sessions at the recent Ontario-New York Economic Summit focused on the development of the photonics and microelectronics industries.

These high tech sectors are powerhouses of innovation, economic growth and job creation. Both Ontario and the State of New York are home to many businesses that are at the forefront of these industries, and each government has encouraged sector research, development and growth.

Bob Runciman, Minister of Economic Development and Trade, said,"Our government understands that by promoting the growth of high technology, we are also bringing highly skilled, long-lasting jobs to Ontario."

Ontario, in particular, is known as a world leader in photonics and microelectronics. Industry giants Nortel Networks and JDS Uniphase, as well as approximately 700 small- and medium-sized businesses within these sectors, are based in the province. Ontario's leadership role in this area has been developed through private industry investment, well-respected industry clusters and joint efforts between industry, government, and research and educational institutions.

For instance, through its Strategic Skills Investment program, the Ontario government works with partners to provide facilities and programs to help train the skilled workers necessary for the growth of the photonics and microelectronics sectors. The Ontario Research and Development Challenge Fund has also worked with partners in investing in these areas.

"Ontario shares common interests with New York in the important area of photonics and microelectronics technology," said Runciman. "We look forward to working together with them and developing partnership opportunities that will create jobs, investment and growth on both sides of the border."

To this end the Photonics Research Ontario and the University of Rochester signed a Memorandum of Understanding detailing how the two Centres intend to collaborate on research and development in areas of mutual interest.

Roundtable promises effective economic strategies for entire Niagara corridor

The Niagara trade corridor regions of western New York and southern Ontario have many things in common. Extending from Oakville to Rochester, the Niagara corridor has already become what is essentially an integrated economic region. Until recently, there was one overriding issue that threatened to prevent this corridor from reaching its true potential: a lack of co-ordination and co-operation among private and public sector stakeholders in both jurisdictions.

Two prominent business leaders are serving as co-chairs of a unique public/private sector alliance designed to address this very issue. John Mayberry, President and CEO of Dofasco Inc. in Hamilton, and Robert Rich Jr., President of Rich Products Corporation in Buffalo, jointly head the new Niagara Bi-National Region Economic Roundtable.

The Roundtable is the result of a team effort by New York and Ontario municipal leaders. The group's broad goal is to address concerns and potential roadblocks to increased trade and economic growth in the Niagara trade corridor.

The Ontario municipal leaders on the Roundtable are Halton Regional Chair Joyce Savoline, Niagara Region Chair Debbie Zimmerman, and Mayor Bob Wade of the City of Hamilton. Their counterparts from New York State are Erie County Executive Joel Giambra, Niagara County Legislature Chairman Clyde Burmaster, and Monroe County Executive Jack Doyle. The municipal leaders and the co-chairs will be joined by corporate executives from both sides of the border in their work on the Roundtable.

Mr. Rich and Mr. Mayberry told the Summit workshop that free trade, economic competitiveness, diversification and trade corridor issues were no longer the sole domains of governments. They noted that global competitiveness demands true regional economic development policies, developed in consultation with the public, private and non-profit and community sectors. Policies and strategies must be customized to a region's particular characteristics, which in this case includes an international border.

Mr. Mayberry said that the Roundtable has a number of specific objectives that go far beyond building new partnerships and relationships within the region.

"We will be taking aim at the barriers to competitiveness shared by communities across the region," he said. "We are looking for cross-border partnerships that will boost economic activity and have the potential to increase cross-border trade."

The Roundtable will also seek opportunities for private sector investment and co-operation among industry clusters, universities, colleges, research institutions and public agencies.

Roundtable members have been meeting over the summer to establish priorities and engage experts to examine different areas of economic development. Mr. Mayberry stressed the importance of reaching out to a broad range of stakeholders and communities of interest, through a series of Roundtable Forums beginning in the fall. The process is expected to take 12-18 months, while the group develops specific strategies to enhance economic development throughout the Niagara Bi-National Region.

VIEWPOINT

There is no doubt that international trade is vital to Ontario. Over 50 per cent of our jobs are related to exports. Our government understands that the global success of businesses in this province means increased economic growth and more jobs domestically. That's why we work so hard to forge new alliances and enhance the prospects of Ontario businesses worldwide.

This summer, there were prime examples of government action.

First, Premier Mike Harris and New York Governor George Pataki convened a joint Ontario-New York Economic Summit. This groundbreaking event recognized the strong trade relationship that already exists between Ontario and the State of New York, and found ways to build on and reinforce our business and economic ties. The Summit was a resounding success, and set the stage for future consultations in areas such as transportation, trade development, tourism and technology. By working closely with New York, we can create jobs and opportunities on both sides of the border. It's truly a win-win situation.

And we don't stop with New York. All across the United States, Canada and the world, our government is building relationships and aggressively promoting the benefits of doing business in Ontario. We do this most effectively through our Market Ontario program. Internationally, it promotes the many benefits of investing and expanding in Ontario, including low taxes, a sophisticated infrastructure and a highly skilled workforce. It has focused on our four traditional sources of foreign direct investment – the United States, the United Kingdom, Germany and Japan. This summer we launched Market Ontario in France. We want French companies to consider Ontario closely when they look towards expansion.

Strong relationships are necessary to ensure continued growth and strength in trade. This summer, at the Paris Air Show, I joined with Ontario's aerospace businesses to promote our aerospace industry. Premier Harris met with Jorge Sampaio, President of the Portuguese Republic, during his official state visit to Canada and discussed economic relations and trade opportunities.

These efforts, and others, combine to help build a stronger Ontario. In fact, our exports to Europe jumped 8.9 per cent in the first four months of 2001 compared to the same period last year. This is a significant achievement, and I would like to congratulate Ontario's exporters on their global success. Our government will continue to work with you and support your efforts. We will continue to help Ontario firms begin to export or to expand their markets. We will continue to encourage investment in our province and strong bilateral trade relations with other countries and regions.

And, we will also ensure that the conditions remain in place to support the economic growth and success of all of Ontario's businesses right here at home.

Bob Runciman
Minister of Economic Development and Trade

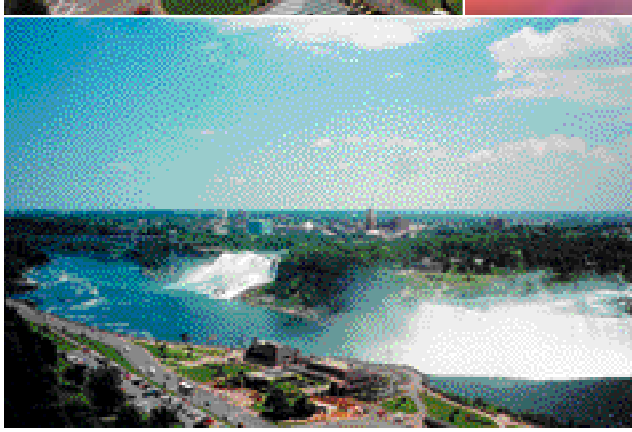
Joint ventures will enhance Niagara's appeal to tourists

As a major employer of long standing on both sides of Niagara Falls, the tourism industry was a popular topic at the Ontario/New York Economic Summit in June. Tim Hudak, Ontario Minister of Tourism, Culture and Recreation, was co-chair of the Summit's Tourism Session, entitled "Building an International Destination Together."

"Tourism is a vital industry on both sides of the border," said Mr. Hudak. "A bi-national approach to marketing is an excellent opportunity to promote Niagara and western New York as a premier destination with rich tourism, culture and recreation opportunities."

The tourism session at the Summit marked the beginning of two distinct initiatives in tourism marketing and education. In terms of marketing, a tourism steering committee will develop a new cross border marketing campaign to benefit the entire Niagara region. A similar arrangement has proven successful in the Thousand Islands region, where the tourism industries in eastern Ontario and New York State have joined marketing forces.

The Bi-National Tourism Steering Committee is composed of four prominent tourism industry representatives from New York and Ontario. The Ontario representatives are Colleen Blake, Managing Director of the Shaw Festival, Norman Beal, President of Peninsula Ridge Winery Ltd., Chuck Loewen, General Manager of the Peace Bridge Duty Free Shop and Noel Buckley, President of the Niagara Falls Visitor and Convention Bureau. The new committee will identify and monitor key strategic international tourism initiatives common to both jurisdictions. They will also keep in touch with the tourism industry, and develop an action plan by the end of this year. The committee plans to develop a bi-national marketing campaign.



Developing a bi-national tourism strategy between New York and Ontario will attract more international visitors to the Niagara region.

"This is an opportunity to take the Ontario More to Discover brand and the I Love New York brand, and use them bi-nationally to attract more international visitors to Niagara," said Colleen Blake, Managing Director of the Shaw Festival and one of the four Ontario members of the committee.

As Jean Lam, Ontario Assistant Deputy Minister of Tourism pointed out, the "Golden Horseshoe" doesn't end at Niagara Falls, Ontario. "There have been some joint activities in the past – links between the two wine routes, for example," she said, "but this marks a new era of co-operation between the Ontario and New York tourism sectors in Niagara."

Ms. Lam foresees several areas where this new emphasis on joint efforts can reap benefits for both jurisdictions, especially in key overseas markets like Japan.

"I can see our tourism industry working with U.S. tour operators booking trips from Japan," she said. "Once they've established a relationship, it would be quite simple to add a day or two in Canada to a tour of New York."

The Summit also produced a unique tourism education program. A joint program between Ontario's Niagara College and New York's Niagara University will secure $500,000 in corporate donations to fund joint education and economic development ventures. Niagara College and Niagara University have a long-standing history of partnerships between their respective tourism and business schools.

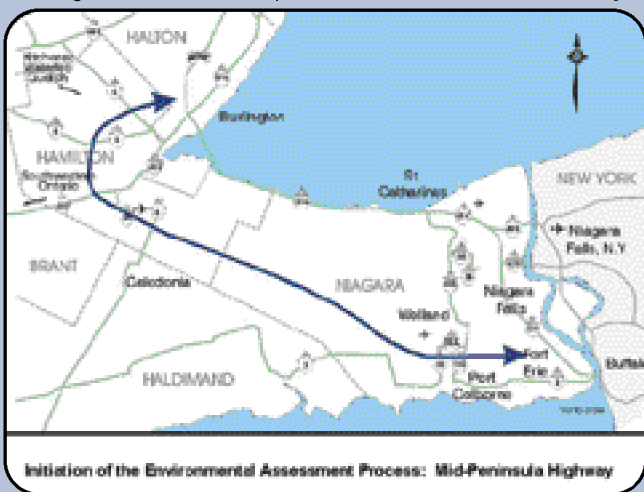
"Education is a key component of our goal of creating more jobs and opportunities on both sides of the border," Mr. Hudak said. "This new fund will encourage business students in New York and Ontario to work together to promote economic prosperity on a bi-national basis."

The program will begin by providing scholarships and bursaries for students in the schools of business, and will seek potential donor partners in Canada and the United States to expand the program. It will also provide seed money for economic development conferences, cross-border internships, skills training, and applied research with industry.

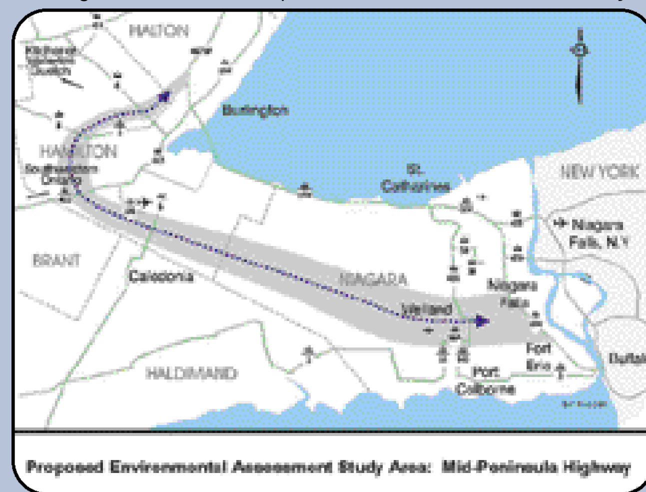
Smart Growth strategy meets Niagara's transportation challenge

Niagara Peninsula Transportation Needs Assessment Study

Niagara Peninsula Transportation Needs Assessment Study



Niagara Peninsula Transportation Needs Assessment Study



The Mid-Peninsula Highway would speed cross-border trade and tourism and support preservation of the tender fruit lands along the QEW corridor.

The efficient movement of people and goods is a key component of any region's economic development strategy, and the Niagara region is no exception. One of Ontario's premier international gateways and economic corridors, Niagara had over 15 million passenger cars and about 2.5 million trucks cross its international bridges in 2000.

The Queen Elizabeth Way (QEW) is currently the only provincial highway linking those international bridge crossings in Niagara with the Greater Toronto Area. On an average workday, 15,000 trucks travel the QEW through Stoney Creek.

Based on anticipated growth in trade, tourism and population, future traffic congestion through the Niagara Peninsula could affect industrial competitiveness and tourism in the Niagara Region and the broader Golden Horseshoe area. It's clear that action is required to keep traffic moving through Niagara.

A recent study completed by the Ministry of Transportation (MTO) offers some creative solutions to this transportation challenge. Key among the many recommendations of the Niagara Peninsula Transportation Needs Assessment Study is a new mid-peninsula highway. It will alleviate traffic congestion through Niagara, while encouraging sustainable development away from the region's unique tender fruit lands. The study was guided by the Ontario government's Smart Growth plan, which integrates transportation, infrastructure, planning and investment.

"We're using Smart Growth principles to plan for continued prosperity, better quality of life and more jobs," said the Minister of Transportation, Brad Clark. "We're taking decisive action to ensure the long-term viability of a very important international trade and tourism corridor, while ensuring that the tender fruit lands will not be compromised."

The proposed 130-kilometre highway, estimated to cost approximately $1.2 billion, would include a bridge over the Welland Canal, along with several connections to existing major highways. It will run from the QEW near Fort Erie, westward to south of Hamilton International Airport, around Hamilton and connect to Highway 407 in Halton Region. Linking with the QEW near Fort Erie, it will take advantage of the additional bridge capacity proposed at Fort Erie/Buffalo to speed traffic through the border area. The highway could be open in eight to 10 years.

The new highway offers numerous benefits, as part of a comprehensive strategy for the region. The key is to get people and goods through the Niagara Peninsula more efficiently. This road provides two major highways through the region. At this point in the process, MTO is recommending that this new route is both needed and feasible, but a lot of work remains to be done.

The needs assessment study provides a multi-modal transportation development strategy – a "road map" to guide transportation investment in the broader Niagara-Hamilton area. Further study is recommended to improve transit and rail systems in the region. All of these transportation components will work together to keep things moving through the Niagara Peninsula.

Over the course of the study, the Ministry of Transportation partnered with the Regional Municipality of Niagara and the City of Hamilton, and consulted with Halton Region and Haldimand County.

"We've taken an active role in promoting this alternative route to the Queen Elizabeth Way," said Niagara Region Chair Debbie Zimmerman. "To ensure that the social and economic factors were addressed in the study, the Region of Niagara partnered with the province in the study and provided 25per cent towards the cost of the project."

MTO staff are now writing the terms of reference for an environmental assessment. The formal environmental assessment study, which will consider routes for the new highway, will take place over the next two to three years.

Market Ontario launches investment campaign in France

Ontario Minister of Economic Development and Trade, Bob Runciman (left) with Canada's Ambassador to France, Raymond Chrétien (centre) and Federal Minister of International Trade, Pierre Pettigrew (right), enjoy Ontario ice wine at the Paris Air Show reception in France last month.

The Market Ontario investment program, with a well-defined mission to create jobs for Ontarians, was officially launched on June 13, 2001 in France. The invitation-only luncheon event, at the exclusive l'Automobile Club de France, was hosted by Minister Bob Runciman and His Excellency Raymond Chrétien, Canada's Ambassador to France. Over 100 French executives and investors attended.

Market Ontario generates significant international investment in the province. Since its inception nearly five years ago, the program has successfully profiled the benefits and rewards of investing in Ontario. Market Ontario representatives are well positioned to target a country's key direct investors and economic partners, through similar launches, special events and an international advertising campaign.

France is currently the second largest direct foreign investor in Canada after the United States, with $28.79 billion in investments in 2000, making it a highly desirable business partner. In addition to France, Market Ontario's other target markets include the United States, Japan, Germany and the U.K. There were many reasons for a Market Ontario launch in Paris. France is the world's fourth largest investor; its multinationals are sophisticated and knowledgeable. French investment in Canada alone increased 230 per cent between 1987 and 1998. Based on research and other current indicators, it is estimated that 91 per cent of French companies will consider making foreign investments within the next five years and Ontario is working to be at the top of their list.

In his speech, Minister Runciman pointed to the province's tax cuts, its third consecutive balanced budget, a reduction in red tape, a highly-skilled work force and access to the immense North American market as primary reasons for investing in Ontario. Runciman's goal was also to increase awareness of Ontario. Historically, foreign direct investment has led to job

continued on page 11

Aerospace industry has the right stuff

Ontario's aerospace companies proved they have the right stuff to compete internationally at the Paris Air Show, which took place June 17–24, 2001. Held every two years, the international trade exhibition and flying display is considered to be one of the world's premier aerospace industry event.

The aerospace industry in Ontario is well established. With an existing infrastructure, a strong supplier base, thriving R&D, and a fair tax system, aerospace employs 30,000 people in the province and accounts for over 35 per cent or $6.8 billion of sector sales in 1999. It is one of the province's most prominent industrial sectors comprised primarily of high value jobs. Canada's fourth place ranking in the world proves that the industry is strong and extremely competitive.

Ontario sent an expert team from 18 businesses to take part in Paris. For some it was their first time at the trade show. Team members included: Air Base Property Corporation, North Bay; ASA Alloys Inc., Etobicoke; Atlantis Systems International, Brampton; Derlan Aerospace Canada, Milton; Eagletronics Industries Inc., Weston; EMS Technologies, Ottawa; and Field Aviation Company Inc., Mississauga.

Portuguese President applauds Ontario's Heritage Language Training

Premier Harris met briefly with His Excellency Jorge Sampaio, President of the Portuguese Republic during the President's official state visit to Canada in May. Prior to a gala banquet held in Toronto in the President's honour, the two leaders enjoyed a wide-ranging discussion that included Portugal-Ontario economic relations and heritage language training in Ontario. Over 3,000 Portuguese-Canadian business people attended.

Although the country is not a major trading partner with Canada, Portugal is among the top 20 countries for immigration to this country. Canada now boasts a large and vibrant community of more than 200,000 Portuguese Canadians, approximately 170,000 of whom live in Metropolitan Toronto. This contributes to strong and healthy relations between the two countries and efforts are underway to increase the skilled worker component of Portuguese immigration.

During their meeting, President Sampaio characterized bilateral relations between Portugal and Ontario as "good." He noted, however, that they could be "increased and developed." Premier Harris described Ontario as a "good place for Portuguese companies – in the high-tech and other sectors – to access the North American market." He indicated that Ontario is very interested in lessening its reliance on the U.S. market, and offered the view that in "emerging industries, proximity [to a particular export market] is of diminishing importance."

Portuguese President Jorge Sampaio and Mrs. Sampaio, on their recent visit to Toronto, are greeted by children dressed in traditional Portuguese costumes at the Canadian National Exhibition Trade Centre where the couple met with representatives of the Canadian Portuguese community.

President Sampaio commended Canada for having "fulfilled multiculturalism at the grass-roots level." He also complimented the Premier for Ontario's Heritage Language Education program, describing it as "a big success in comparison with [other] countries where there are Portuguese communities." Premier Harris added that it is economically advantageous to Ontario for its citizens to speak languages in addition to English and French.

During a related Toronto Forum Seminar hosted by the Portuguese Trade and Tourism Commission, Bill Saunderson, Chairman of Ontario Exports Inc. (OEI), welcomed Portugal's Minister of Economic Affairs, Mario Cristina De Sousa. Saunderson also took the opportunity to explain the role of OEI as the lead trade agency for Ontario and its mandate to develop international partnerships and encourage small and medium-sized business to expand their export base to markets such as Portugal.

continued on page 11

Significant increase in Ontario's exports to Europe

Economic Development and Trade Minister Bob Runciman announced recently that Ontario's exports to Europe jumped 8.9 per cent in the first four months of 2001 relative to that same period last year.

"Ontario's aggressive strategy of promoting Ontario exports abroad is paying off, especially in Europe," Runciman said. "As part of our Global Trade Strategy announced in 2000, we're continuing with the important task of helping Ontario companies to diversify their export base to global markets."

In 2000, Ontario's exports to Europe increased 9.7 per cent over 1999. Europe is Ontario's second-largest trading partner, representing almost three per cent of Ontario's exports to other countries in 2000.

The increase in exports to Europe in the first four months of this year has led to the creation of almost 2,000 new jobs in Ontario. A new job is created with every $100,000 in exports.

Ontario exports to Europe totalled $7 billion in 2000. Ontario exports to Europe reached over $2.4 billion from January to April 2001. Aircraft, computer parts, optical devices, and precious metals led Ontario's export gains in Europe during that period. Key markets for Ontario exports during that period were the U.K., France, Germany, Russia and Norway.

Strategic Skills Investment Program teams with new media partners

"Developing a skilled work force is key to a strong economic future," Economic Development and Trade Minister Bob Runciman recently told a crowd gathered for a graduation ceremony at the Canadian Film Centre in Toronto. "Skilled workers strengthen the competitiveness of businesses and industry in Ontario, improve productivity, create jobs and contribute to the growth of our economy."

On July 10th, the Minister spoke at the internationally recognized Film Centre located at the former estate of E. P. Taylor, where he announced the latest round of winning projects in the Strategic Skills Investment program. The program fosters partnerships between communities, the government, private sector and educational institutions. This ensures that skilled workers are developed in various sectors.

The four winning Strategic Skills Investment projects are:

Economic Development and Trade Minister Bob Runciman chats with guests at a recent graduation ceremony where he announced winning projects in the Strategic Skills Investment Program.

The Interactive Entertainment Program at the Canadian Film Centre in Toronto

The Investment program helps support the Canadian Film Centre's Interactive Entertainment Program. It will deliver Canada's first such post-graduate interactive program that incorporates training, production and a 14-month work term. A burgeoning digital entertainment industry requires substantial funds to maintain cutting edge creativity and the program trains Ontario digital entertainment creators who compete with the best globally.

The Centre for Advanced Microelectronics Technology, Phase Two at George Brown College in Toronto

The Strategic Skills Investment program will help with start-up costs for Phase II of the Centre for Advanced Microelectronics at the Casa Loma Campus of George Brown College. This includes construction of a 4,000 square foot laboratory for "live" microfabrication and processing. It is estimated that 300 skilled workers and graduates per year will receive training to serve the semiconductor microelectronics and photonics industries. Other areas of skills development will be in diffusion, photolithography, film, deposition, testing and inspection to support advanced technology manufacturing.

The James Burgess Metal Trades Training Centre at St. Clair College in Wallaceburg

The James Burgess Metal Trades Training Centre in Wallaceburg will be expanded and modernized as a result of the investment. Over 10,000 square feet of space and new metal cutting equipment will be added for use in the apprenticeship training and post-secondary programs. The region has a high concentration of metal cutting and precision tooling businesses. The upgrade to the Centre is expected to increase the supply of skilled labour in the area by 20 per cent annually.

Universal Workers Union, Local 183, Eastern Region – Life Long Learning Centre in Cobourg

In partnership with the Universal Workers Union, Local 183, a 30,000 square foot construction training facility will be built in Cobourg. It will train an estimated 600 workers in the GTA and eastern Ontario, in apprenticeship courses and health and safety. A dual-training approach will ensure that workers who are upgrading their construction skills and new industry workers are prepared for fluctuations in the demand for various trades.

These four projects will receive a combined total of $8.2 million from the Ontario government. An additional $19.5 million will come from business and educational partners.

In its four-year history, the Strategic Skills Investment program has contributed $62 million in funding for 38 projects. Proposals for the next round of grants are due before October 31st, 2001.

Brownfields: The Province Takes Action

Brownfields are found all across Ontario. They are underused, vacant, often contaminated lands that are located in virtually every Ontario community with an industrial past. In Greater Toronto and Hamilton, it is estimated that about 10 to 15 per cent of available land falls into this "previously-used"category. In smaller and rural communities, brownfields can be found in locations where land was used for such businesses as dry cleaning establishments or gas stations.

Revitalizing these lands is an important business opportunity that can increase the competitiveness of Ontario's cities and towns. Redeveloping brownfields can help rein in urban sprawl, encourage efficient use of existing infrastructure and forestall expansion onto greenfields and farmland. It can also revitalize communities – bringing with it considerable economic, social, fiscal and environmental benefits – as well as create new jobs.

As a key part of the government's Smart Growth vision, legislation was recently introduced to encourage the redevelopment of brownfields.

"This legislation, if passed, will bring these old industrial and commercial sites back to life," said Chris Hodgson, Minister of Municipal Affairs and Housing. "Recycling and re-using brownfield sites will allow communities to improve their quality of life, to protect the environment and to attract new business and jobs."

Based in part on the recommendations of an advisory panel of brownfields experts, the proposed legislation would encourage redevelopment in the following ways:

- setting clear rules for the cleanup of contaminated brownfield sites to ensure that environmental standards are met, and public health is protected.
- providing liability protection from future environmental orders for municipalities, lenders, owners and developers involved with brownfield properties.
- and streamlining the processes to expedite brownfield projects, and help municipalities provide financial support for cleanup costs.

Brownfields present a huge opportunity for future development – one that is becoming increasingly important as Ontario encourages Smart Growth, and seeks alternatives to urban sprawl.

Visit the Brownfields Showcase through www.mah.gov.on.ca

Part of this building on the Cornwall PDF project site will be redeveloped into model residential units.

Brownfields projects move ahead across Ontario

The Ontario government's Prosperity Demonstration Fund (PDF) is helping to encourage redevelopment of brownfields. PDF is a competitive funding program administered through the Ministry of Economic Development and Trade. It supports small-scale, locally driven partnerships that demonstrate innovative ways of advancing prosperity. Two brownfields projects participating in this program are:

aboutRemediation.com: Together with its partners through the PDF, the Ontario government is supporting the creation of an Internet-based remediation directory. This Web site is a user-friendly and comprehensive source for information about brownfields in Ontario. It highlights news and events, insurance, financing, government policies and frameworks. Also included is an extensive database of cleanup technologies and case studies of remediation projects. Visit www.aboutRemediation.com to see all that it has to offer.

Revitalizing Cornwall's waterfront: In an exciting and participatory approach to brownfields redevelopment, a 28-acre site on the St. Lawrence River is being remediated and redeveloped. This site once held cotton mills. Today, these empty buildings, built in the 1850s, are perfect for offices and lofts. The government contributed $100,000 through the PDF. The city and waterfront property owners have matched that amount. An environmental study will be conducted and a model unit built. Through a phased approach, it is anticipated that this brownfields site will be reclaimed for residential (including affordable housing) commercial, institutional and light industrial mixed use.

Business comes calling

Peterborough is now home to a major international call centre. This is due to a concerted team effort involving the municipality, local economic development officials, a local real estate developer and the Ministry of Economic Development and Trade. AmeriCredit Corp. of Fort Worth, Texas opened its 87,000 sq. ft. customer service centre in July, in a new building constructed by Peterborough developer Signum Corporation.

The AmeriCredit Customer Care Centre went "live" on July 16, 2001. (Signum Corp. photo)

Employing 500 people during its initial phase and 1000 at full capacity, the AmeriCredit Customer Care Centre will serve a large segment of the company's 700,000 consumer loan accounts. AmeriCredit currently manages more than $9 billion worth of loans, mainly automobile, in North America.

"It's having an incredible impact on the community," says Susan Cudahy, President and CEO of the Greater Peterborough Area Economic Development Corporation. "People are moving from under-employment and unemployment to rewarding careers."

AmeriCredit's journey to Peterborough started at MEDT, when Brian Villeneuve, Senior Consultant in the Ministry's International Investment Services Branch, got a call from a U.S. site selection company, Arledge/Power Real Estate Group.

"We'd worked with Arledge/Power successfully in the past in securing call centres for Ontario," says Villeneuve. "We set up a tour of several Ontario communities, and worked to discover AmeriCredit's specific needs. A second tour with their president included a visit to Peterborough, and there must have been 15 people there to meet us, including the mayor. It was an impressive team effort."

Peterborough had the qualities AmeriCredit was looking for, including a skilled, available labour force, a strong communications infrastructure, a prosperous community base, and a location within an hour of the Greater Toronto Area. The quality of life in the area was also a factor. Peterborough ranked second overall in Ontario in a recent Ontario Social Development Council survey.

Impressed but not yet convinced, AmeriCredit sent its Human Resources executives on another tour that included Sir Sandford Fleming College, home of the Bell Institute for Learning Design and a student-run call centre.

"The people from AmeriCredit also met their human resources counterparts at Quaker Oats and General Electric in Peterborough," says Villeneuve. "They told them that they would welcome AmeriCredit as a complement to the existing labour market, not as competition. The call centre provides more employment opportunities for the spouses of people working in Peterborough head offices."

The education and experience levels of available employees in the area were a key attraction for AmeriCredit. A survey identified more than 3,500 people who were available for work at the call centre.

"We took a pro-active approach," says Cudahy. "Once they began their initial hiring, we developed a call centre training program in conjunction with the government's Ontario Works program. We trained 35 people, and 32 of them were hired by AmeriCredit. They were very happy to get new employees who'd already had some training."

That labour force was ready to start right away, as was AmeriCredit. The company had originally wanted a vacant building to get the call centre up and running, as soon as possible. Since no suitable structure was available in Peterborough, developer Signum Corp. quickly provided a "virtual building" package to show AmeriCredit what could be done.

AmeriCredit liked the "virtual"building, but to meet their needs, the actual building had to be designed and built in record time. A staged development process, where parts of the building were being designed as it was built, solved the problem.

"We gave them a quick-start solution," says Signum Corp. Vice President Kevin MacDonald. "We started in the middle of February and had completed construction by the middle of July. That kind of speed is unheard of in construction."

Putting the right people in the right building at the right time has put Peterborough on the international call centre industry map. AmeriCredit has an option on a second piece of property in Peterborough, and Cudahy is optimistic that this is only the beginning for Peterborough as a call centre capital.

"We have all the components in place," she says. "I'm confident that we'll continue to attract customer service operations to the Greater Peterborough Area."

continued from page 6

Market Ontario launches investment campaign in France

growth in several key Ontario sectors including automotive, high tech and pharmaceuticals. In fact, independent studies indicate that for every $1 billion of foreign direct investment in Ontario, 8,200 jobs are created. The major French trade sectors represented at the event were automotive, life sciences and high tech.

Jacques Dunogue, CEO of Alcatel, spoke of his company's success in doing business in Ontario, why he was initially attracted to the province and the differences between the corporate cultures of Ontario and France.

Senior business people like Mr. Dunogue have excellent credibility with their colleagues. Other business ambassadors also promote Ontario through their testimonials in Market Ontario's effective peer-driven advertising campaign.

At the event, Minister Runciman took the opportunity to introduce Ontario Icewine, an Inniskillin Vidal '98, with dessert. He played a leading role in a successful lobby by the Ontario government, the LCBO, and the Wine Council of Ontario, against a ban of exports of Ontario Icewine to Europe. It was recently repealed.

continued from page 7

Portuguese President applauds Ontario's Heritage Language Training

Two-way trade between Ontario and Portugal in 2000 was worth $134.3 million (up from $127.5 million in 1999), with Portugal enjoying a trade surplus of about $83 million. Ontario exports in 2000 were valued at $25.5 million while imports from Portugal were worth $108.8 million (up from 1999's $98 million). Principal Ontario exports included machinery and mechanical appliances; electrical machinery and equipment; and toys, games and sports equipment. The main imports were footwear; prepared foodstuffs; beverages and tobacco; wood and wood products; and apparel and clothing accessories.

BUSINESS BRIEFS

Kraft Canada Inc. will hire 100 new employees in Cobourg. The plant will be producing two new lines – Cream of Wheat cereal and a type of candy. The employees will be hired in the fall of 2001 and the lines will begin producing in early 2002.

Magna International plans to build a new factory in Milton. The $150 million, 450,000 sq. ft. facility will be operated by Madatek Systems and will produce frames and chassis using hydroforming technology. As many as 600 jobs could be created.

ATCO Power Ltd. is building a $450 million electrical plant on the old J. Clark Keith Generator site in Windsor. The plant will create 500 construction jobs. Construction will begin next year and take two years to complete.

Items appearing in Business Briefs are based on media reports.

continued from page 12

Open Text opens door on collaborative commerce

Of its 1,150 people worldwide, 400 work in Canada. Export-oriented, 55 per cent of revenue is derived from North America; less than five per cent comes from Canada. "We are an example of a company who has maintained strong development and business roots in Canada." Being near the University of Waterloo helps the company mine new talent in the area of development.

In a rapidly evolving industry, Open Text must anticipate new trends to stay competitive. "At the moment, the hot area is instant messaging for business which Open Text is delivering as Livelink Meeting Zone, a dynamic collaboration software that allows meetings to occur live on the web within projects which are then archived for later retrieval," says Jenkins.

Having surpassed five million users, Jenkins is confident in the company's potential to attain household name recognition over time. "Open Text has a very similar product to Oracle, and Oracle did not become a household name until its products were being used by more than 10 million people. We have an opportunity to achieve that in the coming years."

With the market for team collaborative applications projected to quadruple in size by 2005, Open Text's goals are in reach.

Open Text opens door on collaborative commerce

Their list of achievements reads like an Internet who's who. Open Text Corporation of Waterloo has an illustrious history that establishes the company as a pioneer in Internet innovation.

Incorporated in 1991, the company began at the University of Waterloo as a project among professors to index the Oxford Dictionary. This mammoth venture allowed them to concurrently develop the technologies behind the first search engine to index the World Wide Web.

Other impressive milestones were added. Open Text became the search engine technology behind industry giant Yahoo, at one time being the fourth largest shareholder in Yahoo.com.

"An acquisition in 1995 brought the company Livelink, the first Web-based document management software, and we began to be known as a document management and search engine company," explains Greg Secord, Director, Investor Relations.

Open Text CEO, Tom Jenkins. Livelink, the company's flagship product surpassed five million users worldwide in July, 2001.

In 1996 a switch was made to pursue corporate and business-to-business technology rather than consumer. This positioned the company well. Soon after, the company co-founded another A-list Internet company, about.com.

Its flagship product, Livelink, achieved a pivotal milestone in July when it surpassed five million users worldwide. Today, Livelink supports over 4,500 corporations in 31 countries and 12 languages around the world.

"Livelink has reached five million users and a 47 per cent market share worldwide by delivering functionality that is unique for our customers and being responsive to their needs. We integrate very well with companies that compete with IBM such as Oracle, SAP, and PeopleSoft," says Tom Jenkins, Open Text's CEO. The company appears undaunted by competitors that include industry powerhouse Lotus Notes Domino.

Demand is driven by the need for team collaboration. Livelink hyperlinks customers, suppliers and employees allowing information-sharing capabilities over intranets and extranets, organizations and trading communities. Its Web-based features help organizations tackle communication issues and problem-solve. "Other companies do the transaction of dollars. We do the management of unstructured data before and after the transaction," says Secord.

Livelink 's broad-based applications help organizations achieve success and cost savings. "By moving to Web-based applications, a telco with 50 different manuals in a call centre of 7,000 people can now refer all employees to the same online manual with the same current information. Paperwork is greatly lessened and consistent information reaches all employees," says Secord.

He continues, "we don't do supply chain, we enhance it. We make it more productive, more efficient. We do the same with customer relationship management for the telco and enterprise resource planning for human resources. Through collaboration we make it a quicker, more efficient process that saves money."

continued on page 11

THE ONTARIO BUSINESS REPORT

Ministry of Economic Development and Trade
Communications and Public Affairs Branch
Eighth Floor, Hearst Block
900 Bay Street
Toronto,Ontario,Canada M7A 2E1

Telephone: (416) 325-6666 • Facsimile: (416) 325-6688
Minister: Hon. Bob Runciman
Deputy Minister: Barbara Miller
Editor: Robert D. Mikel
e-mail: ontariobusiness.program@edt.gov.on.ca

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Ontario

THE ONTARIO BUSINESS REPORT

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Or mail to: Robert D. Mikel, Editor OBR
Communications and Public Affairs Branch
Ministry of Economic Development and Trade
8th Floor, Hearst Block, 900 Bay Street
Toronto, Ontario M7A 2E1

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