



Ontario Economic Overview

June 2011 Update

HIGHLIGHTS

- Ontario's economic growth accelerated to 1.1% in Q4 2010, pulling GDP slightly higher than pre-recessionary levels in Q2 2008.
- Growth was uneven, with service industries increasing 1.2%, while goods output grew by a more modest 0.7%, held back by declining auto production.
- Ontario's automotive output fell 7.6% in Q4 2010, the first quarterly drop since Q1 2009. Analysts expect strong growth in vehicle shipments in Q1 2011 to fall off in Q2, as parts shortages from Japan have an impact.
- Recent earnings at the five largest Canadian banks exceeded expectations. Output in Ontario's banking sector grew by 3.3% in Q4, while 1,800 jobs were added compared with a year ago.
- Despite growth in both shipments and exports, Ontario's ICT manufacturing industry lost 2,400 jobs in Q4 compared with 2009 levels.
- High commodity prices have helped push output in the mining sector up by 9.5% in Q4, the fourth consecutive gain; jobs grew by 12.6% over Q4 2009.
- While hotel occupancy rates have mostly recovered from the recession, the unremitting decline in U.S. visits continues to hurt Ontario's tourism sector.
- U.S. GDP grew for the seventh consecutive quarter in Q1 2011. Most analysts expect strong GDP growth through 2012, creating jobs and supporting consumer demand.
- Ontario's economy is forecast to grow by 2.6% in 2011 and 2012, slower than national growth. Strong employment growth is expected to bring unemployment down to 7.6% in 2012.



IN THIS REPORT		
Sector overviews:		Issues facing the economy:
<ul style="list-style-type: none"> Manufacturing (pg. 4) Automotive (pg. 4) Aerospace (pg. 6) Biotechnology and Pharmaceutical (pg. 7) ICT (pg. 8) 	<ul style="list-style-type: none"> Finance and Insurance (pg. 9) Construction (pg. 10) Tourism (pg. 11) Retail and Wholesale Trade (pg. 12) 	<ul style="list-style-type: none"> Primary Industries (pg. 13) Clean Energy (pg. 14) U.S. Economy (pg. 14) Border (pg. 15)

KEY ECONOMIC INDICATORS

(% change unless otherwise indicated)	Real GDP			Employment			Unemployment Rate		
	2010	2011f	2012f	2010	2011f	2012f	2010	2011f	2012f
Ontario	3.2	2.6	2.6	1.7	1.9	1.8	8.7	8.0	7.6
Canada	3.1	2.9	2.7	1.4	1.9	1.7	8.0	7.6	7.2
United States	2.9	2.7	3.0	-0.7	1.3	1.8	9.6	8.8	8.3

Source: Statistics Canada, U.S. Bureau of Economic Analysis; f indicates forecasted data, using median forecasts released in December 2010 or later, where available, from Conference Board of Canada, Scotiabank, RBC Financial, TD Economics, BMO Financial, CIBC World Markets, IHS Global Insight and Desjardins. Forecasts collected on May 27, 2011.

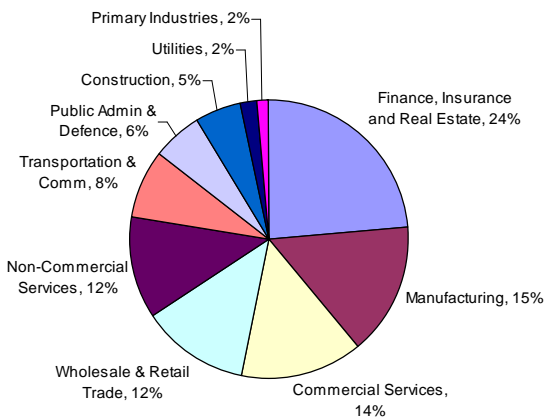
The Ontario Economic Overview is a quarterly report prepared by the Policy, Analysis & Intelligence Directorate of the Ontario Region of Industry Canada that contains analysis of the current economic and financial performance of industries in Ontario. The analysis is of select economic/industrial issues, and does not contain internal forecasts or policy analysis, assessments, or conclusions. If you have any comments, please email Adam Hayashi, Senior Economist, Industry Canada, Ontario Region, at Adam.Hayashi@ic.gc.ca.

GDP and Employment Growth of Selected Ontario Industries

	GDP Growth (%)				Employment Growth (%)			
	2007	2008	2009	2010	2007	2008	2009	2010
Manufacturing	-4.2	-10.3	-15.0	8.0	-4.5	-5.7	-13.2	-1.4
Automotive	-4.0	-24.5	-28.3	29.5	x	x	-21.2	1.1
Pharmaceutical and Medicine	-11.4	0.4	7.8	-0.5	-0.3	0.9	-1.5	-3.4
Information and Communication Technology	3.0	-0.2	-1.2	2.3	1.5	5.2	-4.7	-1.8
Aerospace	3.7	8.6	-1.9	-7.6	-9.0	-0.4	-11.9	-3.3
Finance and Insurance	4.3	1.2	3.3	2.8	5.0	4.3	3.3	0.8
Construction	3.2	-0.6	-6.7	8.8	5.4	5.0	-5.2	4.5
Accommodation and Food Services	0.6	2.0	-3.8	2.1	4.6	4.4	-2.0	-0.2
Wholesale Trade	4.5	-1.0	-5.5	5.6	3.0	0.7	-4.4	0.4
Retail Trade	2.0	3.2	0.1	4.3	2.7	3.9	-1.1	-0.2
Primary Industries*	-3.4	4.5	-10.5	2.0	-5.7	-5.3	-2.8	4.6

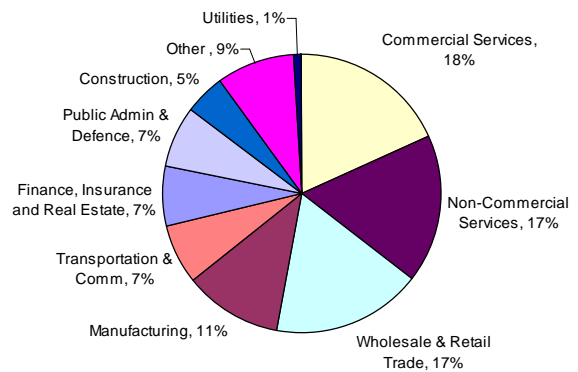
* Employment data from LFS and is not strictly comparable to SEPH data used elsewhere

Ontario GDP by Sector, 2010



Source: Statistics Canada

Ontario Employment by Sector, 2010



Source: Statistics Canada, Survey of Employment, Payrolls and Hours (SEPH)



ECONOMIC FUNDAMENTALS

- Ontario's real GDP increased 1.1% in Q4 2010, greater than the 0.4% gain posted in Q3 2010 and extending the consecutive quarters of growth to six.¹¹
- Ontario's nominal GDP was \$578.2B in 2009, accounting for 37.9% of Canadian output. Ontario's share of the national economy dropped steadily from 41.4% in 2002 to 36.5% in 2008, coinciding with a 32.1% increase in the Canadian dollar (per USD).¹²
- Increases in the dollar often coincide with rising commodity prices and economic output in Western Canada, while simultaneously putting pressure on export prices for Ontario's manufacturing sector. While the dollar softened in 2009, and Ontario's share of national output grew, the currency has strengthened further in both 2010 and so far in 2011.
- Almost a third of growth in Q4 2010 came from the finance, insurance, and real estate and leasing sector, which was up 1.4%. Strong contributions also came from other transportation equipment (not including the auto sector, +17.9%), and information and culture (+2.9%). These increases were partially offset by losses in the auto industry (-7.6%); food, beverage, and tobacco products (-2.9%); and chemical and petroleum products (-1.8%).¹³
- The Ontario economy gained 116,700 jobs in Q4 2010 compared to the prior year and continued to grow into Q1 2011 with a gain of 144,400 jobs.¹⁴
- After falling almost a full percentage point between Q4 2009 and Q4 2010, Ontario's unemployment rate held steady at 8.3% in Q1 2011 as national unemployment rose 0.1% to 7.8%. While some of Canada's highest unemployment rates in Q1 2011 were in the Ontario Census Metropolitan Areas (CMAs), of St. Catharines-Niagara (8.8%) and Windsor (10.7%), unemployment had dropped slightly for both centres compared with Q4 2010.¹⁵
- Both the price and non-price aspects of business lending eased in Q1 2011 according to the Bank of Canada Senior Loan Officer Survey. Results of the survey indicate easing lending conditions for the seventh consecutive quarter for corporate borrowers, the fourth consecutive quarter for commercial borrowers, and the second consecutive quarter for small businesses. Similarly to Q4 2010, easing credit conditions were attributed to heightened competition among lenders, positive developments in specific industries, and a better outlook for the economy as a whole.¹⁶
- Consumer insolvencies declined 9.4% in Q1 2011 versus the year prior. The majority of Ontario CMAs posted declines with the exceptions of Peterborough, Hamilton, and Brantford.¹⁷
- Ontario business insolvencies declined 17.9% year-over-year in Q1 2011, ahead of the 12.4% decline nationally. There were 430 business insolvencies in Ontario in Q1 2011, with both bankruptcies and proposals declining. Nationally, insolvencies declined in most sectors, with a notable exception of accommodation and food services, which saw a 13.2% increase.¹⁸
- Ontario's index of consumer confidence increased 2.8 points to 79.0 in May while national consumer confidence fell 2.0 points. However, Ontario continues to lag behind national consumer confidence of 85.6.¹⁹

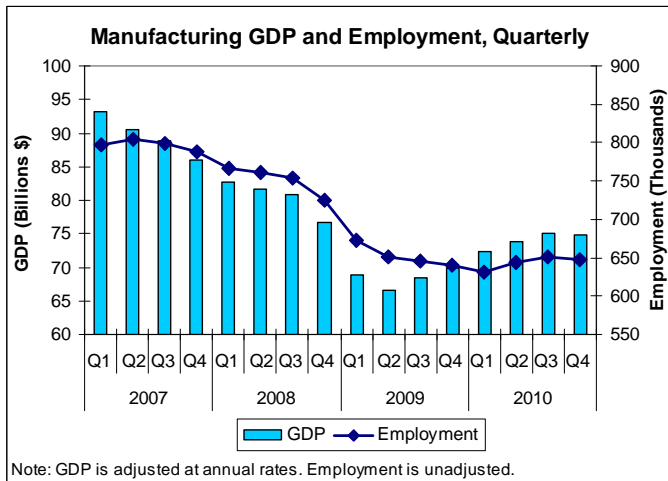
ECONOMIC OUTLOOK

- The median private sector forecast for Ontario's real GDP growth in 2011 is 2.6%, below the forecast of 2.9% growth for Canada. Ontario forecasts ranged from a low of 2.1% (Conference Board of Canada) to a high of 3.1% (RBC).¹
- The median forecast for the previous issue of this report was for 2.5% GDP growth in Ontario in 2011. Four forecasters upgraded their forecasts, two decreased theirs, and two were unchanged.
- An expected recovery in U.S. demand for Ontario-manufactured products, including autos, should support higher growth in Ontario.² New housing starts are also expected to support growth in 2011.³
- The strength of the Canadian dollar may be a check on growth in Ontario,⁴ and temporary supply chain disruptions may restrain output in the auto sector.⁵
- Ontario's unemployment rate is expected to drop from an average of 8.7% in 2010 to 8.0% in 2011. The national rate is forecast to drop from 8.0% to 7.5%.⁶
- U.S. unemployment is forecast to drop from 9.6% in 2010 to 9.3% in 2011,⁷ remaining well above the five-year pre-recession average of 5.1% from 2004 to 2008.⁸
- The continuing Greek sovereign debt crisis remains a threat to economies in Europe.⁹ A debt restructuring or default could exacerbate fiscal challenges in countries such as Portugal, Spain, Ireland, and Italy, and create uncertainty and instability in global financial markets.¹⁰



SECTORAL ANALYSIS AND OUTLOOK

MANUFACTURING



Ontario's manufacturing output posted a small 0.2% decline in Q4 2010, ending a trend of five consecutive quarters of growth.²⁰ Excluding the automotive sector, the picture is rosier with a 1.9% increase although growth was not seen in all sub-sectors.²¹ On an annual basis, manufacturing output rebounded to an 8.0% increase in 2010 following four consecutive years of decline, including a 15.0% drop in 2009.²²

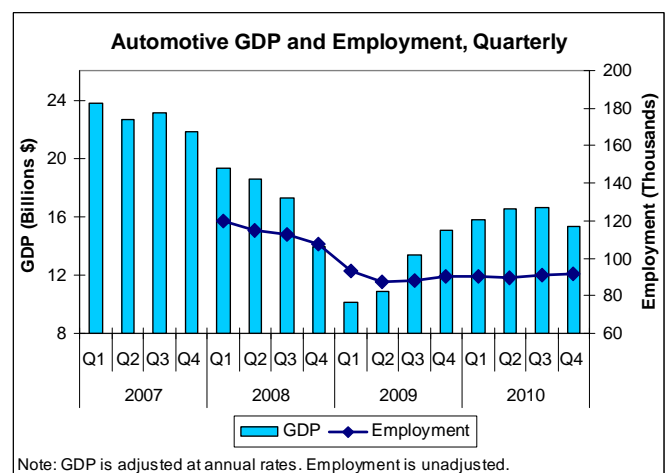
Despite the overall drop in manufacturing, some sub-sectors boosted output in Q4, led by the other transportation equipment (not including automotive, +17.9%), machinery (+5.6%), and electrical and electronic products subsectors (4.6%).²³ Over the year, primary and fabricated metal products, machinery, and plastic products posted significant gains.²⁴ On the other hand, some subsectors have failed to achieve traction in the manufacturing recovery. After four quarters of stagnant production, Ontario's food, beverage, & tobacco products sub-sector receded by 2.9% in Q4 over the previous quarter as real output fell to its lowest level in over thirteen years.²⁵

Manufacturing employment was 1.3% higher in Q4 2010 compared to the prior year, adding over 8,000 jobs. Gains were dominated by the durable goods subsector while non-durable goods showed a slight decline in employment. Outside of the auto sector, primary and fabricated metals and machinery production were responsible for the bulk of job gains. The largest declines came from computers and electronics, food manufacturing, and printing and related activities.²⁶

Despite the uneven performance amongst the various subsectors, the outlook for the manufacturing industry is positive due to a strengthening U.S. economy which may lead to an increase in demand for Canadian exports.²⁷ The Conference Board of Canada forecasts significant 2011 real output increases for the machinery, electrical equipment, and fabricated metal subsectors that outperform the consensus GDP forecast for the province as a whole.²⁸ Investment in the province could be supported by the recent signing of a Memorandum of Understanding between the Ontario government and Siemens Canada, following on a similar MOU the province signed with GE Canada in 2009.^{29 30}

Risks remain despite the positive outlook. Rising commodity prices and an expensive Canadian dollar continue to increase the business costs for Ontario manufacturers. Manufacturers are being squeezed on the supply side by higher commodity prices and on the demand side by consumers still wary of the state of the economic recovery. Maple Leaf Foods warned that prices will increase due to higher wheat and corn costs.³¹ Increasing prices for industrial metals such as copper, steel, and aluminum are threatening profit margins for electronic products, machinery, and fabricated metal products.³² Local manufacturers also face increasing competition from lower-cost countries. For example, North America now imports three times the amount of fabricated metal products from China as it did a decade ago. While Chinese fabricated metal currently holds 7% of the Canadian market,³³ it is noteworthy that Ontario's primary metal & fabricated metal products subsector output has plummeted by 35% since its peak in 2003.³⁴

AUTOMOTIVE



The recovery in the North American automotive industry remains solid, as demand for vehicles



strengthens with improving conditions in the key U.S. market.³⁵ TD Economics reports that the industry is poised to make double-digit sales and production gains in 2011, which they forecast will boost Canadian and U.S. GDP by one percentage point this year and an additional half percentage point in 2012.³⁶

Despite forecasts of continued recovery, Ontario's automotive output declined 7.6% in Q4 2010, the first quarter-over-quarter drop since Q1 2009. However, compared to a year ago, output was up slightly by 1.9%.³⁷ Ontario's automotive employment grew 2.1% in Q4 compared to same quarter in 2009.³⁸ Much of the gain occurred in the assembly sub-sector, up by 5.2%, while auto parts firms eked out a 0.4% gain.³⁹

Light vehicle sales in the U.S. were up 20.2% in Q1 2011, compared to same period a year ago, with most major auto makers posting strong gains in both February and March.⁴⁰ Despite a spike in gasoline prices and reduced vehicle incentives, retail sales remained strong, as the U.S. job market gradually improved.⁴¹ An expansion in credit for new vehicle purchases has supported sales, allowing consumers to replace aging vehicles.⁴² Rising business profits have also led to increased fleet and commercial sales.⁴³ Total 2011 U.S. light vehicle sales are forecast at about 13M units, compared to 11.6M units in 2010.⁴⁴

North American production in Q1 2011 increased 11.9%, compared to same period last year,⁴⁵ with Canadian production up 12.1% for the same period.⁴⁶ As a result of the March 11th earthquake and tsunami in Japan, automakers have reduced Q2 production plans by an estimated 12%, or 400,000 units, due to global parts shortages that have restricted vehicle assembly.⁴⁷ The impact is felt by both major Japanese manufacturers and the Detroit 3, which have reduced their Q2 N.A. output plans by 20% and 9%, respectively.⁴⁸ Despite this, full year North American production forecasts are estimated at about 13M units as much of the lost output is expected to be made up later this year.⁴⁹

Change in Vehicle Production and Sales Q1 2011 vs. Q1 2010 (% Change)			
	Canadian Production	North American Production	U.S. Light Vehicle Sales
General Motors	28.2%	12.1%	24.5%
Ford	-9.3%	9.2%	12.2%
Chrysler	-3.1%	21.1%	22.5%
Honda	0.9%	2.1%	20.1%
Toyota	37.1%	-9.1%	12.5%
Canada		12.1%	
United States		11.6%	20.2%

Source: Automotive News Data Center

General Motor's performance in the U.S. market continued to improve, as the company achieved stronger Q1 growth in light vehicle sales than its major competitors.⁵⁰ GM recently reported a first-quarter net profit of US\$3.2B, it's largest in 15 years.⁵¹ GM's Canadian production rose significantly in Q1, with continued strong demand for the Chevrolet Equinox, GMC Terrain and Camaro models. Canadian output was also boosted in February by the production start of the new 2012 Camaro convertible and the Buick Regal, both at GM's Oshawa facility.⁵²

Ford Motor Co. reported a first-quarter profit of US\$2.6B - its biggest quarterly profit in 13 years, reflecting strong sales of its fuel-efficient vehicles and improved pricing.⁵³ Ford's annual U.S. light vehicle sales also advanced in Q1, in part due to strong F-150 truck sales with fuel-efficient engines.⁵⁴ Despite a 9.2% increase in its North American Q1 production, Ford's Canadian output declined by 9.3%.⁵⁵ Production of the popular Edge, built in Oakville, rose by almost 2,500 units, but output for less popular models like the Flex dropped by nearly half.⁵⁶ As a result, Canada's share of Ford production decreased to 13% during Q1, down from 16% in Q1 2010.⁵⁷ Ford is also winding down production at its St. Thomas plant, which is up for sale ahead of its expected closing later this year.⁵⁸

Chrysler Group LLC posted a sharp increase in U.S. sales in Q1 to reflect solid demand for its new and refreshed models.⁵⁹ While U.S. production jumped by 45%, fuelled by strong growth in trucks, Chrysler's Canadian production declined in Q1 due in large part to a significant drop in production of the Chrysler 300 as the new 2011 model gradually ramped up at the Brampton facility.⁶⁰ As a result, Canada's share of production fell from 31% in Q1 2010 to 25% in Q1 2011. Chrysler also recently announced that the new Ram Truck Cargo Van will be built at the Windsor Assembly plant. This commercial vehicle replaces the Dodge Grand Caravan Cargo Van and will go on sale later this year.⁶¹ The company recently reported a quarterly net profit of US\$116M, the first since emerging from bankruptcy in 2009.⁶² After successfully obtaining private financing, Chrysler Group repaid US\$7.6B in U.S. and Canadian government loans ahead of schedule.⁶³ The repayment permitted Fiat SpA to increase its stake in Chrysler to 46%.⁶⁴

After dealing with the fallout of last year's massive global recalls, Toyota has been working to recover from the March earthquake and tsunami disaster in Japan that disrupted vehicle production and crippled suppliers. The automaker recently reported a 77% drop



in quarterly earnings⁶⁵ despite an increase in Q1 U.S. light vehicle sales.⁶⁶ While the effects of the disaster are not reflected in the first quarter figures, sales are projected to decline in Q2 due to lost production caused by supplier shortages that could make some vehicle models scarce.⁶⁷ Toyota sources about 15% of its parts from Japan for vehicles built in North American factories,⁶⁸ prompting the company to reduce production at its U.S. and Canadian facilities.⁶⁹ As supply conditions improve, Toyota plans to have assembly at 70% of normal capacity by June.⁷⁰ At the Cambridge facility, the Corolla is expected to return to full production in June, while the Lexus RX 350 will increase to 60% capacity. Production of the RAV4 in Woodstock will be at only 25% due to electronics parts shortages.⁷¹

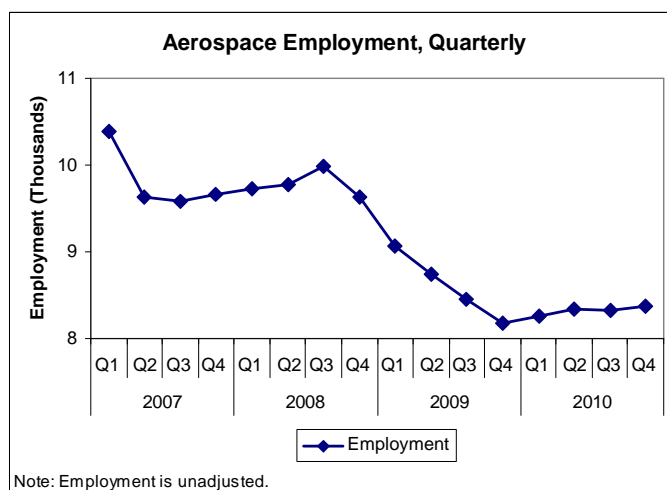
Honda was also impacted significantly by the Japan disaster, forcing its North American factories to operate at reduced capacity, including its facility in Alliston that manufactures the top-selling Civic model.⁷² Honda has also stated that availability of some of its most popular models will be limited this year.⁷³ The timing of the production cut-backs will likely impact sales of Honda's new Civic models, recently launched in North America.⁷⁴ Honda has also announced it will transfer production of the CR-V from Japan next year to Canada (this model is also assembled in the U.S.), while the production of the MDX will move from Alliston to a plant in Alabama.⁷⁵ Honda's net profit fell 38% in the fiscal fourth quarter ending in March, attributed to the disaster and the high yen.⁷⁶

As the auto industry recovers and vehicle sales continue to strengthen, profitability has also returned to the parts industry. Canada's two largest auto parts companies, Magna International and Linamar Corp. posted improved first quarter profits.⁷⁷ However, many auto parts companies have been struggling to ramp up their own production to meet rising demand. The pace of North American production is expected to spike as high as 15M units in the second half of this year to offset lost volumes related to the Japan crisis. Suppliers may face challenges in meeting customer targets, and some Q2 production disruptions are anticipated.⁷⁸ Smaller suppliers face particular challenges in securing sufficient financing to add capacity. Cost pressures from rising commodity prices and increasing pressure from OEMs for price cuts are also growing concerns.⁷⁹

AEROSPACE

Ontario's aerospace industry, which produces aircraft parts and systems, accounted for 28.1% of Canadian aerospace GDP in 2010, second in Canada behind

Quebec (59.8%). Approximately 350 aerospace companies are located in Ontario with annual sales of almost \$6.5B.⁸⁰ Ontario companies produce about 60% of landing gear for new large aircraft globally.⁸¹ Notable firms with a presence in Ontario include Bombardier Aerospace, Pratt & Whitney Canada, Honeywell Canada, L-3 Electronic Systems, Magellan, and Northstar Aerospace.



The sector continued to struggle in Ontario in 2010, with GDP falling for a second consecutive year. The 7.6% drop was less severe than the 9.0% fall in national aerospace output, as Quebec's aerospace production fell by 11.7%.⁸² However, there was some evidence of a turnaround in Q4 2010, with Canadian aerospace GDP growing by 1.3% over Q3 levels.⁸³ Employment in Ontario also grew for the first time in nine quarters, with almost 200 jobs added, raising employment 2.4% above the level of Q4 2009.⁸⁴ Ontario's aerospace shipments fell by one-quarter in Q4, unable to maintain momentum after jumping by nearly half in Q3. Shipments for 2010 were down 8.4% from 2009.⁸⁵ Informetrica expects Ontario's aerospace output will grow by 2.3% in 2011.⁸⁶

Ontario's aerospace sector is highly export dependent, with close to 80% of sales coming from exports.⁸⁷ Ontario aerospace manufacturing exports continued to grow through the recession, and increased by 1.3% in 2010 based on strong sales in Q4, which were 16.0% higher than one year prior. While sales to the U.S., which buys roughly half of Ontario's aerospace exports, slipped by 5.8% last year, overall growth was driven by deliveries of Bombardier's Toronto-assembled Q400 turboprop plane to Latvia, Angola, Ethiopia and Portugal.⁸⁸ Sales to the UK, Ontario's second largest aerospace market accounting for just over 10% of exports, grew by 6.1% in 2010, and have more than doubled since 2006.⁸⁹



Ontario's strong performance in aerospace exports has been driven in part by growing orders from multinational firms such as Boeing and Airbus, which create positive spin-offs for Ontario firms in the supply chain, including Honeywell, Messier-Dowty, Magellan and Goodrich.⁹⁰ Boeing's Current Market Outlook forecasts that annual growth in international air travel will average six per cent between 2010 and 2014, supporting demand for more planes.⁹¹ Some firms that service multiple manufacturing sectors are increasingly looking to their aerospace orders to drive profits based on current forecasted growth.⁹²

Government programs have also supported investment in the aerospace sector. Over 65 Canadian companies have gained \$350M worth of Joint Strike Fighter work since 1997 when Canada first signed on to the JSF program.⁹³ In December, the federal government announced a \$300M loan to Pratt & Whitney to support the company's investment of \$1B in R&D at facilities in Quebec and Ontario.⁹⁴ In April, the Ontario government announced \$13.9M for the firm's product development work in Mississauga.⁹⁵

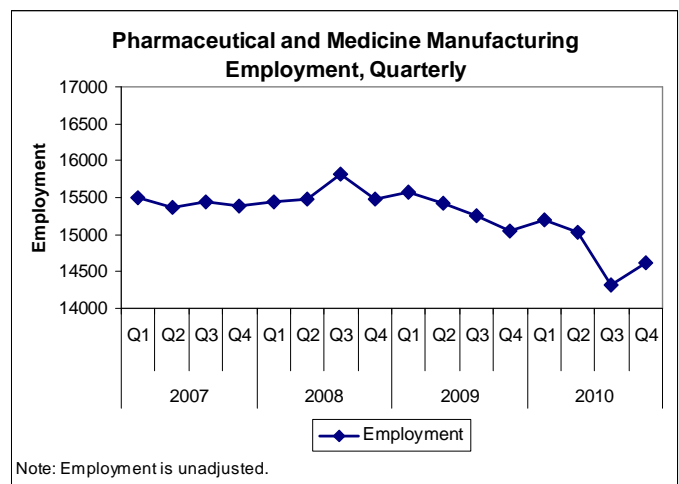
Bombardier has made several positive announcements recently, including a \$446M deal with SpiceJet for Toronto-assembled Q400 NextGen turboprop planes and a firm \$2.8B order from Warren Buffett's NetJets for 50 jets with an option for 70 more.⁹⁶ In its most recent forecast, Bombardier stated that the market was gaining momentum with business aircraft deliveries expected to grow into 2012. Interest globally in aircraft that are greener and more efficient is helping to push demand in the commercial market;⁹⁷ Bombardier is well-positioned for this trend, with the 100-seat CRJ1000 NextGen offering 4% lower fuel consumption than first anticipated and the Q400 turboprop offering another 1.5% improvement.⁹⁸

BIOTECHNOLOGY AND PHARMACEUTICAL

As of March 2010, Ontario was the largest hub of biomedical activity in Canada and the fourth largest biomedical research centre in North America.⁹⁹ Ontario also has the third largest regional biotechnology cluster in North America with the sixth largest revenue stream.¹⁰⁰ The landscape for these industries is changing, as the increased use of mergers and acquisitions (M&A) to drive innovation and improve productivity is leading to a convergence of biotechnology and pharmaceutical firms into a single biopharmaceutical industry.¹⁰¹

The output for Canada's pharmaceutical and medicine manufacturing sector, of which Ontario accounts for over 60%, dropped by 10.2% in Q4 2010 compared with Q3, the third quarterly decrease after a strong Q1

2010. While the two previous quarterly drops were still improvements from the previous year, output for Q4 was 11.4% lower than the same quarter in 2009.¹⁰² In Ontario, pharmaceutical shipments fell by \$30M, or 1.6%, in Q4 compared to a year earlier, interrupting nine consecutive quarters of growth,¹⁰³ while exports fell more sharply by 21%.¹⁰⁴ For 2010, Ontario's pharmaceutical and medicine output fell by 0.5%.¹⁰⁵ However, the Conference Board of Canada's Leading Indicator of Industry Profitability for the national pharmaceutical sector, which predicts short-term movements in corporate profitability, was up for the second straight month in March after six consecutive monthly declines.¹⁰⁶ Ontario's employment in this sector dropped by 2.8% (just over 400 jobs) in Q4; this was the seventh consecutive year-over-year quarterly decline.¹⁰⁷

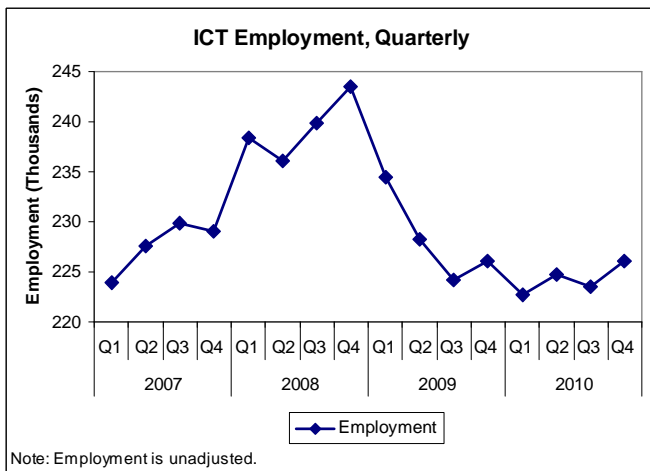


Generic drug production plays a significant role in Ontario's life sciences sector. Ontario's generic pharmaceutical industry is led by Toronto-based Apotex, Canada's largest generic producer and the largest R&D spender for the pharmaceutical industry in 2009.¹⁰⁸ Competition from generic producers is one of the biggest issues facing brand-name pharmaceutical firms, many of which are facing depleted pipelines as a significant number of highly-valued patented products are due to expire within the next six years.¹⁰⁹ It is estimated that the largest brand-name pharmaceutical firms will lose 2-40% of their revenue to generic competition between 2008 and 2015.¹¹⁰ According to a recent survey of pharmaceutical and life sciences company CEOs, companies are looking to improve productivity and replenish pipelines by turning to emerging markets and M&As.¹¹¹ A recent MaRS white paper outlines the need for the sector to embrace a more collaborative, 'open innovation' model of R&D and drug discovery in order to deal with the increased competition.¹¹²



Venture capital (VC) funding for Ontario's life sciences sector has yet to completely recover from the 63.3% decrease in funding in 2009 from 2008 levels. Funding for 2010 totalled \$85.2M, an 80.7% increase from 2009. This increase was despite a weak end to the year with Q4 investment totalling only \$14.2M, a 38.0% decrease from Q4 2009. Funding in the biopharmaceuticals sub-sector saw a similar trend with Q4 2010 funding down by 31.1% despite overall 2010 funding up 72.0% from the previous year.¹¹³ While overall funding for 2010 improved, it is still less than half of the \$189.0M invested in 2007. The still lagging levels of VC funding are reflected in a recent Ontario Bioscience Industry Organization survey of life sciences sector CEOs. The survey saw 91% of respondents rank "raising external financing" as their main challenge in 2011.¹¹⁴ However, a February 2011 PwC report noted that venture capitalists were optimistic about the investment possibilities in the sector, as e-health, mobile health and personalized medicine could push investment.¹¹⁵

INFORMATION AND COMMUNICATIONS TECHNOLOGY



The ICT sector is a significant component of Ontario's economy. In 2010, the ICT sector contributed \$27.3B to provincial GDP, up 2.3% from 2009.¹¹⁶ ICT is also an enabling sector, supporting further technology development and increasing productivity in other industries. Ontario represents roughly 50% of Canada's total ICT industry, with over 16,600 ICT firms concentrated mainly in three technology clusters in Toronto, Ottawa and Kitchener-Waterloo.¹¹⁷ Ontario has the highest concentration of ICT industry leaders in Canada, including RIM, IBM Canada, Rogers, Celestica, and OpenText. In 2010, Ontario-based ICT companies generated approximately \$41.1B in revenues, up by a modest 1.0% compared to 2009,

but continued to represent the lion's share of gross revenues of Canada's Top 250 ICT firms.¹¹⁸

Top 10 Ontario ICT Companies by Gross Revenue, 2010		
Company	2010 Revenues millions (% change from 2009)	National Rank
Research In Motion	\$14872 (+35%)	1
Rogers Communications (wireless and internet)	\$7800 (+5%)	3
Celestica	\$6340 (+5%)	5
Softchoice	\$1154 (+16%)	9
Open Text	\$907 (+16%)	12
Telesat	\$820 (+4%)	13
Nortel Networks	\$765 (-79%)	14
Aastra Technologies	\$673 (-19%)	16
Mitel	\$644 (-12%)	19
Constellation Software	\$630 (+45%)	20

Source: Branham300, Canada's ICT Industry: A Work in Progress, April 2011

Ontario accounts for about half of national ICT revenues, employment and GDP. National ICT output grew by 1.4% in Q4 2010 compared to the previous quarter.¹¹⁹ While both ICT manufacturing and services contributed to the increase, manufacturing was the main driver, posting growth of 4.7% compared to an increase of 0.9% for ICT services. This pattern was also seen in Ontario's ICT output in 2010. The manufacturing sector ended two years of losses to grow by 10.3% but still remained slightly below 2007 output levels. Output from ICT services firms in Ontario inched up 0.7% over the same time period. Ongoing challenges facing the ICT industry are reflected in the modest 3.7% growth in cumulative revenues for Canada's Top 250 ICT firms in 2010, which failed to recover from the 6.1% drop seen in 2009.¹²⁰

Approximately 226,000 people worked in Ontario's ICT sector in Q4 2010. Employment was flat compared with the same period in 2009, following seven consecutive quarters of contraction. Losses in computer and electronic product manufacturing (-2,000), computer systems design and related services (-400), and computer and communications equipment and supplies (-400) were off-set by gains in telecommunications (+1,200), data processing and hosting services (+1,000), and commercial and service industry machinery manufacturing (+800).¹²¹

Ontario's ICT manufacturing shipments improved in Q4, up 12.6% over 2009, for the fourth consecutive year-over-year quarterly increase.¹²² Valued at \$4.1B, shipments reached their highest Q4 levels since 2000. This positive trend for the sector includes uneven development across sub-sectors. Broadcasting and



wireless communications equipment was responsible for half of the growth in shipments in Q4, jumping 23.9% while commercial and service industry machinery and semi-conductors and other electronic components also contributed. Shipments of technical instruments was the only sector to drop, losing \$71M.¹²³

Ontario's ICT goods exports grew by 1.5% in Q4 2010 before retracting by 0.5% in Q1 2011. Rapid growth occurred in Q4 in markets representing a small share of Ontario exports, such as Hong Kong, Hungary and China, while exports to the U.S, which purchased two-thirds of Ontario's ICT exports in 2010, grew by 2.1%. In Q1 2011, losses were largely driven by falling exports to Mexico, which dropped 17.4%, while shipments to the UK dropped by 6.0% and sales to the U.S. fell slightly by 0.4%.¹²⁴

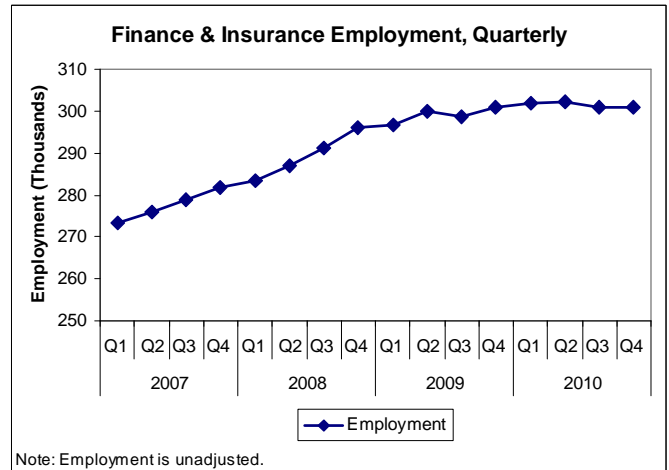
While it has struggled to extend revenue growth in 2011, RIM was the top industry performer and largest ICT hardware manufacturer for the second consecutive year in 2010, with a 35.1% increase in revenues to \$14.9B, up from \$11.0B in 2009. OpenText was the leading software player in 2010, generating \$907M in 2010, up 16.1% from \$781M in 2009.¹²⁵ Key firms that struggled with declining sales in 2010 include Aastra Technologies, COM DEV International and March Networks. Former telecommunications manufacturing giant Nortel Networks continued to sell off its remaining business units to foreign players such as Genband and Ericsson, and eventually sold its flagship Ottawa Campus to the Canadian government for \$208M in late 2010.^{126 127 128}

FINANCE AND INSURANCE

In 2010, the finance and insurance sector accounted for 6.6% of Ontario's GDP. Output in the sector in Ontario was up for the eighth consecutive year to \$31.9B, a 2.8% increase over 2009. Banking output grew by 3.3%, the strongest growth seen since the recession, while the insurance industry managed a 1.3% increase.¹²⁹ In the most recent Global Financial Centres Index, Toronto moved up to a tie for 10th position among global financial centres and was categorized as one of nine "Global Leaders" combining strong connections to other financial centres with depth and breadth in financial services.¹³⁰

Employment in the sector averaged over 300,000 jobs in Ontario in 2010, up 0.8%.¹³¹ Most of these jobs are in Toronto, home to the headquarters of many of the larger financial services firms.¹³² For Q4 2010, employment growth was roughly flat compared to Q4 2009 in the sector as a whole. While jobs were down in the insurance sub-sector, employment grew slightly

in the banking sub-sector and was up 5.3% in the securities sub-sector.¹³³



Canada's five largest banks, all headquartered in Toronto, announced total quarterly profit of \$6.1B in Q1 2011. Each exceeded analyst expectations for earnings with CIBC,¹³⁴ RBC,¹³⁵ and TD¹³⁶ posting particularly strong results compared to expectations. CIBC's results were driven by strength in retail banking and capital markets.¹³⁷ Capital markets also drove RBC's performance, as did all divisions of Canadian banking during a quarter in which RBC was reportedly looking to sell its U.S. retail banking operations.^{138,139} With record profits in its retail businesses in Canada and the U.S., TD raised its dividend by \$0.05 to \$0.66 per share.¹⁴⁰ Scotia also raised its dividend following record quarterly earnings that were buoyed by Canadian retail and commercial banking.¹⁴¹ BMO's improved earnings were driven mainly by personal and commercial banking and by capital markets.¹⁴²

Canada's Top Five Banks: Q1 2011 Earnings				
	2011 Q1 earnings (millions)	Change in Earnings from Q1 2010 (%)	2011 Q1 ROE (%)	Tier 1 capital ratio (%)
BMO	776	18%	15.7%	13.0%
CIBC	799	23%	23.3%	14.3%
RBC	1839	23%	20.3%	13.2%
TD	1541	19%	15.5%	12.7%
Scotia	1174	19%	18.7%	11.8%

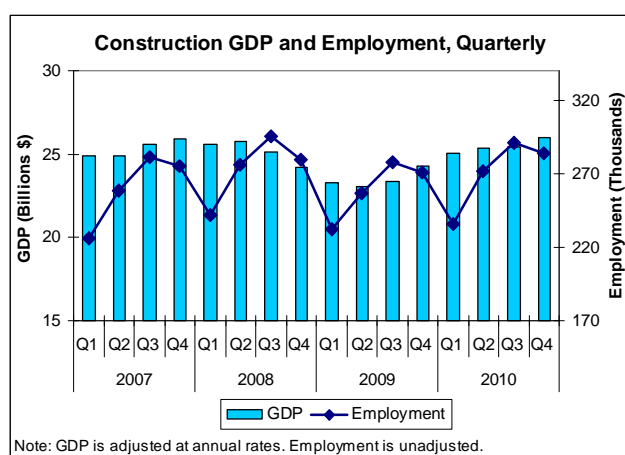
Toronto-based insurers Manulife Financial and Sun Life Financial both exceeded earnings expectations for Q1 2011, which ended on March 31. While Sun Life's profits increased, the company's revenue declined from \$6.2B in Q1 2010 to \$4.2B in Q1 2011 as a result of lower net investment income and lower net revenues from premiums.¹⁴³ Sun Life continued its



expansion in Asia by acquiring 49% and management control of Filipino company Grepalife Financial.¹⁴⁴ Manulife's profit actually declined to \$985M in Q1 2011 from \$1.2B in the same quarter of 2010. Income was still seen by analysts as strong given Manulife's ongoing hedging efforts to reduce stock market exposure.¹⁴⁵

In February, the TMX Group, owners of the Toronto Stock Exchange, and the London Stock Exchange (LSE) announced plans to merge.¹⁴⁶ The announcement divided stakeholders; some observers raised fears that regulatory control would move outside Canada and that Toronto would lose importance as a global financial centre,¹⁴⁷ while proponents suggested that the combined entity would benefit from being the world's largest exchange for energy, commodities, and natural resources listings.¹⁴⁸ An all-party committee of the Ontario legislature addressed some of these concerns with its recommendations for a strong regulatory role for the Ontario Securities Commission, equal numbers of board members from Toronto and London, and maintenance of jobs in Toronto.¹⁴⁹ Approval on the deal still awaits decisions by regulatory bodies, provinces, and the Government of Canada.¹⁵⁰

CONSTRUCTION



After a significant contraction in 2009, Ontario's annual construction sector GDP recorded its highest year-over-year increase since 1999. Real output climbed to \$25.5B in 2010, 7.3% ahead of the average annual output over the past ten years.¹⁵¹ Indeed, Q4 output reached its highest level ever due to a 2.1% increase over Q3, the sixth consecutive quarterly increase.¹⁵²

This positive trend was matched on the labour side. Annual employment levels increased by more than 11,600 jobs in 2010 and employment increased in all

sub-sectors, most notably specialty trade contractors. The sector has recovered nearly all of the jobs that it lost in 2009 and is only 1.3% below the record employment levels set in 2008.¹⁵³

Although housing starts were off slightly in Q4, Ontario's residential construction sub-sector performed well in 2010. The number of housing starts was up 18.3% in 2010 over 2009, reaching nearly 61,000 units (SAAR).¹⁵⁴ This positive trend continued into Q1 2011, where starts increased by a modest 0.3% over Q1 2010 to reach the highest level of first quarter activity in three years.¹⁵⁵ The total value of residential building permits, an indicator of future construction intentions, inched upwards by 1.4% in Q4 and by 1.0% in Q1 2011 compared to previous quarters; December 2010 and March 2011 represented the two highest values for any month since December 2005.¹⁵⁶ Despite higher construction intentions, some analysts expect a softening in both Canadian housing starts and the resale market in the second half of the year due to anticipated higher interest rates.¹⁵⁷

Summary of Construction Sector Economic Indicators		
	Q4 2010 Value	Change from Q4 2009
GDP	\$26.0B	6.9%
Residential	\$10.4B	7.2%
Non-residential	\$15.6B	7.0%
Employment	283,849	4.9%
Residential Building	40,387	2.1%
Non-residential Building	24,098	3.2%
Heavy and Civil Engineering	39,236	7.5%
Specialty Trade/Contractor	180,128	5.2%
Building Permits	\$6.7B	0.0%
Residential	\$3.9B	-9.7%
Non-residential	\$2.8B	17.3%
Housing Starts (SAAR)	58,600 (units)	-1.5%

Output in the non-residential buildings and engineering sub-sector increased for the seventh consecutive quarter in Q4 2010. Quarter-over-quarter growth of 3.0% was the strongest seen since Q3 2003 and GDP reached its highest level on record.¹⁵⁸ The value of non-residential building permits also climbed.¹⁵⁹

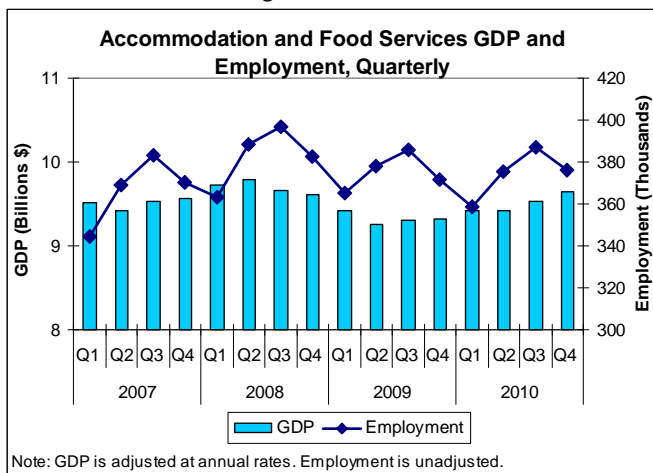
Forecasts for the medium term show steady growth for the construction sector, with GDP forecast to advance by an average of 1.8% annually between 2011 and 2015.¹⁶⁰ Non-residential construction is also expected to continue to grow, in part due to a rise in commercial and industrial permit values even as institutional spending winds down with the end of the stimulus



program.¹⁶¹ And while input costs such as labour and materials are rising along with demand,¹⁶² a recent national report states that non-residential construction projects will double in the next four years and that Canada will rise from the seventh to the fifth largest construction market by 2020.¹⁶³ Growth will be spurred by high profile energy projects, transportation infrastructure in southern Ontario and \$2.4B in expected building costs associated with hosting the 2015 Pan/Parapan American Games.¹⁶⁴

TOURISM

Following global growth of 7% in 2010, international tourist arrivals were up 4.7% for the first two months of 2011. Global tourism receipts also increased in 2010, up 5% over 2009.¹⁶⁵ Members of the UN World Tourism Organization Panel of Experts expect a strong year for tourism in 2011, assigning an average rating of 139 for the year, compared to a neutral score of 100 and a 2009 rating of 72.¹⁶⁶



In 2010, visitors from the U.S. accounted for 86.7% of international travel to Ontario. As with the rest of Canada, U.S. travel to Ontario has been in long-term decline, and in 2010 the province received a little more than a third of the U.S. visits seen in 2000. The number of U.S. visitors dropped by 2.7% in Q4 2010, overwhelming an increase of 4.3% in visitors from other countries, and fell by an additional 6.9% in Q1 2011.¹⁶⁷

While travel from non-U.S. destinations was flat in Q1, visits from the UK, Ontario's largest overseas market, were up 9.6% in January, while 15.2% more visitors came to Ontario from Japan. At the same time, there were drops in visitors from Germany (-15.2%)

and France (-10.2%). Visits from most non-traditional markets were up, including China (+66.7%), India (+4.8%), Brazil (+5.7%), Australia (+23.1%), and Hong Kong (+79.1%).¹⁶⁸ This trend was mirrored in the City of Toronto where overseas visitors were the most rapidly expanding market segment. The number of overseas visitors to Toronto climbed by 11% in 2010, with Brazil (59%), India (28%), South Korea (26%) and China (26%) leading all markets. Conversely, the number of U.S. visitors to Toronto dipped by 3.0% in 2010.¹⁶⁹

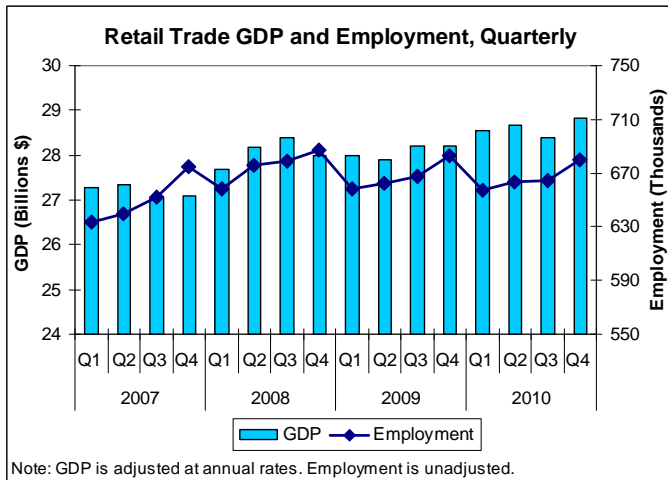
Ontario is hosting a number of events that will draw visitors to the province, including: the Indian International Film Festival in Toronto (June 2011); the World Figure Skating Championship in London (March 2013); World Pride 2014 in Toronto (June/July 2014); and the 2015 Pan/Parapan American Games across the Golden Horseshoe region (July/August 2015).

A significant share of Ontario's tourism output is measured by the province's accommodation and food services sector. After four consecutive quarters of decline ending in Q2 2009, the sector has grown consistently, including a 1.1% increase in Q4 over Q3 2010, and is approaching output levels seen prior to the recession.¹⁷⁰ Compared to Q4 2009, employment was roughly flat in the food services sub-sector in Q4 2010, while a 10.2% increase in employment in the much smaller accommodation services sub-sector supported employment growth in the overall sector of 1.2%. For the year 2010, employment in the sector was close to flat (-0.2%) based on lower employment in the food services sub-sector (-1.4%) and higher employment in the accommodations sub-sector (+6.9%).¹⁷¹ After declining from a five-year average of 62.2% to 57.2% in 2009, hotel occupancy rebounded to 60.5% in 2010, with increases in all regions apart from North Eastern and North Central Ontario.¹⁷²

Greater credit availability and stronger macroeconomic conditions led to more activity in hotel real estate across Canada. While the number of transactions in Ontario declined from 48 in 2009 to 38 in 2010, the value of those transactions rose from \$212.9M to \$318.9M, equivalent to a rise in the price paid per room from \$54,600 to \$80,000. This increase brought the price-per-room back in line with the pre-recession level of \$79,500 in 2008.¹⁷³



RETAIL AND WHOLESALE TRADE



In 2010, the retail and wholesale trade sectors represented a combined 12.4% of Ontario's GDP and employed nearly 974,400 people.¹⁷⁴

Ontario retail trade GDP increased 1.4% in Q4 2010, reversing the 0.9% decline in Q3.¹⁷⁵ Over the same period, retail sales increased 2.4%, the greatest quarter-over-quarter increase since Q3 2005.¹⁷⁶ Gains were led by general merchandise, clothing and clothing accessories, and electronics and appliance stores.¹⁷⁷ The steepest declines were witnessed in motor vehicle and parts dealers and building material, garden equipment and supplies dealers, which declined by 8.9% and 14.7%, respectively.¹⁷⁸

Strong growth in Q4 2010 did not extend to the first two months of 2011, with sales remaining flat.¹⁷⁹ Weakness persists in retail trade employment as the sector shed 2,500 jobs, posting a 0.4% drop for the second period in a row in Q4 2010 compared to the previous year.¹⁸⁰ Food and beverage stores led declines while electronics and appliance stores added jobs.¹⁸¹ Overall, the sector extended its disappointing employment trend with six out of the last seven quarters posting declines.¹⁸²

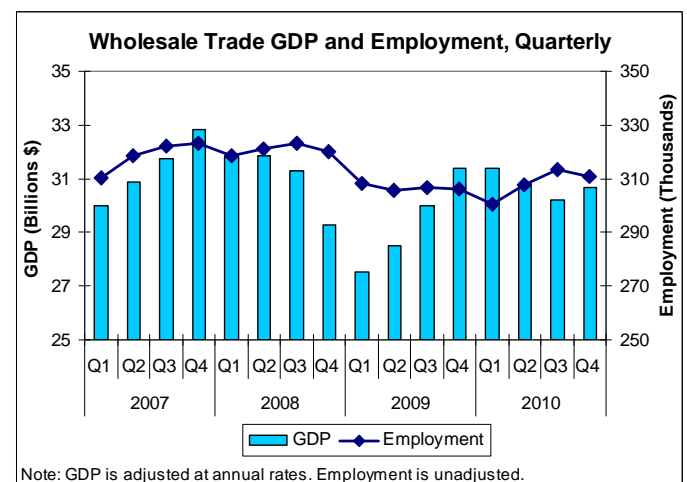
The Canadian retail space is undergoing a transformation. An increasing number of U.S. retailers are looking to Canada, attracted by the high Canadian dollar and relative strength of the Canadian economy, while domestic retailers are looking towards consolidation and acquisitions. From the U.S. retailer's perspective, the Canadian market represents opportunities for sales growth, as retail spending per capita in Canada and the U.S. is now equal and Canada offers higher sales per square foot, at \$580 compared to \$309 in the U.S.¹⁸³ Foreign retailers are

using acquisitions as a way to enter the Canadian market quickly and establish their brand names across the country.¹⁸⁴

Retail Trade Employment and Sales by Subsector			
	Employment		Sales
	Share of Total (2010)	% change (Q4 Y/Y) 2010	% change (2010 Y/Y)
Retail trade	100%	-0.4%	5.4%
Food and beverage stores	25.0%	-5.4%	2.0%
General merchandise stores	15.6%	1.9%	6.4%
Clothing and clothing accessories stores	12.4%	2.6%	7.8%
Motor vehicle and parts dealers	8.9%	2.1%	5.5%
Health and personal care stores	8.9%	-0.3%	-2.4%
Building material and garden equipment and supplies dealers	7.1%	2.2%	5.0%
Miscellaneous store retailers	5.4%	0.2%	-3.5%
Sporting goods, hobby, book and music stores	4.6%	-2.5%	1.7%
Furniture and home furnishings stores	4.0%	-2.5%	4.5%
Electronics and appliance stores	3.8%	6.2%	6.4%
Gasoline stations	3.0%	-0.1%	13.9%

Source: Statistics Canada. Data is not seasonally adjusted.

Domestic retailers are also set to increase acquisitions as they adapt to an increasingly competitive environment where scale is used as a defence against takeovers by U.S. retailers. In May, Canadian Tire announced the acquisition of Forzani Group Ltd., which owns the Sport Chek and Sports Experts chains.¹⁸⁵ This will allow Canadian Tire to access a larger customer demographic and shore up market share with the entrance of retailers such as Target Corp. and Dick's Sporting Goods Inc.¹⁸⁶



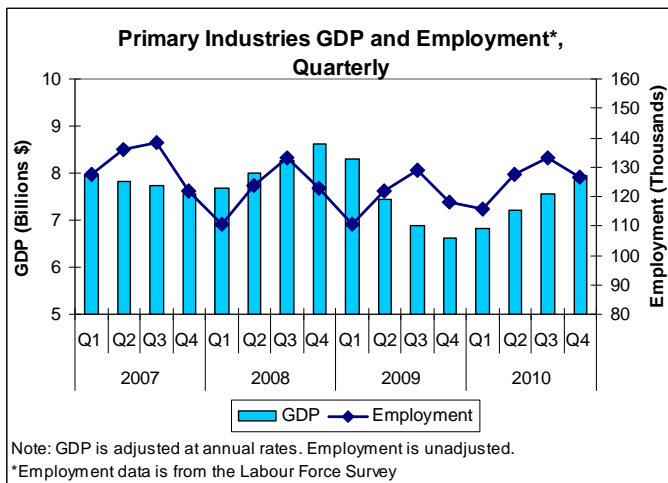
Retailers will be challenged in the near future by increasing costs for food and energy. Food prices are expected to rise between 5% and 7% this year, partially caused by high oil and gasoline prices.¹⁸⁷ Grocery retailers have been increasing prices and shrinking packages but increased competition means



that grocers cannot pass on the full cost increase, thus eroding margins.¹⁸⁸

Ontario wholesale GDP increased 1.5% in Q4 2010, reversing the downward trend of the previous two quarters.¹⁸⁹ January and February sales increased 1.7% and 0.1% respectively.¹⁹⁰ Employment grew 1.5% over the previous year in Q4 2010, adding 4,500 jobs and marking three consecutive quarters of growth.¹⁹¹ The strongest sectors were motor vehicles and parts, building materials and supplies, and food, beverage, and tobacco, which were collectively responsible for over 80% of employment gains.¹⁹²

PRIMARY INDUSTRIES



In 2010, Ontario's primary sector, including agriculture, mining, and forestry, employed 125,300ⁱ people and contributed \$7.4B to GDP.^{193, 194} Employment in Q4 jumped by 7.2% over 2009 levels,¹⁹⁵ while GDP increased by almost 20% year over year, or 5.1% higher than Q3, with the mining sector making the strongest contribution to the increase.¹⁹⁶

Agriculture

Ontario's agricultural sector employed an average of 87,000ⁱ people in Q4 2010, representing 28.8% of Canada's total agriculture employment and a 7.0% increase over Q4 2009. Employment continued to grow by 5.7% in Q1 2011.¹⁹⁷ Total farm cash receipts rose 8.7% compared to Q4 2009, with crops and livestock posting gains of 15.4% and 3.4% respectively while receipts from direct payments declined 29.3%.¹⁹⁸ Wet weather has slowed progress

ⁱ Employment data is from Statistics Canada's Labour Force Survey and is not strictly comparable to SEPH data used elsewhere.

in the 2011 growing season as farmers were delayed in planting their crops and some had to replant areas covered with water. Corn was especially hard hit with some areas reporting as little as 10% of the corn crop planted by the end of May.¹⁹⁹ A positive development for beef farmers was an agreement with Loblaw's Companies Ltd. to increase cattle purchases from 450 to 3,000 per week as the company moves to offer Ontario beef in 150 Zehrs and Valu-Mart stores across the province.²⁰⁰

Forestry

Ontario's forestry and logging employment extended gains for a third consecutive quarter with a 4.5% increase over Q4 2009.²⁰¹ However, gains in the past three quarters follow 19 consecutive quarters of losses, and employment in the sector remains 41.0% below Q4 2007 levels.²⁰² The shift was also seen in output, as GDP only dropped by 1.2% in 2010 following four consecutive years of double-digit declines.²⁰³ Wood-processing industries also showed a turn for the better after years of declining activity. Paper manufacturing posted its first employment gain since Q1 2004 with a 1.7% increase while employment in wood product manufacturing increased for the third straight quarter up 0.9%.²⁰⁴ Wood product manufacturing shipments increased 3.8% in Q4 2010 but paper manufacturing shipments declined 1.1%.²⁰⁵

After emerging from bankruptcy, which cost 6,000 jobs, AbitibiBowater returned to profitability with a \$30M profit in Q1 2011. The company has benefitted from a 10% reduction in labour costs and continues to look for cost savings through staff reductions at less profitable Canadian mills.²⁰⁶ In April 2011, AbitibiBowater began an \$8M expansion of its Thunder Bay sawmill to increase capacity. The expansion will create 150 jobs at the company as well as an additional 150 indirect jobs in the community.²⁰⁷ Sustained struggles in the U.S. housing market and the high loonie suggest that Ontario's forestry sector will continue to face challenges. IHS forecasts that Ontario's forestry sector will not return to pre-recession levels in the near term and that by 2015 output will reach only 75% of the average GDP for the past decade.²⁰⁸

Mining

In Q4 2010, Ontario's mining GDP increased 9.5%, the fourth consecutive quarterly gain for the sector.²⁰⁹ Employment also increased for the second quarter in a row, up by 12.6% in Q4 over the same period in 2009.²¹⁰ Mining exports in Q4 2010 were valued at \$5.6B, more than doubling sales in Q4 2009.²¹¹ Growth was driven by gold and silver ore exports, which increased 122.3%, most of which were destined



for the UK.²¹² Rising gold prices are spurring more gold mining in Ontario. The rebound in jobs and output is encouraging as both fell sharply during the recession.

Future investment is expected as large chromite deposits are mined in the Ring of Fire area located in the James Bay Lowlands. The Ring of Fire is the only chromite deposit in North America and could be the largest in the world. Cliffs Natural Resources is currently in the planning process of a project to extract the resource. Capreol, Timmins, Thunder Bay, and Greenstone are potential sites for a smelter related to the chromite project, which would create 500 jobs during construction and 500 jobs during operation.²¹³ The end of the year-long strike at Vale Inco's Sudbury operation, which was resolved in July 2010, has also contributed to recent growth in mining.²¹⁴ The resumption of operations comes at an opportune time, as commodity prices remain high and nickel prices are forecast to remain at profitable levels through the medium term.²¹⁵ The Conference Board of Canada is forecasting Ontario mining GDP to grow 13.4% in 2011, supported by strong commodity prices and discoveries of mineral deposits in Northern Ontario.²¹⁶

CLEAN ENERGY

Global investment in clean energy reached an all-time high of \$243B in 2010, a 30% increase from 2009.²¹⁷ However, future growth is uncertain as governments around the world look to reduce the premium rates paid to renewable energy producers.²¹⁸ Ontario's premium feed-in tariff (FIT) rates are also expected to be reduced given fiscal restraint and a mid-year FIT program review.²¹⁹ While Ontario's current FIT rates continue to attract investment to the province, the program may be eliminated following the October provincial election.²²⁰

Despite criticism of its domestic content regulations from local producers and some in the international community,²²¹ Ontario's FIT program has attracted a range of clean energy technology manufacturers to the province. Solar panel manufacturers Canadian Solar Inc. and Silfab have both stated that the domestic content rules led them to build plants in the province; Italian-based Silfab plans to make Ontario its North American base.²²² Also, U.S.-based solar energy company SunEdison recently became the first company to receive confirmation of meeting the domestic content requirements therefore allowing its solar panels to be used in FIT projects as local content.²²³

While Ontario's solar energy sector continues to grow, a new report from ClearSky Advisors states that there

will be a 30% decrease in project implementation in 2011 due to a short building season and delayed processing of applications.²²⁴ Recent industry announcements include a \$4M investment by Michigan-based United Solar in a solar manufacturing plant in LaSalle, near Windsor, that will create 80 jobs. The company chose the location because of its proximity to its Michigan headquarters, the FIT rates and the domestic content requirements.²²⁵ German-based solar module manufacturer Algatec Solar Ontario will also open a Windsor plant that will create 200 jobs.²²⁶

The global wind energy sector continues to grow significantly with capacity increasing by 24% in 2010.²²⁷ Wind energy production is also growing in Ontario with \$16.4B in private sector investment expected between 2011 and 2018; \$8.5B in contracts will go to local firms.²²⁸ Nevertheless, larger wind turbine manufacturers have voiced their concern that the current approach to awarding FIT contracts is making investment decisions difficult.²²⁹ The sector is also worried that provincial political uncertainty and municipal opposition to wind farms could hinder development plans.²³⁰

Global venture capital (VC) investment for wind and solar increased by 18% in 2010. Canada ranked fourth in the amount invested (\$26M) and in the number of solar energy deals (2). California-based solar cell manufacturer, Calisolar led the way with \$22.5M in VC funding raised for its manufacturing facility in Vaughan, Ontario.²³¹ Toronto-based solar energy technology producer Morgan Solar recently announced it had obtained US\$16.5M in financing for its low-cost solar module technology. The company plans to augment its manufacturing and R&D capacity in Ontario.²³² Also, Toronto-based Eclipsall Energy Corp. announced in May that the company, in partnership with Canada Green ESCO, would now offer equity and debt financing for Ontario solar panel projects.²³³

ISSUES FACING THE PROVINCIAL ECONOMY

U.S. ECONOMY

The U.S. is Ontario's largest trading partner by a wide margin and, as such, has highly integrated supply chains with Ontario and is an important consumer of Ontario goods and services. Ontario's exports to the U.S. were up 11.1% in Q1 2011 from Q1 2010 to reach almost \$35B, accounting for 79.1% of exports from the province. At the same time, Ontario imported just over \$34B from the U.S., a 6.5% increase, with the U.S. accounting for 56.9% of Ontario's imports.



For the full year of 2010, Ontario's exports to the U.S. represented over one-third of Canada's total exports to all countries.²³⁴

Following real GDP growth of 3.1% in Q4 2010, U.S. GDP grew at an annualized quarterly rate of 1.8% in Q1 2011, according to the initial estimate, marking the seventh consecutive quarter of real growth.²³⁵ The main contributors to growth were goods and motor vehicle output. Motor vehicle production alone was responsible for 1.4 percentage points of GDP growth, suggesting that slowing production due to supply chain disruption from the disasters in Japan could significantly restrain GDP growth in the near term.²³⁶

According to the U.S. Bureau of Labor Statistics' establishment data, U.S. nonfarm payroll employment grew by 244,000 in April 2011 on the basis of strength in some service industries, mining, and manufacturing. For the same period, the broader household survey showed a drop of 190,000 jobs and an increase in the unemployment rate to 9.0% from 8.8% in March following four consecutive monthly declines.ⁱⁱ Despite the slight increase in unemployment over the Q1 2011 average of 8.9%, the rate remained below the recent peak of 10.1% in October 2009 and the Q4 2010 average of 9.6%. At the same time, unemployment remains well above the 2007 average rate of 4.6%.²³⁷ Part-time employment was up due to growth in the number of those employed part-time for economic reasons, namely poor business conditions or an inability to find full-time work.²³⁸

Though the number of new houses sold and for sale in April 2011 grew 7.3% over the prior month, the increase was not statistically significant. The 2.8% decline in houses for sale at the end of the period was significant, however. The supply of new houses for sale also continued its general decline from a peak of 12.2 months in January 2009 to 6.5 in April 2011.²³⁹ While the number of houses sold was higher than many analysts had expected, the housing market was still widely seen as weak.²⁴⁰ The homeownership rate declined to 66.4% in Q1 2011, its lowest level since 1998.²⁴¹ While the number of vacant units on the market was down slightly from Q1 2010, the number of those units held off the market increased to a record high of 7.4M.²⁴²

For the first four months of 2011, retail and food services sales were up 8.15% over the same period in

ⁱⁱ Due to different sample sizes in each approach, the rise in nonfarm payroll employment is considered significant while the decline under the household survey is not.

2010. Growth was particularly strong in motor vehicles and parts (14.6%), gas stations (16.9%), and non-store retailers such as online stores (13.9%).²⁴³ Manufacturer and trade inventories rose 1.0% in March 2011 from February, corresponding to a 9.7% increase over March 2010.²⁴⁴ The adjusted business inventories/sales ratio dropped to a record low of 1.23 at the end of March, continuing its decline from the recent peak of 1.48 in January 2009.²⁴⁵ This low ratio suggests that businesses may still lack confidence about sales prospects but could also portend inventory restocking as a source of output growth.²⁴⁶

In April, the U.S. narrowly avoided a government shutdown by finally agreeing to a budget including cuts of \$38.5B from the prior year.²⁴⁷ With the U.S. national debt approaching 100% of annual GDP, however, pressure has mounted to address the country's fiscal challenges.²⁴⁸ The U.S. Department of the Treasury forecast that the country would reach its debt limit of \$14.3 trillion on August 2²⁴⁹ but the two major parties disagree on the conditions of an increase to the limit. Democrats have favoured health and tax reforms while Republicans have proposed reduced spending on health, labour, and social programs.^{250 251}

BORDER

While overall cross border traffic is improving, volumes remain far below pre-2000 levels.²⁵² Total traffic volume for Ontario's border crossings with Michigan and New York rose 4.7% in Q1 2011 compared with same time last year, with total commercial truck traffic up 1.3% and passenger car volume up by 5.6%.²⁵³ While cross-border travel by Americans fell to record low levels in March, Canadians have been taking more trips to the U.S., in part because of the strong Canadian currency.²⁵⁴ At the Ambassador Bridge, which carries the highest commercial traffic volume, truck volumes were up 1.9% for the first three months of 2011 while passenger cars increased by 5.6%.²⁵⁵ Despite the increase, bridge officials claim that March monthly totals were the second lowest in the past eleven years.²⁵⁶

Progress on a new international bridge at Windsor-Detroit remains stalled, with approval from the Michigan legislature still needed in order to advance the Detroit River International Crossing (DRIC) project. Michigan Governor Snyder's office recently drafted legislation in support of the project, but there is still considerable opposition to the DRIC among state legislators.²⁵⁷ Owners of the Ambassador Bridge, aiming to twin the existing span, continue to challenge the need for a publicly-funded second crossing, claiming that projected toll revenues would be



insufficient to cover costs given current traffic volumes.²⁵⁸ Despite the ongoing uncertainty regarding the DRIC project, the Ontario government confirmed that construction of the \$1.4B Windsor-Essex Parkway, which will link Hwy 401 to the new crossing, is set to begin this summer.²⁵⁹

Infrastructure improvements are also underway at other Ontario crossings. The second phase of construction at the Queenston-Lewiston Bridge Plaza was officially completed earlier this year.²⁶⁰ At the Seaway International Bridge in Cornwall, construction began to replace the North Channel Bridge, with the project expected to be completed by 2016.²⁶¹

As the economy recovers and trade-intensive sectors like the automotive industry gain strength, industry stakeholders are pointing to border costs as key obstacles to competitiveness. A recent study estimates that a spike in border delays could cost the Canadian economy \$15-30B, or 1 to 2 percent of GDP; in Ontario, trade could drop by 5-10% and GDP could fall by 1.3% - 2.4%.²⁶² Due to the integrated nature of supply chains in the auto sector, border delays can add \$800 to the cost of a vehicle, since components often cross the border several times during production.²⁶³

The U.S. congress continues to raise concerns about security along the Canada-U.S. border. At recently held hearings of the Senate Subcommittee on Immigration, Refugees and Border Security, members called for improved security measures, including the use of military-grade radar technology to detect low-flying aircraft often used for drug smuggling.²⁶⁴ The U.S. government has also committed to create a Border Enforcement Security Task (BEST) Force at Massena, New York, in addition to those already established at Detroit, Buffalo and Blaine, Washington.²⁶⁵ However, the Subcommittee also recognized the importance of expediting commercial traffic. As such, U.S. Customs and Border Protection (CBP) plans to introduce a pilot project later this year to pre-clear limited numbers of trucks and routine cargo in Canada with the aim of expediting commercial traffic across the border.²⁶⁶

In February, Prime Minister Harper and President Barack Obama launched the Shared Vision for Perimeter and Economic Competitiveness aimed at streamlining border security. As part of this initiative, a Regulatory Cooperation Council was formed to coordinate and harmonize regulations in both countries.²⁶⁷



Annex: Selected Indicators for Ontario Census Metropolitan Areas (CMAs): Q4 2010

		Population ¹		Employment ²			Housing Starts (units) ³		GDP ⁴⁺		Consumer Insolvencies ⁵	
		Population 2010 (000s)	Percentage of Ontario	Job growth per 1,000 people [^] (Q4 y/y)	Unemployment Rate		Percentage of Ontario	Housing Starts per 10,000 people	Percentage of Ontario	% Change (Q4 y/y)	Insolvencies per 1,000 people [^]	% Change (Q4 y/y)
					%	Change (Q4 y/y)						
EASTERN	Ottawa*	933.0	7.1%	16.8	6.7	0.8	12.2%	20.2	9.7%	1.5%	1.1	-1.5%
	Kingston	162.5	1.2%	-48.0	6.8	0.9	1.4%	13.0	1.0%	1.7%	1.1	-8.7%
	Peterborough	121.1	0.9%	-31.3	8.5	0.9	0.5%	6.9	X	X	0.9	-12.7%
CENTRAL	Oshawa	364.2	2.8%	45.2	9.4	-0.5	3.2%	13.8	2.8%	2.5%	1.5	-6.5%
	Barrie	190.9	1.4%	36.9	8.4	1.1	1.7%	13.8	X	X	1.6	-13.4%
	Toronto	5,741.4	43.5%	19.8	8.3	-1.2	49.8%	13.4	45.7%	2.5%	1.2	-11.2%
	Guelph	138.2	1.0%	-47.1	7.5	-1.1	1.6%	18.1	X	X	1.2	-12.4%
	Hamilton	740.2	5.6%	-1.0	6.9	-1.5	4.4%	9.3	5.6%	2.7%	1.5	-3.3%
	Kitchener	492.4	3.7%	17.0	7.3	-1.8	4.0%	12.7	4.0%	4.3%	1.4	-16.1%
	Brantford	139.1	1.1%	-15.8	8.7	-0.6	0.7%	7.5	X	X	1.3	-36.3%
	St. Catharines - Niagara	404.4	3.1%	8.9	9.4	-1.3	1.4%	5.3	2.6%	2.3%	1.6	-9.2%
WESTERN	London	492.2	3.7%	-19.3	8.5	-0.5	2.1%	6.6	3.5%	1.7%	1.8	4.0%
	Windsor	330.9	2.5%	-3.4	10.9	-1.8	1.2%	5.8	2.3%	2.6%	1.8	-16.8%
NORTHERN	Greater Sudbury	164.7	1.2%	30.2	8.4	-1.9	0.8%	7.3	1.1%	2.7%	1.4	-19.1%
	Thunder Bay	126.7	1.0%	6.8	6.7	-1.3	0.3%	4.1	0.8%	0.2%	1.0	-18.6%
	ONTARIO (total)*	13,210.7	100.0%	10.7	8.3	-0.8	100.0%	11.7	100.0%	2.3%	1.3	-11.6%
	Canada (total)*	34,108.8	X	10.0	7.7	-0.7	X	13.8	X	2.8%	1.2	-6.1%

Sources

- ¹ Statistics Canada, Population Estimates
² Statistics Canada, Labour Force Survey (LFS)
³ Canada Housing and Mortgage Corporation, Total Housing Starts by CMA
⁴ Conference Board of Canada, Metro I and Metro II Economic Indicators
⁵ Office of the Superintendent of Bankruptcy Canada, Insolvency Statistics in Canada

Notes

- Red box denotes CMA is performing below the provincial average
[^] Calculated by using the working age population
+ Forecasted GDP at Basic Prices (\$2002) - figures not comparable to GDP data used in other sections
* Ottawa-Gatineau CMA used in GDP and Insolvencies calculations; Ottawa only for rest



ENDNOTES

- ¹ Forecasts released between February and May 2011 by Conference Board of Canada, Scotiabank, RBC Financial, TD Economics, BMO Financial, CIBC World Markets, IHS Global Insight and Desjardins.
- ² TD Economics, “Provincial Economic Update”, 14 June 2011.
- ³ RBC Economics, “Provincial Outlook”, June 2011.
- ⁴ TD Economics, “Provincial Economic Update”, 14 June 2011.
- ⁵ RBC Economics, “Provincial Outlook”, June 2011.
- ⁶ Median rates based on forecasts released between February and May 2011 by Conference Board of Canada, Scotiabank, RBC Financial, TD Economics, BMO Financial, CIBC World Markets, IHS Global Insight and Desjardins.
- ⁷ Median rates based on forecasts released between February and May 2011 by Conference Board of Canada, Scotiabank, RBC Financial, TD Economics, BMO Financial, CIBC World Markets, IHS Global Insight and Desjardins.
- ⁸ Bureau of Labor Statistics, “Annual average unemployment rate, civilian labor force 16 years and over (percent)”.
- ⁹ International Monetary Fund, “Regional Economic Outlook – Europe”, May 2011.
- ¹⁰ John H. Cochrane and Anil Kashyap, “Europe’s Greek Stress Test”, *Wall Street Journal*, 17 June 2011.
- ¹¹ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ¹² Bank of Canada, *Monthly and Annual Exchange Rates*; Statistics Canada, *Table 284-0002, Gross domestic product (GDP), expenditure-based, provincial economic accounts, annual* (accessed 15 June 2011).
- ¹³ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ¹⁴ Employment data from LFS and is not strictly comparable to employment data used elsewhere. Statistics Canada, *Labour Force Survey, Employment by Detailed Industry, Unadjusted* (accessed 31 May 2011).
- ¹⁵ Labour Force Survey; Conference Board of Canada, “Unemployment rate,” June 2010.
- ¹⁶ Bank of Canada, *Senior Loan Officer Survey, Vol. 4.1*, 4 April 2011.
- ¹⁷ Office of the Superintendent of Bankruptcy of Canada, *Insolvency Statistics in Canada — First Quarter of 2011*.
- ¹⁸ Office of the Superintendent of Bankruptcy of Canada, *Insolvency Statistics in Canada — First Quarter of 2011*.
- ¹⁹ Thompson Reuters, *Canada’s Venture Capital Market in Q1 2011* (accessed 13 June 2011); Thompson Reuters, *Canada’s Venture Capital Market in 2010* (accessed 16 June 2011).
- ²⁰ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ²¹ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ²² Statistics Canada, *Table 379-0025 Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS) and province, annual (dollars)*, CANSIM (accessed 11 May 2011).
- ²³ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ²⁴ Statistics Canada, *Table 379-0025 Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS) and province, annual (dollars)*, CANSIM (accessed 11 May 2011).
- ²⁵ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ²⁶ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ²⁷ Conference Board of Canada, *Provincial Outlook 2011: Long Term Economic Forecast*, 24 May 2011.
- ²⁸ Conference Board of Canada, Canadian Industrial Profile Spring 2011: *Canada’s Machinery Manufacturing Industry*, 24 May 2011; Conference Board of Canada, Canadian Industrial Profile Spring 2011: *Canada’s Electrical Equipment Industry*, 24 May 2011; Conference Board of Canada, Canadian Industrial Profile Spring 2011: *Canada’s Fabricated Metal Products Industry*, 24 May 2011; Royal Bank of Canada, *Provincial Outlook March 2011*, 24 May 2011; Bank of Nova Scotia, *Global Forecast Update: May3, 2011*, 24 May 2011.
- ²⁹ Steve Arnold, “Ontario reaches an “understanding” with Siemens”, *Hamilton Spectator*, 21 May 2011.
- ³⁰ Steve Arnold, “Ontario reaches an “understanding” with Siemens”, *Hamilton Spectator*, 21 May 2011.
- ³¹ Rita Trichur, “Maple Leaf takes on challenge of food inflation”, *Globe and Mail*, 28 April 2011.
- ³² Conference Board of Canada, Canadian Industrial Profile Spring 2011: *Canada’s Electrical Equipment Industry*, 24 May 2011.
- ³³ Conference Board of Canada, Canadian Industrial Profile Spring 2011: *Canada’s Fabricated Metal Products Industry*, 24 May 2011.
- ³⁴ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ³⁵ Carlos Gomes, “Global Auto Report”, *Scotiabank Group*, 10 May 2011.



-
- ³⁶ Derek Burleton and Mobasher Fard, “TD Economics Special Report: The North American Automotive Outlook”, *TD Economics*, May 5, 2011.
- ³⁷ Ontario Ministry of Finance, *Ontario Economic Accounts - Fourth Quarter of 2010*, April 2011.
- ³⁸ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation, CANSIM* (accessed May 10, 2011).
- ³⁹ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation, CANSIM* (accessed May 10, 2011).
- ⁴⁰ Automotive News Data Center, *U.S. light vehicle sales by nameplate, March & 3months, 2011*; Sharon Terlep and Mike Ramsey, “Chrysler, Nissan, Ford Post Strong March U.S. Sales Gains”, *Dow Jones & Company*, 1 April 2011; Aaron Bragman, “U.S. Light Vehicle Sales surge 27% Y/Y in February, continuing strong start to 2011”, *IHS Global Insight*, 2 March 2011.
- ⁴¹ Carlos Gomes, “Global Auto Report”, *Scotiabank Group*, 10 May 2011; Craig Trudell, “Automakers Cut U.S. Sales Incentives 14% in April to Lowest in Five Years”, *Bloomberg BusinessWeek*, 4 May 2011.
- ⁴² Craig Trudell, “Auto Sales May Top Analysts’ Estimates on Jobs Recovery”, *Bloomberg BusinessWeek*, 11 April 2011.
- ⁴³ Aaron Bragman, “U.S. Light Vehicle Sales surge 27% Y/Y in February, continuing strong start to 2011”, *IHS Global Insight*, 2 March 2011.
- ⁴⁴ Aaron Bragman, “U.S. Light Vehicle Sales surge 27% Y/Y in February, continuing strong start to 2011”, *IHS Global Insight*, 2 March 2011.
- ⁴⁵ Automotive News Data Center, *North American Light Vehicle Production, March and YTD 2011*.
- ⁴⁶ Automotive News Data Center, *North American Light Vehicle Production, March and YTD 2011*.
- ⁴⁷ Jesse Snyder, “Automakers Slash N.A. Output Schedules”, *Automotive News*, 25 April 2011; Carlos Gomes, *Global Auto Report*, Scotiabank, 10 May 2011.
- ⁴⁸ Jesse Snyder, “Automakers Slash N.A. Output Schedules”, *Automotive News*, 25 April 25 2011.
- ⁴⁹ Michael Robinet, “Automotive Alert: Japan Light Vehicle production Output Impact”, *IHS Automotive*, 11 May 2011; Jesse Snyder, “Automakers Slash N.A. Output Schedules”, *Automotive News*, 25 April 25 2011.
- ⁵⁰ Automotive News Data Center, *North American Light Vehicle Production, March and YTD 2011*.
- ⁵¹ Aaron Bragman, “GM posts USD, Q1 Net Profit, Biggest in 15 Years”, 6 May 2011.
- ⁵² Aaron Bragman, “GM Marks the Start of Production of 2012 Chevrolet Camaro Convertible”, *IHS Global Insight*, 1 February 2011.
- ⁵³ Bernie Woodall and Ben Klayman, “Ford Posts Best Q1 Profit in 13 Years”, *Reuters*, 26 April 2011.
- ⁵⁴ Aaron Bragman, “U.S. Light Vehicle Sales surge 27% Y/Y in February, continuing strong start to 2011”, *IHS Global Insight*, 2 March 2011.
- ⁵⁵ Automotive News Data Center, *North American Light Vehicle Production, March and YTD 2011*.
- ⁵⁶ Automotive News Data Center, *North American Light Vehicle Production, March and YTD 2011*.
- ⁵⁷ Automotive News Data Center, *North American Light Vehicle Production, March and YTD 2011*.
- ⁵⁸ Canadian Press, “Ford Closing Ontario Plant Ahead of Schedule”, 5 May 2011.
- ⁵⁹ Automotive News Data Center *U.S. light vehicle sales by nameplate, March & 3months, 2011*; Bradford Wernle, “New Products Pay Off for Chrysler, with March Sales Up 31 Percent”, *Automotive News*, 1 April 2011.
- ⁶⁰ AutoNorth, “Canadian Auto Production Surpasses Mexico in February”, 9 March, 2011; Bradford Wernle, “New Chrysler 300 Starts at \$27, 995 as Output Begins”, *Automotive News*, 7 January 2011.
- ⁶¹ Alisa Priddle, “Ram Cargo Van Aims At Commercial Market”, *Detroit News*, 9 March 2011; Grace Macaluso, “Windsor Assembly Plant to Build 2012 Ram Truck Cargo Van”, *Windsor Star*, 8 March 2011.
- ⁶² Deepa Seetharaman, “Chrysler posts first net profit since bankruptcy; Revamped lineup, higher prices give boost”, *Reuters*, 3 May 2011; David Welch and Tim Higgins, “Chrysler Repays U.S., Canadian Governments as Fiat Increases Stake to 46%”, *Bloomberg*, 24 May 2011.
- ⁶³ David Welch and Tim Higgins, “Chrysler Repays U.S., Canadian Governments as Fiat Increases Stake to 46%”, *Bloomberg*, 24 May 2011; AFP, “Chrysler Exits Government Bailout 6 Years Early”, 24 May 2011.
- ⁶⁴ David Welch and Tim Higgins, “Chrysler Repays U.S., Canadian Governments as Fiat Increases Stake to 46%”, *Bloomberg*, 24 May 2011.
- ⁶⁵ Scott Deveau, “Toyota Could Fall to No.3 in Sales, Earnings 77%”, 12 May 2011; Yuri Kageyama, “Toyota’s fiscal 4Q profit drops more than 75 per cent on quake disruption to auto production”, 11 May 2011.
- ⁶⁶ Automotive News Data Center, *North American Light Vehicle Production, March and YTD 2011*.
- ⁶⁷ Scott Deveau, “Toyota could fall to No. 3 in sales Earning 77%”, *Financial Post*, 12 May 2011; Michael Robinet, “Automotive Alert: Japan Light Vehicle production Output Impact”, *IHS Automotive*, 11 May 2011.



-
- ⁶⁸ Bruce Schreiner, “Parts Shortage in Japan Hits Overseas operations”, *Toronto Star*, 5 April 2011.
- ⁶⁹ Greg Keenan, “Toyota extends shutdowns at plants in Canada, U.S. Automaker warns of possible vehicle shortages in Canada due to disruption of parts supply from Japan”, *Globe and Mail*, 20 April 2011; Dow Jones & Company, “Toyota U.S. Sales Down 5.7% in March on Lower SUV, Truck Sales”, 1 April 2011.
- ⁷⁰ Scott Deveau, “Toyota Could Fall to No.3 in Sales, Earnings 77%”, 12 May 2011.
- ⁷¹ Rita Trichur, “Battered Toyota set to boost output. But car maker appears poised to lose sales lead after Japan’s disasters hammer production”, *Globe and Mail*, 12 May 2011.
- ⁷² Greg Keenan, “Honda’s output cut hits home”, *Globe and Mail*, 3 May 2011; Michael Robinet, “Automotive Alert: Japan Light Vehicle production Output Impact”, *IHS Automotive*, 11 May 2011.
- ⁷³ Greg Keenan, “Honda’s output cut hits home”, *Globe and Mail*, 3 May 2011; Financial Post, “Civic best-seller crown likely lost after quake; Model shortage”, 3 May 2011.
- ⁷⁴ Tony Van Alphen, “Civic Felling the Pinch”, *Toronto Star*, 3 May 2011; Alan Ohnsman and Bill Koeing, “Honda Extends U.S. Order Limitations for Japan-Built Autos”, 2 May 2011.
- ⁷⁵ Mike Ramsey, “Honda to delay start of US sales for new CR-V due to quake impact”, *Dow Jones*, 2 May 2011; Alan Ohnsman and Bill Koeing, “Honda Extends U.S. Order Limitations for Japan-Built Autos”, 2 May 2011.
- ⁷⁶ Dow Jones, “Honda Announces Earnings Report”, 28 April 2011.
- ⁷⁷ Mary Gazze, “Autoparts maker Linamar says Q1 profits edge slightly higher, sales up”, *Canadian Press*, 11 May 2011; “Magna shares rise after 1Q net income jumps 44 pct”, 4 May 2011.
- ⁷⁸ Mike Colias, “Quake Alert: Pain now, pain later”, *Automotive News*, 28 March 2011.
- ⁷⁹ Supplier Business, “10 key Trends Involving Suppliers in 2011”, *IHS Global Insight*, 4 February 2011.
- ⁸⁰ Ontario Aerospace Council, *Ontario Aerospace Industry Profile*, http://www.theoac.ca/Page.asp?PageID=122&ContentID=853&SiteNodeID=1005&BL_ExpandID= (accessed June 6, 2011).
- ⁸¹ Ontario Ministry of Economic Development and Trade, *Statement from Minister Sandra Pupatello Congratulating Bombardier Aerospace Canada*, 10 December 2010.
- ⁸² Statistics Canada, *Table 379-0025 GDP at Basic Prices, by NAICS, monthly, CANSIM* (accessed 27 April 2011).
- ⁸³ Statistics Canada, *Table 379-0027 GDP at Basic Prices, by NAICS, monthly, Seasonally adjusted at annual rates; Chained (2002) dollars, CANSIM* (accessed 27 April 2011).
- ⁸⁴ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation, CANSIM* (accessed 19 April 2011).
- ⁸⁵ Statistics Canada, *Table 304-0015 Manufacturing Sales, by NAICS and Province, Monthly, Seasonally Adjusted, CANSIM* (accessed 20 April 2011).
- ⁸⁶ Informetrica Forecast Services, *Ontario: Industrial Sector Real Gross Domestic Product by NAIC Code*, 29 January 2011.
- ⁸⁷ Ontario Aerospace Council, *Ontario Aerospace Industry Profile*, http://www.theoac.ca/Page.asp?PageID=122&ContentID=853&SiteNodeID=1005&BL_ExpandID=, (accessed June 6, 2011).
- ⁸⁸ Planespotters.net, “HM - Heli Malongo Airways - Details and Fleet History”, <http://www.planespotters.net/Airline/HM-Heli-Malongo-Airways> (accessed 15 June 2011); Ian Sheppard, “airBaltic completes Q400 financing with NAC”, *European Regions Airline Association*, 3 December 2010, <http://www.eraa.org/publications/industry-news/500-airbaltic-completes-q400-financing-with-nac> (accessed 15 June 2011); Ethiopian Airlines, “Company Profile: History”, <http://www.ethiopianairlines.com/en/corporate/history.aspx> (accessed 15 June 2011); Aviation News, “First Bombardier Q400 NextGen Airliner Headed to SATA Air Açores of the Azores, Portugal”, 26 January 2010, <http://flightnewsreleases.wordpress.com/2010/01/26/first-bombardier-q400-nextgen-airliner-headed-to-sata-air-aco-res-of-the-azores-portugal/> (accessed 15 June 2011).
- ⁸⁹ Industry Canada, *Trade Data Online* (accessed 15 June 2011).
- ⁹⁰ Nate Hendley, “Aerospace takes off”, *Canadian Manufacturing*, 27 April 2011.
- ⁹¹ Boeing, *Boeing’s Current Market Outlook 2010 – 2029*, 2010, <http://www.boeing.com>.
- ⁹² Nate Hendley, “Aerospace takes off”, *Canadian Manufacturing*, 27 April 2011.
- ⁹³ Richard J. Brennan and Bruce Campion-Smith, “Controversy dogs fighter jet contract”, *Toronto Star*, 16 July 2010.
- ⁹⁴ Industrial Technologies Office, *Harper Government Announces Major Aerospace Investment to Create Jobs and Keep Canada Cutting-Edge*, 13 December 2010.
- ⁹⁵ Ministry of Economic Development and Trade, *Ontario’s Aerospace Sector Taking Flight-McGuinty Government Helps Create 80 New Jobs In Mississauga*, 1 April 2011.



-
- ⁹⁶ Reuters, “Bombardier lands its biggest business jet order with Warren Buffett’s NetJets”, *Globe and Mail*, 2 March, 2011.
- ⁹⁷ Canadian Press, “Aircraft demand to take off for the next 20 years”, *Canadian Manufacturing*, 18 May 2011.
- ⁹⁸ Canadian Manufacturing, “CRJ1000 aircraft even more fuel efficient”, 19 May 2011.
- ⁹⁹ Mergent, *Biotechnology Industry Report*, March 2010.
- ¹⁰⁰ Canada’s Technology Triangle, *Biotech and Life Sciences in the Waterloo Region*, (accessed 16 May 2011).
- ¹⁰¹ PriceWaterhouseCoopers, 14th Annual Global CEO Survey, *Growth reimaged: Pharmaceuticals and life sciences industry summary*, 2011.
- ¹⁰² Statistics Canada, *Table 379-0027 GDP at Basic Prices, by NAICS, monthly*, Seasonally adjusted at annual rates; Chained (2002) dollars, CANSIM (accessed 27 April 2011).
- ¹⁰³ Statistics Canada, *Table 304-0015 Manufacturing Sales, by NAICS and Province, Monthly, Unadjusted*, CANSIM (accessed 20 April 2011).
- ¹⁰⁴ Industry Canada, *Trade Data on-line* (accessed 12 May 2011).
- ¹⁰⁵ Statistics Canada, *Table 379-0025 Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS) and province, annual*, CANSIM (accessed 11 May 2011).
- ¹⁰⁶ Conference Board of Canada, *Leading Indicator of Industry Profitability*, April 2011.
- ¹⁰⁷ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ¹⁰⁸ RESEARCH Infosource Inc, “Canada’s Top 100 Corporate R&D Spenders 2010”, Oct 2010.
- ¹⁰⁹ PriceWaterhouseCoopers, *Pharma 2020: Supplying the Future*, 2011.
- ¹¹⁰ MaRS, *White Paper: New Models of Innovation in Life Sciences*, April 2011.
- ¹¹¹ PriceWaterhouseCoopers, 14th Annual Global CEO Survey, *Growth reimaged: Pharmaceuticals and life sciences industry summary*, 2011.
- ¹¹² MaRS, *White Paper: New Models of Innovation in Life Sciences*, April 2011.
- ¹¹³ Thompson Reuters, “Q3 2010 Overview of Canada’s Venture Capital Industry”, (accessed 11 May 2011).
- ¹¹⁴ Ontario Bioscience Industry Organization, *Ontario Bioscience Industry Generated Recommendations for Sustainability and Growth in 2011 and beyond- CEO Consultation 2010*, December 2010.
- ¹¹⁵ PwC/NVCA MoneyTree Report, *Taking a Tumble*, Feb 2011.
- ¹¹⁶ Statistics Canada, *Table 379-0025 GDP at basic prices by NAICS and province, annual*, CANSIM (accessed 11 May 2011).
- ¹¹⁷ Statistics Canada. *Business Register*, 2010.
- ¹¹⁸ Branham300, *Canada’s ICT Industry: A Work in Progress*, April 2011.
- ¹¹⁹ Statistics Canada, *Table 379-0027 GDP at basic prices, by NAICS, monthly, Seasonally Adjusted at Annual Rates, Chained (2002) dollars*, CANSIM (accessed 20 April 2011).
- ¹²⁰ Branham300, *Canada’s ICT Industry: A Work in Progress*, April 2011.
- ¹²¹ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 20 April 2011). NAICS 3333, 334, 4173, 5112,517, 518, 5415 and 8112.
- ¹²² Statistics Canada, *Table 304-0015 Manufacturing Sales, by NAICS and Province, Monthly, Unadjusted*, CANSIM (accessed 20 April 2011). NAICS 3254, 3333,3341,3342,3343,3344,3345 and 33592.
- ¹²³ Statistics Canada, *Table 304-0015 Manufacturing Sales, by NAICS and Province, Monthly, Unadjusted*, CANSIM (accessed 20 April 2011). NAICS 3254, 3333,3341,3342,3343,3344,3345 and 33592.
- ¹²⁴ Industry Canada, *Trade Data Online* (accessed 13 May 2011). NAICS 3333, 3341, 33421, 33422, 3343, 3344, 3345 and 33592.
- ¹²⁵ Branham300, *Canada’s ICT Industry: A Work in Progress*, April 2011.
- ¹²⁶ Nortel Networks Corporation, Press release, 25 September 2010, http://www2.nortel.com/go/news_detail.jsp?cat_id=-8055&oid=100269667&locale=en-US (accessed 20 May 2011).
- ¹²⁷ Nortel Networks Corporation “Nortel Completes Sale of Carrier VoIP and Application Solutions Business to GENBAND”, Press release, http://www2.nortel.com/go/news_detail.jsp?cat_id=-8055&oid=100267654&locale=en-US&lcid=-1 (accessed 20 May 2011).
- ¹²⁸ Nortel Networks Corporation “Nortel To Sell Ottawa Carling Campus To Public Works and Government Services Canada”, Press release, 19 October 2010, http://www2.nortel.com/go/news_detail.jsp?cat_id=-8055&oid=100269828&locale=en-US (accessed 20 May 2011).



-
- ¹²⁹ Note: GDP data does not include firms dealing primarily in securities or non-depository credit intermediation, while employment data does include these firms. Statistics Canada, *Table 379-0025 GDP at basic prices by NAICS and province, annual*, CANSIM.
- ¹³⁰ Z/Yen Group, *Global Financial Centres 9*, by Mark Yeandle, March 2011.
- ¹³¹ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and hours, unadjusted for seasonal variation*, CANSIM.
- ¹³² Toronto Financial Services Alliance, “Financial Services in Toronto”, Toronto Financial Services Alliance, <http://www.tfsa.ca/financial/index.php> (accessed 5 May 2011).
- ¹³³ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and hours, unadjusted for seasonal variation*, CANSIM.
- ¹³⁴ Sunny Freeman, “CIBC reports strong Q1 profits”, *Canadian Press*, 24 February 2011.
- ¹³⁵ “RBC Q1 2011 Earnings”, *Financial Sector Blogspot*, 4 March 2011.
- ¹³⁶ Barbara Schecter and John Greenwood, “TD shares climb after dividend boost”, *Financial Post*, 3 March 2011.
- ¹³⁷ Sunny Freeman, “CIBC reports strong Q1 profits”, *Canadian Press*, 24 February 2011.
- ¹³⁸ CNW Group, “Royal Bank of Canada reports record first quarter 2011 results”, 3 March 2011.
- ¹³⁹ Grant Robertson, Tara Perkins, and Boyd Erman, “RBC fields offers for U.S. retail business”, *Globe & Mail*, 7 April 2011.
- ¹⁴⁰ TD Bank Group, “TD Bank Group Reports First Quarter 2011 Results”, 3 March 2011.
- ¹⁴¹ John Greenwood, “Profit at BNS falls short”, *National Post*, 8 March 2011.
- ¹⁴² Canadian Press, “BMO profit rises 18%”, 1 March 2011.
- ¹⁴³ Sun Life Financial, “Sun Life financial reports first quarter 2011 results”, 4 May 2011.
- ¹⁴⁴ Canadian Press, “Sun Life acquires stake in Filipino company”, 17 February 2011.
- ¹⁴⁵ Tara Perkins, “Manulife profit slips”, *Globe & Mail*, 5 May 2011.
- ¹⁴⁶ Ben Quinn, “London Stock Exchange in merger talks with TMX”, *Guardian*, 9 February 2011.
- ¹⁴⁷ Grant Robertson, Boyd Erman, and Tara Perkins, “TMX-LSE deal reveals Bay Street rift”, *Globe & Mail*, 9 March 2011.
- ¹⁴⁸ Julia Kollwe and Dominic Rush, “NYSE Euronext in merger talks with Deutsche Börse”, *Guardian*, 9 February 2011.
- ¹⁴⁹ Doug Alexander, “TMX Group Should Get More Board Seats in LSE Deal, Ontario Committee Says”, *Bloomberg*, 19 April 2011.
- ¹⁵⁰ Frank McGurty, “Banks weigh TMX-LSE counterbid: Report”, *Reuters*, 5 May 2011.
- ¹⁵¹ Statistics Canada, *Table 379-0025, Gross domestic product (GDP) at basic prices, annual (dollars)*, CANSIM (accessed 11 May 2011).
- ¹⁵² Ontario Ministry of Finance, *Ontario Economic Accounts - Fourth Quarter of 2010*, April 2011.
- ¹⁵³ Statistics Canada, *Table 281-0023, Survey of Employment, Payrolls and Hours, unadjusted for seasonal variation*, CANSIM (accessed 19 April 2011).
- ¹⁵⁴ Statistics Canada, *Table 027-0055, CMHC, housing starts, seasonally adjusted at annual rates; quarterly*, CANSIM (accessed 8 February 2011).
- ¹⁵⁵ Statistics Canada, *Table 027-0055, CMHC, housing starts, seasonally adjusted at annual rates; quarterly*, CANSIM (accessed 8 February 2011).
- ¹⁵⁶ Statistics Canada, *Table 026-0006, Value of building permits, by province and territory, seasonally adjusted*, CANSIM (accessed 8 February 2011).
- ¹⁵⁷ Michael Babad, “CEOs urge Ontario not to trim the HST. Hey, butt out; Council urges Duncan to ‘declare war’ and not give an inch”, *Globe and Mail*, 8 March 2011.
- ¹⁵⁸ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates* (accessed April 2011).
- ¹⁵⁹ Statistics Canada, *Table 026-0006, Value of building permits, by province and territory, seasonally adjusted*, CANSIM (accessed 8 February 2011).
- ¹⁶⁰ IHS Global Insights, *Ontario Construction, GDP at Basic Prices, Chained 2002 dollars (forecast 2011-2015)* (accessed 13 May 2011).
- ¹⁶¹ Conference Board of Canada, *Canadian Industrial Outlook - Canada’s Non-Residential Construction Industry*, by Michael Burt, Winter 2011.
- ¹⁶² Conference Board of Canada, *Canadian Industrial Outlook - Canada’s Non-Residential Construction Industry*, by Michael Burt, Winter 2011.



-
- ¹⁶³ PwC, *Global Construction 2020*, 5 May 2011.
- ¹⁶⁴ PwC, *Global Construction 2020*, 5 May 2011.
- ¹⁶⁵ UNWTO, “UNWTO World Tourism Barometer”, Interim Update, April 2011.
- ¹⁶⁶ UNWTO, “UNWTO World Tourism Barometer”, Volume 9, No. 1, February 2011.
- ¹⁶⁷ Statistics Canada, *Table 427-0005 Number of international travellers entering or returning to Canada, by province of entry, seasonally adjusted, monthly* (accessed 7 June 2011).
- ¹⁶⁸ Ontario Ministry of Tourism and Culture, “Tourism Performance Bulletin”, January 2011.
- ¹⁶⁹ Toronto Convention & Accommodation Association, *Tourism in Toronto: 2010 – the Year in Review*, June 2011.
- ¹⁷⁰ Ontario Ministry of Finance, “Ontario Economic Accounts – Fourth Quarter of 2010”, April 2011.
- ¹⁷¹ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 3 June 2011).
- ¹⁷² PKF Consulting, *Trends in the Canadian Hotel Industry*; accessed in “Hotel Statistics for Ontario, December 2010”, Ontario Ministry of Tourism and Culture, March 2011.
- ¹⁷³ Colliers International, *2011 Canadian Hotel Investment Report*.
- ¹⁷⁴ Statistics Canada, *Table 379-0025 Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS) and province, annual*, CANSIM (accessed 11 May 2011); Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ¹⁷⁵ Ontario Ministry of Finance, *Ontario Economic Accounts - Fourth Quarter of 2010*, April 2011.
- ¹⁷⁶ Statistics Canada, *Table 080-0020 Retail trade by NAICS, monthly, seasonally adjusted*, CANSIM (accessed 28 April 2011).
- ¹⁷⁷ Statistics Canada, *Table 080-0020 Retail trade, sales by the North American Industry Classification System (NAICS), monthly*, CANSIM (accessed 28 April 2011).
- ¹⁷⁸ Statistics Canada, *Table 080-0020 Retail trade, sales by the North American Industry Classification System (NAICS), monthly*, CANSIM (accessed 28 April 2011).
- ¹⁷⁹ Statistics Canada, *Table 080-0020 Retail trade, sales by the North American Industry Classification System (NAICS), monthly*, CANSIM (accessed 28 April 2011).
- ¹⁸⁰ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ¹⁸¹ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ¹⁸² Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ¹⁸³ Steve Ladurantaye, “Canada’s retail market now matches U.S. per capita”, *Globe and Mail*, 11 May 2011.
- ¹⁸⁴ Colliers International, *The Retail Report Canada, Spring 2011 Edition*, 11 May 2011.
- ¹⁸⁵ Marina Strauss, “Canadian Tire acquires ‘a new set of customers’”, *Globe and Mail*, 9 May 2011.
- ¹⁸⁶ Marina Strauss, “Canadian Tire acquires ‘a new set of customers’”, *Globe and Mail*, 9 May 2011.
- ¹⁸⁷ Mary Gazze, “Price of food in Canada could jump 7 per cent in 2011: economist”, *Globe and Mail*, 9 March 2011.
- ¹⁸⁸ Marina Strauss, “Grocers scramble to offset higher food, fuel costs”, *Globe and Mail*, 2 May 2011.
- ¹⁸⁹ Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ¹⁹⁰ Statistics Canada, *Table 081-0011 Wholesale trade, sales by the North American Industry Classification System (NAICS), monthly, seasonally adjusted*, CANSIM (accessed April 20, 2011).
- ¹⁹¹ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ¹⁹² Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ¹⁹³ Statistics Canada, *Labour Force Survey, Employment by Detailed Industry, Unadjusted* (accessed 31 May 2011); Ontario Ministry of Finance, *Ontario Production by Industry, Seasonally Adjusted at Annual Rates*, April 2011.
- ¹⁹⁴ Statistics Canada, *Table 379-0025, Gross domestic product (GDP) at basic prices, annual (dollars)*, CANSIM (accessed 11 May 2011).
- ¹⁹⁵ Statistics Canada, *Labour Force Survey, Employment by Detailed Industry, Unadjusted* (accessed 31 May 2011).
- ¹⁹⁶ Ontario Ministry of Finance, *Ontario Economic Accounts - Fourth Quarter of 2010*, April 2011.
- ¹⁹⁷ Statistics Canada, *Labour Force Survey, Employment by Detailed Industry, Unadjusted* (accessed 31 May 2011).



-
- ¹⁹⁸ Statistics Canada, *Table 002-0002 Farm cash receipts, quarterly*, CANSIM (accessed 11 February 2011).
- ¹⁹⁹ Bob Boughner, “Clock ticking on corn crops”, *Chatham Daily News*, 31 May 2011.
- ²⁰⁰ Josh Rubin, “Loblaws beefs up local content”, *Toronto Star*, 25 May 2011.
- ²⁰¹ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ²⁰² Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ²⁰³ *Table 379-0025 Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS) and province, annual*, CANSIM (accessed 11 May 2011).
- ²⁰⁴ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ²⁰⁵ Statistics Canada, *Table 304-0015 Manufacturing Sales, by NAICS and Province, Monthly, Seasonally Adjusted*, CANSIM (accessed 20 April 2011).
- ²⁰⁶ Ross Marowits, “AbitibiBowater considers staff cuts”, *Toronto Star*, 17 May 2011.
- ²⁰⁷ “AbitibiBowater plans \$8-million Thunder Bay, Ontario sawmill expansion,” *Daily Commercial News*, 17 May 2011.
- ²⁰⁸ IHS Global Insights, *Ontario Forestry and Logging, GDP at Basic Prices, Chained 2002 dollars (forecast 2011-2015)*.
- ²⁰⁹ Ontario Ministry of Finance, *Ontario Economic Accounts - Fourth Quarter of 2010*, April 2011.
- ²¹⁰ Statistics Canada, *Table 281-0023 Survey of Employment, Payrolls and Hours, Unadjusted for Seasonal Variation*, CANSIM (accessed 19 April 2011).
- ²¹¹ Industry Canada, *Trade Data Online* (accessed 1 June 2011).
- ²¹² Industry Canada, *Trade Data Online* (accessed 1 June 2011).
- ²¹³ Mike Whitehouse, “Town hires ex-minister to lure smelter northwest”, *Sudbury Star*, 4 June, 2011.
- ²¹⁴ Simon Casey and Jeran Wittenstein, “Vale Reaches Agreement to End Yearlong Strike by Nickel Workers”, *Business Week*, 5 July 2011.
- ²¹⁵ Harold Carmichael, “Nickel prices expected to remain stable”, *Sudbury Star*, 28 May 2011.
- ²¹⁶ Conference Board of Canada, “Provincial Outlook 2011: Long-Term Economic Forecast”, May 2011.
- ²¹⁷ Ernst and Young, *Renewable Energy Country Attractiveness Indices*, Feb 2011.
- ²¹⁸ Ernst and Young, *Renewable Energy Country Attractiveness Indices*, Feb 2011.
- ²¹⁹ Phil Winters, “Solar in Ontario: 2011 Preview”, 11 February 2011.
- ²²⁰ Karen Howlett, “Tim Hudak vows to scrap lucrative green-energy deals in Ontario”, *Globe and Mail*, 10 May 2011.
- ²²¹ Shawn McCarthy, “Solar rules will hurt Ontario, group warns”, *Globe and Mail*, 20 October 2011.
- ²²² John Lorinc, “Ontario's search for a solar system”, *Globe and Mail*, 24 February 2011.
- ²²³ SunEdison newsrelease, “SunEdison First to Announce Confirmation of Ontario Solar FIT Content”, 15 April 2011.
- ²²⁴ Perry Hoffman, “Ontario solar market to hit 2500 MW by 2015: ClearSky Advisors”, *Canadian Green Tech*, 8 March 2011.
- ²²⁵ Monica Wolfson, “Solar plant bringing 80 jobs to LaSalle, United Solar to invest \$4 million”, *The Windsor Star*, 15 April 2011.
- ²²⁶ Dylan Kristy, “German solar module company confirms move to Windsor”, *Windsor Star*, 5 May 2011.
- ²²⁷ Nina Chestney, “Global wind power grows 24 percent on China boost”, *Reuters*, 6 April 2011.
- ²²⁸ ClearSky Advisors, *The Economic Impacts of the Wind Energy Sector in Ontario 2011-2018*, 27 May 2011.
- ²²⁹ Canadian Green Tech Staff, “Rollercoaster ride of OPA FiT contract awards causes headaches for big wind turbine makers”, *Canadian Green Tech*, 30 May 2011.
- ²³⁰ Perry Hoffman, “Wind developers worry political uncertainty and lack of consensus could hurt sector”, *Canadian Green Tech*, 03 May 2011.
- ²³¹ Mercom Capital Group, *2010 Solar Funding and M&A Report*, January 2011.
- ²³² Perry Hoffman, “Morgan Solar closes first tranche of Series B funding”, *Canadian Green Tech*.
- ²³³ Eclipsall News Release, *Eclipsall Announces Financing Program for Ontario Solar Panel Projects*, 4 May 2011.
- ²³⁴ Industry Canada, *Trade Data Online* (accessed 13 May 2011).
- ²³⁵ U.S. Bureau of Economic Analysis, “Gross Domestic Product: First Quarter 2011 (Advance Estimate)”, 28 April 2011.



-
- ²³⁶ Phil Izzo, “Economists React: First Quarter GDP ‘Stutter’ Likely Temporary”, *Wall Street Journal*, 28 April 2011; comment by Guy LeBas of Janney Montgomery Scott.
- ²³⁷ U.S. Bureau of Labor Statistics, “Labor Force Statistics from the Current Population Survey” (accessed 15 June 2011).
- ²³⁸ U.S. Bureau of Labor Statistics, “The Employment Situation – April 2011”, 6 May 2011.
- ²³⁹ Erica Filipek and Steven Cooper, “New Residential Sales in April 2011”, *U.S. Department of Housing and Urban Development*, 24 May 2011.
- ²⁴⁰ Lucia Mutikani, “New home sales rise, but signal no recovery yet”, *Reuters*, 24 May 2011.
- ²⁴¹ Robert R. Callis and Melissa Kresin, “Residential vacancies and homeownership in the first quarter of 2011”, *U.S. Census Bureau News*, 27 April 2011.
- ²⁴² U.S. Census Bureau, “Quarterly Estimates of the Housing Inventory: 1965 to Present” (accessed 15 June 2011).
- ²⁴³ Timothy Winters and Ian Thomas, “Advance monthly sales for retail and food services – April 2011”, *U.S. Census Bureau News*, 12 May 2011.
- ²⁴⁴ Timothy Winters, John Miller, and Chris Savage, “Manufacturing and trade inventories and sales – March 2011”, *U.S. Census Bureau*, 12 May 2011.
- ²⁴⁵ Economic Indicators, Manufacturing and Trade Inventories and Sales, *U.S. Census Bureau*.
- ²⁴⁶ Kelly Evans, “Inventory rebound can be read two ways”, *Wall Street Journal*, 14 June 2011.
- ²⁴⁷ David Espo et al, “Federal shutdown avoided, 2012 budget fight looms”, *Associated Press*, 9 April 2011.
- ²⁴⁸ Andy Sullivan, “Timeline – U.S. debt debate”, *Reuters*, 1 June 2011.
- ²⁴⁹ U.S. Department of the Treasury, “Treasury: U.S. Still Projected to Exhaust Borrowing Authority on August 2nd”, 1 June 2011.
- ²⁵⁰ Andy Sullivan and Tim Reid, “U.S. deficit deal could head off debt-limit fight”, *Reuters*, 21 April 2011.
- ²⁵¹ Andy Sullivan, “Timeline – U.S. debt debate”, *Reuters*, 1 June 2011.
- ²⁵² Monica Wolfson, “Border traffic on the rebound”, *Windsor Star*, 13 April 2011
- ²⁵³ Public Border Operators Association (PBOA), *Ontario Border Crossings with Michigan & New York, March YTD 2011*.
- ²⁵⁴ Financial Post, “American tourists put off by strong loonie”, *Times Colonist*, 19 May 2011.
- ²⁵⁵ Public Border Operators Association (PBOA), *Ontario Border Crossings with Michigan & New York, March YTD 2011*.
- ²⁵⁶ Monica Wolfson, “Border traffic on the rebound”, *Windsor Star*, 13 April 2011.
- ²⁵⁷ Dave Battagello, “Governor Snyder proposes bill for new bridge”, *Windsor Star*, 15 April 2011; Dave Battagello, “Michigan bill to approve DRIC bridge coming: Snyder”, *Windsor Star*, 21 March 2011.
- ²⁵⁸ Tom Greenwood, “Moroun: 2nd bridge span could take decade”, *Detroit News*, 5 May 2011.
- ²⁵⁹ Sonja Puzic, “Parkway work to start in August, MPP says”, *Windsor Star*, 7 May 2011.
- ²⁶⁰ News Release, “Queenston-Lewiston Bridge Plaza improvements completed”, 27 January 2011; Nancy A. Fischer, “New Plaza opens on Canadian side of bridge, expected to speed flow”, *Buffalo News*, 27 January 2011.
- ²⁶¹ Canadian News Wire, “North Channel Bridge Replacement in Cornwall: In-Water Works to Begin in May; Internet Project Blog Site Now Online”, 3 May 2011.
- ²⁶² Trien T. Nguyen and Randall M. Wagle, “Border Delays Re-Emerging Priority: Within-Country Dimensions for Canada” *Canadian Public Policy*, Vol. 37, No. 1, 2011.
- ²⁶³ Stephen Gordon, “Border delays cost Canada up to \$30 billion a year”, *Globe and Mail*, April 19, 2011; Newsletter, “Border tie-ups add \$800 to sticker price: report”, *Today’s Trucking*, 2 May 2011.
- ²⁶⁴ News Release, “Schumer Chairs Key Hearing on Northern Border Security – Presses Feds for Answers on Security Funding, Anti- Drug Trafficking Programs, and Radar Installations Updates”, 17 May 2011; Lee-ann Goodman, “U.S. Senate hearing to discuss radar as think-tank reveals myths about Canadian Security”, *The Chronicle-Herald*, 11 May 2011.
- ²⁶⁵ Marc Heller, “U.S. to Share Canada’s Radar”, *Watertown Daily Times*, 18 May 2011.
- ²⁶⁶ Jerry Zremski, “U.S. plans to pre-clear some cargo in Canada”, *Buffalo News*, 18 May 2011; News Release, “Schumer Chairs Key Hearing on Northern Border Security – Presses Feds for Answers on Security Funding, Anti-Drug Trafficking Programs, and Radar Installations Updates”, 17 May 2011.
- ²⁶⁷ Luiza Ch. Savage, “U.S. Ambassador David Jacobson Explains the Border Deal”, *Maclean’s*, 4 February 2011.

