



2010 ONTARIO ECONOMIC SUMMIT

NOVEMBER 1-3, 2010
WHITE OAKS CONFERENCE RESORT AND SPA
NIAGARA-ON-THE-LAKE

PRELIMINARY PROGRAM FRAMEWORK

(SUBJECT TO REVISION)

ABOUT THE OES

The Ontario Economic Summit (OES), now in its 7th year, is recognized as one of the most stimulating and engaging events of the year. Invited leaders from business, academia, labour, government and non-profit, are brought together for 2 ½ days to discuss some of the most pressing issues affecting the province. Government has been strongly represented at each Summit: our Breakfasts with Ontario Cabinet Ministers have provided delegates direct access to key ministers and the opportunity to share opinions and address tough questions in a more casual setting. Fostering open dialogue is a priority of the Summit and we will continue with this mandate in 2010 and beyond. Over the years, we have seen several ideas and recommendations develop into positive commitments and diverse collaborative initiatives. These creative ideas and partnerships aim to support, and help sustain, Ontario's long-term economic growth and prosperity and will be a winning formula for a stronger Ontario. Highlights from the 2009 Summit included:

- David A. Dodge (Former Governor of the Bank of Canada) and J. Robert S. Prichard (President & CEO, Metrolinx), as co-chairs.
- Our traditional one-on-one interview with Ontario's Premier, the Honourable Dalton McGuinty.
- A pertinent presentation by Galen Weston (Executive Chairman, Loblaw Companies Limited) as part of the "Go Green & Prosper" session.
- The results of our post-event survey which showed once again that the Breakfast with Ontario Cabinet Ministers was deemed of high value to participants.

2010 ECONOMIC CONDITIONS

2009 was a challenging year for Ontario with record-high unemployment, scarce financing, restricted lending, a strong currency and downward global consumption. Following the global recession, Ontario is now showing signs of recovery.

Ontario's economy has been picking up speed and is expected to continue to grow with real GDP growth projected at 2.7 per cent in 2010. Labour and housing markets are improving, interest rates are expected to rise to reduce inflation but are still low, and an increase in trade is expected. Financing opportunities are improving as the effects of the credit crunch are lessened. Ontario faces an uphill battle in managing the current deficit, estimated at \$21.3 billion: the 2009 and 2010 budgets provide a starting point to help establish a more competitive investment climate. The critical needs for heavy investments in infrastructure and education, fiscal reforms, and a plan for better inclusion of, and sustained growth for Northern Ontario, have been recognized. Government efforts are necessary but cannot be relied on solely to revive Ontario's stimulus. Confidence is growing, both on domestic and international fronts, and Ontario now needs to reposition itself as a global leader that is moving forward and towards long-term sustainability and prosperity. How can this be achieved? We believe, as do many of our leaders, that we already have the necessary tools in hand but simply need to refocus our attention and lead the way by thinking more creatively, working more collaboratively and becoming a model to others. With Innovation, Partnership and Leadership as the key elements of our equation, the solution can only be a stronger Ontario.

The 2010 OES is an opportunity to address these key issues and engage leaders from across the province to debate and determine the best course of action to help Ontario gear up for prosperity. We know our challenges and will address them head on. This year, we are turning our attention to improving the movement of goods via better transportation infrastructure, accelerating innovation & fostering collaborations, decreasing red tape & creating smarter regulation, and reviewing our ability to expand a highly skilled workforce to ensure our lasting competitiveness on a global scale.

I GATEWAYS TO GROWTH: ONTARIO'S TRANSPORTATION INFRASTRUCTURE

Transportation is a key economic driver. Despite government efforts to reduce the infrastructure investment deficit in various areas (\$9.3 billion has been allocated to transit over the last few years), many argue that Ontario suffers from a significant lack of investments in transportation infrastructure and long-term transportation planning. This is a major challenge for us to overcome. We know a tremendous boost is required to modernize the network and enhance regional, national and international linkages. This boost is essential if we want to attract new business ventures, increase our productivity and support domestic and international trade flows. Finding solutions together will help us reposition ourselves as a global leader once again. What needs to be done?

This panel will aim to raise awareness about the above challenges, review current development plans for transit systems and corridors, discuss ways to further improve our multimodal transportation network in innovative ways (via highways, bridges, high-speed rail, border infrastructure), look at solutions implemented in other jurisdictions, and think, outside the box, about alternative funding options given the current constraints linked to public financing. Alternative funding sources can include public-private partnerships, bonds, tolled roads and fares.

II THE INNOVATION INVESTMENT

Innovation must be at the heart of any successful western economy looking to overcome the downturn, remain globally competitive and achieve long-term sustainable growth. According to a recent Conference Board of Canada report on innovation, Canada ranks 14th among 17 countries assessed on knowledge production and transformation, as well as the market shares of knowledge-based industries. While financial investment and incentives are important, our foremost challenge is to instill a true innovation culture in the province. Ontario's very future depends on it.

Ontario's bio-economy will serve as the backdrop to a dialogue that will seek to uncover new ideas to accelerate innovation through more effective collaboration among economic stakeholders. Specific examples drawn from the development and adoption of pharmaceutical products, medical devices, biofuel technologies and agricultural technologies will support the session. We will outline our innovation imperative required to bring sustained job growth, productivity gains, and a higher quality of life in our communities. This panel will focus on the actions Ontario must take to ultimately lead Canada to achieve a much higher ranking on the innovation ladder. How will we manage and sustain:

- A more effective environment for industry-academia collaboration?
- Higher levels of entrepreneurship?
- Increased willingness to adopt new technologies among industry?
- Increased investments and available venture capital?
- Effective management of intellectual property rights and ownership?

To help kick-start the discussion, we will review the results of a Colleges Ontario and Conference Board of Canada report (released at the Summit) on the state of applied research activities in our college system. We will also follow-up on three regional roundtables that OES has organized in partnership with the Council of Ontario Universities and local chambers of commerce, scheduled for mid 2010.

III A SMARTER APPROACH TO REGULATION?

From the perspective of our business community, one of the longest standing impediments to Ontario's overall competitiveness are the costs associated with a less than optimum level of efficiency of Ontario's regulatory regime. The recent introduction of Bill 68 (Open for Business Act) is a major multi-ministry initiative that seeks to change the way government regulates business activity. The issue transcends political lines and has ranked as a top concern among business through provincial governments of all party stripes. Furthermore, it has been cited that this systemic issue pertains to both the development and enforcement of regulation. This year's Summit is an opportunity for OES participants to examine this critical issue together with constructive debate. An improved regulatory framework would eliminate redundant regulations, create modern, predictable ones and help business understand and manage their impact. In the long-run, this will stimulate business growth, encourage entrepreneurialism and ultimately create jobs. Why has this not been a success in the past, despite numerous attempts at addressing this issue? What do we need to do differently to achieve a new and better outcome? What other jurisdictions can we look to as "best in class" examples?

The panel will offer participants an opportunity to review the growth barriers linked to red tape, and government efforts to address the situation. It is also a chance to share modern, viable and responsible

solutions. We will aim to review successful initiatives in other jurisdictions, define the meaning of “smart regulation” and find ways to move towards outcome-oriented regulations vs. prescriptive ones. We now have an opportunity to be the real change makers to smart regulations and to ultimately build a much stronger and more attractive Ontario in which to conduct business.

IV 21ST CENTURY TALENT

While capital investments are crucial to sustaining growth, a productive and innovative economy cannot exist without a long term strategy to secure a creative and talented workforce. In 2006, OES examined this issue and we feel it is time for another close look at the situation. How can labour, academia, business and government work better collaboratively to enhance the talent pool? With an aging population, this question has never been more relevant for Ontario and many of its competitors. Figures and reports confirm that Ontario as a whole benefits from a highly skilled workforce, making it a *magnet for the world*. How can we capitalize on this, and not only remain competitive but also lead the way globally? To remain competitive, all players need to develop their capability to recruit today for positions that do not yet exist, but are expected to become available, and vital elements of Ontario’s economy, in the future. Recruiting and equipping people with the knowledge and skills to fill 21st century jobs is a must. How can we, as a province, work together to achieve this and adopt a mandate of becoming leaders who shape future generations, inspire, and become a model for the rest of the world?

In addition to the above discussion points, this session will offer participants an opportunity to review existing best practices in a number of sectors, assess the viability of these for Ontario and debate how best to develop a top-notch workforce while remaining flexible to regional needs and communities of interest.