

INFORMATION BULLETIN

DATE: October 2, 2014

SUBJECT: Canadian Chamber of Commerce backs London-Windsor initiative on corporate incentives

SOURCE: Chris Thompson, Windsor Star, 9/30/14

The Windsor-Essex Regional Chamber of Commerce has teamed up with London and several other Ontario chambers to ask senior levels of government to meet the challenge of competing jurisdictions that use incentives to attract business.

A resolution was passed Monday at the Canadian Chamber of Commerce Annual General Meeting in Charlottetown. The resolution states: “In co-ordination with businesses and chambers of commerce from across Canada, undertake an expedient review of the full impact — in terms of both GDP losses and job losses — that competitor jurisdictions’ business attraction efforts are having on Canada’s economy.”

Ontario and Canada are losing out in luring manufacturing plants here because jurisdictions elsewhere are providing generous incentives, the resolution’s proponents say.

“We have to bring this issue of hyper-aggressive jurisdictions to the national business movement,” said Windsor-Essex Regional Chamber of Commerce president and CEO Matt Marchand.

“The first thing we’ve got to do is quantify what the losses have been and after that we can develop counter strategies to that. If you look historically over the last number of years, investment in the southern U.S. and northern Mexico has been rising dramatically, in some instances it’s up 50 60 per cent.”

A report released in April showed that Canada was excluded from \$17.6 billion in global auto assembly investment last year.

“The Canadian investment, as Sergio Marchionne has pointed out quite rightly, is declining both relatively and absolutely and the historic strategies for Canada as a whole to attract and maintain investment has not been working for the last number of years, and this is recognition that it hasn’t been working and we are going to have to look at ways to counteract that trend,” said Marchand.

Chrysler Group CEO Marchionne withdrew Chrysler from talks with the Ontario government over funding prior to the June provincial election.

“I think what we’re looking for at the beginning is a dialogue,” said Marchand.

“We’re not saying we have all the answers, what we’re saying is we need answers, and I think what you’re seeing today from the national business community is that this is something that needs to be addressed. I think that this is the first time that has happened.”

Marchand said if the status quo remains, Canada will simply continue to lose ground.

“Canadians collectively have sort of relied on the low dollar and socialized medicine and easy access to the U.S. border to sell itself,” said Marchand.

“While we’ve been doing that, other jurisdictions have been ramping up their competitive position and have been exceptionally aggressive in marketing that. After this weekend, it’s getting the attention. It’s a big win for us, it’s an acknowledgement that we may have to look at this in a very serious way.”

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