



# Federal Economic Development Agency for Southern Ontario (FedDev Ontario)

## Overview Deck

MAY 2025



Federal Economic Development  
Agency for Southern Ontario

Agence fédérale de développement  
économique pour le Sud de l'Ontario

Canada 

# Fueling Economic Development in Southern Ontario



## MANDATE

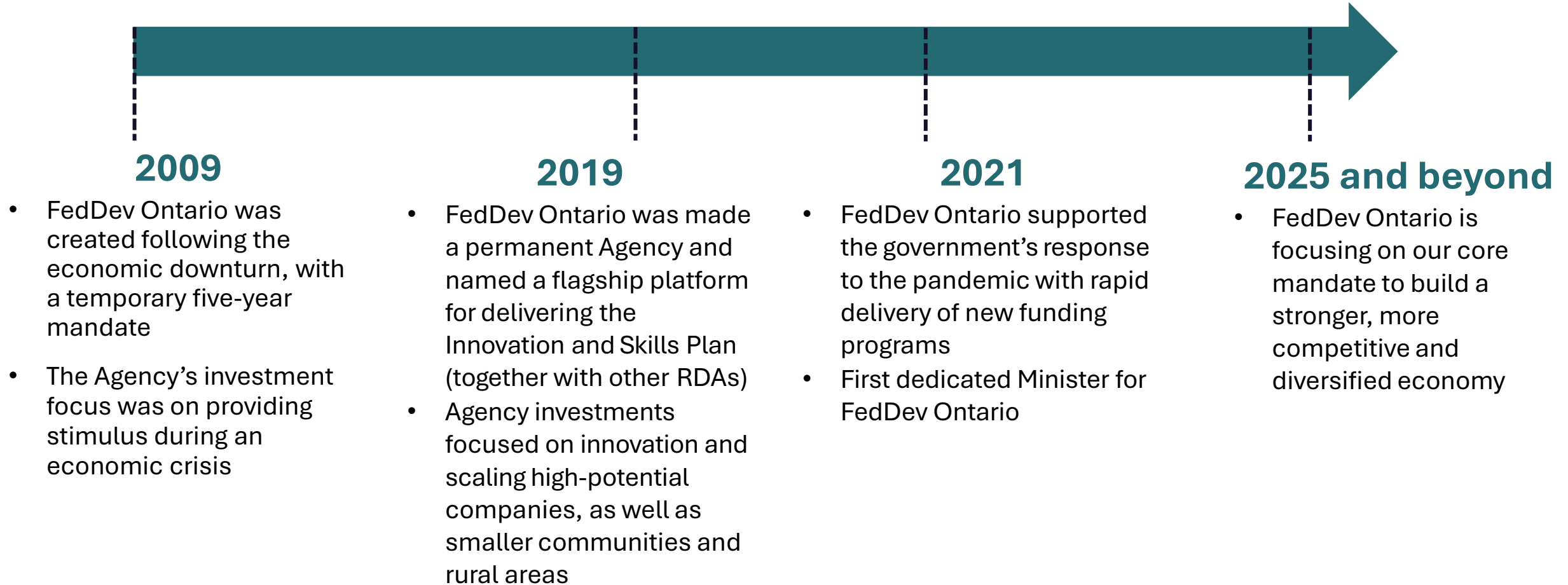
To strengthen southern Ontario's capacity for innovation, economic development and growth



**FedDev Ontario  
at a glance**

- One of seven Regional Development Agencies (RDAs) across Canada
- A strong federal presence that understands the region's challenges and opportunities
- Capacity to respond rapidly when unexpected economic conditions occur
- Four offices: Waterloo (HQ), Toronto, Peterborough and Ottawa

# FedDev Ontario's Evolution



# Organizational Structure

## Nancy Gardiner, President

As the Deputy Head of the Agency, the President is responsible for its overall strategic direction to deliver on the Minister's mandate, and is supported by the following leadership team:

Office of the President	Programs	Policy and Partnerships	Corporate Services	Human Resources
<p><b>Irwin Cortez</b> Chief of Staff &amp; Corporate Secretary</p> <p><i>Manages coordination between the Minister's office and the Agency, and corporate secretariat functions</i></p>	<p><b>Linda Cousineau</b> Vice President Business, Innovation and Community Development</p> <p><i>Responsible for managing the Agency's program delivery</i></p>	<p><b>Steve Masson</b> A/Vice President Policy, Partnerships and Communications</p> <p><i>Responsible for policy development, evaluation, stakeholder partnerships, and communications</i></p>	<p><b>Carole Bourget</b> Chief Financial Officer</p> <p><i>Manages the Agency's Budget and is responsible for corporate functions such as technology assets, security, and information management</i></p>	<p><b>Paulette Prentice</b> Director General Human Resources</p> <p><i>Responsible for the delivery of HR policies, programs and services, including talent attraction, classification and organizational design, equity and diversity, and labour relations</i></p>

# A Region Comprising 289 Diverse Communities

**Toronto and surrounding communities** – a key driver of Canada’s growth and knowledge economy strengths

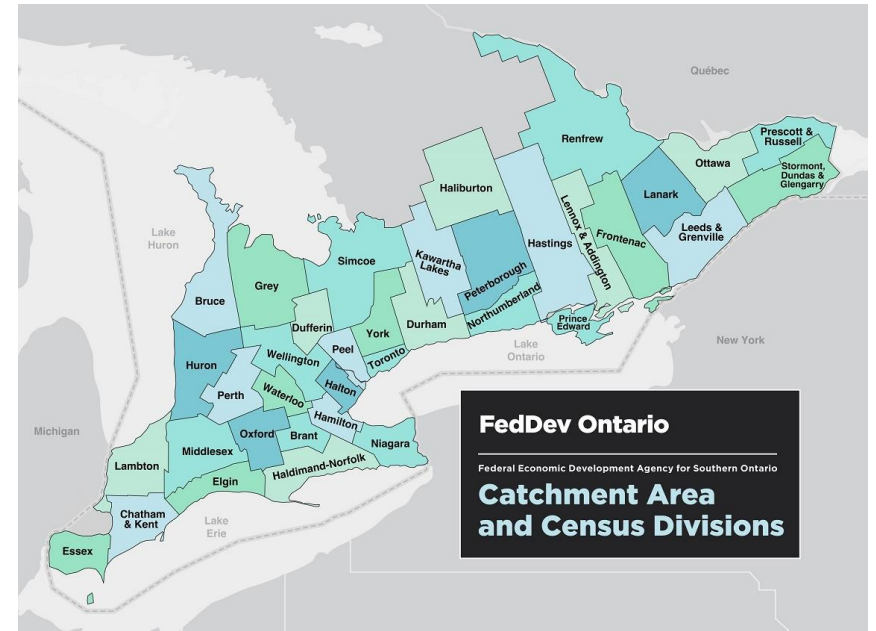
**Kitchener-Waterloo and Ottawa** – cities with sectoral strengths in technology and innovation

**Southwestern Ontario** – well-linked opportunities to foster future growth (e.g. clean technology in Sarnia, automotive sector in Windsor and health sciences in London)

**Eastern Ontario** – unique local assets and opportunities (e.g., Belleville’s packaging manufacturing and food processing, Peterborough’s clean tech and water purification strengths)

**Small and rural communities** – facing diverse opportunities and challenges, including some communities’ reliance on a single or a few industries (e.g. a number of workers were recently furloughed or laid off in L’Original following U.S. tariffs on Canadian steel)

**Indigenous communities** - First Nations, Inuit and Métis people make up a population of approximately 253,000 in southern Ontario. There are 33 reserves in southern Ontario, including Canada’s two largest First Nations reserves (Six Nations of the Grand River and Mohawks of Akwesasne)



Home to the Greater Toronto and Hamilton Area, which accounts for 20% of Canada’s population (July 1, 2024).



Around 3.6 million live in small and rural communities (~25% of the population)

# The Regional Economy

## Manufacturing is an important contributor to Ontario's GDP

- Manufacturing accounts for **11% of the province's economy** and represents **45% of Canada's manufacturing sector (2023)**
- However, **growth in this sector has been stagnant for about 20 years** and its share of the economy has declined 41% since 2005
- Important transformations are underway, including the **shift to EV production, greener energy production, and the emergence of AI**

## Knowledge-intensive services, including information and communications technology (ICT), finance, professional services (e.g. management consulting, legal, accounting, engineering services) and life sciences are increasingly fueling growth

- Employment in **life sciences and tech grew faster than employment in the overall economy in 8 out of the last ten years**
- **38% increase in tech jobs between 2014 and 2024**; more than 75,000 new jobs added since 2020
- Sectors such as **ICT and life sciences collectively employed approximately 403K people** in Ontario (2024)

## Population and Labour Market Overview

<b>Southern Ontario population (2024)</b>	<b>15.2M</b>
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Share of Canada's population	36.8%
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<b>Southern Ontario employment (Mar. 2025)</b>	<b>7.8M</b>
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Share of Canada's employment	37.5%
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<b>Southern Ontario unemployment rate (Jan. 2025)</b>	<b>7.7%</b>
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Canada unemployment rate	6.9%
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Source: Statistics Canada.

## Top Five Sectors by Share of GDP (2023)

**Real Estate (13%)**

**Manufacturing (11%)**

**Finance and Insurance (10%)**

**Professional, Scientific & Technical Services (9%)**

**Public Administration (7%)**

# The Region is a Key Driver of Canada's Growth


 **38% of Canada's GDP**  
(~1.2T in 2024)<sup>1</sup>



**35% of Canada's goods exports in 2024 (\$252.3B)**<sup>1</sup>

 **Centre of Canada's Venture Capital (VC) landscape with over 32% of VC dollars going to Ontario-based firms in 2024**

 **More than 480K firms in southern Ontario, home to 29 of the 50 top growing companies in the country (2024)**

 **Attracts over 43% of all newcomers to Canada (~30% to the Greater Toronto Area (GTA) alone)**<sup>2</sup>



**More than 130 business accelerators, incubators and innovation hubs**



**Nearly 45% of Canada's manufacturing output and 47% of its exports**<sup>1</sup>



**35 Post-secondary Institutions in southern Ontario and some 70,000 annual science, technology, engineering and mathematics (STEM) graduates**

- Strengths in **Automotive (~26% of Ontario's exports in 2024), Aerospace, Agri-Food, and Life Sciences**, as well as North America's second largest **Financial Services and ICT clusters**. The region also boasts growing footprints in emerging growth areas of **Electric Vehicles, Artificial Intelligence (AI), Fintech, Crypto/Blockchain, Edtech, Internet of Things and Big Data**

1. Some macroeconomic data points are available at the provincial level only. Southern Ontario typically accounts for 95% of the province's population, GDP, employment, etc.

2. Between 2016 and 2021

# Ontario-U.S. Economic Relationship



**Deep Economic Ties** – Canada and the U.S. share one of the world’s closest economic relationships, with several manufacturing sectors in southern Ontario sharing **deeply integrated supply chains across borders**.



**Trade** – Ontario-U.S. trade totals **~\$450B annually**, with Ontario being the top Canadian exporter to over 30 states. **Half of all Ontario-U.S. trade is with Michigan, Texas, New York, Ohio, and Illinois**.



**Jobs & Growth Driver** – Trade with the U.S. supports up to **1 in 5 Ontario jobs**, driving regional GDP and prosperity.



**Border Connectivity** – Proximity to U.S. cities (e.g., Detroit, Buffalo) enables **daily commutes, short-term migration, and business ties**. Southern Ontario also has a strong trading relationship with bordering states in the Great Lakes Region.



**Energy & Defence Links** – Ontario is a **critical energy supplier** to the U.S. and is home to over **50% of Canada’s defence industry**, supporting bilateral security cooperation.



**Tariffs** – U.S. trade actions pose challenges for Southern Ontario’s economy and could **harm the region’s near-term outlook**, given the highly integrated nature of the region’s manufacturing base.

# Sectoral Impacts of U.S. Tariff Measures

While the U.S. tariffs on Canadian goods have impacted many industries integral to the southern Ontario economy, the two industries that have been hardest hit include:

- **Automotive Manufacturing (25% tariff on the non-U.S. content part of vehicles):** The auto manufacturing sector (100K workers) is Ontario's largest export sector and has deeply integrated supply chains with the U.S. Autos and parts exports to the U.S. totalled \$62B in 2024, which represents 96% of all of Ontario's auto exports. Some auto plants in the region have temporarily halted production and laid off unionized workers.
  - Smaller parts suppliers are particularly vulnerable to tariff impacts. Over 95% of southern Ontario's parts suppliers employ less than 500 workers and represent more than 61% of the region's automotive workforce.
- **Steel & Aluminium (25% on aluminum and steel imports):** Southern Ontario is home to two of Canada's three largest steel producers. This industry is concentrated in high value products and feeds several industries such as automotive and machinery. Ontario steel and aluminum exports to the U.S. totalled \$10B in 2024, which represents 96% of Ontario's total steel and aluminum exports. The industry has already seen job losses and project cancellations.

## Broader Impacts:

- Potential impact on direct business investment
- Uncertainty with respect to foreign direct investment (FDI)
- Need for increased competitiveness and trade diversification for SMEs

# FedDev Ontario's Key Roles in the Region



## INVEST

Strategically investing in businesses, communities and other organisations to support and expand the regional economy



## CONNECT

Engaging and convening with businesses, communities and partners across the region and all levels of government



## INFORM

Gathering, analysing and sharing intelligence about our region's industries and communities



# FedDev Ontario's Investment Focus

## Key areas of focus have been:

- **Growth companies:** projects that accelerate business development and growth
- **Technology:** projects in cutting-edge sectors
- **Industrial transition:** projects that support change in traditional sectors to adopt new technologies and other innovations to improve their competitiveness and build new opportunities
- Broad-based economic growth and regional coverage

## The Agency has prioritized the following sectors:

- **Housing manufacturing innovation:** To build more homes, faster
- **Artificial intelligence:** To help firms commercialize AI products and drive AI adoption across key economic sectors.
- **Automotive:** To strategically position the region's auto suppliers for the industry's future, including its transition towards cleaner and zero-emission vehicles.

## FedDev Ontario's investments have helped SMEs:

- Grow and scale operations
- Pursue new export market opportunities
- Unlock productivity through technology adoption and digitization
- Accelerate commercialization of new products
- Green their operations

## More broadly, the Agency's investments have helped the southern Ontario economy through:

- Job creation
- Anchoring companies in communities
- Community diversification
- Broad-based economic participation

The Agency also supports not-for-profits in southern Ontario's innovation ecosystem through investments in business support organizations, clusters and community organizations

# Connecting to Partners in the Region to Drive Growth

- **Connect:** FedDev Ontario collaborates closely across the federal family, with the province and with many non-governmental organizations



With Innovation, Science and Economic Development Canada (ISED) and other federal departments on project cross-referrals, and on key government economic priorities



With other RDAs on the development and delivery of national programs and on policy research in areas of shared interest (e.g., rural innovation)

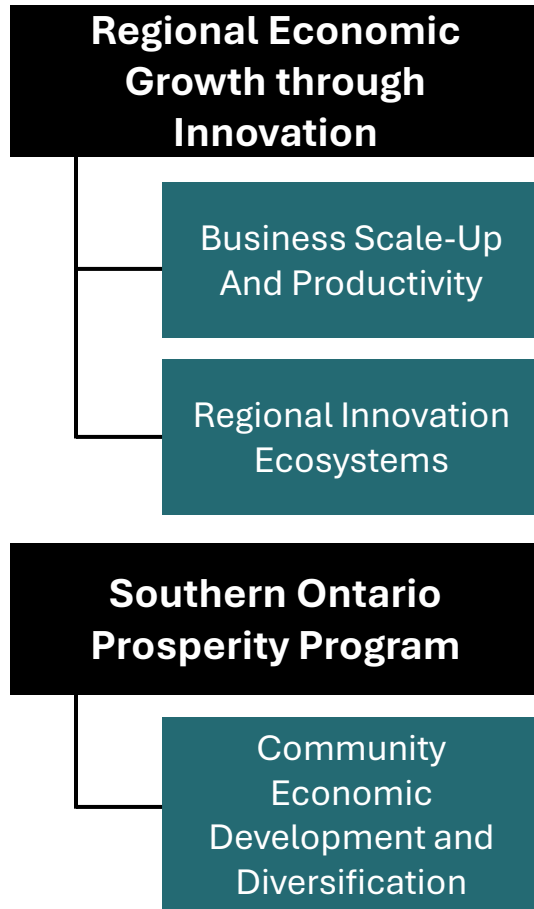


With the province of Ontario through information sharing, co-investment and referrals, and working together in areas of common priority

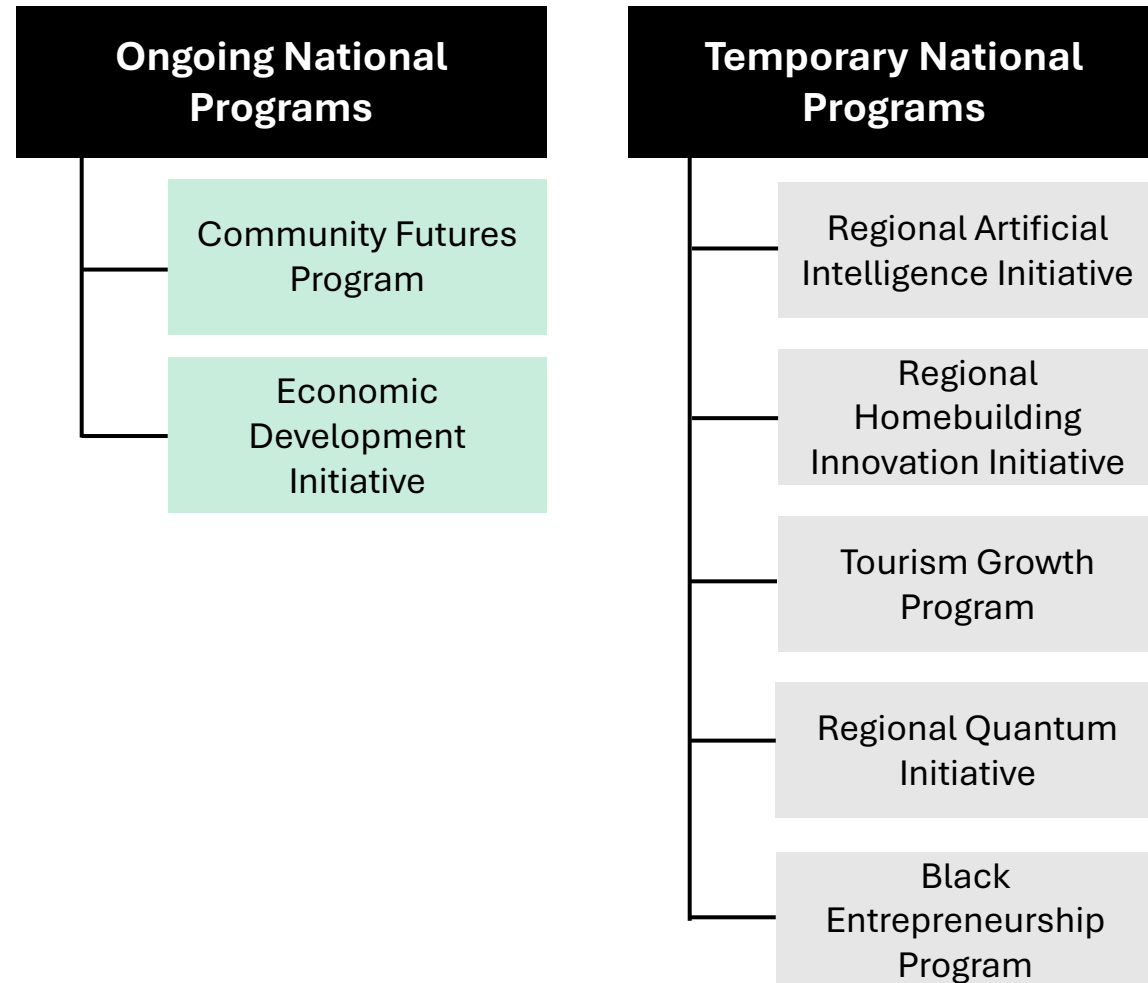
- **Inform** – The Agency gathers key on the ground intelligence and ensures it remains up-to-date on emerging trends, challenges and opportunities in southern Ontario, driving informed decision-making to foster regional growth and development

# Delivering Programming

## Regional Programs



## National Programs



# Flexible and Responsive Ongoing Regional Programs

Regionally-tailored programs that promote short- and long-term job creation, economic development and drive innovation in Southern Ontario

- Three ongoing funding streams in the form of repayable contributions to businesses and non-repayable to not-for-profits:

## Business Scale-Up and Productivity (BSUP)



Help companies adopt and develop new, innovative technologies that support growth and productivity

## Regional Innovation Ecosystems (RIE)



Support for not-for-profit organizations to develop strong and broad-based innovation ecosystems

## Community Economic Development & Diversification (CEDD)



Support for not-for profit organizations and businesses that help small and rural communities diversify and grow their economies

The BSUP and RIE streams together constitute the Regional Economic Growth through Innovation (REGI) program, common to all RDAs

The CEDD stream was developed by the Agency, specifically for southern Ontario

# National Programs Delivered by all RDAs

Supporting diverse, inclusive broad-based economic growth and responding to time-sensitive opportunities and challenges

## Ongoing National Programs

### Community Futures Program



Supports the operations of southern Ontario's 36 Community Futures Development Corporations (CFDCs), who provide business advice and administer loan pools, to support the growth of rural businesses

### Economic Development Initiative



Supporting Francophone and bilingual organizations that provide business and economic development programs or services in French

## Time Limited National Programs



### Regional Quantum Initiative

Offering targeted support to SMEs with quantum technologies and solutions (intake closed; program ends March 31, 2028)



### Black Entrepreneurship Program Ecosystem Fund

(intake closed, program ends March 31, 2025)\*



### Tourism Growth Program

(intake closed, program ends March 31, 2027)



### Regional Artificial Intelligence Initiative

(intake closed December 20, 2024; program ends March 31, 2029)



### Regional Homebuilding Innovation Initiative

(intake closed December 20, 2024; program ends March 31, 2026)

\*The 2024 Fall Economic Statement proposed \$189 million to extend the Black Entrepreneurship Program for an additional five years, a portion of which would be transferred to RDAs to renew funding for the Black Entrepreneurship Program Ecosystem Fund.

# Delivering Strong Results for Southern Ontario

For every **\$100 million** of FedDev Ontario's investments through regional ongoing program streams:

**9,000 +**

jobs are created and maintained

**\$235M**

is leveraged in additional investment

Recipient firms tend to outperform comparable to businesses:

**+12%**

**Revenue Growth**

**+24%**

**Employment growth**

**+18%**

**R&D spending**

**+40%**

**Export Growth**

# Supporting the Economic Priorities of the Region

FedDev Ontario is well-positioned to deliver on the Government's economic priorities in the region:

## Supporting the auto supply chain



- ✓ Investing in SMEs in the automotive sector to help establish an all-in-Canada supply chain

## Building innovation ecosystems



- ✓ Fostering national leadership and promoting long-term job creation

## Responding to economic disruptions



- ✓ Delivering Regional Tariff Response Initiative to help SMEs
- ✓ Helping exporters become CUSMA-compliant

## Helping SMEs scale and adopt



- ✓ Investing in innovative technologies that support growth and productivity

## Transforming industries



- ✓ Developing innovative technologies to transform industries and support tomorrow's growth

## Advancing homebuilding innovation



- ✓ Support efforts to build a new housing industry by making strategic investments to scale manufacturers