

Federal Economic Development Agency for Southern Ontario (FedDev Ontario)

DECEMBER 2024



Federal Economic Development
Agency for Southern Ontario

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

Canada

Overview

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Fueling economic development in southern Ontario

FedDev Ontario At A Glance



MANDATE

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

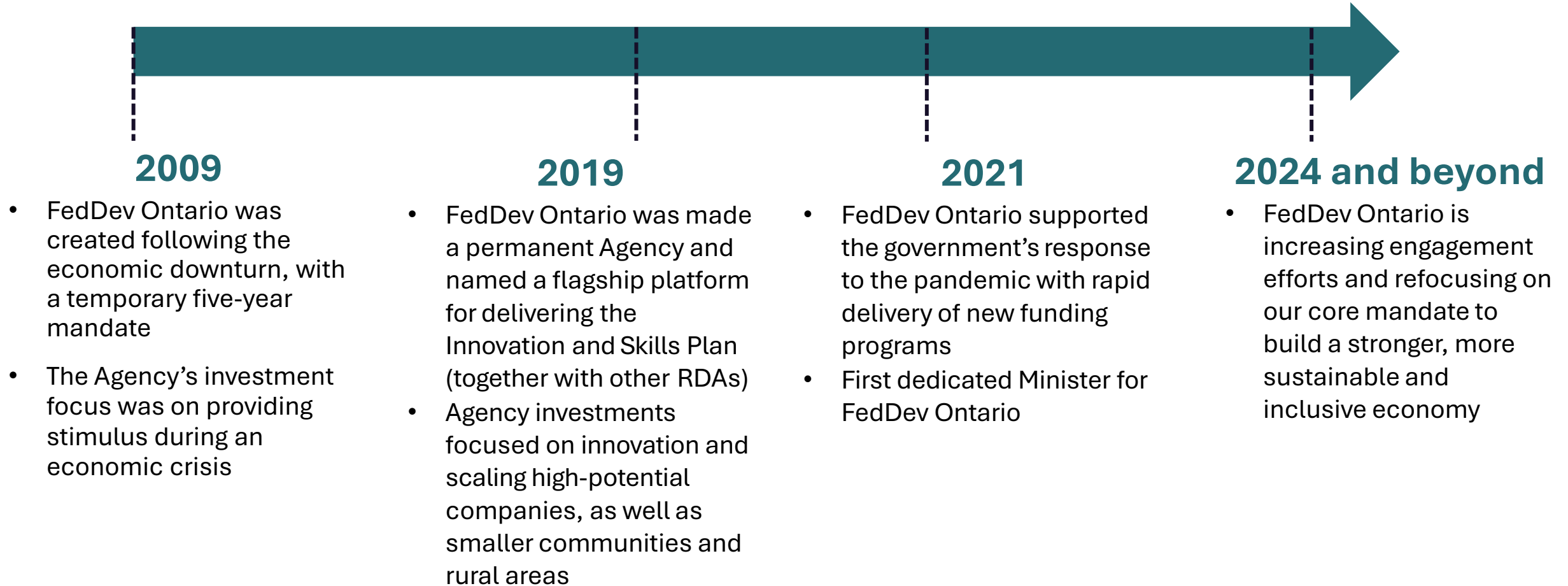
VISION

A green, inclusive and globally competitive southern Ontario economy that fosters innovative and growing businesses, economically diversified and resilient communities, and meaningful employment



- 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	Communications
<p>Irwin Cortez A/ Chief of Staff & Corporate Secretary</p> <p><i>Manages coordination between the Minister's office and the Agency, and corporate secretariat functions</i></p>	<p>Linda Cousineau Vice President Business, Innovation and Community Development</p> <p><i>Responsible for managing the Agency's program delivery</i></p>	<p>Steve Masson A/Vice President Policy, Partnerships and Communications</p> <p><i>Responsible for policy and program development, evaluation, stakeholder engagement, and communications</i></p>	<p>Carole Bourget 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>Raquel Fragoso 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>	<p>Kerri Dunning Director General Communications and Public Affairs</p> <p><i>Manages and plans Ministerial events and announcements</i></p> <p><i>*Reports to the VP of Policy, Partnerships and Communications</i></p>

Home to diverse subregions comprised of 289 communities

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

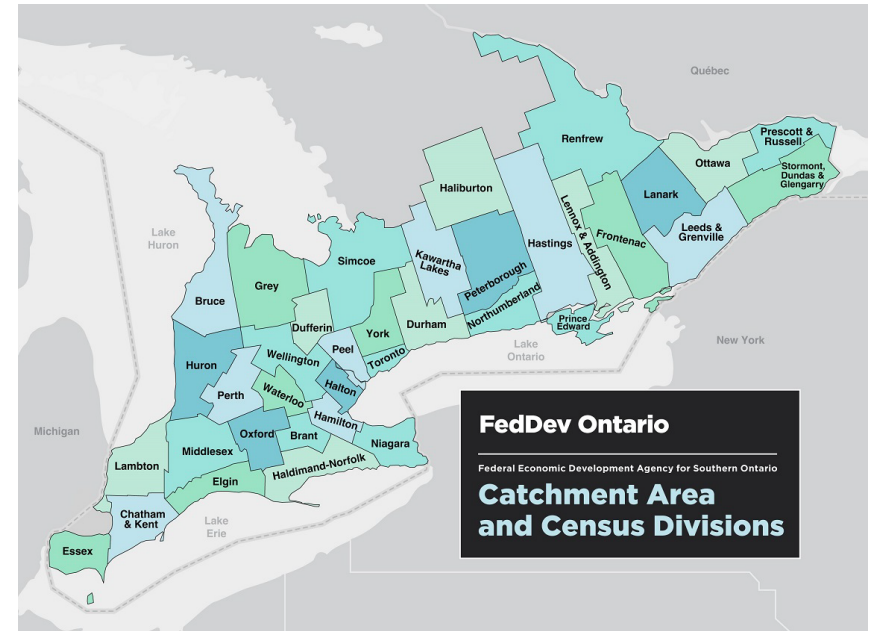
Kitchener-Waterloo and Ottawa – cities with sectoral strengths in tech and innovation

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 (e.g., Kincardine and Carleton Place)

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 19% of Canada’s population (2023)



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

The region is a key driver of Canada's growth



38% of Canada's GDP at ~\$1.1 trillion



35% of Canada's Goods Exports (\$252.3 billion in 2023, \$208.4 billion from Jan-Oct 2024)



Strengths in automotive, aerospace, life sciences, financial services, information and communications technology (ICT), Artificial Intelligence (AI), and agri-food



Home to 35 post-secondary institutions, some 70,000 annual science, technology, engineering and mathematics (STEM) graduates and over 650,000 jobs in STEM fields



With more than 130 business accelerators, incubators and innovation hubs; Ontario attracts 48% of venture capital (VC) investment in Canada (2023).



The region is home to more than 480,000 firms; and 33 of the country's 50 fastest growing companies (2020-23) are Ontario-based.



Significant and growing strengths in areas such as Electric Vehicles, Artificial Intelligence (AI) and Quantum computing

The region's 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**
- **36% increase in ICT jobs between 2013 and 2023**; almost 41,000 new jobs added since 2020

Regional economic considerations



Housing affordability – 21.7% of Ontario’s households are estimated to have sufficient income to buy a single-family home under current conditions. With interest rates continuing to fall however, banks are now more optimistic about individuals with mortgages coming up for renewal.



Wealth gap forming – Households’ net worth as a share of disposable income in Ontario reached 350% (2024Q2) for those under 35 while it was 1,517% for those aged 55 to 64.



Interprovincial outmigration – An increasing number of Ontarians have left the province (112,000 in 2022-23); double the number from 2000-01. ~70% of those who left are 39 years old or younger.



Moderate near-term growth – Ontario is on track to end 2024 with low growth, due to slow consumer spending, lagging business investment, increased competition for talent and investment dollars, and low productivity gains. A better performance is forecast for 2025.

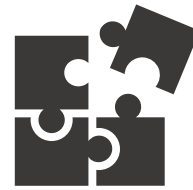


Canada-US Relations – Canada and the U.S. share a deeply interconnected relationship, with the U.S. being the top destination for Ontario’s goods exports. Tariffs on Canadian goods could harm the region’s near-term outlook, particularly affecting border communities whose local economies are highly integrated with U.S. supply chains.

FedDev Ontario plays key roles for the federal government in the region



Co-investor



Convenor



Champion



Pathfinder



FedDev Ontario's investment focus

Key areas of focus:

- **Clean economic growth:** projects that support the greening of the economy, that can contribute to emissions reductions, and that create sustainable and green jobs
- **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
- Inclusive growth and regional coverage

Zero-emissions vehicles, artificial intelligence, and housing manufacturing innovation are also sectors of priority for the region

FedDev Ontario's investments can help businesses:

- Grow, scale operations and export globally
- Adopt technology, automate, digitize processes (e.g., cybersecurity, artificial intelligence)
- Create jobs, accelerate commercialization, diversify and expand
- Develop clean technologies and green operations
- Break barriers to achieve equity and diversity

In addition, the Agency is helping to maximize the region's economic potential by ensuring that businesses have the support they need to remain competitive and innovative through periods of economic uncertainty

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

Convening partners and championing the region to drive growth

- 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)

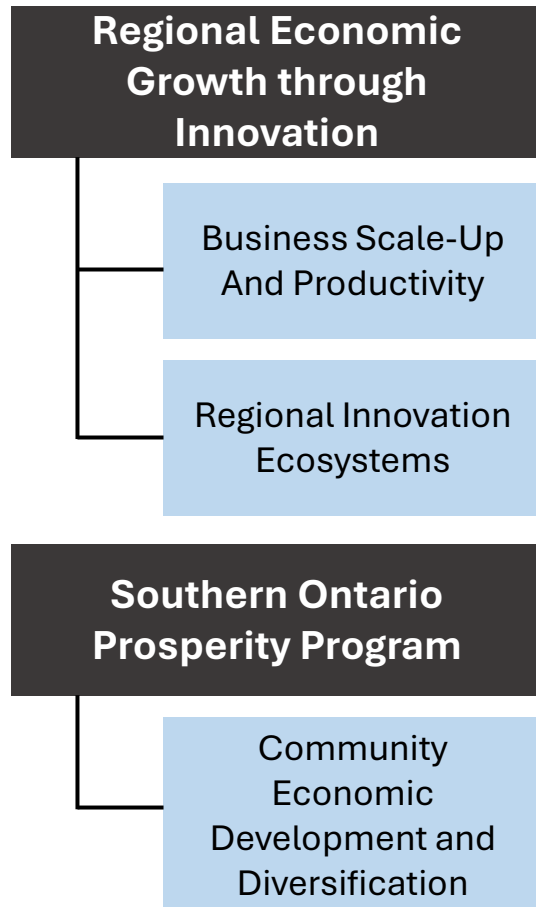


With the Government of Ontario through information sharing, co-investment and referrals, and working together in areas of common priority

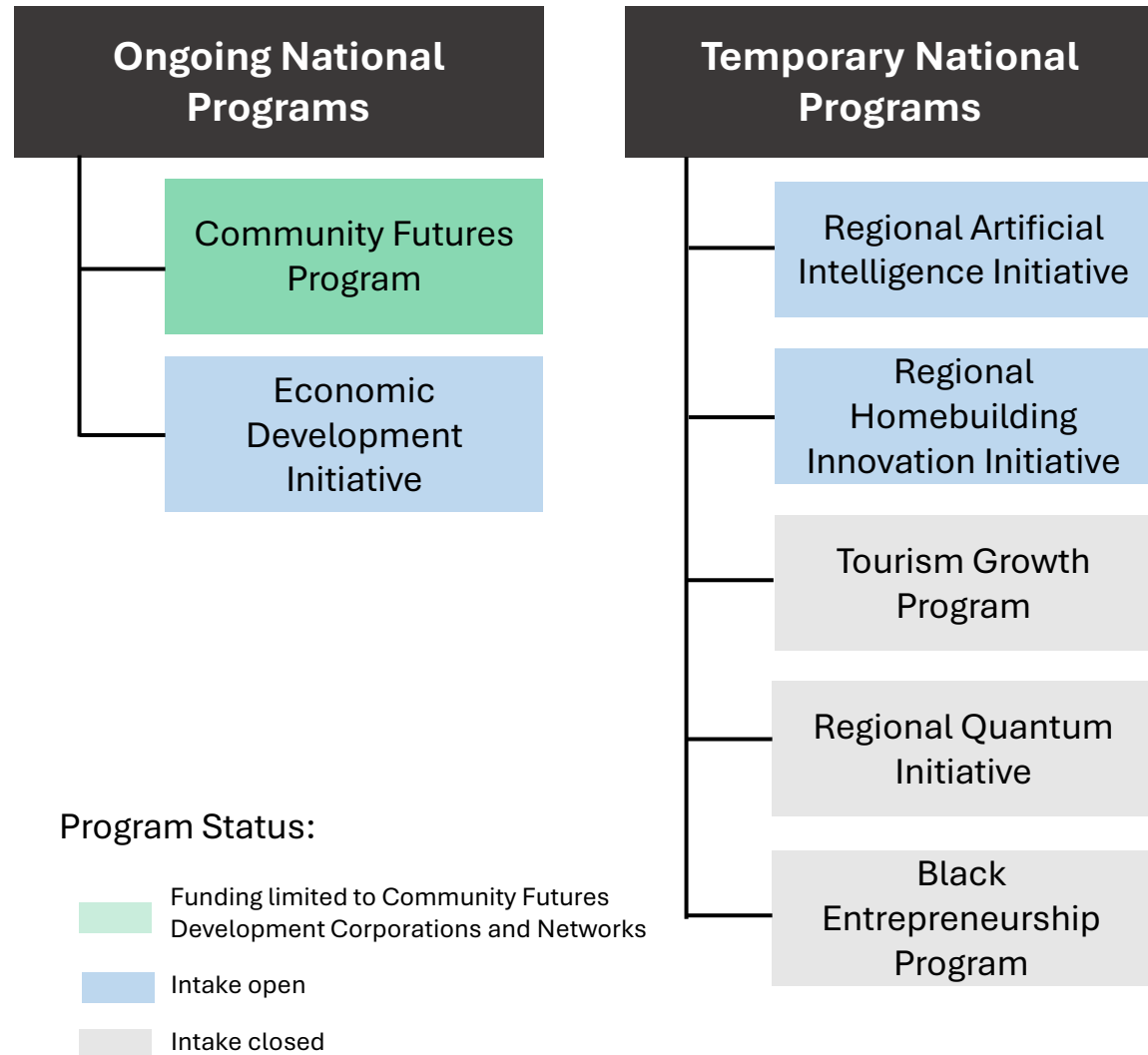
Champion – the Agency seeks to advocate for and champion southern Ontario’s economy, highlighting its opportunities and challenges, across federal departments and agencies.

Delivering programming that falls into three categories

Ongoing Regional Programs



National Programs



Flexible and responsive ongoing regional programs

Regionally-tailored programs that promote short- and long-term job creation and economic development 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 inclusive regional innovation ecosystems

Community Economic Development & Diversification (CEDD)



Support for not-for profit organizations and businesses that help small and rural communities 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 and inclusive 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 open, closes December 20; program ends March 31, 2029)



Regional Homebuilding Innovation Initiative

(Intake open, closes December 20; program ends March 31, 2026)

Agency Budget

	Actual Expenditures			Planned Expenditures
	2021-2022	2022-2023	2023-2024	2024-2025*
Operating	\$39M	\$41M	\$41M	\$37M
Grants and Contributions	\$357M	\$553M	\$416M	\$216M
Total	\$396M	\$594M	\$457M	\$253M

* Includes REGI Top-up Sunsetter Renewal/Regional Homebuilding Innovation Initiative and Securing the Regional Artificial Intelligence Initiative.

Delivering strong results for southern Ontario

Since 2015, this Agency has **invested over \$2.8 billion**, in **over 3,620** projects that align with economic priorities and regional opportunities

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

*As of April 2024