

## **Economic Competitiveness Study Update (All Wards)**

*(City Council on December 14, 15 and 16, 1999, amended this Clause, by adding to the recommendation of the Economic Development and Parks Committee the words “subject to the Commissioner of Economic Development, Culture and Tourism reporting further on the economic strategy for small business and such plans being interpreted in the economic development strategy”, so that such recommendation shall now read as follows:*

*“The Economic Development and Parks Committee recommends the adoption of the following report (November 12, 1999) from the Commissioner of Economic Development, Culture and Tourism, subject to the Commissioner of Economic Development, Culture and Tourism reporting further on the economic strategy for small business and such plans being interpreted in the economic development strategy:”.)*

**The Economic Development and Parks Committee recommends the adoption of the following report (November 12, 1999) from the Commissioner of Economic Development, Culture and Tourism:**

### Purpose:

To update the Committee on the Economic Competitiveness Study which is now substantially complete.

### Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

### Recommendations:

It is recommended that:

- (1) the Economic Competitiveness Study form the basis for the Economic Development Strategy;
- (2) the Commissioner distribute the findings of the study to other departments and Agencies, Boards and Commissions; and
- (3) the Commissioner, prior to the submission of the Economic Development Strategy to Economic Development and Parks Committee in February, convene a workshop with Members of Committee in early January.

### Background:

In October 1998, Council recommended that an Economic Development Strategy Steering Committee be created to oversee the process of developing an economic development strategy for the City of Toronto.

The need for an analysis of the City's competitive position as a key input into the formulation of the City's economic development strategy was identified by the Economic Development Strategy Steering Committee following consultations with the business community.

Funding for a competitiveness study was included in the Economic Development workplan and budget for 1999. Recognizing the importance of undertaking a more comprehensive study, and the value that this work could play in informing the Official Plan and Provincial policies, staff from Economic Development invited the participation of the Ontario Ministry of Economic Development and Trade, Urban Economic Development Unit and Urban Planning and Development Services in this initiative.

The consulting team is a consortium led by ICF Consulting, an internationally recognized firm specializing in economic strategies with a specific expertise in the analysis and benchmarking of economic clusters. This international perspective was complemented by the local team of Metropole Consulting and GHK International.

Comments:

The objectives of the Competitiveness Study were to provide:

- (a) an overview of the Toronto/GTA economy, particularly its role in the global economy and its economic competitiveness; and
- (b) a brief analysis of the major industry sectors/business clusters operating in the region.

More specifically, this work was commissioned to gain a better understanding of:

- (a) international trends and the role of cities in the world economy;
- (b) elements which define global competitiveness of cities /city-regions;
- (c) Toronto's/GTA's competitive position relative to other international cities and city-regions;
- (d) the scale, structure and performance of key clusters in the Toronto economy;
- (e) global trends that will impact these clusters; and
- (f) factors or actions that could influence the contraction/expansion of these clusters.

Clusters are defined as "local networks of industries that produce goods and/or services for export". The performance of these industries are critical to a city, in that they bring new income

and tax receipts into the economy that, in turn, fuel local economic activities and influence spatial patterns of investment.

Ten clusters were selected for closer study based upon their employment profile and growth rate.

These clusters are: Aerospace, Apparel, Autos, Biomedical and Biotechnology, Business and Professional Services, Financial Services, Food and Beverages, Information Technology, Media and Tourism.

The study also seeks to evaluate and benchmark Toronto against other cities with respect to the economic foundations that promote development including: technology, research and development, human resources, venture capital, business costs and quality of life.

The consultant will present study findings that will be considered in the context of both the Economic Development Strategy and Official Plan.

#### Conclusions:

The Economic Competitiveness Study is an important input into the Economic Development Strategy for the City. A better understanding of the elements of competitiveness that will define successful economies of the future and an assessment of the performance of our key industry clusters relative to other major urban centres will provide a valuable context for future decision making and priority setting.

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Mr. Ted Egan of ICF Consulting made a presentation to the Economic Development and Parks Committee in connection with the foregoing matter.