

**Inaugural Ontario Economic Report Forecasts Outlook for Local and Provincial
Economy: Stratford & District Chamber of Commerce**
***Vulnerabilities in Ontario's economy pose challenges to our prosperity. Government must
prioritize growing the economy, creating jobs and driving a competitive advantage***

Stratford, Ontario, February 7th, 2017: Today, the Stratford & District Chamber of Commerce in partnership with the Ontario Chamber of Commerce (OCC), released the inaugural Ontario Economic Report (OER), a landmark agenda aimed at shaping and informing future public policy. The OER includes entirely new economic analyses that demonstrate the difficult economic environment faced by Ontario businesses and consumers in 2017. The report also contains exclusive economic information pertaining to the Stratford-Bruce Peninsula region.

The report includes the results of the OCC's new Business Confidence Survey conducted in partnership with Fresh Intelligence, a Business Prosperity Index developed by the Canadian Centre for Economic Analysis (CANCEA), and an Economic Outlook for 2017 prepared by Central 1 Credit Union. These datasets, viewed together, reveal broad challenges to Ontario's economic health.

"Our research shows that Ontario's economic climate is posing challenges to the businesses we represent and Ontarians more broadly," said Allan O'Dette, President and CEO of the OCC. "Investment is being held back because of a high perception of risk. We need immediate action in order for our province to continue to grow and prosper."

Economic outlook data reveals that the unemployment rate will continue its significant downward movement in the Stratford-Bruce Peninsula region to 4.2 percent, the lowest in the province. Net migration and labour force size will rise, with the median residential housing price expected to rise by 5.3 percent to \$258,000.

Additional key findings in the OER are from the Business Prosperity Index. This index shows that, despite total business prosperity increasing since 2000, prosperity is increasingly generated from asset and liability management rather than the production of goods or services. This means that Ontario businesses are less likely to earn income from actual business activity today than they have in the past.

While Ontario enjoyed an average 2.6 percent real GDP growth rate between 2000 and 2006, the source of wealth generated from the production of goods and services actually declined by 12 percent during that same period. Since the recovery from the "great recession", production activities fell a further 12 percent over that period. Broadly, this means Ontario's business prosperity is increasingly dependent upon non-production, financial activities.

This challenge is a result of the current economic environment, in which increased costs associated with production, regulation and housing have resulted in weak market and labour

force activity. Businesses in Ontario are operating in a risk-averse environment in which they are disinclined to grow production by investing or hiring.

“For many years, the voice of Ontario business has cautioned that regulatory burdens, high input costs, and government policies not attuned to innovation have hampered economic growth,” added O’Dette. “The findings in the OER reinforce this, and indicate that there are also structural issues impeding our province’s potential.”

The results of the OER highlight the key policy issues that the OCC intends to prioritize in 2017, including workforce development, infrastructure, energy, and health care. Central to the organization’s work is the notion that industry and government tackle these issues together, in order to grow economic prosperity and drive positive change for all Ontarians.

-30-

Media Contact:

Brad Beatty
General Manager
Stratford & District Chamber of Commerce
519-273-5250
Manager@stratforddistrictchamber.com