

Intelligence MEMOS



C.D. Howe Institute's second Regent Debate took place last month. Four prominent voices sparred over the following question: Is Canada Facing an Existential Crisis in Competitiveness? Today: the case against from former Ontario finance minister Janet Ecker.

I would like to start with a question: What do the following companies have in common?

Arnie Fender Katsalidas, a business services company from the UK, Bamburgh, a financial services company from Sweden, booking.com, a business services company from the US, Nude by Nature, a life sciences company from Australia, Spotsy, a tech firm from the Netherlands, Sat, a manufacturing company from Germany, Cognixia, a tech company from the US, Trade Gecko, a tech company from Singapore?

All have made and are making significant investments – actual boots on the ground investments in the Toronto region during the past year. And why? Because of our competitive value proposition as an investment destination.

Now I know our esteemed colleagues will, no doubt, recite reams of statistics that say that we are indeed having an existential crisis in this regard and I know former finance ministers can be very good at that kind of thing. But for me what matters is what's happening on the ground, what are real-world business leaders deciding when they look for a good place to invest? And from my previous vantage point as the head of the Toronto Financial Services Alliance and now as vice chair at Toronto Global the new multi-government regional investment attraction agency, I say with confidence that those business leaders are deciding this is the place.

Let's take another snapshot – how about artificial intelligence? Definitely the economy of the future and an area where Canada's global profile is growing rapidly. In the past year alone, Deep Mind, Accenture, Facebook, Fails, Thomson Reuters, Samsung, Uber, Microsoft, Intel and General Motors have all launched new research boots on the ground investments in this region.

They have all looked around the world and concluded that here is where they want to be – right here right now to quote a book. Companies that have the world to choose from chose here because we have the quality and the availability of the talent that they're looking for, because we have one of the more competitive business location destinations, because we have one of the best qualities of life, and in this day and age of Trump and Brexit and God knows what next, we have one of the most stable investment locations around.

They aren't reading the productivity reports or tracking the FDI flows, they are looking for what they need to succeed and finding it here. Our biggest challenge – it's not about being competitive – it's getting that message out to companies. And when we call and tell them, they say "let's talk."

That's not a competitive problem that's a marketing problem. So do we have competitive issues? Of course we do. But do we have an existential problem? No we don't.

So let's stop wringing our hands and make sure that our governments keep doing what they need to do to protect and enhance our competitive position to keep investing in that precious talent, to keep working to ensure the tax structure is competitive, to keep investing in infrastructure, and yes, I agree, we need to throw in a few pipelines, keep working to remove the red tape burden (a job that never ends), keep up aggressive marketing and, yes, remember to balance the budget once in a while. And if we do that, we can continue to do well. Thank you very much.

The Regent Debate series is generously sponsored by Aaron and Heather Regent.

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