

Federal Economic Development Agency for Northern Ontario (FedNor)

Your partner in Northern Ontario

October 2021



Mandate



FedNor was first created as a federal initiative in 1987 with a mandate to assist in the expansion and diversification of the economy of Northern Ontario. On August 12, 2021, FedNor was established as a standalone agency, confirming the importance of its role.

FedNor responds according to Northern Ontario's specific issues

Contextual issues



Demography

Stagnant population growth

- Population: 877,700 (5.9% of Ontario and 2.3% of Canada)
- Older age profile 65+ (21.7%)
- Almost 60% of population concentrated in 5 cities
- Francophone population (121,400) represents 15% of region's population
- Indigenous population (130,600) represents 16% of region's population
- Low international immigration



Economy

Concentrated in natural resources with opportunities to diversify

- \$37,752M (2019) GDP representing approximately 5% of Ontario's GDP and 1.9% nationally
- Lower unemployment than national average— but hampered by labour shortage with fewer workers looking for employment
- Over 65,700 businesses; only 68 with over 500 employees
- Approximately 10.5% of Ontario's exports



Regions

Disparity between urban and rural communities

- Large geography comprising of 90% of Ontario's landmass
- Significant disparities between large centres, medium-sized cities and rural/remote areas (broadband, sectors, job creation)
- 150 municipalities, of which 80% have a population of 2,000 or less and 105 First Nations communities

Impacts of the pandemic



An economy on pause

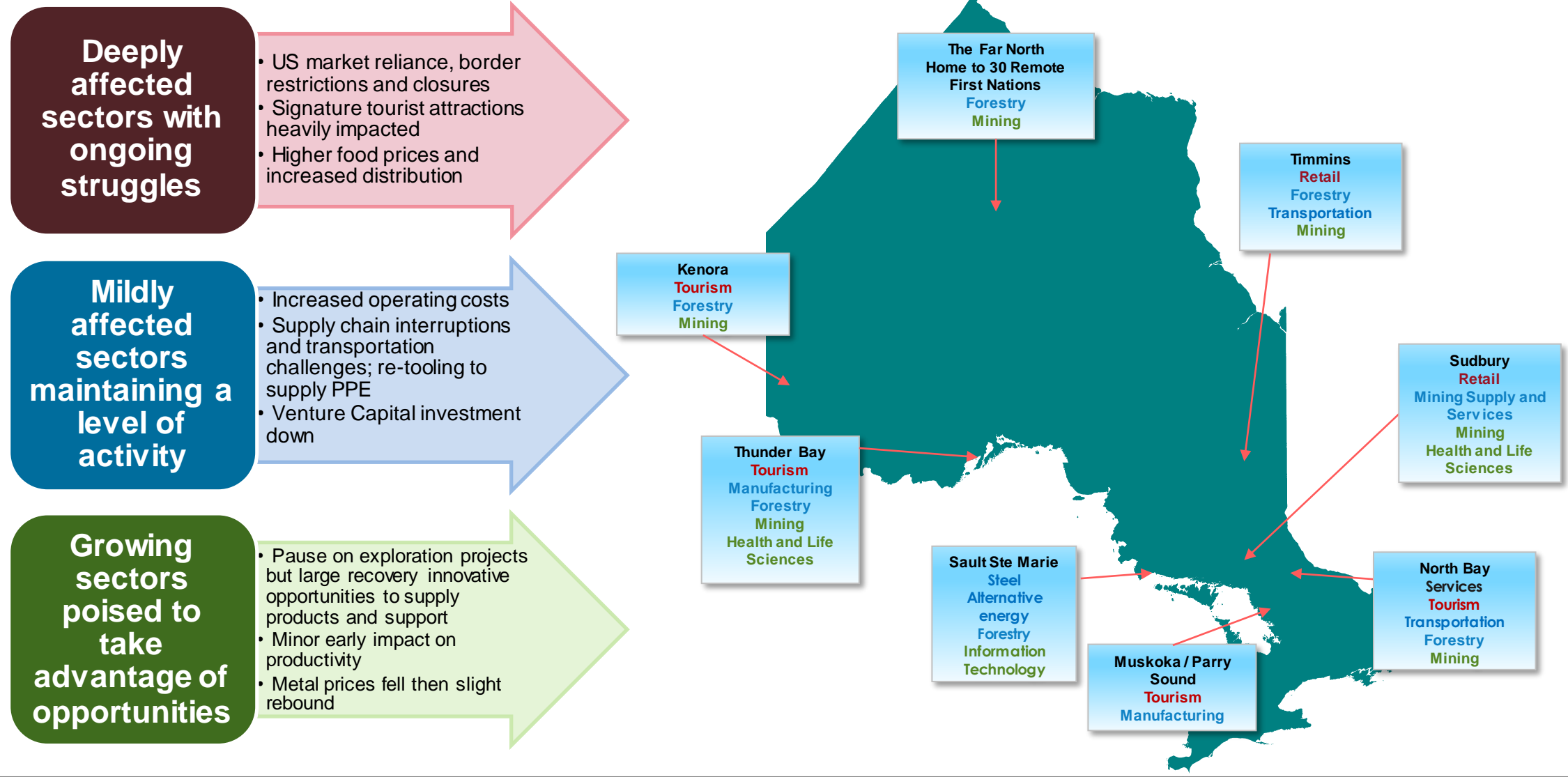
- By spring 2021, overall business activity had increased more than the provincial average in many centres, but total employment levels remained below average
- Significant revenue reductions continue for almost half of regional business



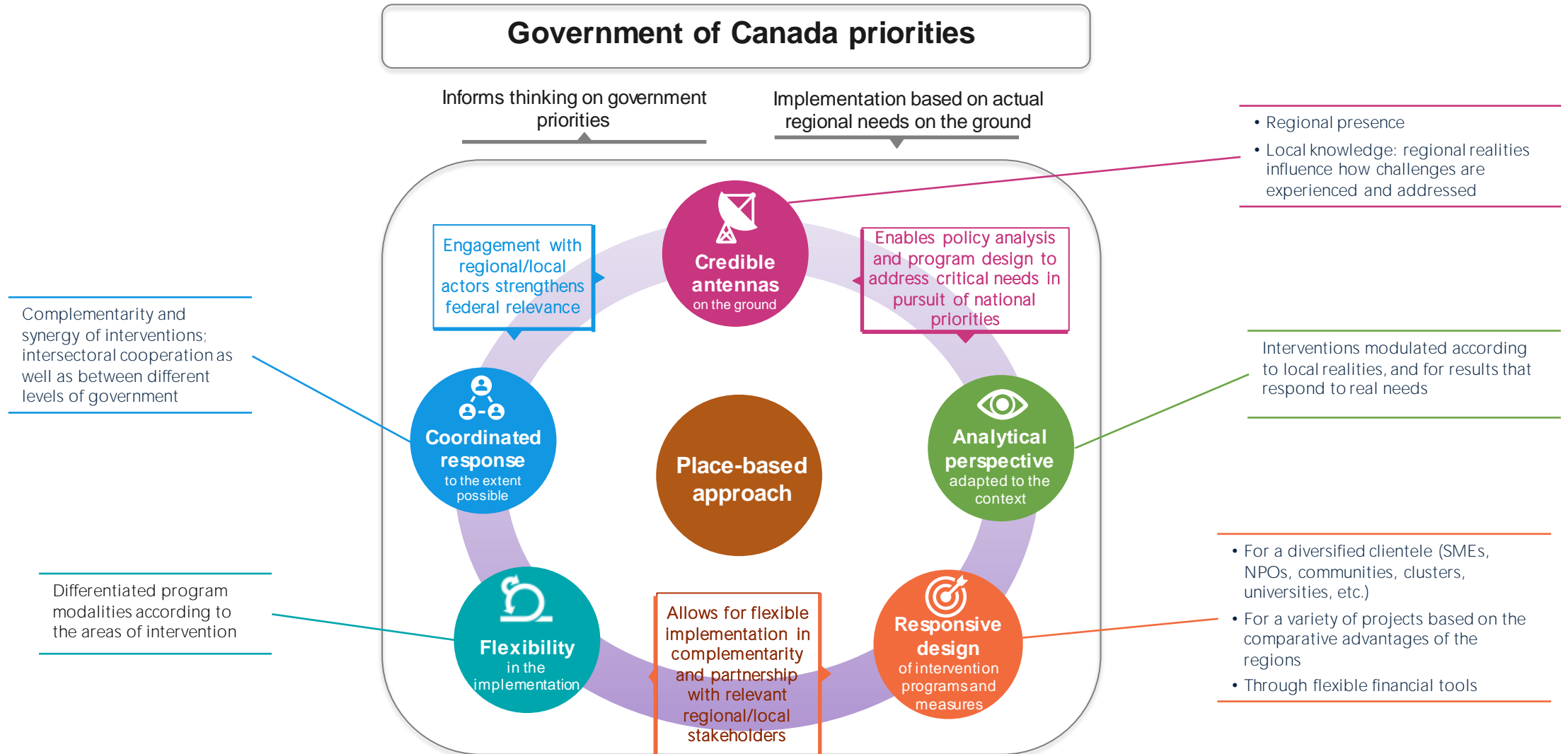
A tepid recovery

- Vigilance at the dawn of a 4th wave
- Uncertainty for recovery in accommodation and food services, tourism and retail trade along with single-industry communities
- Historical areas of challenge for Northern Ontario continue to impact development

Community/Sectoral Impacts of COVID-19

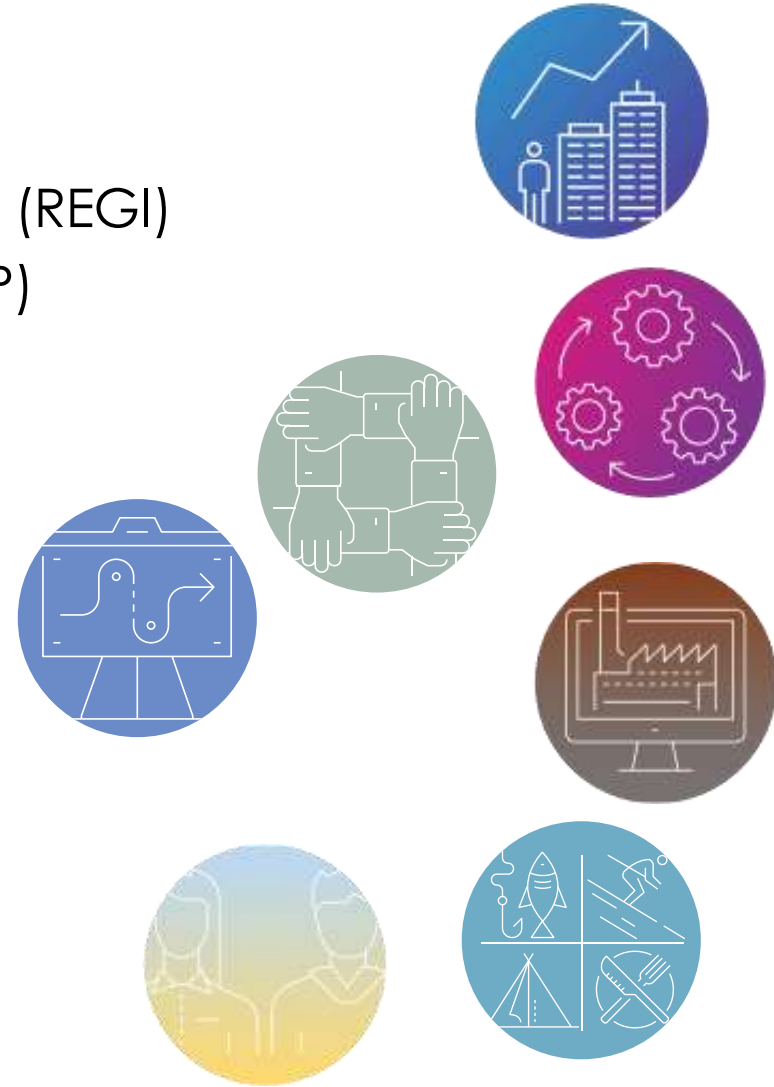


How our programs adapt



Our core programs

- Regional Economic Growth through Innovation (REGI)
- Northern Ontario Development Program (NODP)
- Community Futures Program (CFP)
- Economic Development Initiative (EDI)



Our temporary programs

- Women Entrepreneurship Strategy (WES)
- Regional Relief and Recovery Fund (RRRF)
- Regional Air Transportation Initiative (RATI)
- Black Entrepreneurship Program (BEP)
- Canada Community Revitalization Fund (CCRF)
- Jobs and Growth Fund (JGF)
- Tourism Relief Fund (TRF)
- Aerospace Regional Recovery Initiative (ARRI)



Priorities driven by regional realities

Prosperity and Growth Strategy for Northern Ontario (PGSNO)

A plan for economic development, inclusiveness and success



Our clients: SMEs and the organizations that support them

Profile of SMEs in Northern Ontario

1-4 EMPLOYEES	12,280
5-9 EMPLOYEES	5,480
10-19 EMPLOYEES	3,880
20-99 EMPLOYEES	3,370
100-499 EMPLOYEES	475
PROPORTION OF SMES MAJORITY-OWNED BY INDIVIDUALS OF INDIGENOUS DESCENT	4 %
SECTORS WITH LARGEST PROPORTION OF EMPLOYMENT	<ul style="list-style-type: none"> • ACCOMMODATION AND FOOD SERVICES • RETAIL TRADE • CONSTRUCTION
CONCENTRATED SECTORS OF ACTIVITY UNIQUE TO THE REGION	<ul style="list-style-type: none"> • MINING • FORESTRY • PRIMARY METAL MANUFACTURING • SUPPORT ACTIVITIES FOR MINING

Types of NPOs supported (Not exhaustive)

- Industrial clusters
- Incubators/accelerators
- Indigenous NPOs
- Tourism industry associations
- Community Futures Development Corporations (CFDCs)



Success stories

- **REGIONAL ECONOMIC GROWTH THROUGH INNOVATION:** Norgalv brought clean advanced galvanizing technology to Northern Ontario (North Bay) thanks to a \$1.3 million repayable contribution from FedNor. The funding helped establish a 35,000-square-foot galvanizing plant – the first of its calibre in Ontario and the second in Canada – to service Northern Ontario fabricators in the mining supply and services industry, creating 35 jobs with more expected.
- **NORTHERN ONTARIO DEVELOPMENT PROGRAM:** One Human Service Network, launched an innovative digital service that connects parents with childcare service providers thanks to the assistance of a \$588,000 repayable contribution from FedNor. With the loan, the small high-tech company in Sault Ste. Marie developed Childcare Connect, a centralized digital platform that helps maximize childcare access, affordability and quality for families and children. As a result the company has created six more highly skilled jobs.
- **COMMUNITY FUTURES PROGRAM:** Lecours Motor Sales took advantage of a loan from the Northeastern Ontario Investment Pool, administered by the Nord-A ski Regional Economic Development Corporation in Hearst. The Community Futures loan enabled the car dealership to expand its operations and shift gears to design, modify and service hi-rail vehicles. Ten new jobs were created as a result.
- **REGIONAL AIR TRANSPORTATION INITIATIVE IN NORTHERN ONTARIO:** The Thunder Bay International Airports Authority received \$3.5 million through FedNor to help it mitigate financial pressures due to the COVID-19 pandemic and enable it to provide service to airlines when travel volumes return. The funding is expected to maintain 27.5 jobs, as well as support regional connectivity and charter service for essential services, including access to remote First Nation communities.

How do we add value?

FedNor projects in fiscal 2020-21 provided well needed relief to businesses and communities to help them survive and be in a position to recover from the COVID-19 pandemic.

This represented:

- **\$164.9 million** in authorized assistance
- **332 projects**
- Delivered more than 2.5x funding than typical year



Results and impacts in 2020-2021



Approximately **11,100 jobs were created or maintained** as a direct result of FedNor projects including RRRF



Over **3,300 businesses were maintained, expanded or created** as a direct result of FedNor projects including RRRF



\$1.90 = Amount leveraged per dollar invested in community projects in Northern Ontario

Key messages

- Since 1987, FedNor has served as the Government of Canada's economic development organization for Northern Ontario.
- Through its programs and services, and through its financial support of projects that lead to job creation and economic growth, FedNor works with businesses, organizations and community partners to build a stronger Northern Ontario.
- The creation of FedNor as a Regional Development Agency (RDA) in August 2021 responds to a need identified by Northern Ontario community and business leaders over the years.
- Canada's RDAs are critical to accelerating recovery efforts, fueling the economy, creating jobs, and maximizing growth opportunities in municipalities and Indigenous communities across the country.

FedNor, in brief



Manon Brassard
FedNor Interim President



FedNor currently counts 87 staff across its offices, with its headquarters in Sudbury, and staff in other offices: Sault Ste. Marie, Thunder Bay, North Bay, Timmins, Kenora, and Ottawa.

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