

Prosperity and Growth Strategy for Northern Ontario

2025-2030



Federal Economic Development
Agency for Northern Ontario

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

Canada

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Background

The [Prosperity and Growth Strategy for Northern Ontario \(PGSNO\)](#) is led by the Federal Economic Development Agency for Northern Ontario (FedNor) and reflects a whole-of-government approach to catalyze strong economic development in the region. The PGSNO recognizes the importance of place-based solutions to address the specific needs and challenges faced by residents, communities, and businesses in Northern Ontario.

Since its launch in 2018, the PGSNO has helped to drive federal investments in the region and accelerate economic development. Given changes in the economic landscape over the last five years, there's a clear opportunity for renewal and transformation. FedNor initiated a refresh of the strategy in 2024–25 to establish a new and ambitious direction, focused on maximizing the economic potential of the region.

In early 2024, FedNor released a [progress report](#) detailing efforts to date and notable achievements across various economic indicators. The report also helped identify ongoing challenges and areas needing further attention and public engagement.

From July to October 2024, FedNor engaged over 300 stakeholders through 22 roundtable sessions and accepted several written submissions. Participants reviewed progress, identified regional gaps and opportunities, and discussed future priorities and actions from a place-based perspective. After the sessions concluded, FedNor conducted a validation survey to confirm what was heard during the discussions and further prioritize identified areas of action. This process resulted in the [What We Heard Report](#).

Using the feedback received throughout the engagement process, the PGSNO priorities were adjusted to reflect current realities, address regional challenges, and capitalize on economic opportunities. Ultimately, the refresh aims to ensure the PGSNO remains relevant and responsive to the needs of Northern Ontario's businesses and communities while strengthening the region's role in the broader Canadian economy and driving a new era of economic development.

FedNor wants to thank all participants for their time, knowledge and dedication over the last year. Through these collaborative efforts, we are pleased to present to you, the new Prosperity and Growth Strategy for Northern Ontario: 2025–2030.



Current context

Northern Ontario covers 90% of the province's landmass and represents 6% of its population.¹ The region is home to 856,193 people with more than half residing in its five largest centres.² The remaining residents live in small and dispersed communities across the region, over 80% of whom have a population of fewer than 2,000 people.³

Northern Ontario is home to 150 municipalities and 106 First Nations.^{4,5} Of these communities, 28 are unconnected, meaning they are accessible by air travel only, or a combination of air travel and alternate modes of travel such as winter roads, when conditions allow. Almost all fly-in communities (27 out of 28) are First Nations, and the majority are located in the northwestern region. Northern Ontario is home to a larger population of Indigenous Peoples (17%) compared to the province (3%) and Canada (5%). Of those in Northern Ontario, 69% were First Nations, 29% Métis, and less than 1% Inuit.

Northern Ontario is also home to 23 official language minority communities (OLMCs),^{6,7,8,9} where 92,500 Francophones reside.^{10,11,12} Francophones represented 15% of Northern Ontario's population in 2021, compared to 4% in Ontario and 4% in Canada (outside of Quebec), with a high concentration in the northeastern region. However, OLMCs have also been facing significant outmigration. The Francophone population in the region declined by 5.6% from 2016 to 2021 in the region, while the total population grew by 1.9%.

Economic growth in Northern Ontario has traditionally been slow compared to the rest of Ontario and Canada. In 2024, Northern Ontario's gross domestic product (GDP) was estimated at \$34.6 billion—about 4% of Ontario's total GDP—despite the region representing 6% of the province's population.^{13,14,15} The largest sector was mining, making up 15% of the region's real GDP.

Focused on primary sectors like mining and forestry means the region's economic growth is particularly vulnerable to global economic cycles. The greater distances between communities leads to higher costs of doing business; the costs associated with developing infrastructure including housing, broadband and transportation, as well as challenges accessing basic programming and services, can stifle economic growth. Additionally, Northern Ontario's economy is being impacted by far-reaching and complex external factors, such as global trade tensions, which have resulted in sharp increases in inflation, high interest rates, labour market challenges, and supply chain disruptions.

Northern Ontario's economy is also vulnerable to the effects of climate change. Temperatures in the region are rising at three times the rate of the global average, bringing extreme weather and an increased risk of flooding and wildfires, threatening infrastructure and food security, and affecting economic sectors including forestry, mining, agriculture, tourism, and the Indigenous economy.

Despite these challenges, Northern Ontario boasts many opportunities, including a strong innovation ecosystem, and an abundance of natural resources, such as rare minerals, massive forests, and undeveloped agricultural land. The increased demand for natural resources, including precious and base metals, wood products, and biofuels, along with the transition to a low-carbon economy and the need for responsibly sourced critical minerals, presents Northern Ontario with unique competitive advantages. To capitalize on these opportunities, there is a heightened need for strategic investments that maximize innovative potential.

In this context, small and medium-sized enterprises (SMEs) play a crucial role; they are the foundation of the Canadian economy and key drivers of regional growth. As of June 2024, the region had 73,300 businesses,



approximately 25,600 of which had employees. Nearly all of these (99.7%) were SMEs, with only 77 classified as large employers (500 or more employees).

Table 1. Northern Ontario key facts

Gross domestic product (GDP) (2024)	\$34.6 billion—about 4% of Ontario’s total GDP ^{16,17}
Population (2021)	856,193 (6% of Ontario’s population) ¹⁸
Indigenous Peoples (2021)	140,320 (16% of Northern Ontario’s population, or 35% of Ontario’s Indigenous population) ¹⁹
Number of communities	150 municipalities, 80% with fewer than 2,000 residents 23 official language minority communities ²⁰ 106 First Nation communities 28 unconnected communities* <i>*communities accessible by air travel only, or a combination of air travel and alternate modes of travel such as winter roads, when conditions allow.</i>
Largest cities (2023)	Greater Sudbury, CMA* (185,230) Thunder Bay, CMA* (130,752) Sault Ste. Marie, CA** (85,033) North Bay, CA** (79,732) Timmins, CA** (44,819) ²¹ <i>*census metropolitan area as defined by Statistics Canada **census area as defined by Statistics Canada</i>

Overview

Vision

The Prosperity and Growth Strategy for Northern Ontario: a strategic framework for regional economic development and unlocking Northern Ontario’s full potential.

The PGSNO outlines priorities and actions across three areas: building Northern Ontario strong, growing companies and markets, and innovation to drive productivity.

Building Northern Ontario Strong



Help communities better respond to economic opportunities and challenges

Growing Companies and Markets



Empower businesses to effectively drive economic growth in the region

Innovation to Drive Productivity



Strengthen the regional innovation ecosystems to support businesses, create new advancements and enhance productivity

Five guiding principles

The refreshed PGSNO is guided by principles that ensure actions are efficient, collaborative, and responsive. It prioritizes evidence-based planning and is committed to fostering Indigenous economic prosperity. This includes leveraging existing federal partnerships and cooperative mechanisms with Indigenous communities to advance the objectives of the Strategy. The following are five key guiding principles that will further the PGSNO:

1	Accelerate Delivery Effectively use internal resources with streamlined processes to achieve maximum impact.	
2	Mission Focused Relevant federal departments and key regional stakeholders actively contribute to the implementation and success of the PGSNO.	
3	Place-Based Programs Deploy a place-based mindset so that programming can reflect the realities and opportunities unique to Northern Ontario.	
4	Data Driven Plans Use proven methods and rigorous data to guide decision-making and inform initiatives.	
5	Indigenous Equity and Inclusion Ensure Indigenous-led economic development is a central component of all initiatives.	

Intended outcomes

The PGSNO encourages greater regional collaboration, working closely with the province, municipalities and Indigenous Peoples. It supports projects that address the needs of Northern Ontario, enabling regional stakeholders to leverage the abundance of economic opportunities and create new partnerships on a national and global scale. Overall, the strategy aims to create high-paying jobs for generations to come by facilitating:

Stronger, more diverse communities better equipped to seize opportunities
Increased employment and labour market participation
Increased trade, exports and expanded access to new markets
Enhanced business growth and greater access to capital
Greater innovation across the region to accelerate business growth
More businesses developing and adopting technologies



Priority Actions

Building Northern Ontario Strong

Help communities better respond to economic opportunities and challenges

Growing economic development capacity

The Government of Canada will work with regional stakeholders across Northern Ontario to build economic capacity and catalyse projects of regional and national significance, ensuring that communities, including First Nations and small, rural and remote communities, have the planning and expertise needed to seize economic opportunities and diversify the local economy.

To build Northern Ontario strong, the Government will work closely with the province, municipalities, Indigenous Peoples and other regional stakeholders to identify and catalyse projects of regional and national economic significance. As a whole-of-government strategy, departments will work together to support small, rural, remote communities, including Indigenous and Francophone communities, to enable them to take advantage of these economic opportunities. Financial support will be provided to develop community plans, hire economic development officers, project managers, and technical experts. Efforts will also include advocacy, pathfinding and advancing partnerships to connect communities to regional opportunities.

Through FedNor's [Northern Ontario Development Program](#), the Government of Canada will fund projects led by municipalities, First Nations, and other organizations and institutions that support community economic development, diversification, job creation and self-reliant communities in Northern Ontario. By investing in building the economic development capacity of municipalities and First Nations, communities will be better positioned to attract new business investment, create jobs and stimulate local economic growth.

Additional federal efforts include Indigenous Services Canada's community economic development programming aimed at supporting Indigenous businesses, developing land on reserve and assisting in land management strategies. For example, the [Lands and Economic Development Services Program](#) will continue to support First Nation communities to enhance local economic development opportunities, land and environmental capacity, and establish the conditions necessary for economic growth.

Efforts will also be made to better connect local First Nation communities in the region to opportunities offered by Indigenous-led national organizations. This includes financing, expertise, and networking opportunities provided by the First Nations Major Project Coalition, the First Nations Financial Authority, the First Nations

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Financial Management Board, the First Nations Tax Commission, and the First Nation Economic Developers Officers Association.

Why this is important

- Communities need access to the proper tools and resources to pursue economic development and capitalize on opportunities as they arise. This includes stable, predictable long-term funding and adequate resourcing.
- While there are important regional opportunities for the larger Canadian economy, there is a heightened need for strategic investments that maximize local impacts due to limited resources and revenues at the community level.
- Across Northern Ontario, and especially in remote and rural areas, communities face aging populations and shortages in available labour, including technical experts, and skilled tradespeople.
- Municipalities and First Nation governments in the region, like many sectors, are struggling to attract and retain the workforce they need to pursue long-term economic development.

Quick facts

More than 80% of Northern Ontario municipalities have a small tax base, with fewer than 2,000 residents.

In 2024, seniors made up 23% of the region's population, compared to 18% in Ontario and 19% in Canada.

There were 10 workers for every 8.4 dependents in Northern Ontario in 2021, significantly higher than the ratio in Ontario (10:6.4) and Canada (10: 6.3).

Supporting critical infrastructure development

Federal departments will collaborate with other levels of government and key regional stakeholders to improve Northern Ontario's critical infrastructure that connects our region. This includes supporting the transformative construction of housing, transportation, broadband, mobile connectivity, and key economic facilities, including multi-use facilities and business centres.

Housing

Access to suitable and affordable housing is essential for any thriving community. A safe and adequate housing supply strengthens the middle class and drives local economic growth.

Recognizing both the economic benefits and growing demand for homes, the Government of Canada is committed to catalysing a modern housing industry in Northern Ontario, particularly through modular and innovative housing solutions that can make housing more affordable. The government will focus on building regional capacity to construct and deliver homes, generate new careers in the skilled trades, all while ensuring that these projects are economically viable and sustainable.

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The federal government will work collaboratively across provincial and municipal governments to encourage greater public-private cooperation and unlock new investments. Aligned with [Solving the Housing Crisis: Canada's Housing Plan](#), these policies will offer incentives and streamline processes to make collaboration with new investors more efficient and attractive in the region.

Broadband and mobile connectivity

Reliable and affordable high-speed Internet and mobile connectivity are essential for Canadians in all communities. They drive economic growth and enable access to opportunities and services that are fundamental to modern life. They are also crucial for communication, business growth, job applications, education, accessing government services, and public safety. As Canada's economy evolves, high-speed connectivity will become even more vital in fostering innovation and supporting a competitive workforce. High-speed internet is no longer a luxury; it is a necessity.

Under the [High-speed Access for All: Canada's Connectivity Strategy](#), the Government of Canada is committed to accelerating broadband and cellular connectivity projects in Northern Ontario. Canada remains on track for 98% of Canadian households to have access to high-speed Internet by 2026, and 100% by 2030.

Within the Connectivity Strategy, the Universal Broadband Fund (UBF) provides a total of \$3.225 billion to support connectivity in underserved rural and remote communities, with significant investments in Northern Ontario. The Canadian Radio-television and Telecommunications Commission (CRTC), Canada's independent telecommunications regulator, will oversee connectivity projects in underserved communities and along major transportation roads across the region.

In addition, the Government will continue to explore leveraging regulatory tools that will enable new technologies to help improve mobile connectivity. For example, in February 2025,ISED released a [decision](#) on a regulatory framework allowing standard consumer devices (ie. cellphones) to connect directly with satellites, enhancing mobile connectivity outside terrestrial networks. Text services are anticipated to be available soon, with voice and data services to follow.

Recognizing Northern Ontario's unique needs, the government will focus on collaborating with partners including businesses, local communities, and regional stakeholders to ensure more improvements to broadband and mobility connectivity are successful across the region.

Regional transportation

Transportation infrastructure is essential to connect Canada and to deepen our ties with the world. It helps local businesses access broader markets, attract tourists, and support sectors like agriculture, forestry, and mining. Improved transportation infrastructure reduces travel times, enhances safety, helps mitigate the impacts of severe weather and increases access to services, all of which contribute to economic development, more trade opportunities, and improved community well-being.

The Government of Canada will support initiatives to improve transportation infrastructure as it relates to economic development across Northern Ontario, including nation-building projects that connect and transform our country. This includes working alongside provincial partners, First Nation leaders, and the private sector, to enhance road infrastructure such as building all-season road access to remote communities and highway expansions. Joint efforts will also focus on connecting energy extraction sites in remote areas to rail and road



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networks. Additionally, the government will continue to support improvements in airports, runways, and terminals to facilitate the transport of vital goods and passengers to fly in communities.

When it comes to marine transportation, the federal government will support port development and new ferry services to expedite the flow of raw materials and goods to markets while bolstering tourism, as well as safeguard marine transportation infrastructure and transit operations through the provision of marine weather forecasts.

Other essential economic infrastructure

Many of the small, rural, and remote communities in Northern Ontario lack access to basic economic infrastructure that supports local businesses. Retail spaces are essential for selling products and services, creating jobs, and encouraging complementary businesses like cafes and restaurants. Thriving retail areas boost property values and generate tax revenues, which can be reinvested into community infrastructure, ensuring dynamic and economically sustainable communities.

In alignment with [Rural opportunity, national prosperity: An Economic Development Strategy for rural Canada](#), federal departments will pursue strategies to enhance rural community infrastructure, assets, and services in Northern Ontario. Examples include financial assistance to construct business parks and multi-use centres, training facilities and recreation centres.

Why this is important

- Infrastructure plays a fundamental role in driving economic growth and development.
- The infrastructure base in communities throughout the region is shrinking as municipalities and First Nations struggle to cover the costs of maintaining or expanding infrastructure.
- Many small, rural and remote communities have limited services and existing infrastructure, including adequate housing, to attract new talent and business investments.
- Northern Ontario's vast geography and dispersed population makes efficient and affordable transportation challenging for its communities and businesses.
- While the region has experienced significant advancements in the availability of broadband, more work is needed to address the gaps that remain, particularly in rural and remote areas.

Quick facts

In 2021, 8% of households in the region needed major repairs compared to 6% in the province and Canada.

Northern Ontario has 28 unconnected communities only accessible by air year-round.

56.9% of rural households outside the five largest cities (North Bay, Timmins, Sudbury, Thunder Bay, and Sault Ste. Marie) have access to Internet speeds of at least 50/10 Mbps, compared to 75.9% of households across Northern Ontario, 95.9% in Ontario, and 95.8% in Canada.



Strengthening the workforce

The Government of Canada is committed to strengthening the workforce in Northern Ontario by helping communities attract and retain the best talent in the world, including Francophones and youth, so businesses can hire and keep skilled labour for in-demand positions, drive innovation and help build a stronger economy.

Working with provincial partners, labour unions, post-secondary institutions, non-governmental organizations and the private sector, the federal government will explore new ways to improve talent attraction and retention in the region. These efforts include aligning the skills of graduates from regional post-secondary institutions with the needs of businesses, helping to reduce economic outmigration and ensuring skilled professionals are available to meet growing demands. Complementary to provincial programming, initiatives will focus on local training development to ensure that opportunities for further skills development are accessible—especially in small, rural and remote communities.

Efforts will also include targeted supports to help fill in-demand occupations and address the need for training, financial support, and partnerships to equip professionals with the skills required for climate change-related roles. For example, through the ongoing implementation of the [Government's Sustainable Jobs approach](#), grounded in the *Canadian Sustainable Jobs Act*, the Government of Canada will take action to foster the development of the low-carbon economy, the creation of high-quality, sustainable jobs and ensure workers across Canada are equipped with the skills and training they need to thrive in these jobs, including opportunities within Northern Ontario. Additionally, the government will assist communities in Northern Ontario in attracting skilled, highly qualified newcomers and support their integration and retention.



Why this is important

- Northern Ontario continues to struggle with an aging population and outmigration.
- Shortage of skilled labour negatively impacts small and medium-sized enterprises (SMEs) in the region.
- Job openings are expected to increase with 210,500 positions needed to be filled in the region over the next two decades.
- Recruiting and retaining skilled employees is crucial for stable business growth.
- Demand for post-secondary education is growing, with the greatest number of job openings in health care, social services, education, and trades.²²
- Strengthening the workforce supports communities by contributing to their economic, social, and cultural development for the benefit of all residents.

Quick facts

Regional population remains lower than it was in 1991.

12,391 Francophone immigrants are needed annually for a decade to combat outmigration.

68.3% of SMEs report shortage of skilled labour as an obstacle to growth.

70.2 % of SMEs report recruiting/retaining skilled employees is an obstacle to growth.

Nearly 45% of all entrepreneurs in Northern Ontario are expected to retire within the next 10 years.

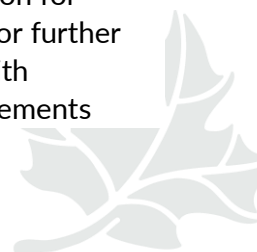
Growing Companies and Markets

Empower businesses to effectively drive economic growth in the region

Enhancing investment readiness and reducing barriers to trade

In support of building one Canadian economy, federal departments will collaborate with regional stakeholders to enhance investment readiness and market expansion for small and medium-sized enterprises in Northern Ontario. This includes enabling entrepreneurs to explore new opportunities through matchmaking, strategic planning, and reducing barriers to interprovincial trade.

In a highly competitive global market, the Government of Canada plays an important role in strengthening collaboration with reliable trading partners and allies around the world and promoting fair competition for Canadian firms. Trade negotiations have opened global markets and offer important opportunities for further export development in the region's small and medium sized enterprises. As the only G7 economy with comprehensive free trade access to the entire G7 and European Union, Canada's 15 free trade agreements



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cover 61% of the world's gross domestic product (GDP) and open markets to 1.5 billion consumers worldwide²³.

Through the implementation of the PGSNO, the Government of Canada will collaborate with existing investor networks to enhance support for entrepreneurs seeking to scale up, expand, and diversify their interprovincial and global exports. These efforts will include fostering greater private sector collaboration among trade and export organizations, facilitating networking opportunities, reducing barriers to trade, and increasing understanding of international regulations and trade requirements. This aligns with the ongoing work of Export Development Canada and the Canadian Trade Commissioner Service, which provide services to Canadian businesses engaged in international business, including financing, insurance and bonding services, as well as foreign market expertise.

Why this is important

- Businesses in Northern Ontario, spread across a vast and remote landscape, are often more isolated from larger professional networks than those in the south, reducing their opportunities for corporate investments.
- With longer distances to international markets, SMEs in the region face added barriers to exporting products and services.
- By diversifying and expanding national and global reach, businesses in Northern Ontario will be better positioned to attract new forms of investment and grow beyond their local market.

Quick facts

93.8% of small and medium-sized businesses in Northern Ontario sell to customers within their local municipality or region, with only 11% engaging in international export.

50.5 % of SMEs cite border obstacles, while 50.1% points to logistical obstacles as reasons for not exporting their products or services.

Among the small and medium-sized enterprises that do export, 91.9 % of goods and services are headed for the United States.

Improving access to capital, pathfinding and business services

The Government of Canada will continue to collaborate with financial and business sectors to enhance access to capital and planning services, ensuring entrepreneurs in the region have the resources to grow their businesses.

The Government of Canada will continue to collaborate with regional and national partners, including Community Futures Development Corporations, the Business Development Bank of Canada, and Indigenous financial institutions, to provide local access points for business services such as succession planning and to ensure equitable access to loans. Efforts include reducing barriers to existing programming and support initiatives that help entrepreneurs in Northern Ontario obtain funding and build equity, while offering various funding options for businesses of all sizes. Attention will be given to unlocking the economic potential of

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equity-denied groups including women, Indigenous Peoples, people with disabilities, people who are part of 2SLGBTQI+ communities, Black and other racialized people.

For example, under the [Black Entrepreneurship Program](#), Canada has partnered with Black-led businesses, organizations and the Business Development Bank of Canada to provide loans of up to \$250,000 to Black business owners and entrepreneurs through the Federation of African Canadian Economics.

Additionally, federal departments will work collaboratively to enhance pathfinding opportunities, building on the success of Innovation Science and Economic Development's [Business Benefits Finder](#) and FedNor's on-the-ground presence within communities. Efforts will also focus on increasing access to business and innovation expertise through resources such as the [Clean Growth Hub](#), the [Accelerated Growth Service](#) and the [Canadian Intellectual Property Office](#).

Why this is important

- Northern Ontario is home to a thriving business landscape with unique opportunities for growth in emerging sectors such as critical minerals, the bioeconomy, and tourism.
- Nearly all businesses in Northern Ontario are small and medium-sized.
- Small and medium-sized enterprises, as well as those in Northern, remote and rural communities, can face added barriers to accessing financing required to grow their businesses.
- Greater distances to markets and large centres result in the higher costs of doing business, as well as challenges accessing businesses services and professional networks.

Quick facts

36.4% of Northern Ontario SMEs report access to financing as a barrier to growth.

24% of all financially remote First Nations in Canada are within the region, with 6 having no identified travel route to a cash source.

SMEs requested an average debt financing of \$189,770, far less than the provincial and national averages (\$422,306 and \$437,864 respectively). Despite this, 49.8% had to provide collateral, compared to 48.9% provincially and 47.2% nationally.

Growing priority and emerging sectors

The Government of Canada will focus on the sustainable growth of priority and emerging sectors by investing in nation-building projects in mining and critical minerals, manufacturing, clean energy and the bioeconomy, forestry, agriculture and tourism, to enhance regional resilience and economic diversity in Northern Ontario in a way that protects resources for future generations.



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The federal government will strategically invest in priority and emerging sectors to help single-industry communities diversify their economies and strengthen regional resilience. This includes support for businesses to adopt new technologies and processes, commercialization, market expansion and business management.

Mining and critical minerals

In Northern Ontario, the mining sector is a cornerstone of the economy with over 30 active mines and more than 900 mining supply and service companies.²⁴ Northern Ontario's Ring of Fire region is particularly notable as one of the most promising areas for mineral development, especially for the critical minerals needed for electric vehicle battery production. In Northwestern Ontario, 41 potential mines are projected to start by 2033, requiring an estimated 250 megawatts of energy²⁵. These developments are expected to support the growing supply chain demand from new electric vehicle battery manufacturing facilities in Southern Ontario.

In alignment with Canada's goals under the [Canadian Critical Minerals Strategy](#), government-wide efforts will continue to position Canada as a global leader in critical mineral production and secure value chains from mines to manufacturing. The Government of Canada will keep investing in mining innovation, renewable energy, and infrastructure improvements to ensure that opportunities grow in socially and ecologically responsible ways, while also fostering stronger partnerships with First Nations. This includes initiatives aimed at assisting businesses to forge new partnerships and supporting activities within the critical minerals subsector, such as advancements in clean technology.

Manufacturing

The manufacturing industry is a crucial sector in the region with immense economic potential.²⁶ In 2023, Northern Ontario was home to 1,522 manufacturing establishments, with 80% of these firms concentrated in value-added processing related to mining, forestry, equipment and food.

Given Canada's robust scientific foundation, highly educated population, and established industrial clusters, manufacturing sectors that are knowledge- and technology-intensive, present a significant strategic opportunity. The federal government will focus on supporting initiatives that enhance local value-added processes and attract high-tech occupations within the region's manufacturing sector such as steel and aluminum. The government will also work collaboratively with existing networks, such as [Canadian Manufacturers & Exporters](#), to ensure that manufacturing companies within the region are better integrated and connected with other opportunities, including those in mining, forestry energy, and agriculture sectors.

Clean energy and bioeconomy

Northern Ontario has increasingly become a focal point for sustainable energy solutions, particularly in solar, wind, biomass, and untapped hydroelectric potential. However, these emerging clean energy projects also require resilient and strong transmission infrastructure to connect power generation sites to the provincial grid. Currently, the transmission system in the region is underdeveloped and struggles to efficiently transport electricity from remote areas to population centres.

At the same time, First Nation communities are increasingly participating in renewable energy projects across Northern Ontario. In 2022, First Nations, Métis, and Inuit entities were partners or beneficiaries in nearly 20% of Canada's existing electricity-generating infrastructure, most of which produce renewable energy.²⁷

Working to advance the region's clean energy capability, federal departments will work collaboratively with the province and First Nations' leadership to ensure that clean energy solutions generate sustainable growth for the region. This includes capacity development, operations' support, and infrastructure development. These efforts align with the [Pan-Canadian Framework on Clean Growth](#) and the [Powering Canada Forward: A Clean](#)



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[Electricity Strategy](#). Collectively, federal departments will support the emissions reduction target of 40% below 2005 levels by 2030 and net-zero emissions by 2050.

Forestry

Northern Ontario's geography includes 50 million hectares of the world's largest intact forest²⁸. Canada's boreal forest is central to the country's natural environment, culture and economy. The Government of Canada will continue to ensure the boreal forest remains healthy through sustainable forest management and harvesting practices.

Advancements in technology are driving significant changes in the forest industry, including market development, operational efficiency, business process innovation, and new product development. To support Natural Resources Canada's efforts in [transforming the forestry sector](#), federal departments will foster new partnerships with Indigenous leadership in Northern Ontario and promote innovative uses for forestry by-products such as biomass.

Agriculture

Canada's diverse agriculture, agri-food, and agri-based products sector drives economic growth, innovation, trade, and investment both domestically and internationally. Despite facing significant challenges, such as harsh climate conditions, limited infrastructure, and small local markets, the sector contributed over \$522 million in gross domestic product in 2022²⁹ and more than 6,750 jobs in the region in 2024. Northern Ontario's food market alone, not taking into account potential for exports, has been calculated to be worth more than \$3 billion annually, with more than 400,000 households spending around \$7,500 on food every year.³⁰

As part of the renewed Prosperity and Growth Strategy for Northern Ontario, federal departments will support the growth of the region's agriculture and agri-food economy, advancing the goals outlined in the [Food Policy](#) for Canada. This means working collaboratively to support a regional food system that is resilient, innovative, environmentally sustainable, and beneficial for the local economy. These efforts will include investing in localized food system distribution, supporting research and development, and promoting increased interprovincial trade.

Currently, 28 communities in Northern Ontario are considered eligible under the [Nutrition North Canada](#) program—the highest number compared to any other province.³¹ Eligibility is based on geographic isolation which contributes to higher rates of food insecurity. Out of the 28 communities, 26 are First Nation communities located in the Northwest region. Efforts across various departments will aim to improve food access in remote and Northern communities in Northern Ontario by supporting both new and existing food initiatives that seek to enhance and diversify economic activities in these communities.

Tourism

One in five businesses in Northern Ontario is tourism-related³², and in 2022, visitors spent \$2.7 billion in the region.³³ This underscores the tourism industry's vital role in the region's economic diversity and its potential to create enriching opportunities for both locals and visitors. Given the breadth of outdoor tourism activities in the region, nature and conservation are central to both the visitor experience and to the long-term sustainability of the tourism economy – creating top-notch destinations across Northern Ontario. In alignment with the [Federal Tourism Growth Strategy](#), federal departments will collaborate with the province and other stakeholders to bolster tourism in Northern Ontario. This includes improving access to capital, advancing new technologies, protecting and enhancing natural spaces and supporting Indigenous-led tourism initiatives.



Why this is important

- Rich in natural resources, mining and forestry remain a cornerstone of the regional economy.
- Meanwhile, tourism has created new jobs and increased revenue through attractions and accommodations, while agriculture has enhanced local food systems and supported sustainable practices
- Recent technological developments have created opportunities in clean technology and the manufacturing economy, while advancements in health science and innovation offer the potential to improve health outcomes across the region.

Quick facts

Of the 288 community census subdivisions in Northern Ontario, 38 (13%) were reliant on a single industry in 2021.

All 38 communities dependent on a single industry were small, rural or remote.

And 31 out of the 38 communities (84%) were First Nation reserves.

Innovation to Drive Productivity

Strengthen the regional innovation ecosystems to support businesses, create new advancements and enhance productivity

Encouraging new ideas and collaboration

The federal government will promote new ideas and collaboration among regional stakeholders, focusing on the practical application of innovative methods to advance productivity and drive solution development.

A dynamic innovation community encourages the growth of industrial clusters that develop skills, knowledge, and technology. Innovators throughout Northern Ontario have demonstrated leadership in securing research investment, transforming new discoveries into sophisticated products and technologies, and bridging the gap between research and market implementation. This includes a wide array of advancements, from more sustainable mining solutions to breakthrough research in health sciences.

Federal support for research and development (R&D), innovation, and commercialization projects across key sectors is necessary for sustained growth. For example, the development of business-led innovation clusters in Canada through the five [global innovation clusters](#) represents a significant opportunity to advance regional interests. In addition, innovations in digital technology and advanced manufacturing have been instrumental in transforming the mining and mineral sector in the region, from new methods of exploration to promoting more sustainable development practices.³⁴



Prosperity and Growth Strategy for Northern Ontario

Through the [Strategic Innovation Fund](#) and the [Regional Economic Growth through Innovation program](#), the government will continue to invest in innovative projects that will help grow Canada's economy. By promoting partnerships between businesses, other governments, and academic institutions on R&D and commercialization opportunities, the Government of Canada remains committed to maximizing the region's potential as a leader in innovation.

Why this is important

- Collaboration, partnerships, and networking between businesses are strongly linked to higher productivity, profitability, innovation, and access to new markets and skill sets.
- With expertise in research and access to rare minerals, Northern Ontario is advancing innovative solutions that are positioned for global impact.
- Northern Ontario is home to a growing network of research institutions, universities and innovation hubs that facilitate the exchange of ideas among academics, industry experts and local communities.

Quick facts

Fewer than 2% of businesses in Canada incorporate R&D as part of their business strategy to address economic challenges and opportunities.

In 2022, spending on industrial in-house research and development across Ontario reached \$14.0 million, the highest amount of any province.

Boosting rural and Northern innovation

Collectively, federal departments will work to boost innovation in Northern Ontario, particularly in rural and remote areas, by enabling the development and implementation of customized solutions that reflect local contexts.

Similar to rural small and medium-sized enterprises (SMEs) across Canada, SMEs in Northern Ontario are less likely to engage in activities such as selling outside their province, exporting, innovation, holding intellectual property (IP), and adopting advanced technology. These activities are often associated with growth. Furthermore, Northern Ontario SMEs are also less likely to hold various types of IP, including registered trademarks, patents, and registered industrial designs.

In line with the Organisation for Economic Co-operation and Development's [Enhancing Rural Innovation in Canada](#), the Government of Canada is committed to recognizing the importance of rural innovation beyond science and technology. Exploring place-specific metrics to recognize innovation efforts—particularly process innovation—can reflect regional strengths. Canada will continue to tackle governance challenges in delivering innovation services in rural areas while strengthening and incorporating a rural perspective into innovation policy and program design.



Why this is important

- What constitutes innovation in Northern Ontario can differ from the southern part of the province and other more populated regions in Canada.
- Rural innovation in Northern Ontario includes new solutions and advancements tailored to the specific needs and local contexts.
- Innovations in the region tend to be smaller scale, focused on customized solutions, process innovation, and low-barrier technologies.
- Traditional views on innovation tend to favour larger, high-tech firms, disadvantaging the majority of the region's businesses.

Quick facts

A smaller proportion of SMEs in Northern Ontario report innovation activity (25.8%) compared to all of Ontario (26.9%) and Canada (27.1%) .

The gap between Northern Ontario and Ontario SMEs who are innovators is widest for product innovation (- 2.8%).

However, when it comes to process innovation, the rate of Northern Ontario SMEs surpassed that of Ontario (+0.3%)

Promoting technology adoption

The Government of Canada will continue to promote technology adoption to bridge the digital gap between rural and urban areas, and encourage business owners to use technology to drive efficiencies, value-added processes and mitigate the impacts of climate change.

To help businesses and communities adopt more technologies, the Government of Canada is committed to increasing resources available for technology development, training, and implementation. This includes supports that promote the adoption of advanced technologies, such as digitization, automation and artificial intelligence (AI), to reduce production costs, improve productivity and international competitiveness, and generate demand for new skills and employment opportunities.

These efforts are aligned with the [Pan-Canadian Artificial Intelligence Strategy \(PCAIS\)](#), the [Regional Artificial Intelligence Initiative](#), and [the Canada Digital Adoption Program](#).

The Government of Canada is dedicated to helping businesses leverage high-tech and sustainable industry practices to further climate change adaption. This includes promoting technology adoption, research and development, and business practices to protect and build climate-resilient economies. These efforts further the commitments within the [National Adaptation Strategy](#) and the [Government of Canada Adaptation Action Plan](#).



Why this is important

- In a rapidly digitizing world, those who are not connected are left behind.
- Businesses and communities in Northern Ontario face unique challenges to technology adoption, such as limited information technology infrastructure, a shortage of skilled information technology professionals, high costs, and geographical isolation, complicating the implementation and servicing of new technologies.
- Despite these challenges, SMEs in the region are pursuing the adoption of low-barrier technologies to promote and grow their businesses, such as social media platforms.

Quick facts

In 2023, only 40.2% of SMEs in Northern Ontario adopted at least one type of advanced technology over the past three years, compared to 52.1% of SMEs across Ontario and 50.9% nationally.

In the same year, 68.4% SMEs in the region had an online presence compared to SMEs across Ontario (59.1%) and Canada (59.2%)



Implementation 2025–2030

Oversight

Implicated federal departments will work together to execute and monitor progress on priorities and areas of collaborative action through the Prosperity and Growth Strategy for Northern Ontario interdepartmental committee. The interdepartmental committee will meet biannually and publicly report on progress every two years.

A key component of oversight is measuring progress towards intended outcomes by developing specific, well-defined indicators. By setting clear targets, the PGSNO provides direction and purpose. These targets will not only serve as a benchmark to assess whether activities are on track, but also enhance accountability and transparency for the public and stakeholders. Through this target-setting exercise, the Government of Canada can systematically track and encourage progress, ultimately improving outcomes of the PGSNO. A PGSNO Results framework is scheduled to be released in the fall of 2025.

¹ Statistics Canada. [Table 17-10-0152-01 Population estimates, July 1, by census division, 2021 boundaries](#)

² Statistics Canada. [Census Profile, 2021: Census subdivisions, Ontario](#)

³ Statistics Canada. [Table 17-10-0152-01 Population estimates, July 1, by census division, 2021 boundaries](#)

⁴ Statistics Canada. [Census Profile, 2021: Census subdivisions, Ontario](#)

⁵ Indigenous Services Canada, [First Nations Location](#)

⁶ Official language minority communities are defined according to the [Official Languages \(Communications with and Services to the Public\) Regulations \(SOR/92-48\)](#) related to the [Official Languages Act](#) as communities outside a Census Metropolitan Area (CMA) with an official language minority (French, in the case of Northern Ontario) of at least 500 people and equal to 5% of the total population, communities with an official language minority of at least 5,000 people.

⁷ [Official Languages \(Communications with and Services to the Public\) Regulations \(SOR/92-48\)](#)

⁸ [Official Languages Act](#) R.S.C. , 1985, c. 31 (4th Supp.).

⁹ Statistics Canada. [Census Profile, 2021: Census subdivisions, Ontario](#)

¹⁰ Official language minority population is defined according to [Innovation, Science and Economic Development Canada's](#) definition of having French as the first official language spoken outside of Quebec, and English as the first official language spoken in Quebec.

¹¹ Innovation, Science and Economic Development Canada, [Official Languages and Communities](#)

¹² Statistics Canada. [Census Profile, 2021: Census subdivisions, Ontario](#)

¹³ Thompson, Amanda. [Learning From One Another: Labour Markets in Northern Ontario](#). The Conference Board of Canada.

¹⁴ The Conference Board of Canada, [Ontario's 20-Year Outlook—March 2025](#)

¹⁵ Statistics Canada. [Table 17-10-0152-01 Population estimates, July 1, by census division, 2021 boundaries](#)

¹⁶ Thompson, Amanda. [Learning From One Another: Labour Markets in Northern Ontario](#). The Conference Board of Canada.

¹⁷ The Conference Board of Canada, [Ontario's 20-Year Outlook—March 2025](#)

¹⁸ Statistics Canada. [Census Profile, 2021: Census subdivisions, Ontario](#)

¹⁹ Statistics Canada. [Table 98-10-0293-01 Indigenous identity population by gender and age: Canada, provinces and territories, census divisions and census subdivisions](#)

²⁰ Statistics Canada. [Table 98-10-0170-01 Mother tongue by first official language spoken and knowledge of official languages: Canada, provinces and territories, census divisions and census subdivisions](#)

²¹ Statistics Canada. [Table 17-10-0148-01 Population estimates, July 1, by census metropolitan area and census agglomeration, 2021 boundaries](#)

²² Statistics Canada. Table 20, Survey on Financing and Growth of Small and Medium Enterprises, 2023.

²³ Government of Canada [State of Trade 2022: The Benefits of Free Trade Agreements](#).

²⁴ Northern Ontario Exports, [Results 2020-2024](#)

²⁵ Northwest Energy Task Force, [Energy Demand and Opportunity](#).

²⁶ Light Cast. Industry Tables. NAICS 31-33. Accessed, 2023.

²⁷ Government of Canada. [CER – Market Snapshot: Indigenous Ownership of Canadian Renewable Energy Projects is Growing](#).

²⁸ Ontario Ministry of the Environment. Ontario's Forest



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²⁹ Ontario Newsroom, [Ontario Strengthening Agri-Food Sector in the North](#).

³⁰ Federal Economic Development Agency for Northern Ontario, Agri-food Sector Profile (2024)

³¹ Government of Canada. Nutrition North Canada Program: [Nutrition North Canada Program: Map of community eligibility](#).

³² Destination Northern Ontario, GA_24-25 Business Plan_Final_24 04 12.pdf.

³³ Ontario Ministry of Tourism, Culture and Gaming, Regional Tourism Profiles

³⁴ Petter Warrian. Ingium. [The Economic Benefits of Research and Development in the Canadian Mining and Metallurgy Sector](#).

