



THE REGIONAL MUNICIPALITY OF NIAGARA
PLANNING & ECONOMIC DEVELOPMENT COMMITTEE
AGENDA

PEDC 10-2024

Wednesday, November 6, 2024

1:00 p.m.

Council Chamber - In Person and Electronic Meeting

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

To view live stream meeting proceedings, visit: niagararegion.ca/government/council

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>LAND ACKNOWLEDGEMENT STATEMENT</u>	
3. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
4. <u>PRESENTATIONS</u>	
5. <u>DELEGATIONS</u>	
6. <u>ITEMS FOR CONSIDERATION</u>	
7. <u>CONSENT ITEMS FOR INFORMATION</u>	
7.1 <u>ED 14-2024</u> Niagara Economic Update	3 - 26
A presentation will precede the discussion of this item.	
7.2 <u>ED 15-2024</u> Economic Development Foreign Direct Investment (FDI) Update	27 - 40
A presentation will precede the discussion of this item.	

8. **OTHER BUSINESS**

9. **CLOSED SESSION**

9.1 **Confidential PDS 30-2024**

A Matter of Litigation Affecting the Municipality under s. 239(2)(e) of the Municipal Act, 2001 – Ontario Land Tribunal Appeal of the Proposed Uppers Quarry (Niagara Falls) Regional Official Plan Amendment Application

10. **BUSINESS ARISING FROM CLOSED SESSION ITEMS**

11. **NEXT MEETING**

The next meeting will be held on Wednesday, December 4, 2024, at 1:00 p.m. in the Council Chamber, Regional Headquarters.

12. **ADJOURNMENT**

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Niagara Economic Update

Planning and Economic Development Committee

ED 14-2024

Wednesday November 6, 2024

Blake Landry, Manager, Economic Research and Analysis

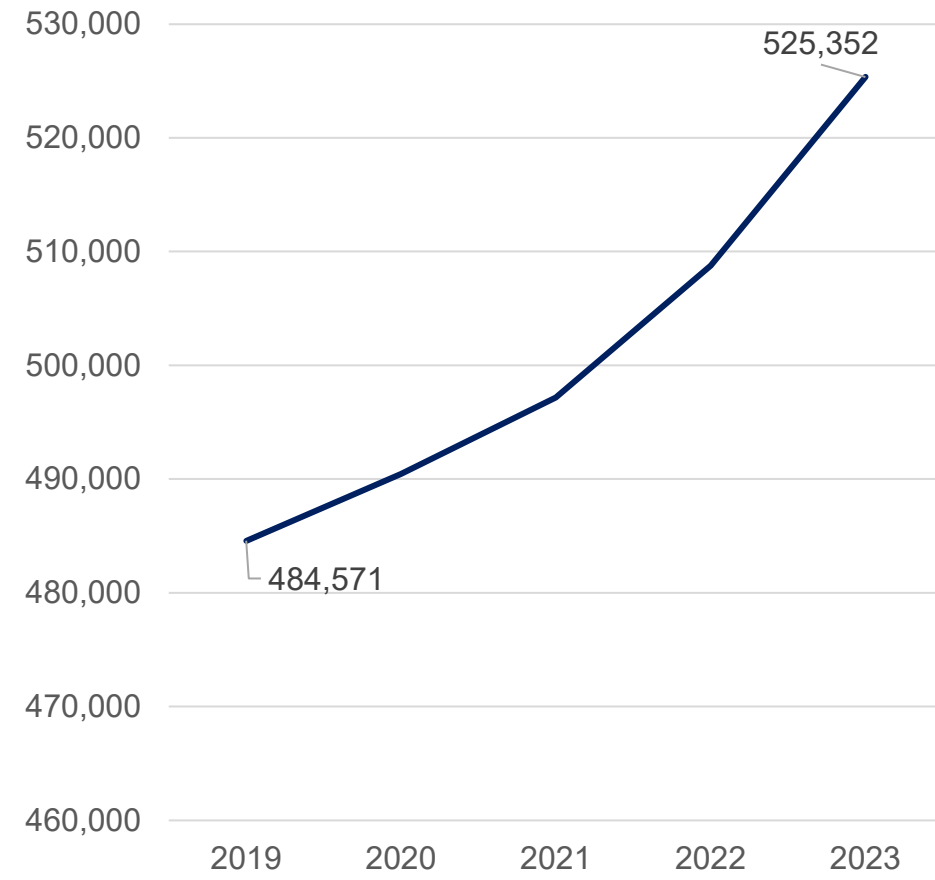
Niagara Economic Update

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

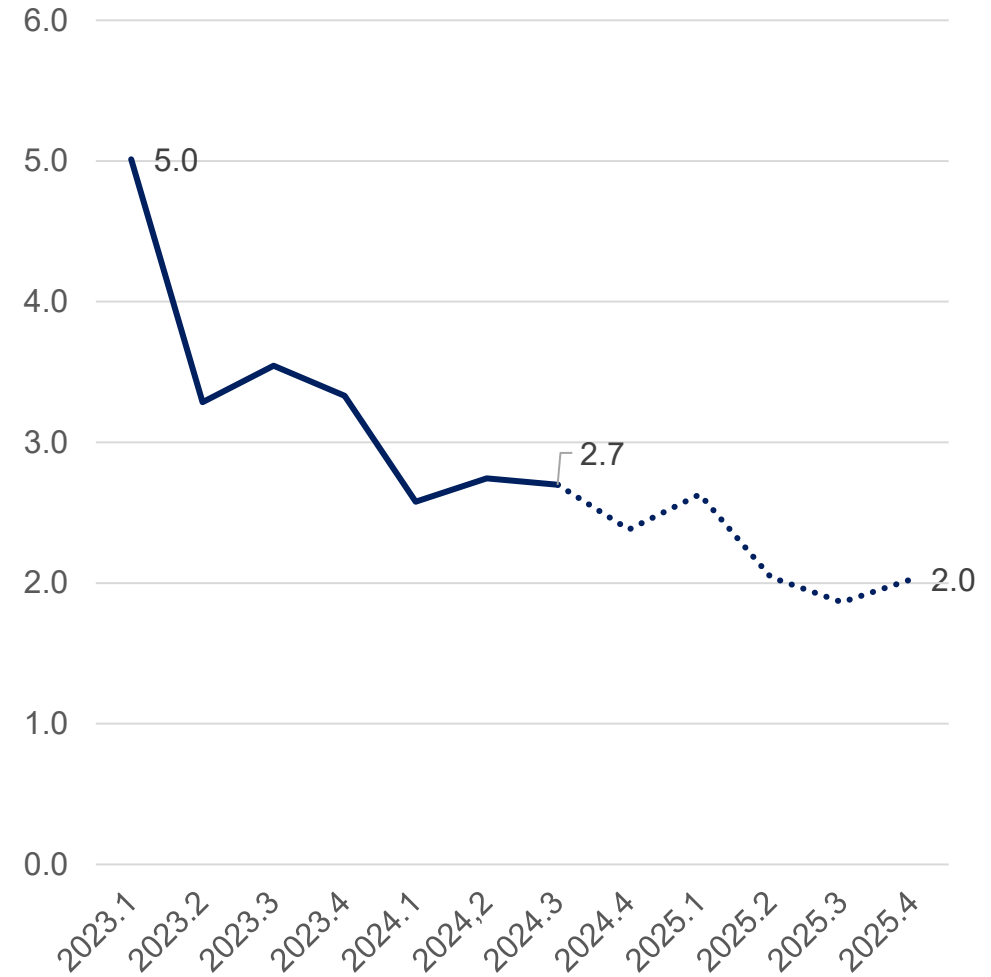
Blake Landry, Ec.D Manager, Economic Research and Analysis

November 6, 2024

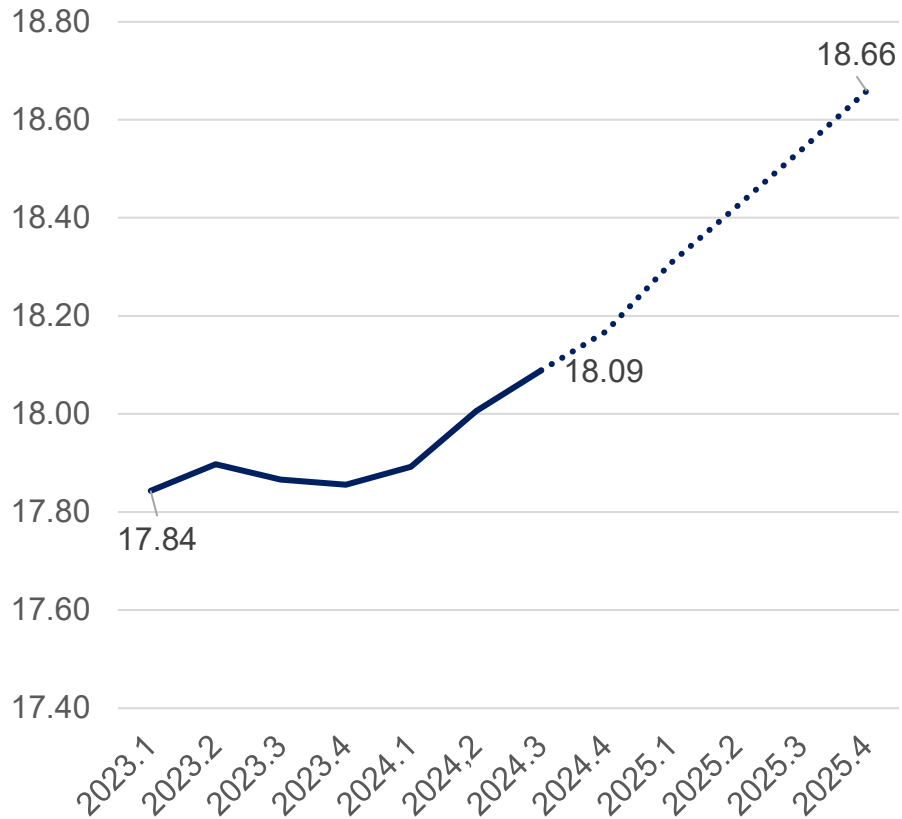
Population



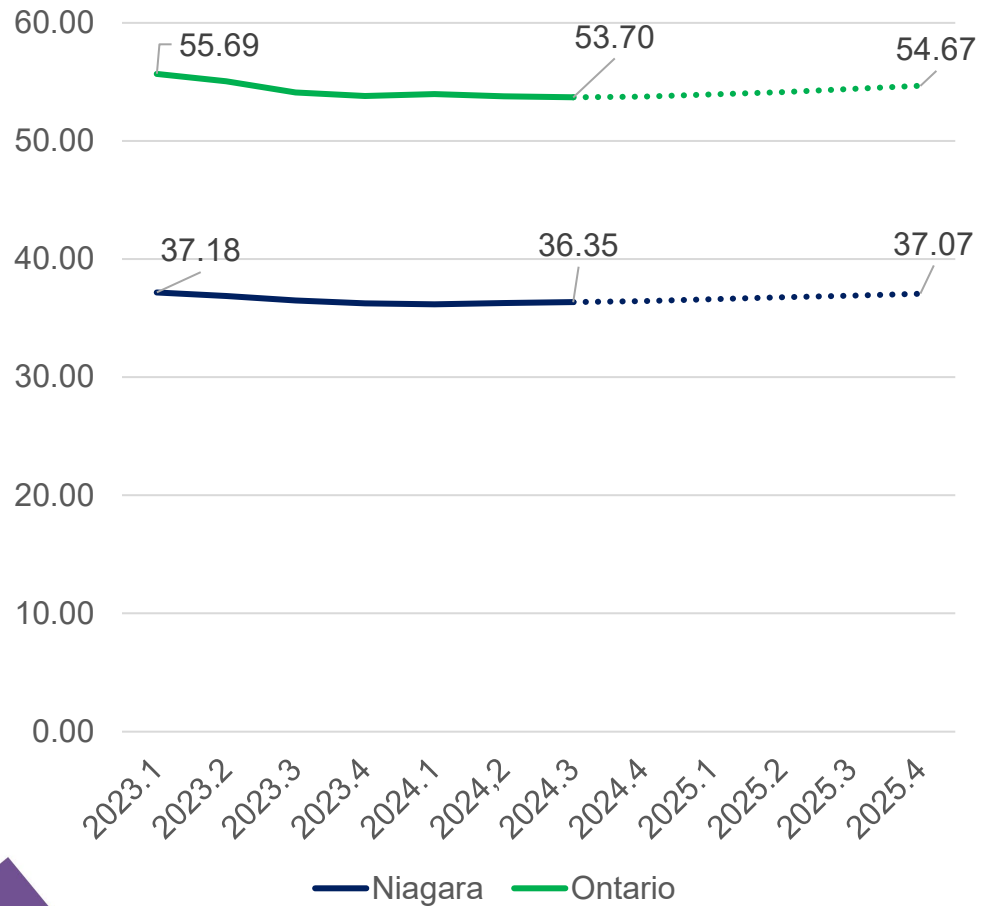
Consumer Price Index (%)



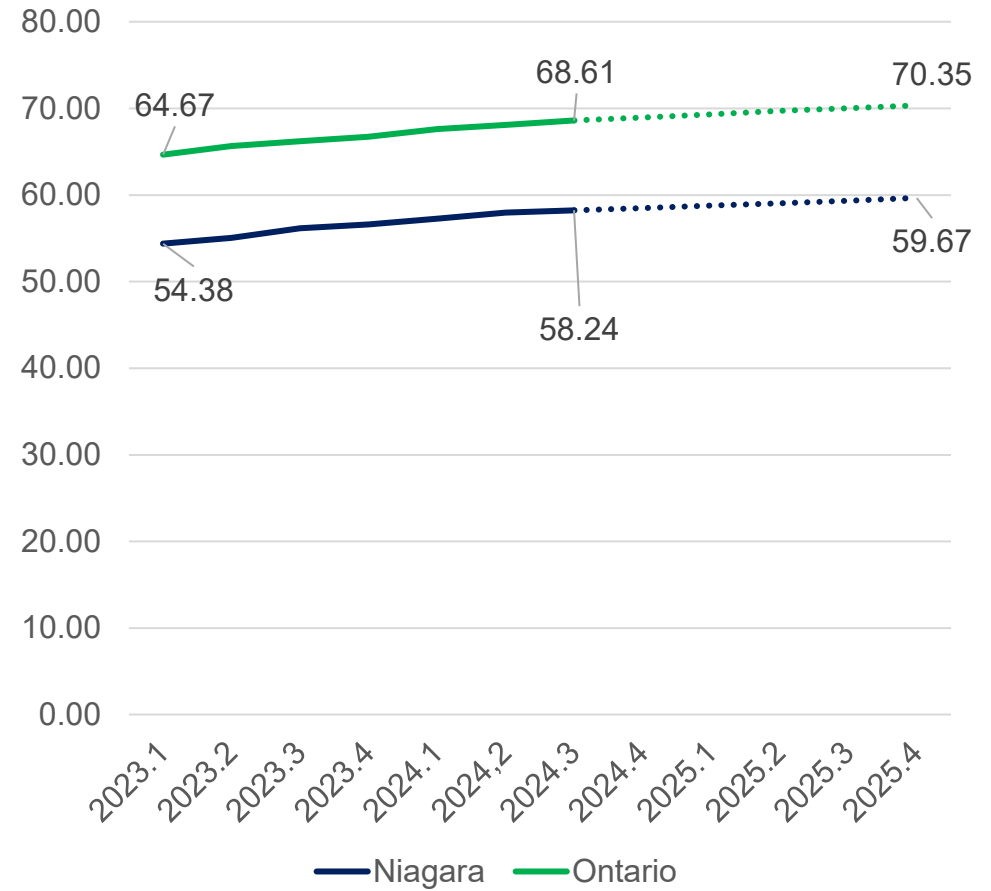
Gross Domestic Product (2017 \$ Billions)



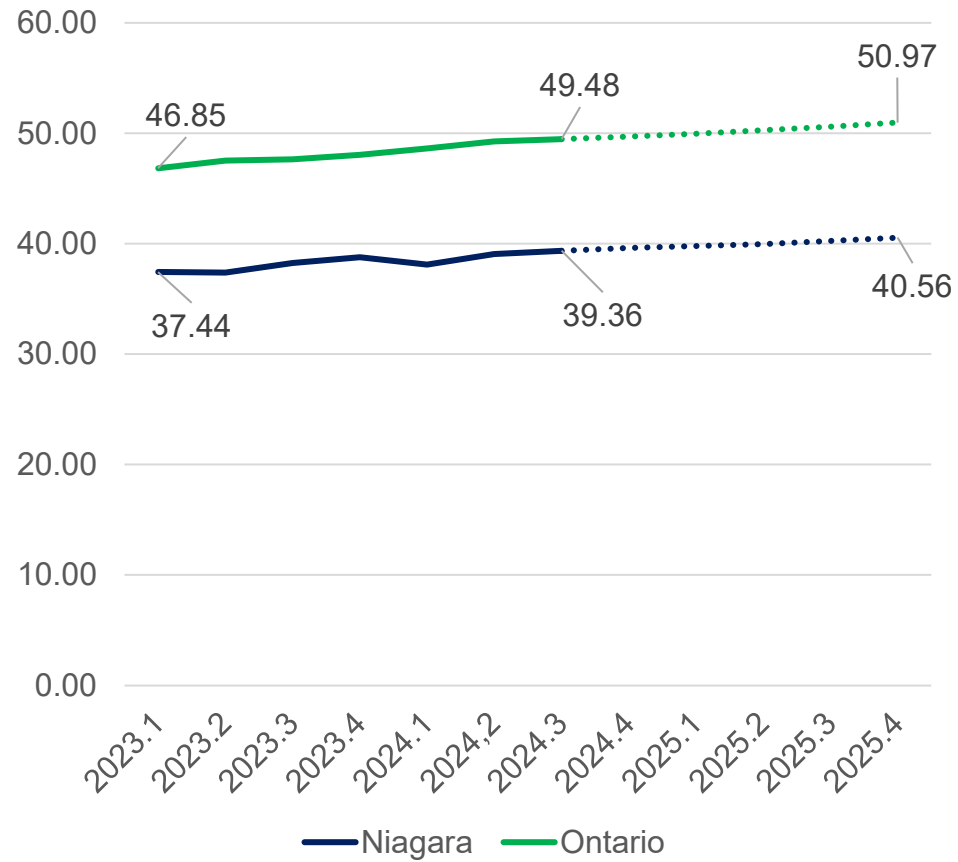
GDP Per Capita (2017 \$ Thousands)



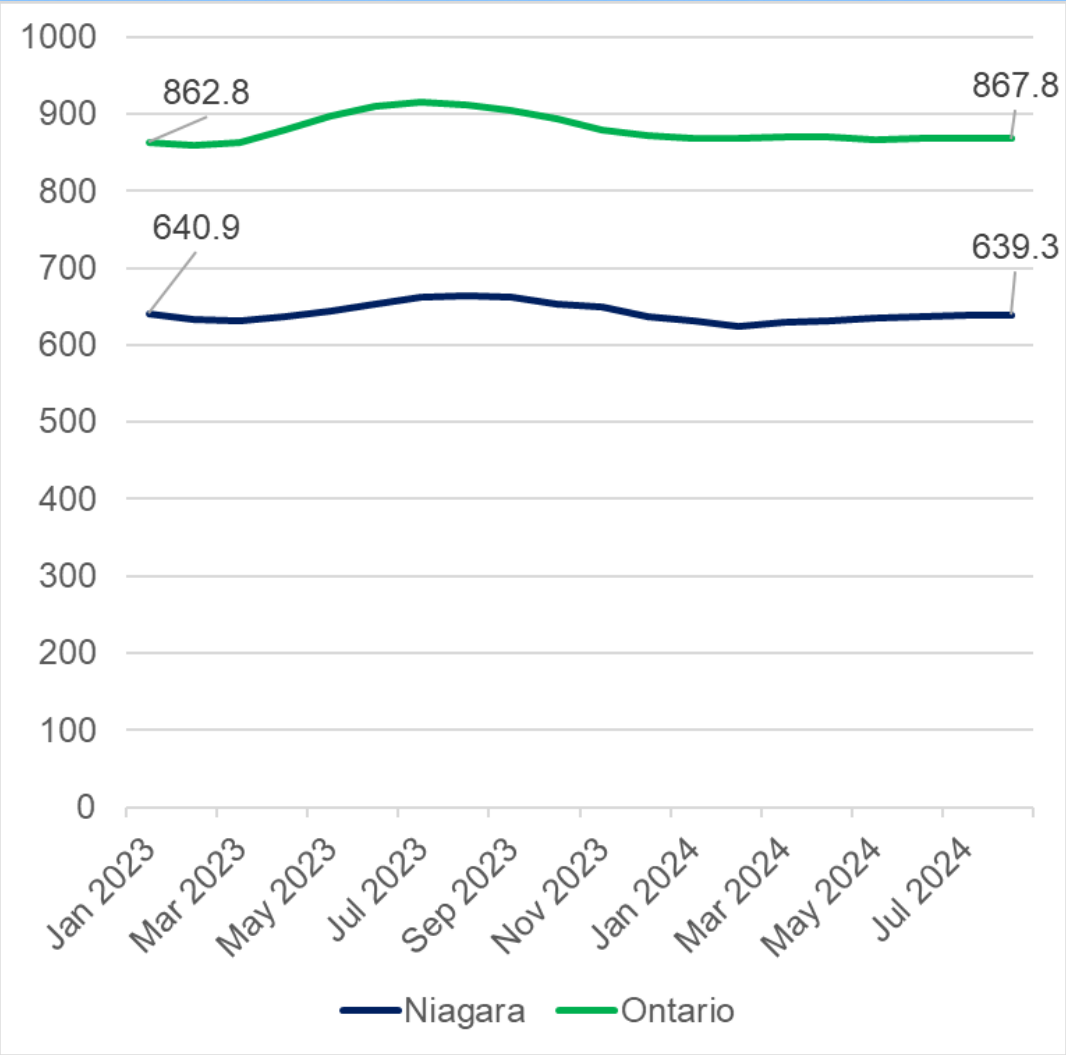
Wages and Salaries (\$ Thousands)



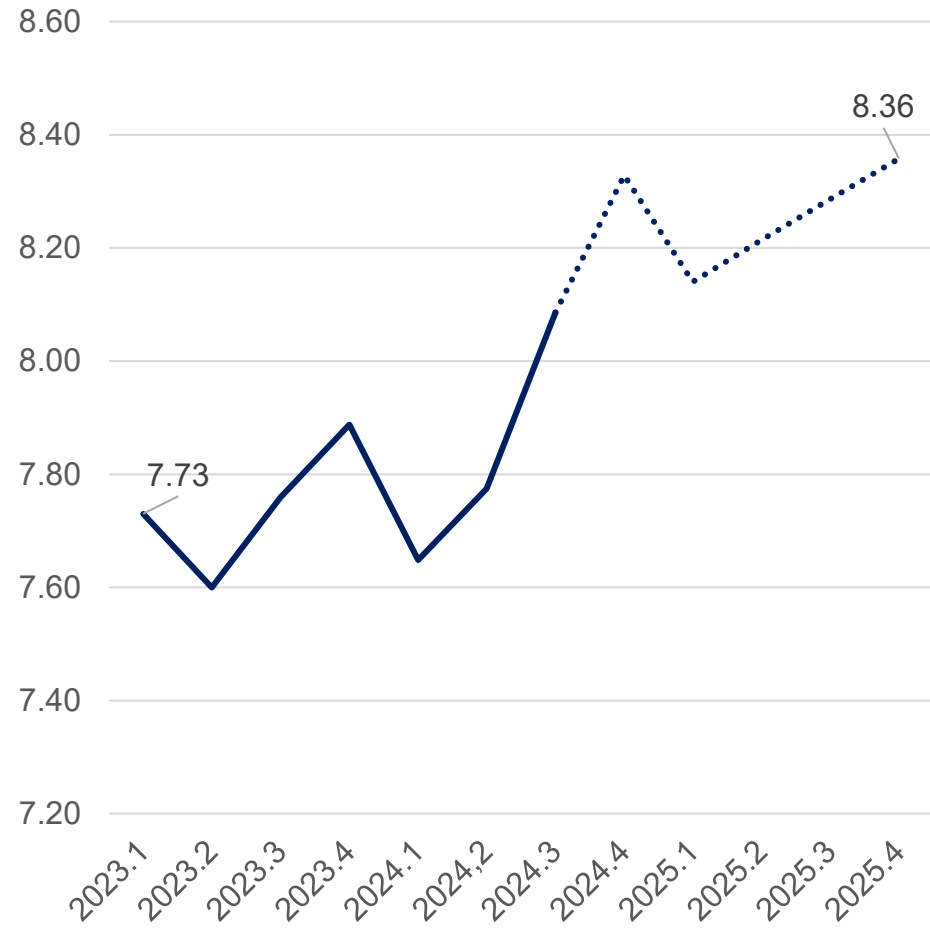
Primary Household Income Per Capita (\$ Thousands)



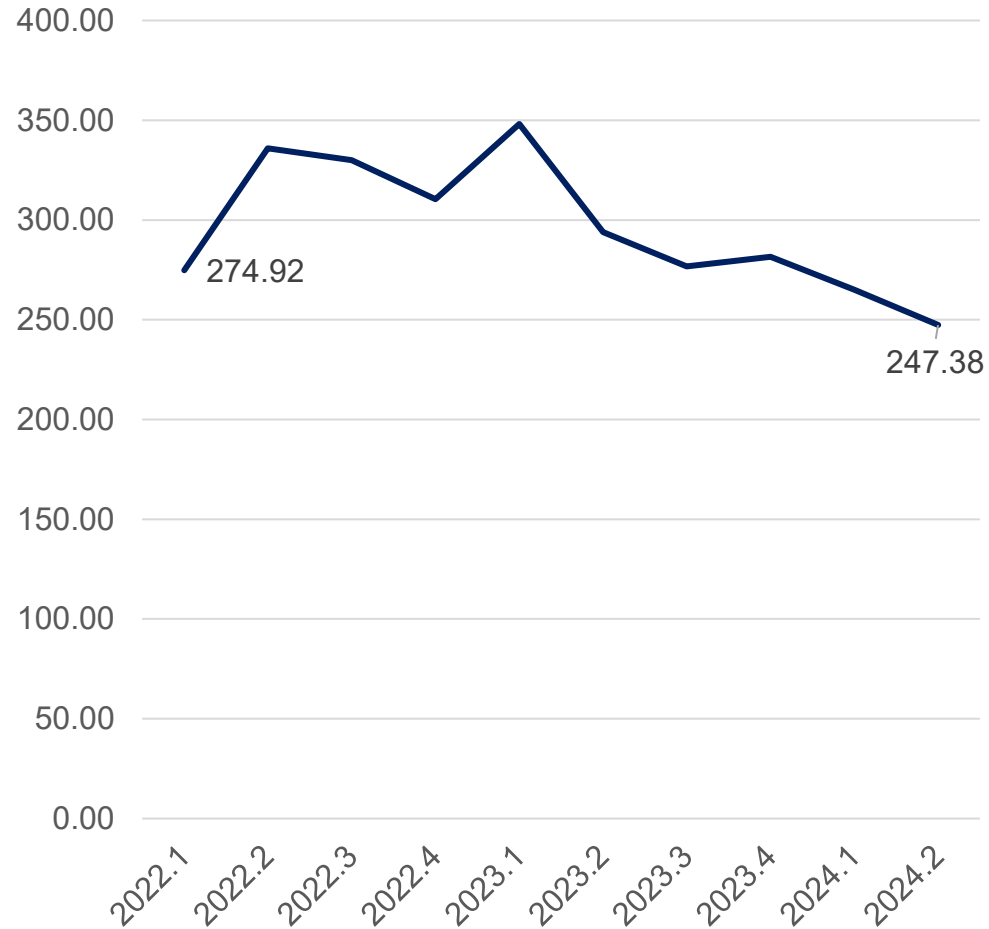
Home Price Index (\$ Thousands)



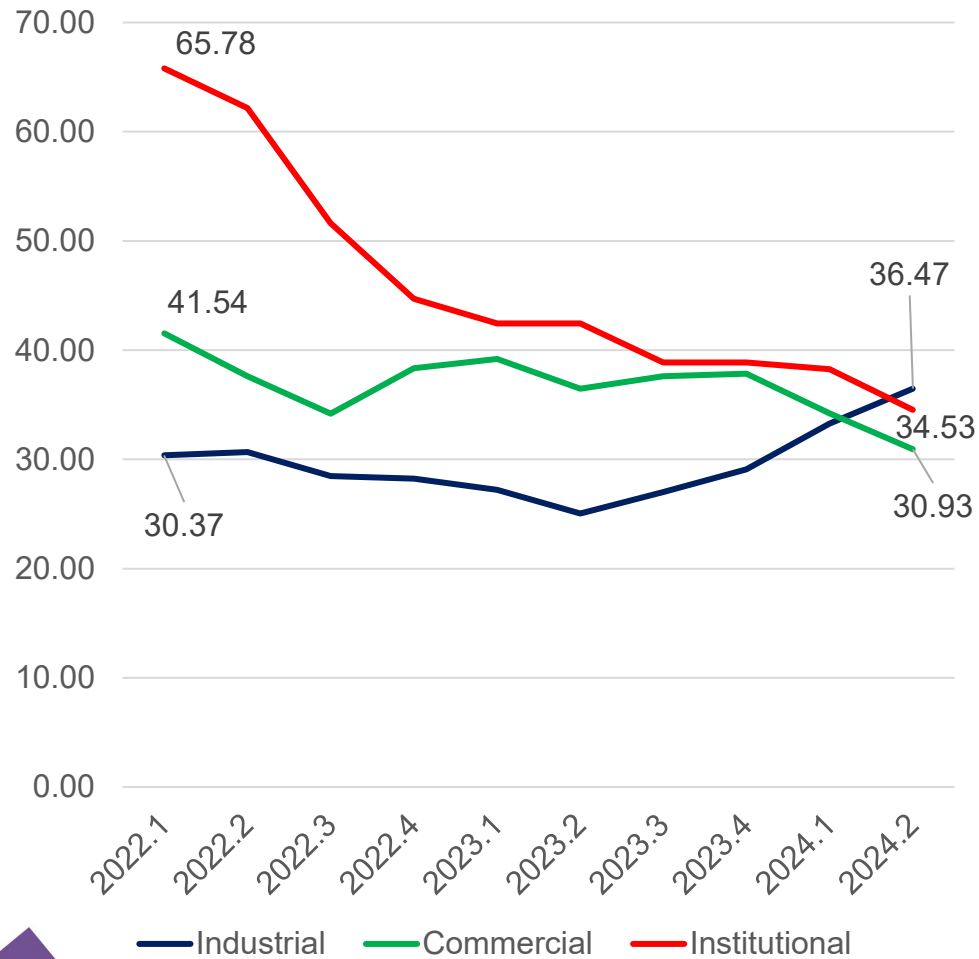
Retail Sales (\$ Billions)



Investment In Construction, Residential (\$ 2012 Millions)

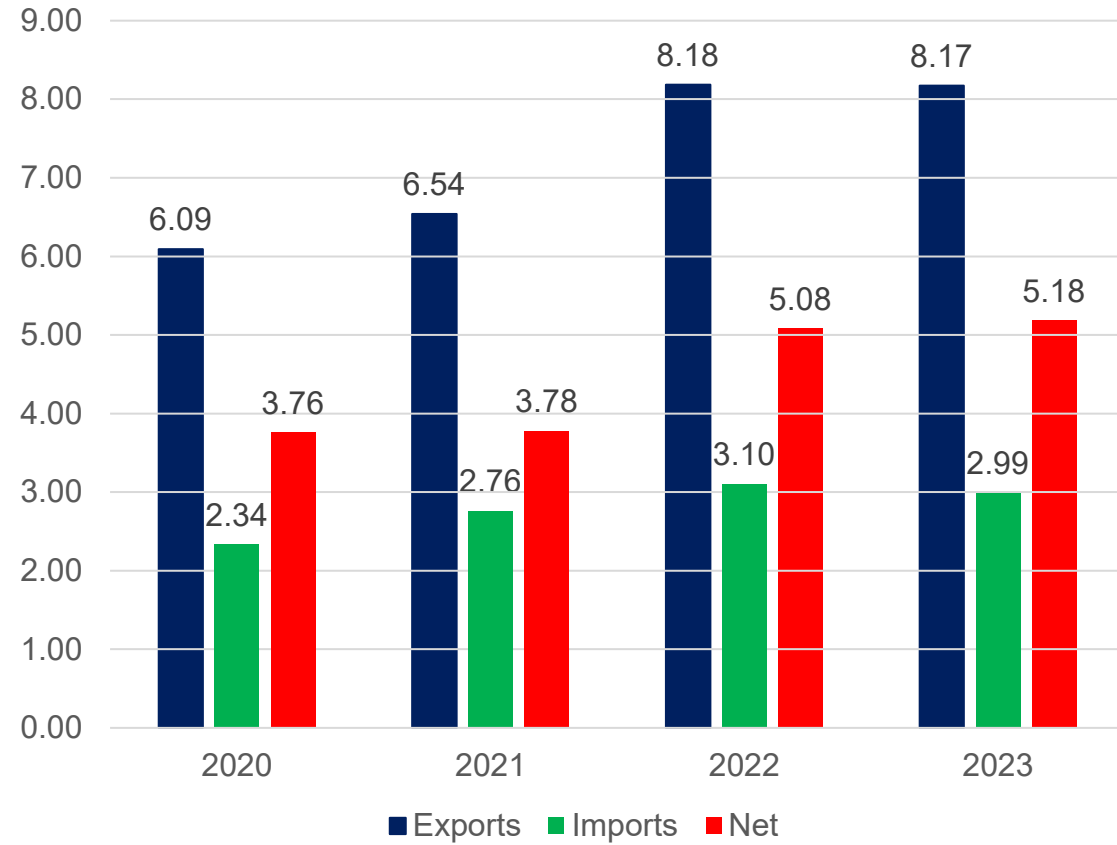


Investment In Construction, Non-residential (\$ 2012 Millions)

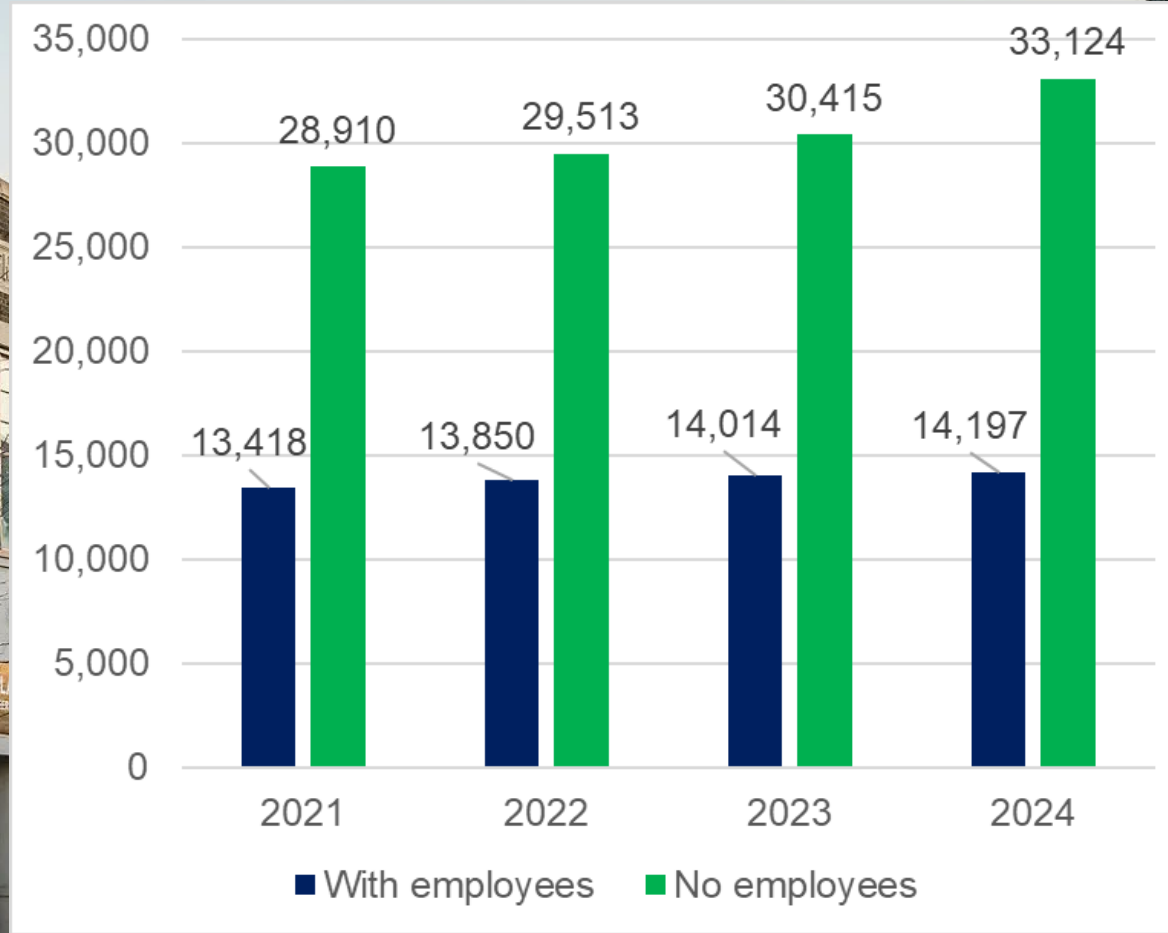




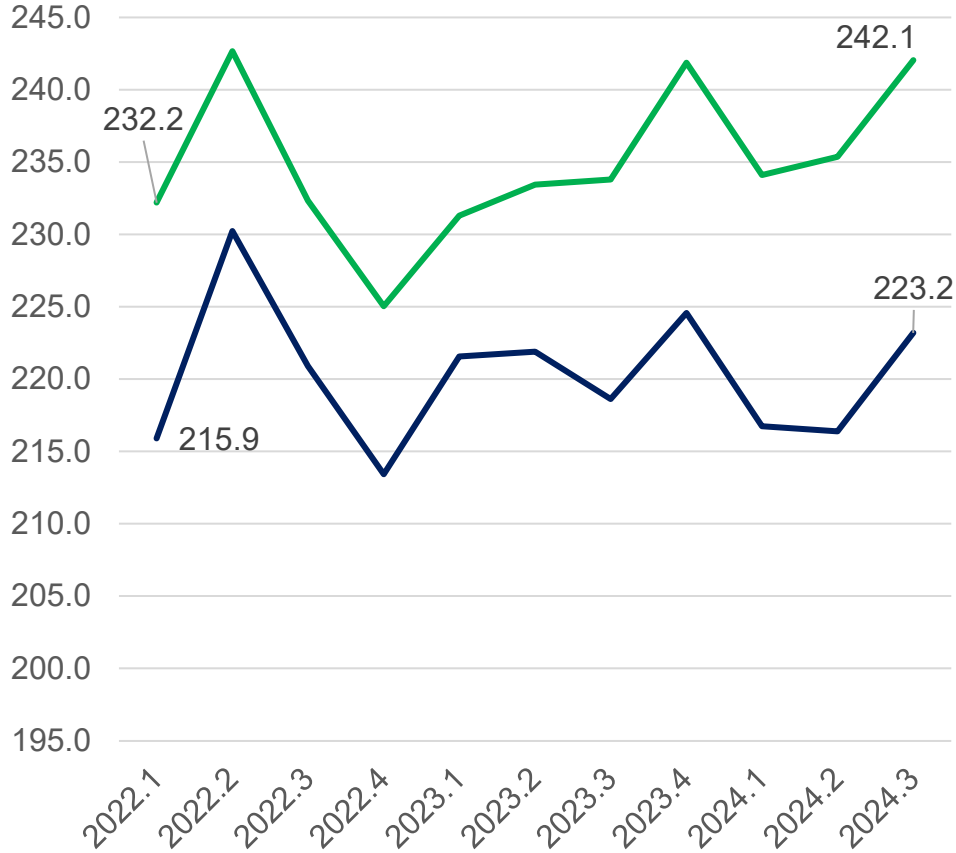
International Trade (\$ Billions)



Business Counts

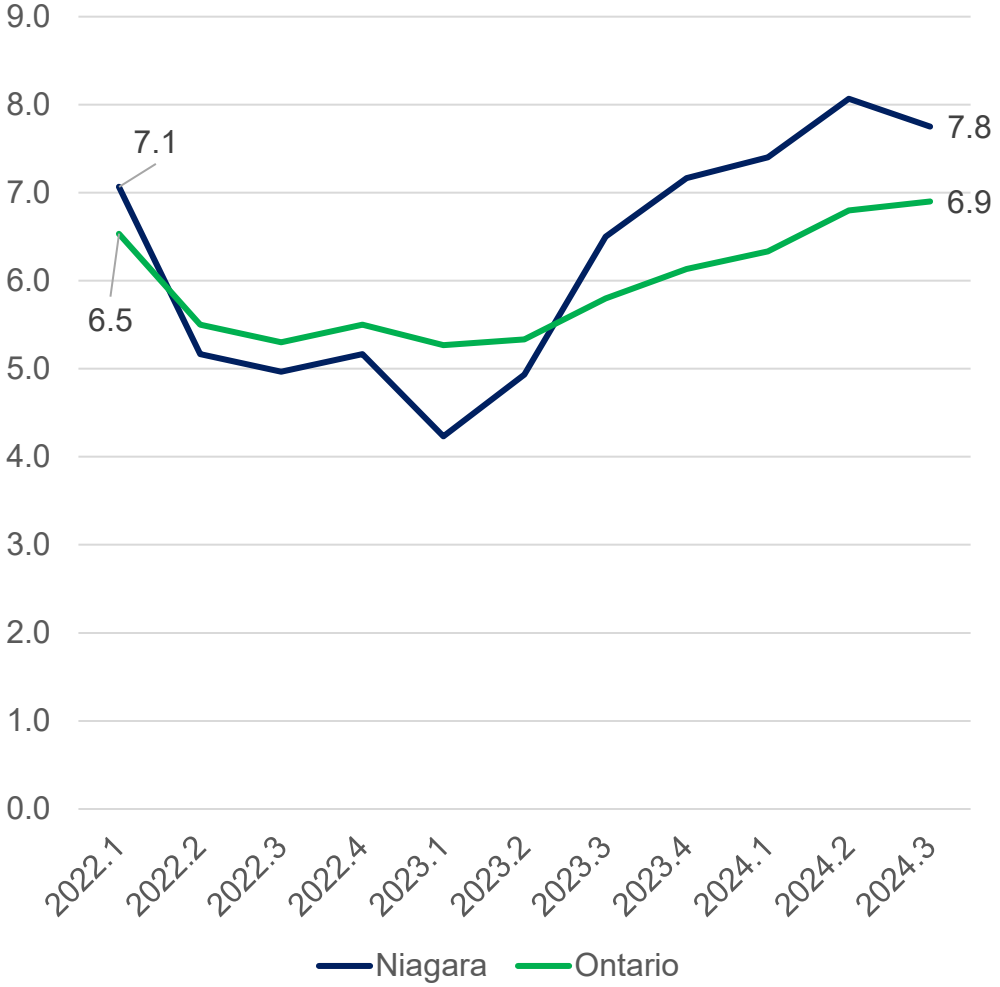


Labour Force and Employment (Thousands)

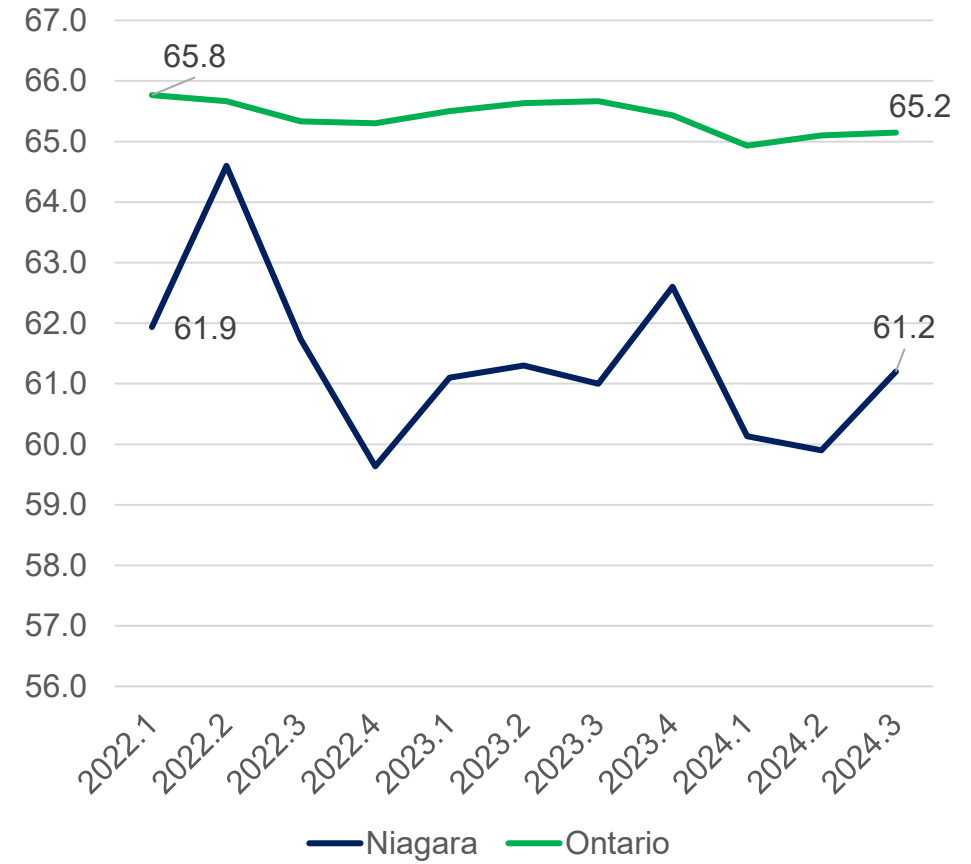


— Labour force — Employment

Unemployment Rate (%)



Participation Rate (%)



Thank You

Blake Landry, Ec.D.
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Economic Development Division
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Subject: Niagara Economic Update

Report to: Planning and Economic Development Committee

Report date: Wednesday, November 6, 2024

Recommendations

1. That Report ED 14-2024 **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide the Planning and Economic Development Committee with an update on the regional economy.
- Despite a slowing economy, Niagara outperformed Ontario and is forecasted to rebound and grow substantially through 2025 in line with anticipated reductions in the policy interest rate.
- From Q1 2023 to Q3 2024, GDP growth in Niagara was minimal at 1.4%, though it outperformed Ontario's growth of 0.8%. Growth in Niagara is expected to rebound, with a projected rate of 3.2% from Q3 2024 to Q4 2025.

Financial Considerations

The activities described in this report are within the Council-approved 2024 Economic Development operating budget.

Analysis

The Niagara Region has undergone significant economic and demographic changes in recent years with notable growth in population, labour force, and business activity. However, the post-pandemic period resulting in supply chain challenges and high inflation, prompted the Bank of Canada to raise interest rates to 5% by mid-2023, which slowed economic activity. This impact was particularly evident in key indicators such as construction investment and employment. Fortunately, inflation has since declined, and the Bank of Canada has lowered the policy interest rate by 0.75%, bringing it to 4.25%. As of August 2024, inflation has reached the target rate of 2%. The Bank of Canada has also signaled further interest rate cuts, which are expected to stimulate new investment and employment.

This report provides an in-depth analysis of key economic indicators for Niagara with some comparisons to Ontario as a whole.

Population

Post-census population data reveals that the Niagara Region has experienced substantial growth over the past five years. In 2019, the population stood at 484,571. Between 2019 and 2023, the region grew by 40,781 people (8.4%), reaching a total population of 525,352. This growth rate surpasses both Ontario's (7.1%) and Canada's (6.6%) over the same period.

Consumer Price Index (CPI)

The Consumer Price Index (CPI) is a widely used measure of inflation. In mid-2022, inflation in Ontario peaked at 7.5%. However, beginning in June of that year, the Bank of Canada started lowering the policy interest rate, which has cumulatively declined by 0.75 percentage points to 4.25%. As a result, national inflation has dropped to the target rate of 2%. As of Q3 2024, Niagara's inflation rate stands at 2.7% and is declining, with forecasts predicting an average of 2.1% through 2025.

Gross Domestic Product (GDP)

GDP represents the total value of all goods and services produced in an economy. Between Q1 2023 and Q3 2024, GDP grew by 1.4% to \$18.1 billion, which was considered relatively low. However, GDP is projected to rebound, with a forecasted growth rate of 3.2% from Q3 2024 to Q4 2025. In comparison, Ontario's GDP grew at a slower rate of 0.8% during the same period but is expected to rise to 3.3% by Q4 2025, in line with anticipated reductions in the policy interest rate.

GDP per capita, which measures total GDP divided by the total population, is a commonly used indicator of economic productivity. Niagara underperforms Ontario with a GDP per capita of \$36,352 compared to \$53,703 for Ontario. Between Q1 2023 and Q3 2024, productivity in Niagara declined by 2.2% and is projected to rebound only slightly to 2.0% by the end of 2025. In comparison, Ontario performed worse, with a 3.6% decline and forecasted growth of just 1.8%, underperforming Niagara during the same period. The decline in productivity is a national issue in Canada, where population growth is outpacing GDP growth, diluting the GDP per capita.

Wages and Salaries Per Employee

Wages and salaries per employee measure the total wages and salaries in the economy divided by the total number of workers. In Niagara, wages and salaries per employee lagged at \$58,241, compared to \$68,608 for Ontario. From Q1 2023 to Q3 2024, wages and salaries per employee in Niagara grew by 7.1%, outpacing Ontario's growth of 6.1%. Looking ahead, wages and salaries per employee are forecasted to grow by 2.4% in Niagara and 2.5% in Ontario between Q3 2024 and Q4 2025.

Income

Primary household income per capita measures the average income earned by individuals within a household from primary sources, divided by the total population. Income in Niagara has historically lagged behind that of Ontario as a whole. In Q3 2024, primary household income per capita in Niagara was \$39,362, compared to \$49,481 for Ontario. Since Q1 2023, Niagara's primary household income per capita has increased by 5.1%, underperforming Ontario's 5.6% growth. Looking ahead, both Niagara and Ontario are forecasted to grow at the same rate of 3.0%, so Niagara is expected to continue to lag Ontario.

Housing Prices

The housing price index (HPI) measures changes in the price of residential properties over time. In August 2025, the seasonally adjusted HPI for Niagara was \$639,300, compared to \$867,800 for Ontario, indicating that houses in Niagara are 26% less expensive than the provincial average. From January 2023 to August 2024, house prices in Niagara actually declined by 0.2%, while Ontario saw an increase of 0.6%.

Retail Sales

Retail sales in Niagara have shown consistent growth in recent times. From Q1 2023 to Q3 2024, retail sales in Niagara grew by 4.6%, increasing from \$7.72 billion to \$8.1 billion. During the same period, Ontario experienced a slower growth rate of 3.7%. Looking ahead, from Q3 2024 to Q4 2025, retail sales for Niagara are forecasted to grow at 3.4%, compared to 4.4% for Ontario.

Investment In Building Construction

Investment in building construction (constant values, seasonally adjusted) in Niagara has slowed recently, with the exception of industrial construction. Investment in

residential construction has decreased over the past two years, coinciding with the Bank of Canada's increase in the policy interest rate to a high of 5.0% throughout 2023 and the first half of 2024. Investment in commercial building construction has been consistently slow since the pandemic.

In Q2 2024, investment in residential building construction dropped to \$247.4 million, a decline of 29% from a high of \$348.2 million in Q1 2023. Similarly, investment in commercial construction decreased during this period, reaching a low of \$30.9 million, a 26% drop from \$41.5 million in Q1 2022. Investment in institutional building construction also saw a substantial decline, falling to \$34.5 million in Q2 2024 from a high of \$65.8 million in Q1 2022, marking a 48% decrease. In contrast, investment in industrial building construction remained strong during this period, reaching \$36.5 million in Q2 2024, which represents a 20% increase over Q1 2022.

International Trade

International trade remained strong in Niagara throughout 2023. Total exports reached \$8.17 billion, while imports totaled \$2.99 billion, resulting in a net trade balance of \$5.18 billion. Although exports declined slightly by 0.1%, they remained historically high. During the same period, imports decreased by \$110.5 million, contributing to the region's solid net trade balance.

Business Counts

Business counts data captures the number of businesses that have employees on payroll, as well as businesses that have no employees but have annual revenues greater than \$30,000 (self-employed). Business counts in Niagara have remained consistently strong. From 2023 to 2024, businesses with employees grew by 183 for a total of 14,197. Business without employees grew by an astounding 2,709. This is likely due to an influx of self-employed people moving to Niagara during this period, as well as new business start-ups.

Labour

The labour force in Niagara continued to show steady improvement in 2024. From Q3 2023 to Q3 2024, the labour force grew by a substantial 8,300 people (3.5%), reaching 242,100. In comparison, Ontario's labour force grew at a slower rate of 2.8%.

Employment in Niagara grew more slowly than the labour force. Over the same period, employment increased by 4,570 (2.1%) to 223,300. In comparison, Ontario's

employment grew by just 1.5%. Since employment growth lagged behind the labour force growth in Niagara, this led to an increase in the unemployment rate.

In Q3 2024, Niagara's unemployment rate stood at 7.8%, an increase of 3.6% from a historically low rate of 4.2% in Q1 2023. By comparison, Ontario's unemployment rate was 6.9%, rising by 1.6% over the same period. In both Niagara and Ontario, employment is growing at a slower pace than the labour force, resulting in rising unemployment rates. This trend is likely due to high population growth.

Lastly, the participation rate in Niagara has declined since coming out of the pandemic but rebounded slightly in Q2 and Q3 2024. This is a result of the population growing faster than the labour force. Niagara's participation rate was 61.2% in Q3 2024, which was a decreased of 1.4% over Q3 2023. Comparatively, Ontario's participation rate decreased by 0.5% to 65.2% in Q3 2024.

Conclusion

In conclusion, the Niagara Region has demonstrated significant resilience and adaptability in the face of economic and demographic shifts over the past few years. While the post-pandemic period posed challenges, including supply chain disruptions, high inflation, and rising interest rates, the region has managed to maintain notable growth in population, labour force, and business activity. Key sectors, such as industrial construction and retail sales, continue to show strength, even as residential and commercial investment slows. With inflation now under control and further interest rate reductions anticipated, Niagara is poised to stimulate new investment, trade and job creation.

Alternatives Reviewed

All activities described in this report are key functions of Regional Economic Development and the tactics being used are consistent with accepted economic development practices.

Relationship to Council Strategic Priorities

Tracking and reporting on key economic indicators for Niagara supports the Council Strategic Priority of a Prosperous Region.

Other Pertinent Reports

- [ED 7-2024 Niagara Economic Update](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=b480eb56-6bb4-466f-982d-31237205b6be&Agenda=Merged&lang=English&Item=14&Tab=attachments>)

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Director
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Submitted by:

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Deputy Chief Administrative Officer

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared in consultation with Marco Marino, Associate Director,
Economic Development.

Appendices

Not applicable.

Economic Development Foreign Direct Investment (FDI) Update

Planning and Economic Development Committee

ED 15-2024

Wednesday November 6, 2024

Eric Chou, Manager, Trade Investment

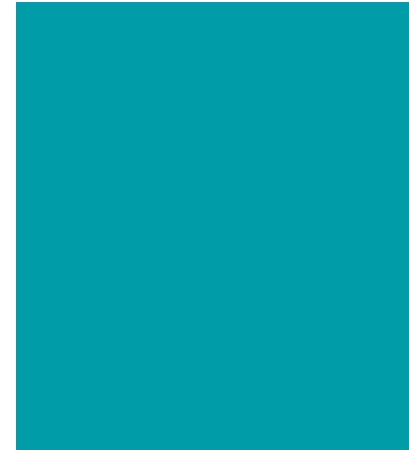
Niagara Economic Development Investment Attraction Update

Eric Chou, Manager, Trade and Investment

Wednesday, November 6, 2024

Purpose

- Summarize **key investment attraction activities from Niagara Economic Development** from April to September 2024.
- Demonstrate how investment attraction activities, including external events, hosting prospective clients and investors promote Niagara as an attractive location for investment.
- Highlight Niagara Region's largest investment with the announcement of Asahi Kasei locating to Port Colborne.
- All activities focus on attracting investment, fostering sustainable economic growth, and **positioning Niagara as a leading business destination**. Through strategic projects, Niagara is advancing toward meeting the goals of the Council 2023-2026 Strategic Plan and specifically meeting our Prosperous Region objectives.



Investment Attraction Activities

- April 3 – 5 2024
 - Site Selectors Guild
- April 15 – 18, 2024
 - WEB Summit
- April 22 – 24, 2024
 - Hannover Messe
- May 6 – 10, 2024
 - US Roadshow
- June 10 – 14, 2024
 - Global Affairs Canada Latin America Roadshow



Asahi Kasei Invests \$1.56 Billion in Niagara Region

- May 14, 2024, saw the official announcement of Phase 1 by Asahi Kasei, for their transformational investment of \$1.56 Billion, with approximately 300 jobs to build a lithium-ion battery separator manufacturing facility in Port Colborne.
- The economic development team continues to be involved in the project ensuring that our Team Niagara Task Force stays focused on the delivering the infrastructure that is required.
- On September 11, 2024, Economic Development staff presented Project Eagle to Bruce County Economic Development as a best practice case in investment attraction.



Additional Companies that have invested in Niagara Region



AgTech Business
specializing in sustainable solutions for crop protection and natural pollination.

Manufacturer
invested **\$5 million** in a 3-acre site, creating **10 new jobs** and contributing to Niagara's growing industrial sector.

Consulting Company
specializing in the internationalization of companies, trade, import and export, have incorporated and selected Niagara as their headquarters

Representing a total of **35 new jobs** and a total **CAPEX of \$7M.**

Site Visits with Potential Investors

- April 24, 2024
 - Project Tab (Invest Ontario)
 - \$6.96 Million CAPEX, 380 FTEs
- June 11, 2024 and August 28, 2024
 - Project Dracaena (MEDJCT)
 - \$4.1 Billion CAPEX, 700 FTEs
- June 19, 2024
 - Prospect
 - \$38 Million CAPEX, 60 FTEs
- July 16, 2024
 - Prospect
 - \$30 Million CAPEX, 250 FTEs



QUESTIONS & CONTACT

Eric Chou

Manager, Trade and Investment | Economic Development

Eric.Chou@niagraregion.ca

Subject: Economic Development Foreign Direct Investment (FDI) Update

Report to: Planning and Economic Development Committee

Report date: Wednesday, November 6, 2024

Recommendations

1. That Report ED 15-2024 **BE RECEIVED** for information.

Key Facts

- The objective of this report is to update the Planning and Economic Development Committee (PEDC) on Foreign Direct Investment (FDI) activities conducted from April to September 2024.
- Efforts focus on growing and diversifying the economy by attracting businesses in sectors where Niagara holds a competitive advantage, particularly in emerging areas that present a strong business case for investment. Key activities in this initiative include conducting lead generation and meetings in identified FDI target markets, as well as leading international investment missions with our “Team Niagara” partners.
- Economic Development staff actively partner with area municipalities, provincial and federal government officials, and FDI stakeholders such as Invest in Canada, Invest Ontario, Global Affairs Canada and the Consider Canada Cities Alliance. Additionally, the promotion of the Niagara Region as a Foreign Trade Zone (FTZ) is ongoing to enhance trade programs that advance import and export activities within the region.

Financial Considerations

The activities described in this report have been accommodated within the Council approved 2024 Economic Development budget.

Analysis

Niagara is a Prosperous Region due to its strategic location on the U.S./Canada border, along with the region’s multi-modal transportation infrastructure, and its designation as a Canadian Foreign Trade Zone Point (FTZ) making it an attractive place for companies to invest and conduct trade. The Region also acts as a conduit for international

businesses looking to enter the North America market via international trade agreements, enhancing our regions competitiveness and global supply chain network.

Investment Attraction Activities:

The Economic Development team have attended many external events since April 2024. These events provide Niagara Region with face-to-face opportunities with prospective investors, educational opportunities with in-market influencers (consular offices, trade commissioners and local Chambers of Commerce). These events raise the Niagara Region profile on an international basis ensuring brand recognition leading to potential investment opportunities.

From April 3 – 5, 2024, the Economic Development team attended the Site Selectors Guild. The conference brings together professional site selection consultants and economic development professionals from across the world.

From April 15 – 18, 2024, Niagara Economic Development was also represented at WEB Summit Rio. In partnership with Invest in Hamilton and Global Startups, Niagara had booth presence at the show and met with 17 startups with strong interest in establishing their business in the region.

From April 22 – 24, 2024, Niagara Economic Development attended Hannover Messe. Hannover Messe is one of the world's largest industrial trade shows with over 130,000 attendees and 4,000 exhibitors in 2024. Niagara Economic Development staff participated in 20 one-on-one meetings with international companies during the show.

From May 6 – 10, 2024, Economic Development staff traveled to New York City, Boston, and Chicago to meet with provincial and federal trade investment agencies. The meetings with in-market investment agents allowed Niagara Economic Development to highlight the region's key sectors for investment, learn of new opportunities in the American market and advance relationships.

Niagara Economic Development also joined Global Affairs Canada for the Latin America Roadshow from June 10 – 14, 2024. The program for the roadshow was extensive with events hosted by in-market influencers. A total of 18 one-on-one meetings with businesses were held during the week.

Investment attraction activities also entail hosting prospective investors and clients in Niagara to showcase the available industrial sites, labour capacity, and quality of life in the Niagara region.

On April 24, 2024, economic development staff hosted Invest Ontario and executives from a large Korean manufacturer. Referred to as Project Tab, the potential investment amount is \$696 Million Capital Expenditure (CAPEX) and 380 jobs. The day was spent visiting sites in Niagara and meeting with the local network.

On June 11, 2024, and August 28, 2024, economic development staff hosted the Ministry of Economic Development Job Creation and Trade and company executives for a site visit. Referred to as Project Dracaena, the potential investment amount is \$4.1 Billion CAPEX and 700 jobs.

On June 19, 2024, IAMA Global toured Niagara sites with staff. The potential investment amount is \$38 Million CAPEX and 60 jobs.

On July 16, 2024, Niagara Economic Development toured a potential site for a prospect. The company is looking to expand operations and invest \$30 Million CAPEX creating 250 jobs.

Furthermore, a lead generated from our in-market activities at Hannover Messe is currently in discussion with a local research and innovation centre to set up a greenhouse carbon capture project. This connection was made by economic development staff after the initial meeting in Germany.

Asahi Kasei:

May 14, 2024, saw the official announcement of Phase 1 by Asahi Kasei, for their transformational investment of \$1.56 Billion, with approximately 300 jobs to build a lithium-ion battery separator manufacturing facility in Port Colborne. Over the 3 phases, the expected total investment is \$4.8 Billion and an estimated 1,000 jobs.

The Economic Development team continues to be involved in the project ensuring that our Team Niagara Task Force supports the aftercare aspects of

the project to ensure timelines are met. The team is also supporting Asahi Kasei in various projects since the first site visit in August 2023.

In the summer months, representatives from Asahi Kasei, accompanied by Niagara Region Economic Development staff, met with residents living in direct proximity to the site on June 24, 2024, as well as had positive discussions with Mississauga's of the Credit First Nations on August 8, 2024.

On September 25, 2024, Asahi Kasei held a public community open house in Port Colborne. The event was attended by over 300 residents and well received by the community.

On September 11, 2024, economic development staff was invited to present Project Eagle as a best practice process for investment attraction to Bruce County Economic Development.

On October 7 – 11, 2024, Niagara Region, Port Colborne, Brock University and Niagara College visited Japan and the Asahi Kasei plant in Moriyama. The delegation met with Asahi Kasei executives, academic institutions, The City of Moriyama, Tokyo Metropolitan Government along with Global Affairs Canada and Ontario investment representatives to understand the capacity requirements, labour force needs, academic partnerships and the overall supply chain investment ecosystem potential.

The official ground-breaking at the Asahi Kasei site in Port Colborne is scheduled to take place on November 14, 2024.

Confirmed Pipeline Investments:

There have been additional companies that have confirmed investments in Niagara Region due to the efforts of Economic Development staff. Those efforts have yielded two new companies at a total CAPEX investment of \$7 Million and the creation of 35 jobs, ultimately contributing to Niagara's growing industrial sector.

Additional hosting opportunities have been presented to the Economic Development team. These hosting opportunities allow us to educate and

showcase the region to local influencers with networks that we don't have direct connections with, promoting the benefits of doing business and living in Niagara.

Notable events include the visit from Innovation Norway on August 1, 2024, and the Consider Canada City Alliance meeting on June 26, 2024. Economic Development staff also hosted the Consular Corps Association of Toronto during the 2024 World Rowing Championships and Nations Dinner, which featured representatives from 18 countries from August 22 to 24, 2024.

Other events included engagements with the Port of Baie Comeau on September 13, 2024, and a tour of the Vineland Research and Innovation Centre with a delegation from Dong Thap Province, Vietnam. Additionally, Life Sciences Ontario was engaged on September 23, 2024 to foster effective relations in this sector and continued relations welcoming the Invest Ontario Senior Management Team on November 4, 2024.

FDI Pipeline:

The Economic Development team continues to conduct meetings with leads identified in FDI target markets and sectors. In the second and third quarter of 2024 the team has had meetings with 66 new businesses that have expressed interest in investing in Niagara Region. Niagara Economic Development continues to distinguish between leads and opportunities based on in market activities and working with our government partners and third party in market lead generators. In the second and third quarter of 2024 there were 29 total new opportunities, two of which were converted from leads.

Alternatives Reviewed

Foreign Direct Investment (FDI) is a key function of Regional Economic Development and the tactics being used are consistent with accepted economic development practices.

Relationship to Council Strategic Priorities

Foreign Direct Investment activities support Council's strategic priorities for an Effective and Prosperous Region.

Other Pertinent Reports

- [ED 5-2024: Economic Development Foreign Direct Investment \(FDI\) Update](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=e32f76c9-d12f-482c-9109-986f7ed6c503&Agenda=Agenda&lang=English&Item=16&Tab=attachment)
(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=e32f76c9-d12f-482c-9109-986f7ed6c503&Agenda=Agenda&lang=English&Item=16&Tab=attachment>)

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Submitted by:

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Chief Administrative Officer

This report was prepared in consultation with Susan White, Finance Administration and Marco Marino, Associate Director Economic Development.

Appendices

N/A