



Sault Ste. Marie, Ontario Economic Update

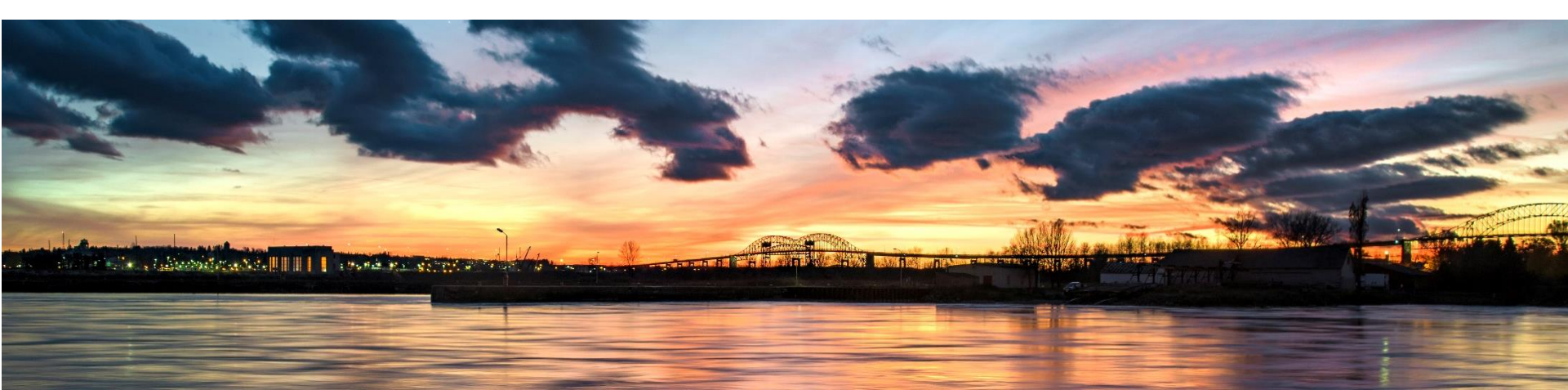
Dan Hollingsworth, Executive Director

November 6, 2019



Who are we?

- Invest Sault Ste. Marie - Encompasses entrepreneurship, investment attraction, business retention and expansion activities and special projects.
- Tourism Sault Ste. Marie - Works to draw visitors to the community by securing and supporting major conferences, sports tournaments and special events, selling vacation packages, marketing area attractions and festivals, and more.



About the Canadian Sault

- **Population:** 73,500
- **Total City GDP:** \$3.02 Billion ↑
- **Local Market area:** 150,000 CAN/US
 - 60+ million consumers within 5 hr. drive
- **Total Labour Force:** 38,000 +/-
 - 2,200+ Businesses (95.5 % small businesses)



Why Sault Ste. Marie?

- Location & multi-modal transportation
- Post-secondary Education – 3 institutions
- Workforce (diversified, qualified, educated)
- Clusters -Lottery, Forestry /Advanced Steel Fabrication, Technology, Renewable Energy
- Research Centres (Federal/Provincial Forest Research & Invasive Species)



Competitive Alternatives 2016

- Competitive Alternatives Study by KPMG, Sault Ste. Marie ranked 10th globally among 111 cities, in terms of competitive business cost structure.
 - Sault Ste. Marie was more competitive than Toronto, Montreal, Vancouver, Detroit, Chicago, Los Angeles, and Boston for example.

Ranked 3rd out of 23 cities in central Canada and the northeast United States.



Key Sectors

- **Steel Manufacturing**
 - Algoma Steel – 3,000 workers
 - Tenaris Algoma Tubes – 400 + workers
 - Steel Fabrication: China Steel, SIS Manufacturing, Rector Machine Works, Traders Steel Warehouse, Soo Foundry, Steel Speed, Raker Industrial Solutions, Systems International, OTR (Rims)
 - ...another 500 employees!



Key Sectors

- **Forestry Products**
 - Centre of robust forestry products industry creating value added products – MDF, I-Joists
- **Tourism**
 - Agawa Canyon Tour Train redevelopment
 - Tourism investment increasing
 - Diversified 4 seasons experiences – Skiing, Snowmobiling, Biking, new products.



Key Sectors

- **Lottery & Gaming**

- OLG Headquarters – 600+ employees
- Cluster of lottery firms based on OLG

- **Smart Energy**

- Wind farm (177 towers)/Solar (60 MW)/Hydro (203 MW)/ Cogeneration (70 MW feeding Algoma)
- Heliene Solar (panel manufacturing/R&D)
- Convergent Energy (battery storage, 7 MW)
- Community-wide Smart Grid + 45 MW storage



Key Sectors

- **ICT/Digital Economy**
 - Over a dozen innovative firms competing in global markets + Innovation Centre expertise
- **Aviation/Aerospace**
 - Growing maintenance repair & overhaul activity
 - New infrastructure planned to support growth at Sault Airport



Economic Outlook

- Growth 0.9 per cent annually this year and next.
- A net total of 5,500 jobs were created 2016–18
- Manufacturing is expected to turn around in 2020, with modernization at Algoma Steel, Tenaris Algoma Tubes and others.

Source: Mid-Sized Cities Outlook, Conference Board of Canada 2019



Economic Outlook

- Unemployment below 5% in the past year
- Consumer confidence and spending is up
- Announcement of Noront FPF in May
- Tourism - independent travel increased in 2019
- Optimism in the community



Economic Outlook

- Challenges
 - Sault Ste. Marie poised for growth!
 - We will need in excess of 6,000 skilled workers within 15 years!
 - Aging demographics
 - Workforce and Immigration
 - Community infrastructure readiness



Key Initiatives

1. Algoma Steel (\$300 million in upgrades)
2. Public Access Port - former Port of Algoma
3. Noront project (\$1 billion+)
4. Tourism – Agawa Canyon, Mountain Bike, Searchmont, Cruise Ships, Indigenous partnerships- experiential
5. Community-wide smart grid and battery-storage (\$34M+)
6. Rural and Northern Immigration Pilot
7. Foreign Trade Zone Point designation
8. Bi-national Investment Zone
9. Defence Sector & Mining

Sault Ste. Marie – Where You Belong

Thank you!

Learn more at: www.investsaultstemarie.com