



Timmins Chamber of Commerce
Chambre de commerce de Timmins

MEDIA RELEASE

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TIMMINS CHAMBER OF COMMERCE UNVEILS PLAN TO STRENGTHEN NORTHERN ONTARIO ECONOMY

TIMMINS: The Timmins Chamber of Commerce released a three-point plan today aimed at staving off what the Toronto Star describes as “the quiet destruction of Northern Ontario.” The Chamber of Commerce is strongly urging the Provincial Government to adopt the plan, which would provide huge dividends for the fragile economy of Northern Ontario.

The release of the plan comes on the heels of a July 12 meeting between Chamber President Ken Petersen and Ontario Finance Minister Greg Sorbara. Minister Sorbara was receptive to the proposals brought forth by the Chamber of Commerce in three areas of paramount importance to the future of the region: Energy rates, revenue sharing, and wood flow allocation.

ENERGY RATES

The Timmins Chamber of Commerce recommends that the Provincial Government fix hydro costs at \$45 per megawatt hour for manufacturers, in order to attract and retain businesses. It is imperative that energy be used as an economic development tool. At the present time, hydro prices are 40 per cent less expensive in Quebec and 60 per cent lower in Manitoba. The Chamber of Commerce is concerned that existing enterprises will re-locate their manufacturing operations as a cost-saving measure.

Our concern is valid, since energy represents 20-25 per cent of operating costs for some manufacturers. Moreover, it is estimated that a large consumer, such as Timmins-based Xstrata Copper, could save \$40 million annually by moving their refining operations to Quebec. This would have a catastrophic effect on the Northeastern Ontario economy with a loss of 4,000 to 5,000 jobs, using industry standard multipliers.

This is a major business issue facing Ontario manufacturers - in the last three years we have lost 175,000 manufacturing jobs in Ontario. Any business organization representing the true interests of business in Ontario, including the Ontario Chamber of Commerce, should be lobbying for cost-effective, competitive energy rates. This speaks directly to the prosperity of Ontario, and we are calling on the Ontario Government to demonstrate leadership by making our energy costs competitive with other jurisdictions. “We have to stop the bleeding of jobs and create an environment that attracts businesses to Ontario,” said Ken Petersen.

REVENUE SHARING

Northern Ontario is a \$24.5 billion economy - larger than Prince Edward Island, Nova Scotia, New Brunswick and the Territories combined. Yet Northern residents cannot make decisions on how Provincial or Federal money is spent in the North. The Chamber is urging the Province to address this inequity through revenue sharing.

For example, the 2007 provincial budget included changes to the tax structure as it relates to diamond mining in Ontario. Under the new provisions, the province will generate \$23.4 million in annual revenue if the Victor Project earns an annual net profit of \$225 million. We are pleased that the Ontario government is targeting 3-7 per cent for the diamond tax, which is in line with the 5 per cent tax that was in place when De Beers made the \$1 billion investment decision. These adjustments to the diamond tax have kept De Beers whole and sustained the investment climate in Ontario. However, the Chamber of Commerce would like to see a structure created to ensure that a fair portion of those tax revenues is re-invested in the infrastructure of Northern Ontario. De Beers has made a strong commitment to the region as evidenced with an Aboriginal employment rate of 50 per cent. We would like to see both the Provincial and the Federal Government develop revenue sharing models throughout Northern Ontario.

WOOD FLOW ALLOCATION

The Timmins Chamber of Commerce is puzzled that Natural Resources Minister David Ramsay has refused to consider public hearings on the crucial issue of long term re-allocation of Timmins wood to other jurisdictions. Minister Ramsay's position is not congruent with statements made by Northern Development and Mines Minister Rick Bartolucci and Public Infrastructure Renewal Minister David Caplan, both of whom have advocated public consultations surrounding Northern development.

The Chamber of Commerce is deeply concerned that wood is being allocated to Quebec at the expense of Timmins forestry companies. The Chamber certainly understands the government's rationale in re-allocating wood flow to Quebec in the short term as Tembec is closed and workers at Grant Forest Products are locked out. However, it is expected that Ontario's wood will be in great demand within two to three years. The Timmins Chamber of Commerce has been pro-active in heading off a possible wood shortage. We've written Minister Ramsay requesting that public consultations be held if large amounts of wood are proposed to be re-allocated away from the Timmins mills. We believe it is of vital importance that forest companies - businesses that have invested heavily in the North and Northern communities - be given a Northern public voice on the re-allocation of wood, rather than receiving their directives from Queen's Park without consultation.

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The Timmins Chamber of Commerce represents over 640 businesses and has been The Voice of Business in Timmins since 1949. Its advocacy and policy initiatives focus on ensuring a positive business climate for our members.

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