



Growing Manitoba's Economy

Co-Chairs' Findings and Recommendations

DECEMBER 2018



Message from the Co-Chairs

In December of 2017, we were honoured to be invited by the Premier to lead the development of a bold and modern approach to economic growth for our province. Since that time, we've met with over 500 businesses, communities, economic development organizations, educational institutions, industry associations, Indigenous organizations and government. We have also received submissions from many Manitobans who wanted to share their ideas on how to grow our economy.

We want to thank everyone who has taken the time to provide valuable input. We heard about many challenges that need addressing, but we also heard about positive solutions that can enable growth and prosperity.

Harnessing the best ideas and strengths of all the talented people in this province will allow us to create an economic ecosystem that will work for all Manitobans and for Manitoba's future.

The development of a new blueprint for economic development in our province could not come at a better time. We are living in a time of unprecedented change. Evolving trade negotiations, foreign policies, new technologies and other economic factors are reshaping the global economy. We need a clear, shared vision for our economy to enable Manitobans to work together to build a better future for our province.

This plan must position Manitoba with resilient strategies, effective governance models and innovative approaches to build on our traditional economic strengths, while being able to exploit emerging opportunities. It will help build an economy, from local enterprises to globally competitive companies, that delivers economic prosperity to all.

This report represents the beginning of a new approach to economic development and growth in Manitoba. We hope this can be an effective tool in the ongoing development of our collective strategy, to mobilize Manitobans towards a bright economic future.



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3 summits
10 roundtables and focus groups
Over 500 voices

Foreword

This report is a starting point and a guideline to the decisions needed, both inside and outside of government, to leverage our unique economic strengths as a province. It also identifies various strategic areas that need more work to build our capacity for growth. As we move forward, it is important that the work we do collectively is coordinated and part of the overall framework.

This report and the stakeholder input that it represents will have many benefits. It will bring economic stakeholders together around a specific direction and shared objectives to facilitate collaboration and measureable results. It will also instill confidence in Manitoba companies and interest from those outside of Manitoba, sending the message that we have a clear economic vision that creates tremendous economic opportunities.

Our Approach / What We Heard

In October 2017, the Manitoba government began an in-depth process of developing a plan to grow Manitoba's economy. Following the release of the *Framework for Economic Alignment and Growth* report by Deloitte LLP, we led, as Co-Chairs, an engagement process to hear from Manitobans about what is important to them and how we might all work together to achieve economic growth and prosperity. This report is a summary of what we learned from this comprehensive engagement process, and our recommendations to grow Manitoba's economy.

Beginning in April 2018, we held summits and roundtables with over 500 stakeholders, representing Manitoba businesses, communities, economic development organizations, industry associations, Indigenous organizations, academia and government. We also invited Manitobans to share their ideas on how to grow our economy through a dedicated online portal, and we met with many individuals and organizations through smaller, focused sessions.

We heard about many challenges that need to be addressed in order to grow our economy. However, Manitobans also presented us with positive solutions to enable future growth and prosperity, and our discussions strongly conveyed that Manitoba needs a clear, collective vision, and strategies that are collaborative and inclusive.

Our stakeholders expect that government will consider their feedback when charting a way forward, and develop concrete actions to address the challenges of today and enable tomorrow's thriving economy.

The most important outcome of this process is the engagement of people and organizations. We will succeed through continued engagement and our collective ownership of its results.



Summary of what we heard:

- There is a strong sense of collaboration in the Manitoba business community that can facilitate growth.
- Manitoba has a diverse economy that has proven to be resilient when faced with economic challenges in the past. It also offers a number of emerging opportunities for growth in each sector.
- Being able to build a skilled and adaptable workforce that aligns with industry needs, and the ability to attract and retain talent, are key issues affecting business.
- Access to financial capital is critical to business growth and expansion.
- Red tape, taxation and the regulatory environment impede growth and competitiveness. Providing navigational support with a 'how can we help' mindset would greatly facilitate business growth. Aligning the economic environment with our economic objectives will help eliminate systemic growth barriers.
- Improvements to transportation modes, infrastructure and market access are essential for competitiveness. Market access is critical to enable trade and investment.
- An economic growth priority and a clear articulation of our economic vision will strengthen our image, and will attract investment and interest in being part of an exciting economic brand.
- Building relationships and functioning collectively, with full participation of Indigenous peoples, will result in economic development and growth.
- Technology adoption needs to be encouraged to ensure global competitiveness. Safe spaces are needed to test ideas and facilitate start-ups. Government and business both need to change from a risk-averse mindset to one that supports experimentation and innovative solutions.
- A new model of economic development should focus on execution by providing clear navigation, quick decision-making, increased collaboration, constant insight from industry, and alignment of objectives and processes. It should also be nimble and entrepreneurial, with clear roles, responsibilities and accountability.
- Manitoba companies should be supported with programming and a competitive business environment.

Importance of a Common Economic Vision

When asked how a common economic vision for Manitoba could drive economic growth for the province, stakeholders said that a common vision would provide the long-term predictability needed to support investment. A common vision sets the priorities for policy decisions affecting the economy: from budgeting and resource allocation through investments in infrastructure, education and training, and other programming, to taxation and regulation. These priorities, in turn, set the context in which Manitobans establish their own business plans for development and growth. Having a clear, shared vision will support the stable, long-term economic context that inspires confidence for Manitoba's entrepreneurs, businesses and communities to invest in their futures. Over time, it establishes Manitoba's brand as being a choice location for national and international investment.

Closely related to predictability is alignment. A common vision will enable all stakeholders – governments, communities, businesses, entrepreneurs, institutions and organizations – to align their activities to support

the vision. It will improve partnerships among stakeholders by clearly establishing goals and objectives and clarifying roles. A focus on priorities will help to identify strengths and uncover weaknesses, and will enable the allocation of resources to achieve the greatest impact and eliminate waste. Clarity of purpose and priorities will also enable greater agility in the development and implementation of programming.

Stakeholders also said that a common vision and clear goals would help measurement of progress toward those goals, and would support greater accountability.

Finally, stakeholders identified a common economic vision as a key pillar in supporting efforts toward reconciliation with Indigenous Manitobans and in addressing unique regional issues across the province.

Continued stakeholder engagement will be a key part of building Manitoba's economic growth plan. Through focused consultations with Manitoba's stakeholder communities and industrial sectors, a common vision will emerge and be articulated.

Manitoba's Unique Advantages

To leverage our advantages, we must first understand them. We asked stakeholders about what they thought our economic advantages are and they offered a wide spectrum of responses – from our central location and natural resource wealth, to our low business costs and high quality of life, to the diversity, creativity and talent of our workforce and business leaders.

They told us about Manitoba's natural advantages. Straddling the Prairies and the Canadian Shield, Manitoba is endowed with plentiful land, water, mineral and forestry resources, and shipping access. This has provided the basis for several of our established traditional industries, including agriculture, mining, forestry, transportation and logistics, and tourism.

They told us about the advantages provided by our people. Underpinning our economy is a dedicated, loyal workforce that is well educated, highly skilled and creative. An innovative, nimble, entrepreneurial business community complements our workforce. Because of our comparatively small population, the business community is cohesive and collaborative, and though small, our diverse population offers a variety of perspectives and talent for developing businesses.

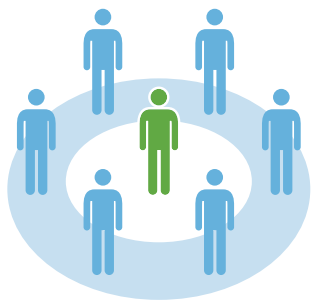
When speaking about our diverse population, stakeholders frequently cited our large and

comparatively youthful Indigenous population as an advantage. Stakeholders noted that ensuring their active involvement in the economy – with equitable opportunities for education, training, entrepreneurial and business support – offers a significant strategic advantage for a dynamic and successful future economy.

Stakeholders pointed to the diversity of our industrial makeup as an advantage, offering economic stability. Since we are not dependent on any single industry, cyclical downturns in one industry are offset by cyclical peaks in others. This creates a stable economy.

Our diversity provides new opportunities to pursue. We are seeing a number of opportunities where new technology collides with our traditional sectors. Established industries like manufacturing, agri-food, natural resource extraction, transportation, financial services and tourism, are complemented by new growth opportunities arising from recent advancements in digital and medical technologies, as well as growth in creative industries.

In summary, stakeholders recognized that Manitoba has many advantages. They seek a vision that will lever the province's advantages to pursue prosperity for all Manitobans.



People



Central location



Natural resources



Diverse industrial makeup



Low business costs



High quality of life

Examples of How Manitoba has Leveraged its Strategic Advantages



AGRICULTURE

Through sustained, long-term investment, our agricultural advantage has evolved beyond the natural advantages on which it was based. Strategic advantages have developed from the sophistication of the cluster that has grown over time, including the development of:

- crop research centres
- fertilizer companies
- tractor and implement manufacturers and their supply chains
- operations in grain trading and grain shipping
- downstream processing of grains, pulses and oilseeds
- new technologies in data analytics

The industry has gone from small subsistence farms a century ago, to larger farms that lever sophisticated technology (machinery and IT) for their operation and management. Today's farm operators rely on suppliers and equipment companies to innovate, and they encourage these companies to locate in the province. Manitoba's strong farm machinery manufacturing sector is continually renewing and reinforcing its strategic advantages.



CLIMATE

Stakeholders pointed to advantages stemming from our climate, which has enabled us to develop leading building practices related to energy efficiency in buildings. More recently, it led to nearly \$100 million in combined investment in aerospace engine icing test facilities, by the world's leading aerospace engine manufacturers.



LOCATION

Our central location and multi-modal transportation assets led to the development of Canada's largest inland port, which leverages our truck, rail and air advantage, along with significant land assets.



INNOVATION

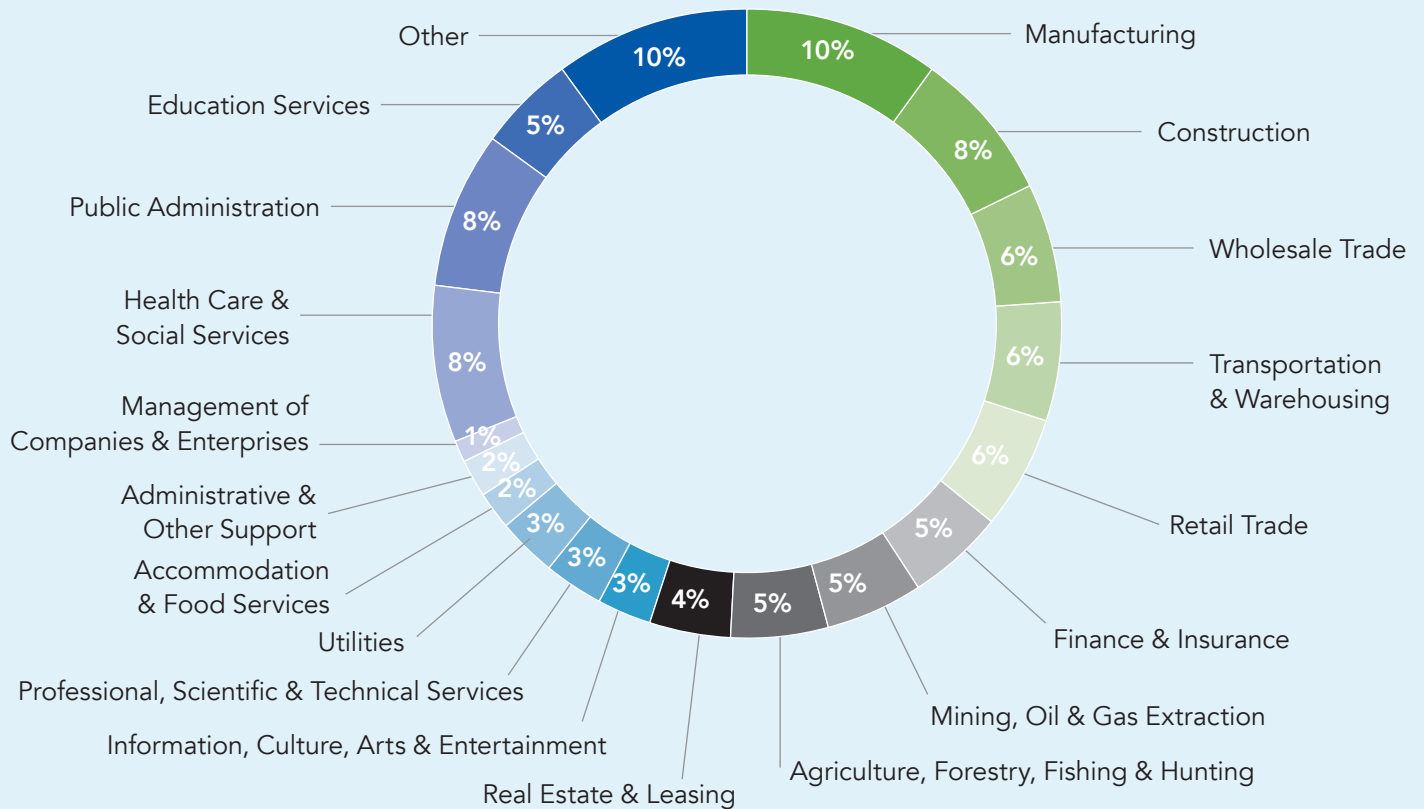
The EMILI project is the application of artificial intelligence in a number of Manitoba's traditional sectors (e.g., Advanced Manufacturing, Biotech and Agri-food). The presence of a number of strong sectors in the Manitoba economy provides a breadth of application for these new disruptive technologies and leverages the diversity of markets and skill sets developed through a diverse economy.



LOW STARTUP COSTS

Our low cost for establishing a business has led to the development of Innovation Alley and a start up infrastructure for innovative new companies.

Manitoba Real Gross Domestic Product, by Industry, 2017



Drivers of Growth

Manitobans provided a wealth of insights into the growth of the provincial economy, while discussing the challenges they face in growing their businesses and in building their regional economies. People from widely different industries often shared the same concerns, and while communities in different regions face unique issues, common themes emerged.

From the feedback we received across regions and industries, we identified 11 drivers of growth. These growth drivers affect all sectors of Manitoba's economy and will help focus the development of comprehensive and collaborative initiatives:

- ▶ **Skills, knowledge, creativity and talent development**
- ▶ **Indigenous economic development**
- ▶ **Strategic sector growth**
- ▶ **Trade and investment**
- ▶ **Research, innovation and technological advancement**
- ▶ **Access to capital**
- ▶ **Strategic infrastructure investment**
- ▶ **Business development programming**
- ▶ **Rural economic development**
- ▶ **Northern economic development**
- ▶ **Competitive business environment**

► Skills, Knowledge, Creativity and Talent

While Manitoba has enjoyed unemployment rates among the lowest in Canada for many years, this has also challenged many businesses to find the talent they need to grow. Manitobans expressed particular frustration with recruiting for specific skill sets and levels of experience. The uneven distribution of the labour force between Winnipeg and rural and northern Manitoba further exacerbates the problem.

Stakeholders also recognized the under-representation of Manitoba's Indigenous population in the workforce. Our Indigenous population is young and growing and reflects a sizeable portion of our human resource potential. Stakeholders often cited that if presented with equal opportunities in education, training and employment, Manitoba's Indigenous population could represent a significant competitive advantage for all of Manitoba.

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While a variety of career learning opportunities is available to Manitobans, stakeholders frequently cited a need for greater communication and alignment between educational institutions – secondary and post-secondary – and industry. This would ensure that graduates have knowledge and skills relevant to the labour market, both today and into the future. Stakeholders sought greater responsiveness from educational institutions to adjust programming to respond to labour market needs. Improved access to labour market data would allow better forecasting of labour market needs and would support greater collaboration among government, industry and academia.

Besides the importance of the education system, stakeholders stressed the significance of having workforce-training programs that can respond quickly to specialized training needs, and retrain workers during major economic shifts. We must ensure that training becomes a priority for workers who need to pivot towards the jobs of the future, whether that is in sectors like mining and forestry that have seen a

reduction in employment, or in advanced manufacturing, which has seen the increasing impacts of new technologies.

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Stakeholders also noted the importance of programming to recruit and retain workers. International immigration has been a successful tool in bridging labour market gaps in Manitoba. Stakeholders noted that current immigration programming could be more streamlined to better lever this advantage. They suggested that training programs to integrate newcomers into the workforce be increased or improved. Additionally, they suggested improving immigration programs, with more targeted efforts to attract foreign professionals, and improved recognition of foreign credentials.

► Indigenous Economic Development

Building positive, respectful relationships and functioning collectively, are fundamental to Manitoba's economic prosperity. Full participation of Indigenous peoples in the economy will provide meaningful opportunities for partnerships and collaboration, creating new economic development and growth.

Entrepreneurship within the Indigenous community provides great potential for enterprise and job creation. Existing and aspiring Indigenous entrepreneurs struggle with a lack of capital and equity. Ways to build economic capacity within the Indigenous community that can translate into thriving businesses should be pursued. Reviewing procurement policies to ensure equal opportunities for Indigenous enterprise is one strategy to help launch and grow new businesses.

We heard that social enterprise is an important business model to build entrepreneurial capacity and community wealth and equity, leading to greater business and economic development. The sharing of success stories from Indigenous communities and entrepreneurs can go a long way to inspire Indigenous youth.

Manitoba has the highest percentage of Indigenous peoples of all the provinces. By the year 2036,

Indigenous Manitobans will represent over 20 per cent of the provincial population. Data indicate that Manitoba's Indigenous population is comparatively younger and often seeks out post-secondary training later in life. Consideration of alternative approaches is needed to support Indigenous economic development.

Manitobans are committed to working together to create long-lasting, mutually-beneficial relationships that will advance reconciliation through the Truth and Reconciliation Commission's Calls to Action.

► Strategic Sector Growth

In the context of discussing competitive advantages, stakeholders identified a number of industries as being of strategic importance to Manitoba. Each sector has different needs and opportunities, but there are a number of cross-cutting issues.

The industries most widely cited across summits and roundtables as traditional strengths for Manitoba were agri-food processing, manufacturing and transportation.

The industries most widely cited across the summits and roundtables as traditional strengths for Manitoba were agri-food processing, manufacturing and transportation. Agricultural activity is present throughout rural Manitoba and primary production provides raw materials for the food processing industry. Manufacturing is the single largest goods-producing sector, representing some 70 per cent of Manitoba exports. In addition to food processing, key manufacturing industries include manufacturing of transportation equipment (aerospace and ground transportation) and machinery. Manitoba has long been a hub for transportation and logistics serving these and other industries, with Manitoba companies providing multi-modal service to markets across North America and the world.

The development of sector strategies should be a priority.

In order to build leadership positions and achieve growth, stakeholders called for bolstering of these foundational strengths through actions like:

- increased local, value-added processing activity to capture more value in Manitoba
- encouraging the adoption of new technology for improved productivity and quality
- encouraging more new product development to enable market leadership
- continual workforce renewal through education and training
- increased export activity, both in breadth of markets and depth of penetration
- greater collaboration with, and leverage of, federal opportunities to support industry growth

In addition to the above-noted traditional sectors, there was also frequent discussion of tourism and resource-based industries. Additionally, one session strongly stressed the importance of financial services. The importance of some industries was more regionally concentrated than other industries (e.g., mining in northern Manitoba and manufacturing in southern and central Manitoba).

Technology in industry often emerged as a point of discussion, sometimes with references to specific technologies (e.g., information and communications technologies, artificial intelligence, clean technologies) and other times, simply with broad references to "tech industries." References to technology fell into two broad categories: the need for traditional industries to integrate new technologies to enhance their competitiveness (as noted above), and the need to encourage the development of companies formed to exploit new technologies.

Stakeholders also recognized the variety of activity in Manitoba's creative sector. Spanning design, photography, publishing, film and video, broadcasting, visual and performing arts, interactive digital media and more, it contributes to economic output and supplies talent and capabilities to a variety of industries.

While stakeholders noted the above sectors as strategic, they also observed that an economic strategy should ultimately identify actions and initiatives that

Sector strategies should:

- be developed by stakeholders.
- identify unique strengths in the sector.
- identify limitations or barriers.
- consider best practices.
- develop sector objectives and measurements.

offer benefits across multiple sectors. Major factors needed to capture growth opportunities have been identified throughout this section. Identifying priority issues in major sectors, as well as considering the inter-relationships that exist among sectors, will provide insight that will help to improve the business environment for all Manitobans.

The development of sector strategies should be a priority. Each sector has its own unique advantages, assets and barriers, which need to be identified and addressed by the sector. As these strategies are developed, opportunities for collaboration and synergy will emerge. Stakeholders identified the following areas for consideration in a sector strategy:

- The strategy should be developed by a coalition of stakeholders representing a diversity of the industry, post secondary institutions, research institutes, government entities and business organizations.
- The strategy should identify unique strengths in the sector that can be leveraged or considered (e.g., natural, research based, skills/workforce, cost and market).
- The strategy should identify limitations or barriers that need to be addressed (e.g., capital, tax, regulatory, market and skills/workforce).
- The strategy should consider best practice models from other jurisdictions.
- The strategy should develop sector objectives and relevant measurements.

► Trade and Investment

The importance of trade and investment to the Manitoba economy is significant and must be a key part of our strategy. As trade patterns continue to change with our existing and new trade agreements, Manitoba companies must be strategic in their internationalization objectives. All sector strategies should develop both trade and investment objectives and work closely with the province and their designated agencies to pursue those objectives.

Opportunities for northern and rural companies and communities in trade and investment should be a high priority and a key part to our sector strategies.

The growth of trade by small and medium-sized enterprises (SME's) provides great growth potential for Manitoba.

The growth of trade by small and medium-sized enterprises (SME's) provides great growth potential for Manitoba. Stakeholders articulated a number of areas of support that should make up a strong trade support program:

- Assistance in navigating new markets
- Assistance in making connections in new markets
- Access to expertise and advice in areas such as trade, finance, regulation, and logistics.

A new robust trade program will help SME's overcome the risks associated with international trade and build their capacity to grow.

Stakeholders also cited inter-provincial trade as an area that needs significant improvement. The self-inflicted nature of trade barriers between provinces has significant impact on certain sectors. Manitoba has stepped forward to lead the effort in addressing this issue. It should work closely with industry and our sectors to provide specific recommendations in this area.

► Research, Innovation and Technological Advancement

The adoption of technology is critical to improving the competitiveness of Manitoba businesses and industries. Digital technologies are transforming traditional industries as diverse as manufacturing, financial services, agriculture, and arts and entertainment. Biosciences are revolutionizing health care, agriculture, pharmaceuticals, industrial materials and more.

The research community in Manitoba is very strong and committed. We excel in research in a number of areas, but those strengths are often unrecognized. We have a compelling story to tell, which can draw interest, collaboration and investment. There is a need for us to pull the pieces together into one strong narrative, about where we excel and how Manitobans and Manitoba businesses are seeing a return on that research investment. We also need more industry investment in research, more collaboration between industry and post secondary institutions, and greater leveraging of federal programs and resources. A clarity of focus and a long-term commitment are significant factors in our ability to develop and attract research expertise.

We have a compelling story to tell, which can draw interest, collaboration and investment.

A plan for Manitoba must consider how its businesses and industries can advance their technological capabilities, and how all stakeholders – government, universities, colleges, institutes, industry and businesses – can internally and collaboratively align and contribute to that goal.

These transformations point to opportunities, both to improve business performance today, and to develop new products and services in the future.

THE CLEAN AND GREEN ADVANTAGE

Stakeholders frequently pointed to the potential to pursue opportunities in clean technology. As the world transitions to a low-carbon economy to address climate change, clean technology development will present new opportunities for Manitoba companies.

Manitoba's clean hydro-electricity was often cited as a strength, as was our 'clean and green' brand, which can be used to attract new investment in a world increasingly seized with growing, producing, and selling products and services that are equally 'clean and green'.

This is consistent with the government's Climate and Green Plan. Key elements of the plan include focusing on innovation and clean tech, green tape reduction, opportunity clusters, and financing and investment.

► Access to Capital

Stakeholders frequently pointed to the need for investment capital – debt and equity – for a variety of purposes during the life-cycle of a business, from start-up through periods of growth and even in maturity. Investment capital for industrial research and development, product development, operational scale-up and investment in new technologies and processes, were some of the needs noted.

There was recognition that capital was more difficult to obtain for younger and Indigenous entrepreneurs. Due to an Indigenous population that is, on average, younger than the non-indigenous population, this issue may be more pronounced for Indigenous entrepreneurs.

Feedback noted the need to attract more foreign investment to Manitoba, as one potential source of capital. Additional suggested priorities included development and improvement of incentives for capital pool formation (e.g., tax credits and loan guarantees).

The Manitoba government recently announced efforts to develop a strategy to improve access to capital. Outcomes from this work will need to align closely to the economic growth plan.

► Strategic Infrastructure Investment

Investments in roads, rail, air service, broadband access and hydroelectric generation can all have a significant, positive impact on market access and the development and growth of Manitoba's economy.

Infrastructure investments are often large and capital-intensive. To spend funds in a manner targeted at creating the greatest benefit for Manitobans, their allocation must be guided by a strategic vision and goals for the province. Making sure that decisions on infrastructure spending are not made in silos and that they consider economic development goals will ensure that these investments can maximize their returns for Manitobans.

► Business Development Programming

In addition to the need for capital, stakeholders noted a number of other barriers to growth. These barriers often related to their experiences in accessing and participating in government programs that support business development, and trade and investment. Difficulty identifying appropriate departments and contacts was discussed, as was red tape associated

with application processes. Duplication and fragmentation of programming across departments or branches was cited as adding confusion. Small businesses and social enterprises, limited in resources, have difficulty navigating the system and complying with program requirements. These issues are magnified for stakeholders in rural and Northern Manitoba, as they attempt to navigate the system at a distance.

Especially in the context of constrained government resources, these observations emphasized the need for improved alignment across government, with respect to programs that support business development, trade and investment. They also pointed to the need to streamline access to, and delivery of, programming to improve overall customer responsiveness. There is the potential to achieve this through strategic partnerships with community or regional organizations, especially in rural and Northern Manitoba.

Stakeholders emphasized the importance of economic development efforts to support existing and new Manitoba companies. They identified a variety of programming needs for companies, as well as communities, including:

- start-up support
- training and workforce development
- research and development support
- investment attraction support
- market access and trade development assistance
- assistance in complying with trade rules

Stakeholders also cited procurement strategies that eliminate barriers to local companies and which provide opportunities to leverage provincial requirements to increase economic growth. They also noted the importance of building a culture of entrepreneurship in Manitoba, with frequent emphasis on encouraging collaboration. Some suggested that programming is required, especially in the education system, to encourage and view entrepreneurship as a career path equal to other traditional employment pathways.

► Rural Economic Development

To meet the needs of communities and businesses, the government needs to consider new approaches to economic development to be more effective in delivering support and investment across all regions of the province.

Thirty-seven per cent of Manitoba's population call rural Manitoba home. Manitoba's rural geography and communities are diverse, with economic strengths in manufacturing, agricultural production and agri-food processing. Rural stakeholders have identified priorities to grow the rural economy, such as a more coordinated economic approach across communities, skills training, Indigenous inclusion and strategic infrastructure investment. Immigration is a critical driver of population and economic growth in rural communities, with 20 per cent of Manitoba's provincial nominees choosing to settle outside of Winnipeg.

Rural stakeholders have identified priorities to enable population and business growth in Manitoba.

The 2016 Rural Economic Development Strategy identified the need for a rural Manitoba "backbone organization" to support rural economic development through seven strategic directions:

1. Coordinated, evidence-based planning
2. Strong leadership and organizational capacity within all regions
3. Supported entrepreneurs and successful businesses
4. Impactful, coordinated marketing and promotion
5. Diverse, dynamic skilled labour
6. Business friendly, flexible environment
7. Targeted investment

► Northern Economic Development

Covering 67 per cent of Manitoba's land area and home to just over seven per cent of our population, Northern Manitoba has long been a strong contributor to the economic prosperity of our province with some of Manitoba's richest natural resources and tourism icons. The Manitoba government initiated *Look North* to work with Northern Manitobans to unlock the vast economic potential of this region. *Look North* is an economic movement by and for northerners, to grow the economy in Northern Manitoba. It is a long-term vision and plan that was presented to government in October 2017. The *Look North* Steering Committee continues to move forward with strategies and actions that need to be incorporated into this overarching economic growth plan.

The *Look North* Action Plan set out a number of key actions in six priority areas that matter most to northern Manitobans:

1. Northern Mineral and Other Resource Potential
2. Indigenous Engagement and Partnerships
3. Strategic Infrastructure Investment
4. Housing Challenges and Opportunities
5. Enterprise Eco-System of Support
6. Education, Training and Workforce Development

► Competitive Business Environment

The stakeholders consistently expressed the importance of a competitive environment as a key enabler for growth in Manitoba. This report sets out economic priorities and recommendations for Manitoba. The provincial government and others should use it as a reference in evaluating tax and regulatory frameworks. This review should be part of all sector strategies, as it may have different impacts on each sector. As a province, we compete with other jurisdictions nationally and internationally for capital, talent and business opportunities. A number of barriers were cited through the consultations. These barriers defined competitive disadvantages. As the economic growth plan continues to evolve, the tax and regulatory framework in Manitoba should also evolve into an increasingly competitive state.

Delivery Models

During the summits and roundtables, stakeholders discussed the role of a provincial economic development agency in implementing an economic growth plan. It is clear to us that Manitobans are ready for a change to do things better. A different approach to delivery of economic development programming is needed to provide better alignment, reduce duplication, improve coordination, facilitate collaboration, and meet the needs of business and communities. We heard overwhelming agreement that the current approach is fragmented, cluttered and ineffective, and that there needs to be clearer definition of roles and responsibilities, and outcome measures. We also heard about the need for long-term focus and commitment to funding, and objectives that will transcend any one political term.

What stood out most were six key components:

- a coordinating body that is empowered to meet the needs of business and communities with a 'how can we help' attitude
- a decision-making framework that provides more timely decisions on issues and opportunities
- a body that is accountable for the execution of the economic growth plan

- a regional and strategic approach to delivery of programs and services
- a vision and priorities that stakeholders, organizations and businesses can align with
- alignment across government to support implementation of the economic growth plan

The engagement process included discussion of many models, including a new arms-length entity, as considered by the Deloitte report. There seemed to be consensus that regardless of the final model, it needs to be a responsive, nimble, well-resourced and entrepreneurial unit that works collaboratively with partners and across government departments to meet the needs of business, industry and communities.

The delivery model should be structured to support ongoing engagement and input of stakeholders. Targeted outcomes should be clear for all participants and partners in the model, and there should be public reporting of performance measures against those targets. This transparency, combined with input from stakeholders, will help to ensure accountability in the delivery of economic development programming and improve the ability to respond to new opportunities and evolving circumstances.

Recommendations

Developed with the comprehensive input of hundreds of stakeholders, our recommendations provide the context for Manitoba's actions toward economic growth, both today and into the future.

In developing a plan for economic growth in Manitoba, care must be taken to align with other strategies that Manitoba has in process (e.g., Look North, Climate and Green Plan, Rural Strategy, Tourism Strategy, Access to Capital), or which it may develop in the future. Government investment in future initiatives and infrastructure should align with the economic growth plan and should consider their economic impacts.

To grow Manitoba's economy sustainably, government must take concrete action to advance our recommended strategic priorities. We recommend the following:

Workforce

- Develop, in consultation with industry, educators, and sector councils, workforce development programming that addresses industry/post-secondary alignment, workplace training programs, Indigenous workforce training and skills-focused immigration.

Inclusiveness

- Create opportunities for Indigenous Manitobans to participate fully in the growth of Manitoba's economy through a greater focus on entrepreneurship and training.

Sector Competitiveness

- Develop targeted sector strategies with relevant stakeholders that identify investment opportunities, trade development needs, research and commercialization potential, workforce needs, northern and rural opportunities, tax and regulatory issues, and opportunities for cross-sectoral synergies, along with metrics that measure progress.

Trade

- Develop new trade programming that provides the strategic support needed by Manitoba SME's throughout the province, to enable them to grow through the pursuit of new markets.

- Strategically invest in trade enabling infrastructure, to advance economic growth and support competitiveness. Guide infrastructure investments by a strategic vision that considers the economic development goals of the province and its regions.

Research & Innovation

- Promote Manitoba's research excellence as a key economic strength for the province. Develop innovation programming that coordinates research, facilitates research partnerships, supports industry needs for the integration of new technologies, supports start-up entrepreneurs, leverages federal research and innovation investments, and increases focus on commercialization of Manitoba-based research.

Capital

- Pursue the Access to Capital strategy currently being developed by the Manitoba government to improve the availability of, and access to, investment capital for entrepreneurs and businesses at various stages of their life cycles. Within this, two specific recommendations are:
 - Relaunch current programming that is consistent with the strategy's objectives around capital availability.
 - Establish a resource for the launching of pilot programs and projects that will allow Manitobans to innovate in the area of economic development.

Governance

- Align policies and programming across government and with other governments and agencies to improve overall responsiveness to Manitobans and to encourage a culture of entrepreneurship in Manitoba.
- Ensure alignment across government of those strategies that have implications for economic development (Access to Capital, Climate and Green Plan, Look North, Rural Strategy, etc.)
- Improve alignment across government with respect to programs and resources in support of regional development, business development, trade and investment.
- Seek federal support for the economic growth plan and pursue federal/provincial collaboration in economic development.
- Restructure the delivery model for economic programming to increase responsiveness and accountability and to encourage continual insight from stakeholders.
- Establish specific key performance indicators and report on them regularly to ensure the overall effectiveness of collective efforts. These performance indicators should be consistent with the provincial government's policy development, data collection and economic analysis efforts.

The economic growth plan will be a long-term plan, guiding us today and providing a framework for Manitoba's priorities and planning moving forward. As new opportunities arise, the plan will provide context for responses by government and stakeholders.

We respectfully submit this report and recommendations, and we look forward to the important and collaborative work ahead to achieve economic growth and prosperity. It is our hope that this brings Manitobans together to work collectively, inclusively, and with enthusiasm and perseverance, for the benefit of all Manitobans.

