



ontario  
chamber of  
commerce

# BENEATH the SURFACE

Uncovering the Economic Potential  
of Ontario's Ring of Fire

**PRESENTATION TO THE AMO ECONOMIC DEVELOPMENT TASKFORCE – MAY 2014**

# Ontario's Ring of Fire



**Legend**

---

- ▲ First Nation Communities/Reserved Land
- Municipalities
- Far North Boundary

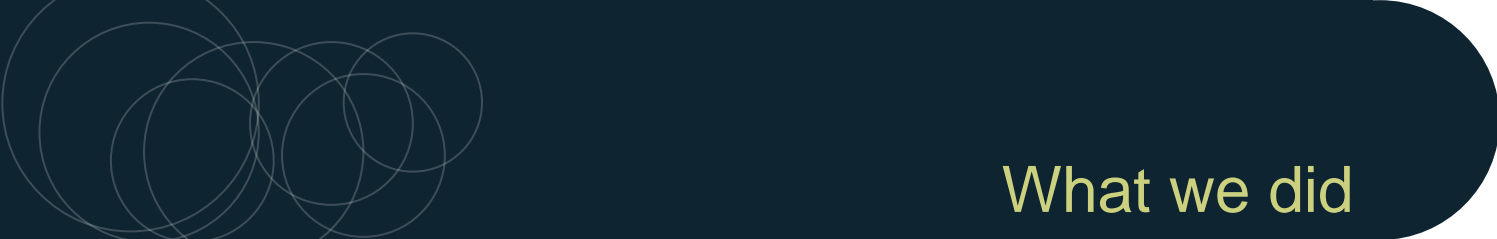






## Three goals

1. A principled conversation
2. Return on Investment lens
3. Action plan + accountabilities



## What we did

### **Economic Analysis**

- Multiplier Analysis – GDP Jobs  
Government Revenue
- Optimistic vs. Conservative Scenarios
- Direct, Indirect, and Induced Impacts

### **Consultations**

- Timmins
- Sudbury
- Thunder Bay
- Ontario Economic Summit
- 50+ one on one interviews

# Conservative Scenario

**Table 1:** Economic Impact of Ring of Fire Development on Ontario: Conservative Scenario (10 Year Period)

Conservative Scenario	Leakage (%)	Total GDP Impact (in \$ billions)		Average Annual FTEs (in thousands)
Total Impact	20	8.2		4.9
	25	7.7	Pre-Construction Phase	0.1
			Construction Phase	1.7
			Operations Phase	6
50	5.1		3.0	
Direct Impact	20	5.5		3.2
	25	5.1		3.0
	50	3.4		2.0
Indirect and Induced Impact	20	2.8		1.6
	25	2.6		1.5
	50	1.7		1.0

**Table 2:** Economic Impact of Ring of Fire Development on Ontario: Conservative Scenario (32 Year Period)

Conservative Scenario	Leakage (%)	Total GDP Impact (in \$ billions)
Total Impact	20	23
	25	21.6
	50	14.4
Direct Impact	20	15.3
	25	14.3
	50	9.5
Indirect and Induced Impact	20	7.7
	25	7.2
	50	4.8



# Optimistic Scenario

**Table 3:** Economic Impact of Ring of Fire Development on Ontario: Optimistic Scenario (10 Year Period)

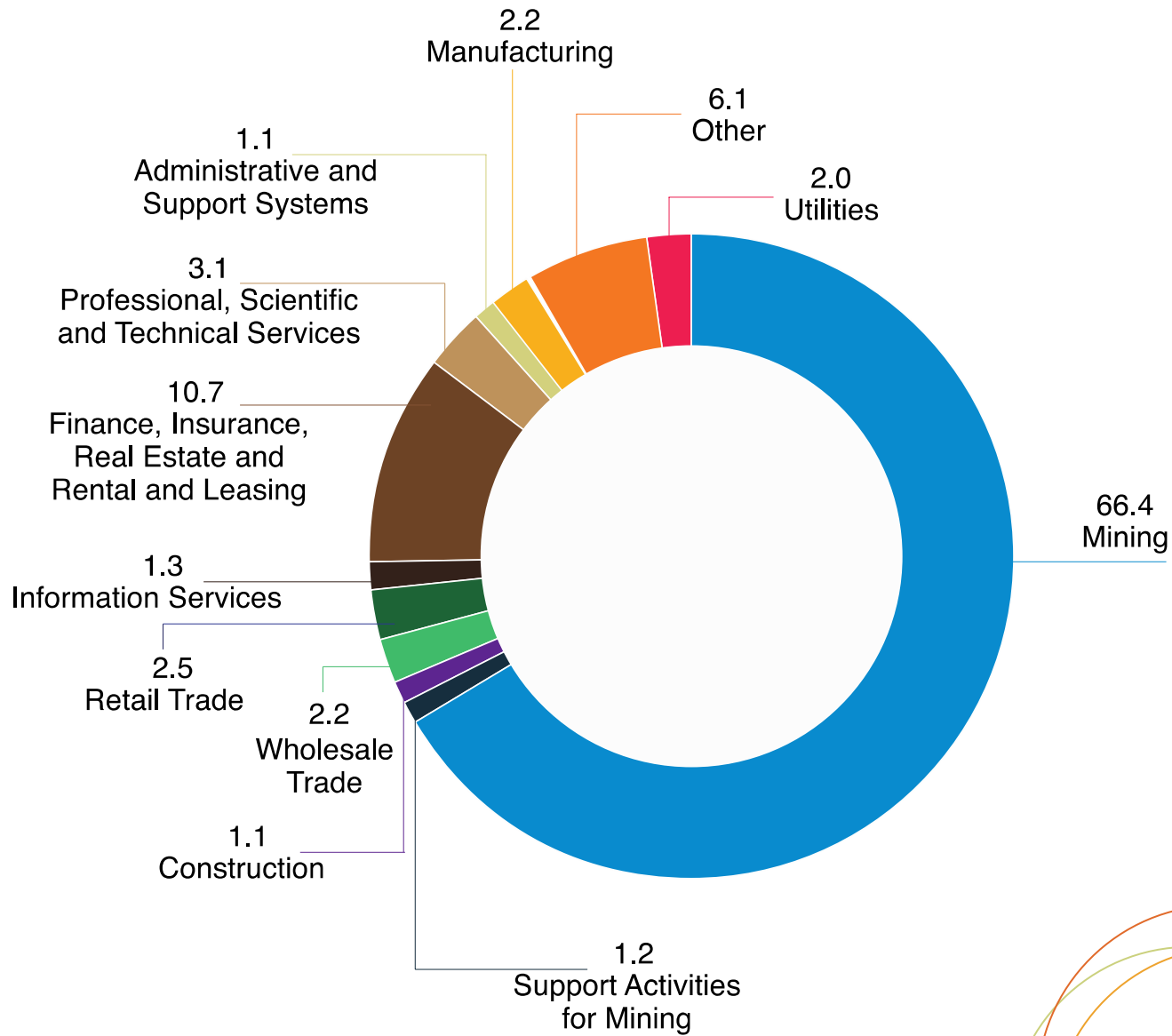
Optimistic Scenario	Leakage (%)	Total GDP Impact (in \$ billions)		Average Annual FTEs (in thousands)
Total Impact	20	10.0		6
	25	9.4	Pre-Construction Phase	0.25
			Construction Phase	2.7
			Operations Phase	6.5
50	6.3		3.7	
Direct Impact	20	6.7		3.9
	25	6.2		3.7
	50	4.2		2.5
Indirect and Induced Impact	20	3.4		2
	25	3.2		1.9
	50	2.1		1.2

**Table 4:** Economic Impact of Ring of Fire Development on Ontario: Optimistic Scenario (32 Year Period)

Optimistic Scenario	Leakage (%)	Total GDP Impact (in \$ billions)
Total Impact	20	27
	25	25.2
	50	16.8
Direct Impact	20	17.8
	25	16.7
	50	11.2
Indirect and Induced Impact	20	9
	25	8.5
	50	5.6



# Sector Specific Benefits (%)



# Projected Government Revenues

**Table 9:** Tax Revenues (First 10 Years of Ring of Fire Development; in \$ billions)

	Conservative Scenario	Optimistic Scenario
Federal Tax Revenue	0.87	0.94
Provincial Tax Revenue	0.70	0.76
Municipal Tax Revenue	0.23	0.25
<b>Total Tax Revenue</b>	<b>1.80</b>	<b>1.95</b>

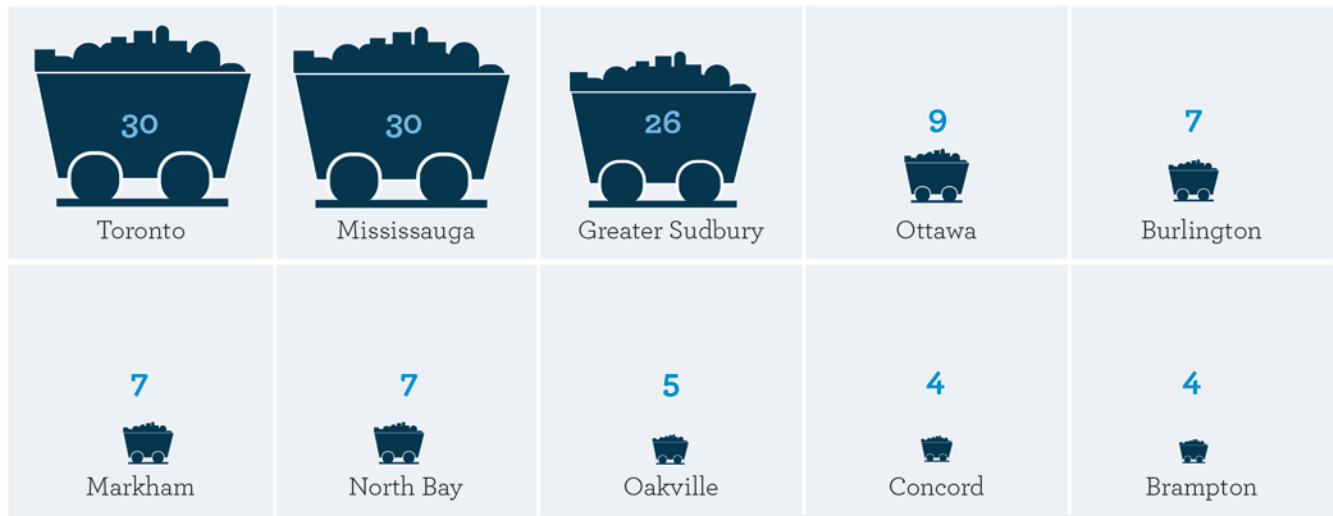
**Table 10:** Tax Revenues (First 32 Years of Ring of Fire Development; in \$ billions)

	Conservative Scenario	Optimistic Scenario
Federal Tax Revenue	2.89	3.25
Provincial Tax Revenue	2.34	2.63
Municipal Tax Revenue	0.75	0.85
<b>Total Tax Revenue</b>	<b>5.98</b>	<b>6.72</b>



# Enhancing Ontario's Mining Cluster

Mining supply and service related entities are located throughout the province.



Source | Dungan and Murphy 2012, based on an analysis of the Canadian Association of Mining Equipment and Services for Export's (CAMESE) members.



## A Ring of Fire Action Plan

1. Addressing the physical infrastructure deficit
2. Capturing more value-added processes in Ontario
3. Addressing Aboriginal community needs
4. Addressing labour market needs
5. Ensuring smart environmental and regulatory safeguards are in place
6. Making the Ring of Fire a national priority
7. Creating awareness and tracking progress



# Advisory Taskforce

## **Ross Gallinger**

Prospectors and Developers Association  
of Canada

## **Chris Hodgson**

Ontario Mining Association

## **Doug Morrison**

Centre for Excellence in Mining Innovation

## **Debbi Nicholson**

Greater Sudbury Chamber of Commerce

## **Spencer Ramshaw**

Canadian Association of Mining Equipment  
and Services for Export (CAMESE)

## **Charla Robinson**

Thunder Bay Chamber of Commerce

## **Keitha Robson**

Timmins Chamber of Commerce

## **Nick Stewart**

Timmins Chamber of Commerce

## **Ian McCormack**

Tetra Tech WEI





ontario  
chamber of  
commerce

# BENEATH the SURFACE

Uncovering the Economic Potential  
of Ontario's Ring of Fire

Principal Sponsor



Supporting Sponsor



Print Sponsor



Hosted By

