TOWN OF GEORGINA

26557 Civic Centre Rd., R.R. #2, Keswick, Ontario L4P 3G1

REGION OF YORK
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JAN 31 2007

January 26, 2007

Regional Municipality of York,
Planning and Development Services Department,
17250 Yonge Street,
NEWMARKET, Ontario
L3Y 6Z1

Attn: Bryan Tuckey, Commissioner

Dear Mr. Tuckey:

Re: York Region's Industry Cluster Analysis', Report No. PB-2007-0004

Town Council at a meeting held on January 15, 2007, considered the above-noted report and passed the following motion:

A. THAT REPORT PB-2007-0004 BE RECEIVED FOR INFORMATION.

B. THAT COUNCIL ADVISE THE REGIONAL MUNICIPALITY OF YORK THAT IT SUPPORTS THE 'INDUSTRIAL CLUSTER ANALYSIS' BEING UNDERTAKEN BY THE REGIONAL MUNICIPALITY OF YORK.

C. THAT THE CLERK FORWARD A COPY OF REPORT PB-2007-0004 AND COUNCIL'S RESOLUTION THEREON TO THE CLERK AND THE COMMISSIONER OF PLANNING AND DEVELOPMENT SERVICES FOR THE REGIONAL MUNICIPALITY OF YORK.

Accordingly, I have enclosed a photocopy of Report No. PB-2007-0004 for your review and information. If your require further information, please feel free to contact Harold Lenters, the Director of Planning and Building for the Town of Georgina.

Sincerely,
FOR THE TOWN OF GEORGINA,

Carolyn Lance

Carolyn Lance
Administrative Assistant to the Town Clerk

cc: Denis Kelly, Regional Clerk, Region of York, 17250 Yonge St, Newmarket L3Y 6Z1

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RECYCLED PAPER

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT PB-2007-0004

FOR THE CONSIDERATION OF
COUNCIL
JANUARY 15, 2007

SUBJECT: YORK REGION'S 'INDUSTRY CLUSTER ANALYSIS'

1. RECOMMENDATIONS:

A. THAT REPORT PB-2007-0004 BE RECEIVED FOR INFORMATION.

B. THAT COUNCIL ADVISE THE REGIONAL MUNICIPALITY OF YORK THAT IT SUPPORTS THE 'INDUSTRIAL CLUSTER ANALYSIS' BEING UNDERTAKEN BY THE REGIONAL MUNICIPALITY OF YORK.

C. THAT THE CLERK FORWARD A COPY OF REPORT PB-2007-0004 AND COUNCIL'S RESOLUTION THEREON TO THE CLERK AND THE COMMISSIONER OF PLANNING AND DEVELOPMENT SERVICES FOR THE REGIONAL MUNICIPALITY OF YORK.

2. INTRODUCTION:

On September 21, 2006, Regional Council adopted recommendations contained within Report No. 7 prepared by the Planning and Economic Development Committee. The Report entitled 'Industry Cluster Analysis - York Region', is attached as Schedule '1'.

This Report was circulated by the Region to area municipalities for comment. On October 10, 2006, Council referred the Report to the Director of Planning and Development to prepare a report for the new term of Council.

3. DISCUSSION:

As indicated in Regional Report No. 7 – an 'Industry Cluster'- *is a group of companies with related products or services that interact with each other and with their suppliers to develop innovative products and processes.* This Report acknowledges that 'Industry Clusters' provide an opportunity for sharing of knowledge and information between firms, provide an environment for competition and collaboration, increase productivity and generally increase the overall competitive advantage of all firms. Within these clusters, firms work together to create jobs and attract investment.

Through the Economic Strategy for York Region and in consultation with the business community, it was determined that the Region should take an active role in the identification and evolution of the industry specific clusters within York Region. As indicated in the Report, understanding how these clusters function will ensure that the Region not only supports existing industry, but also attracts new industry.

The 'Industry Cluster Analysis' is to be conducted in 3 Phases. The Region has recently completed Phase 1(Quantitative Analysis) while Phase 2(Qualitative Analysis) and Phase 3(Action Plan Development) will be completed in 2007.

The attached Regional Report provided Regional Council with the findings of the Quantitative Analysis(Phase I of the 'Industry Cluster Analysis') and recommended that the Report be circulated to the area municipalities and the Provincial and Federal governments for information and comment.

Staff concur with the Regional report that these 'Industry Clusters' play a key role in making a Regional economy that is more dynamic and adaptable. Furthermore, we are aware of the importance of supporting an environment which allow companies to share knowledge and ideas. In this regard, Planning staff recommend that the Town of Georgina Council support the 'Industry Cluster Analysis' being undertaken by York Region.

Prepared by:

Karyn Stone, MCIP, RPP.
Planner

Reviewed by:

Velvet L. Ross, MCIP, RPP.
Manager of Planning

Recommended by:

Harold W. Lenters, M.Sc.Pl., MCIP, RPP.
Director of Planning and Building

Approved by:

Stan N. Armstrong, CAO
Director of Administrative Services and Treasurer

08 January 2007

Clause No. 20 in Report No. 7 of the Planning and Economic Development Committee was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting on September 21, 2006.

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INDUSTRY CLUSTER ANALYSIS – YORK REGION

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, August 3, 2006, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. Staff report back to Regional Council on the findings of the Phase 2 Analysis in Spring 2007.

2. This report be circulated to the area municipalities, the Provincial Government, and the Federal governments for their information and comment.

2. PURPOSE

The purpose of this report is to present to Regional Council the findings of the Quantitative Analysis – Phase 1 of the Industry Cluster Analysis.

3. BACKGROUND

York Region has a diverse economic base characterized by a wide variety of industry sectors. Earlier analysis of the Region's employment and company concentration indicated that there may be established or emergent industry clusters. It is becoming increasingly important to understand the critical factors that will sustain the competitiveness of these industry clusters, and what the Region and its public and private sector partners can do to ensure that they continue to thrive and create employment opportunities.

During the Economic Strategy consultation process, the business community had suggested that the Region take an active role in the identification and evolution of industry specific cluster groups to create new opportunities for business development.

In order to build on the work that was started with the Economic Strategy, it was decided that staff would undertake a more in-depth economic structural analysis of the high performance industry clusters. An industry cluster analysis provides important data about the Region's economic structure and is a powerful tool to develop cluster-based economic development strategies. The analysis will provide the basis for the Region to initiate a multi-year business cluster building initiative for each of the major sectors in collaboration with industry, education and other levels of public and private sector partners.

4. ANALYSIS AND OPTIONS

4.1 Industry Clusters and the Regional Economy

An industry cluster is a group of companies with related products or services that interact with each other and with their suppliers to develop innovative products and processes. Clusters are defined by the linkages which exist between core firms, suppliers and intermediaries, and the economic infrastructure that support them.

> "An industry cluster is a group of firms that, through their interactions with each other and with their customers and suppliers, develop innovative, cutting-edge products and processes that distinguish them in the market place from firms in the same industry found in other places." (Heike Mayer, "Cluster Monitor" in IEDC Journal).

Companies within a cluster often compete against each other. At the same time, they share common input factors such as workforce skills, technology, infrastructure, and support services. Companies in a cluster benefit by collaborating on information sharing, market intelligence, access to specialized skills and training, co-operative marketing and purchasing, research and development, joint production and processes, advocacy, and access to business and technology networks. Through the sharing of knowledge and information between firms, clusters provide an environment for competition and collaboration, increase productivity and efficiency, encourage innovation, stimulate entrepreneurial activities, and increase the overall competitive advantage of all the firms. The relationship across firms and associated institutions within the industry is what characterizes and distinguishes a cluster, and a cluster strategy should focus on the linkages among firms and not just on individual companies.

Industry clusters play a key role in a regional economy. Within an industry cluster, firms work together to create jobs, attract investment, and evolve over time as they respond collectively to changes in the global and domestic markets. Since the economy is becoming increasingly interdependent and affected by global changes, understanding how industry clusters work is a broader and more integrated approach to monitoring and influencing a regional economy.

4.2 Methodology and Timeframe

The following is the methodological framework for the industry cluster analysis:
Phase 1 - Quantitative Analysis (completed)
Phase 2 - Qualitative and Competitive Analysis (Spring 207)
Phase 3 - Action Plan Development. (Fall 2007)
Details of the Methodological Framework is presented in *Attachment 1.*

4.3 Results of Quantitative Analysis

The consulting firm of Community Benchmarks was retained to assist with the quantitative analysis of industry concentration and growth of enterprises in the Region.

4.3.1 Location Quotient and Enterprise Growth

As part of the quantitative analysis, Location Quotients (LQ) were calculated for business enterprise data broken down by the North American Industry Classification System (NAICS). The enterprise data is the most comprehensive count of York Region's enterprises provided by Statistics Canada's *Canadian Business Patterns*, which identifies the number of enterprises by employee size range within an industry. The *Canadian Business Patterns* database is derived from Canada Revenue Agency business numbers and from payroll remittance numbers.

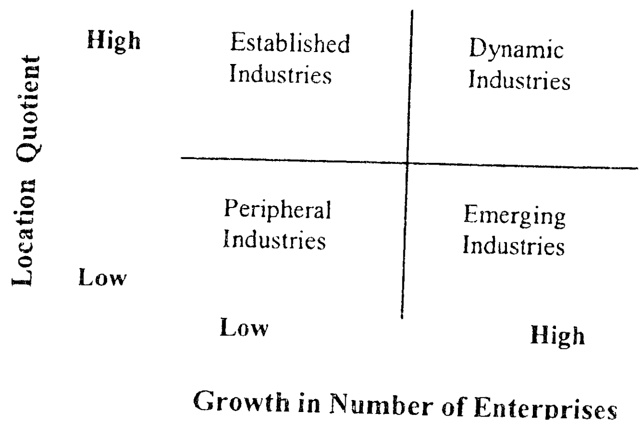
The Location Quotient produces an index that indicates the relative presence of a specific economic activity in York Region relative to the Province of Ontario. A LQ greater than 1.0 indicates that the Region has a higher concentration of a given industry compared to Ontario. If the Location Quotient is equal or close to 1.0, York Region has the same or similar concentration for an industry as that of the Province. A LQ of less than 1.0 suggests that York Region has less than its proportionate share of an industry sector compared to Ontario. For the purpose of this research, a Location Quotient threshold of 1.25 or greater is used to identify the industries in which York Region has a significant concentration of economic activities.

Since business enterprises come in various sizes, Location Quotients were also calculated for the following six different employee size ranges within each industry:

- Owner operated
- 1 to 9 employees
- 19 to 49 employees
- 50 to 99 employees
- 100 to 499 employees
- 500+ employees.

Business enterprises in the Region are then grouped based on their Location Quotients and growth relative to Ontario. The result is a classification of industry sectors into the following categories, as illustrated in *Figure. 1.*

Figure 1
Approach to Classifying Industry Clusters



The classification scheme is as follows:

- Established Industries – Sectors with a high Location Quotient and low growth represent segments of the economy that already have a stronghold in the Region.
- Dynamic Industries – Industries with a high Location Quotient and high growth are important growth industries. Their concentration in the Region has given them a competitive advantage over other parts of the Province.
- Emerging Industries – Industries with a low Location Quotient but high growth have the potential to develop a strong market presence. High growth indicates that their products or services are in demand.
- Peripheral Industries – Sectors with a low Location Quotient and low growth could be important support industries.

4.3.2 Key Findings

The analysis has identified the strong and potential sectors as well as the support industries that will drive the growth of the Region's economy.

4.3.2.1 Analysis of 3-digit Industries

A complete listing of Location Quotients and enterprise growth of York Region industries broken down by 3-digit NAIC codes is shown in *Attachment 2.*

As of June 2005, York Region had 86,101 business establishments operating across 103 different 3-digit industries. Location Quotients were calculated based on the total number of enterprises in each 3-digit industry. Overall, 19 different 3-digit industries were found to have high concentrations of businesses. These 19 industries accounted for a combined 14,647 enterprises, or 17.0 percent of the total number of businesses in the Region.

Table 1 presents the 19 3-digit industries in which York Region has a significant concentration of business enterprises (defined by Location Quotient values of 1.25 or greater). The Management of Companies and Enterprises industry accounted for the most enterprises with 4,392; followed by the Machinery, Equipment and Supplies industry with 1,550 businesses; the Heavy and Civil Engineering Construction industry with 1,491 enterprises, the Miscellaneous Wholesaler-Distributors with 1,415 companies; and the Personal and Household Goods industry with 1,363 business enterprises.

Table 1
York Region's 3-digit Industries with
High Concentration of Enterprises
June 2005

NAICS Code	Industry Description	Location Quotient	Total No. of Enterprises
414	Personal & Household Goods Wholesaler-Distributors	1.82	1,363
334	Computer and Electronic Product Manufacturing.	1.54	282
418	Miscellaneous Wholesaler-Distributors	1.54	1,415
237	Heavy and Civil Engineering Construction	1.51	1,491
335	Electrical Equipment and Appliance Manufacturing	1.47	140
526	Funds and Other Financial Vehicles	1.45	237
323	Printing and Related Support Activities	1.43	580
337	Furniture and Related Product Manufacturing	1.43	401
417	Machinery, Equipment & Supplies Wholesaler-Distributors	1.42	1,550
419	Wholesale Agents & Brokers	1.40	697
326	Plastics and Rubber Products Manufacturing	1.38	235
322	Paper Manufacturing	1.35	79
413	Food, Beverage & Tobacco Wholesaler-Distributors	1.35	548
416	Building Materials & Supplies Wholesaler-Distributors	1.35	776

533	Lessors of Non-Financial Intangible Assets (except copyrighted works)	1.34	63
518	Internet Service Providers, Web Search and Data Processing	1.30	143
551	Management of Companies and Enterprises	1.29	4,392
315	Clothing Manufacturing	1.28	203
313	Textile Mills	1.26	52

Source: Statistics Canada and Community Benchmarks

When employee size ranges are taken into account, although only 19 different 3-digit industries had a Location Quotient of 1.25 or higher based on the total number of business enterprises in each 3-digit industry, a total of 61 different 3-digit industries had Location Quotients of 1.25 or higher in at least one employee size range.

Five industries had high Location Quotients in every employee size range, indicating a significant concentration of economic activity. These five 3-digit industries include:

- Heavy and Civil Engineering Construction
- Computer and Electronic Product Manufacturing
- Personal and Household Goods Wholesalers and Distributors
- Machinery, Equipment and Supplies Wholesaler and Distributors
- Wholesale Agents and Brokers.

Attachment 3 shows the details of enterprise concentration by employee size ranges.

Based on the Location Quotients and the growth in the number of enterprises, industry sectors in the Region can be classified in the following four categories.

Established Industries (High LQ and Low Growth) – These are mature and stable industries which will continue to contribute significantly to the Region's economy. The three industries in this category include:

- Computer and Electronic Product Manufacturing
- Funds and Other Financial Vehicles
- Lessors of Non-Financial Intangible Assets

Dynamic Industries (High LQ and High Growth) - A total of 16 industry sectors can be found in this category based on their growth and concentration compared to the Province. It is anticipated that these industries will continue to grow and expand in the Region. The notable industries in this group include:

- Heavy and Civil Engineering Construction
- Furniture & Related Product Manufacturing
- Electrical Equipment, Appliance & Component Manufacturing
- Internet Service Providers, Web Search Portals, & Data Processing Services
- Management of Companies and Enterprises

Emerging Industries (Low LQ and High Growth) - The largest group comprising of 59 industries encompasses a wide variety of sectors, which is representative of the diverse nature of the Region's economy. These industries have experienced above-average growth and represent important areas of focus for the Region's cluster-based strategy. Among the high growth sectors are:

- Beverage & Tobacco Product Manufacturing
- Chemical Manufacturing
- Professional, Scientific & Technical Services
- Performing Arts, Spectator Sports & Related Industries
- Truck Transportation

Peripheral industries (Low LQ and Low Growth) – There are 25 industries in this category and include the low concentration and declining/low growth sectors, but they could be important support industries for more developed clusters. The declining industries in this category include:

- Broadcasting (except Internet)
- Primary Metal Manufacturing
- Petroleum Product Wholesaler-Distributors
- Securities, Commodity Contract, & Other Financial Investment & Related Activities
- Telecommunications

A complete classification of industry sectors by 3-digit NAIC codes is presented in *Attachment 4*.

4.3.2.2 Analysis of 4-digit Industries

Considering the range of activity and specialization within each 3-digit industry, it is also appropriate to examine the concentration of enterprises at a more detailed industry level. The 303 industries of the 4-digit NAICS provide a more in-depth understanding of York Region's industry concentrations.

Similar to the approach used to examine the Location Quotients for the 3-digit NAICS industries above, Location Quotients were calculated for each 4-digit industry based on the total number of enterprises within each industry. *Attachment 5* presents the 4-digit industries that have high Location Quotients (values equal to or greater than 1.25). In total, 68 4-digit industries showed significant concentrations within the Region. The 68 industries identified with significant enterprise concentration represent a total of 20,716 of York's businesses.

Among these industries, the greatest number of establishments were found in the Computer Systems Design and Related Services industry (5,282 enterprises), followed by the Management of Companies and Enterprises industry (4,392 enterprises).

Analysis at the 4-digit level has found industries with high Location Quotients that were not identified at the 3-digit analysis. Significant sub-sectors showing high concentration at the 4-digit level include:

- Sugar and Confectionery Product Manufacturing
- Bakeries and Tortilla Manufacturing
- Spa, Cleaning Compound and Toilet Preparation Manufacturing
- Footwear Manufacturing
- Glass and Glass Product Manufacturing
- Forging and Stamping
- Industrial Machinery Manufacturing
- Motor Vehicle Parts Manufacturing
- Software Publishers
- Computer Systems Design and Related Services.

When growth is taken into account, most of these industries are found to be high growth and Dynamic sectors that merit attention.

A complete Location Quotient and enterprise growth analysis, together with a breakdown by employee size ranges and an industry classification are available for further perusal in the Planning and Development Services Department.

4.4 Next Steps

With the results of the quantitative analysis, the next step is to proceed to Phase 2 with the qualitative and competitive analyses starting in the Fall. Focus group sessions and interviews with businesses and external stakeholders will be undertaken to obtain an in-depth perspective on the industries, cluster connections and relationships, potential for collaboration, cluster drivers, support services, new knowledge and innovation, skills and labour force, competing jurisdictions, challenges, etc. At the same time, consultations will be held with Area Municipalities and Regional departments to examine the availability of resources to address some of the gaps identified through the interview process.

4.5 Relationship to Vision 2026

The industry cluster analysis will increase the understanding of the Region's economic structure. Development of an Action Plan to support cluster growth and development will contribute towards the Vibrant Economy Goal as set out in Vision 2026.

5. FINANCIAL IMPLICATIONS

The total cost of the Quantitative Analysis, including consulting fees and data purchase, was approximately $10,000 plus tax. Funds are available in the 2006 approved Economic Development budget to cover the expenditure. Provision for Phases and 3 will be included in the proposed Economic Development budget for 2007.

6. LOCAL MUNICIPAL IMPACT

Area municipal staff will be engaged in Phase 2 of the Industry Cluster Analysis, as well as throughout the Action Plan development process. A Cluster Strategy focuses on economic linkages, and the prosperity of the Region as a whole will translate to economic benefits for all local municipalities.

7. CONCLUSION

Clusters play a key role in making a regional economy more dynamic and adaptable. Companies within a cluster share knowledge and ideas which in turn will increase their individual competitiveness. A cluster-based approach to economic development will be to develop and build on existing clusters and promote the linkages and factors that contribute to the growth of individual firms and the cluster as a whole. It is recommended that this report be received and that staff proceed with Phases 2 and 3 of the project.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)

Council Attachment 1

Industry Cluster Analysis
Methodological Framework

Phase 1 – Quantitative Analysis
This phase involves the development of a set of quantitative data on potential clusters in the Region.

The first step is to identify industries in which York Region has a high concentration of activity. Identification of these industries will enhance the understanding of the Region's cluster strengths and areas of specialization. A Location Quotient (LQ) analysis is the approach that is best suited for this research. It is commonly used in regional economic analysis to assess the concentration of economic activities within an area relative to the larger region of which it is a part. In this case, York Region is benchmarked against the Province of Ontario. The second step is an analysis of the growth in the number of enterprises within each industry sector in the Region over time, compared to the growth for Ontario for the same time period. With the identification of industry concentration and enterprise growth, the sectors are classified or mapped using the two criteria of Location Quotient and enterprise growth. This classification system will help towards identification of sector strengthens and opportunities.

Phase 2 – Qualitative and Competitive Analyses
A qualitative analysis through interviews and focus groups with key industry leaders will be undertaken as part of the Study's second phase. The purpose of this analysis is to gather intelligence about the industries, as well as the linkages between affiliated industries. The results of the interviews will help to identify clusters with lead firms, support industries, geographic concentration, export and entrepreneurial activities, internal and external forces driving the clusters, challenges, etc. The qualitative analysis will provide insight into the extent to which firms work together and are connected to each other through formal or informal networks. Networks are the vehicles for information sharing and knowledge exchange that have an impact on a cluster's competitive advantage. The interviews and focus groups may require a more detail analysis of selected clusters in order to arrive at a more comprehensive understanding of the workings of these clusters.

As part of this phase, a competitive analysis will also be conducted to obtain information about the relative competitive advantage of an industry cluster compared to similar clusters in other jurisdictions. A Shift-Share Analysis will be conducted to examine the differences between growth in the local economy and growth in the provincial economy. This approach provides a dynamic account of total regional growth that is attributable to the overall provincial growth, and allows for isolating the effect of local influences on growth from effects that are industry-wide or at the provincial level. Findings of Phase 1 analysis will be examined to determine if cluster growth and development within the Region reflect the context of the national economy. Other factors such as labour force, land supply, transportation and energy infrastructure, as well as funding sources will also be considered. The competitive analysis is a key component in the development of a cluster strategy that will differentiate the Region and its clusters from its competitors.

Phase 3 – Action Plan Development

Findings of Phases 1 and 2 will provide the Region with information on how firms and industry sectors are connected to each other, as well as identify gaps in cluster relationships. A mature and growing cluster indicate that the industries within the cluster are well established in the Region, and are capable of creating or delivering competitive products and services. An emerging cluster, on the other hand, show evidence of growth but interactions between firms within the cluster are not yet well-defined or developed. Understanding cluster dynamics will provide better insights into the economic performance of the Region, and will facilitate the development of an action plan that will address the deficiencies and support the growth and development of clusters in the Region.

While government has a role to play in supporting, nurturing and facilitating the development of clusters, it is important that key industry leaders and stakeholders be engaged throughout the action plan development process. At the same time, consultations will be held with Area Municipal staff and other Regional departments to gain insight into the supply side of the equation to determine how demands from industry can be met. This process will enable the Region to obtain ongoing feedback and support on the cluster initiative, as well as on other related issues such as transportation, land use, and workforce.

Council Attachment 2

York Region 3-Digit Industries
Location Quotient and Growth in Number of Enterprises

Industry by NAIC	York Region Enterprises June 2005	Location Quotient Values	York Region Enterprise Growth 1999-2005	Ontario Enterprise Growth 1999-2005
111 - Crop Production	272	0.23	15.70%	21.1%
112 - Animal Production	328	0.14	13.90%	8.2%
113 - Forestry & Logging	37	0.13	76.20%	19.9%
114 - Fishing, Hunting & Trapping	1	0.05	-50.00%	3.8%
115 - Support Activities for Agriculture & Forestry	85	0.48	129.70%	61.8%
211 - Oil & Gas Extraction	9	0.47	200.00%	-2.6%
212 - Mining	16	0.39	-36.00%	-34.9%
213 - Support Activities for Mining and Oil and Gas Extraction	30	0.49	30.40%	-10.7%
221 - Utilities	49	0.59	104.20%	24.8%
236 - Construction of Buildings	4034	1.24	16.3%*	11.0%*
237 - Heavy & Civil Engineering Construction	1491	1.51	4.1%*	-2.0%*
238 - Specialty Trade Contractors	6624	1.05	20.3%*	18.7%*
311 - Food Manufacturing	355	1.17	10.60%	-15.6%
312 - Beverage & Tobacco Product Manufacturing	39	0.82	69.60%	11.4%
313 - Textile Mills	52	1.26	40.50%	1.3%
314 - Textile Product Mills	79	1.14	21.50%	2.8%
315 - Clothing Manufacturing	203	1.28	46.00%	9.5%
316 - Leather & Allied Product Manufacturing	36	1.24	16.10%	1.4%
321 - Wood Product Manufacturing	160	0.83	19.40%	12.7%
322 - Paper Manufacturing	79	1.35	11.30%	0.2%
323 - Printing and Related Support Activities	580	1.43	17.90%	8.4%
324 - Petroleum and Coal Products Manufacturing	7	0.50	-22.20%	-16.5%
325 - Chemical Manufacturing	163	1.11	34.70%	6.2%
326 - Plastics & Rubber Products Manufacturing	235	1.38	18.70%	4.5%
327 - Non-Metallic Mineral Product Manufacturing	163	1.18	24.40%	10.2%
331 - Primary Metal Manufacturing	34	0.72	-5.60%	-1.9%
332 - Fabricated Metal Product Manufacturing	635	1.06	8.70%	10.7%
333 - Machine Manufacturing	511	1.21	22.20%	18.3%
334 - Computer & Electronic Product Manufacturing	282	1.54	3.70%	6.7%
335 - Electrical Equipment, Appliance & Component Manufacturing	140	1.47	18.60%	8.1%

336 - Transportation Equipment Manufacturing	154	0.90	8.50%	4.8%
337 - Furniture & Related Product Manufacturing	401	1.43	34.60%	31.2%
339 - Miscellaneous Manufacturing	506	1.17	29.40%	29.1%
411 - Farm Product Wholesaler-Distributors	57	0.71	72.70%	25.4%
412 - Petroleum Product Wholesaler-Distributors	20	0.41	-25.90%	-2.7%
413 - Food, Beverage & Tobacco Wholesaler-Distributor	548	1.35	25.70%	15.2%
414 - Personal & Household Good Wholesaler-Distributor	1363	1.82	33.00%	26.1%
415 - Motor Vehicle & Parts Wholesaler-Distributors	320	1.05	28.00%	5.1%
416 - Building Material & Supplies Wholesaler-Distributor	776	1.35	22.80%	14.0%
417 - Machinery, Equipment & Supplies Wholesaler-Distributors	1550	1.42	18.50%	8.0%
418 - Miscellaneous Wholesaler-Distributors	1415	1.54	22.30%	11.6%
419 - Wholesale Agents and Brokers	697	1.40	24.50%	20.6%
441 - Motor Vehicle & Parts Dealers	548	0.70	31.70%	19.9%
442 - Furniture & Home Furnishings Stores	609	1.20	43.00%	19.0%
443 - Electronics and Appliance Stores	740	1.22	77.90%	37.9%
444 - Building Material & Garden Equipment & Supplies Dealers	261	0.66	25.50%	21.4%
445 - Food & Beverage Stores	1046	0.72	67.10%	20.6%
446 - Health and Personal Care Stores	622	1.00	52.80%	22.6%
447 - Gasoline Stations	379	0.73	51.00%	9.3%
448 - Clothing & Accessories Stores	1157	1.06	40.60%	17.0%
451 - Sporting Goods, Hobby, Book & Music Stores	438	0.78	46.50%	18.7%
452 - General Merchandise Stores	348	0.63	41.50%	14.3%
453 - Miscellaneous Store Retailers	918	0.80	31.10%	13.4%
454 - Non-Store Retailers	323	0.97	58.30%	45.1%
481 - Air Transportation	23	0.47	27.80%	2.2%
482 - Rail Transportation	1	0.31	N/A	-34.0%
483 - Water Transportation	1	0.10	-66.70%	0.0%
484 - Truck Transportation	1171	0.54	85.30%	43.2%
485 - Transit & Ground Passenger Transportation	520	0.74	121.30%	97.7%
486 - Pipeline Transportation	0	0.00	-100.00%	2.2%
487 - Scenic & Sightseeing Transportation	3	0.20	-50.00%	43.7%
488 - Support Activities for Transportation	367	0.77	94.20%	55.4%
491 - Postal Service	31	0.84	63.20%	1.7%
492 - Couriers & Messengers	263	1.01	148.10%	102.7%
493 - Warehousing and Storage	87	0.72	27.90%	26.1%
511 - Publishing Industries (except Internet)	295	0.92	48.20%	18.0%

512 - Motion Picture & Sound Recording Industries	382	0.53	52.80%	82.2%
515 - Broadcasting (except Internet)	23	0.47	-20.7%*	8.5%*
516 - Internet Publishing and Broadcasting	6	0.55	N/A*	-80.6%*
517 - Telecommunications	98	1.02	-4.9%*	-2.4%*
518 - Internet Service Providers, Web Search Portals, & Data Processing Services	143	1.30	20.2%*	6.5%*
519 - Other Information Services	29	0.69	38.1%*	0.5%*
521 - Monetary Authorities - Central Bank	0	0.00	N/A	100.0%
522 - Credit Intermediation & Related Activities	713	1.01	-1.80%	-4.2%
523 - Securities, Commodity Contract, & Other Financial Investment & Related Activities	3119	1.24	-3.90%	-11.0%
524 - Insurance Carriers & Related Activities	568	1.03	35.90%	-0.6%
526 - Funds & Other Financial Vehicles	237	1.45	777.80%	919.9%
531 - Real Estate	7451	1.15	61.60%	41.0%
532 - Rental & Leasing Services	623	0.97	8.70%	-4.9%
533 - Lessors of Non-Financial Intangible Assets (Except Copyrighted Works)	63	1.34	53.70%	64.4%
541 - Professional, Scientific & Technical Services	16855	1.20	97.70%	75.9%
551 - Management of Companies and Enterprises	4392	1.29	127.40%	86.9%
561 - Administrative & Support Services	4196	1.02	64.50%	45.3%
562 - Waste Management & Remediation Services	113	0.98	61.40%	25.4%
611 - Educational Services	831	0.91	108.80%	83.2%
621 - Ambulatory Health Care Services	1849	0.70	44.90%	19.5%
622 - Hospitals	13	0.36	18.20%	-5.7%
623 - Nursing & Residential Care Facilities	110	0.53	12.20%	13.1%
624 - Social Assistance	383	0.71	42.90%	14.4%
711 - Performing Arts, Spectator Sports & Related Industries	549	0.57	105.60%	100.5%
712 - Heritage Institutions	15	0.32	50.00%	48.1%
713 - Amusement, Gambling & Recreation Industries	506	0.79	42.50%	16.1%
721 - Accommodation Services	114	0.23	7.50%	1.1%
722 - Food Services & Drinking Places	3151	0.89	38.30%	13.1%
811 - Repair & Maintenance	2145	0.85	40.20%	27.5%
812 - Personal & Laundry Services	1668	0.95	69.30%	35.3%
813 - Religious, Grant-Making, Civic, & Professional & Similar Organizations	1053	0.61	98.70%	22.7%
814 - Private Households	1	9.71	N/A	N/A
911 - Federal Government Public Administration	0	0.00	N/A	17.8%
912 - Provincial & Territorial Public Administration	0	0.00	N/A	356.9%

913 - Local, Municipal & Regional Public Administration	14	0.22	-17.60%	-39.7%
914 - Aboriginal Public Administration	1	0.07	0.00%	1.5%
919 - International and Other Extra-Territorial Public Administration	0	0.00	N/A	-48.0%

Source: Statistics Canada and Community Benchmarks

Notes: N/A – Comparable data not available
* Growth in Number of Enterprises for 2002-2005 as a result of change in NAIC codes

York Region 3-Digit Industries
Enterprise Concentration by Employee Size Range

Industry by 3-digit NAIC Codes	LQ All Enterprises	LQ Owner Operated	LQ 1-9 Employees	LQ 10-49 Employees	LQ 50-99 Employees	LQ 100-499 Employees	LQ 500+ Employees
Six Out of Six Employee Size Ranges							
237 - Heavy and Civil Engineering Construction	1.51	1.44	1.40	1.65	1.55	2.33	5.11
334 - Computer and Electronic Product Manufacturing	1.54	1.43	1.74	1.61	1.88	1.61	1.82
414 - Personal and Household Goods Wholesaler-Distributor	1.82	1.61	2.12	2.05	2.29	2.86	1.62
417 - Machinery, Equipment and Supplies Wholesale-Distributors	1.42	1.34	1.58	1.49	1.44	1.76	1.33
419 - Wholesale Agents and Brokers	1.40	1.25	1.49	2.06	1.69	1.94	9.73
Five Out of Six Employee Size Ranges							
236 - Construction of Buildings	1.24	1.28	1.01	1.40	1.49	1.71	5.61
323 - Printing and Related Support Activities	1.43	1.40	1.51	1.55	1.00	1.92	14.59
326 - Plastics and Rubber Products Manufacturing	1.38	1.39	1.53	1.52	1.33	1.24	3.13
337 - Furniture and Related Product Manufacturing	1.43	1.15	1.30	2.09	2.30	2.62	6.25
413 - Food, Beverage and Tobacco Wholesaler-Distributors.	1.35	1.39	1.32	1.37	1.68	1.43	0.00
416 - Building Material and Supplies Wholesaler-Distributors.	1.35	1.34	1.39	1.48	1.33	1.27	0.00
418 - Miscellaneous Wholesaler-Distributors	1.54	1.49	1.79	1.28	1.34	1.18	3.65
551 - Management of Companies and Enterprises	1.29	1.23	1.28	1.29	1.55	1.82	1.75
Four Out of Six Employee Size Ranges							
526 - Funds and Other Financial Vehicles	1.45	1.51	0.97	1.25	0.83	2.10	7.30
533 - Lessors of Non-Financial Intangible Assets	1.34	1.22	1.35	1.77	1.66	0.00	7.30

York Region's 3-digit Industries
Enterprise Concentration by Employee Size Range

Industry by 3-digit NAIC Codes	LQ All Enterprises	LQ Owner Operated	LQ 1-9 Employees	LQ 10-49 Employees	LQ 50-99 Employees	LQ 100-499 Employees	LQ 500+ Employees
Three Out of Six Employee Size Ranges							
238 - Specialty Trade Contractors	1.05	0.98	1.08	**1.40**	**2.15**	**1.82**	1.22
316 - Leather and Allied Product Manufacturing	1.24	**1.25**	**1.32**	1.13	**2.50**	0.00	ne
322 - Paper Manufacturing	**1.35**	0.90	**2.19**	**2.06**	**1.33**	0.77	0.00
335 - Electrical Equipment, Appliance and Component	**1.47**	**1.68**	**1.52**	**1.70**	1.20	0.65	0.00
443 - Electronics and Appliance Stores	1.22	**1.28**	1.17	**1.25**	**1.35**	1.05	0.00
451 - Sporting Goods, Hobby, Book and Music Stores	0.78	0.80	0.76	0.75	**1.50**	**1.40**	2.08
518 - Internet Service Provides, Web Search/Data Pro.	**1.30**	**1.27**	1.23	1.17	**2.90**	**1.65**	0.00
531 - Real Estate	1.15	1.12	1.03	**1.10**	**1.39**	**1.50**	0.56
541 - Professional, Scientific and Technical Services	1.20	1.12	**1.38**	**1.27**	0.98	0.98	**1.27**
713 - Amusement, Gambling and Recreation Industries.	0.79	0.80	0.74	0.65	**1.27**	**2.05**	**5.47**
Two Out of Six Employee Size Ranges							
311 - Food Manufacturing	1.17	**1.29**	**1.35**	1.15	0.90	0.66	0.00
313 - Textile Mills	**1.26**	1.17	**1.76**	**1.31**	0.50	0.62	0.00
321 - Wood Product Manufacturing	0.83	0.66	0.76	**1.38**	**1.56**	0.37	0.00
327 - Non-Metallic Mineral Product Manufacturing	1.18	0.95	**1.27**	**1.66**	1.04	1.13	0.00
333 -Machinery Manufacturing	1.21	1.18	**1.40**	**1.26**	1.01	1.02	0.00
339 - Miscellaneous Manufacturing	1.17	1.10	**1.25**	**1.58**	0.76	1.00	ne
446 - Health and Personal Care Stores	1.00	**1.26**	1.10	0.80	0.71	**1.40**	0.00
454 -Non-Store Retailers	0.97	0.90	1.14	0.92	**1.29**	0.87	**4.86**
492 - Couriers and Messengers	1.01	0.96	**1.25**	0.98	0.00	0.26	**1.82**
511 - Publishing Industries (except internet)	0.92	0.87	1.05	0.72	**1.38**	**1.72**	0.00
524 -Insurance Carriers and Related Activities	1.03	**1.31**	1.12	0.88	0.77	0.86	**2.92**

York Region's 3-digit Industries
Enterprise Concentration by Employee Size Range

Industry by 3-digit NAIC Codes	LQ All Enterprises	LQ Owner Operated	LQ 1-9 Employees	LQ 10-49 Employees	LQ 50-99 Employees	LQ 100-499 Employees	LQ 500+ Employees
			One Out of Six Employee Size Ranges				
213 - Support Activities for Mining and Oil and Gas Ext.	0.49	0.40	0.47	1.21	0.00	0.00	7.30
314 - Textile Product Mills	1.14	1.18	1.07	**1.70**	0.69	0.91	ne
315 - Clothing Manufacturing	**1.28**	**1.54**	1.17	0.82	0.45	0.21	0.00
325 - Chemical Manufacturing	1.11	1.23	1.24	1.13	0.65	0.79	**1.33**
332 - Fabricated Metal Product Manufacturing	1.06	1.06	1.23	0.98	1.09	1.13	**2.65**
336 - Transportation Equipment Manufacturing	0.90	0.83	0.98	0.89	0.79	**1.37**	0.53
412 - Petroleum Product Wholesaler-Distributors	0.41	0.37	0.43	0.36	**1.66**	0.00	ne
441- Motor Vehicle and Parts Dealers	0.70	0.74	0.62	0.62	1.00	1.01	**4.86**
442 - Furniture and Home Furnishings Stores	1.20	**1.35**	1.17	0.98	1.12	0.77	0.00
448 - Clothing and Clothing Accessories Stores	1.06	**1.31**	1.00	0.89	1.12	0.38	1.22
452 - General Merchandise Stores	0.63	0.74	0.55	0.52	0.42	0.63	**1.33**
453 - Miscellaneous Store Retailers	0.80	0.83	0.76	0.80	0.89	0.00	**4.17**
482 -Rail Transportation	0.31	0.00	0.00	**3.49**	0.00	0.00	0.00
488 - Support Activities for Transportation	0.77	0.75	0.81	0.77	0.87	0.70	**4.86**
491 - Postal Service	0.84	0.79	0.93	**1.26**	0.00	0.00	0.00
516 - Internet Publishing and Broadcasting	0.55	0.43	0.80	0.00	**3.33**	0.00	ne
519 - Other Information Services	0.69	1.21	0.31	0.63	**1.33**	0.62	0.00
522 - Credit Intermediation and Related Activities	1.01	**1.33**	0.74	0.59	0.39	0.23	0.52
523 - Securities, Commodity Contracts, and Other Financial Investment and Related Activities	1.24	1.20	**1.26**	1.04	0.79	0.91	0.44
532 - Rental and Leasing Services	0.97	1.03	0.96	0.66	0.63	0.71	**7.30**
562 - Waste Management and Remediation Services	0.98	1.00	0.85	1.18	0.93	**1.81**	ne
611- Educational Services	0.91	0.97	0.85	0.88	**1.26**	0.71	0.26
722 - Food Services and Drinking Places	0.89	1.02	0.90	0.77	0.75	0.98	**1.95**
811- Repair and Maintenance	0.85	0.81	0.91	1.01	0.98	0.95	**7.30**
814 - Private Households	**9.71**	N/A	**10.84**	N/A	N/A	N/A	N/A

Source: Statistics Canada and Community Benchmarks

Notes: N/A - No Enterprises

Bolded values are those LQ ≥ 1.25.

Council Attachment 4

Classification of York Region Industry Sectors by 3-Digit NAIC codes

Established Industries (High LQ, low growth)
334 - Computer & Electronic Product Manufacturing
526 - Funds & Other Financial Vehicles
533 - Lessors of Non-Financial Intangible Assets (Except Copyrighted Works)
Dynamic Industries (High LQ, high growth)
237 – Heavy & Civil Engineering Construction
313 - Textile Mills
315 - Clothing Manufacturing
322 - Paper Manufacturing
323 - Printing and Related Support Activities
326 - Plastics & Rubber Products Manufacturing
335 - Electrical Equipment, Appliance & Component Manufacturing
337 - Furniture & Related Product Manufacturing
413 - Food, Beverage & Tobacco Wholesaler-Distributor
414 - Personal & Household Good Wholesaler-Distributor
416 - Building Material & Supplies Wholesaler-Distributor
417 – Machinery, equipment & Supplies Wholesaler-Distributors
418 - Miscellaneous Wholesaler-Distributors
419 - Wholesale Agents and Brokers
518 – Internet Service Providers, Web Search Portals and Data Processing Services
551 - Management of Companies and Enterprises
Emerging Industries (Low LQ, high growth)
112 - Animal Production
113 - Forestry & Logging
115 - Support Activities for Agriculture & Forestry
211 - Oil & Gas Extraction
213 - Support Activities for Mining and Oil and Gas Extraction
221 - Utilities
236 – Construction of Buildings
238 – Specialty Trade Contractors
311 - Food Manufacturing
312 - Beverage & Tobacco Product Manufacturing
314 - Textile Product Mills
316 - Leather & Allied Product Manufacturing
321 - Wood Product Manufacturing
325 - Chemical Manufacturing
327 - Non-Metallic Mineral Product Manufacturing
333 – Machine Manufacturing
336 - Transportation Equipment Manufacturing
339 - Miscellaneous Manufacturing
411 - Farm Product Wholesaler-Distributors
415 - Motor Vehicle & Parts Wholesaler-Distributors
441 - Motor Vehicle & Parts Dealers

442 - Furniture & Home Furnishings Stores
443 - Electronics and Appliance Stores
444 - Building Material & Garden Equipment & Supplies Dealers
445 - Food & Beverage Stores
446 - Health and Personal Care Stores
447 - Gasoline Stations
448 - Clothing & Accessories Stores
451 - Sporting Goods, Hobby, Book & Music Stores
452 - General Merchandise Stores
453 - Miscellaneous Store Retailers
454 - Non-Store Retailers
481 - Air Transportation
484 - Truck Transportation
485 - Transit & Ground Passenger Transportation
488 - Support Activities for Transportation
491 - Postal Service
492 - Couriers & Messengers
493 - Warehousing and Storage
511 - Publishing Industries (except Internet)
519 – Other Information Services
524 - Insurance Carriers & Related Activities
531 - Real Estate
532 - Rental & Leasing Services
541 - Professional, Scientific & Technical Services
561 - Administrative & Support Services
562 - Waste Management & Remediation Services
611 - Educational Services
621 - Ambulatory Health Care Services
622 - Hospitals
624 - Social Assistance
711 - Performing Arts, Spectator Sports & Related Industries
712 - Heritage Institutions
713 - Amusement, Gambling & Recreation Industries
721 - Accommodation Services
722 - Food Services & Drinking Places
811 - Repair & Maintenance
812 - Personal & Laundry Services
813 - Religious, Grant-Making, Civic, & Professional & Similar Organizations
Peripheral Industries (Low LQ, declining or no growth)
111 - Crop Production
114 - Fishing, Hunting & Trapping
212 - Mining
324 - Petroleum and Coal Products Manufacturing
331 - Primary Metal Manufacturing
332 - Fabricated Metal Product Manufacturing
412 - Petroleum Product Wholesaler-Distributors
482 - Rail Transportation
483 - Water Transportation
486 - Pipeline Transportation

487 - Scenic & Sightseeing Transportation
512 - Motion Picture & Sound Recording Industries
515 – Broadcasting (except Internet)
516 – Internet Publishing and Broadcasting
517 - Telecommunications
521 - Monetary Authorities - Central Bank
522 - Credit Intermediation & Related Activities
523 - Securities, Commodity Contract, & Other Financial Investment & Related Activities
623 - Nursing & Residential Care Facilities
814 - Private Households
911 - Federal Government Public Administration
912 - Provincial & Territorial Public Administration
913 - Local, Municipal & Regional Public Administration
914 - Aboriginal Public Administration
919 - International and Other Extra-Territorial Public Administration

Source: Statistics Canada and Community Benchmarks

York Region 4-Digit Industries with High Concentration of Enterprises Location Quotient ≥ 1.25

Industry by NAIC Code	LQ Value	Total Number of enterprises
2121 - Coal Mining	2.43	1
2362 - Non-residential Building Construction	1.39	637
2371 - Utility Systems Construction	1.32	140
2372 - Land Subdivision	1.61	1,213
3112 - Grain and Oilseed Milling	1.81	16
3113 - Sugar and Confectionery Product Manufacturing	1.80	31
3117 - Seafood Product Preparation and Packaging	1.27	8
3118 - Bakeries and Tortilla Manufacturing	1.44	162
3119 - Other Food Manufacturing	1.60	60
3132 - Fabric Mills	1.43	24
3141 - Textile Furnishings Mills	1.70	40
3152 - Cut and Sew Clothing Manufacturing	1.33	177
3162 - Footwear Manufacturing	1.44	11
3222 - Converted Paper Product Manufacturing	1.43	71
3231 - Printing and Related Support Activities	1.43	580
3256 - Soap, Cleaning Compound and Toilet Preparation Manufacturing	1.33	47
3259 - Other Chemical Product Manufacturing	1.32	43
3261 - Plastic Product Manufacturing	1.47	215
3272 - Glass and Glass Product Manufacturing	1.88	60
3279 - Other Non-Metallic Mineral Product Manufacturing	1.29	37
3313 - Alumina and Aluminum Production and Processing	1.62	9
3321 - Forging and Stamping	1.28	33
3323 - Architectural and Structural Metals Manufacturing	1.30	179
3325 - Hardware Manufacturing	2.19	28
3332 - Industrial Machinery Manufacturing	1.49	62
3333 - Commercial and Service Industry Machinery Manufacturing	1.36	51
3334 - Ventilation, Heating, Air-Conditioning and Commercial Refrigeration Equipment Manufacturing	1.42	50
3335 - Metalworking Machinery Manufacturing	1.32	208
3341 - Computer and Peripheral Equipment Manufacturing	1.88	54
3342 - Communications Equipment Manufacturing	1.65	38
3343 - Audio and Video Equipment Manufacturing	1.64	13
3344 - Semiconductor and Other Electronic Component Manufacturing	1.81	74
3345 - Navigational, Measuring, Medical and Control Instruments Manufacturing	1.26	85
3351 - Electric Lighting Equipment Manufacturing	1.72	33
3352 - Household Appliance Manufacturing	1.87	21
3359 - Other Electrical Equipment and Component Manufacturing	1.50	42
3363 - Motor Vehicle Parts Manufacturing	1.26	104
3371 - Household and Institutional Furniture and Kitchen Cabinet Manufacturing	1.28	254
3372 - Office Furniture (including Fixtures) Manufacturing	1.76	115
3379 - Other Furniture-Related Product Manufacturing	1.95	32

York Region's 4-digit Industries with High Concentration of Enterprises Location Quotient ≥ 1.25

Industry by NAIC Code	LQ Value	Total Number of Enterprises
4131 - Food Wholesaler-Distributors	1.40	509
4141 - Textile, Clothing and Footwear Wholesaler-Distributors	1.99	431
4142 - Home Entertainment Equipment and Household Appliance Wholesaler-Distributors	2.10	110
4143 - Home Furnishings Wholesaler-Distributors	1.98	245
4144 - Personal Goods Wholesaler-Distributors	1.52	361
4145 - Pharmaceuticals, Toiletries, Cosmetics and Sundries Wholesaler-Distributors	1.83	216
4151 - Motor Vehicle Wholesaler-Distributors	1.26	137
4161 - Electrical, Plumbing, Heating and Air-Conditioning Equipment and Supplies Wholesaler-Distributors.	1.46	283
4163 - Lumber, Millwork, Hardware and Other Building Supplies Wholesaler-Distributors	1.36	426
4173 - Computer and Communications Equipment and Supplies Wholesaler- Distributors	2.07	584
4179 - Other Machinery, Equipment and Supplies Wholesaler-Distributors	1.45	582
4182 - Paper, Paper Product and Disposable Plastic Product Wholesaler- Distributors	1.48	127
4189 - Other Miscellaneous Wholesaler-Distributors	1.80	1,060
4191 - Wholesale Agents and Brokers	1.40	697
5112 - Software Publishers	1.38	117
5172 - Wireless Telecommunications Carriers (except Satellite)	1.35	29
5182 - Data Processing, Hosting and Related Services	1.49	86
5222 - Non-Depository Credit Intermediation	1.30	555
5239 - Other Financial Investment Activities	1.25	2,939
5269 - Other Funds and Financial Vehicles	1.48	237
5331 - Lessors of Non-Financial Intangible Assets	1.34	63
5412 - Accounting, Tax Preparation, Bookkeeping and Payroll Services	1.35	1,623
5415 - Computer Systems Design and Related Services	1.56	5,282
5511 - Management of Companies and Enterprises	1.29	4,392
5611 - Office Administrative Services	1.25	669
7131 - Amusement Parks and Arcades	1.26	35
8112 - Electronic and Precision Equipment Repair and Maintenance	1.30	215
8141 - Private Households	9.71	1

Source: Statistics Canada and Community Benchmarks