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MANUFACTURING SECTOR SURVEY RESULTS

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated November 4, 2009 from the Commissioner of Planning and Development Services.

1. RECOMMENDATIONS

It is recommended that:

1. This report and the Manufacturing Survey be circulated by the Clerk's Office to the local municipalities, Chambers of Commerce and Board of Trade, and Foreign Affairs and International Trade Canada for information and engagement.

2. The Regional Chair and Regional Clerk be authorized to execute funding contracts with federal and provincial programs to advance the Region's manufacturing sector revitalization, subject to the approval of Legal Services as to form and content.

2. PURPOSE

The purpose of this report is to inform Council on the Manufacturing Sector Survey results and the planned going forward actions.

3. BACKGROUND

The need for the development of a Manufacturing Sector Survey was an outcome of the Industry Cluster work plan presented to Council in March 2008.

York Region has long enjoyed the benefits of a strong manufacturing sector due to our positive business climate and a range of competitive advantages that businesses gain when locating here. York Region's manufacturing sector is large in scale and diversified across a wide range of industries. It is fertile ground for creating new opportunities due to a strong presence of complimentary industry clusters that are vital to foster innovation and expansion in high-growth industries.

While the manufacturing sector remains York Region's primary employer, it faces increasing competition from globalization and technological change.

The manufacturing sector is a vital component of York Region's economy, encompassing 19 per cent of the Region's diverse business sectors and 83,200 jobs. Recognizing the need to retain and expand the workforce in this industry segment, York Region developed an action plan to gauge the industry.

Research delivered 92 key performance indicators from 301 manufacturers

The Region engaged a research firm to deliver 300 interviews to determine the status of York Region manufacturers using 92 key performance indicators. Ipsos Reid conducted the survey during July and August 2009 via phone and online methodology and is provided as *Attachment 1*.

Funding of $31,500 was secured from Invest Canada-Community Initiatives

An application for funding was submitted to Foreign Affairs and International Trade Canada's "Invest Canada-Community Initiatives" (ICCI) Program to support York Region's manufacturing sector. The Region was awarded $31,500 from ICCI and a press release was issued on June 4, 2009.

Invest Canada-Community Initiatives (ICCI) was launched in 1998 to help Canadian communities attract, retain and expand foreign direct investment. ICCI supports non-profit and public-private partnerships at the local community level. The program follows three basic principles: Focusing on supporting the attraction, retention, and expansion of foreign direct investment; working through partnerships; and sharing costs.

4. ANALYSIS AND OPTIONS

The Manufacturing Sector Survey was completed by a broad cross section of manufacturers in key sectors including material, metal, science-based, and specialized manufacturers in electronics and telecommunications. Results were received from all 21 manufacturing sectors.

Despite declines in sales and job losses due to the current economic climate, York Region manufacturing firms are optimistic about their future.

HIGHLIGHTS OF THE 2009 SURVEY

The majority of the survey respondents, 47%, are small, locally owned firms

- Forty seven percent of the firms have one to 10 employees, 31 per cent have 11-49 employees, 15 per cent of the firms surveyed had 50 or more employees and 7 per cent did not know.

- Company revenues were under $1 Million at 37 per cent of the firms and one to five million at 37 per cent of the manufacturers, the remaining 20 per cent have sales exceeding $5 Million with 3 companies having sales of $25 to $50 Million and 3 companies indicating sales of over $50 Million. Six per cent did not know their company sales figures.

- The sales market is local, regional, and national at 82 per cent of the firms and 36 per cent have international sales. Note that some companies respond in two categories so the percentage is over 100.

- International exporting is prominent for companies that spend a percentage of their revenue on Research and Development (R&D), have increasing sales, have applied for government funding, and are in the machinery or electronic/transportation sectors.

- Economic conditions have decreased revenue in 41 per cent of the firms, only 10 per cent indicated the economy has had no impact on their business.

Research, innovation and product development is conducted by most manufacturers

- Most of the firms (63 per cent) are under production capacity and do not anticipate significant changes in their workforce, 30 per cent expect to increase their workforce in the next year.

- Product lifecycle is in the emerging and growth stage for 38 per cent of the manufacturers, and is mature and declining at 51 per cent of the companies.

- New products were introduced at 81 per cent of the companies over the past 5 years and 67 per cent plan new products in the next two years.

- Research and development is invested on new product development and improvement at 70 per cent of the businesses.

Future facility expansion plans and lease expiry is expected within two to three years

- Thirty five per cent of manufacturers plan to expand in the next three years with the majority (29 per cent) planning to add from 1,000 to 10,000 square feet within the next two years (59 per cent).

- Room for expansion at their current facility is available for 35 per cent and 60 per cent do not have room for expansion.

- Facilities are owned by 34 per cent of the companies. Of those who lease, 46 per cent have a lease expiry in the next two years.

Manufacturers indicate high satisfaction with local and regional municipal services and have few barriers to business growth

- The technology infrastructure is adequate for 60 per cent of the company's growth requirements.
- Natural gas, electric, water, and sewage ranked high to mid satisfaction at over 88 per cent of the businesses.
- Technology including telecommunications, cellular, internet and internet speed is ranked high to mid satisfaction at over 83 per cent of York Region.
- Quality of highways, trucking, streets, roads and municipal services is ranked high.
- Economic development organizations are ranked mid to high satisfaction by 42 per cent of the respondents and 27 per cent did not know.
- Community planning was ranked mid to high at 50 per cent.
- Property tax assessments were ranked low by 22 per cent and zoning changes and building permits were ranked low by only 90 per cent.
- Only one-in-five (21 per cent) respondents believe that barriers to business growth in their municipality do in fact exist.
- The main strengths of York Region highlighted by participants include the Region’s transportation network (18 per cent), central location (17 per cent), low tax rates (8 per cent), and proximity to customers (8 per cent).

NEXT STEPS

The next steps are to implement a communication plan for the Survey results, develop a manufacturing sector revitalization strategy and initiate consultations with York Region foreign-owned corporations.

Survey Results Communication Plan

Communication, consultation and collaboration are the cornerstones of the Manufacturing Sector Survey and Region-wide stakeholder input is being actively sought to ensure that the needs of the business community are fully reflected in the outcome. To communicate the results of the Manufacturing Sector Survey, we plan to:

- Issue a joint media release by York Region and the Department of Foreign Affairs and International Trade on the Survey results.
- Circulate the Survey by mail and electronic format to the 2,300 York Region Manufacturers who were invited to participate in the Survey.
- Host two workshops with manufacturers to present the results and discuss future actions.

The need for a Manufacturing Revitalization Strategy is a result of the survey

The manufacturing sector is a vital component of York Region's economy, encompassing 19 per cent of the Region's diverse business sectors and 83,200 jobs. Our expectation is the Manufacturing Sector Revitalization Strategy will provide assistance in growing the business base and creating new jobs.

The Manufacturing Sector Survey completed in September 2009 shows that we need to engage business in a fundamentally different way. Building on this feedback and the experience of other jurisdictions, the Manufacturing Revitalization Strategy will identify four key developmental initiatives to establish the approach, tools, capacity and knowledge required to build relationships with business to sustain and grow the workforce:

- Establish a process to engage business
- Identify new initiatives to expand revenues among York Region manufacturers
- Evaluate concepts to identify those with a high probability of success
- Develop an action implementation plan

Consultations with foreign-owned York Region manufacturers to engage and develop new initiatives and solutions

The Manufacturing Sector Survey identified a low presence of local manufacturing by foreign owned corporations. The plan is to meet with businesses to share information, develop new initiatives and solutions, and engage in joint problem-solving to ensure the Region is meeting their needs.

The framework will be roundtable discussions with foreign-owned York Region manufacturers, including the local municipal Economic Development Offices, the Chambers of Commerce and Board of Trade, and the Department of Foreign Affairs and International Trade.

Federal funding contract execution is expected in December 2009

The Economic Strategy Branch has applied for funding from the Federal Development Agency for Southern Ontario (FedDev Ontario) to engage a consultant to guide the strategy development process. Upon approval of federal funding, FedDev Ontario will issue a formal contract for authorization by the Regional Chair and Regional Clerk.

5. FINANCIAL IMPLICATIONS

Funding for the development of the Manufacturing Sector Survey was included in the approved 2009 Economic Development operating budget and was supported by the Department of Foreign Affairs and International Trade with $31,500.

Implementation of the Communication Plan and foreign corporate consultations is included in the approved 2009 and 2010 Economic Strategy budgets. The Manufacturing Sector Revitalization Strategy is subject to securing additional funding from the Southern Ontario Development Program (SODP) launched by the Federal Development Agency for Southern Ontario (FedDev Ontario) in October 2009. Regional costs will be covered in the approved 2009 and 2010 Economic Strategy Budgets.

6. LOCAL MUNICIPAL IMPACT

Manufacturing is central to York Region's economic future. The Manufacturing Sector Survey will assist policy makers, manufacturers and investors in identifying competitive opportunities in York Region manufacturing and lay the essential groundwork to encourage new and sustained manufacturing investment. York Region is a competitive place to invest, do business and live. The high quality of life we enjoy will continue to attract a talented labour force in high value jobs with leading edge companies.

Relationship to Vision 2026

Vision 2026 identified attracting and supporting businesses, encouraging continual learning, promoting and supporting innovation, and partnering in service delivery as key elements in achieving the Vibrant Economy goal. Implementation of the Economic Strategy supports the Vibrant Economy Goal of Vision 2026.

7. CONCLUSION

The York Region Municipalities and the manufacturing businesses share important common goals: to retain and create jobs and to foster a more innovative and prosperous business climate. Communication, consultation and collaboration are the cornerstones and Region-wide stakeholder input is being actively sought to ensure that the needs of the business community are fully reflected in the outcome. The Manufacturing Sector Survey provided a valuable baseline for further development.

For more information on this report, please contact Sharon Végh, Program Manager, Economic Strategy at (905) 830-4444, Ext. 1509, or Patrick Draper, Director of Economic Strategy & Tourism at Ext. 1503.

The Senior Management Group has reviewed this report.

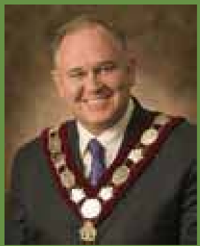
(The attachment referred to in this clause was included in the agenda for the December 2, 2009 Committee meeting.)

The Regional Municipality of York
ONTARIO, CANADA

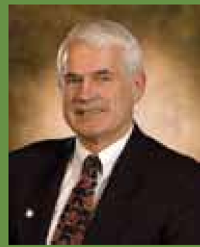
York Region

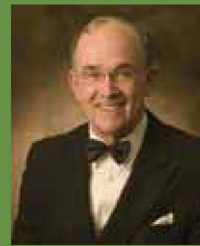
MANUFACTURING SECTOR STUDY

Ipsos Reid Survey Results
December, 2009

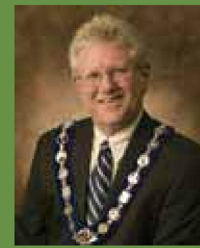

Mayor
Frank Scarpitti
Town of Markham


Regional Councillor
Jack Heath
Town of Markham


Regional Councillor
Jim Jones
Town of Markham


Regional Councillor
Gordon Landon
Town of Markham


Regional Councillor
Joseph Virgilio
Town of Markham

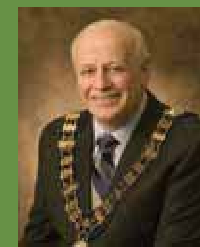

Mayor
David Barrow
Town of Richmond Hill


Regional Councillor
Brenda Hogg
Town of Richmond Hill


Regional Councillor
Vito Spatafora
Town of Richmond Hill


Chairman & CEO
Bill Fisch


Mayor
Linda D. Jackson
City of Vaughan


Mayor
Tony Van Bynen
Town of Newmarket


Regional Councillor
Joyce Frustaglio
City of Vaughan


Regional Councillor
John Taylor
Town of Newmarket

A Message from York Regional Council

The Regional Municipality of York has long enjoyed the benefits of a strong manufacturing sector due to our positive business climate and a range of competitive advantages that businesses gain when locating here. York Region's manufacturing sector is large in scale and diversified across a wide range of industries. It is fertile ground for creating new opportunities due to a strong presence of complimentary industry clusters that are vital to foster innovation and expansion in high-growth industries.

While the manufacturing sector remains York Region's primary employer, it faces increasing competition from globalization and technological change.

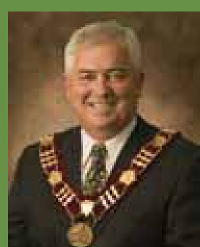
This Manufacturing Sector Study marks an important step in assessing the relative strengths of the manufacturing sector in York Region. It builds on the *York Region Economic Strategy*, approved by York Regional Council in 2005. It identified strategic directions, including creating an environment to share information and ideas and strengthening entrepreneurship and industry clusters. This study makes important headway in both areas.

We trust this study will assist policy makers, manufacturers and investors in identifying competitive opportunities in York Region manufacturing and lay the essential groundwork to encourage new and sustained manufacturing investment.

York Region is a competitive place to invest, do business and live. The high quality of life we enjoy will continue to attract a talented labour force in high-value jobs with leading edge companies.


Regional Councillor
Mario Ferri
City of Vaughan


Regional Councillor
Gino Rosati
City of Vaughan


Mayor
Robert Grossi
Town of Georgina


Regional Councillor
Danny Wheeler
Town of Georgina


Mayor
Phyllis M. Morris
Town of Aurora


Mayor
Wayne Emmerson
Town of Whitchurch-Stouffville


Mayor
James Young
Town of East Gwillimbury


Mayor
Margaret Black
Township of King

YORK REGION IS A PREMIER CANADIAN LOCATION FOR BUSINESS

York Region is a thriving, dynamic region centrally located within the vibrant Toronto Census Metropolitan Area, the most multicultural urban centre in the world, and Canada's corporate and financial centre.

One of the most diverse regions in all of Canada, York Region has earned a reputation as a premier business location in the heart of North America's most dynamic growth complexes. York Region continues to experience low unemployment rates and strong employment growth. The diverse base of York Region's major employers has created an economy that is buoyant and more resilient to cyclical shifts at the national and global scale.

York Region is made up of a confederation of nine municipalities, with a two-tier government structure, with services provided by the Region and local area municipal governments.

YORK REGION'S ROBUST ECONOMY IS IMPRESSIVE BY CANADIAN STANDARDS

York Region's dynamic, robust economy has a Gross Domestic Product that is larger than any of the Provinces of Atlantic Canada. All aspects of the Region's economy, GDP, export revenues, employment and number of enterprises, are impressive by Canadian standards. In 2007, York Region generated an estimated $43.25 billion of output.

SUPERB QUALITY OF PLACE AND LOCATION FOR BUSINESS

York Region has some of the most diverse physical and cultural assets within the Greater Toronto Area. High-tech industrial and office parks, thriving urban communities, rolling hills, lush countryside and lakeside communities offer a true location of choice. With 69 per cent of the land protected as green space, the Region celebrates its strong natural heritage and has committed to protect it while managing aggressive growth.

York Region is centrally located within the vibrant Greater Toronto Area, Canada's corporate and financial centre. Toronto is Canada's most important head office centre, owning 42 per cent of the country's head office employment. York Region's proximity to Toronto provides access to a high concentration of the country's key decision makers, buyers, and business support services.

HIGHLY INTEGRATED TRANSPORTATION NETWORK

Residents and businesses in York Region have unparalleled access to both North American and worldwide markets through a fully developed transportation network that includes air transport, port access and seaway shipping, modern rail-based intercity, freight movement, roads and commuter services.

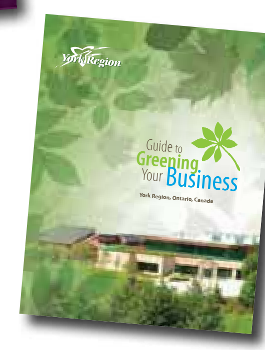
YORK REGION INVESTS IN INFRASTRUCTURE AND IS COMMITTED TO SUSTAINABILITY

The Region's 2006 Capital Budget was one of the largest in North America with spending of $517 million on current capital projects and ongoing investment of over $5.9 billion in capital works over a ten year period to service the needs of York Region's growing and diversifying population and industrial base. York Region's rapid growth over the last ten years has necessitated a long term commitment to building the infrastructure to meet the needs of the Region's resident and business community.

Approved in 2007, the Sustainability Strategy was developed to help manage the dynamic forecasted population growth with a balanced approach, respecting the Natural Environment, Healthy Communities and Economic Vitality. The purpose of the York Region Sustainability Strategy is to provide a long-term framework for making smarter decisions about growth management and all municipal responsibilities that better integrate the economy, environment and community.

YORK REGION'S INITIATIVES FOR SUSTAINABLE BUSINESS DEVELOPMENT

Maintaining a healthy environmental balance is critical to York Region's prosperity and quality of life. The Region has established a strong vision for the future with two major strategic documents "Vision 2026" and "York Region Official Plan". Attracting high quality new investments from firms committed to sustainability and encouraging existing business in the Region to leverage "green" business practices respond to the goals of "Vision 2026" to enhance the environment while promoting a vibrant economy.



HIGH QUALITY WORKFORCE

York Region's population is one of the youngest, highly skilled and best educated in all of Canada. Sixty-seven per cent of York Region adults between the ages of 25 to 64 have post-secondary education. This rating is higher than both the national and provincial averages and is a key reason for the establishment and growth of many advanced manufacturing and new technology-based companies in York Region.

Level of Education Attainment for Ages 25-64

	Without High School		High School		Trade Certificate or Diploma		College		University		Total
	Counts	% Total	Counts	% Total	Counts	% Total	Counts	% Total	Counts	% Total	Counts
York Region	52520	11%	110540	22%	35190	7%	98810	20%	198,360	40%	495,420
Ontario	899,525	14%	1,660,670	25%	581,130	9%	1,461,630	22%	2,035,370	31%	6,638,325
Canada	2,683,510	15%	4,156,740	24%	2,156,010	12%	3,533,375	20%	4,852,480	28%	17,382,115

Source: Statistics Canada Census 2006

MANUFACTURING SUCCESS IS CRITICAL TO ENSURE YORK REGION'S PROSPERITY

Manufacturing and exporting are the two most dynamic and the most innovative sectors of the York Region economy. At the forefront of global competition, York Region manufacturers and exporters generate the value, the jobs, and the investment that drive economic growth in the Region. Manufacturing success is critical in ensuring the future prosperity of York Region.

Manufacturing is a vital component of York Region's economy, encompassing 19 per cent of the Region's diverse business sectors and 83,200 jobs. Recognizing the need to retain and expand the industry, York Region developed an action plan resulting in this Ipsos Reid "Manufacturing Sector Competitiveness Study". The Study contributes to York Region's 2005 Economic Strategy goals to sustain a high quality workforce and strengthen entrepreneurship and industry clusters.

The manufacturing sector covers 21 industry groups that produce goods for both industrial and consumer use. The manufacturing sector's activity accounts for a large part of Canada's, Ontario's and York Region's Gross Domestic Product. Over 38.6 per cent of Ontario's $500.9 billion foreign direct investment is for the manufacturing industry (Statistics Canada: International Investment Position, May 2008).

York Region Employment by Industry 2007 – 2008

Industry Sector	2007	2008	% Growth 07-08	2008 % Total
Transportation / Warehousing	16,100	13,300	1.5%	3.0%
Education	19,200	19,200	0.3%	4.4%
Health Care and Social Assistance	25,100	26,800	7.0%	6.1%
Construction	25,700	27,600	7.3%	6.3%
Finance, Insurance, Real Estate, Leasing	24,400	30,200	23.9%	6.9%
Wholesale Trade	31,700	32,200	1.6%	7.3%
Retail Trade	54,500	57,900	6.3%	13.2%
Personal Services	62,200	64,100	3.0%	14.6%
Business Services	67,300	67,900	0.8%	15.4%
Manufacturing	86,500	83,300	-3.8%	18.9%
Other	13,400	14,300	6.7%	3.3%
Total	426,000	439,800	3.2%	100%

Source: York Region Planning and Development Services, 2008

YORK REGION RECOGNIZES THE NEED TO ENGAGE MANUFACTURERS

The manufacturing sector is under tremendous pressure as a result of multiple external stresses including marketplace globalization, an accelerated pace of technological change and a global financial crisis that has had an immediate and negative impact on York Region industries. The business environment is changing and manufacturers are now urgently re-focusing their strategies to remain competitive and continue to be an important part of the economy.

Manufacturing sales across Canada were over $578.68 billion for the 12 month period ended July 31 2009. Manucturing sales in Canada declined 2.1 per cent to $40.9 billion in August 2009 with sales from 13 of 21 manufacturing industries decreasing. The aerospace product and parts and motor vehicle industries were the major contributors to the decline in sales. Between October 2008 and January 2009, sales declined 20.4 per cent but have remained relatively level from February to August 2009.

THE MANUFACTURING SECTOR STUDY DELIVERS INSIGHT TO 92 KEY PERFORMANCE INDICATORS

The content of this Study provides a wealth of valuable data for manufacturers, business leaders and municipalities. York Region can see how manufacturers rank against 94 key performance indicators in ten areas: current economic situation, sales and market share, product life cycle and innovation, workforce composition and availability, current and planned expansion and growth, outsourcing and global reach, government funding and anticipated legislative changes, local community as a place to do business, manufacturing facility indicators, and others.

Ipsos Reid completed 301 interviews to help determine the status of York Region manufacturers using 92 key performance indicators resulting in insight to business change and dynamics, innovation plans and priorities including investment in research and development, the status of the workforce, expansion capacity in York Region and plans for future growth. With performance indicators from 301 York Region manufacturers, targeted strategies can be developed.

The York Region Manufacturing Sector Study illustrates these critical components of community, innovation, and economy.

- Current economic situation
- Sales and market share
- Products and innovation
- Employment
- Expansion and growth
- Outsourcing and parent businesses
- Government funding and anticipated legislative changes
- Local community
- Business facility
- Other attributes

The manufacturing sector responses were from York Region's nine local municipalities in an agglomeration of industries engaged in chemical, mechanical, or physical transformation of substances, materials, or components into consumer or industrial goods.

This study is reproduced verbatim from Ipsos Reid.

Ipsos

Manufacturing Sector Study

Final Report September 2009

York Region

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METHODOLOGY

In total, 301 interviews were conducted with senior management and owners of manufacturing firms located in York Region between July 2nd and August 15th 2009.

A sample of 301 interviews has a margin of error of plus or minus, 5.7%, nineteen times out of twenty. The margin of error for sub-sections of the sample is larger, depending on the sample size.

A multiple methodological approach was utilized to ensure a high response rate among respondents. Interviewing was conducted by telephone (CATI), online, and in-person as detailed in the chart below.

Methodology	# of Completed Interviews
Telephone	145
Online	147
In-Person	9
TOTAL	301

CURRENT ECONOMIC SITUATION

- More than half of all respondents indicate that the recent economic downturn has led to a decrease in sales or business.
- That said, many respondents also see an opportunity to gain market share or a competitive advantage over the next 6 to 12 months.
- Very few firms anticipate a cut in their workforce today, indicating that many believe the worst could be over.

SALES & MARKET SHARE

- Slightly less than half of all respondents are currently experiencing a decrease in sales.
- Firms conduct similar levels of business internationally (more so), nationally, regionally, and locally (less so).
- Among firms that conduct business internationally (61%), global sales comprise less than half of total sales.
- Primary international markets include: the United States, Mexico, the UK, Australia, and China.
- The majority of respondents believe that their industry is under capacity, indicating the desire and opportunity to conduct more work.

PRODUCTS & INNOVATION

- Many firms in York Region are investing in research and development with the majority of funds devoted to new product development.
  - Only 22% of firms are not investing any percentage of sales in R&D, while 21% of firms are investing 6% or more of total sales.
- As a result, many firms are introducing new products into the market place. In fact, two-thirds of all firms plan to introduce a new product within the next 2 years.
- However, half indicate that their primary product(s) are maturing or in decline, indicating a possible need to bring more new products to market.
- Generally, firms rate their own use of technology for internal office operations and production higher than for sales, inventory management, and marketing.

EMPLOYMENT

- On average, firms have lost 15 jobs and added 6 jobs over the past three years (NET -9 jobs).
- Despite this, three-times as many firms expect their employment needs to increase compared to those that expect it to decrease (30% vs. 12%, respectively) over the next three years.
- Very few firms provide low ratings for the availability, quality, or stability of the workforce in York Region.
- However, about three-in-ten firms mention having recruitment problems, primarily associated with recruiting skilled labour.
- The majority of firms are currently invest in employee training.

EXPANSION & GROWTH

- Despite the decline in sales that many firms are experiencing, one-third are planning to expand their business over the next three years.
- Most of these firms plan to add jobs (on average, 11 jobs and about half plan to add additional square footage at their current facility.

OUTSOURCING

- Slightly less than half of all respondents indicate that they currently outsource a certain percentage or component of their production internationally.
- About one-third of these firms indicate that they are increasing the amount of production they outsource internationally.
- Similarly, three-in-ten firms believe international outsourcing by their competitors is also increasing.
- Only 12% of firms have a parent company

GOVERNMENT FUNDING

- One-in-five firms have previously applied for government funding, and the vast majority of firms were successful in their application.
- Currently, a similar proportion of firms plan to apply for government funding in the next three years.

THE LOCAL COMMUNITY

- Respondents cite transportation routes and central location most often as the primary strengths of York Region. On the other hand, respondents mention high taxes most often as the primary weakness of the Region.
- Respondents are generally very satisfied with their current service providers, namely services provided by the Region including water and sewage.

Clearly, there are a number of key characteristics that lead firms to be more successful.

These include, but are not limited to:

- Investing in research and development
- Introducing new products
- Conducting sales internationally and to a lesser degree nationally
- Outsourcing a percentage of production
- Provide training for employees
- Applying for government funding

KEY INGREDIENTS FOR SUCCESS

Leading to:

- More likely to increase sales
- More likely to increase market share
- More likely to plan future expansion
- More likely to have increasing employment needs

However, it would seem that many of these key characteristics are limited among firms that:

- Have sales of more than 1 million dollars
- Have more than 10 employees, in some cases as many as 50 or more employees
- Have recently added jobs (strong economic position)

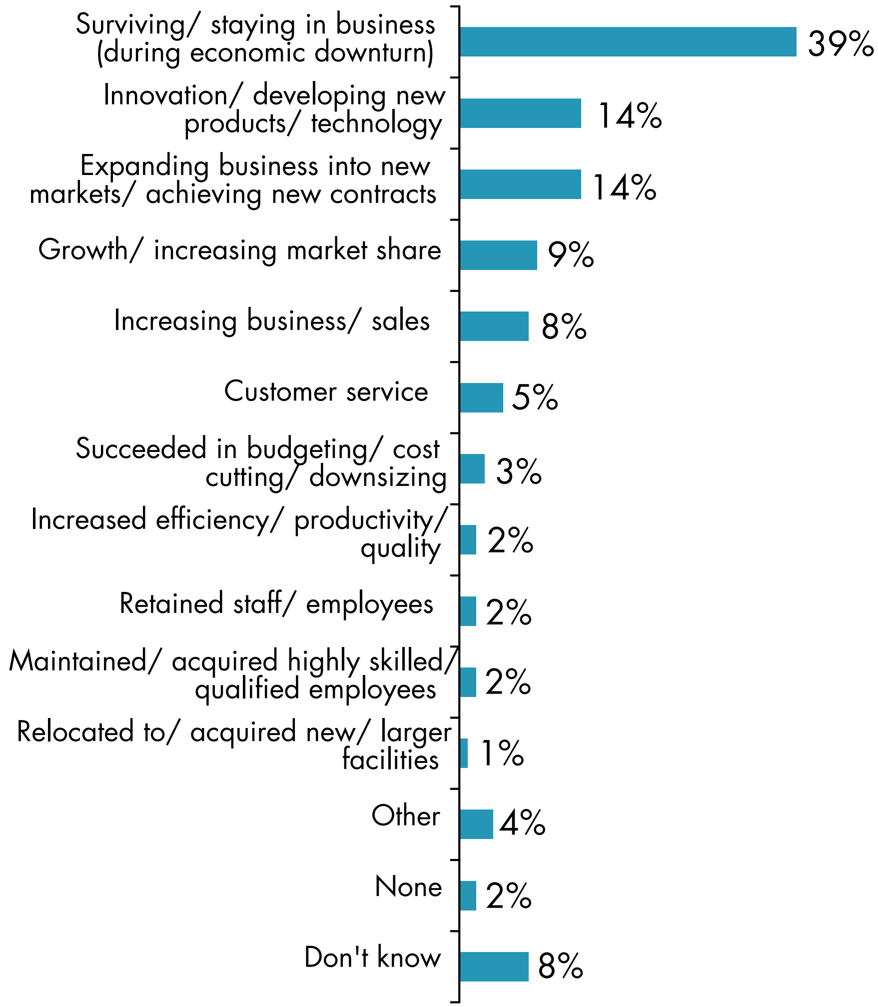
Current Economic Situation: Greatest Achievement Over Past 3 Years

- Two-in-five (39%) firms cite 'staying in business' or 'surviving' as their company's greatest achievement over the past three years, a testament to the many challenges facing manufacturing industry in York Region today.

- Other achievements mentioned by respondents include new product innovations and finding new markets for products, and expanding into new markets (14%, respectively).

- Firms that have not invested any percentage of their sales in research and development are more likely to mention 'surviving staying in business', as their greatest achievement over the past three years (54%, compared to 23% respectively).

WHAT HAS BEEN YOUR COMPANY'S GREATEST ACHIEVEMENT OVER THE LAST 3 YEARS?

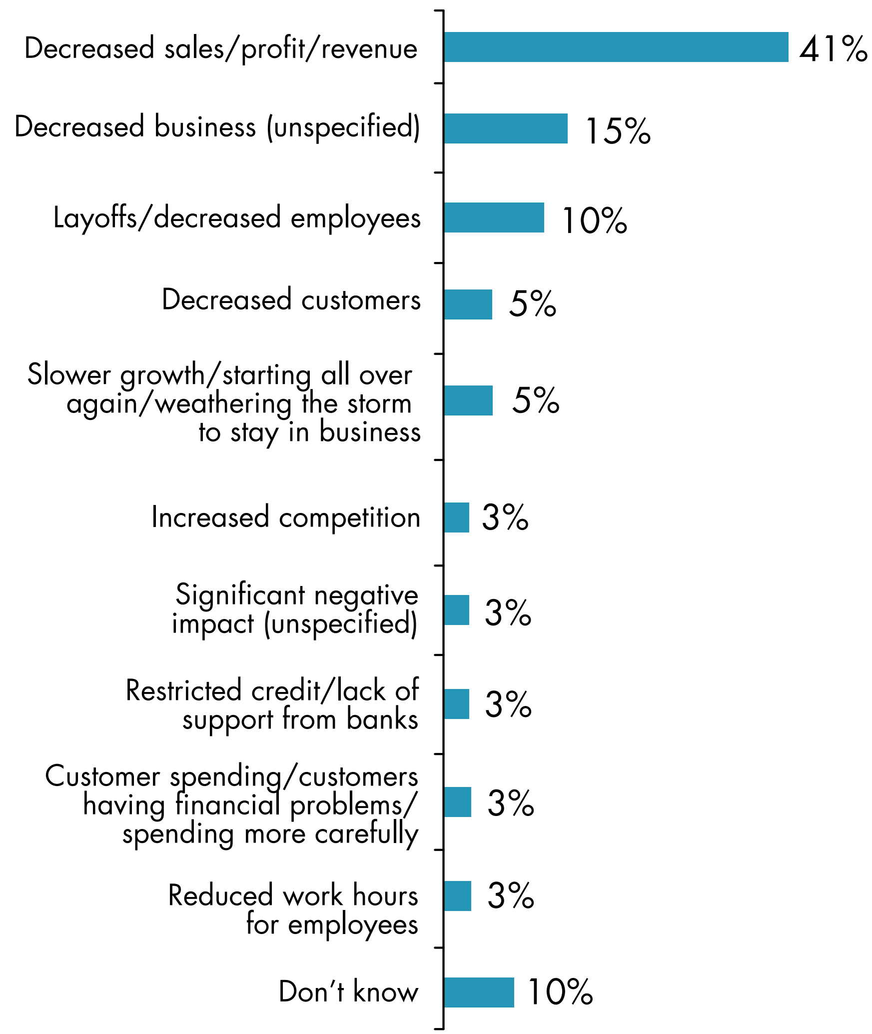


Q1. In your opinion, what would you say has been your company's greatest achievement over the last three years? Base: All respondents (n=301)

- Thinking about the impact of the current economic situation, more than half (56%) of respondents mention a decrease in sales (41%) or a decrease in the amount of business (15%) they conduct.

- Very few (10%) respondents could not recall any impact on their business that resulted from the recent economic downturn.

EFFECT OF ECONOMIC DOWNTURN ON BUSINESS

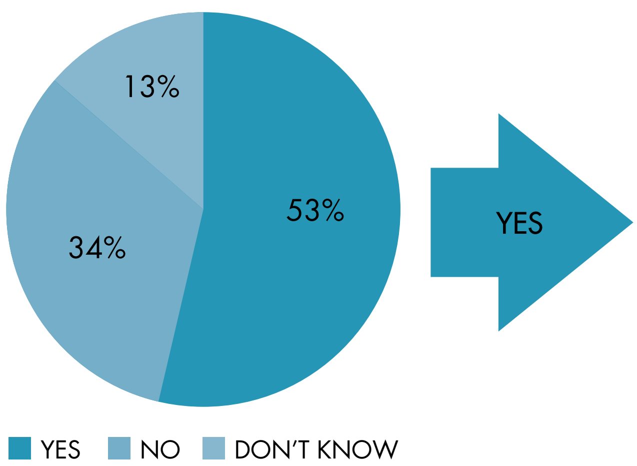


QE1. What effect has the recent economic downturn had on your business? Base: All respondents (n=301)

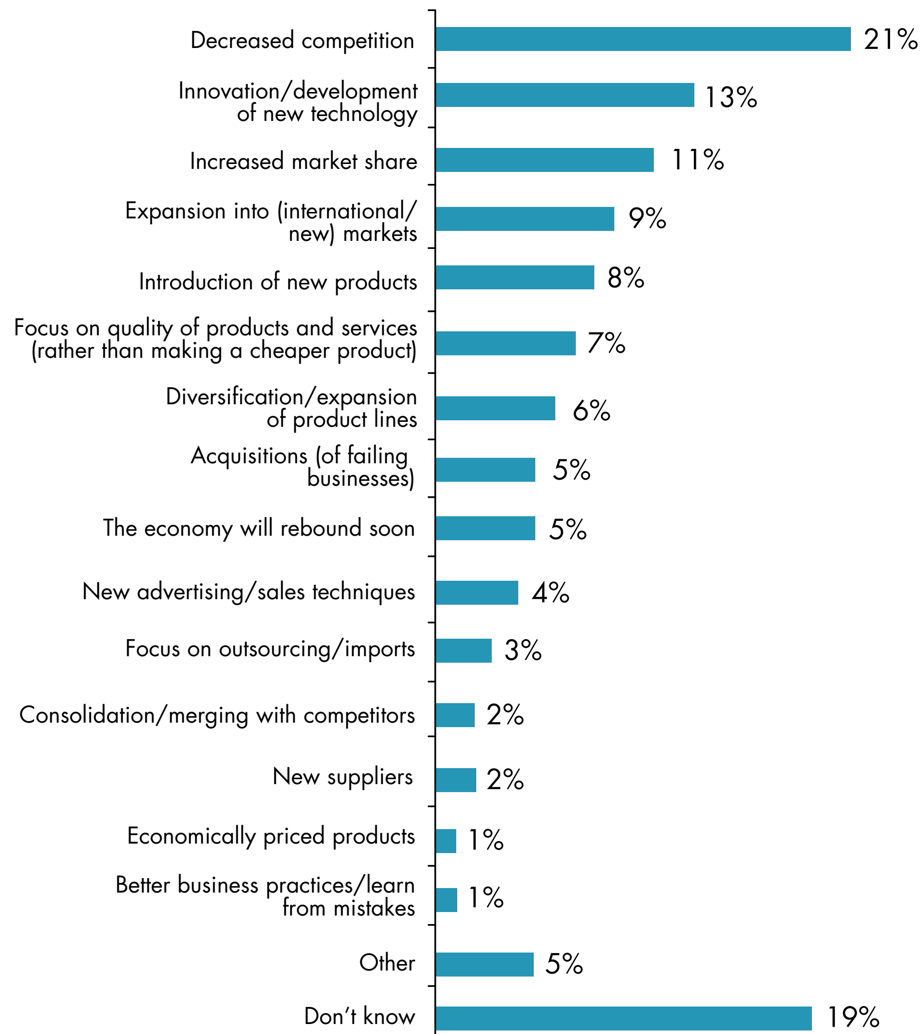
- Half (53%) of respondents have an optimistic outlook for their business as they see opportunities to gain market share or a competitive advantage over the next 6 to 12 months.

- Some of these advantages include decreased competition as a result of the economic downturn (21%), developments in new technologies (13%), or expansion into new markets (11%).

DO YOU SEE OPPORTUNITIES TO GAIN MARKET SHARE OR COMPETITIVE ADVANTAGE OVER THE NEXT 6-12 MONTHS?



WHAT ARE SOME OF THESE OPPORTUNITIES?



QE2a. Do you see competitive opportunities to gain market share or create new competitive advantages over the next 6-12 months? Base: All respondents (n=301)
QE2b. And what are some of the opportunities? Base: See competitive opportunities (n=160)

Current Economic Situation: Competitive Opportunities

- Firms that sell their products nationally and internationally, have increasing sales, have applied for government funding, have sales 1 million or more, have more than 10 employees and have added jobs recently are the most likely to see competitive opportunities for their business over the next 6 to 12 months.

- On the other hand, those firms that have decreasing sales, have not applied for government funding, have sales of less than 1 million dollars, have 10 employees or less, and have not added jobs recently are the most likely to not see any competitive opportunities to gain market share over the next 6 months.

DO YOU SEE OPPORTUNITIES TO GAIN MARKET SHARE OR CREATE NEW COMPETITIVE ADVANTAGES OVER THE NEXT 6 MONTHS?

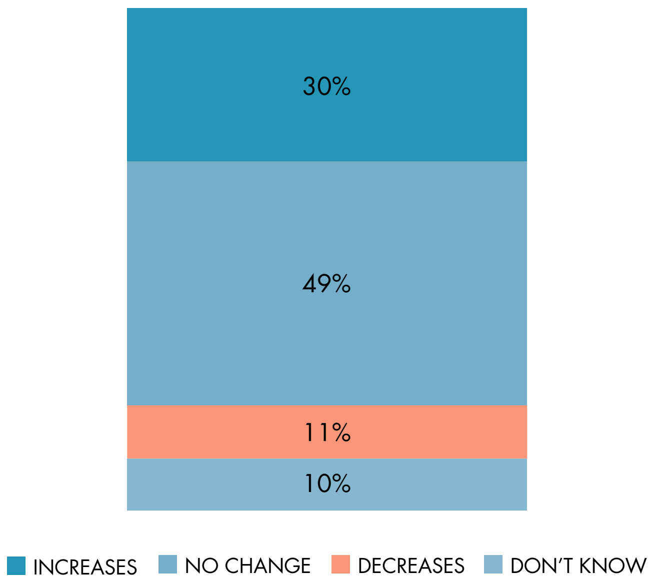
				Yes	No	(Dk/Ns)
Market	Local	E	(n=82*)	38%	38%	24% GH
	Regional	F	(n=79*)	53%	30%	16%
	National	G	(n=86*)	67% E	26%	7%
	International	H	(n=107)	62% E	27%	11%
Sales	Increasing	I	(n=80*)	76% JK	16%	8%
	Decreasing	J	(n=132)	41%	48% IK	11%
	Staying the same/ stable	K	(n=85*)	52%	29% I	19% I
Int. Outsourcing	Increasing	L	(n=43*)	77%	14%	9%
	Decreasing	M	(n=17**)	47%	53%	-
	Staying the same/ stable	N	(n=73*)	62%	23%	15%
Gov Funding	Yes	O	(n=67*)	69% P	24%	7%
	No	P	(n=224)	49%	38% O	13%
Training	Yes	W	(n=192)	61% X	29%	9%
	No	X	(n=95*)	37%	46% W	17%
Sales	Under 1 Million	I	(n=110)	39%	45% JK	15%
	1 - 5 Million	J	(n=111)	61% I	29%	10%
	5+ Million	K	(n=67*)	64% I	25%	10%
Employees	1	S	(n=9**)	44%	33%	22%
	2-10	T	(n=132)	44%	41% U	15%
	11-49	U	(n=92*)	65% T	27%	8%
	50+	V	(n=46*)	63% T	26%	11%
Jobs Added	Yes	W	(n=119)	68% X	20%	12%
	No	X	(n=159)	43%	48% W	9%

QE2a. Do you see competitive opportunities to gain market share or create new competitive advantages over the next 6-12 months? Base: All respondents (n=301) *Small base size
**Base size ineligible for sig testing

Current Economic Situation: Anticipated Changes in Workforce

- Few respondents have a negative outlook for their workforce over the next 12 months as only 11% indicate that they expect a decrease in the number of people their firm employs. Three- times (30%) as many firms expect an increase in the size of their workforce over the next 12 months.

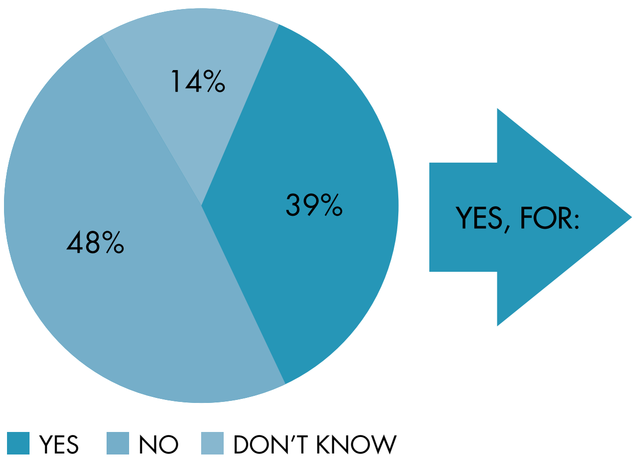
WORKFORCE OVER THE NEXT 12 MONTHS

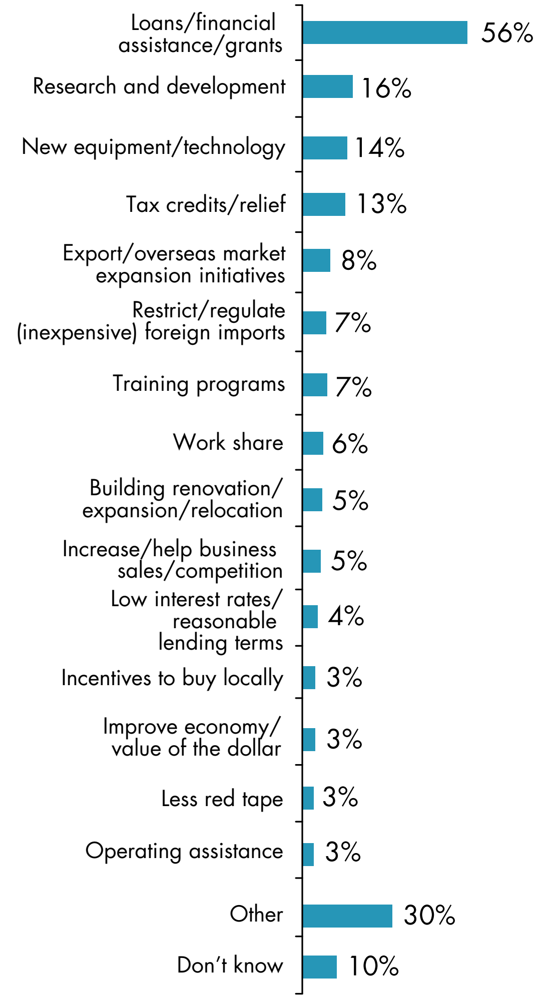


QE3. Do you anticipate any increases or decreases in your workforce over the next 12 months? Base: All respondents (n=301) QE4. Do you need government assistance to leverage opportunities or address challenges at this time? Base: All respondents (n=301) QE4b. And what types of assistance does your company require? Base: Need government assistance (n=117)

Current Economic Situation: Need for Government Assistance

- Four-in-ten (39%) firms indicate that they do need government assistance to leverage opportunities and address challenges at this time.
- More than half (56%) require this assistance in the form of loans, grants, or other financial assistance.





*Responses under 3% not shown

QE4. Do you need government assistance to leverage opportunities or address challenges at this time? Base: All respondents (n=301) QE4b. And what types of assistance does your company require? Base: Need government assistance (n=117)

- Those firms that are experiencing decreasing sales, are under capacity in production, have lost jobs recently, and have also applied for government funding in the past are the most likely to believe they require government funding now to leverage opportunities or address challenges at this time.

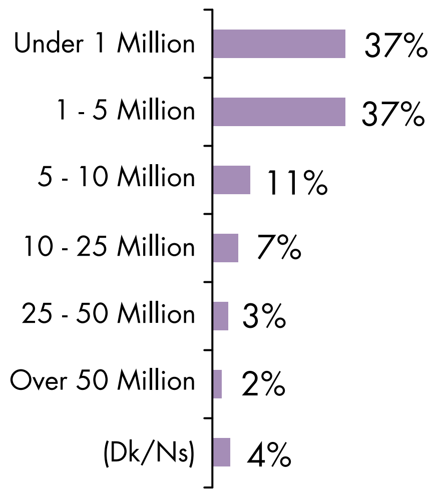
DO YOU NEED GOVERNMENT ASSISTANCE TO LEVERAGE OPPORTUNITIES OR ADDRESS CHALLENGES AT THIS TIME?

				Yes	No	(Dk/Ns)
Sales	Increasing	I	(n=80*)	35%	50%	15%
	Decreasing	J	(n=132)	48% K	39%	12%
	Staying the same/ stable	K	(n=85*)	29%	59% J	12%
Gov Funding	Yes	O	(n=67*)	57% P	33%	10%
	No	P	(n=224)	34%	53% O	13%
Production Capacity	Under capacity	Q	(n=189)	43% R	44%	13%
	Balanced or at capacity	R	(n=41*)	22%	68% Q	10%
	Over capacity	S	(n=50*)	36%	52%	12%
Employees	1	S	(n=9**)	44%	44%	11%
	2-10	T	(n=132)	39%	48%	14%
	11-49	U	(n=92*)	43%	47%	10%
	50+	V	(n=46*)	30%	57%	13%
Jobs Lost	Yes	Y	(n=146)	49% Z	41%	10%
	No	Z	(n=135)	31%	59% Y	10%

QE4. Do you need government assistance to leverage opportunities or address challenges at this time? Base: All respondents (n=301) *Small base size **Base size ineligible for sig testing

- The vast majority (74%) of firms have sales of under 5 million dollars annually.

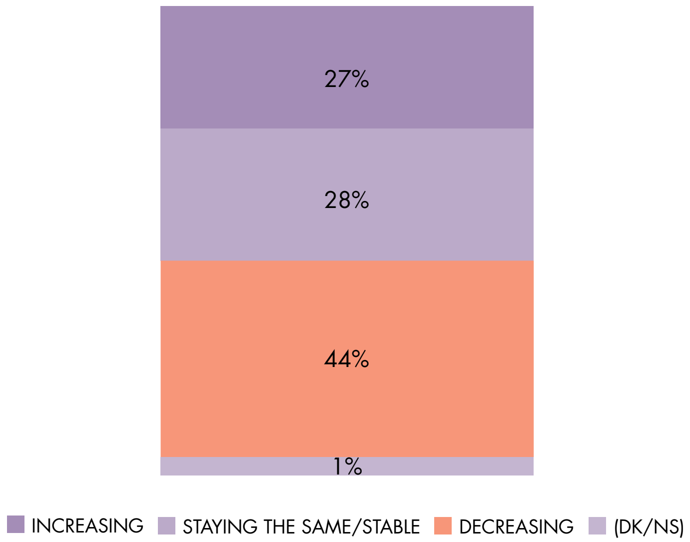
VALUE OF ANNUAL SALES



A17. What is the value of your annual sales? Base: All respondents (n=301)

- More firms indicate that their sales are decreasing (44%), compared to those that are experiencing an increase (27%) or no change (28%) in their sales.

COMPANY'S TOTAL SALES



Q7. Are your total company sales increasing, decreasing or staying the same?
Base: All respondents (n=301)

- Those firms that sell their products nationally and internationally, say that they are outsourcing more, have applied for government funding, have sales above 1 million, conduct business in the electronic/transportation sectors, employ between 11 and 49 individuals, and have added jobs recently are the most likely to be experiencing an increase in sales.

- On the other hand, those firms that primarily conduct business locally, have decreasing employee needs, have sales below 5 million, conduct business in the material or machinery sectors, have fewer than 10 employees, and have not added any jobs recently are the most likely to be experiencing a decrease in sales.

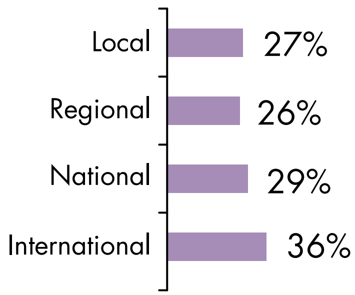
TOTAL COMPANY SALES

				Increasing	Staying the same	Decreasing	(Dk/Ns)
Market	Local	E	(n=82*)	12%	29%	57% GH	1%
	Regional	F	(n=79*)	22%	32%	46%	1%
	National	G	(n=86*)	31% E	31%	36%	1%
	International	H	(n=107)	33% E	30%	36%	1%
Int. Outsourcing	Increasing	L	(n=43*)	47% N	23%	28%	2%
	Decreasing	M	(n=17**)	24%	24%	53%	-
	Staying the same/ stable	N	(n=73*)	27%	23%	49% L	-
Gov Funding	Yes	P	(n=67*)	37% Q	24%	39%	-
	No	Q	(n=224)	23%	29%	46%	1%
Employment Needs	Increase	U	(n=89*)	57% VW	25% V	18%	-
	Decrease	V	(n=35*)	6%	9%	86% UW	-
	Remain stable	W	(n=159)	17%	35% V	47% U	1%
Sales	Under 1 Million	I	(n=110)	19%	31%	48% K	2%
	1 - 5 Million	J	(n=111)	31% I	21%	48% K	1%
	5+ Million	K	(n=67*)	31% I	34% J	33%	1%
Industry	Food - Textiles	W	(n=30*)	37%	40% Y	23%	-
	Material	X	(n=128)	21%	33%	44% W	2%
	Machinery	Y	(n=94*)	22%	21%	56% WZ	-
	Electronic/Transportation	Z	(n=30*)	50% XY	17%	33%	-
	Science	a	(n=19**)	32%	32%	32%	5%
Employees	1	S	(n=9**)	22%	44%	33%	-
	2-10	T	(n=132)	20%	27%	52% U	2%
	11-49	U	(n=92*)	35% T	29%	36%	-
	50+	V	(n=46*)	28%	35%	35%	2%
Jobs Added	Yes	W	(n=119)	47% X	31%	21%	1%
	No	X	(n=159)	9%	28%	62% W	1%

Q7. Are your total company sales increasing, decreasing or staying the same?
Base: All respondents (n=301) *Small base size **Base size ineligible for sig testing

Sales and Market Share: Sales Market

- Many firms do business across many different regions, about one third (36%) do business internationally, while slightly less than three-in-ten firms do business either nationally (29%), regionally (26%), or locally (27%).



- Those firms that have invested nothing in research and development, have decreasing or stable sales, have not applied for government funding, work in the material sector, have fewer than 11 employees and have sales under 1 million are the most likely to conduct business locally.

- While, those that do spend a percentage of sales on R&D, have increasing sales, have applied for government funding, have sales of 1 million or more and work in the machinery or electronic transportation sectors are the most likely to conduct business internationally.

Q6. Is your company's primary sales market local, regional, national or international? Base: All respondents (n=301)

COMPANY'S PRIMARY SALES

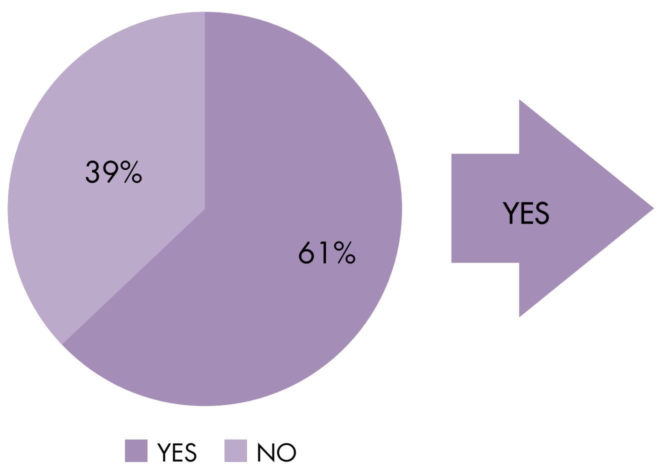
				Local	Regional	National	International	(Dk/Ns)
R&D	0%	A	(n=67*)	39% BD	33%	21%	12%	-
	Under 3%	B	(n=83*)	22%	28%	33%	28% A	-
	3% to 6%	C	(n=64*)	30%	20%	33%	50% AB	2%
	6% or more	D	(n=62*)	19%	21%	26%	60% AB	-
Sales	Increasing	I	(n=80*)	13%	21%	34%	44% J	-
	Decreasing	J	(n=132)	36% I	27%	23%	30%	-
	Staying the same/ stable	K	(n=85*)	28% I	29%	32%	38%	1%
Int. Outsourcing	Increasing	L	(n=43*)	9%	14%	30%	51%	2%
	Decreasing	M	(n=17**)	6%	24%	29%	47%	-
	Staying the same/ stable	N	(n=73*)	19%	32% L	36%	47%	-
Gov Funding	Yes	O	(n=67*)	16%	18%	36%	51% P	-
	No	P	(n=224)	31% O	28%	27%	31%	0%
Employment Needs	Increase	T	(n=89*)	16%	27%	37%	46% V	-
	Decrease	U	(n=35*)	34% T	23%	26%	29%	-
	Remain stable	V	(n=159)	29% T	26%	27%	33%	1%
Sales	Under 1 Million	I	(n=110)	35% K	29%	22%	22%	-
	1 - 5 Million	J	(n=111)	26%	25%	33%	39% I	1%
	5+ Million	K	(n=67*)	15%	22%	36% I	51% I	-
Quota Group	Food - Textiles	W	(n=30*)	27%	20%	37%	30%	-
	Material	X	(n=128)	34% Z	32% Z	29%	25%	-
	Machinery	Y	(n=94*)	23%	23%	29%	44% X	-
	Electronic/Transportation	Z	(n=30*)	13%	13%	20%	53% X	3% X
	Science	a	(n=19**)	21%	32%	26%	47%	-
Employees	1	S	(n=9**)	67%	11%	11%	11%	-
	2-10	T	(n=132)	33% UV	31%	23%	29%	1%
	11-49	U	(n=92*)	20%	26%	35%	41%	-
	50+	V	(n=46*)	13%	22%	39% T	43%	-

Q6. Is your company's primary sales market local, regional, national or international? Base: All respondents (n=301)*Small base size **Base size ineligible for sig testing

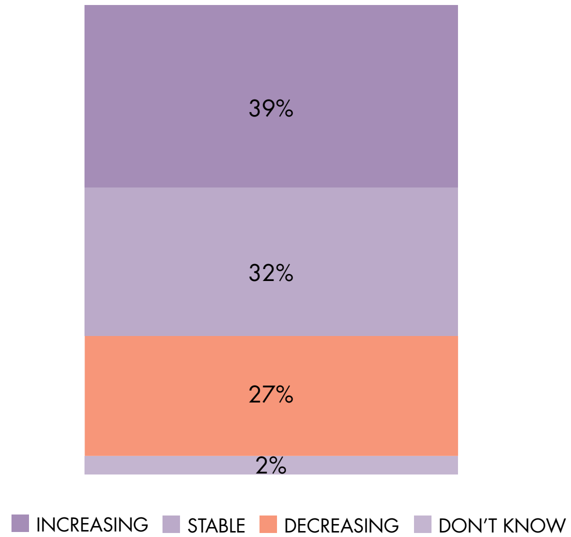
- Among those firms that sell products internationally (39%), seven in-ten indicate that these sales are either increasing (39%) or stable (32%).

- Most of these firms also indicate that less than 20% of their total sales are in the international marketplace, only about one-in-ten (13%) indicate that their international sales make between 81% and 100% of their total sales.

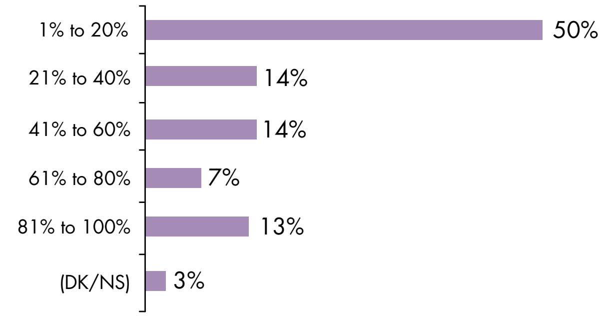
DO YOU SELL YOUR PRODUCTS INTERNATIONALLY?



% ARE INTERNATIONAL SALES...



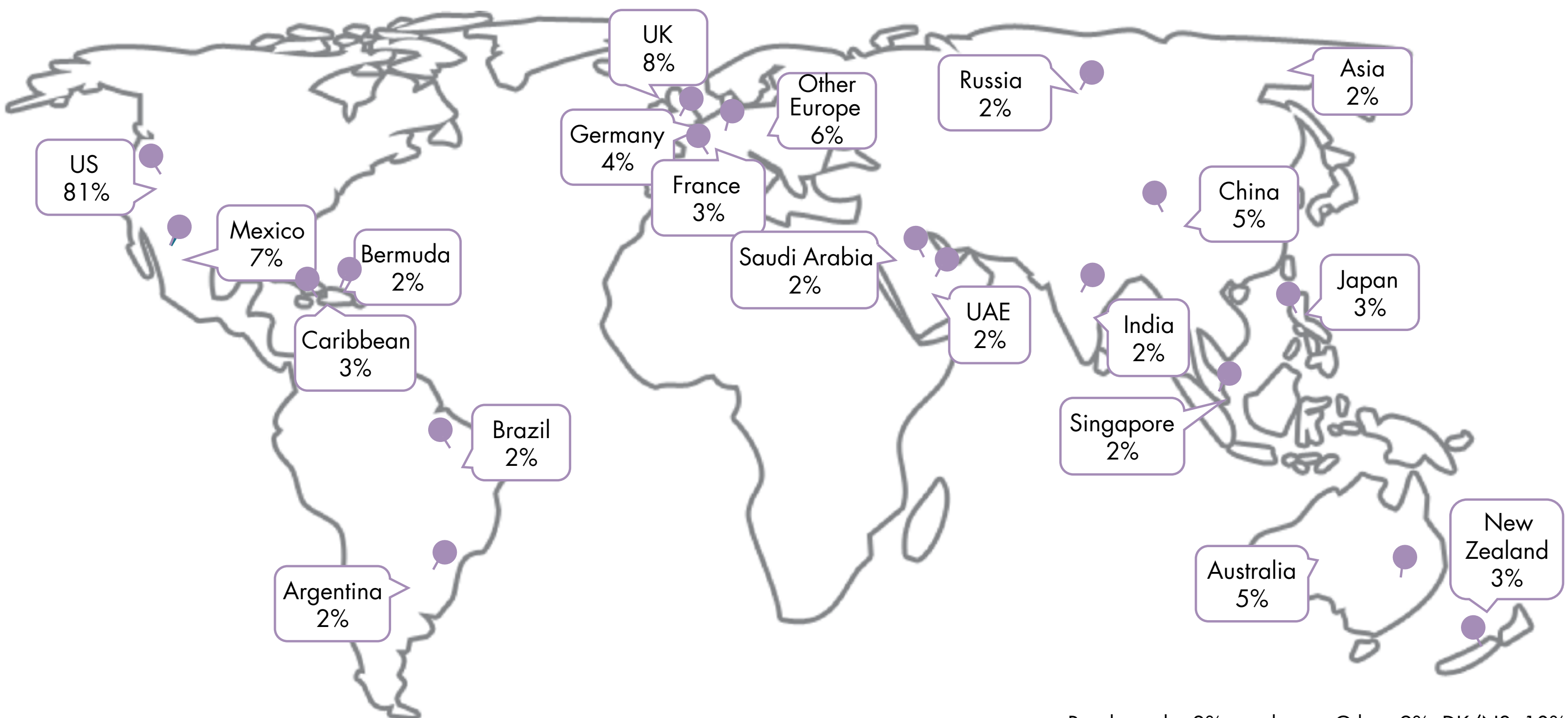
% OF TOTAL SALES COMES FROM INTERNATIONAL SALES



Q10a. Do you sell any of your products internationally? Base: All respondents (n=301) Q10b. Are international sales as a percentage of total sales increasing, decreasing or staying the same? Q10c. Approximately what percentage of total sales comes from international sales? Base: Sell internationally (n=183)

Sales and Market Share: International Markets

- The primary international market for the vast majority of firms is the United States (81%).
- Other major markets include the UK (8%), Mexico (7%), Australia (5%), and China (5%)



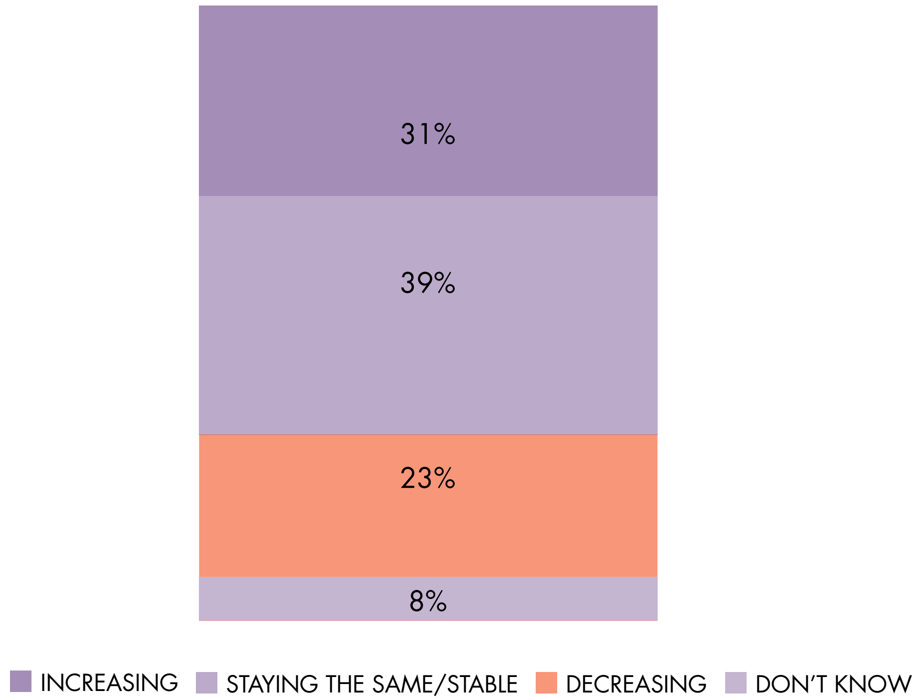
Results under 2% not shown. Other: 9%, DK/NS: 10%

Q10d. Which countries are the primary international markets for your company? Base: Sell internationally (n=183)

Sales and Market Share: Market Share of Company

- Despite the fact that a considerable number of firms indicate that they are experiencing a decrease in sales, only about one-in-five (23%) believe that the market share for their products is decreasing.
- The majority (70%) of firms indicate that there market share is stable (39%) or increasing (31%).

MARKET SHARE OF COMPANY



Q8a. Is the market share of the company's key product(s) increasing, decreasing or staying the same? Base: All respondents (n=301) Q8b. Why would you say your sales are [response from Q8a]? Base: Sales increasing (n=92*) Base: Sales decreasing (n=68*) *Small base size

Sales and Market Share: Market Share of Company

- Firms that sell their products internationally, have increasing sales, conduct more than 1 million worth of sales, work in the electronics or transportation sectors, and have added jobs recently are the most likely to be increasing their market share.

- While, those firms that most often conduct their business locally, have decreasing or stable sales, and have not added any jobs recently are the most likely to be decreasing their market share.

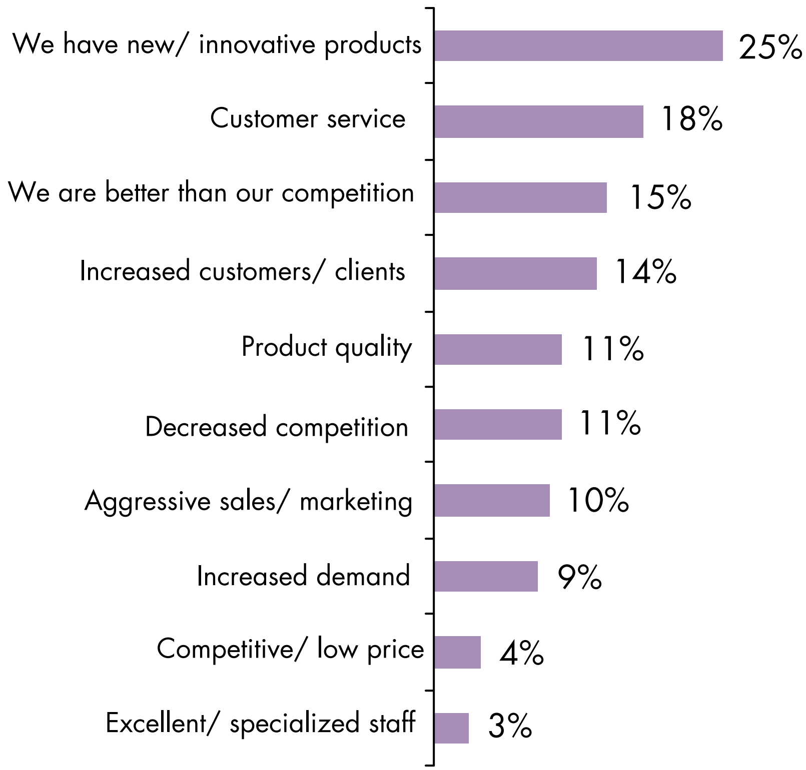
MARKET SHARE OF COMPANY'S KEY PRODUCTS

				Increasing	Staying the same	Decreasing	(Dk/Ns)
Market	Local	E	(n=82*)	24%	34%	32% H	10%
	Regional	F	(n=79*)	25%	42%	25%	8%
	National	G	(n=86*)	37%	40%	19%	5%
	International	H	(n=107)	38% E	36%	18%	8%
Sales	Increasing	I	(n=80*)	71% JK	19%	3%	8%
	Decreasing	J	(n=132)	11%	40% I	42% IK	7%
	Staying the same/ stable	K	(n=85*)	22% J	58% IJ	13% I	7%
Employment Needs	Increase	T	(n=89*)	55% UV	31%	7%	7%
	Decrease	U	(n=35*)	9%	34%	49% TV	9%
	Remain stable	V	(n=159)	25% U	45% T	24% T	7%
Sales	Under 1 Million	I	(n=110)	17%	45%	25%	12% J
	1 - 5 Million	J	(n=111)	36% I	36%	25%	3%
	5+ Million	K	(n=67*)	43% I	37%	15%	4%
Quota Group	Food - Textiles	W	(n=30*)	40%	37%	20%	3%
	Material	X	(n=128)	29%	38%	22%	11%
	Machinery	Y	(n=94*)	22%	41%	29%	7%
	Electronic/ Transportation	Z	(n=30*)	50% XY	33%	13%	3%
	Science	a	(n=19**)	37%	47%	16%	-
Jobs Added	Yes	W	(n=119)	47% X	34%	8%	10%
	No	X	(n=159)	17%	43%	34% W	6%

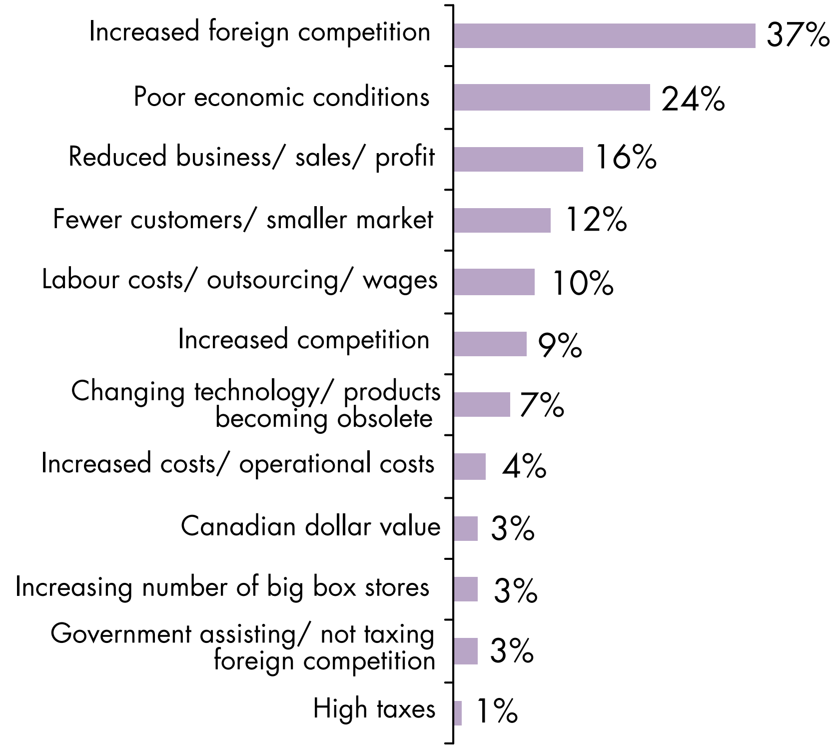
Q8a. Is the market share of the company's key product(s) increasing, decreasing or staying the same? Base: All respondents (n=301) *Small base size **Base size ineligible for sig testing

- Among those firms that indicate their market share is increasing, having innovative products, good customer service, and simply being better than their competition are cited as reasons behind the increase.
- Increasing foreign competition and poor economic conditions are most often cited as the causes for a decrease in market share.

REASON WHY MARKET SHARE IS INCREASING



REASON WHY MARKET SHARE IS DECREASING

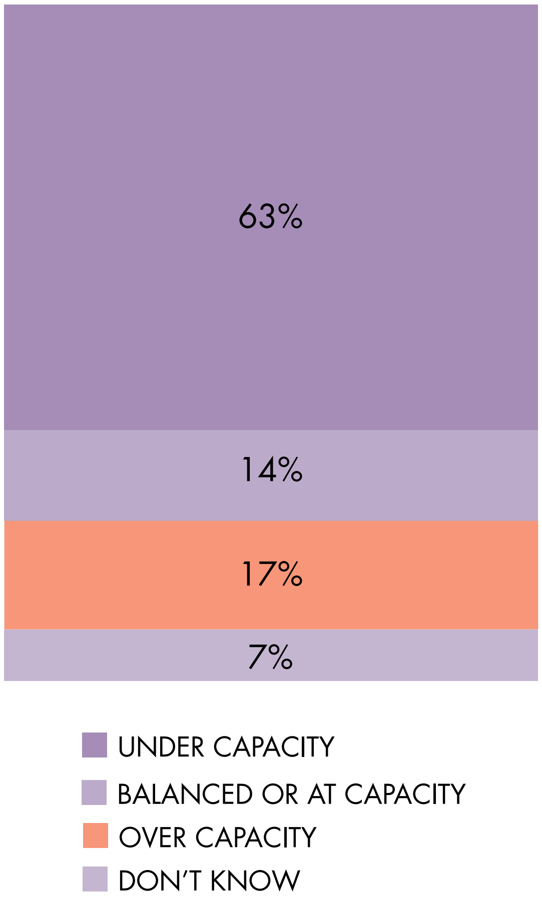


Q8a. Is the market share of the company's key product(s) increasing, decreasing or staying the same? Base: All respondents (n=301) Q8b. Why would you say your sales are [response from Q8a]? Base: Sales increasing (n=92*) Base: Sales decreasing (n=68*) *Small base size

• The majority (63%) of respondents indicate that production capacity is under capacity in their industry. A key indication that many firms may be looking for more work.

• Firm that employ 50 or more individuals, conduct work in the material sector, and have increasing sales are the most likely to mention their industry is overcapacity.

PRODUCTION CAPACITY

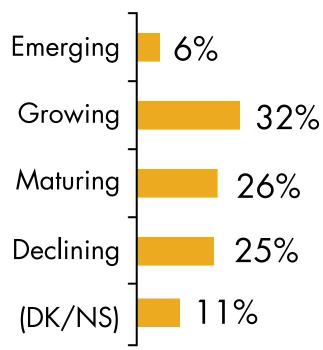


Q16. In your industry, is production under capacity, at capacity or over capacity? Base: All respondents (n=301)

Products and Innovation: Product Life Cycle

- One-quarter (25%) of firms are producing a primary product that is somewhat dated as it is in 'decline'. While, about one third indicate that their primary product is growing (32%). Only 6% mention that their primary product is emerging, indicating some possible difficulties bring new products into market.
- Those firms that indicate that their primary products are in decline are also the most likely to be experiencing decreasing sales, have lost jobs recently, and primarily conduct sales regionally.

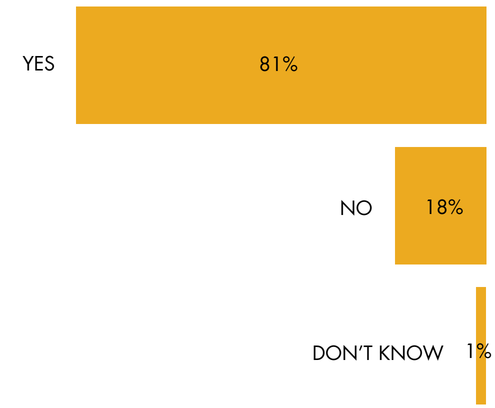
WHERE IS THE COMPANY'S PRIMARY PRODUCT IN ITS LIFE CYCLE?



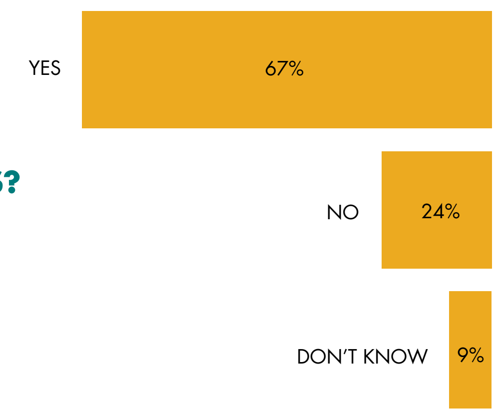
New Products

- The vast majority (81%) of respondents indicate that they have introduced new products and/or capabilities in the last five years While two-thirds (67%) indicate that they also plan to introduce new products or services over the next 2 years.

HAS THE COMPANY INTRODUCED NEW PRODUCTS, SERVICES OR CAPABILITIES IN THE LAST FIVE YEARS?



ARE ANY NEW PRODUCTS OR SERVICES ANTICIPATED IN THE NEXT TWO YEARS?



Q2. Where is the company's primary product in its life cycle? Base: All respondents (n=301) Q3. Has the company introduced new products, services or capabilities in the last five years? Q4. Are any new products or services anticipated in the next two years? Base: All respondents (n=301)

Products and Innovation: New Products

- The more firms spend on research and development, the more likely they are to introduce new products (94% of firms who spent more than 6% of sales on R&D). Also, those firms with more sales (5+ million), more employees, and have national or international markets are also more likely to have introduced a new product.

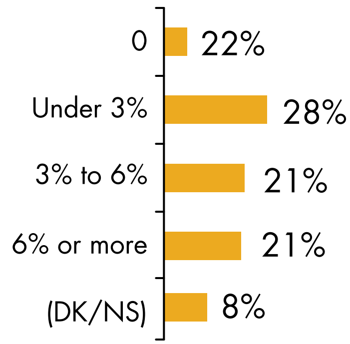
					Has the company introduced new products, services or capabilities in the last five years?			Are any new products or services anticipated in the next two years?		
					Yes	No	(Dk/Ns)	Yes	No	(Dk/Ns)
	R&D	0%	A	(n=67*)	55%	43% BCD	1%	30%	58% BCD	12%
		Under 3%	B	(n=83*)	84% A	16%	-	66% A	23% C	11%
		3% to 6%	C	(n=64*)	89% A	11%	-	86% AB	6%	8%
		6% or more	D	(n=62*)	94% A	6%	-	85% AB	11%	3%
	Market	Local	E	(n=82*)	70%	30% GH	-	55%	32% H	13% H
		Regional	F	(n=79*)	78%	20%	1%	63%	24%	13%
		National	G	(n=86*)	86% E	12%	2%	71% E	20%	9%
		International	H	(n=107)	89% E	10%	1%	78% EF	18%	5%
	Int. Outsourcing	Increasing	L	(n=43*)	95%	5%	-	88% N	7%	5%
		Decreasing	M	(n=17**)	82%	18%	-	59%	35%	6%
		Staying the same/ stable	N	(n=73*)	92%	5%	3%	70%	18%	12%
	Gov Funding	Yes	O	(n=67*)	99% P	1%	-	91% P	7%	1%
		No	P	(n=224)	76%	24% O	0%	58%	30% O	12% O
	Employment Needs	Increase	T	(n=89*)	94% UV	6%	-	88% UV	9%	3%
		Decrease	U	(n=35*)	69%	31% T	-	49%	37% T	14% T
		Remain stable	V	(n=159)	79%	20% T	1%	62%	28% T	10%
	Training	Yes	W	(n=192)	89% X	10%	1%	76% X	17%	7%
		No	X	(n=95*)	64%	35% W	1%	48%	40% W	12%
Spend on R&D	New Product Development	Yes	M	(n=164)	92% N	8%	-	84% N	10%	6%
		No	N	(n=86*)	57%	42% M	1%	34%	55% M	12%
	Product Improvement	Yes	O	(n=141)	88% P	12%	-	81% P	11%	8%
		No	P	(n=110)	70%	29% O	1%	48%	44% O	8%
	Production Improvement	Yes	Q	(n=122)	89% R	11%	-	79% R	15%	7%
		No	R	(n=129)	71%	28% Q	1%	55%	36% Q	9%
	Employees	1	S	(n=9**)	33%	67%	-	33%	44%	22%
		2-10	T	(n=132)	78%	22% V	-	55%	30% V	14% U
		11-49	U	(n=92*)	85%	15%	-	77% T	21%	2%
		50+	V	(n=46*)	93% T	4%	2%	80% T	13%	7%

Q3. Has the company introduced new products, services or capabilities in the last five years? Q4. Are any new products or services anticipated in the next two years? Base: All respondents (n=301)
*Small base size. **Base size ineligible for sig testing

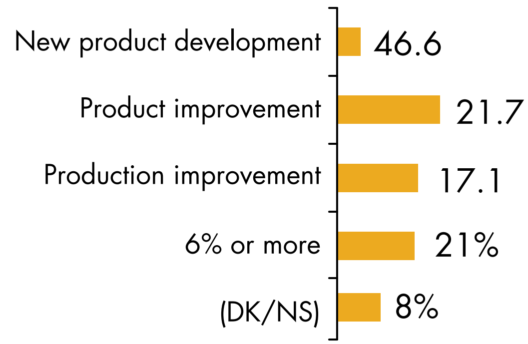
• Only one-in-five (22%) firms do not spend a percentage of their sales on research and development. The same proportion of firms spend 6% or more of their sales on R & D.

• On average, firms spend more on new product development (mean 46.6%), compared to product improvement (21.7%) or production improvement (17.1%).

% OF SALES SPENT ON RESEARCH AND DEVELOPMENT



AMOUNT SPENT ON...(MEAN INCLUDING ZERO)



Q5a. As a percentage of sales, how much (if any) does your company approximately spend on research and development? Base: All respondents (n=301) Q5b. As a percentage, approximately how is the research and development budget divided among the following? Base: Money spent on R&D (n=209)

- Those firms that have local or regional markets, have not applied for government funding, have decreasing employee needs, do not invest in employee training, have sales under 1 million, and have fewer than 11 employees are the least likely to invested in research and development.
- The more firms invest in research and development, the more likely they are to have increasing sales as three-in-ten (29%) firms that are currently experiencing an increase in sales have invested 6% or more of their total sales in research and development.

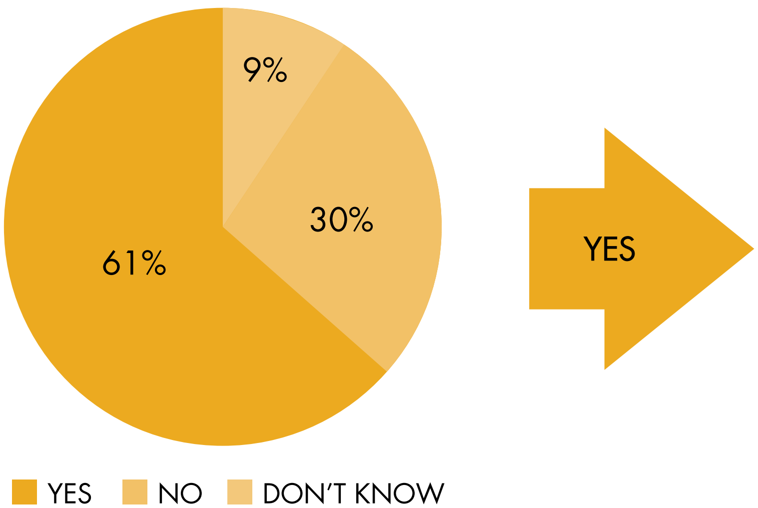
% OF SALES SPENT ON RESEARCH AND DEVELOPMENT

				0	Under 3%	3% to 6%	6% or more	(Dk/Ns)
Market	Local	E	(n=82*)	32% GH	22%	23%	15%	9%
	Regional	F	(n=79*)	28% H	29%	16%	16%	10%
	National	G	(n=86*)	16%	31%	24%	19%	9%
	International	H	(n=107)	7%	21%	30% F	35% EFG	7%
Sales	Increasing	I	(n=80*)	19%	28%	19%	29% K	6%
	Decreasing	J	(n=132)	24%	29%	19%	20%	8%
	Staying the same/ stable	K	(n=85*)	24%	26%	28%	14%	8%
Gov Funding	Yes	O	(n=67*)	1%	19%	31% P	40% P	7%
	No	P	(n=224)	29% O	31%	19%	15%	6%
Employment Needs	Increase	T	(n=89*)	7%	30%	26%	31% V	6%
	Decrease	U	(n=35*)	31% T	31%	11%	17%	9%
	Remain stable	V	(n=159)	28% T	27%	22%	16%	8%
Training	Yes	W	(n=192)	14%	31%	23%	23%	9%
	No	X	(n=95*)	42% W	21%	18%	16%	3%
Sales	Under 1 Million	I	(n=111)	42% J	27%	11%	14%	6%
	1 - 5 Million	J	(n=110)	12%	23%	29% I	31% I	5%
	5 - 10 Million	K	(n=67*)	9%	33%	25% I	18%	15%
Employees	1	S	(n=9**)	67%	22%	11%	-	-
	2-10	T	(n=132)	33% UV	26%	13%	20%	8%
	11-49	U	(n=92*)	11%	27%	29% T	26%	7%
	50+	V	(n=46*)	7%	41% T	26% T	13%	13%

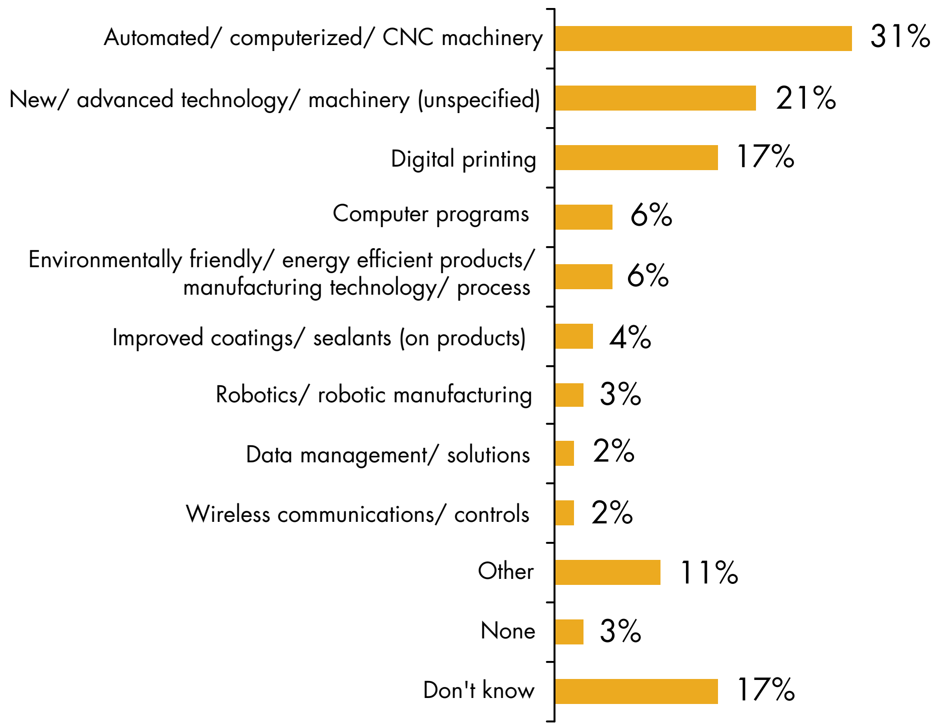
Q5a. As a percentage of sales, how much (if any) does your company approximately spend on research and development? Base: All respondents (n=301)
*Small base size **Base size ineligible for sig testing

- Among those firms that are aware of a new and emerging technology that will substantially change their firm's primary product (30%), automated CNC machinery (31%) and digital printing (17%) are often citied as specific examples.

WILL NEW TECHNOLOGY SUBSTANTIALLY CHANGE YOUR COMPANY'S PRIMARY PRODUCT?



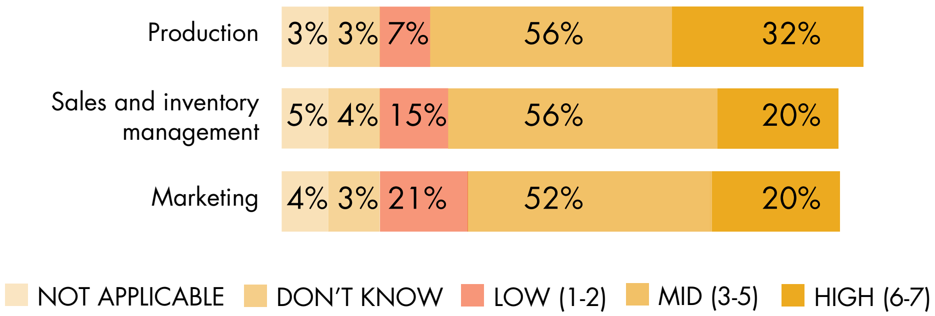
COULD YOU DESCRIBE THIS TECHNOLOGY?



Q36a. Is there new technology emerging that will substantially change your company's primary product or how it is produced? Base: All respondents (n=301) Q36b. Could you describe this new technology? Base: New technology that will change company's primary product (n=90*) *Small base size

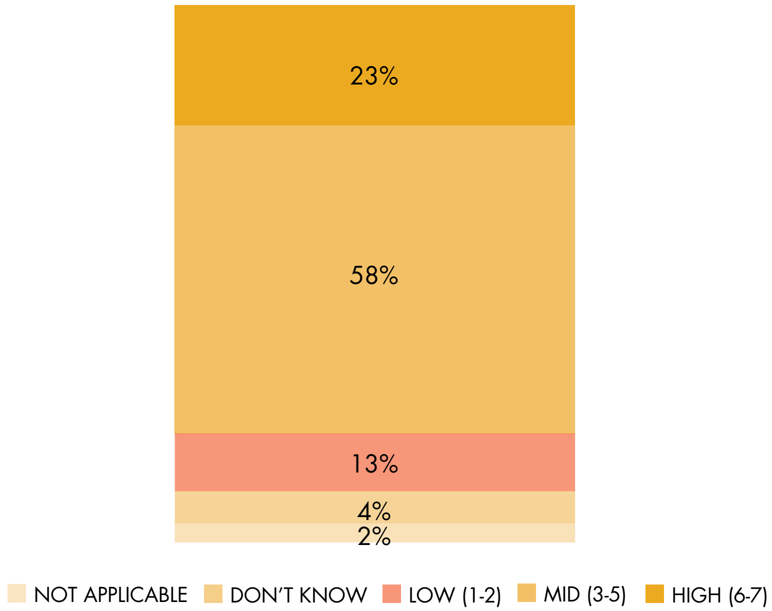
- On average, firms rank their use of technology higher for internal office and production purposes, compared to sales, inventory management, and marketing.
- Firms that conduct work in the manufacturing sector are the most likely to rate their use of technology in marketing, sales and inventory management, and production as 'low'.

HOW WOULD YOU RANK YOUR COMPANY'S USE OF TECHNOLOGY COMPARED TO YOUR BUSINESS SEGMENT AND COMPETITION?



- Only about one-in-ten (13%) believe they have invested less than their competition in technology.

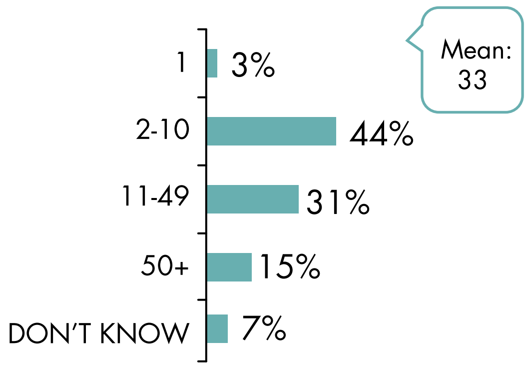
COMPANY'S INVESTMENT IN TECHNOLOGY COMPARED TO BUSINESS SEGMENT



Q37. Using a scale of 1 to 7 where 1 is very low and 7 is very high how would you rank your company's use of technology compared to your business segment and competition? Q38. Compared to your business segment how do you rate your company's technology investment using a scale of 1 to 7 where 1 is very low and 7 is very high? Base: All respondents (n=301)

Employment: Number of Employees

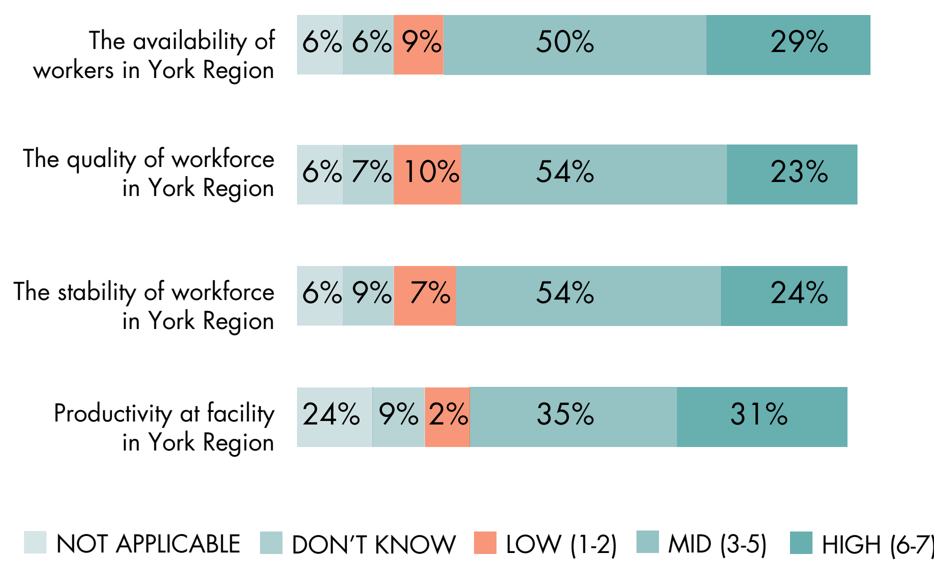
- Almost half (47%) of firms have 10 or less employees.
- On average, firms have 33 employees.



Rating the Workforce

- Few respondents rate the availability (9%), quality (10%), or stability (7%) of workers in York Region low (1 or 2 on a 7-point scale).
- In fact, about three-in-ten (29%) rate the availability of workers in the Region as high (6 or 7 on a 7-point scale).
- Two-thirds of respondent provid a neutral (35%) or positive (31%) rating of the productivity at their facility located in York Region.

WORKFORCE IN THE YORK REGION

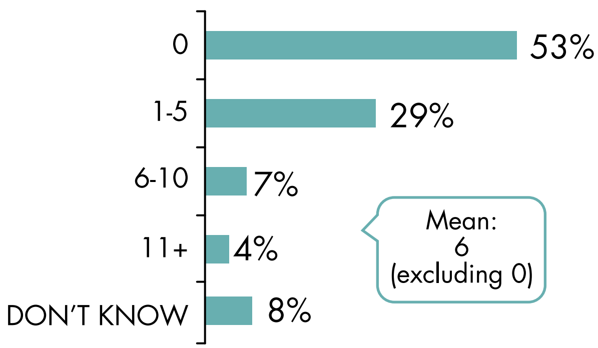


A7. Approximately how many employees do you employ at your company? If you have multiple locations please think about your current location in York Region. Base: All respondents (n=301)
Q27. The availability of workers in York Region Q28. The quality of the workforce in York Region Q29. The stability of the workforce in York Region Q30. Compared to other company facility, how would you rate the productivity in the facility located in York Region? Base: All respondents (n=301)

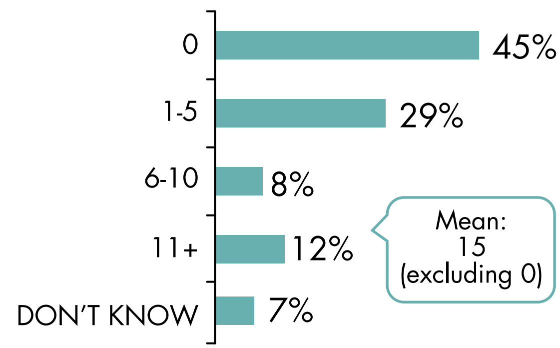
Employment: Jobs Added and Lost Over the Last 3 Years

- More firms indicate that they have lost jobs over the past 3 years than have added jobs (48% vs. 39%).
- On average, those firms that have increased their workforce over the past year have added 6 jobs, while those that have contracted their workforce have lost 15 jobs.

HOW MANY, IF ANY, JOBS HAVE BEEN ADDED IN THE LAST THREE YEARS?



HOW MANY, IF ANY, JOBS HAVE BEEN LOST IN THE LAST THREE YEARS?

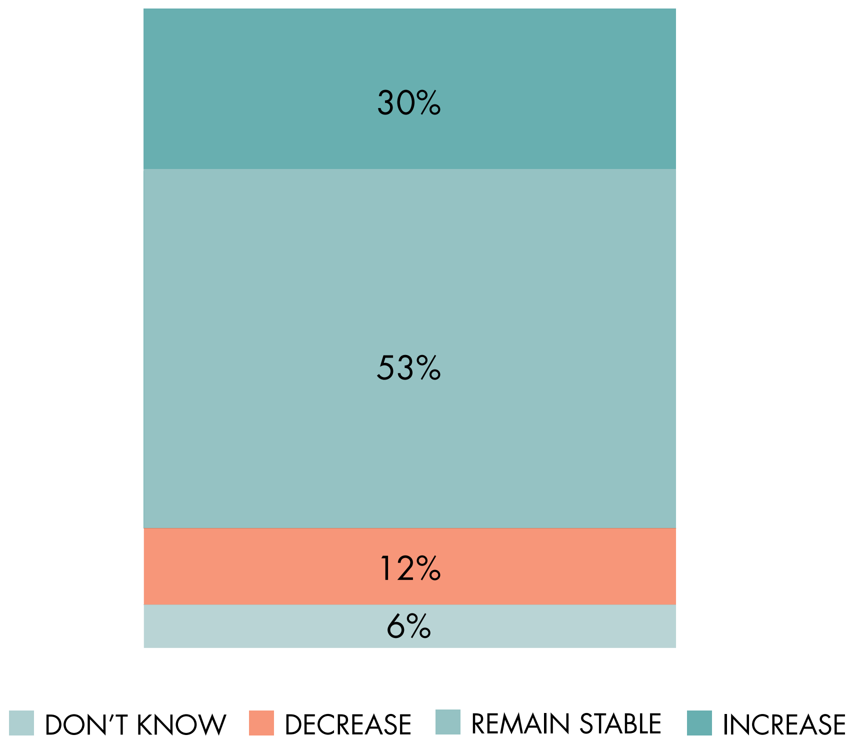


A8a. Approximately how many, if any, jobs have been added in the past 3 years? A8b. Approximately how many, if any, jobs have been lost in the past 3 years? Base: All respondents (n=301)

Employment: Projected Employment Needs

- More firms have a positive employment outlook than a negative one as three-in-ten (30%) firms project their employment needs to increase, while only 12% expect their needs to decrease.
- About half (53%) expect their employment needs to remain stable.

PROJECTED EMPLOYMENT NEEDS



Q20. Are the projected employment needs for your company's facility expected to increase, decrease or remain stable? Base: All respondents (n=301)

- Those firms that are experiencing a decrease in sales, conduct 5 or more million dollars worth of sales annually, have not added jobs, and have already lost some jobs are the most likely to expect a decrease in their employment needs.

- Firms that have a more positive employment outlook are more likely to have invested in R&D (more so for those firms that have invested more than 6% of sales), are experiencing an increase in sales, have invested in employment training, conduct sales of more than 1 million dollars, and have already added jobs.

ARE THE PROJECTED EMPLOYMENT NEEDS FOR YOUR COMPANY'S FACILITY EXPECTED TO...

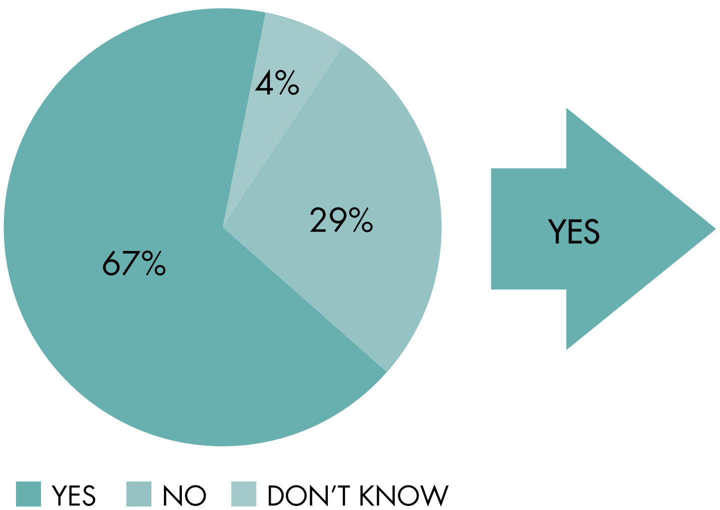
				Increase	Remain stable	Decrease	(Dk/Ns)
R&D	0%	A	(n=67*)	9%	66% D	16%	9%
	Under 3%	B	(n=83*)	33% A	52%	13%	2%
	3% to 6%	C	(n=64*)	36% A	55%	6%	3%
	6% or more	D	(n=62*)	45% A	40%	10%	5%
Market	Local	E	(n=82*)	17%	56%	15%	12% GH
	Regional	F	(n=79*)	30% E	52%	10%	8% G
	National	G	(n=86*)	38% E	50%	10%	1%
	International	H	(n=107)	38% E	50%	9%	3%
Sales	Increasing	I	(n=80*)	64% JK	34%	3%	-
	Decreasing	J	(n=132)	12%	57% I	23% IK	8% I
	Staying the same/ stable	K	(n=85*)	26% J	65% I	4%	6% I
Int. Outsourcing	Increasing	L	(n=43*)	44%	44%	9%	2%
	Decreasing	M	(n=17**)	41%	35%	18%	6%
	Staying the same/ stable	N	(n=73*)	37%	48%	11%	4%
Training	Yes	W	(n=192)	35% X	48%	13%	3%
	No	X	(n=95*)	19%	61% W	9%	11% W
Sales	Under 1 Million	I	(n=110)	20%	61% K	12%	7%
	1 - 5 Million	J	(n=111)	34% I	55%	7%	4%
	5+ Million	K	(n=67*)	36% I	42%	18% J	4%
Employees	1	S	(n=9**)	11%	67%	11%	11%
	2-10	T	(n=132)	23%	58% V	11%	8%
	11-49	U	(n=92*)	36% T	50%	11%	3%
	50+	V	(n=46*)	37%	39%	20%	4%
Jobs Added	Yes	W	(n=119)	48% X	46%	3%	3%
	No	X	(n=159)	14%	59% W	19% W	7%
Jobs Lost	Yes	Y	(n=146)	24%	52%	19% Z	5%
	No	Z	(n=135)	36% Y	54%	5%	5%

Q20. Are the projected employment needs for your company's facility expected to increase, decrease or remain stable? Base: All respondents (n=301) *Small base size
**Base size ineligible for sig testing

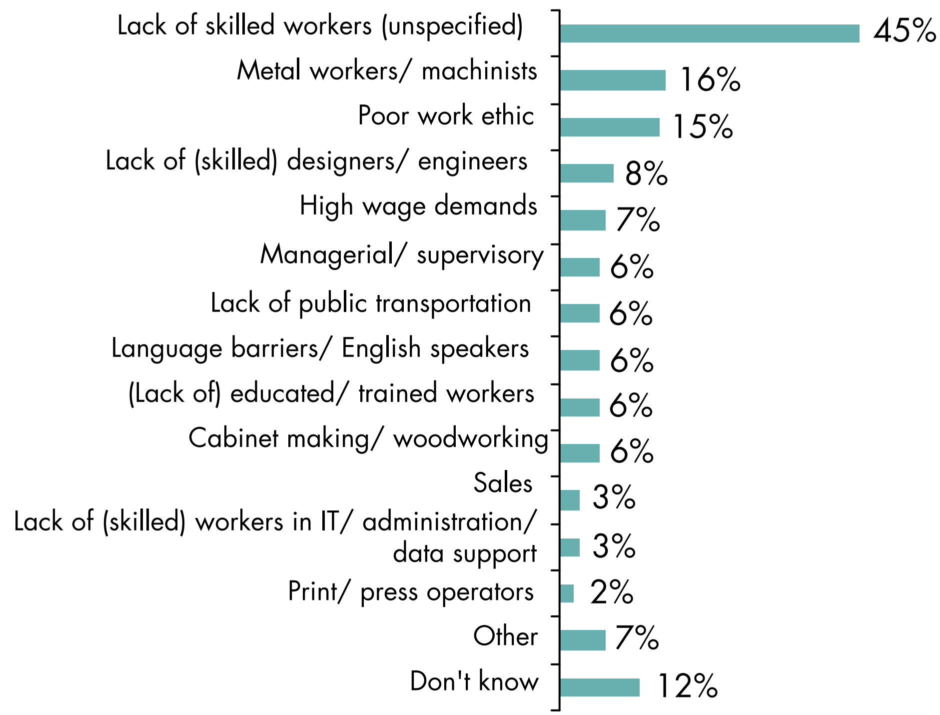
- Three-in-ten (29%) respondents indicate that they are currently experiencing recruitment problems.

- Almost half (45%) of these firms highlight problems associated with recruiting skilled labour, others mention specific problems in recruiting metal workers or machinists (16%) or issues associated with poor work ethic (15%).

IS THE COMPANY EXPERIENCING ANY RECRUITMENT PROBLEMS?



WHAT ARE SOME OF THESE PROBLEMS?

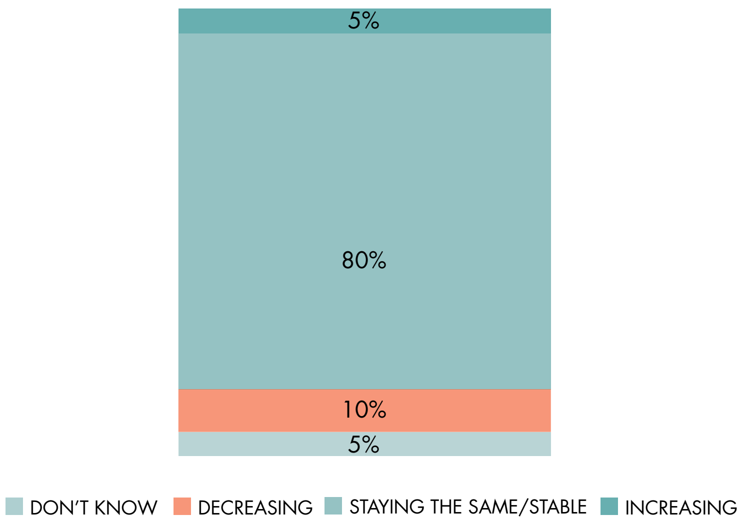


Q31a. Is the company experiencing any recruitment problems with any employee positions or skills? Base: All respondents (n=301) Q31b. What are some of these problems, positions, or skills? Base: Recruitment problems (n=86*) *Small base size

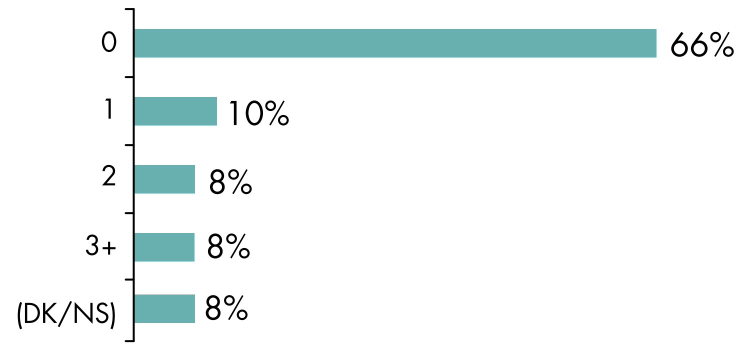
Employment: Unfilled Positions

- Most (66%) indicate that they currently do not have any unfilled positions at their firm and that the number of unfilled positions is stable (80%).
- Among those that do, the number of positions is relatively small and many expect to fill these positions in less than one year.

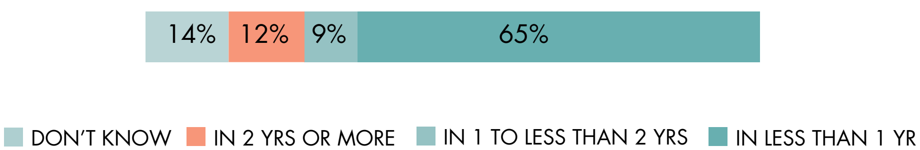
IS THE NUMBER OF UNFILLED POSITIONS AT COMPANY...



NUMBER OF UNFILLED POSITIONS AT COMPANY



WHEN DO YOU EXPECT THESE POSITIONS TO BE FILLED?

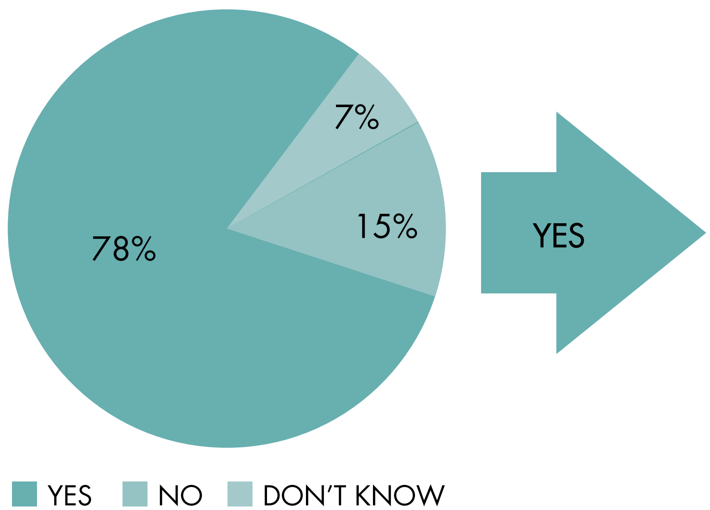


Q32a. Is the number of unfilled positions at your company increasing, decreasing or stable? Q32b. What is the estimated number of unfilled positions at your company today? If you do not have any then please indicate this. Base: All respondents (n=301) Q32c. Approximately when do you expect to fill these unfilled positions? Base: Unfilled positions at company (n=78*) *Small base size

Employment: Anticipated Changes to Workforce

- Only 15% of respondents have experienced or anticipate any significant changes in their workforce.
- Among those that have or anticipate any changes, hiring new employees (22%), laying off employees (13%), or initiating a work share or outsourcing program (9%) are most often mentioned.

HAVE YOU EXPERIENCED OR DO YOU ANTICIPATE ANY SIGNIFICANT CHANGES IN THE MAKE-UP OF YOUR WORKFORCE?

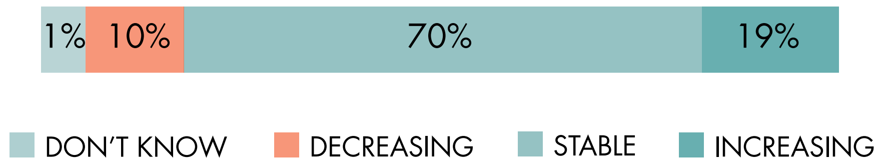


HOW DO YOU PLAN TO DEAL WITH THESE CHANGES?

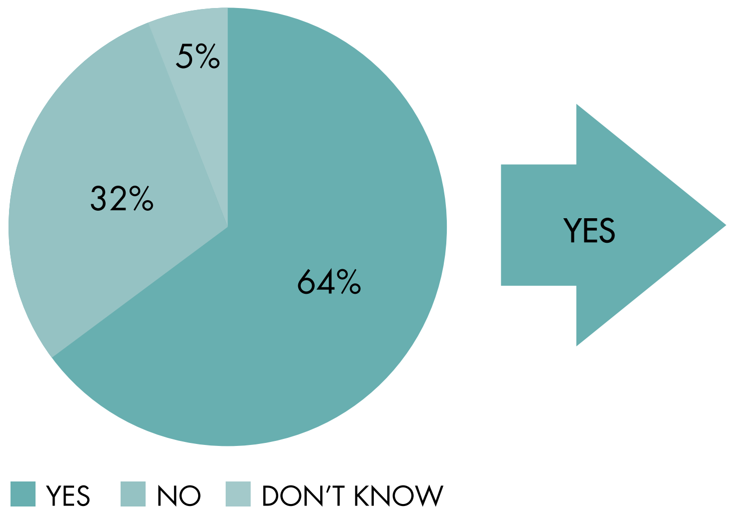
Q33a. Have you experienced or do you anticipate any significant changes in the make-up of your workforce? Base: All respondents (n=301) Q33b. How do you plan to deal with these changes in your workforce? Base: Anticipate significant changes in make-up of workforce (n=46*) *Small base size

- Two-thirds (64%) of firms currently invest in some form of employee training, while 19% of these firms have increased the amount they spend on this training.
- On average, more firms are investing in new job/skills training, compared to proficiency training, or remedial skills training.

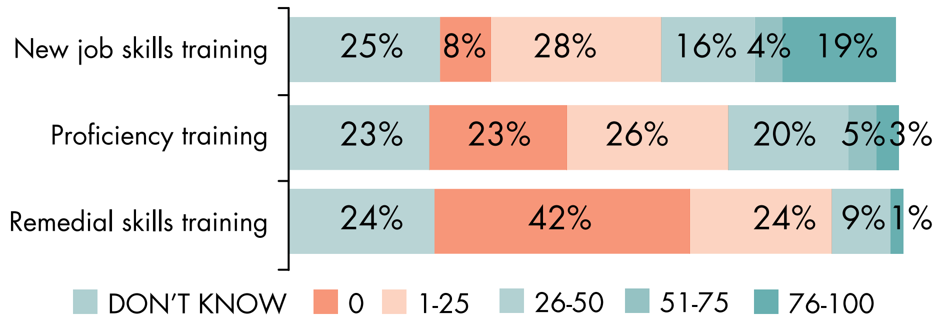
IS INVESTMENT IN EMPLOYEE TRAINING...



DOES YOUR COMPANY INVEST IN EMPLOYEE TRAINING?



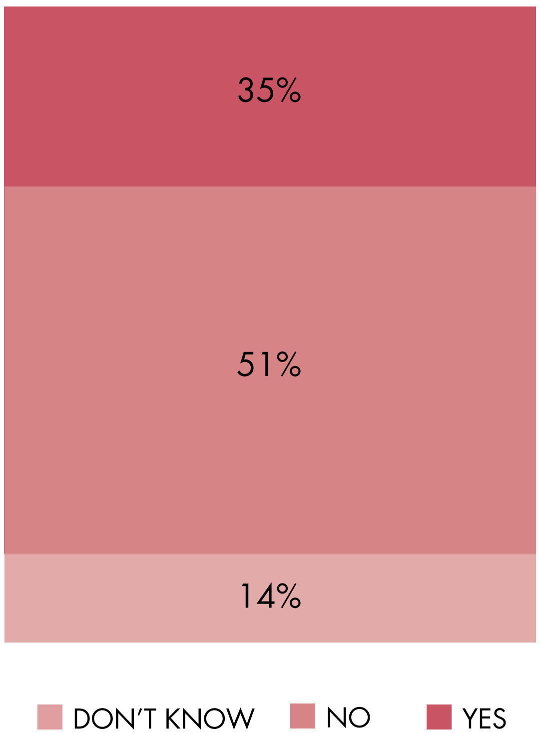
WHAT % OF THE TRAINING BUDGET IS FOR...



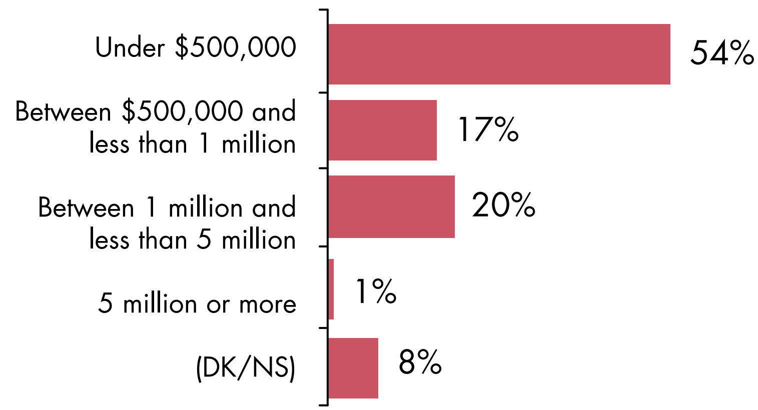
Q35a. Does your company invest in employee training? Base: All respondents (n=301) Q35b. Is company investment in employee training increasing, decreasing, or stable?
Q35c. What percentage of the training budget is for… Base: Invests in employee training (n=192)

- The future outlook for many firms is positive as about one-third (35%) indicate that they plan to expand over the next three years.
- About half (54%) of those firms that anticipate an expansion, plan to spend half a million dollars or less.

DOES YOUR COMPANY PLAN TO EXPAND OVER THE NEXT THREE YEARS?



HOW MUCH DO YOU PLAN TO INVEST IN THE EXPANSION?



Q9a. Does your company plan to expand in the next three years? Base: All respondents (n=301) Q9b. How much do you expect to invest in this expansion? Do you plan to invest… Base: Company plans to expand in the next three years (n=105)

- Those firms that currently invest a percentage of their sales in R&D (particularly among those who invest 6% of sales or more), sell their products internationally, have applied for government funding, are experiencing increasing employee needs, have sales between 1 and 5 million, and have added jobs recently are the most likely to expand within the next 5 years.

DOES YOUR COMPANY PLAN TO EXPAND IN THE NEXT THREE YEARS?

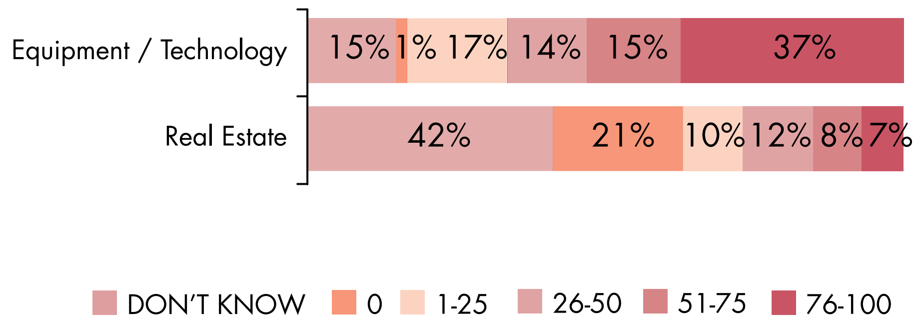
				Yes	No	(Dk/Ns)
R&D	0%	A	(n=67*)	9%	79% BCD	12%
	Under 3%	B	(n=83*)	41% A	48%	11%
	3% to 6%	C	(n=64*)	42% A	50%	8%
	6% or more	D	(n=62*)	52% A	34%	15%
Market	Local	E	(n=82*)	27%	56%	17%
	Regional	F	(n=79*)	35%	44%	20%
	National	G	(n=86*)	41%	49%	10%
	International	H	(n=107)	45% E	43%	12%
Sales	Increasing	I	(n=80*)	55% JK	31%	14%
	Decreasing	J	(n=132)	26%	63% I	11%
	Staying the same/ stable	K	(n=85*)	31%	53% I	16%
Int. Outsourcing	Increasing	L	(n=43*)	47%	47%	7%
	Decreasing	M	(n=17**)	29%	47%	24%
	Staying the same/ stable	N	(n=73*)	45%	38%	16%
Gov Funding	Yes	O	(n=67*)	48% P	45%	7%
	No	P	(n=224)	32%	54%	15%
Employment Needs	Increase	T	(n=89*)	71% UV	21%	8%
	Decrease	U	(n=35*)	6%	74% T	20%
	Remain stable	V	(n=159)	23% U	65% T	11%
Training	Yes	W	(n=192)	41% X	46%	14%
	No	X	(n=95*)	22%	63% W	15%
Sales	Under 1 Million	I	(n=110)	26%	60% J	14%
	1 - 5 Million	J	(n=111)	41% I	46%	13%
	5+ Million	K	(n=67*)	39%	48%	13%
Jobs Added	Yes	W	(n=119)	51% X	37%	12%
	No	X	(n=159)	23%	64% W	14%

Q9a. Does your company plan to expand in the next three years? Base: All respondents (n=301) *Small base size **Base size ineligible for sig testing

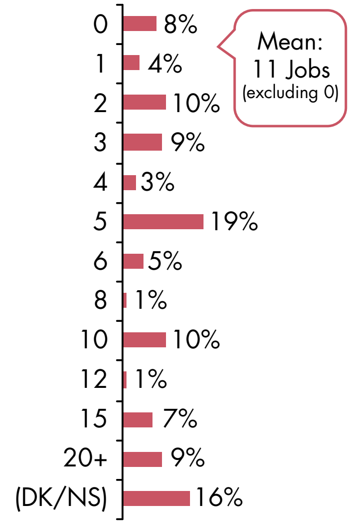
Expansion and Growth: Investment in Future Expansion

- About one-third (37%) of firms that are planning a future expansion expect to spend the vast majority of their capital on new equipment and technology.
- While, on average, firms expect to add about 11 jobs in their future expansion.

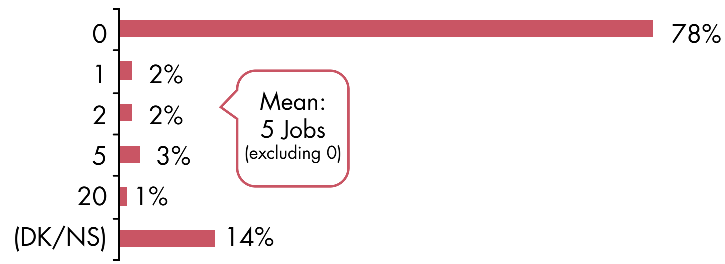
% EXPECTED TO INVEST IN...



NUMBER OF JOBS EXPECTED TO ADD AS A RESULT OF EXPANSION



NUMBER OF JOBS EXPECTED TO BE LOST AS A RESULT OF EXPANSION



Q9c. In this expansion, approximately how much in percent do you plan to invest in equipment/technology and real estate, as a percentage of the total investment? Q9d. How many, if any, jobs do you expect to add as a result of this expansion? Q9e. How many, if any, jobs do you expect to lose as a result of this expansion? Base: Company plans to expand in next three years (n=105)

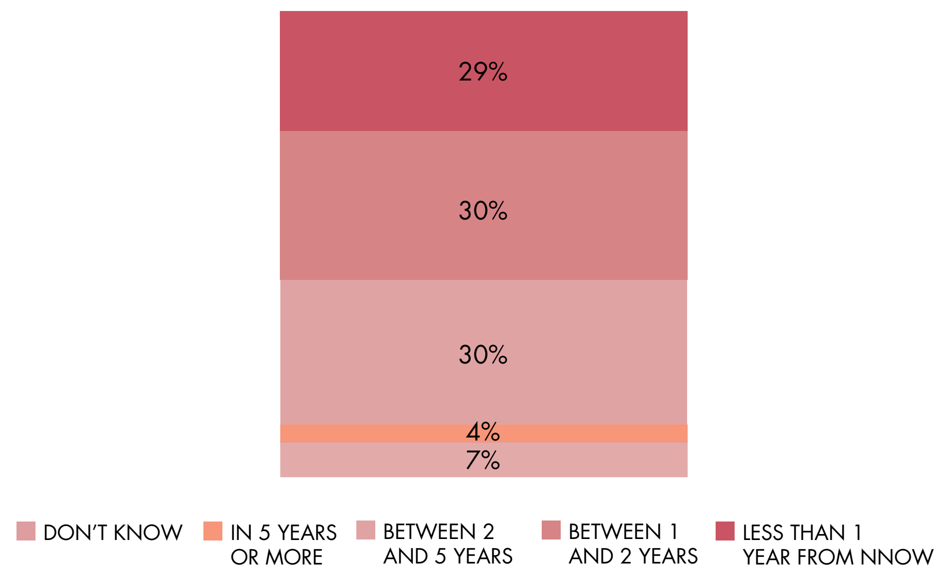
Expansion and Growth: Size and Date of Expansion

- Many (41%) firms do not expect to add any additional square feet to their facility in their future expansion.

HOW MANY SQUARE FEET DO YOU PLAN TO ADD, IF ANY?

- Almost all firms anticipate expanding within the next five years, with an equal proportion indicating they will expand less than one year from now (29%), or in one to two years (30%), or in two to five years from now (30%).

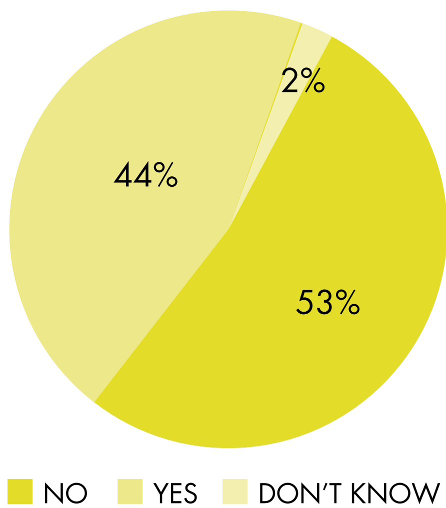
WHEN DO YOU PLAN TO EXPAND?



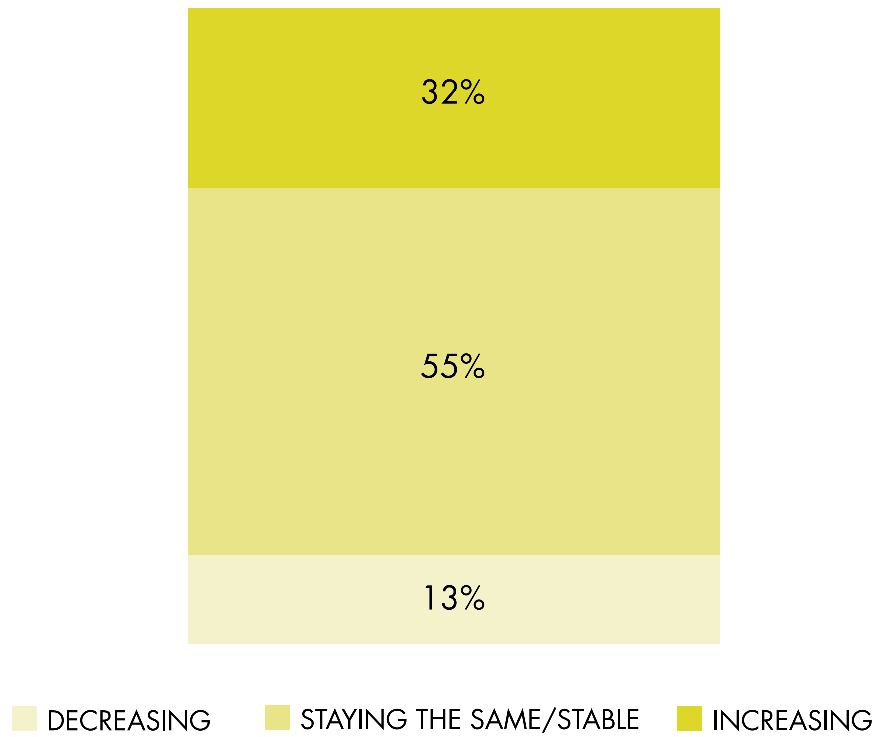
Q9f. How much, if any, additional square feet do you expect to add to your current facility? Q9g. When do you plan to expand? Base: Company plans to expand in next three years (n=105)

- About half (44%) of firms indicate that they outsource a certain percentage of their production internationally.
- Among these firms, one-third (32%) say they are outsourcing more today, while about half (55%) believe the amount of international outsourcing that they conduct is stable.

INTERNATIONAL OUTSOURCING



CHANGES IN INTERNATIONAL OUTSOURCING



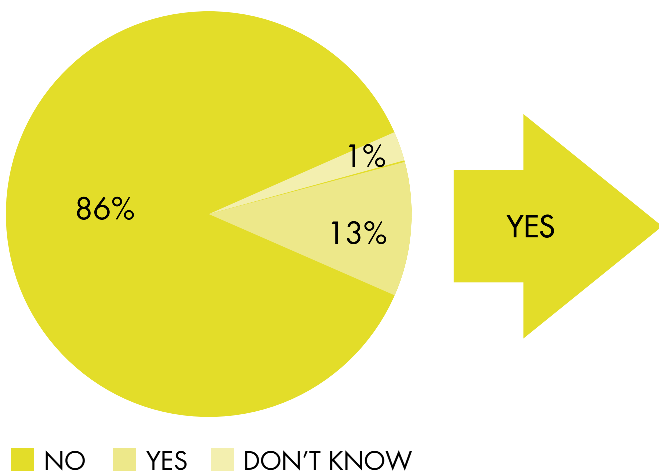
Q11. Is the percentage of international outsourcing by your company increasing, decreasing, staying the same? Base: All respondents (n=301)

Outsourcing and Parent Businesses: Facilities Outside Canada

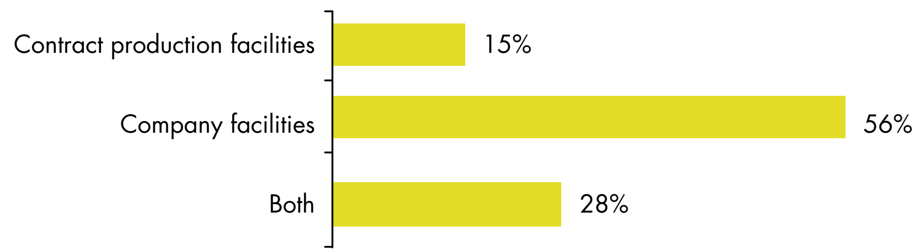
- Only about one-in-ten (13%) firms have a facility outside of Canada.

- Among those that do, half indicate that these facilities are primarily company facilities and only 15% indicate that these facilities are production oriented.

DOES YOUR COMPANY HAVE FACILITIES OUTSIDE OF CANADA?



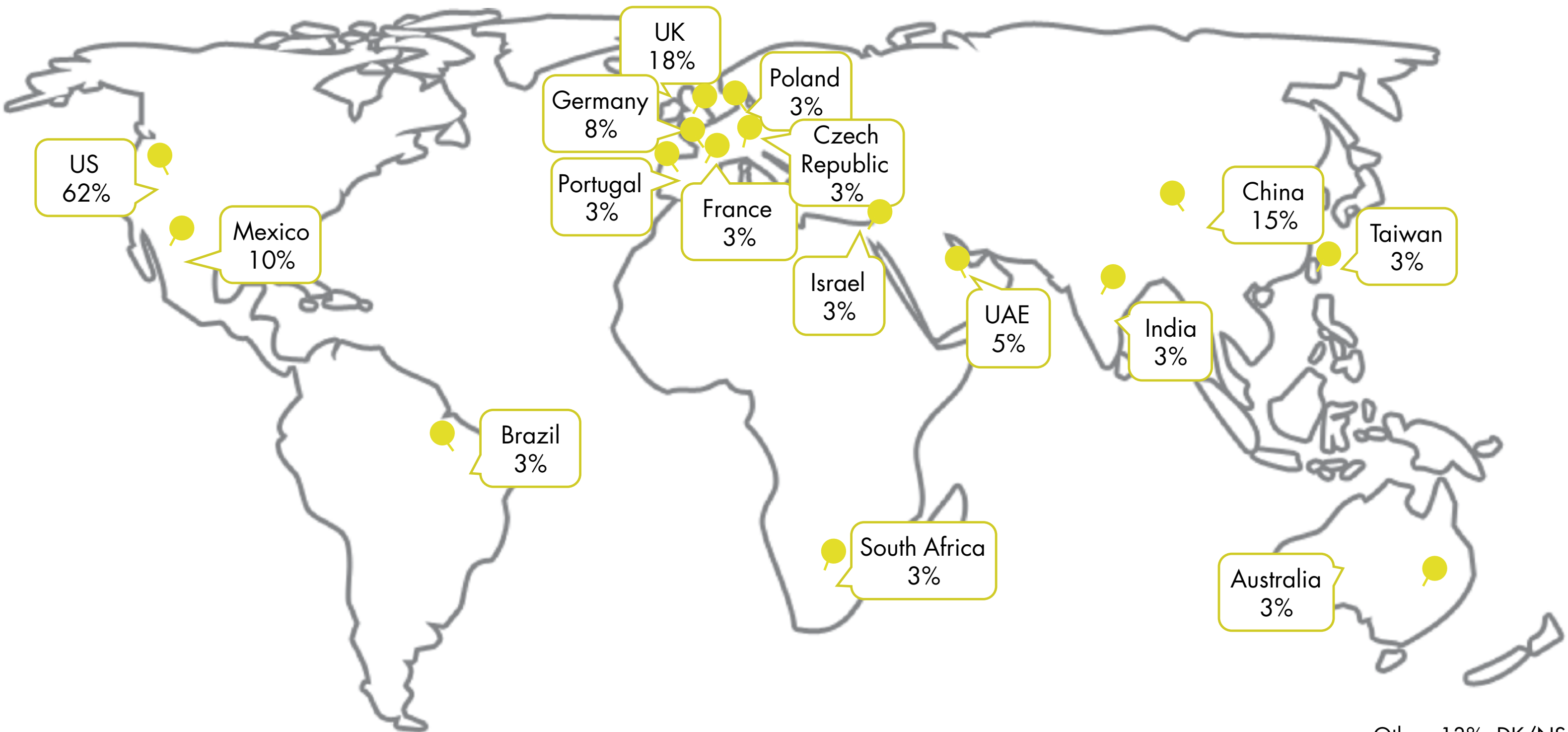
TYPE OF FACILITIES



Q12a. Does your company have any facilities outside of Canada? Base: All respondents (n=301) Q12b. Are these facilities contract production facilities, company facilities or both? Base: Facilities outside of Canada (n=39*) *Small base size

Outsourcing and Parent Businesses: Location of Facilities Outside Canada and Overseas Production by Competitors

- The majority of international facilities are located in the United States (62%), followed by the UK (18%), China (15%), and Mexico (10%).



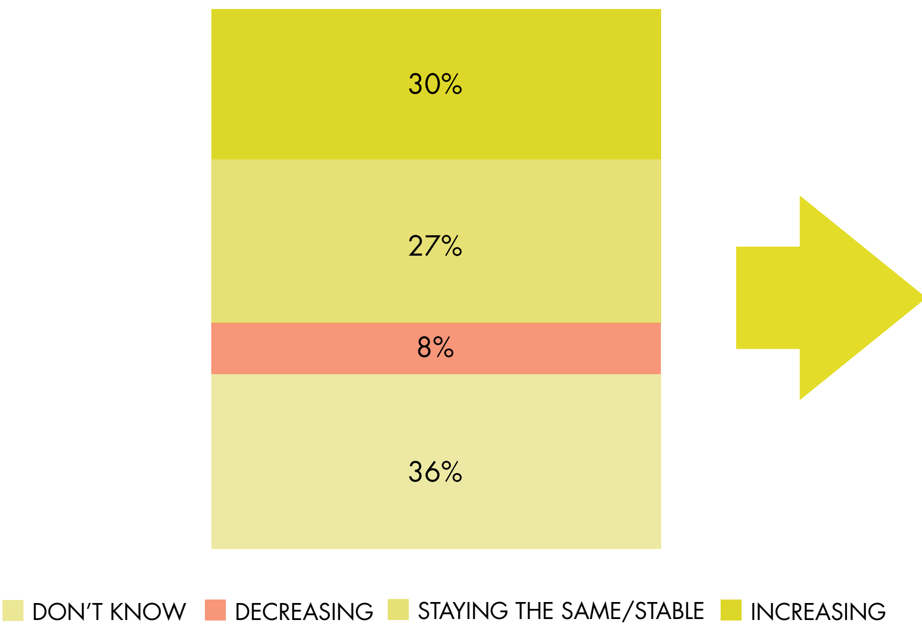
Other: 13%, DK/NS: 5%

Q12c. In which countries are these facilities located? Base: Facilities outside of Canada (n=39*) *Small base size

Outsourcing and Parent Businesses: Location of Facilities Outside Canada and Overseas Production by Competitors

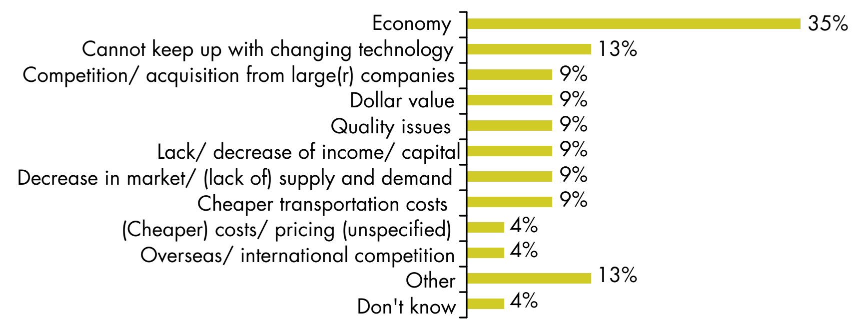
- An equal proportion of firms indicate that overseas production by their competitors is increasing or stable (30% and 27% respectively).
- Respondents who believe overseas production is increasing most often cite international competition and cheaper costs as the primary reasons, while those who believe it is decreasing are most likely to mention the current economic situation as the cause.

IS OVERSEAS PRODUCTION BY COMPETITORS...



INCREASING

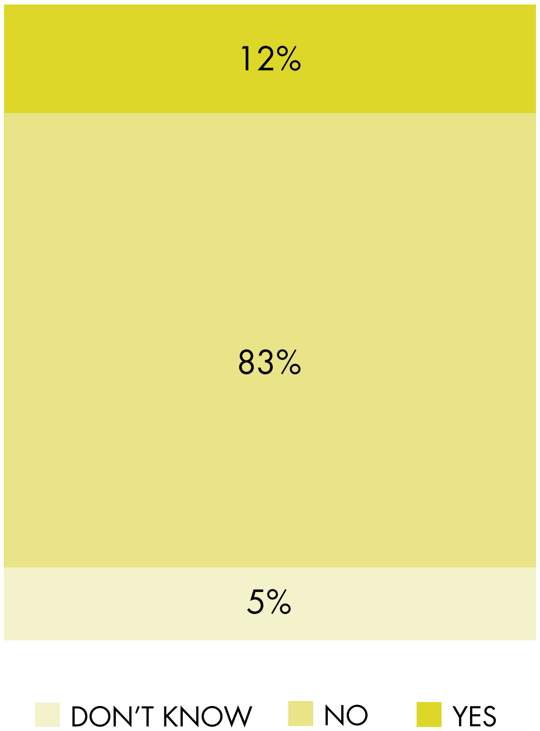
DECREASING



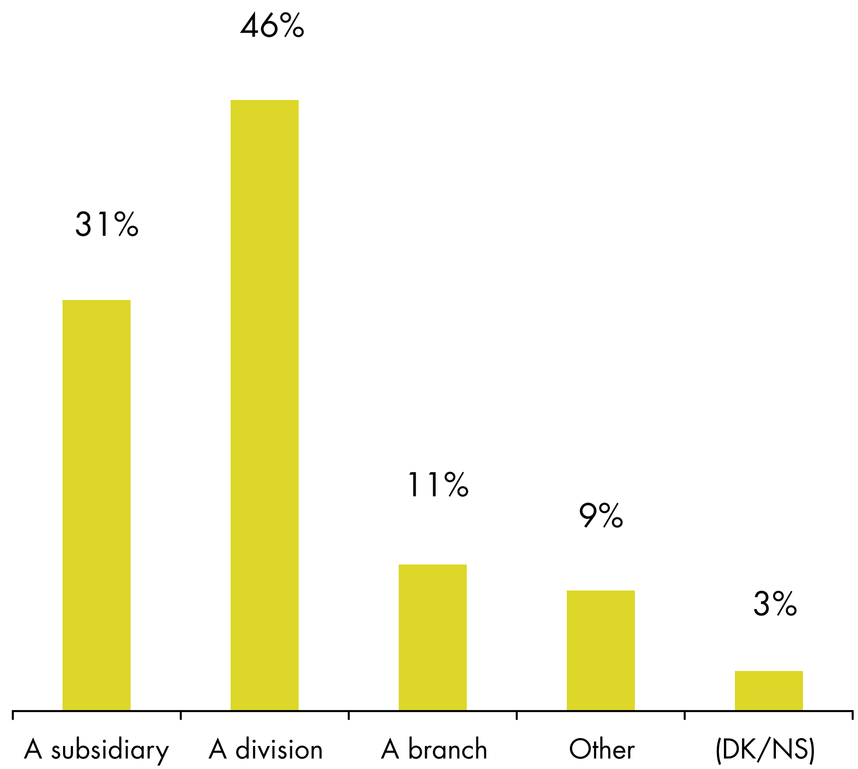
Q14a. Is overseas production by domestic competitors increasing, decreasing or stable? Q14b. And what do you think are the reasons why your company's domestic competition is [insert response from Q14a]? Base: Overseas production increasing (n=91*) Base: Overseas production is decreasing (n=23*) *Small base size

- Only one-in-ten (12%) firms indicate that they have a parent company.
- About half (46%) of parent companies are classified as a division, while about three-in-ten (31%) are classified as a subsidiary.

DOES YOUR FIRM HAVE A PARENT COMPANY?



NATURE OF PARENT COMPANY

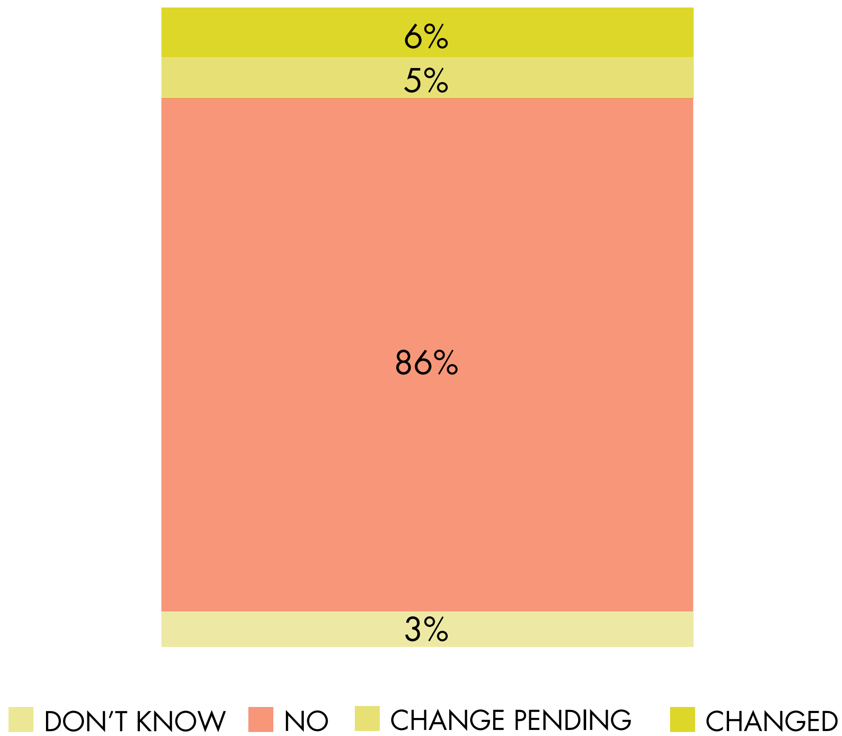


A1. Does your firm have a parent company? Base: All respondents (n=301) A3. What is the nature of your firm to the parent company? Is it… Base: Have parent company (n=35*) *Small base size

Outsourcing and Parent Businesses: Ownership Changes

- The vast majority (86%) of firms indicate that they have not experienced, nor do they anticipate, a change in ownership over the next 18 months.

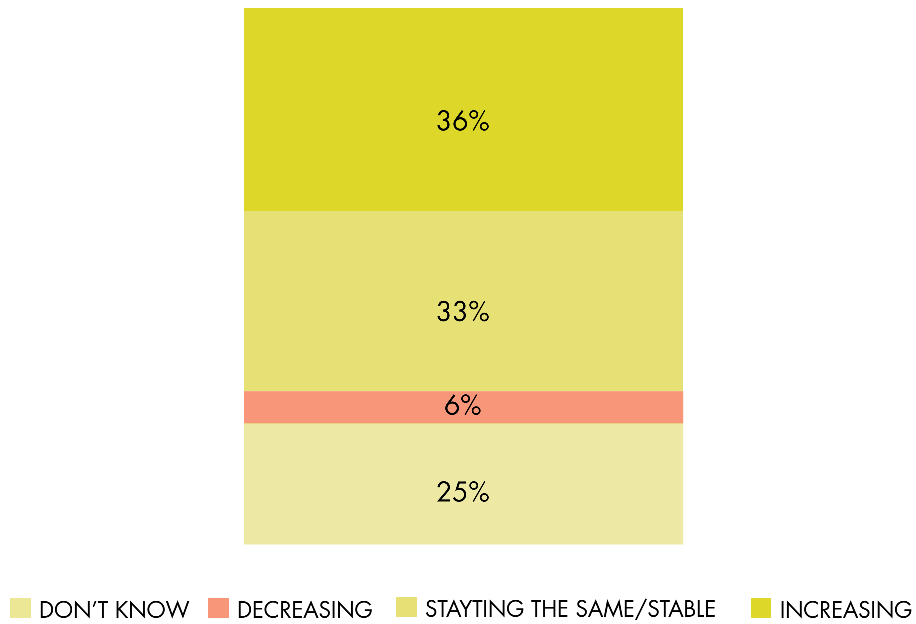
COMPANY'S OWNERSHIP OVER THE LAST 18 MONTHS



Merger, Acquisition, and Divestiture Activity

- Respondents are split as to the state of mergers, acquisitions, and divestitures in their industry as about one-third believe this is increasing (36%) or staying the same (33%).
- Only 6% of firms believe this activity is decreasing.

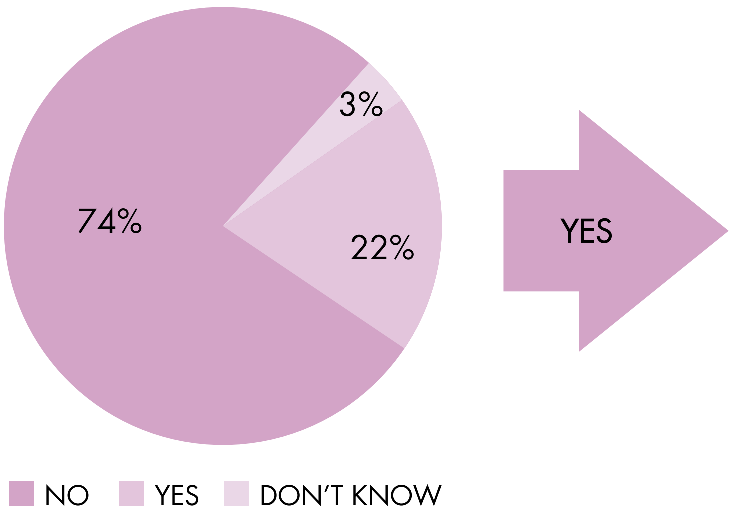
MERGER, ACQUISITION AND DIVESTITURE ACTIVITY



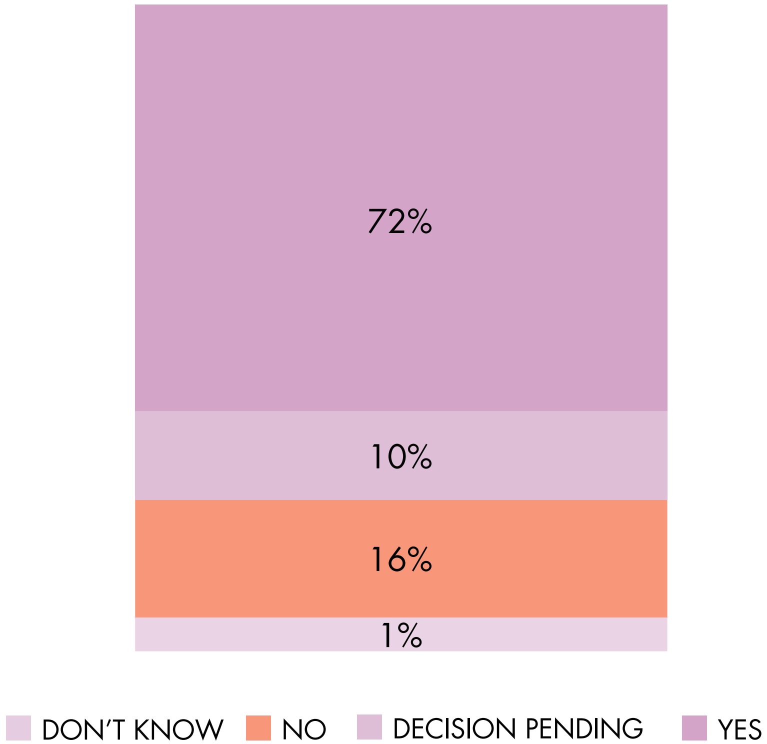
Q19. Has the company's ownership changed in the last 18 months, or do you anticipate a change? Base: All respondents (n=301)
Q15. Is merger, acquisition or divestiture activity in your industry increasing, decreasing or stable? Base: All respondents (n=301)

- Among those firms that have applied for government funding in the past three years (22%), the vast majority (72%) were successful in their application.

HAS YOUR COMPANY APPLIED FOR GOVERNMENT FUNDING IN THE LAST 3 YEARS?



WERE YOU SUCCESSFUL IN YOUR APPLICATION?



Q12NEWa. Has your company applied for government funding in the last 3 years? Base: All respondents (n=301)
Q12NEWb. Were you successful in your application for funding? Base: Applied for government funding in last 3 years (n=67*) *Small base size

- Those firms that have invested more in R&D, sell their products nationally or internationally, have sales of more than one million, and have more than 10 employees are the most likely to have applied for government funding over the past three years.
- While those firms that spend little or nothing on research and development, conduct their business locally and regionally, conduct sales of less than one million dollars, and have fewer than 11 employees are the least likely to have applied for government funding in the past.

HAS YOUR COMPANY APPLIED FOR GOVERNMENT FUNDING IN THE LAST THREE YEARS?

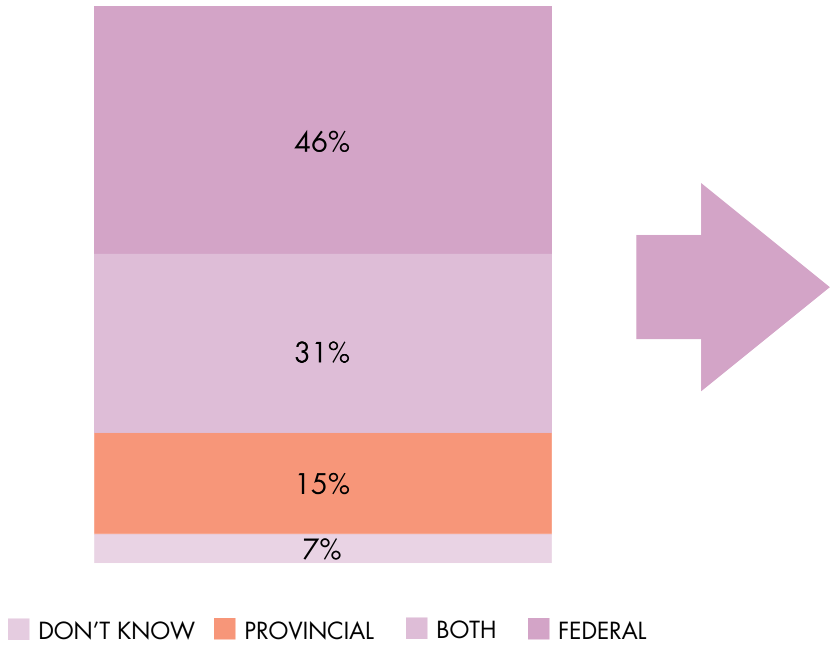
				Yes	No	(Dk/Ns)
R&D	0%	A	(n=67*)	1%	99% BCD	-
	Under 3%	B	(n=83*)	16% A	83% CD	1%
	3% to 6%	C	(n=64*)	33% AB	66%	2%
	6% or more	D	(n=62*)	44% AB	55%	2%
Market	Local	E	(n=82*)	13%	84% GH	2%
	Regional	F	(n=79*)	15%	80% H	5%
	National	G	(n=86*)	28% E	70%	2%
	International	H	(n=107)	32% EF	64%	4%
Int. Outsourcing	Increasing	L	(n=43*)	35%	63%	2%
	Decreasing	M	(n=17**)	24%	71%	6%
	Staying the same/ stable	N	(n=73*)	27%	70%	3%
Sales	Under 1 Million	I	(n=110)	7%	91% J	2%
	1 - 5 Million	J	(n=111)	31% I	68%	2%
	5+ Million	K	(n=67*)	36% I	55%	9%
Employees	1	S	(n=9**)	-	100%	-
	2-10	T	(n=132)	14%	85% UV	1%
	11-49	U	(n=92*)	36% T	61%	3%
	50+	V	(n=46*)	28% T	63%	9% T

Q12NEWa. Has your company applied for government funding in the last 3 years? Base: All respondents (n=301) *Small base size **Base size ineligible for sig testing

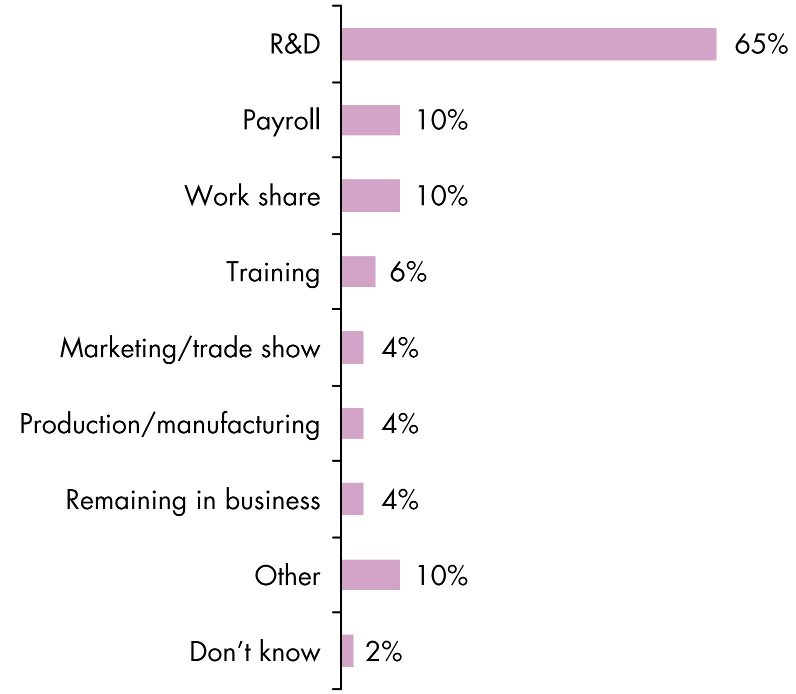
- Almost half of those firms that applied for funding requested this aid from the Federal Government, while three-in-ten (31%) applied for both Federal and Provincial funding.

- A majority (65%) used government funding for research and development needs, while about one-in-ten used the funding for payroll and work share (10%, respectively).

TYPE OF FUNDING



FUNDING WAS USED FOR...

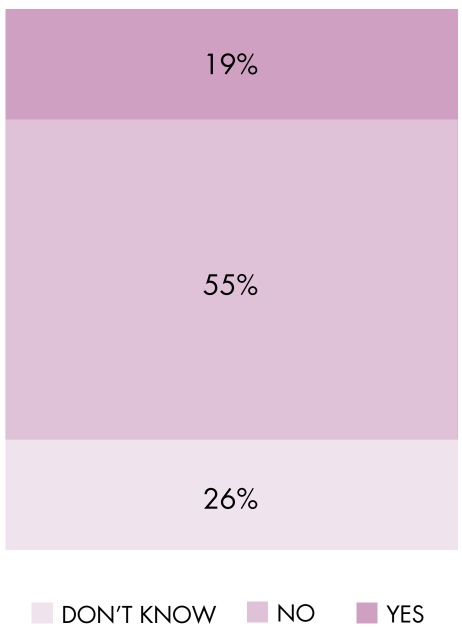


Q12NEWc. Was this funding federal or provincial? Base: Applied for government funding in last 3 years (n=67*)
Q12NEWd. And what was this funding used for? Base: Successful in application for funding (n=48*) *Small base size

Government Funding and Anticipated Legislative Changes: Likelihood to Apply for Government Funding in the Future & Anticipation of Adverse Legislation

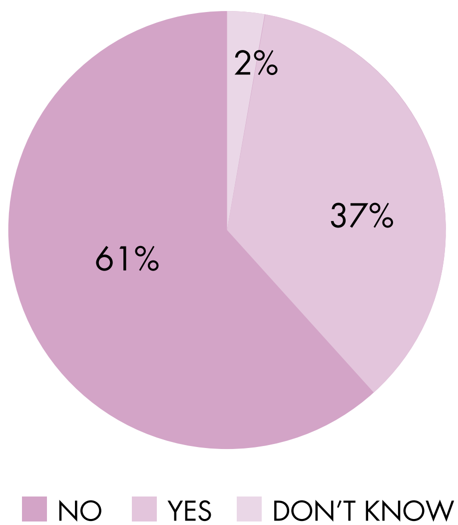
- Only about one-in-five (19%) of those firms who have not applied for government funding over the past three years would apply in the next three years.
- One-quarter (26%) of these firms don't know if they will apply for funding in the next three years indicating a possible lack of awareness or understanding of the funding opportunities currently available.
- Among those firms that anticipate legislative changes that would impact their business (37%), most mention the introduction of the HST (27%), changes to environmental or safety standards (14%), or regulatory changes (11%).
- Most firms feel these changes will adversely affect their business by raising costs and decreasing sales.

DO YOU PLAN TO APPLY FOR GOVERNMENT FUNDING IN THE NEXT 3 YEARS?



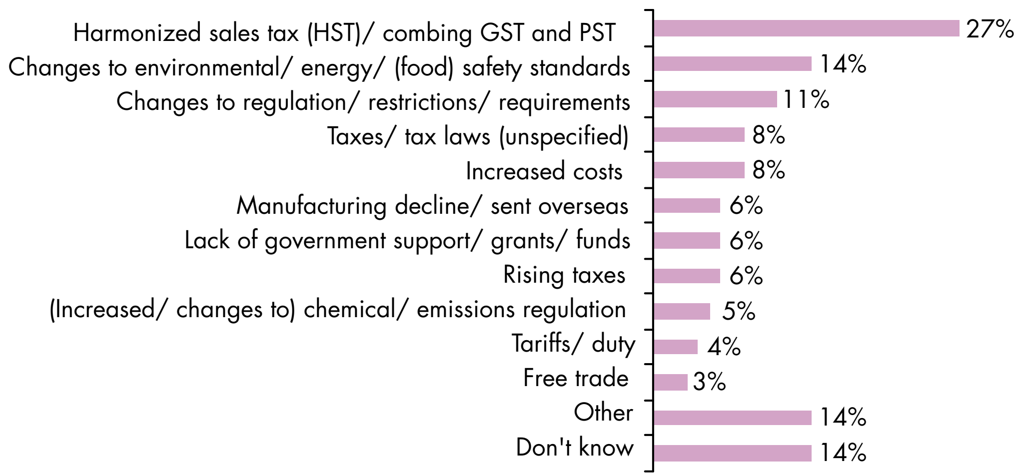
Q12NEWe. Do you plan to apply for government funding in the next 3 years? Base: Not successful in application funding (n=234)

DO YOU ANTICIPATE LEGISLATION CHANGES THAT WILL AFFECT YOUR BUSINESS IN THE NEXT FIVE YEARS?

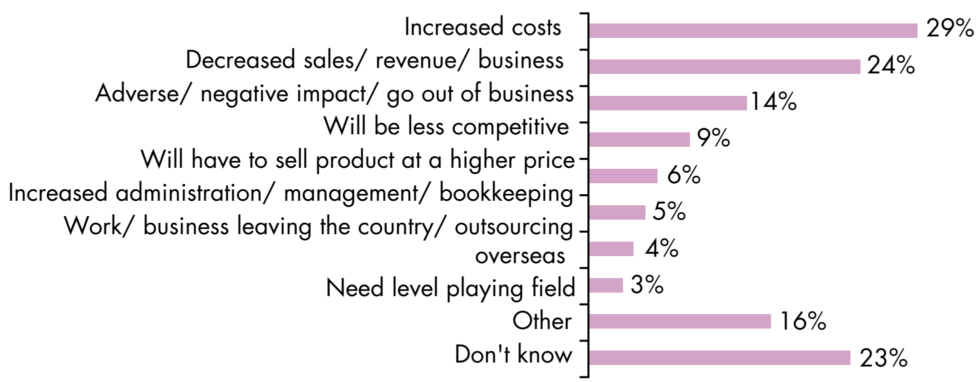


Q17a. Do you anticipate any federal, provincial, or municipal legislation changes that will adversely affect your business in the next five years? Base: All respondents (n=301)

ANTICIPATED CHANGES



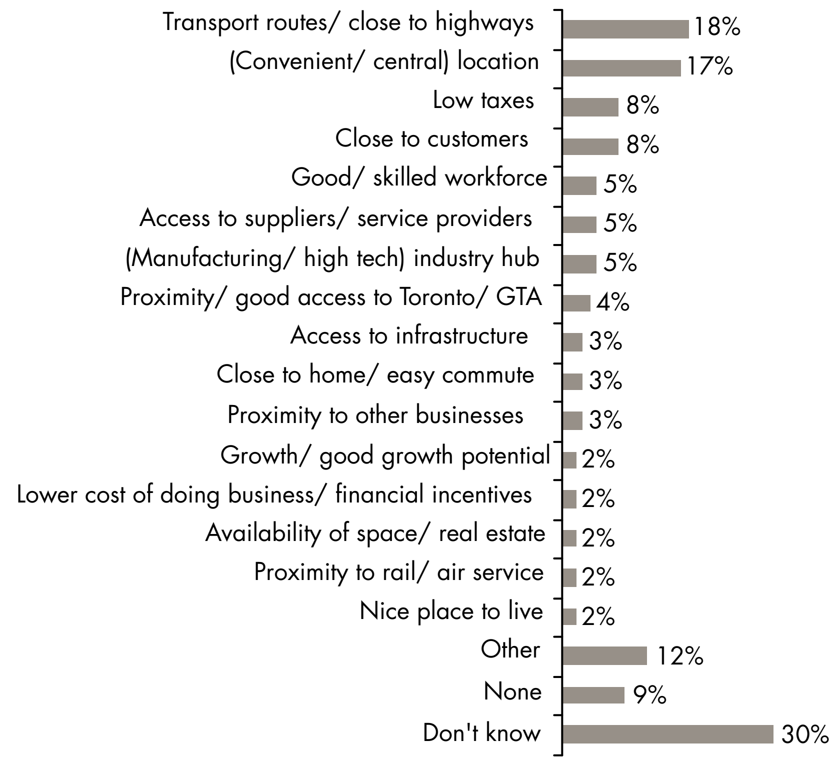
HOW DO YOU THINK THESE CHANGES WILL AFFECT YOUR COMPANY?



Q17a. Do you anticipate any federal, provincial, or municipal legislation changes that will adversely affect your business in the next five years? Base: All respondents (n=301) Q17b. What changes do you anticipate? Q17c. How do you think these changes will affect your company? Base: Anticipate legislation changes that will adversely affect business (n=111)

- The main strengths of York Region highlighted by participants includes the Region's transportation network (18%), central location (17%), low tax rates (8%), and proximity to customers (8%).

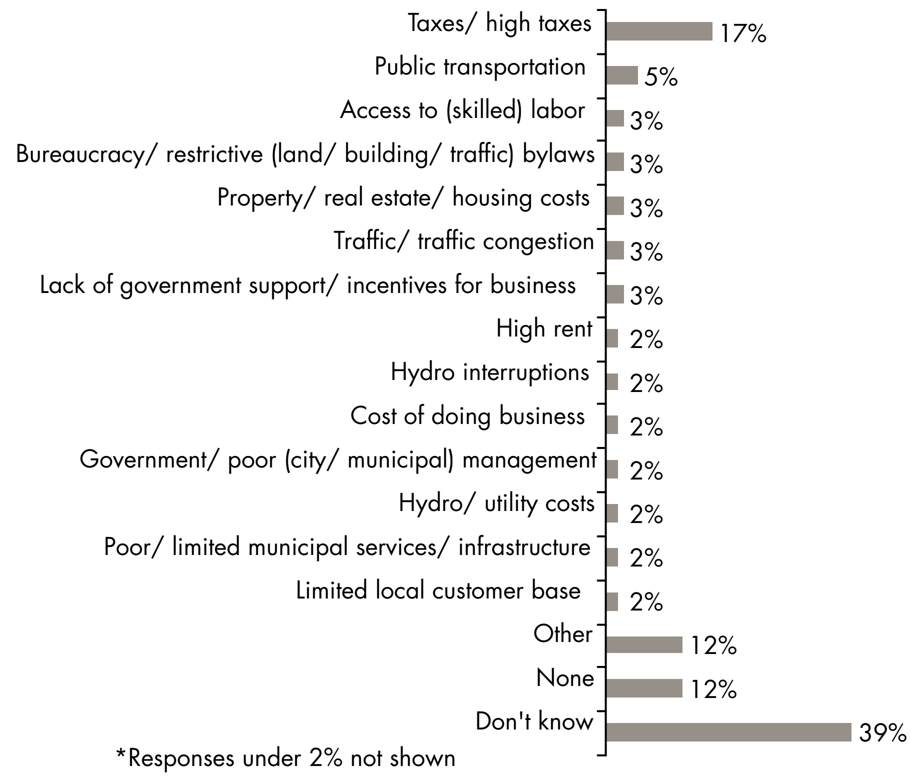
MUNICIPALITY'S MAIN STRENGTH AS A PLACE TO DO BUSINESS



Q21. What is your municipality's main strength as a place to do business? Q22. What is your municipality's main weakness as a place to do business? Base: All respondents (n=301)

- On the other hand, the main weakness highlighted by participants include high taxes (17%), and lack of public transit (5%).

MUNICIPALITY'S MAIN WEAKNESS AS A PLACE TO DO BUSINESS

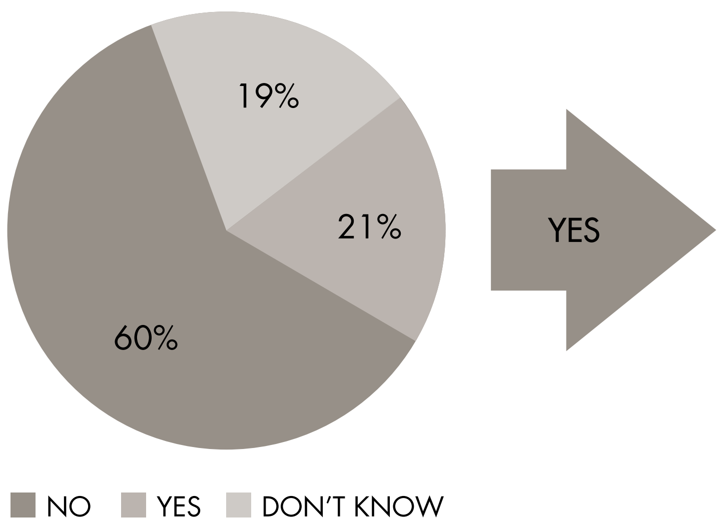


Q21. What is your municipality's main strength as a place to do business? Q22. What is your municipality's main weakness as a place to do business? Base: All respondents (n=301)

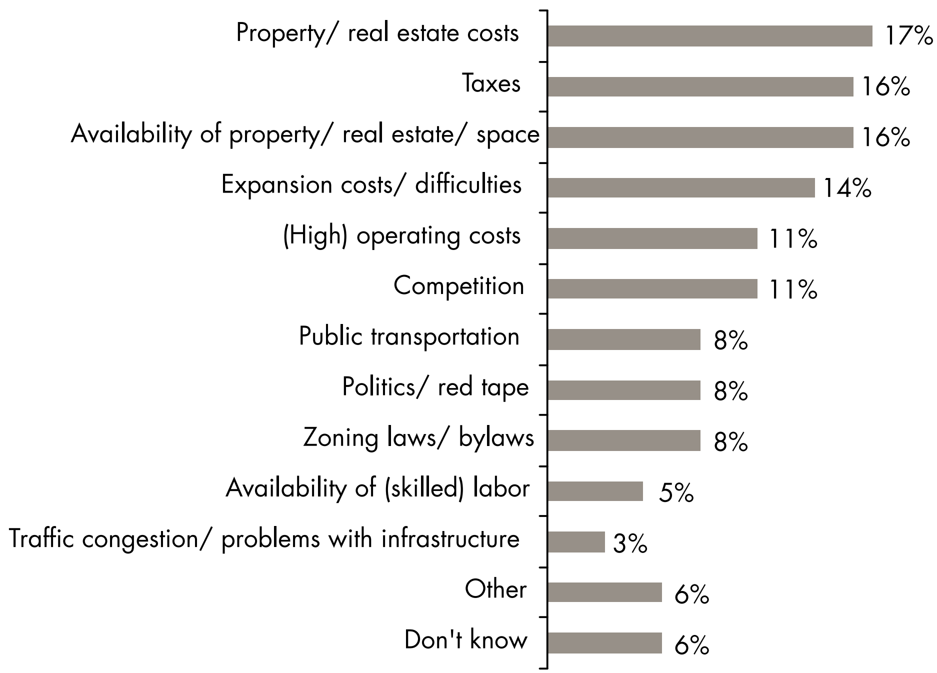
Local Community: Barriers to Business Growth

- Only one-in-five (21%) respondents believe that barriers to business growth in their municipality do in fact exist.
- The main barriers highlighted include high property/real estate costs (17%), taxes (16%), availability of property (16%), and the costs associated with expansion (14%).

ARE THERE ANY BARRIERS TO BUSINESS GROWTH IN YOUR MUNICIPALITY?



WHAT ARE THESE BARRIERS?

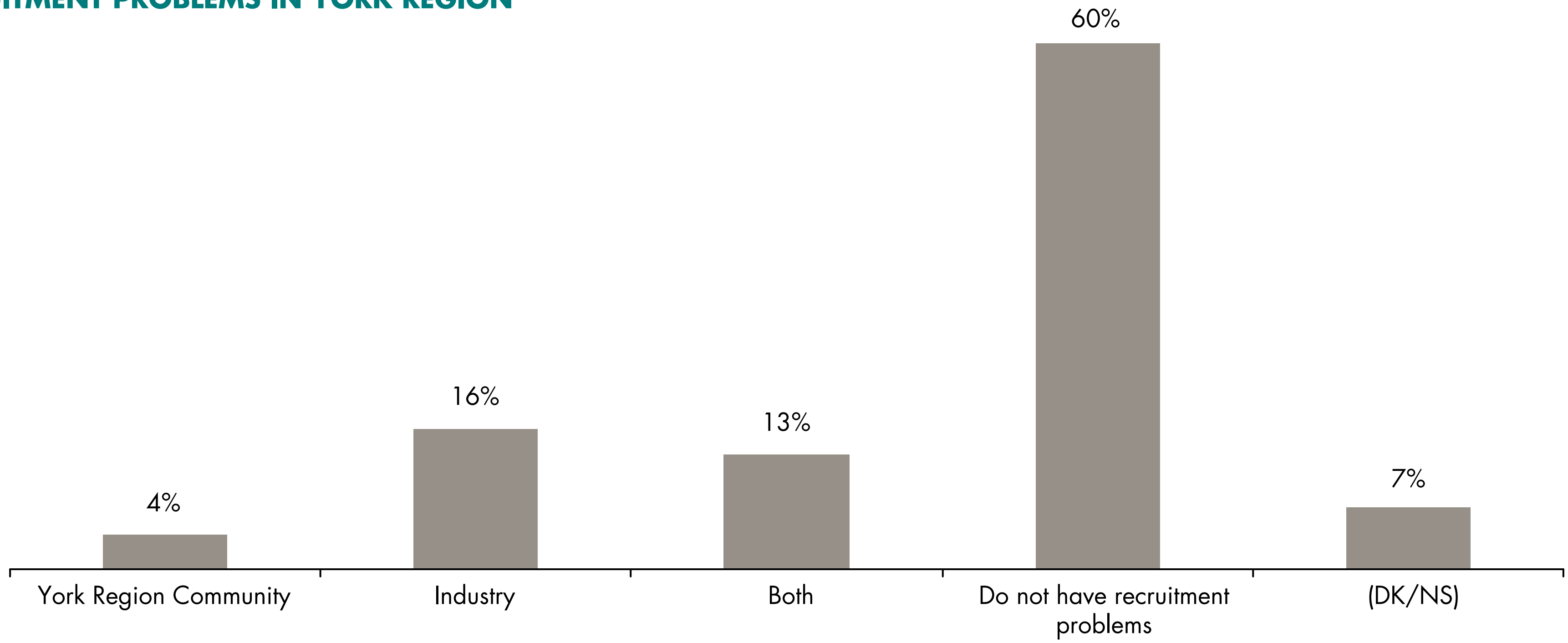


Q23a. Are there any barriers to growth in your municipality? Base: All respondents (n=301) Q23b. What are these barriers? Base: Barriers to growth (n=64*) *Small base size

- Very few (4%) respondents mention having recruitment problems that are limited only to York Region or the local community specifically.

- The majority (60%) of firms indicate that they currently do not have any recruitment problems.

RECRUITMENT PROBLEMS IN YORK REGION

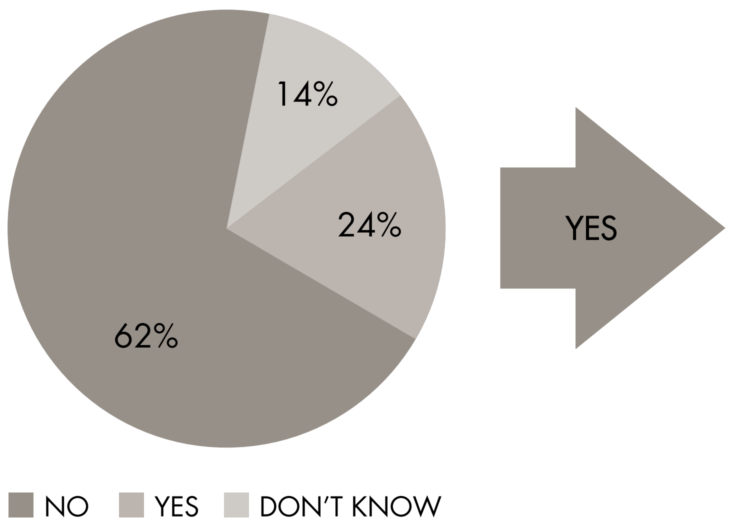


Q34. Are employee recruitment problems limited to York Region, industry, both, or, do you not currently have employee recruitment problems? Base: All respondents (n=301)

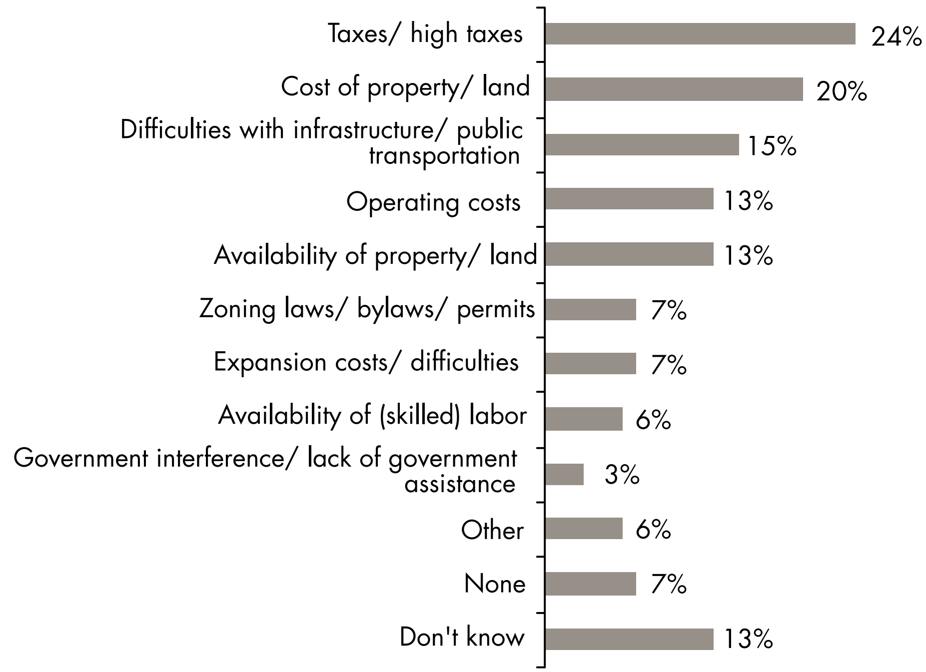
Local Community: Considerations for Future Expansion

- Similarly, only about one-quarter (24%) of respondents cite taxes (24%), property costs (20%), and infrastructure or public transportation deficiencies (15%), as reasons for not considering York Region for any future expansion.

ARE THERE ANY REASONS YOUR MUNICIPALITY MAY OR MAY NOT BE CONSIDERED FOR FUTURE EXPANSION?



WHAT ARE SOME OF THESE REASONS?

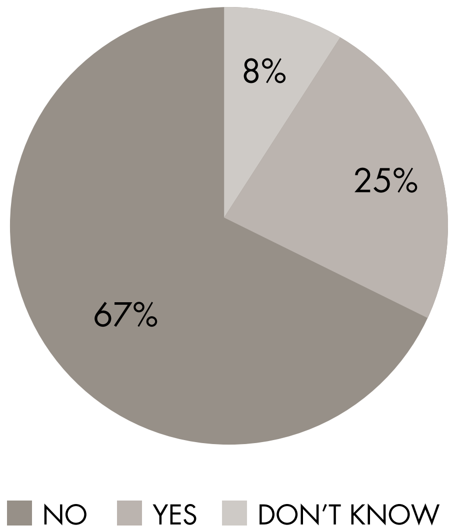


Q25a. If your company were to plan future expansion, are there any reasons your municipality may or may not be considered for future expansion? Base: All respondents (n=301) Q25b. What are some of the reasons? Base: May or may not be considered for future expansion (n=71*) *Small base size

Local Community: Location of Suppliers

- One-quarter of respondents would like to have certain suppliers located closer to their facility in York Region.

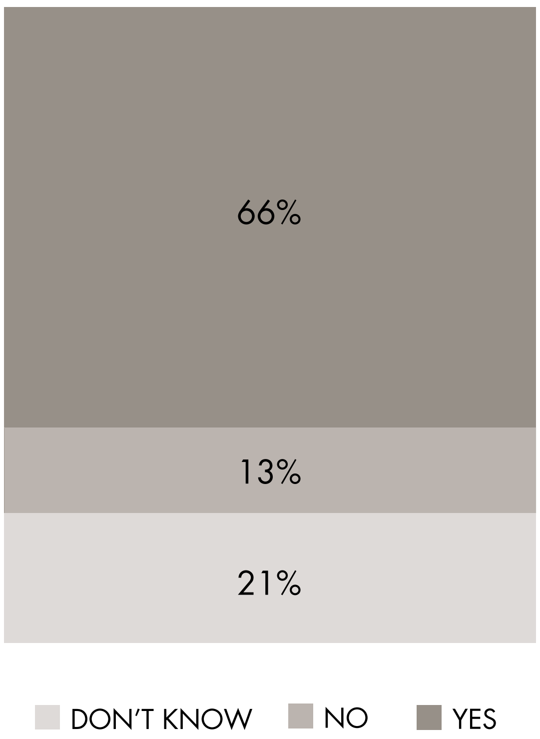
ARE THERE SUPPLIERS YOU WOULD LIKE LOCATED CLOSER TO YOUR FACILITY?



Community Technological Infrastructure

- Two-thirds (66%) of respondents agree that their communities technology infrastructure is adequate for their firm's future growth plan.

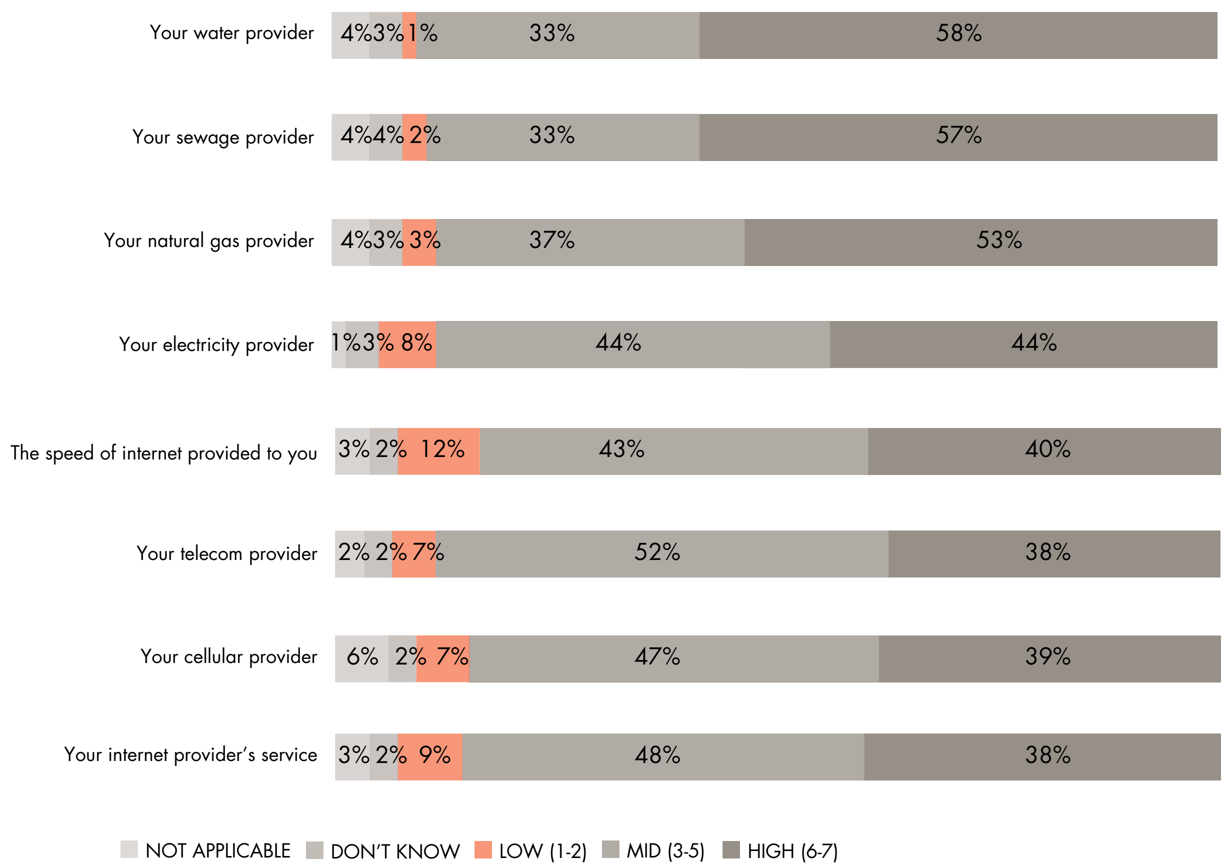
IS THE COMMUNITY'S TECHNOLOGY INFRASTRUCTURE ADEQUATE FOR YOUR COMPANY'S GROWTH PLAN?



Q26a. Are there suppliers or service providers that the company would like to have located closer to your facility? Q26b. Which types of product/service providers would you like located closer to your facility and where are they located now? Base: All respondents (n=301)
Q39. Is the community's technology infrastructure adequate for your company's growth plan? Base: All respondents (n=301)

Local Community: Satisfaction with Service Providers

- Most respondents provide a positive rating for their service providers. More than half indicate that they are very satisfied with their water (58%), sewage (57%), and natural gas provider (53%).
- Very few provide a low ranking for any mentioned service provider.

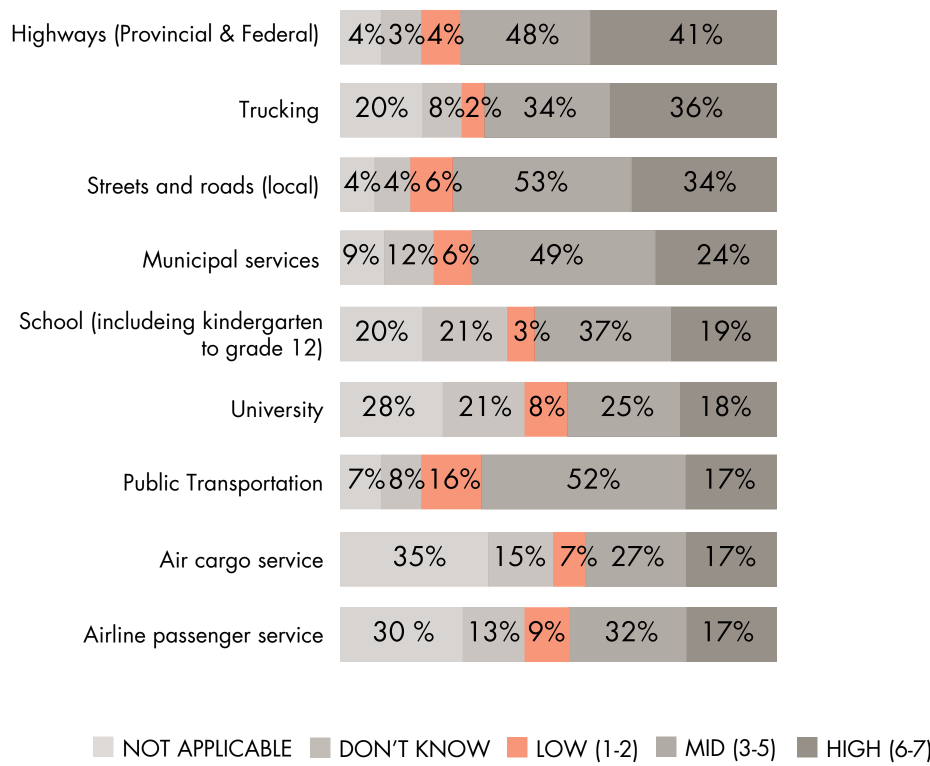


Q40. Please rate your level of satisfaction with your service providers on a scale of 1 to 7 where 1 is very low and 7 is very high. Base: All respondents (n=301)

Local Community: Quality of Services

- Respondents rate the quality of highways, trucking, streets and roads, and other municipal services the highest.
- Although 17% rate the quality of public transit in York Region highly, a similar proportion of respondents (16%) provide a low rating.
- A considerable number of respondents could not rate the quality of certain services, including schools, universities, air cargo services, or airline passenger services.

QUALITY OF SERVICES

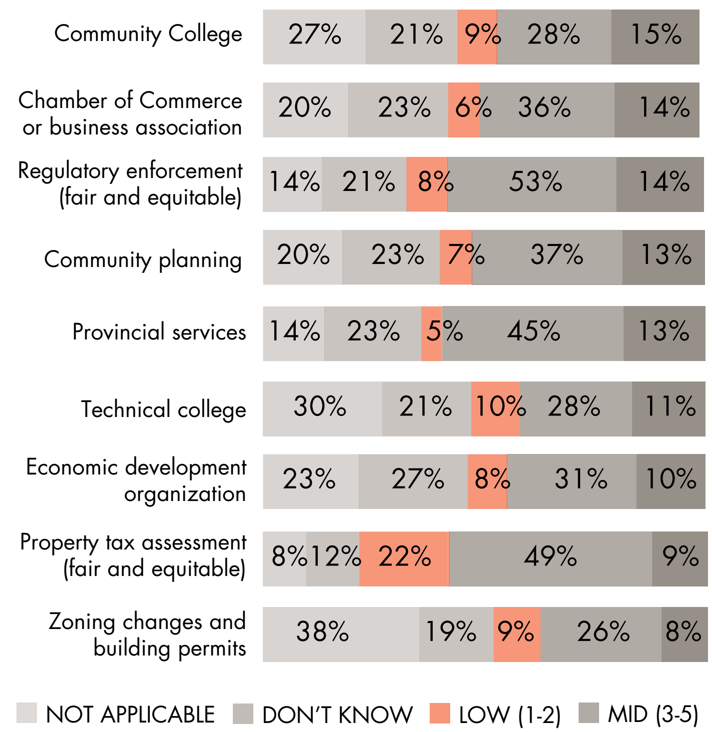


Q42a. Please rate the quality of the following services in your community on a scale of 1 to 7 where 1 is very low and 7 is very high. Base: All respondents (n=301)

Local Community: Quality of Services

- Only about one-in-ten respondents provide a high rating for services such as technical colleges, economic development organization, property tax assessments, and zoning changes and building permit services.
- Other than property tax assessments, these lower scores are likely because many respondents are unaware or have no experience with such services.

QUALITY OF SERVICES

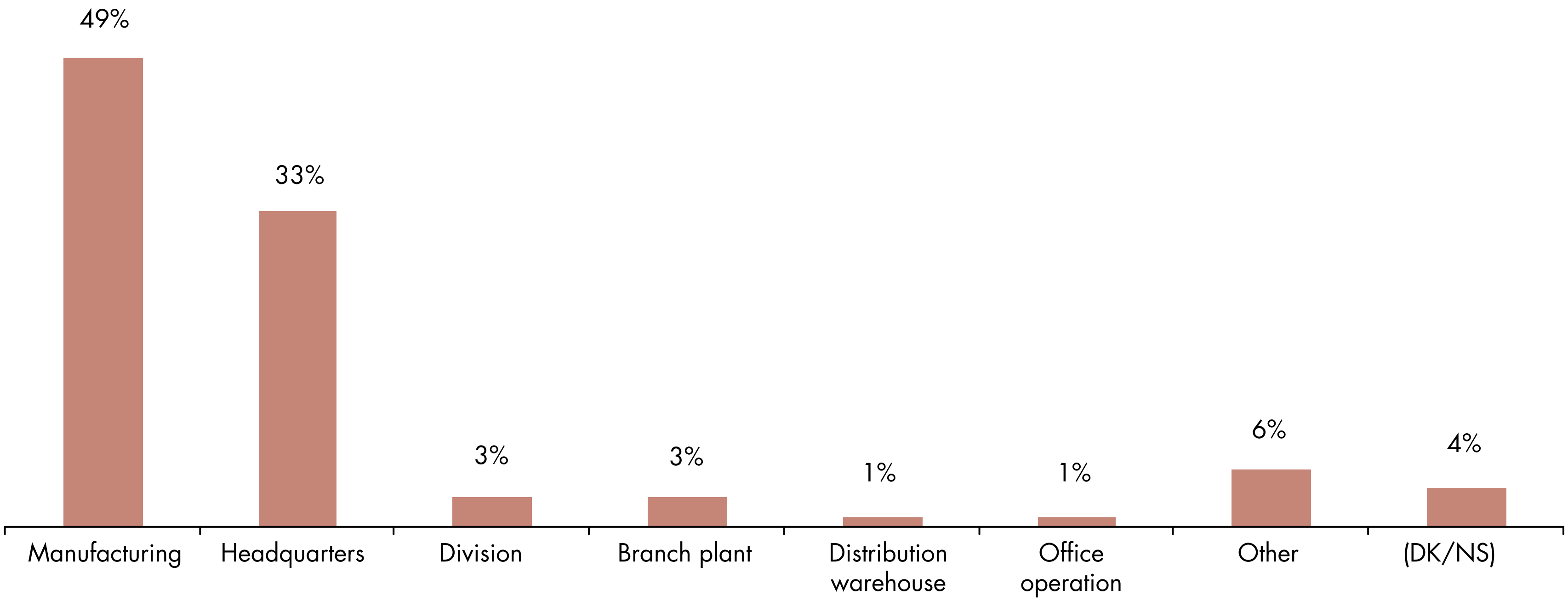


Q42a. Please rate the quality of the following services in your community on a scale of 1 to 7 where 1 is very low and 7 is very high. Base: All respondents (n=301)

Business Facility: Type of Facility

- Half (49%) of facilities are primarily used for manufacturing, while one third (33%) are headquarters.

YOUR FACILITY

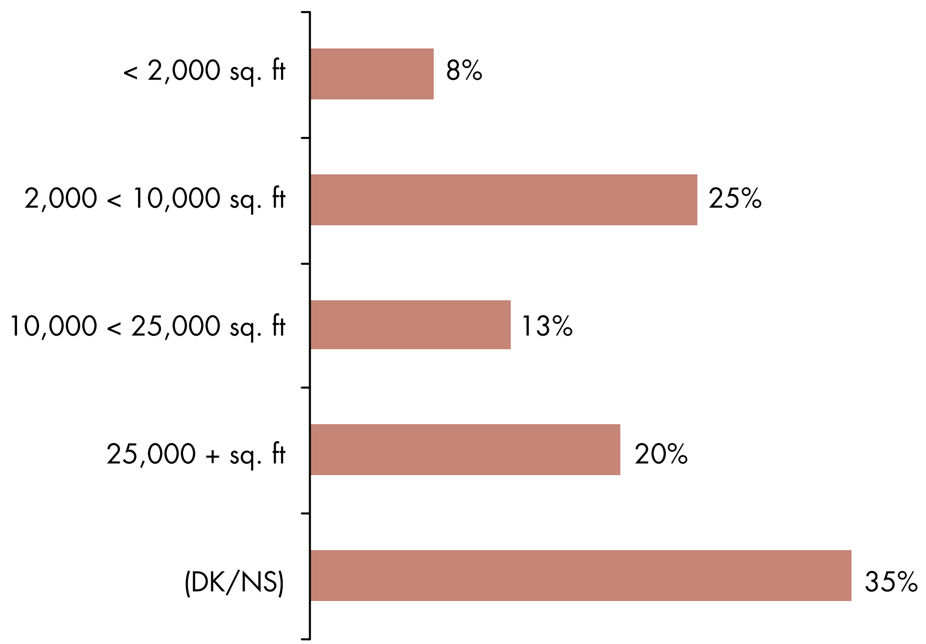


A4. Would you say that your facility is a… Base: All respondents (n=301)

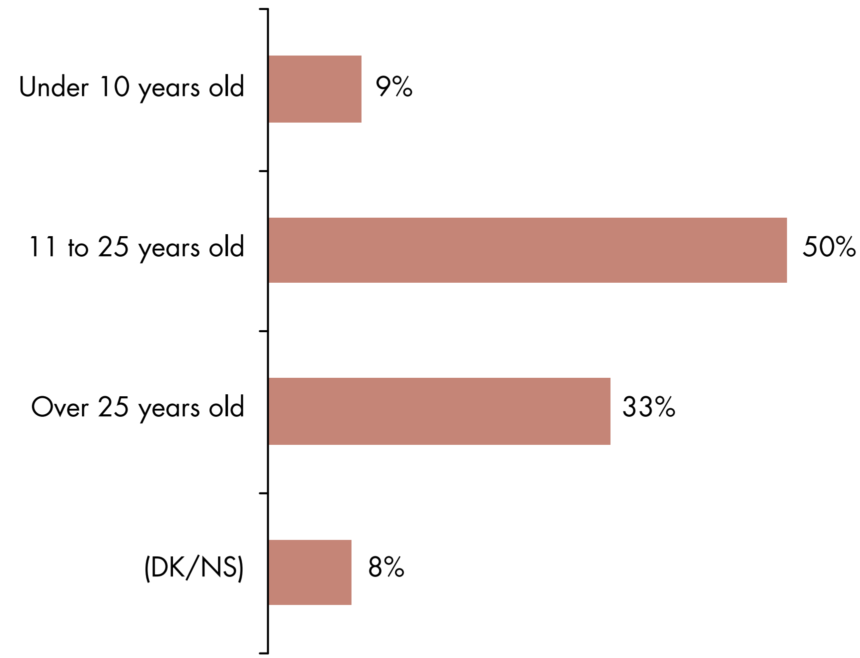
Business Facility: Facility Size and Age

- One-quarter of respondents have facilities that are between 2,000 and 10,000 square feet in size.
- Half of firms have facilities that are between 11 and 25 years old.

WHAT IS THE APPROXIMATE SQUARE FOOTAGE OF BUILDING SPACE OCCUPIED BY YOUR COMPANY?



WHAT IS THE AVERAGE AGE OF THE BUILDINGS AT THE PREMISES WHERE YOU CURRENTLY WORK?

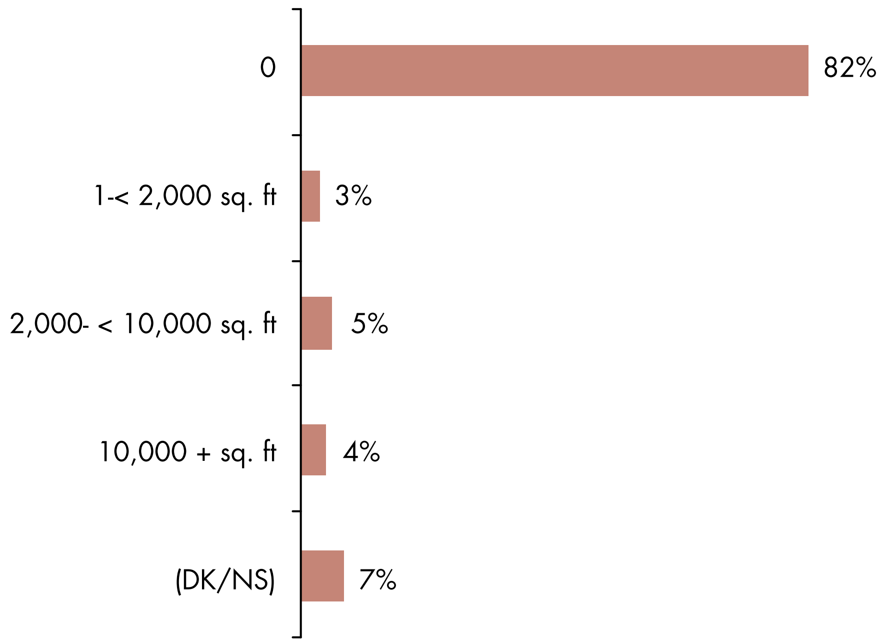


A11. What is the approximate square footage of building space occupied by your company?
A12. What is the average age of the buildings at the premises where you currently work? Base: All respondents (n=301)

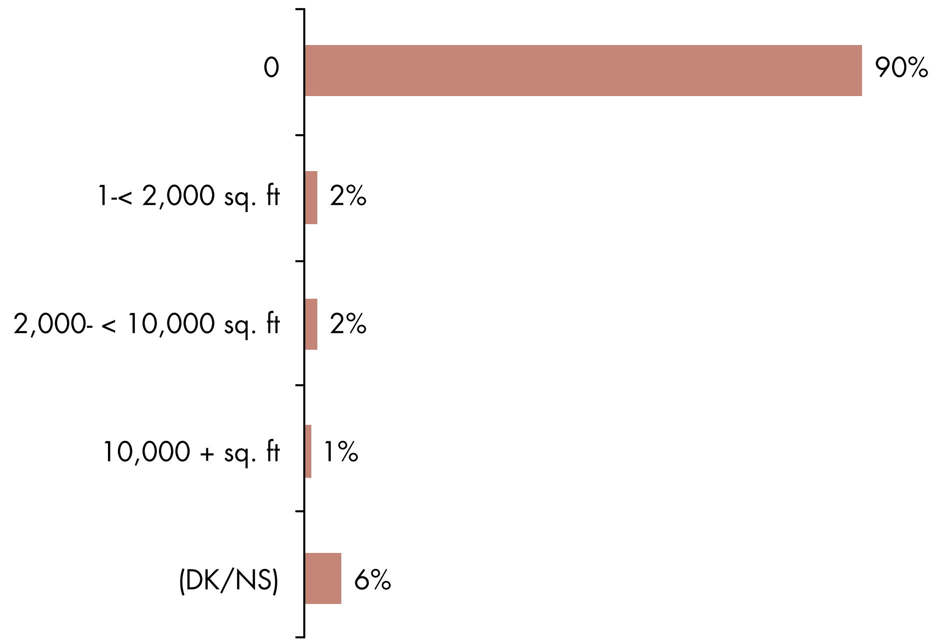
Business Facility: Changes in Size of Facility

- Slightly more firms have added (11%) space compared to those that have removed (4%) space over the last three years.

HOW MUCH, IF ANY, SQUARE FOOTAGE HAS BEEN ADDED TO THE PREMISES IN THE LAST THREE YEARS?



HOW MUCH, IF ANY, SQUARE FOOTAGE HAS BEEN REMOVED FROM THE PREMISES IN THE LAST THREE YEARS?

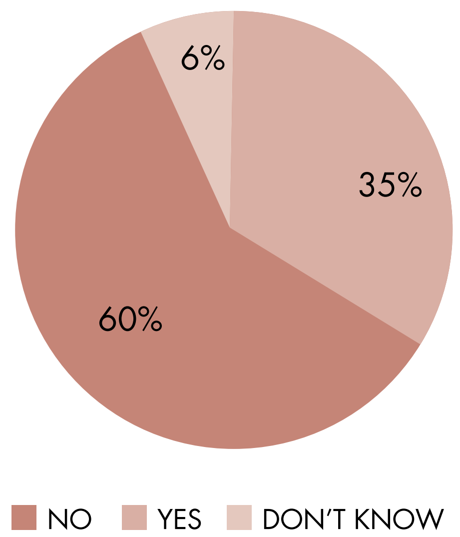


A13a. How much, if any, space in square footage has been added to the premises in the last 3 years?
A13b. How much, if any, space in square footage has been removed from the premises in the last 3 years? Base: All respondents (n=301)

Business Facility: Room for Expansion

- About one-third (35%) of respondents indicate that there is room at their current facility for expansion.

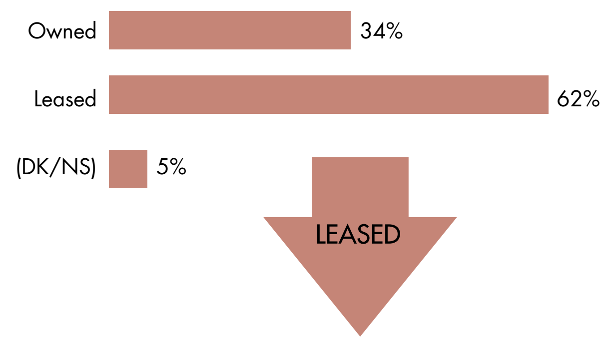
IS THERE ROOM FOR EXPANSION AT YOUR CURRENT LOCATION?



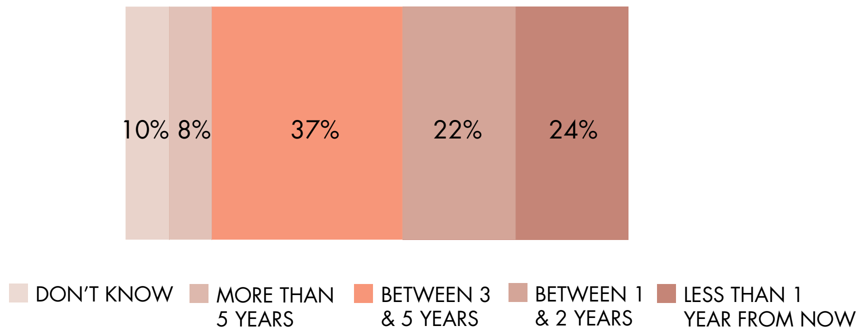
Ownership of Facility

- Two-third (62%) of respondents currently lease their facility.
- One-quarter (24%) of these firms indicate that their lease is due to expire in less than one year.

DO YOU OWN OR LEASE YOUR FACILITY?



WHEN DOES YOUR LEASE EXPIRE?

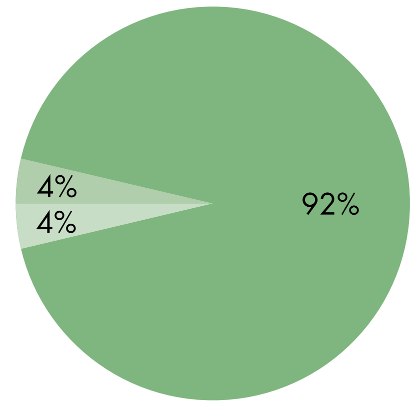


A14. Is there room for any additional expansion at your current location? Base: All respondents (n=301)
A15. Are the facilities your company currently occupies owned or leased? Base: All respondents (n=301) A16. When is the current lease due to expire? Base: Facilities leased (n=186)

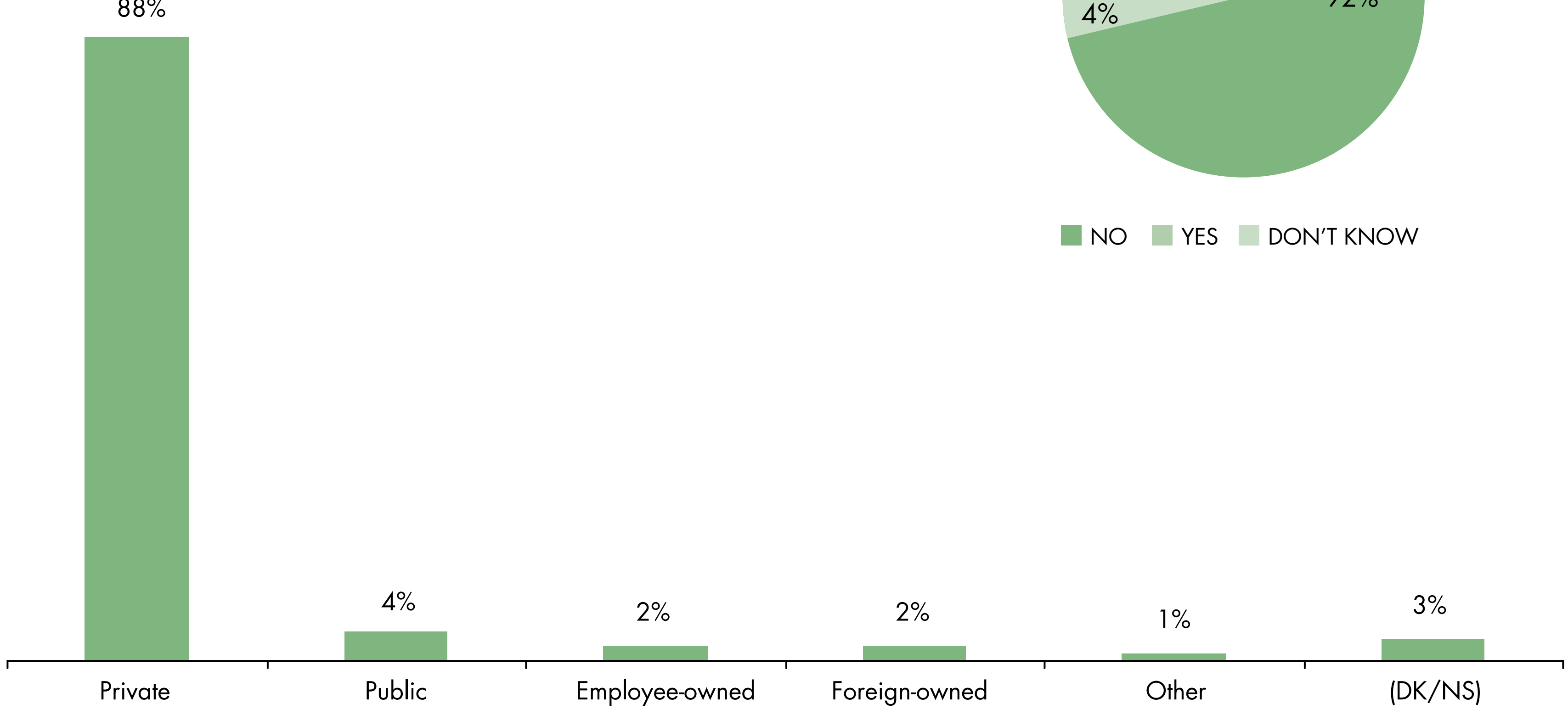
Business Facility: Union Representation & Structure of Company

- Almost all (92%) firms indicate that they do not have union representation at their business.
- Almost all firms are private companies.

IS THERE UNION REPRESENTATION AT YOUR BUSINESS?



STRUCTURE OF COMPANY



A9. Is there union representation at your business? A10. And what is the name of the most common Union? Base: All respondents (n=301)
A5. How would you describe the structure of your company? Base: All respondents (n=301)

About IPSOS Reid Public Affairs

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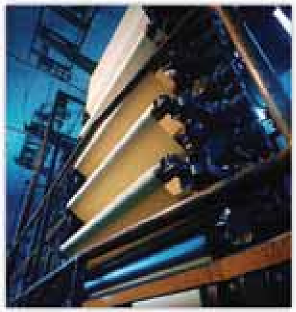

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