

## Ontario's recovery from the Great Recession remains unfinished

**Toronto, December 11, 2018** –[Ontario's Panel on Economic Growth & Prosperity](#) and the [Institute for Competitiveness & Prosperity](#) have released their 17<sup>th</sup> Annual Report, [Unfinished Business: Ontario since the Great Recession](#), which examines Ontario's recovery from the 2008-09 Great Recession. While the effects of the Great Recession were less pronounced in Canada as a result of more stringent financial regulations and a conservative banking sector, Ontario still bears scars from the economic contraction.

*"As is often the case, many of the problems we have faced since our first Annual Report 17 years ago persist, or have worsened,"* says Jamison Steeve, Executive Director of the Institute for Competitiveness & Prosperity. *"My belief is that a change in conditions—trade policy, US tax changes, and a new government at Queen's Park—will allow Ontario to take a fresh look at our recommendations."*

As in the past, the Institute analyzed the Gross Domestic Product (GDP) per capita in Ontario compared to the median of its peers, known as the prosperity gap. Specifically, this Annual Report analyzed fluctuations in the prosperity gap as they relate to the impacts of the Great Recession. Lagging productivity has been the primary driver of Ontario's prosperity gap over the past 17 years and this year the Panel delved into how changes to Ontario's trade and innovation policy could improve the province's performance.

While many traditional economic indicators, such as the unemployment rate, suggest the province has recovered from the recession, the Institute expanded its analysis beyond the components of the prosperity gap to include a wider array of metrics such as household debt, net worth, homeownership rates, and inter-regional mobility. In doing so, the Panel found a mixed story of where the province thrives and where improvements can be made to bring the level of prosperity back to pre-recession levels.

In Annual Report 17, the Institute proposes policy changes to address competitiveness, welfare, and equity issues that Ontario is facing including:

- Take full advantage of trade strengths and opportunities by:
  - increasing international exports from the service sector; and
  - facilitating greater interprovincial trade;
- Reduce regulatory barriers for foreign direct investors to standards similar to those experienced by domestic firms, while still evaluating for antitrust and national security concerns;
- Ensure our most economically prosperous regions are affordable for Ontarians to live in by:
  - considering the introduction of a tax on homes in hot real estate markets that remain vacant for more than six months a year;
  - simplifying regulations restricting construction of new residential units; and
  - supporting multi-unit residential construction such as townhouses, low-rises, and other medium-density housing in the yellow belt—residential areas of primarily single family housing; and
- Catalyze business-led cluster organizations to take advantage of local strengths and labour force skills, making Ontario more resilient to economic shocks.

A strong and thriving economy is critical to continued quality of life of those who live within the province. To ensure the competitiveness of the province and the prosperity of its people, Ontario must take tangible steps now to ensure its trade portfolio remains stable, innovation is encouraged, and social mobility continues to be possible.

To download this Annual Report, please visit: <https://www.competeprosper.ca/work/annual-reports/unfinished-business-ontario-since-the-great-recession>

**About the Panel:** Ontario's Panel on Economic Growth & Prosperity is an arms-length, independent body that reports directly to the public. Its purpose is to measure and monitor Ontario's productivity, competitiveness and economic progress, reporting its findings on a regular basis. It is the advisory body to the Institute for Competitiveness & Prosperity.

**About the Institute:** The Institute for Competitiveness & Prosperity is an independent, not-for-profit organization that deepens public understanding of macro and microeconomic factors behind Ontario's economic progress. The Institute is supported by the Ontario Ministry of Economic Development, Job Creation and Trade.

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