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### **Toronto Region R&D - Quick Facts**

As detailed in our report, Engaging Innovation, the Toronto region possesses many competitive advantages as a location for research and research-driven industry, but also faces some challenges. (For sources see Engaging Innovation released today.)

#### **We possess a strong and diversified economy that:**

- contributes over 20 per cent of Canada's GDP
- is home to 40 per cent of Canada's head offices
- pays a net \$3 billion annually in tax revenue to the rest of Ontario and \$17 billion annually to the rest of Canada
- is home to North America's:
  - second largest automotive industry cluster
  - second largest financial services cluster
  - third largest information technology and telecom equipment cluster
  - fourth largest pharmaceutical and biotechnology cluster.

#### **We offer a highly competitive business environment:**

- The Toronto region ranks as the most cost-competitive R&D environment in North America (13 per cent less expensive than Atlanta, 17 per cent less expensive than Boston, and 35 per cent less expensive than San Jose).
- Despite the strengthening of its currency, Canada continues to be the most competitive place to do business and offers a nine per cent overall cost advantage relative to the US.
- Canada has the lowest overall labour costs in the G7. Total payments for statutory and other labour benefits are 25.6 per cent of salary and wages, compared to 34.2 per cent in the US.
- Toronto region labour costs for high technology industries are lower than those of every other major North American city region.
- Thanks in part to Canada's universal health insurance system, our private sector health care costs per employee are 85 per cent lower than in the US.
- Canada offers corporate income and capital tax equivalents that are 4.5 per cent lower than in the US, and the most generous credits for eligible R&D costs of any industrialized country.

#### **We are home to the world's most educated and diverse labour force:**

- Canada's rate of post-secondary attainment is the highest of any industrialized nation at 54 per cent (versus 37 per cent in the US).
- With eight universities and 10 colleges, the Toronto region has the highest concentration of post-secondary institutions in the country and attracts top academics and students from across Canada, as well as other nations.
- The Toronto region's exceptional quality of life makes it a magnet for skilled immigrants, with almost three-quarters of newcomers over the age of 15 possessing a post-secondary degree or certificate.
- Ranked first among North American cities on Richard Florida's 'Mosaic Index' of multicultural diversity, the Toronto region's population of 6.1 million is 40 per cent foreign-born, comprises 90 different ethno-cultural groups, and speaks over 80 languages.
- Toronto is ranked the second best city in North America, and among the very best in

the world in which to live. It also has one of the lowest cost of living ratings in the world relative to comparable urban regions.

**We benefit from a strong concentration of research excellence:**

- Ontario research institutions receive \$2 billion annually in science and technology investment from the Ontario and federal governments.
- We possess North America's third largest medical-hospital complex comprising more than 60 hospitals, 37 medical institutions, 8,200 physicians and 54,000 health professionals.
- The Toronto region is home to IBM's third largest global software laboratory, employing 2,500 staff and generating products that drive over 50 per cent of IBM's software profits worldwide.
- The federal government has boosted research funding more than 50 per cent since 1996, to \$7.5 billion annually. Federal funding for health research alone has grown 10 times since the mid-1990s to nearly \$2.5 billion in 2004.
- In 2003, the Government of Ontario committed additional investments of \$1 billion, including a substantial cancer research program.
- Ontario has invested more than \$30 million in ORION, the most advanced fibre optic education network in the world, linking more than 67 research and post-secondary institutions throughout the province.

**Despite these competitive advantages, the Toronto region:**

- Generated 0.04 US patents per \$1 million of research expenditures versus 0.09 US patents for Canada overall.
- Has a commercialization ratio (gross license income to \$million research expenditures) that lags the rest of the country - one per cent in the region versus two per cent in Canada overall.
- Exhibits low venture capital investment relative to other regions based on a 1996-2004 compound average growth rate of 1.8 per cent relative to 19.8 per cent in the rest of Ontario and 6.9 per cent in Canada overall.
- Trails Ontario in new venture capital, when measured as a percentage of GDP.
- Lags behind key cities in Quebec and BC when it comes to per capita share of public research funding.

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