

**Remarks by Ross McGregor
President and CEO, TRRA**

**CEO Call to Action Event
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Thank you Gord. Premier, Minister Papatello, honoured guests, ladies and gentlemen. Let me first thank Gord and RBC for hosting this event. And, thank all of you for taking time out of your busy schedules to be here.

I'd like to start by asking a question. What do the invention of insulin, the discovery of stem cells and the creation of the Blackberry all have in common?

All three of these breakthroughs obviously revolutionized their respective fields and changed our everyday lives. But all three of them also occurred in the Toronto Region and speak volumes about what we have to offer to the world.

This region has an extraordinary capacity to bring together diverse ideas to make great leaps forward, to collaborate across different disciplines, sectors and geography, to accelerate innovation. The first pacemaker, the first commercial jet aircraft, the electron microscope – the list of transformational discoveries in this region is long and impressive and continues today.

Over the next few minutes, I'd like to share with you a glimpse of the Toronto Region's R&D offering to the world. And it really is just a glimpse. This is a snapshot of a much longer and more customized presentation we make to companies seeking to expand or relocate in the Toronto Region.

So, let me begin by orienting you to what we mean by the "Toronto Region". Of course we're located in the heart of North America – within a 90-minute flight or an easy day's drive of all of the major cities in the northeast and midwest. We take this geographical position for granted but it's a powerful attraction for organizations seeking a point of entry into the North American marketplace.

The Toronto Region is made up of connected communities in the City of Toronto, the GTA, and stretching out to Hamilton, Guelph, Kitchener, and Waterloo. This geographical footprint encompasses the medical science powerhouse here on University Avenue, the bio-pharma cluster in Mississauga, the advanced materials strength in Hamilton, and the extraordinary ICT communities in Markham and Waterloo. Individually these assets are impressive but collectively they provide an incomparable competitive advantage on the world stage.

We are the fourth largest urban region in North America with a population of 7.2 million. Our GDP is 323 billion dollars annually...larger than Ireland or Finland or many other countries. 35 percent of all the R&D in Canada is done here. Six billion dollars were invested last year alone in R&D. And, we're home to over 5,000 major ICT, bio life

sciences and advanced manufacturing companies and fully one-third of Canada's most highly cited scientists.

In fact the Toronto Region has become a magnet attracting the world's most innovative companies.

When Toyota scanned the globe to decide where to open its second Lexus plant -- and first ever outside of Japan -- they built it right here. And, in 2008, they're going to build another one right here.

IBM's second largest software lab in the world is located here, employing 2,500 people and generating over 50 percent of IBM's software profits worldwide. So successful that it has become a model for IBM's other research locations around the world.

There are many other stellar examples and in fact, 8 out of 10 of Canada's top research-driven companies are headquartered here, in the Toronto Region.

We attract leading companies because of our unique attributes – our global status, top talent, outstanding R&D, competitive costs, advanced economy and attractive lifestyles.

Let's look at these briefly in turn.

When compared with other regional centres in North America on the number and size of our industry clusters, we rank alongside the continent's economic powerhouses - LA, Chicago and New York – way ahead of Philadelphia, Boston and Dallas. We are the second largest cluster in North America for financial services and automotive, third in ICT and advanced manufacturing and sixth in bio-pharmaceuticals.

It's easy to understand why these leading industry clusters developed when you look at the people who live and work here. Creative, diverse and smart, it is the people that make this region great.

Our workforce is among the best educated and highly skilled in the world. Fifty-seven percent of workers in this region have a post secondary education, ahead of Japan, the United States, Britain and Germany, to name a few.

The extraordinary quality of our workforce is a key location driver. When AMD for example completed its \$5.4 billion purchase of Markham's ATI Technologies last year, the President of AMD was asked why. He said that he was, in effect, betting \$5.4 billion on ATI's employees and the regional talent pool, upon which AMD would build for the future. A very impressive wager which speaks to the power of our skilled labour force.

The Toronto Region is also a magnet for highly skilled talent from around the world. While other regions face severe labour shortages, our extraordinary immigration levels give us a tremendous competitive advantage. Sixty percent of our immigrants have at least one university degree. And we are one of the most ethnically diverse regions on the planet – connected to business and science worldwide through the more than 200 ethnic groups and 180 languages found throughout the region.

We are also a leader when it comes to top scientific talent. The Toronto Region ranks above the UK and Sweden for number of most highly cited scientists per capita. And our numbers are growing. Take two recent recruits.

Sir Anthony Leggett, the 2003 Nobel Prize winner for Physics, who obviously has his pick of any university in the world, recently chose to join the Institute for Quantum Computing at the University of Waterloo.

Dr. Gordon Keller, one of the world's leading stem cell researchers chose to leave New York's well-known Mt Sinai School of Medicine to come to the University Health Network in Toronto to lead the McEwen Centre for Regenerative Medicine.

Our exceptional R & D capacity comes from the sheer breadth and depth and excellence of our world-class institutions in the Toronto Region - unmatched in Canada and certainly among the most prominent in North America.

We are home to nine universities, 11 academic hospitals, eight institutes of technology and over 300 research institutes. We have about 240,000 postsecondary students, 70,000 graduating students annually and 10,000 faculty members. And we're talking quality as well as quantity. U of T's faculty of medicine, for example, is the third most highly cited medical faculty in the world – surpassed only by Harvard and Johns Hopkins.

The R&D resources within our institutions are also second to none. McMaster University is the home of the most powerful suite of electron microscopes in the world. The Structural Genomics Consortium at U of T is the centre of the largest international research project in Canada. The Automotive Centre of Excellence at UOIT will soon house North America's largest and most powerful wind tunnel.

And the list goes on.

Beyond our institutions and their outstanding research resources, we're establishing brand new models of research collaboration that are attracting international attention.

The Mars Centre co-locates 65 organizations and 2,000 people in a unique collaboration of science and business under one roof.

The Canadian Institute for Advanced Research has built a global network of more than 300 of the world's top scientists including 8 Nobel laureates.

And a whole host of other collaborations in this region are attracting global attention, from Perimeter Institute for Theoretical Physics, to the Sheridan Science & Technology Park, to the Ontario Institute for Cancer Research.

As high quality as our R&D offering is, the Toronto Region also competes on cost. We understand the importance of the bottom line.

According to a recent KPMG study, the Toronto Region is North America's most cost-competitive big city R&D venue, ahead of Raleigh, Chicago, San Diego, Boston, and New York. Our central location, competitive wages, low cost of living and health care costs that are 85% lower than in the US – all contribute to our lower costs. Not to mention some of the most generous R & D tax credits in the world.

Scale and diversity are also critical location drivers. Our large, multi-sectored economy offers business cycle resilience, extraordinary support services, huge talent pools, and the energy and creativity of a thriving community of knowledge workers.

Just as important as our leadership in established sectors such as ICT, Bio Life Sciences and Advanced Manufacturing, we're also highly competitive in the new sub sectors which the OECD says will drive massive disruptive technological growth in the years ahead. Nanotechnology, digital media, biomarkers, stem cell research, quantum computing – these are the emerging sub sectors where we are just beginning to establish a global reputation.

Of course exceptional talent, cost competitiveness, and strong R&D are not the only location drivers at play. The Toronto Region boasts appealing lifestyle choices unrivalled in North America: safe and vibrant big cities, bustling suburbs, university towns and intimate rural communities. The Region includes the second largest live theatre centre in North America, just after New York, and was recently ranked by Mercer as the second best place to live in North America. Indeed, the Toronto Region offers unparalleled opportunities for today's creative class to work, live, and play – prompting Richard Florida to observe that we are on the cusp of becoming one of the first-tier mega regions of the world.

So these are some of the factors which ought to put the Toronto Region at the top of any short list. The irony is that our exceptional assets are not nearly as well known as they should be. Many of our competitors, frankly with far less to offer, are out-hustling us in the race to attract research driven investment from around the world.

So how can you help? When it comes to investment attraction, governments and economic development agencies may provide useful support, but the most critical players are in the private sector. The transformation of San Diego, Austin, and Raleigh Durham occurred because the local business and institutional leaders mobilized to make it happen.

So in this context we ask you to take on four tasks:

1. Drive your own organization to make significant R&D investments in the Toronto Region.
2. Actively promote the Toronto Region to your global business contacts and networks.
3. Help us identify research-intensive companies which are thinking or should be thinking about expanding or relocating in this region.
4. Provide us with introductions, help open doors, and participate in our approach to key target companies.

It's clear this region is doing pretty well, but there are signs of slippage, global competition is intensifying, and our future prosperity cannot be taken for granted.

And prosperity isn't a theoretical concept. It translates into high value jobs for our children and grandchildren. It generates the wealth to build our future roads, schools and concert

halls. And it helps preserve the social equity which is the hallmark of this great region and indeed this country.

Please take a look at the materials we will provide to you this evening. We would very much appreciate your input and we'll be contacting each of you in the coming weeks to talk more specifically about how you can help.

Thank you for this opportunity to present the impressive R&D story of the Toronto Region. We look forward to working with you to inspire others to invest, prosper and accelerate innovation in this great region.

Thank you.