



Diverse Talent: The New Competitive Edge

Hire Immigrants Ottawa
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Canadian Structural Challenges

Aging work force:

Recession has only delayed the inevitable impact

Upward shift in the Loonie:

Productivity boost, or Dutch disease?

NAFTA drifting:

N.A. integration has stalled

Restoring fiscal balance:

Demographics will weigh heavily

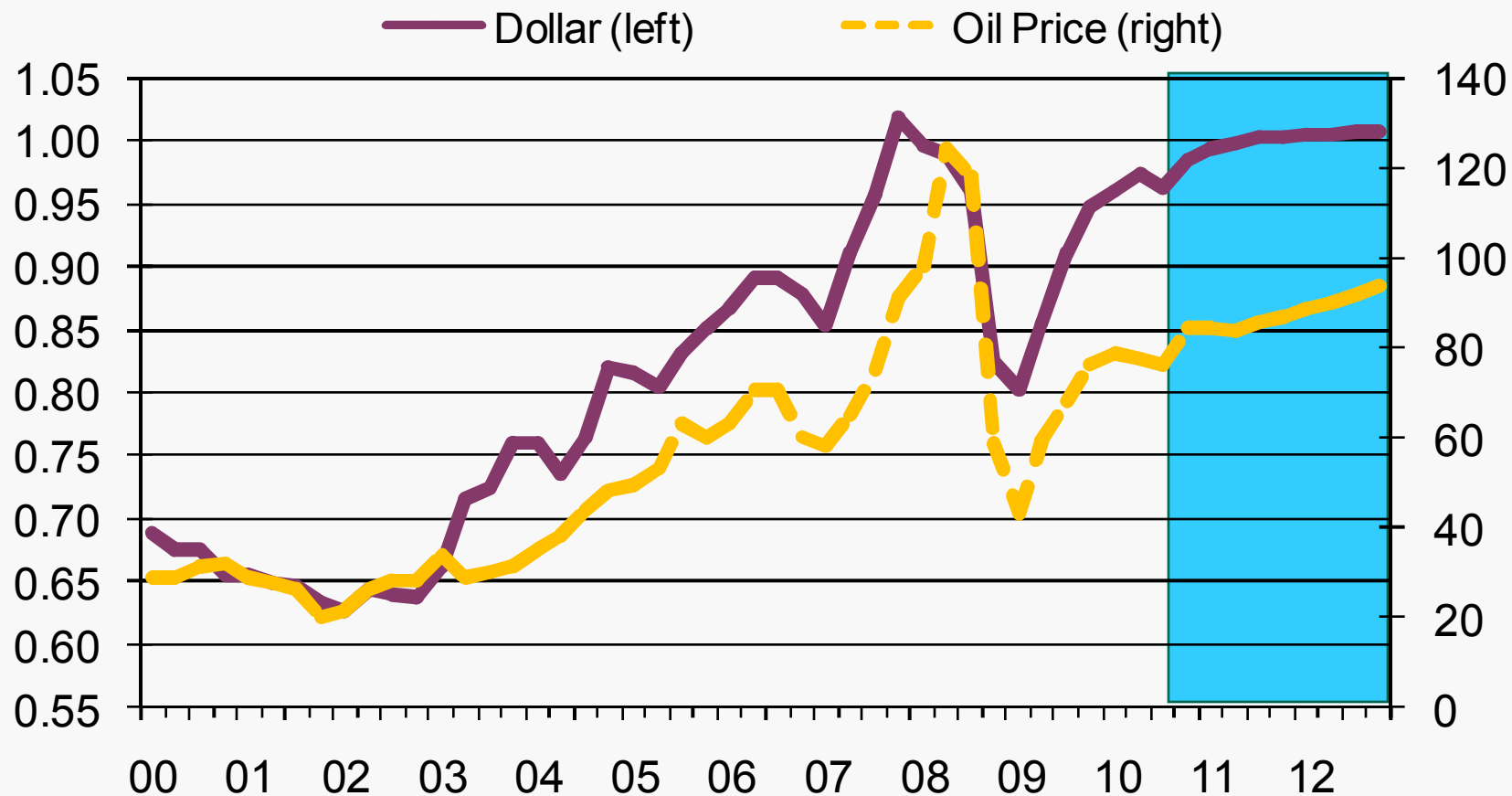
Climate change:

Still searching for concerted action



The Loonie and the Oil Price

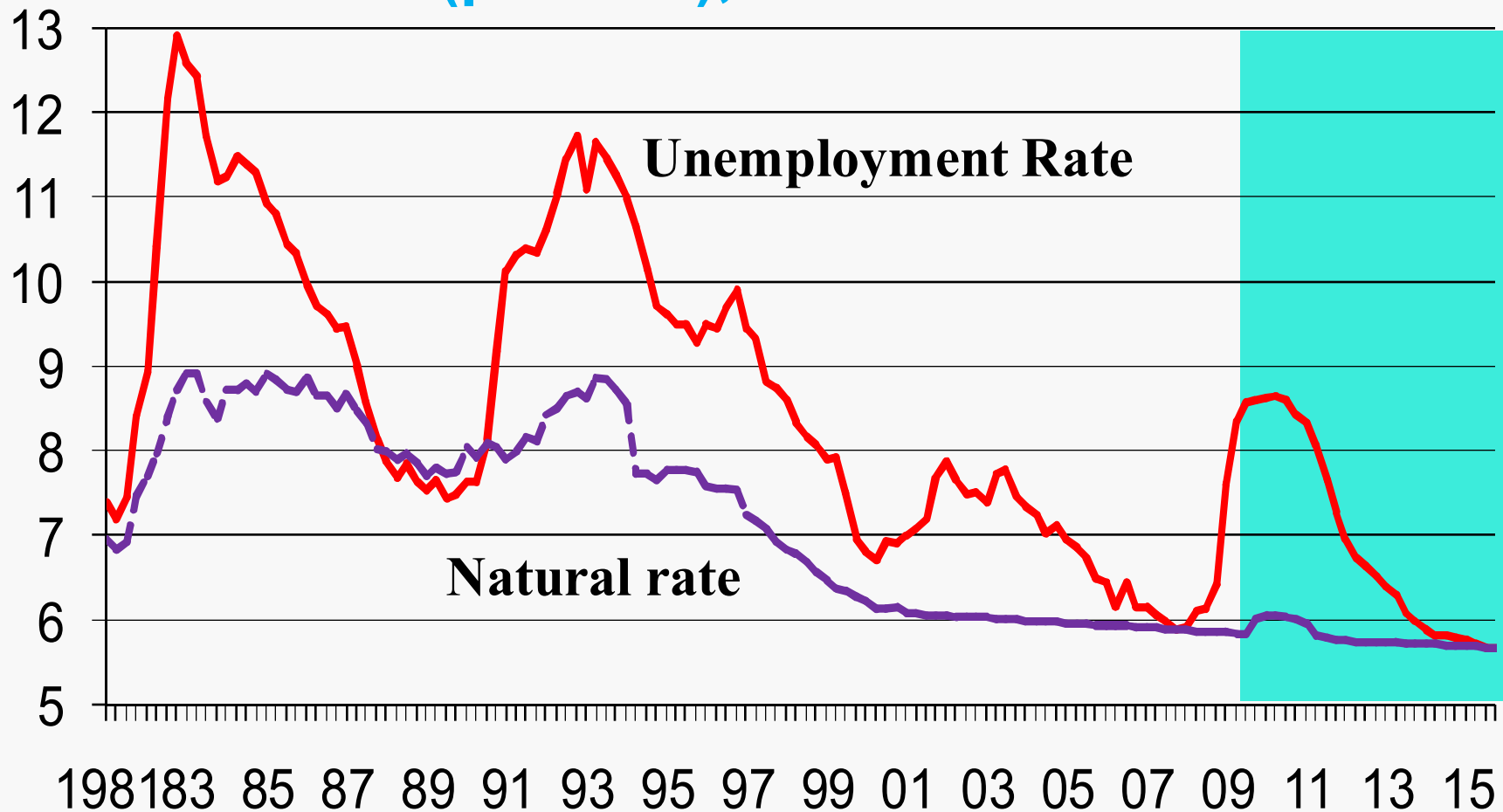
WTI \$US, \$US/\$C



Sources: The Conference Board of Canada; U.S. EIA; Statistics Canada.



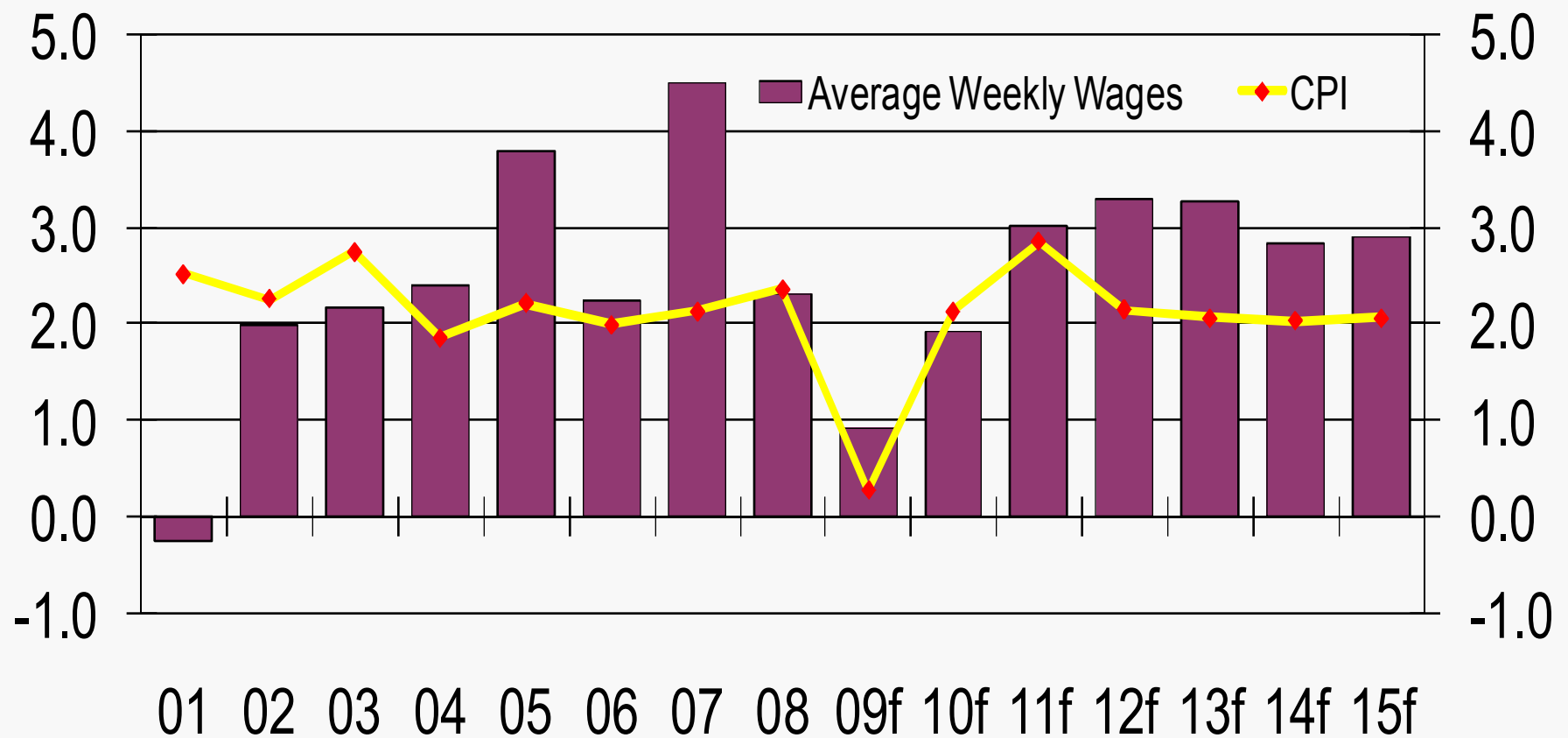
Unemployment Rate vs. Natural Rate (percent), 1981-2015



Sources: The Conference Board of Canada; Statistics Canada.



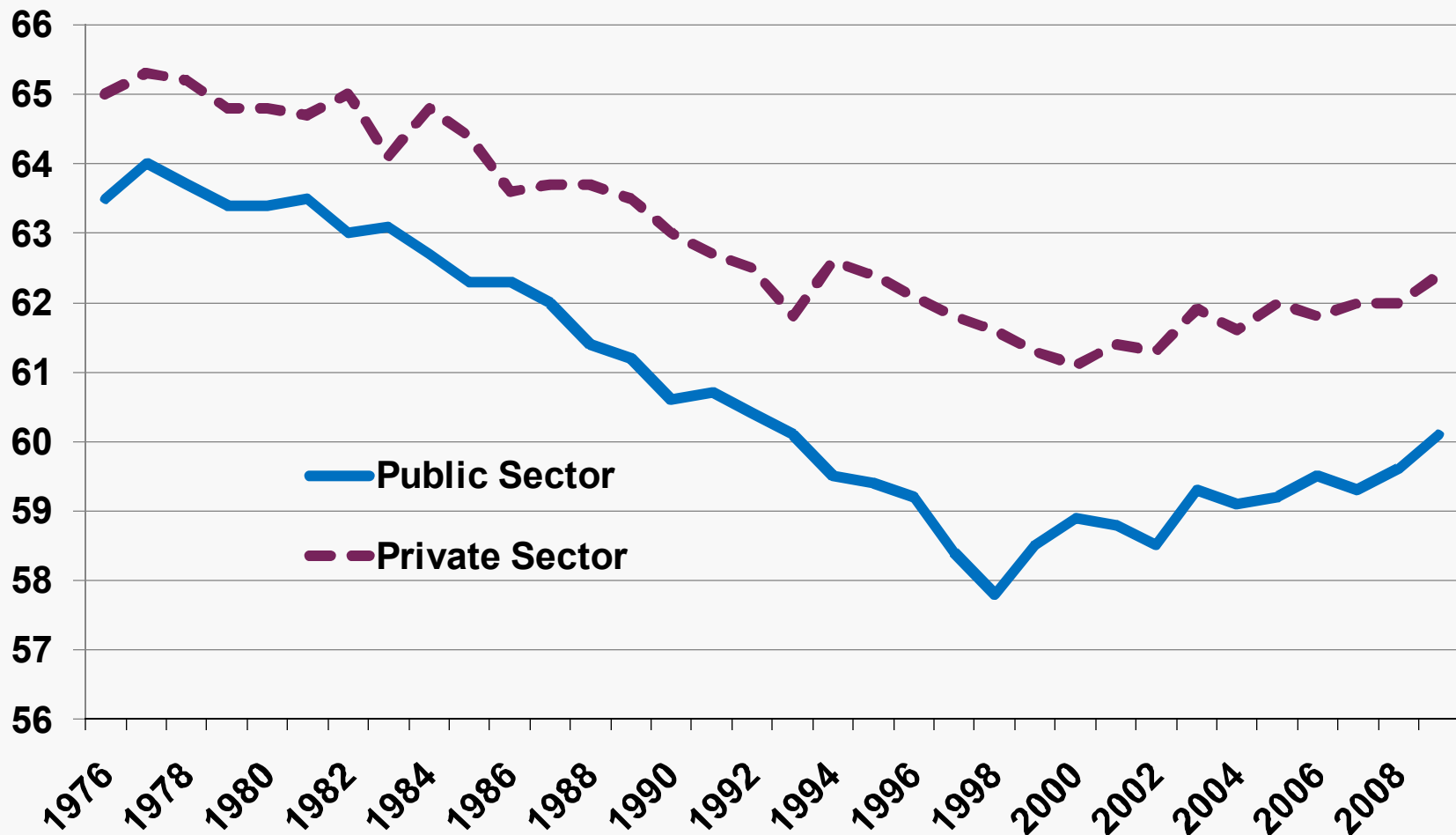
Growth in Industrial Composite Average Weekly Wage versus CPI (per cent change)



Sources: The Conference Board of Canada; Statistics Canada



Average Retirement Age



Source: Statistics Canada.

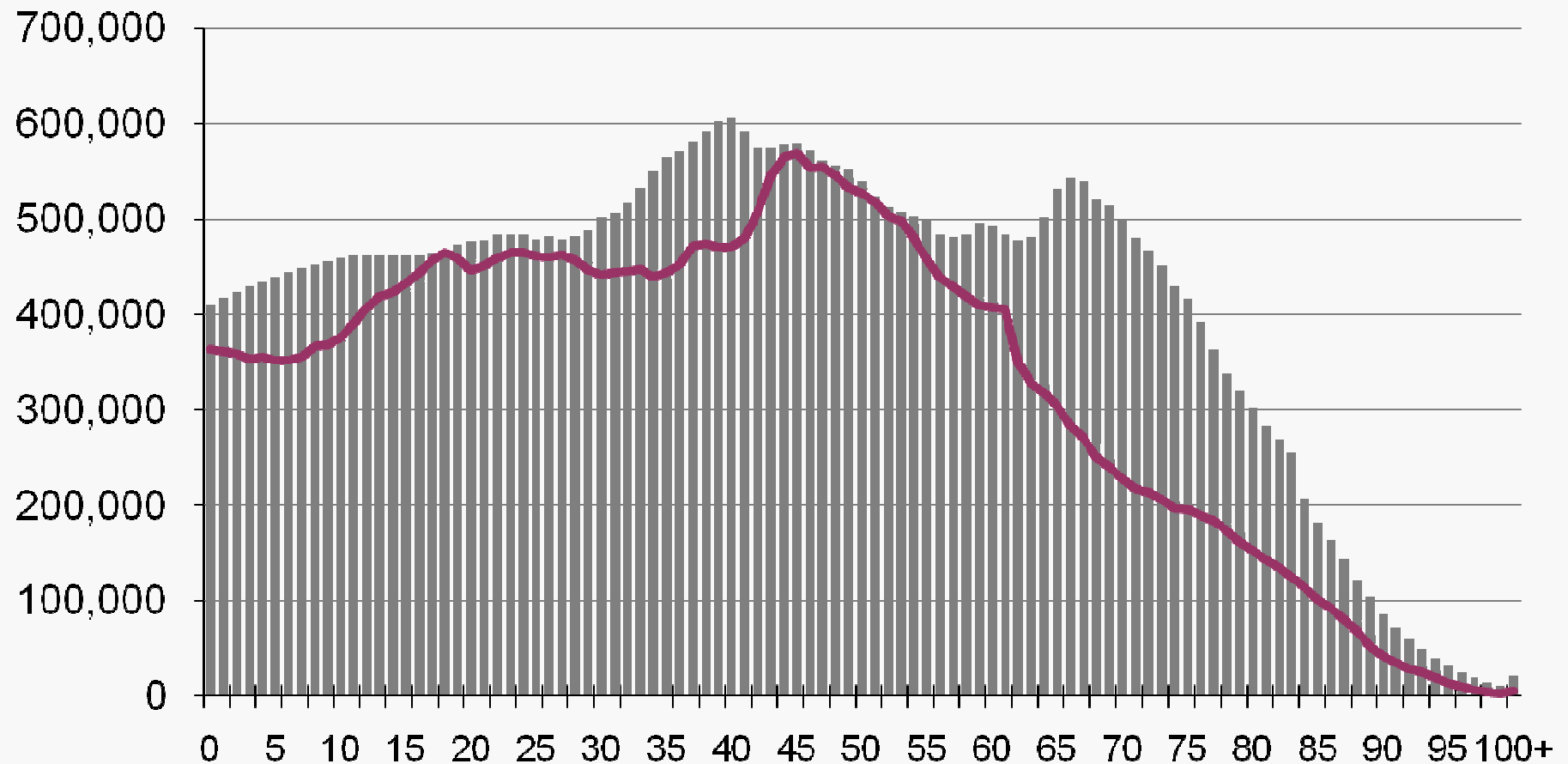


Canadian LT Demographics

- Aging population will drive changes in the economy
- Supply constraints on labour already here
- Immigrants will be the dominant source of population growth by 2030
- Potential output weakens through 2030
- Productivity gains needed to help sustain GDP
- Active labour market policy required



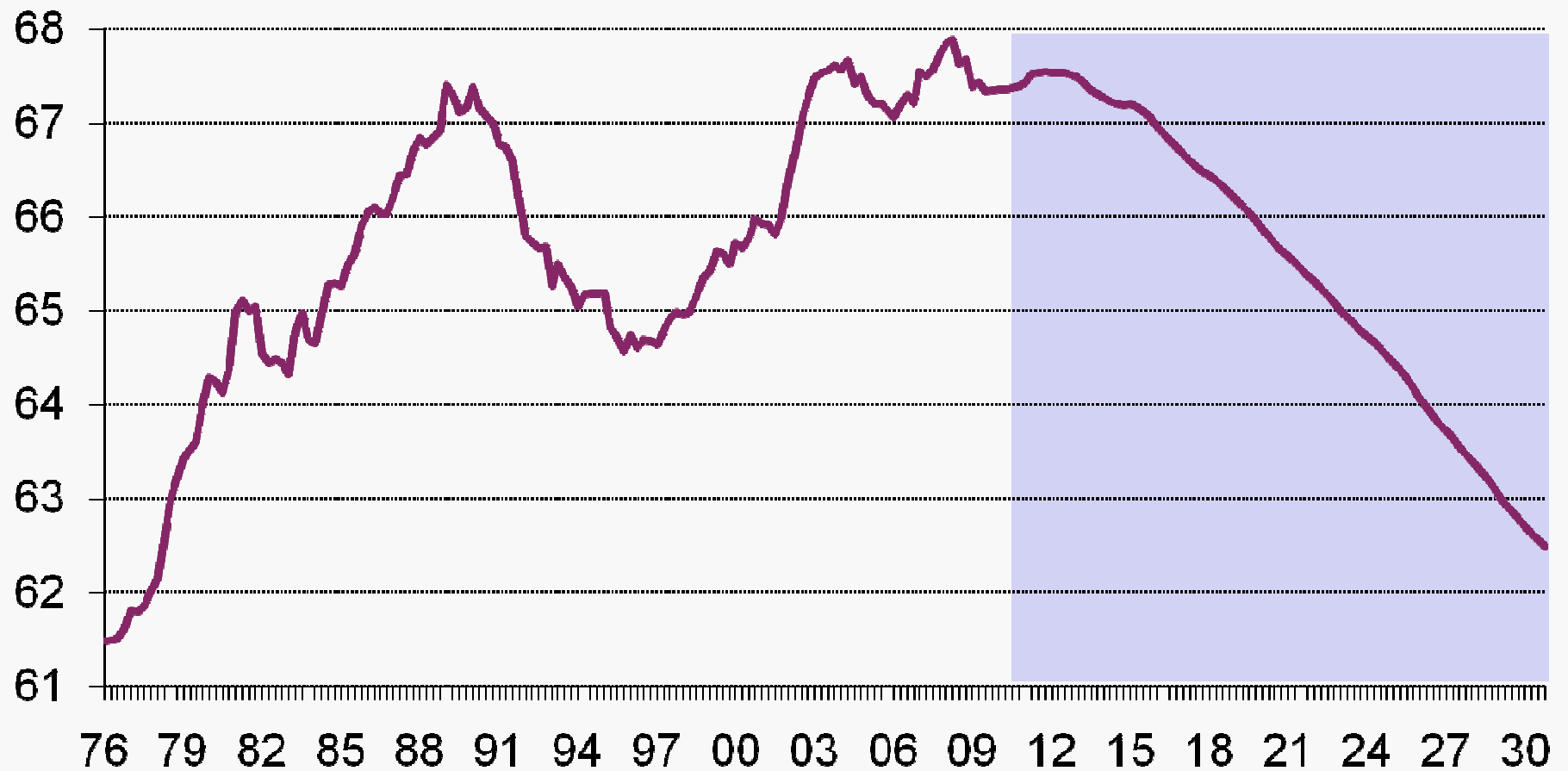
Population Distribution by Age, 2030



Sources: The Conference Board of Canada; Statistics Canada.

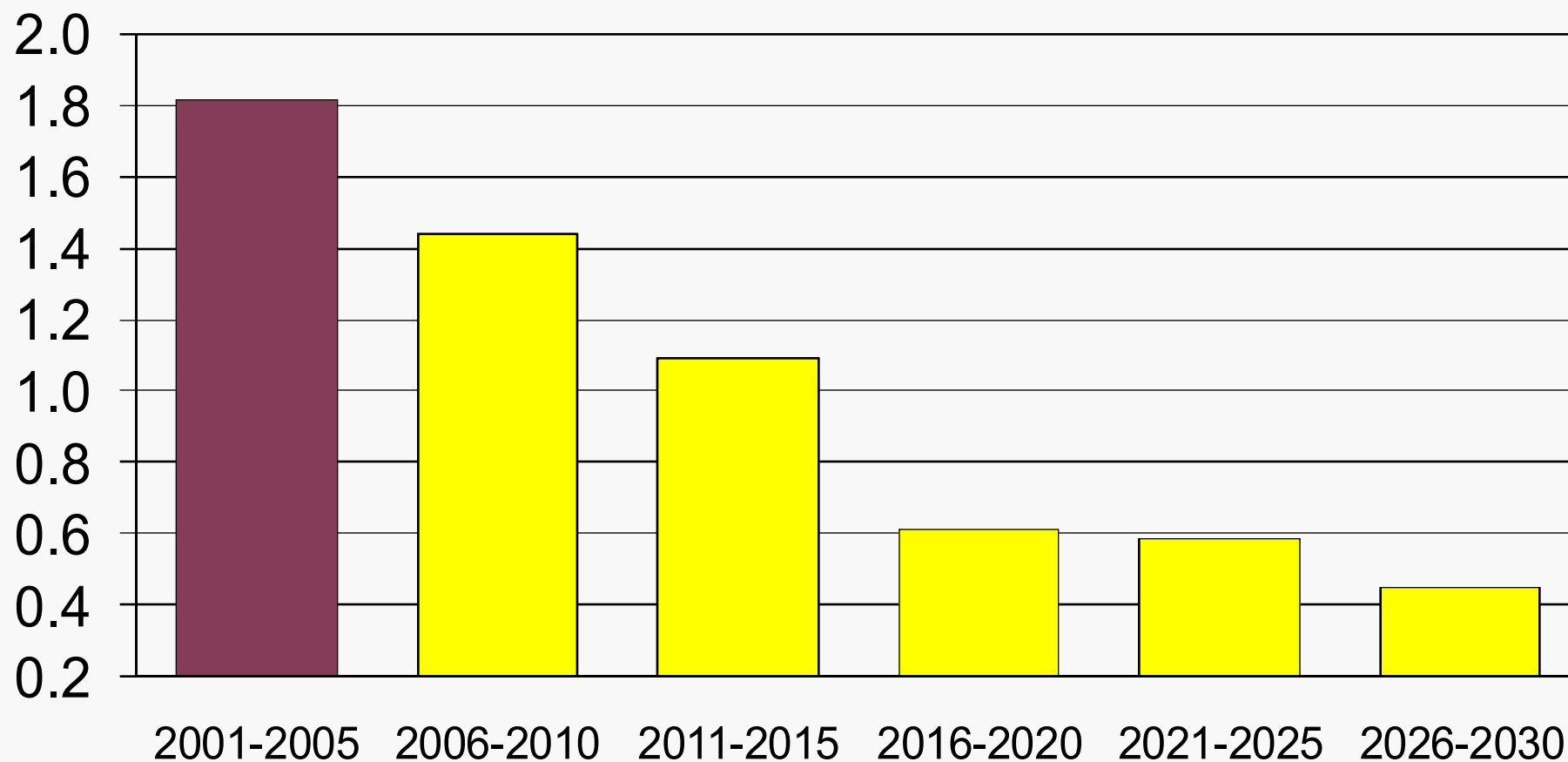


Labour Force Participation Rate (1976-2030, per cent)



Labour Force Growth

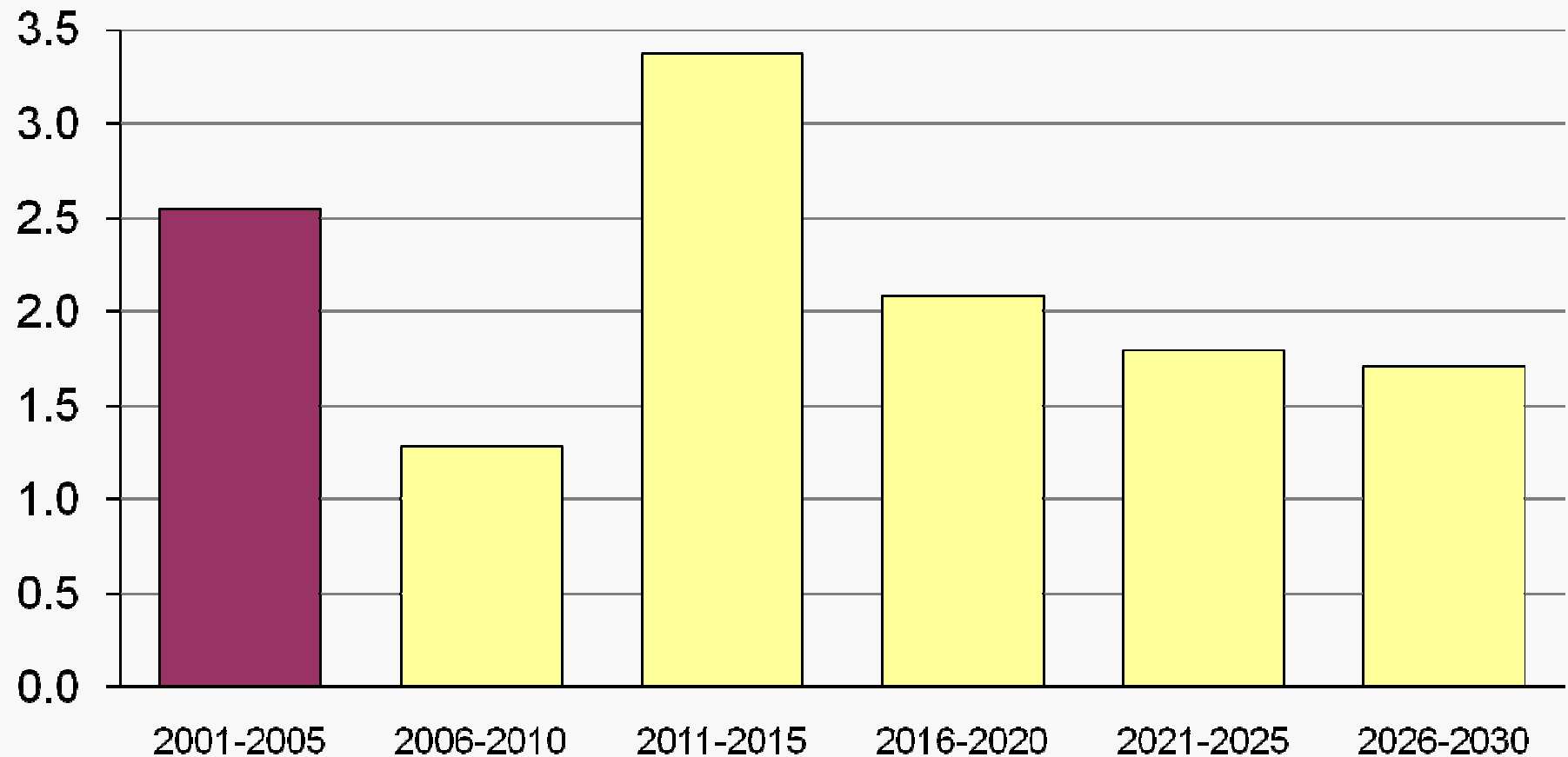
(average annual growth)



Sources: The Conference Board of Canada;



Real GDP Canada (per cent change, compound annual growth)



Sources: The Conference Board of Canada; Statistics Canada.



Replenishing the Workforce

- There are essentially three inter-related options for adapting to aging demographics:
- Raise levels of immigration and speed up integration
- Invest in education: increase the skills of the workforce
- Encourage older workers to work longer



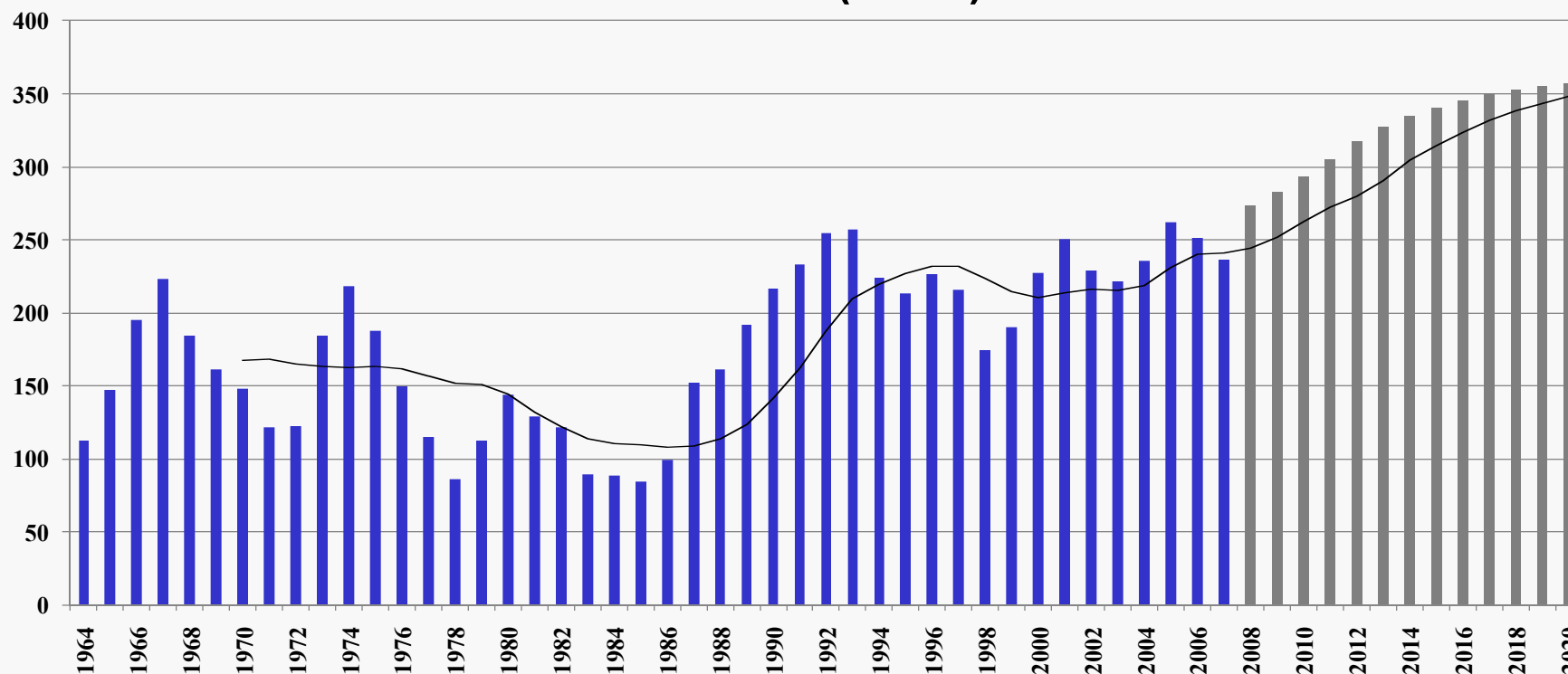
LT Path for Immigration

- The Conference Board's long-term economic forecast assumes that levels of immigration will be raised significantly
- We expect annual immigration levels to grow progressively, reaching 350,000 by 2030
- But the system will have to change to achieve effective integration at this level



Immigration – By the Numbers

Historical and Projected Immigration to Canada 1964 – 2020 (000's)



Employment Barriers

- Lack of Canadian work experience
- Discrepancies in recognizing foreign qualifications and experience
- Language barriers
- Differences in workplace cultures
- Insufficient workplace integration and diversity programs
- Discrimination



Recent CBoC/Hodgson research

- “Canada’s Future Labour Market: Immigrants to the Rescue?”, Policy Options, July-August 2010
- “We need immigrants as boomers retire”, Toronto Star, August 26, 2010.
 - Sustaining the Canadian Labour Force: Alternatives to Immigration, Executive Action briefing, August 2010.



Re-inventing Immigration Policy

1. Recognize importance of skills-based immigration to address labour market needs and immigrant's potential for long-term economic contribution.
2. Develop a consolidated immigration system that is streamlined, client-friendly and assesses technical and language skills early.
3. Engage employers up-front, improve their integration into the system and monitor.



Re-inventing Policy (cont.)

4. Increase use of TFWs to fill short-term gaps in labour markets.
5. Create new and improved pathways to permanent residency for TFWs, foreign students.
6. Improve foreign credential recognition, language training, settlement services and opportunities to gain meaningful work experience.



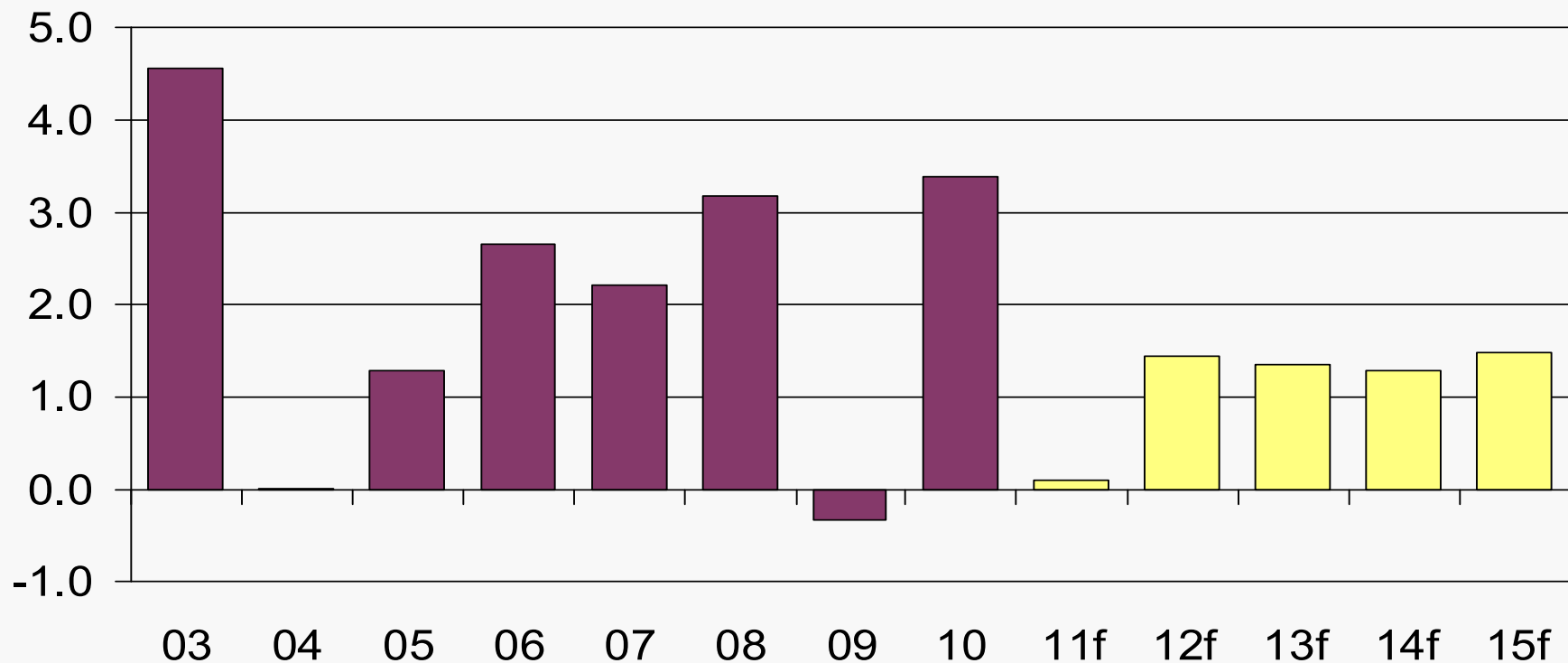
Ottawa-Gatineau Outlook: Highlights

- Ottawa–Gatineau's economy bounced back solidly in 2010 following the downturn in 2009.
- Economic growth is expected to slow in 2011.
- A federal government spending freeze will restrict growth in the key public admin. sector.
- High-tech sector activity remains below peak levels.
- Job growth also expected to cool.



Labour Force Growth

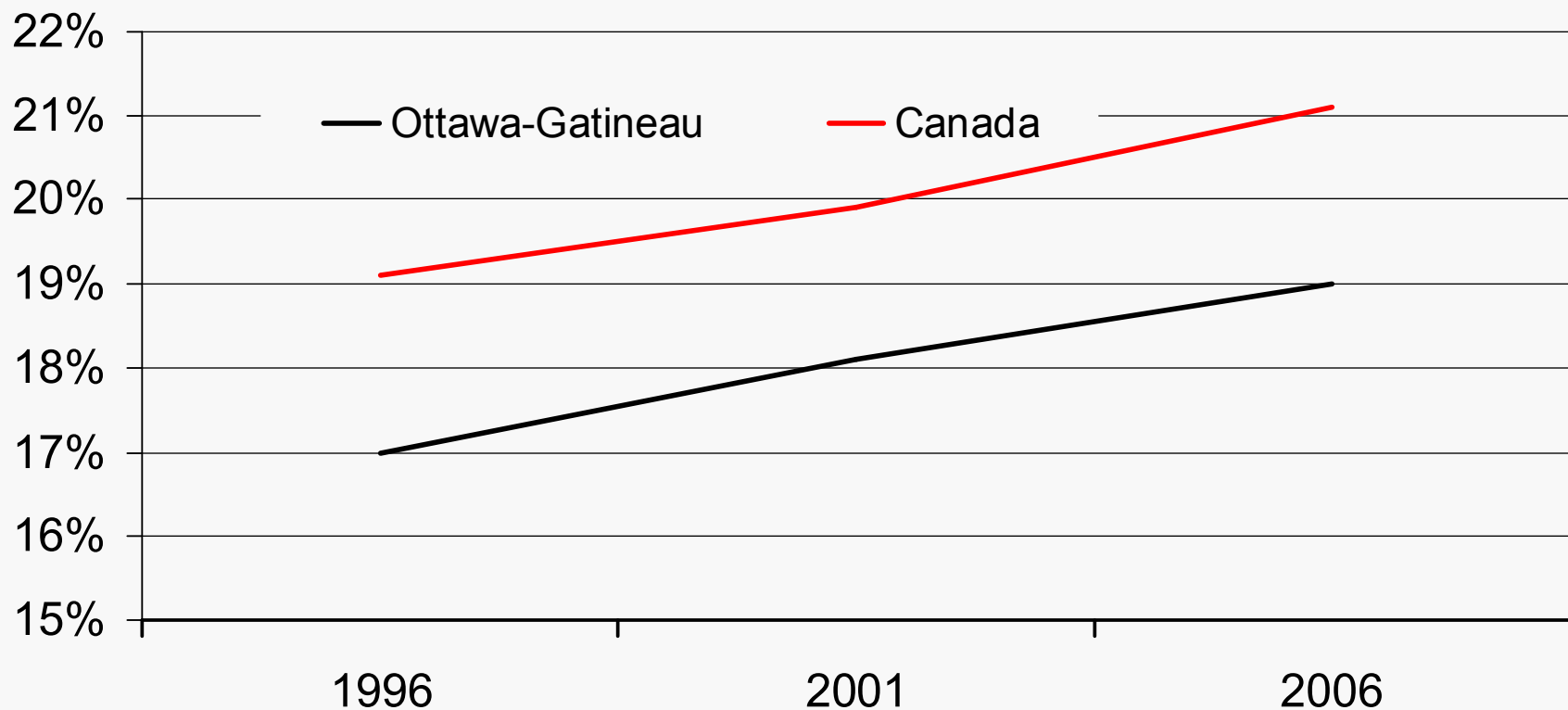
Ottawa-Gatineau (2003–2015)



Sources: The Conference Board of Canada; Statistics Canada.



Immigrant Share of Employed Labour Force



Source: Statistics Canada .



Conclusion

- As demographics take hold, immigration is key to Canada's future -- if we want to maintain a vibrant economy
- This means raising levels of immigration and speeding up integration
- Ottawa should embrace this objective.



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