



Landmark survey to cast light on Toronto Fin'l sector talent pool

A critical success factor for the financial services sector is the quality of its workforce. To ensure that Toronto's financial service institutions can count on highly skilled workers, TFSA is undertaking a major study into the sector's human resource needs.

A key recommendation from TFSA's competitiveness report, this study will develop a comprehensive labour force profile of the sector in the Toronto region and, based on an assessment of best practices, a labour force readiness plan specific to financial services. The report is expected in early 2007.

Included in the work will be an in-depth assessment of labour force supply and demand issues over the next five years; a comprehensive strategy and action plan to ensure labour force requirements can be met; benchmarks to monitor Toronto's progress in attracting, developing and retaining the skilled workers needed by the sector and to compare its success to other city-regions; and a data base of education/labour force statistics available for government, sector and training purposes.

Research resulting from the study will also support TFSA's advocacy work with both the federal and provincial governments to encourage their continued support for training and post-secondary opportunities for financial service workers. It will also provide important data for individuals involved in the training and education of financial service workers, government departments dealing with productivity, human resource and labour force issues and strategic human resource executives.

The consulting firm of Deloitte Inc. has been chosen to undertake this work. Funding has been secured from the federal Department of Human Resources and Social Development and Toronto's Economic Development Division. The Ontario Ministry of Economic Trade and Development will also be supporting the initiative.

A "blue ribbon" panel of industry representatives with strategic human resource responsibilities will form part of the strategic oversight for the project. Their insight and advice will be important factors in devising the right strategies to respond to the long-term work force pressures these individuals must deal with if their companies are to compete successfully on the national and international stage.

Stay tuned for further information.

TFSA Leaders Meet with Mayor

On Wednesday, March 8, leaders from the member organizations of TFSA met in a "Leaders' Forum" with Toronto Mayor David Miller. The closed-door meeting was arranged to permit a frank exchange of views between the Mayor and the financial services industry, and to agree on positive steps the industry and the City can take to maintain Toronto's status as a leading financial services sector.

Mayor Miller told the group industry leaders that he wants strong industry involvement in the newly created Mayor's Economic Competitiveness Committee.

Following the meeting, he and the industry leaders joined a first-ever reception hosted by the TFSA for Toronto's various elected officials, including city councillors, provincial MPPs and federal Members of Parliament. In his remarks to the gathering, Mayor Miller noted that Toronto was the third largest financial services centre in North America. "We've already passed Los Angeles," he said, "and we've got our sights on Chicago and second place."

The reception was a success and TFSA expects that it will become a regular event.

Tax cut “step in right direction”

Ont. Budget Flags Importance of Financial Sector

Spending plans for the city of Toronto announced in the Ontario government’s March 23 budget were welcome news, and will begin to address infrastructure issues that had been of concern to TFSA members. The budget also announced that capital taxes would be trimmed by five per cent next year, and potentially phased out in 2010, two years ahead of schedule. TFSA Executive Director Janet Ecker greeted this news as a “step in the right direction,” however she was disappointed that the Special Additional Capital Tax on life insurers was not reduced at the same time.

Before the budget, TFSA had suggested several changes to the tax system, such as eliminating capital taxes altogether, and lowering the business education tax rate in Toronto to the average of the surrounding municipalities.

TFSA’s first recommendation, however, struck a broader chord. Noting that Ontario has extensive marketing initiatives promoting its main provincial industries, the brief questioned why the financial sector is not promoted as a distinct business sector. TFSA called on the government to recognize publicly that the sector is the largest in the economy and one that is healthy and growing. The Minister appears to have taken the suggestion to heart, because his budget made several references to the importance of the sector, and repeated many of the messages that TFSA has been sharing with members and the public in briefs and speeches.

A downloadable copy of the submission is available online at www.tfsa.ca.



Toronto, Top Biz Destination: EIU

Toronto has been named one of the top destinations in the world for business travelers by the Economist Intelligence Unit.

EIU has developed a “business-trip index” for 127 cities worldwide, ranking the best – and worst – destinations for business travel. Canadian cities take the top three slots, with Vancouver just ahead of Calgary and Toronto.

The British magazine notes that the top destinations may not be the cheapest, but they have the right mix of ingredients to please the business traveler.

In addition to costs, EIU says crime, climate, transport and recreation all play a part in their index, along with airport distances and the availability of good hotels.

A full explanation of the methodology and a full city ranking are available to download on the Economist Web site.

Industry News

Office vacancy rates in Toronto and the GTA declined steadily throughout 2005, according to Royal LePage numbers cited in the City of Toronto’s Economic Indicators report for January. The vacancy rate in the Central Area dropped to 8.7% in Q4 2005, down from 9.9% one year earlier.

The median hourly wage for the Toronto CMA in January 2006 was \$18.24, up 3.4% year-over-year. (Source: Statistics Canada)

Last year was another banner year for the equity market in Canada. The Investment Dealers Association reported in February that \$48.9 billion of equities were issued in 2005, breaking the previous year’s record by 2.4%.

Toronto has climbed three places in the international rankings of patent-issuance, a proxy for the city’s ranking on the innovation scale. According to the most recent data from the World Intellectual Property Organization, more than 600 patents were registered in Toronto in 2004, bringing the city to 14th in the world, and 7th in North America.

The mutual fund industry, meanwhile, also reported record performance. The Investment Funds Institute of Canada reported in January that assets in Canadian mutual funds rose to \$570 billion in 2005, up from \$497 billion the previous year, giving the mutual fund industry its largest ever annual dollar increase in assets. IFIC noted that the increase in assets in long-term funds was particularly strong, notching up a record one-year increase of \$77 billion (17.2%) from 2004.

New and Noteworthy

Bank of Nova Scotia has received regulatory approval to close its transaction to buy the mortgage business of Maple Financial Group Inc., including Maple Trust Company, a national leader in mortgage lending. In a release, the bank said “the acquisition improves Scotiabank's ranking to No. 3 from No. 4 in Canada's overall mortgage market and doubles the Bank's mortgage originations through the broker channel - where mortgages are acquired through brokers.” (April 3)

It was another great year for the Canadian securities industry. The Investment Dealers Association reported that the industry scored its third consecutive year of record profits in 2005. Total adjusted operating profit “zoomed to a record \$4.3 billion in 2005,” the IDA said in a report, “shattering the previous all-time high of \$3.6 billion by a comfortable 21%.” (March 23)

UBS has opened a new Hedge Fund Services office in Toronto. In its release, UBS said the office employs an experienced team of professionals “with plans for expansion” and will provide a complete range of hedge fund administration services for UBS’s hedge fund client base in North and South America, utilising state-of-the-art technology, including web-based reporting. UBS currently has Hedge Fund Services offices in the Cayman Islands, Dublin, New York and London, with plans to potentially open an office in Asia later this year. Hedge Fund Services currently has USD 108 billion in assets under administration. (March 1)

Manulife-Sinochem Life Insurance Co. Ltd., a subsidiary of Manulife Financial, has received approval from the China Insurance Regulatory Commission (CIRC) to open a Sales Office in the city of Jiaxing. This is the fourth license approved in the province of Zhejiang and the 13th city license—more than any other joint-venture life insurer in China. Manulife-Sinochem plans to open its sales office in Jiaxing mid-year. In January, Manulife-Sinochem had received initial approval from CIRC for a Sichuan Provincial Branch license that permits a Branch operation to commence operation in the Provincial capital of Chengdu. (February 28 and January 6)

Fifth Third Bancorp has opened its first new commercial banking office in Toronto, its first North American expansion outside the United States. First Third, headquartered in Cincinnati, OH, said in a news release it will deliver “customized, full-service commercial banking solutions and seamless cross-border banking to Canadian- and U.S.-based companies.” (February 23)

UPDATE: New link with Mumbai

The TFSA and its sister organization in London, England (International Financial Services, London) have just concluded a Memorandum of Understanding with Bombay First in Mumbai, India, to promote economic and sectoral linkages between the three cities.

The accord, which will be in force for an initial two years, was formalized on March 22 at the Bombay Cricket Club, with Gary Comerford, Sun Life Financial's VP and GM India, signing on TFSA's behalf.

The three agencies have agreed to cooperate by promoting trade, business and the sharing of information, experiences and best practice in the area of financial and professional services.

Toronto welcomes BANKSETA IEDP for second year

Twelve senior executives from South Africa's banking sector will spend six weeks in Canada this summer for the second annual BANKSETA International Executive Development Program.

The dozen bankers, from previously disadvantaged groups in South Africa, will benefit from academic learning, onsite workplace days with leading Canadian financial institutions, and networking, partnership and cultural events and opportunities. The development program is intended to accelerate the participants' leadership and promotability within the South African banking sector.

TFSA is coordinating the program, which runs from June 10 to July 22.

New and Noteworthy (continued)

Royal Bank of Canada announced that it has received approval from the China Banking Regulatory Commission to upgrade its Representative Office in Beijing to a branch. The branch opened on February 28. In a news release, RBC said the branch will “assist institutional and business clients with a range of banking activities, including correspondent banking and trade finance.” (February 22)

Scotia Capital’s Foreign Exchange proprietary online trading platform has been ranked among the ten best in the world, based on client satisfaction, according to international finance magazine *Euromoney*. ScotiaFX is also the highest ranked among Canadian-based financial institutions. The rankings were released in the February 2006 issue of *Euromoney*. (February 21)

TD Bank Financial Group (TDBFG) and VFC Inc. have entered into an agreement under which TDBFG will offer to acquire VFC, a leading provider of automotive purchase financing and consumer installment loans. VFC has a portfolio of \$380 million in finance receivables, “representing more than 25,000 customers through a network of 2,000 pre-qualified automobile dealers across Canada.” (February 16)

The Financial Times of London has ranked the Schulich School of Business at York University number one in Canada and among the top 20 schools in the world. In a release, Schulich said it ranked 18th overall in the 2006 FT global survey, just behind a group that includes Kellogg, Berkeley, and Michigan, and ahead of UCLA, Duke, and the University of North Carolina. Among Canadian schools, Schulich ranked number one, ahead of the Rotman School of Management at the University of Toronto, in 24th place, and the Ivey School of Business at the University of Western Ontario, in 31st place. Among North American schools, Schulich ranked 13th, and among non-U.S. schools, Schulich ranked 6th overall. (January 30)

BMO Financial Group has been ranked the number one bank in the new Foreign Exchange currency pairs trading system in China. In a news release, BMO said it leads the list of ten notable international competitors among approved market makers, and that no other North American institution ranks in the top 10. The ranking was published by the China Foreign Exchange Trading Systems (CFETS) and reflects volumes traded by banks in the first six months of the new trading platform. (January 23)

A new partnership will enable MBA students from the Rotman School of Management at the University of Toronto to spend a semester at the Indian School of Business in Hyderabad and for business students from the Indian School to study in Toronto. The Exchange program will be first offered during the 2006–2007 academic year. (January 16)

Upcoming Events

May 15

FSI seminar on Ontario’s New Secondary Market Liability Regime, in Toronto.

May 16-17

FSI seminar on Hedge Funds, in Toronto.

May 31-June 2

Canadian Venture Capital Association’s annual conference, in Vancouver.

June 10

TFSA reception and news conference to welcome to Toronto the South African participants in the 2006 BANKSETA International Executive Development Program.

September 18-19

Regulatory Compliance for Financial Institutions: 8th Annual Conference, in Toronto.

September 19-22

The Association of Canadian Pension Management (ACPM) marks its 30th anniversary at its annual national conference, in Winnipeg.

October 5

Mergers & Acquisitions Symposium, sponsored by Canadian Venture Capital Association, Canadian Institute of Chartered Business Evaluators, Financial Executives International Canada, Canadian Investor Relations Institute, and the Toronto CFA Society, in Toronto.
