

LOCAL ECONOMY AND BUSINESS

Climate Change and the Local Economy

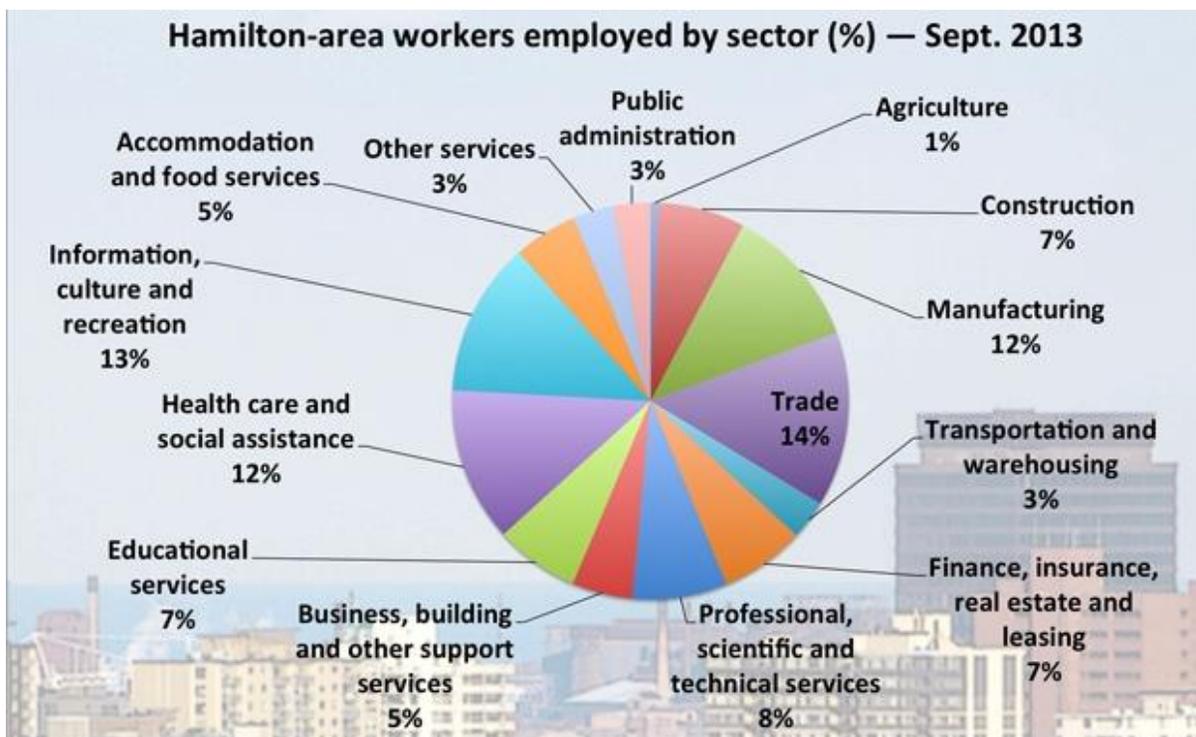
The manufacturing sector within the City of Hamilton has been the driving force of the local economy for many years; however, in the last decade the City has experienced a shift from a manufacturing economy to a service economy. Climate change is expected to impact all industries within Canada. Canadian business will be impacted directly through damages or costs linked with extreme weather, and indirectly as a result of changes in customer preferences, stricter government regulations and legal liability. Climate Change presents two main challenges to businesses. Business may be expected to reduce greenhouse gas emissions to prevent further changes, and to deal with existing, unavoidable changes to the climate. The Hamilton GHG Inventory identified 2008 GHG emissions from local commercial and industrial sources as 25% (1,298,469 tonnes) and 33% (1,660,499 tonnes).

Insights

- The labour force in Hamilton is 411,300 people (May 2014) and 383,000 people are employed.
- Hamilton is home to nine business parks/districts.
- In 2003, 22% of the workforce in the Hamilton Census Metropolitan Area was employed in manufacturing jobs and by 2014 that number had dropped to 12%. The decline of the manufacturing sector was accompanied by growth in other sectors, such as information, culture and recreation (13%) and educational services (7%).

Existing Local Economy and Business Plans and Policies

- ✓ Economic Development Strategy, 2010-2015
- ✓ The Growth Related Integrated Development Strategy



Source: Statistics Canada (Cory Ruf/CBC)

- Climate change and energy is likely to affect all industry sectors although the scale of the effects on local business will depend on factors such as its activities and location.
- The main risks of climate change to business and the local economy is increased costs (higher energy prices, carbon taxes, rising insurance premiums, more expensive raw materials, and higher production costs), risks to supply chains, business interruption and potential revenue loss.
- Climate Change risks and high energy prices may create local market preferences. Economic localization and buying locally has been suggested and used by communities in various forms to combat the risks of increasing energy and food prices, financial meltdowns, climate change, and create community self-sufficiency.
- A 2005 Ontario Medical Association report estimated the cost of air pollution to the economy of Ontario at \$16 Billion per year.
- Climate change poses health risks to outdoor employees as a result of increasing temperatures.

Discussion Questions

- What impacts or risks from climate change do we face in relation to the local economy and business?
- Who or what is most vulnerable to the impacts of climate change from an economic and business perspective?
- What opportunities present themselves from an economic and business perspective from climate change?