

CANADA'S ECONOMIC PROSPECTS **ARE BRIGHTER AND** BIGGER THAN EVER.

WIDE OPEN FOR BUSINESS

Huge. Gigantic. Colossal. Canada, the second largest country in the world, can simply be described as big. Just look at a map. Massive amounts of land, an abundance of fresh water, enormous quantities of trees, tremendous supplies of natural resources... plenty of plenty.

However, Canada lacks people. A population of thirty-one million living on ten million square kilometres makes Canada the third least densely populated country after Australia and Iceland. Picture three people per square kilometre. Then imagine the United Kingdom with 242 people per square kilometre, Japan with 335, or the Netherlands, with almost 400. Heck, even the United States seems crowded with a paltry 29 people per square kilometre. What makes Canada unique is that, despite all that room to breathe, 85% of the population lives within 300 kilometres of the U.S. border. Why? Primarily business. And like everything else about Canada, it's big business.

Canada has been described as an affluent, high-tech industrial society much like the United States with its

market-oriented economic system, pattern of production, and high living standards. Since the Second World War, the growth of the manufacturing, mining, and service sectors has transformed this vast northern nation from a mostly rural, agricultural economy into a primarily urban, industrial economy. Unemployment is declining. Government budget surpluses are helping reduce the country's large debt. The 1989 U.S.-Canada Free Trade Agreement (FTA) and the 1994 North American Free Trade Agreement (NAFTA) have ignited a significant increase

in trade and economic integration with the United States. When you add in the country's extraordinary natural resources and skilled labour force. Canada's economic prospects are brighter and bigger than ever. Three possible stumbling blocks include the constitutional impasse between English- and Frenchspeaking regions, which threatens to split the federation, the southern flow of professionals lured by higher pay and lower taxes to the United States, plus the constant need for more educated, more skilled and more ambitious entrepreneurs and investors.

LOCATION LOCATION LOCATION

So, with the money invested and the "i's" and "t's" all dotted and crossed, the next consideration for Canadianbound immigrants is what part of those ten million square kilometres is most appealing.

Remember that 85% of Canada's residents live within 300 kilometres of the U.S. border. Narrowing that down and delving a bit deeper, you find that almost half of Canada's residents live in four major urban regions: Ontario's extended Golden Horseshoe – that's the southwest end of Lake Ontario from Oshawa through Toronto, Barrie, St. Catherines and around to Niagara – then there's greater Montreal, British Columbia's lower mainland and southern Vancouver Island, and Alberta's Calgary-Edmonton corridor.

Those 15 million people are there because that's where you find the jobs, the necessary services and the bulk of Canada's businesses – and many more than just 3 people per square kilometre. However, if sprawling, crowded cities are not to your liking, there's still a whole lot of Canada up for grabs – and several levels of government ready with the incentives to help you get there.

All ten provinces and three territories are interested in your business. Here is a look at a few regions that are off the beaten path:

Most inhabited urban regions in Canada



If sprawling,

crowded cities are

not to your liking,

there's still a

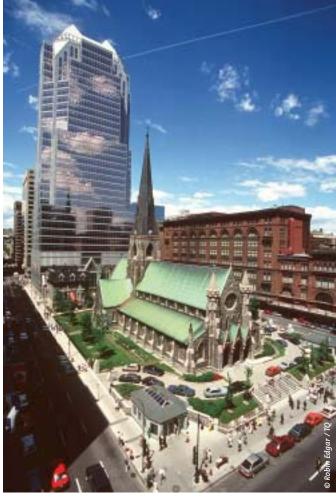
whole lot of

Canada up for

grabs.







BEST PLAC

Highly industrialized and diversified, Quebec has abundant natural resources and energy, along with well-developed agricultural, manufacturing and service sectors. The province has developed competitive industries in aeronautics, pharmaceuticals, telecommunications, energy and transportation.

Wander east from industrialized Montreal and Ouebec Citv and discover Bas-Saint-Laurent. With an area of 22,515 km² – 1.5% of the area of Ouebec this coastal region's boundaries are defined by the St. Lawrence River, the province of New Brunswick, the state of Maine, and the regions of

Gaspésie-Îles-de-la-Madeleine and Chaudières-Appalaches.

Forestry operations in the Bas-Saint-Laurent region are among the most important in Quebec. The region harvests about 9% of the wood in Quebec, whereas the number of harvesting and management related jobs accounts for 10% of forestry jobs throughout the province.

The Bas-Saint-Laurent region has four organizations that promote and support innovation: the Observatoire du Saint-*Laurent* – an organization that distributes oceanographical data concerning the St. Lawrence River; the

Corporation de soutien au *développement technologique* des PM – providing support for start-ups, training and R&D; the Corporation régionale de promotion des *exportations* which supports and promotes exporting; and the Parc de l'innovation, an industrial park for high-tech companies.

With regard to investment in continuing education (measured as a percentage of the payroll employers allocated to this activity), the Bas-SaintLaurent region is above the Quebec average. The region ranked second in Quebec in 1997 with a rating of 1.96% (1.48% for the rest of Quebec). In 1998, it was at the top of the list with a significantly higher level than the Quebec average (2.94% compared to 1.60% from 1998 data). The region is also home to several venture capital firms, including Accès Capital, Fonds régional de solidarité, Fonds d'investissement Desjardins, and Innovatech Régions ressources.



QUEBEC

BEST PLACES

ONTARIO

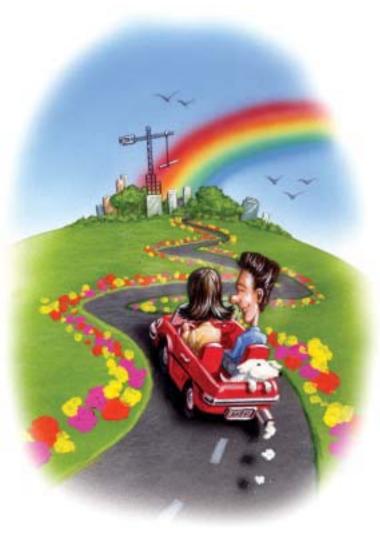
With its manufacturing industries leading the way, Ontario is Canada's most productive province, generating 40% of the country's gross domestic product. This province's competitive advantages include its natural resources, modern transportation system, large, welleducated labour force, reliable and relatively inexpensive electrical power, and proximity to key U.S. markets. Ontario is less than a day's drive from 120 million American consumers.

Away from the Golden Horseshoe's financial power base, the central eastern Ontario region includes the cities of Kingston, Belleville and Peterborough. With the majority of the region bordering the U.S., access to that market is provided just south of Gananoque through the breathtakingly picturesque Thousand Islands.

A number of industries, such as advanced materials and aerospace, have benefited from proximity to the Canadian Forces base in Kingston, the area's largest employer. Companies within these industries, such as Alcan, DuPont and Bombardier, have found it advantageous to support research and development facilities alongside their large manufacturing facilities.

With 15 of the top 20 largest employers being involved in medical, educational and public administration, the regional economy relies primarily on the service industry. The region features 72 research institutes and Centres of Excellence. The majority are associated with **Oueen's University. The** remainder is found at the Royal Military College, Trent University, Sir Sandford Fleming College and in private research institutes.

This mostly rural yet highly developed area of Ontario is home to many of the province's best schools and research centres. Plus, there are business support services and networks to help entrepreneurs settle in and thrive. Among these PARTEQ Innovations, the technology transfer agent for Queen's University has successfully established over 16 North American companies through proprietary technology developed at the university. KEDCO, the Kingston **Economic Development** Corporation, provides business support services including the Build Your Own Business (BYOB) Centre, the Entrepreneurship Centre Resource Library, and the recently offered "Financing



Boot Camp," an instructional class on venture financing. Located within Loyalist College, the Quinte Business Development Centre aids in the development of business plans, and in legal, accounting and financing arrangements. The centre includes the Trenval Business Development Corporation,

which provides up to \$125,000 in financing in the form of a business loan. The Peterborough Business Advisory Centre advises both prospective and established business owners on the start-up and maintenance of successful businesses.

ONTARIO IS CANADA'S MOST PRODUCTIVE PROVINCE, GENERATING 40% OF THE COUNTRY'S GROSS DOMESTIC PRODUCT.

Νονα Scotia

On the edge of the Atlantic Ocean, Nova Scotia's economy is highly diversified. The resources sector started with the sea and the teeming fish of the Scotian Shelf. The catch is comprised mainly of cod, haddock and pollock, as well as lobsters, scallops and crab. This resource, particularly cod, has been hit by dwindling stocks in recent years, and quotas are affecting those who derive their livelihood from this sector.

Nova Scotia has a highly developed forestry sector with four pulp and paper mills and several hundred sawmills. The mining sector is dominated by thermal and metallurgical coal production of 3.2 million tonnes. The province also produces 7 million tonnes of gypsum, over 70% of Canada's total production. Extensive exploration of offshore oil and gas has been undertaken in the past decade, and in 1991 the first commercial production of oil began near Sable Island.

In 1999, Nova Scotia ranked third in Canada in terms of research and development thanks to substantial inputs from the public sector, particularly universities. Moreover, the province was second in terms of innovative firms having cooperative arrangements, though it did not rank as well in terms of patents per capita. Venture capital investment per capita has been below the national average.

Nova Scotia enjoyed one of the most educated labour forces of all Canadian provinces in 2000, as well as the highest university enrolment rate. As in other Atlantic provinces, population growth in Nova Scotia has been below the national average in recent years, due largely to emigration to other provinces.

In 1999, \$344 million was spent on Research and Development in Nova Scotia, representing 1.5% of the province's GDP. This is the highest R&D intensity of the Atlantic Provinces and the third highest in Canada, after Quebec and Ontario. Governments and higher education represented about 85% of total R&D spending in 1999, with universities accounting for 61% and the federal government for 21%.

The private sector was responsible for about 15% of the overall R&D spending in Nova Scotia, compared with 57% in all of Canada and 75% in the U.S. Although partly compensated for by significant R&D contributions from the public sector, a private sector R&D-intensity gap remained between Nova Scotia, the rest of Canada and the U.S. Nova Scotia has a highly developed forestry sector with four pulp and paper mills and several

hundred sawmills.

ON THE EDGE OF THE ATLANTIC OCEAN, **NOVA SCOTIA'S ECONOMY** IS HIGHLY DIVERSIFIED.







Saskatchewan

Saskatchewan has changed greatly since it became a province in 1905. Back then, agriculture was the only industry, and it centred on wheat farming. Today, Saskatchewan produces over 54% of the wheat grown in Canada. Other crops include canola, rye, oats, barley and flaxseed. Saskatchewan is also a major producer of cattle and hogs. The average Saskatchewan farm is about 420 hectares in size.

Northern Saskatchewan's 350,000 km² of forests are

the province's most important renewable natural resource. Softwoods (coniferous trees) are the focal point of forestry development.

Saskatchewan is also a province rich in minerals. Potash, uranium, coal, oil and natural gas are the leading mineral resources. Saskatchewan's almost 19,000 active oil wells produce about 20% of Canada's total oil output. In addition, with an estimated twothirds of the world's reserves, Saskatchewan is the leading exporter of potash.

The City of Regina and 16 smaller communities and rural municipalities, are located in southern Saskatchewan on the Trans-Canada Highway, about 160 km north of the U.S.-Canada border. Known as Canada's "Queen City," Regina is home to the Royal Canadian Mounted Police training academy.

Regina's economy remains heavily influenced by its traditional role as the service and supply centre for southern Saskatchewan's agricultural economy. The economy is influenced second by the city's role as the capital of Saskatchewan, which has resulted in a large public administration sector, accounting for 10.8% of total GDP.

The single largest contributor to Regina's economy is the finance, insurance and real estate sector, which has grown due in large part to several national organizations establishing their headquarters in Regina.

Regina's large service sector, which includes a growing range of knowledge-based companies, provides a significant measure of protection from the dramatic swings in economic performance of southern Saskatchewan's agricultural sector. The continued expansion of the emerging film and new media industry, aided by the construction of a sound stage for major film productions, offers a new and promising growth opportunity to further diversify an

already large commercial services sector.

The energy sector will continue to be an important source of strength and growth potential, due not only to the 45% increase in capacity of the Consumers Co-operative Refinery, but also from the development and application of new and innovative energy-related technologies emerging from the Petroleum Technology Research Centre (PTRC) and the Greenhouse Gas Technology Centre.

The Regina Regional Economic Development Authority (RREDA), which includes nine rural municipalities and surrounding communities as regional partners, is in the early phases of developing a cluster-based economic development strategy. The plan, launched in June 2002, is based on seven key clusters: energy, environmental industries, information technology, agribusiness, steel and manufacturing, film and multimedia. and finance and insurance. The first three have been targeted for growth strategies and the other four for retention strategies.

Northern

Saskatchewan's

350,000 km² of forests

are the province's

most important

renewable natural

resource.

Nunavut

Stretching from the shores of Hudson's Bay to the North Pole and Greenland, with only about 27,000 residents, Nunavut, which means "our land" in the native Inuktitut language, has been home to Inuit for millennia and part of Canada for more than a century.

The settlement of the Nunavut land claim and the creation of the territory of Nunavut has provided a solid and stable environment for future economic development in this picturesque and resource rich region. The clear delineation of land ownership and the establishment of the territorial government will bring about enormous development in the newest of Canada's northern territories.

The growth of native development corporations, such as Nunasi and Oikiqtaaluk Corporation, represents concerns as varied as shrimp fishing, trucking and the hotel industry. Investment of annual Land Claim capital transfer payments is expected to total \$1.15 billion over 14 years. Five-year economic development programs are planned for each region and will include the further development of mineral deposits which show a potential for copper, gold, silver, lead, zinc and diamonds, and the creation of three federally-funded national parks.

The Government of Nunavut faces enormous challenges, not the least of which is to re-establish self-sufficiency for future generations. About 56 percent of Nunavut's residents are under the age of 25. The government must work to create employment opportunities, increase education and income levels, and cope with a cost of living two to three times higher than that of southern Canada.

Room to Grow

This cursory look at five of Canada's lesser-known regions for business development serves to demonstrate the vastness of the land, as well as its immense potential for growth and opportunity. This country was discovered, founded, settled and developed by immigrants who came from every corner of the globe long before Jacques Cartier officially stumbled upon it in 1535. Indeed, Canada continues to grow and prosper as a direct result of the sweat, abilities, beliefs and dreams of hardworking immigrants who can see a bright future stretching from the Atlantic to the Pacific to the Arctic.

For the most part, Canada embraces immigrants like no other developed country. Newcomers are welcomed like family and encouraged to maintain and share their culture while redefining and reigniting Canada. And just like those 16th Century explorers Canada's potential is frequently discovered far off the beaten path. It is here where you can truly realize how big the possibilities can be. The settlement of the Nunavut land claim and the creation of the territory of Nunavut has provided a solid and stable environment for future economic development in this picturesque and resource rich region.

NUNAVUT, WHICH MEANS "OUR LAND" IN THE INUKTITUT LANGUAGE HAS BEEN HOME TO INUIT FOR MILLENNIA AND PART OF CANADA FOR MORE THAN A CENTURY.

