

BUSINESS VIEW

Saskatoon and District Chamber of Commerce

SASKATOON'S ECONOMY FORECAST TO OUTPERFORM THE CANADIAN AND PROVINCIAL AVERAGE

With more precipitation across the province, Saskatoon's economic performance will outperform Canada by a wide margin, but we must do better to succeed in youth retention.

Hopefully Saskatchewan growth can reach or exceed the Canadian average growth forecast for 2002 and 2003. A recent Royal Bank economic forecast projects 2002 growth in Gross Domestic Product for Saskatchewan to be 1.5%. This compares to a Canadian Chamber of Commerce forecast of 1.2% for Canada as a whole. Any growth is welcome, however, this performance forecast contrasts starkly with the growth rates required to broaden the Saskatchewan tax base. For Saskatchewan, a much higher growth rate than the Canadian norm will be required to arrest and reverse provincial out migration. Two studies undertaken in 2001 indicated that an annualized

growth rate of 5.5% in Gross Domestic Product is required in Saskatchewan in order to arrest rural depopulation. Further analysis has indicated 3% annualized growth in manufacturing, resources extraction, and agriculture would be sufficient to reach this 5.5% growth rate.

Provided that moisture levels improve to fuel agricultural production, the Saskatoon region can expect to substantially outperform both the Canadian and Saskatchewan forecasted growth rates. While Saskatoon is substantially expected to outperform the rest of the province, and perhaps most of Canada, the Saskatoon region still exhibits GDP growth rates below full potential.

There remains a significant gap between the Saskatoon regional job growth rate and the number of annual graduates in our region. This gap between graduates and the job growth rate is estimated to range between 3,000 – 5,000 young people annually. Youth retention remains an important objective which, in the view of the Saskatoon and District Chamber of Commerce, must improve and must be realized in order to broaden the tax base of the Saskatoon region of the province.

There are bright spots in Saskatoon's progress to this end relating to develop-

... but we can do better!
ments at the University of Saskatchewan, newly recruited manufacturers and recent local plant expansions.

The significant efforts of the Saskatoon Regional Economic Development Authority to recruit, retain, and expand the business base of the region have been significantly augmented by recent municipal tax policy decisions enacted by Saskatoon City Council. This combination will spur Saskatoon development at a rate that will exceed the overall growth rate of the province.

Of note, the Saskatoon and District Chamber of Commerce has observed that the North American slow down has been felt less in the Saskatoon region compared to most of the continent. This local performance is a testament to the resilience and talent of businesses and entrepreneurs in Saskatoon.

More aggressive pursuit of agricultural diversification across the province, additional investment in research activity, and a growth focused policy agenda will go a long way to slow or arrest rural depopulation, close the job growth gap in Saskatoon, and broaden the tax base of our province.

FEBRUARY 2002

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**A VIEW FROM OUR
PRESIDENT
*Dave Dutchak***



On January 16, 2002, the Premier addressed the Business Community at his Annual State of the Province Luncheon. It was very cold out that day and the Premier felt he had to prepare us for the upcoming tough economic year ahead of us.

Well, I can't stress it enough, if we don't have an 'Open for Business Policy' in this Province, and are willing to state this clear message to the National & International market place, we will continue to experience cold economic times.

The Chamber of Commerce is advocating a 'City with Opportunity'. We need to work as a 'Team' in Saskatoon and with the provincial and municipal governments to achieve this. Yes, there are vibrations from the disaster that happened on September 11, but we can not blame this or other reasons to why we must bear down, expect higher taxes, less services and dip into our reserve fund just to exist. We have to send some clear messages of our intent. Some of these messages should look like:

- All existing National and International activities of the Crown's have to have a private partner to do business
- Allow opportunities and participate in Economic Development in some of our provincial main traditional areas such as Education and Health.
- Creating an environment that would allow for 'employee ownership' in some of the Crowns.

This would send clear messages to prospective investors in Saskatchewan and Saskatoon. When we talk about Private/Public Partnership, we have to make this work in a genuine way.

I would like to inform our membership that a group of business people interested in the Health sector will be touring the Mayo Clinic and Medical Alley located in Rochester, MN. A Conference on Health & Economic Development will be in progress during our visit, we will structure meetings and tours during the week of May 21-26, 2002. In November, 2001, our guests from the Mayo Clinic encouraged us that there are great economic opportunities here. This has to be pursued by Private/Public Partnerships. If you are interested in attending, e-mail me at d.dutchak@mdambulance.com, or call Jodi - 664-0700 at the Chamber office. This is going to be a very exciting trip.

I would like to congratulate the Agribusiness Committees, and thank Lester Lafond and Al Scholz for their efforts on their respective conferences on sighting opportunities in Agribusiness in partnership with Aboriginal Companies. Al Scholz was also involved in a one day conference on Ethanol Opportunities in Saskatchewan which displayed huge opportunities in that sector for our province.

Our New Strategic Plan is a map that will help our community to be sustainable, create opportunities and be a leader in Canada to do business in and create a great place to live. It is quite clear that we need more tax payers and more business to achieve a 'City of Opportunity'. The Combined Business Group will be sitting down with City Council soon to work on an Accelerated Growth Strategy which will help keep our City sustainable. I really don't care who

**REMEDIES FOR CANADA'S
AGRICULTURAL HEART**

**Food for Thought -
Rural to Urban Drift**

by C.M. (Red) Williams, PAg

A recent paper delivered by Michael Rushton from the University of Regina received only brief media coverage and then silence. It deserved much more attention. Some of the points raised suggest that the rural to urban drift is logical and merely shows that individuals will try to improve their net income. From that he rejects the idea that government policy should artificially interfere by subsidizing one result over another. This is a shamelessly short summary, so I would recommend you read the entire document available at www.uregina.ca/sipp.

What Rushton only briefly alluded to is that the rural-urban drift may result from factors such as prolonged droughts, falling commodity prices and government policies discouraging outside investment or limiting a reverse urban-rural drift. The policies have shaped rural Saskatchewan in the past as well as in other jurisdictions in the US I might add, in the name of protecting the rural way of life. This may be the more cogent debate.



C.M. (Red) Williams

Most would agree with Michael Rushton's thesis that rural depopulation is from the free choices of many individuals seeking to improve their lot. But the question that remains is if the impediments to a movement back to rural Saskatchewan were removed, would it occur? Would the capitalization, which has been almost exclusively in land, be matched by capitalization in value adding enterprises? This implies there must be under-exploited opportunities waiting for investors. It also suggests that repopulating of rural Saskatchewan would happen in the towns rather than the farms. This debate is about rural areas being capable of supporting an adequate infrastructure.

represents what during this session as long as we Plan, Vision and Tackle the barriers of achieving an accredited growth strategy. Our kids and grandchildren will look back and rate us as leaders at City Council and the Business Community for the achievements we will make over the next year as a 'Team'. I congratulate all the people who will take this journey and look forward to great results.

Saskatoon has the potential to be 'World Class' in many areas, we need to have Vision, Guts, Compassion, and the Will to achieve this. This is not a time to think small or in silos, but to inspire, lead and achieve great things for our community, to create a 'City of Opportunity.'

AIR TRAVELLERS SECURITY CHARGE

When the federal government announced in the 2001 Federal Budget that it would take responsibility for improved airport security, it was evident that it wanted to provide Canadians with the assurance that our airports and airplanes would be secure. However, the new Air Traveller Security Charge has many flaws, including its excessive rate, with no clear link between the fee that air passengers are paying and the level of security service they will receive.

The imposition of this fee also comes at a time when airline service to small and medium-sized communities has been scaled back considerably. Given the fact that the margin of profitability of providing service to these communities could be the difference of only a few passengers, services may be further reduced or eliminated in large part due to the Air Travellers Security Charge. This in turn would have noticeable negative direct and indirect impact on the economy in these small to medium-sized communities.

The Canadian Chamber of Commerce, building on the efforts of the Saskatoon Air Services Group, is recommending that the federal government reconsider the excessive Air Travellers Security Charge structure and has costs associated with airport security directly linked with the level of airport security provided.

TRLABS APPOINTS NEW CHAIRMAN

TRLabs recently announced the appointment of Mr. Reginald (Reg) Bird as the new Chairman of the Board of Directors of TRILabs, effective immediately.

For Reg, the appointment is a new chapter in a lengthy career in telecommunications, but one that is close to his heart. "TRLabs is a unique collaboration of industry, government and universities that produces results," says Reg, referring to TRILabs success in training almost 700 highly skilled university graduates, creating 250 technologies adopted for use by companies, and generating 44 patented inventions in its 15 year existence.

With the federal government aiming to double Canada's research and development commitment over the next decade to, in their words, 'brand Canada as the most innovative country in the world,' Reg sees TRILabs as being uniquely positioned to move that agenda forward. "TRLabs mixes two key ingredients - development of skilled people, and broad collaboration - to generate innovative technologies required to feed societies' demand for faster, more reliable, more accessible, more secure, and more mobile communications," he says. "I look forward to my role in contributing to TRILabs continued success."

SASKATOON PROVES TO BE A WORLD CLASS COMPETITOR

"KPMG Study Pegs Saskatoon High on Global Scale of Best Cities in Which to Do Business"

Saskatoon is a global competitor of significance, according to a comprehensive analysis undertaken by KPMG. The new global study looked at a composite index of 27 cost components across 85 global cities and 12 economic sectors in major communities in continental Europe, the U.K., North America and Japan.

Overall, Canada ranks #1 globally, and Saskatoon is one of only 11 Canadian cities featured in this global comparison.

Saskatoon ranks #2 in all of Midwest North America, #3 in the entire western half of the continent (including the pacific region), and #6 in all of Canada, as well as #6 in the entire world according to this overall measurement of cost competitiveness.

In particular, this report underlines Saskatoon's ability to continue to attract and retain key business sectors including the following:

- **Biomedical R & D** (including biotechnology) - Saskatoon ranks #4 on a global basis and #2 in Midwest North America
- **Electronics Assembly** - Saskatoon ranks #4 in the world and #2 in the Midwest North America
- **Pharmaceuticals** - Saskatoon ranks #6 as the lowest cost location in the world and #2 in Midwest North America
- **Electronics System Testing** - Saskatoon ranks #5 in the world and #2 in Midwest North America
- **Software Content Development** - Saskatoon ranks #6 in the world and #4 in Midwest North America

Other key sectors where Saskatoon, Canada has high global standing include metal component manufacturing (27), food processing (25), and precision component manufacturing (22), among the 85 global cities analyzed.

SREDA Inc. CEO, Dale Botting, concludes, "The KPMG study provides a wealth of key data for promotional use, as well as for purposes of identifying areas in which the region must become increasingly cost competitive with its economic rivals, whether they be in Canada, the United States or elsewhere in the world."

Botting added that cost comparisons of this sort are only one part of the overall economic development equation, along with related quality of labour supply, work ethic and training; supporting infrastructure and a very comprehensive array of related R & D support services like the CLS Synchrotron and the University-based research community.

Saskatoon and District Chamber of Commerce - Board of Directors

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PUT YOUR BODY "IN MOTION" - EVERY DAY!

SNN TOPS IN NUTRACEUTICAL AND FUNCTIONAL FOODS INDUSTRY

Saskatoon is at the top of the list! Once again! This time, it's in the Nutraceutical and Functional foods industry. And this time, it's a global leadership position.

According to a study highlighted in January 2002 in "New Nutrition Business", the Saskatchewan Nutraceutical Network (SNN) was identified as, according to the industry periodical, "probably the world leader among ... 'networks' ... examined, especially in the context of its modest government funding and in its focus on working with smaller companies."

The SNN was further lauded by "New Nutrition Business" for its role in "forging exciting new agendas and 'models' for functional foods / nutraceutical centres". Overall, SNN was placed in the top four industry development organizations worldwide.

According to Kelley Fitzpatrick, SNN's President, "We are very pleased and proud of this assessment of the SNN! Our industry is recognized worldwide for its solid innovation and high quality products. It is gratifying that the SNN can play a role in the development of this exciting sector. We wish to acknowledge the Agri-Food Innovation Fund, a joint program of the federal and provincial governments for their support of the industry through the funding of the SNN".

The strong showing by the industry association, on a global basis, is being aided and abetted on a couple fronts, on a local and national basis. SREDA has created a new partnership with SNN, with one express purpose - position Saskatoon as the nutraceutical and functional foods capital of Canada. The partnership will focus on industry training, growing local nutraceutical and functional food companies, and on investment attraction. A SREDA Industry Advisory Council has been established to involve the industry, suppliers and supporters in advancing the local sector.

At a federal level, the National Research Council has also recognized Saskatoon as Canada's leading nutraceutical research cluster. The federal research agency recently announced that will allocate \$110 expand six technology cluster sites across the country over the next 3 years. Saskatoon's Plant Biotechnology Institute was chosen as the national headquarters for the development of crops for enhanced human health.

Being "in motion" every day will give you better health and more energy . . . you'll feel stronger, have less stress and feel more relaxed.

What is 'in motion'?

In motion is a health promotion strategy to have all the citizens of Saskatoon and District make regular physical activity part of their daily lives. Saskatoon District Health is leading this exciting initiative. The vision of **in motion** is to be the "Healthiest Community in Canada"!

Why should your business get 'in motion'?

Today, employees are spending more time in the workplace and are looking to their employers to provide programs that add value to their work environment and contribute to an overall healthy lifestyle. Meanwhile, employers are seeking resources that are cost-effective, simple to implement and effective.

Workplace studies involving physical activity programs found:

- Decreased absenteeism by 22%
- Reduced annual turnover from 15% down to 1.5%
- Reduced medical care costs each year (i.e. \$84 per employee)
- Increased productivity ranging from 15% to 200%

Research also shows that physically inactive employees may result in increased costs to the workplace. In addition, fatigue, inattention, and accidents are more common among these employees.

Through workplace wellness, **in motion** can provide your workplace with resources to increase awareness and educate employees on the importance of including physical activity into their daily lives.

In motion workplaces result in healthier social and working environments for everyone. Even small amounts of physical activity can be beneficial:

- Reduced anxiety has been observed in exercise ranging from 5-20 minutes in duration.
- Employers can benefit from encouraging short physical activity breaks during the day.

Join Saskatoon District Health and 75 other business in promoting healthy active lifestyles to all your employees and their families.

Be a corporate leader - be a part of in motion!

Get 'in motion' by calling 655-DO IT (3648) or visit our web site at www.in-motion.ca.

Saskatoon and District Chamber of Commerce - Board of Directors

Executive

Executive



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MacPherson Leslie
& Tyerman



Al Scholz, PAg
Excel
Telecommunications



Jack Brodsky
Saskatoon Blades
Hockey Club



Ted Farr
Rawlco
Communications



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Canadian
Western Bank



Ron B. Kocsis
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Ltd.

STAND UP AND BE COUNTED

You've built a winning business. It's time to spread the word.

Join the **PROFIT 100**, Canada's most dynamic business-awards program. Now in its 14th year from *PROFIT, The Magazine for Canadian Entrepreneurs*, the **PROFIT 100** is the definitive list of **Canada's Fastest-Growing Companies**, celebrating entrepreneurial success from every sector of the economy.

What's in it for you?

If your company has achieved impressive growth over the past five years, you may be a **PROFIT 100** entrepreneur. Your appearance on the 2002 ranking of **Canada's Fastest-Growing Companies** will impress potential customers, inspire your staff and open doors to strategic relationships with other dynamic Canadian companies.

Canada's Fastest-Growing Companies will be honoured in the June issue of PROFIT and year-round at PROFIT guide.com. Winners also receive valuable local and national publicity, special prizes and a listing in the 2003 edition of Who's Who in Canadian Business.

Apply now

For more information or to enter, visit www.profit100.com or call 1-800-713-GROW.

Deadline: March 31, 2002

New Chamber Team Member

The Saskatoon and District Chamber of Commerce is pleased to announce the addition of Tanya Cross to our team, in the role of Member Service Co-ordinator.

Tanya joins us with a strong background in the hospitality industry, and brings with her much enthusiasm and energy.

Tanya can be contacted at 664-0713, or by e-mail at tcross@eboardoftrade.com.

Welcome Tanya!

PROMOTING JOB OPPORTUNITIES AT HOME

Looking ahead to growth in the Saskatoon work force, the Saskatoon Labour Market Committee (SLMC) has recently launched a new website, www.saskatoonwork.com.

www.saskatoonwork.com was created to meet the needs of local employers and promote employment opportunities within the Saskatoon Region. It provides **direct links** to all the key job information sites, providing one stop shopping for job seekers in Saskatoon or from anywhere in the world.

The new website responds to the growing local demand for labour as indicated in the soon to be announced comprehensive employer survey conducted by the Saskatoon Labour Market Committee. Early study results indicate that 35% of the businesses surveyed will be increasing their staff over the next year.

www.saskatoonwork.com provides a wide variety of links and information that are key to an effective job search:

- Job Postings
- Labour Market Information
- Career Information
- Community Resources

The website will be a useful tool for new businesses starting up in Saskatoon, as well as for employers considering relocation of their business to Saskatoon.

The Saskatoon Labour Market Committee (SLMC) is a network of local industry and community organizations. The SLMC was established in January 2000. Its focus is to facilitate, coordinate and share the analysis of labour market needs in order to:

- Address the needs of local employers in order to foster economic growth within the Saskatoon Region.
- Address economic and social development needs of the community within the Saskatoon Region.
- Facilitate responsible planning and development of partnerships to respond to identified needs.
- Promote development of a comprehensive approach to Career Services that supports good career matches.

Visit our website at www.saskatoonwork.com!

Saskatoon and District Chamber of Commerce - Board of Directors



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Arlene Wiks
CIBC



Ken Wood
Saskatchewan
Place

**"Chamber on Business"
Luncheons**

John Hopkins

Regina Chamber of Commerce

Thursday, February 28th, 2002

"The Regina Casino Experience"

Hotel - tba

Peter MacKinnon

President, University of Saskatchewan

Wednesday, March 20th, 2002

"State of the University" Address

Hotel - tba

Sean Caragata

Cisco Systems Inc.

Tuesday, April 30th, 2002

"Building the IT sector in Saskatchewan"

Hotel - tba

E-Newsletter

As many of you will have noticed, **Business View** is now distributed electronically. If you are not receiving **Business View** by e-mail and would like to please e-mail tlawrence@eboardoftrade.com with your e-mail address. **Business View** will be printed and distributed 3 times per year.

- Is ineffective communication affecting your business?
- Can you or your company benefit from improved teamwork, and/or leadership?
- Are you worried about your next big presentation?

The Saskatoon and District Chamber of Commerce and the Saskatoon Area Toastmaster Clubs
presents

Weekly Communication & Leadership Club

Tuesday's 7:15 - 8:15 am ... Riviera Hotel

For more information, please call:

Joy Ryan @ (306) 664-6606

Stay motivated ... choose an activity you enjoy, do it with a friend, and make it part of your day! Physical Activity ... DO IT for Life!



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Saskatoon and District Chamber of Commerce - Committee Chairs

Aboriginal Opportunities



Lester Lafond
Lafond
Financial

Agribusiness Development



Joanne
Thompson
Deloitte & Touche

Business Education



Asit Sarkar
U of S-
International

Celebrating Success



Laura Small
Women
Entrepreneurs

Future Opportunities



Ken Wood
Saskatchewan
Place

Government Affairs



Co-Chair
Ken McDonough
Interim Executive
Services

Health Opportunities

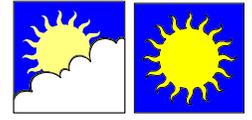


Dave Dutchak
MD Ambulance

Transportation



David Spearin
Logistics
Marketing Serv.



FINANCE WATCH

SUPPLIERS OF FINANCING

As at December 31, 2000

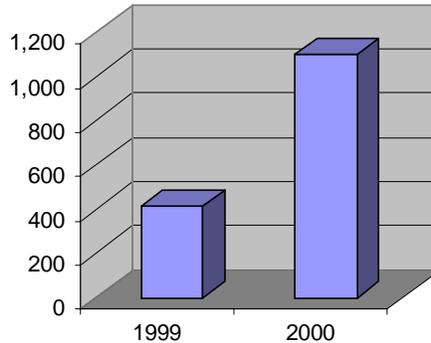
Supplier Type	Amount \$ billions	Share
Domestic Banks	207.0	55.05%
Other Banks	38.0	10.11%
Credit Unions	21.0	5.59%
Finance Companies	32.0	8.51%
Venture Capital	7.0	1.86%
Insurance Companies	70.0	18.62%
Leasing Companies	1.0	0.27%
Total	376.0	100.00%

Source: Statistics Canada

INTERNET WATCH

INTERNET PURCHASES

Value (in \$millions) of internet purchases by Canadian internet users

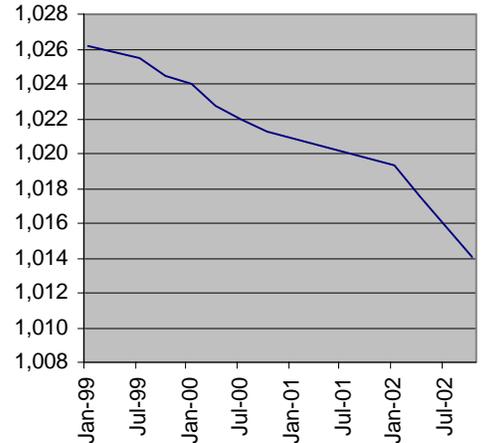


Source: Statistics Canada

PEOPLE WATCH

POPULATION

Population of Saskatchewan



Source: Saskatchewan Bureau of Statistics

LEASES OUTSTANDING

As at December 31, 2000

Supplier Type	Amount \$ billions	Share
Domestic Banks	6.2	34.64%
Finance Companies	6.1	34.08%
Leasing Companies	3.9	21.79%
All other suppliers	1.7	9.59%
Total	17.9	100.00%

Source: Statistics Canada

INTERNET USE

Use internet to:	('000's)
Communicate	5,478
Research	5,412
Read Newspaper, book, etc.	2,322
View video, listen to music	1,204
View art/museum collections	1,011
Create Artistic Compositions	983
Electronic Banking	1,437
Download Software	2,714

Source: Statistics Canada

LABOUR FORCE

('000's)	Employed	Unemployed
December 2001	459.2	28.2
September 2001	474.2	25.4
June 2001	481.5	27.1
March 2001	466.8	30.2
December 2000	474.1	24.5
September 2000	487.0	24.4
June 2000	497.3	27.3
March 2000	478.1	26.2
December 1999	479.6	24.4

Source: Saskatchewan Bureau of Statistics

**Building the Best
 Business Climate
 in Canada,
 Thereby Creating a
 City of Opportunity.**

Size Matters

... help others connect with us

Tell your business associates about the work of the Chamber of Commerce.

Refer your leads to:

Dennis Neudorf

Membership Director

Phone: (306) 664-0702

E-mail: dneudorf@eboardoftrade.com

OR

Tanya Cross

Member Service Co-ordinator

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BUSINESS VIEW

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 Chamber of Commerce**

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