

BUSINESS VIEW

November 2005

Greater Saskatoon Chamber of Commerce

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Saskatoon's Job Growth Momentum Slows

- the rest of the province shows accelerating job losses

Saskatoon businesses created 1,200 new jobs from October 2004 to October 2005. "While Saskatoon is doing a better job of attracting enough investment to create opportunities for our young graduates to stay here, the rest of the province continues to lose jobs and young people at an accelerating pace", stated Kent Smith-Windsor, Executive Director, Greater Saskatoon Chamber of Commerce. "In our view, Saskatoon alone needs to attract enough business investment annually to create 8,000 jobs each year. This is the number of new jobs needed each year in order to just arrest Saskatoon's youth exodus; our city still has got some way to go", Smith-Windsor added.

"The whole province needs to attract enough investment to create about 18,000 jobs each year before parents across Saskatchewan can advise their children that this province offers the opportunities they need", Smith-Windsor observed. "The only way Saskatchewan will arrest and reverse its youth exodus is to change its business taxation and regulatory environment, including our unbalanced labour laws", stated Smith-Windsor. "Business investment will increase

when the provincial policy framework encourages that investment", Smith-Windsor continued. **SASKATCHEWAN HAS THE HIGHEST AGGREGATE BUSINESS TAX LOAD IN THE DEVELOPED WORLD.** "In the context of the province's high tax and biased labour policies we shouldn't be surprised that job levels in Saskatchewan are shrinking", Smith-Windsor observed. "Saskatchewan, as a whole, lost over 6,200 jobs from October 2004 to October 2005, while our mining, oil, and gas activity is at record levels. This is a clear indication that the provincial government's high tax, and labour biased policies are harming our province", Smith-Windsor concluded.

Too many businesses are avoiding investing in Saskatchewan. The disturbing acceleration in job declines across Saskatchewan clearly demonstrates the need for a massive policy overhaul at the provincial level. Unbalanced labour laws, high business taxes, over dependence on property taxes to fund education, uncompetitive business electrical rates, and high worker compensation rates further inhibit the investment needed to turn around the troubling Saskatchewan youth exodus situation.



Photo Courtesy of Stuart Kasdorf Photographics Inc.

The President's View

by Jack Brodsky



Isn't it ironic! On Wednesday, November 2, I attended your Chamber's video hosting of the Leading to Greatness presentation. The man who literally wrote the book on leadership, Rudy Giuliani, made a very strong point about something that he learned about leadership. Great leaders do not just do what is popular, they do what is right.

Shortly after his return from a trade mission to China our Premier commented that besides wanting to sell uranium to China, Saskatchewan would (do the morally right thing and) consider the business case for a nuclear spent fuel storage facility and a nuclear reactor, stating (and rightly so) that this would prompt an intense testing and review process.

The very next day, the Premier did a total about face on this. He said he believed the people of Saskatchewan had spoken to him and stated that this was not something they wanted to pursue. Well Mr. Premier, you did not speak to me or many of my associates or you would have heard something far closer to your original statement; that you should consider following the morally right path and the economically right path, and pursue this \$24 billion opportunity for Saskatchewan to be the home of a nuclear spent fuel storage facility. Is it morally right for Saskatchewan to continue to ship our uranium around the world to fuel perfectly legitimate and safe power generating facilities that produce no greenhouse gases, and then not even consider the option to store the spent fuel?

We have the ability to store this material in a very safe situation. We have the geology. We have the capability. We would have the authority to ensure the facility was built and managed properly. The people of the province who have spoken to me say that we should consider this.

One thing the business community has been very concerned about for years is the idea of business competing with government, given the large number of crown corporations in our province. This is a huge concern for businesses that operate in Saskatchewan, and it scares the daylights out of potential investors from outside our province. Not only do the crowns not suffer from the extraordinarily heavy tax load that real businesses pay, our government just can't stay away from the idea of playing politics with the crowns.

You may have read my comments in this article some months ago when I talked about the "lowest utility rate bundle in Canada" sham. Rather than put any onus for this on the crowns by demanding that they find ways to be competitive with other utility providers in Canada and thus provide the lowest utility

2006 City Of Saskatoon Map Advertising Opportunity

The Greater Saskatoon Chamber of Commerce produces the Official City of Saskatoon map each year with a detailed street map and index. The information is updated each year by the city's Planning Department to ensure the most current information is available on the map. Our City of Saskatoon map has two distinct features not available on other maps. These are: University of Saskatchewan Campus and Innovation Place. The City of Saskatoon Map also includes valuable coupons.

The Chamber will print and distribute 25,000 maps in 2006. Maps are distributed through various retail outlets, convenience stores, service stations, hotels, tourism attractions, Tourism Saskatoon, Prairieland Park, University of Saskatchewan, Tourism Saskatchewan, City Hall, Saskatoon Real Estate Board, conventions, special events and hundreds of relocation packages.

Map Advertising Rates (Add GST):

Ad Size	Rate	Bonus
Business Card Ad (3.5" x 2")	\$400.00	100 Free Maps
2 x Business Card Ad (3.5" x 4")	\$720.00	200 Free Maps

Deadline is December 15, 2005

For more information please contact:
Jim Zaiachkowski, Project Director
Direct Line: (306) 664-0713 or E-mail:
jzach@eboardoftrade.com

costs in the country, we simply wait and see what everyone else's utility prices are and then make ours a wee bit lower.

The latest move, and the one that precipitated my comments here, is the totally unfair way the government, in its current foray into subsidization, is treating customers of CEG Energy Options. It is incredible that the government is stating that it is subsidizing natural gas consumers in Saskatchewan and then it proceeds to pick and choose which natural gas consumers it will subsidize. They choose to subsidize those who buy gas from SaskEnergy and to not subsidize those who buy gas from SaskEnergy's competition. This is quite different than purely subsidizing Saskatchewan consumers, who should all benefit from the gas royalties that purportedly will fund this subsidy. Obviously, the only consumers they care about are those that buy from SaskEnergy.

Meanwhile, CEG is competing for business on a completely unlevel playing field. Taxpayers' money is being used against them. This just shows one more time why government should stay out of businesses in general. They just can't keep the **taxpayers** businesses out of **their** politics. Shame on them.

The message these antics send to any potential investor is clear.

Did Provincial Government Policy Influence the Weyerhaeuser Mill Closure?

Weyerhaeuser recently announced that “as a result of poor market conditions, the Prince Albert pulp and paper mill in Saskatchewan faces indefinite closure.” Their media release went on to state, in part, that “the uncoated free-sheet paper and pulp markets face fundamental challenges, including excess capacity, declining demand, mounting inventories and weak prices.” Chairman, President and CEO Steven R. Roth is quoted as saying, “*As part of a strategic review of our business operating in structurally challenged segments of the industry, we have determined the Prince Albert mill is no longer a strategic fit for Weyerhaeuser.*”

Nowhere in the release does it suggest that the government had anything to do with their decision. Nevertheless, you can be sure that government policy did play a major role.

As most business analysts will tell you, Saskatchewan can be a costly and challenging place to do business. You have a corporate tax load that discourages investment and job creation; you have labour policy that is heavily weighted towards unions; you have utility monopolies; and, you have government enterprise that dominates the economy. These factors are beyond the control of the business operator and add significantly to the cost of doing business without adding value to the product. That’s why they are called burden costs.

When the Canadian dollar was valued well below its American counterpart, value-added manufacturers like Weyerhaeuser were able to absorb these burden costs without adversely affecting their competitiveness. But, with the dollar steadily rising, these costs have become more significant and companies are seeing their profit margins shrink. Faced with weak market conditions for the Prince Albert mill’s product, Weyerhaeuser could no longer overcome the high cost of doing business in Saskatchewan - despite being recognized as an efficient, low-cost producer. Add a change in the corporation’s strategic direction and the decision to close the plant becomes understandable.

Weyerhaeuser Company recently renamed its pulp business Weyerhaeuser Cellulose Fibers to better reflect their strategic focus on developing unique fibers to meet specific customer needs. These specialty, or non-papergrade products, account for approximately 60 percent of the company’s fiber sales. They include such products as paper towels, bathroom tissue, household wipes, baby diapers and other absorbent personal care products, textiles, construction materials, pharmaceuticals and photographic-based papers.

The papergrade fiber produced at the Prince Albert plant is not used for specialty products. The Saskatchewan facility produces hardwood and softwood pulps, most of which are converted into fine paper at the site’s paper mill.

In addition to pulp and fine paper, Weyerhaeuser’s Saskatchewan operations also produce dimension softwood lumber, oriented strand board, and plywood. The company currently employs about 1600 people in Saskatchewan – 700 of which will lose their well-paying jobs when the Prince Albert mill closes.



On-Line Auction

The Greater Saskatoon Chamber of Commerce takes great pride in hosting various meetings and events in our office. However, since the move to our current location in September of 1993 we have not undertaken any renovations to the office, nor have we upgraded furniture in our boardroom or front reception area.

We recognize the business community is constantly being solicited for cash donations to many worthwhile causes around the city, that is why we are taking a different approach. We are asking the Greater Saskatoon business community to donate product or services that we can sell via an on-line auction web site. A Saskatoon region business who might not carry fiscal inventory may wish to purchase an item we can post to the auction website. New product, old product, used product, we’ll take it all. It will have value to someone, and all donations, big or small, will be greatly appreciated.

This is a means of providing good value and product exposure for our contributors, and driving traffic to their place of business. Each donating business will be able to run a FREE banner ad on the on-line auction site.

www.saskatoonchamberauction.com

Weyerhaeuser is also one of the world’s largest timberlands managers. It owns, licenses, or leases 38 million acres of forest in North America, Australia, New Zealand and Uruguay. Approximately one-third, or 12.2 million, of those acres are in Saskatchewan (almost twice the 6.5 million acres of forest they manage in the entire USA). Here we are with one company controlling over twelve million acres of timberland (owned by the people of this province – which leads to the real problem with this province’s forest industry).

Government policy, which goes all the way back to the Thatcher Liberals, has created what can best be described as a two-horse operation with government at the reins. So, what happens when one horse dies and the other is left on life support? There’s nothing left to pull the wagon.

That’s what happens when there is no competition. If the government is serious about creating a viable future for the forest industry in the Prince Albert area, it must remove the barriers to investment. The value of the Canadian dollar is out of their control, but they can look at taxation and labour rules with a view to reducing the high cost of doing business. And they can open up our timberlands to entrepreneurs willing to invest in Saskatchewan. That’s how you build an industry rather than prop up one plant.

It would be absolute madness for the province to get involved by using tax dollars to keep the mill open and save 700 jobs. If the plant can be made economically viable, a private operator will take it over. If not, move on. There are plenty of opportunities in Saskatchewan.

Besides, how do you tell a person who makes \$7.05 an hour that you want them to pay more tax to save someone else’s \$24 an hour entry-level job?

Source: Allan J. Evans, Executive Director, Prairie Centre Policy Institute



Food for Thought

by C.M. (Red) Williams

Transportation

The trucker's strike in Vancouver plugged the system and it is only now getting back to normal. But normal is unfortunately a condition of car shortages and delayed movement. This is a serious proposition that puts Canadian exporters in a bad light.

Any industrialized country, and particularly one such as ours that is so dependent on exports, must have a transportation system that is flexible and able to meet our many demands at all seasons. This problem requires immediate attention at the highest levels.

There was a time when grain dominated the western rail movement. However, the companies who supply the growing demands of Asia for potash, coal and lumber can insist on cars and rail space because they have full train loads of product moving at predictable times and with efficient unloads. This leaves our specialized crop exporters holding the short end of the stick.

Now, to be strictly honest, SAC Inc. found that the special crops exporters are not without blame. Even when offered the opportunity they couldn't get their act together sufficiently to project container needs far enough ahead for time and place spots.

The railways for their part are not likely to get too excited about laying on more diesel engines or cars until the next rate cap is negotiated. The very suggestion of joint running rights for greater efficiency, and to assist the short line outfits is enough to turn CN and CPR executives purple. The system is working very well from their viewpoint.

The entire system, including railways, trucking outfits, road and rail connections to the US, and centers for stuffing containers need a thorough review and some actions.

Wardrop Honoured as one of Canada's Top 100 Employers for the Fifth Time

For the fifth time, Wardrop Engineering Inc. has been named to the list of Canada's Top 100 Employers. The recognition comes in a best selling book by the same name, published by Mediacorp Canada Inc. Wardrop was also highlighted in a related story in the latest edition of Maclean's magazine.

In responding to the announcement, Wardrop's Vice President Mining and Minerals Division, Doug Kramble, said, "This is extremely gratifying, particularly as we celebrate our 50th anniversary this year. We've enjoyed tremendous growth during the past few years and we are so very proud to have been able to continue to make improvements that have allowed us to earn this privilege." The list included companies ranging from the oil and gas industry to manufacturing and information technology firms. Many are clients of Wardrop and share common practices in relation to staff dedication and work ethic.

As part of this year's selection process, Wardrop was recognized for industry-leading employee-oriented initiatives including an option for its professional employees to choose either a regular salary with overtime, or a creative compensation package, which recognizes hard work and productivity with a base salary and bonuses. Wardrop's business is dependent on high-calibre professional expertise and performance to help achieve success. With that comes a premium. This year, bonuses will exceed \$3.5 million.

The research team at Mediacorp examined the hiring history of over 52,000 employers across Canada in its selection process. As a result, 6000+ of the fastest growing companies were invited to provide detailed information about their operations and human resource practices. Wardrop is an international consulting firm providing integrated engineering, environmental, information systems, and business solutions through its more than 600 employees that work collaboratively through its North American and overseas operations.

Source: Wardrop Media Release, October 25, 2005

Members in the News ...

Lee Whittington, the Manager of Information Services for the **Prairie Swine Centre of Saskatoon**, is the recipient of this year's **Animal Industries Award in Extension and Public Service** from the Canadian Society of Animal Science. The award is to recognize outstanding service to the animal industries of Canada in technology transfer, leadership, and education in animal science. It's sponsored by the Canadian Pork Council, Chicken Farmers of Canada and Dairy Farmers of Canada.

Lorne Babiuk, Director of the **University of Saskatchewan's Vaccine and Infectious Disease Organization (VIDO)**, has been named the 2005 recipient of the **Prix Galien Canada Research Award** which honors a leading researcher judged to have made the most significant contribution to pharmaceutical research in the country. The award, judged by an eight-person jury of leading university and industrial scientists in the pharmaceutical field across Canada, recognizes outstanding research in the diagnosis, prevention or treatment of diseases. The Prix Galien gold medal and plaque will be presented to Babiuk at a gala ceremony November 16 in Montreal.

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New Name – Same Great Work !

While celebrating 35 years of achievements, Saskatoon's community foundation reached another milestone with a name change designed to better reflect its role.

The Saskatoon Foundation is now the Saskatoon Community Foundation.

"The new name brings Saskatoon's community foundation more in line with other community foundations across the country, and is more descriptive of what the foundation does," says Board Chairperson Dale Linn. *"Adding the world 'community' ensures that people immediately recognize the foundation's positive impact on people across the Saskatoon community."*

Executive Director Trevor Forrest explains *"Other foundations mention their beneficiaries – whether it's hospitals, children or pre-schoolers – in their name. We wanted to do the same to differentiate us from other public and private foundations."*

"Every once in a while, we receive calls from people with questions about constructing basements or foundations," says Forrest. *"The new name clarifies the fact that the Saskatoon Community Foundation exists to benefit the community and its quality of life. We're the same organization with a fresh, contemporary name. Over the years the trend in Canada and around the world has been to include who we serve in our name."*

The Saskatoon Community Foundation exists to make Saskatoon the best community in which to live by contributing to the quality of life through endowment building, strategic grant making and community leadership. Flexibility is the key to building these endowments, as the foundation provides donors with several ways to shape the community's future. All donations come together in the investment pool, which means every contribution counts.

Donations are never spent; the funds are invested forever and only the income is distributed as grants to registered charities. The impact of Saskatoon's community foundation is broad and each year approximately 100 charities and educational institutions receive grants and student awards to enhance the lives of people of all ages. In pursuit of its vision and mission, the Saskatoon Community Foundation operates in an open, accountable and ethical manner; acts as leader in charitable giving, strengthens community capacity, and responds proactively to pressing community issues.

Changing the name to the Saskatoon Community Foundation required the Provincial Legislature to amend the Act (a private members' bill established the Saskatoon Foundation in 1970), which was done by Private Member's Bill on April 25, 2005.

The Saskatoon Community Foundation was already operating as one of more than 150 members of Community Foundations of Canada and will welcome its national convention to Saskatoon in May 2006. More than 500 community foundation delegates from Canada and 20 other countries from around the globe are expected to visit our fair city in its centennial year.

Source: Saskatoon Community Foundation Media Release

Synchrotron News ...

Our First Year in Numbers

A year has passed since our official opening and the exciting events that surrounded it. In the time since, the performance of the CLS has steadily improved in a manner similar to other synchrotrons around the world, in many cases exceeding our expectations. By the end of this year the CLS will have had 53 users from across Canada and as far away as Germany. In order to accommodate the increasing demand for beamtime (over 900 experimental shifts sought), CLSI is moving to '24/7' operations now and into next year.

Industrial Research Program Active

We are now conducting experiments for clients on our experimental floor. Projects for a variety of industries, ranging from kimberlite indicator minerals for the diamond sector, looking at the transformation of starch and proteins in seeds during feed processing, to examining nickel on air filters are on-going.

Eighth Annual Users' Meeting

Our Annual Users' Meeting (November 18th-20th at the University of Saskatchewan) will draw over 350 researchers and members of synchrotron-related industries from around the world. This year's workshops focus on a variety of applications including plant sciences, geology and archaeology.

Marketing Synchrotron Services

We continue to actively promote synchrotron science by having been present in 6 different conferences and/or trade shows in five different cities across Canada over the last 2 months.

For more information, please visit www.lightsource.ca, phone 657-3500 or email clsi@lightsource.ca.

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Saskatchewan Housing Market Outlook

- Total housing starts to surpass 3,000 units in 2006.

The Saskatchewan economy is forecast to expand by 2.9% in 2005 and 2006 due to the favourable outlook for the world's crude oil, potash and uranium markets. With the world oil price near the \$70 US per barrel level, capital spending in the upstream oil sector will remain healthy. Saskatchewan is Canada's second largest producer of crude oil, accounting for about 18% of the annual national production.

The outlook for potash and uranium markets is also quite optimistic. PotashCorp of Saskatchewan, the world's largest producer of potash has announced plans to bring back 1.9 million tonnes of idle capacity at its Lanigan and Allan facilities. The cost of restoring these operations is estimated to be about \$275 million US.

Along with potash, Saskatchewan is also a major producer of uranium, accounting for about 9% of the world's known reserves. Worldwide demand for uranium is expected to outpace supply over the next decade. Cogema plans to spend about \$450 million over the next 2 years to increase production at its Cigar Lake project.

Continued economic growth will lead to job creation and push the unemployment rate down to 4.5% in 2006. The strong job market should stem the outflow of workers to other provinces, particularly Alberta. A stronger employment and migration scenario will translate into a positive performance for the resale and new home markets in the province. A key risk to this projection is the belief and attitudes of the younger workers regarding job opportunities in Alberta.

Single-family starts throughout most of the province are up slightly compared to 2004. The inventory of completed units remains slim in Regina and Saskatoon as homebuyers are quickly purchasing units that had previously served as show home.

Two major factors have caused multi-family starts to decline to 1,050 units in 2005. First, land suitable for development of lower-priced row housing popular with young couples was exhausted in 2004. Second, builders have scaled back activity due to the elevated number of units under construction, as well as increased inventories of unsold units. With the rate of absorption now rising, the pace of multi-family starts is expected to pick up.

Existing home sales are on target to achieve the 2005 forecast of 8,500 resales. With new listings showing an average rise of just over 3%, total resale activity will climb to 8,800 units in 2006.

Source: Canada Mortgage and Housing Corporation
www.cmhc.ca

Regional Economic Outlook

- Saskatchewan in the Fast Lane

The resource sector is driving solid growth in Saskatchewan, as output in the province's potash, uranium and energy sector responds to a favourable pricing environment and solid demand. This year, strength in these areas is expected to offset a weak crop harvest due to this summer's wet weather conditions, yielding real GDP growth on track to post a healthy rate of 3.6%. Looking forward to 2006, the momentum from this year is likely to carry over, leaving growth in the fast lane in spite of an expected moderate slippage in world commodity prices. On the upside, resource investment is likely to stay strong, led by the development of a new uranium mine at Cigar Lake. **On the fiscal front, a committee is currently reviewing the overall competitiveness of business taxation in the province, with recommendations due in time for consideration ahead of the 2006 budget. A decision to reduce the currently-high levels of corporate income and/or capital tax rates could provide further stimulus to the economy.**

Economic Indicators

Per cent change unless otherwise indicated

	Real GDP Growth			Employment Growth		
	2004	2005f	2006f	2004	2005f	2006f
Winnipeg	4.2	2.9	2.9	1.5	0.9	1.0
Regina	6.3	2.8	3.0	2.4	1.0	1.5
Saskatoon	3.7	4.2	3.5	1.2	3.9	2.1
Calgary	3.2	4.5	3.8	2.5	2.0	2.1
Edmonton	6.2	3.2	4.4	3.0	0.5	3.0
Vancouver	3.1	3.4	3.1	1.9	3.0	2.2
Canada	3.1	2.9	3.0	2.3	1.3	1.2

Source: TD Bank Financial Group, TD Economics, October 31, 2005

Greater Saskatoon Chamber of Commerce - Committee Chairs



Aboriginal Opportunities
Brian Chalmers
FirstSask
Mortgages



Aboriginal Opportunities
Alan Felix
Nu Fab Building
Products



Agribusiness Development
Pat McNeil
Royal LePage
Real Estate



Agribusiness Development
Jill Sauter
Superior Cabinets



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Entrepreneurs of
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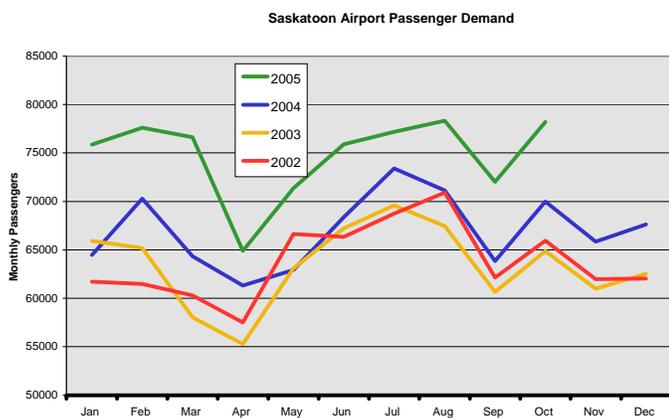
Saskatoon's Airport Purchases a New Loading Bridge

The Saskatoon Airport Authority announces their newest capital investment, the acquisition and installation of a new loading bridge for position #3 at a cost of \$500,000. As well, they are currently life cycling bridge #1, which they recently acquired from Air Canada, and retrofitting bridge #6 to ensure compatibility with the new Air Canada Jazz CRJ fleet.

Bill Restall, President and CEO of the Saskatoon Airport Authority says, "The Saskatoon Airport Authority is pleased that we are able to provide the citizens of Saskatoon with five loading bridges, thus continuing to meet our airline partner needs while providing the customer ease of access to the aircraft serving the Saskatoon market."

The Saskatoon Airport Authority is a community-based, not-for-profit organization responsible for the management, operation, maintenance and development of the Saskatoon John G. Diefenbaker International Airport under long-term lease from the Government of Canada.

Source: Saskatoon Airport Authority Media Release, October 27, 2005



The Saskatoon Airport Authority is pleased to announce the launch of a new website: www.yxe.ca. The new website has been enhanced to include virtual tours and maps of the facilities and services at the airport, passenger travel tips and real time information on the status of your flight.

Figuratively Speaking ...

Compiled by John MacIntyre

- Percentage of people who believe that e-mails should be considered "official records," according to a ZyLAB North America survey of government organizations: 100
- Percentage who claimed to have trouble locating e-mails -- even though they are considered records: 44
- Percentage who say they do have an e-mail policy in place: 65
- Percentage of business travelers who admitted to falling asleep in a meeting due to sleep deprivation, according to a new survey conducted by British Airways and Research International in recognition of National Sleep Awareness Week: 25
- Percentage who felt they were less productive after traveling: 70
- Percentage who had a presentation go badly or lost business as a result of poor sleep due to air travel: 20
- Worldwide anti-spam revenues for 2003, according to the International Data Corporation: \$0.3 billion
- Expected revenues in 2008: \$1.7 billion

Welcome New Members ...

- AddedValue Resumes - Lynda Reeves
- BC Consulting Services - Tom Porter
- Choice Realty Systems - Ed Ramsey
- Consolidated Fastrate Inc. - Steve Gray
- Dance Saskatchewan Inc. - Jill Reid
- DirectBuy of Saskatoon - Don Elliott
- Edward Jones - Phil Mamchur
- Global Alliance Marketing - Tracy Friesen
- Grower Direct Fresh Cut Flowers - Quinn Brown
- Hounjet Tastad Hurpham - Roseline Hounjet
- Kenderdine Virtual Office World - Gerald Teigrob
- Lambert Distribution Inc. - Ron Stewe
- Media Manifesto - Graham Jensen
- Mt. Blackstrap - Rick Schwinghammer
- OnCall Computer Services - Dustin Main
- SandCastle Resort - Jacqueline Nuesch
- Saskatchewan Motion Picture Association - David Hayter
- Starbucks Coffee - Juan Forero
- Tam International Inc. - Gerry McNally
- Ben Voss
- WCG International.com - Robin Adair
- WSI Internet Consulting & Education - Doug Whitehead

Greater Saskatoon Chamber of Commerce - Committee Chairs



Future Opportunities
Marion Ghiglione
Handy Special Events



Future Opportunities
Michael Gorniak
Thomson Jaspar & Associates



Government Affairs
J. Blair Knippel
Kindersley Transport



Government Affairs
Coni Evans
Saskatoon City Hospital Foundation



Government Affairs
Brian Chalmers
FirstSask Mortgages



Health Opportunities
Vlatka Tustonic
Saskatoon Health Region



Health Opportunities
Dave Dutchak
MD Ambulance



Knowledge Industry
Rob Norris
U of S - Office of the Secretary

Employers Increasing Salaries

Virtually all Canadian employers expect to increase their salaries in 2006, according to a national survey just released by Western Compensation & Benefits Consultants. The overall average increase is expected to be 3.4% in the private and not-for-profit sectors of the economy, and slightly below 3% in the public sector. Financial services, high technology and professional services organizations are three industries which expect to award above average salary increases.

Although Alberta employers are expected to implement the largest increases, the increase planned by B.C. employers are very close to those in Alberta. Barry Cook, a Partner in Western Compensation & Benefits Consultants stated that *"the higher increases in B.C. undoubtedly reflect the strength of the provincial economy, and B.C. employers can probably expect this to continue for at least the next few years."*

Trends in Bonus Plans

There is continuing growth in the use of incentive plans to pay employees cash compensation over and above their salaries, even in not-for-profit organizations. Employers which provide incentive plans report that such plans are effective in motivating and retaining their employees.

Three out of four employers with an incentive plan will be making awards to employees this year. Cook explained that this is up nearly 20% over 2004.

Challenges Facing Employers

Organizations experienced more difficulty in attracting and retaining employees in 2005 than they did in 2004. Areas where the most difficulties were experienced include middle manager, supervisors, accounting and finance, engineering and technical, marketing and sales, and administrative support positions.

Over 40% of the employers surveyed have implemented initiatives in response to the challenges of attracting, motivating and retaining employees. Apart from increasing salaries, the most prevalent initiatives taken by employers were various forms of bonuses including employee referral bonuses, signing bonuses, retention bonuses and project bonuses.

Rising Benefits Costs

Rising employee benefit costs, particularly from employee disabilities, continue to be a challenge for employers. To help address this concern, nearly one-quarter of the organizations surveyed expect to implement various employee wellness initiatives in the near future. These initiatives may include seminars or counselling on various wellness subjects, employee wellness evaluations, or employee fitness incentives. *"Properly designed and managed wellness initiatives can be a*

Charitable Donors

Canadian taxfilers continued their tradition of generosity last year with increases in both the number of charitable donors and the total amount they gave to charity.

Data from income tax declarations filed for the 2004 tax year showed that taxfilers claimed more than \$6.9 billion in donations, the highest amount ever. The total was 6.3% higher than in 2003.

The amount of donations increased in all provinces and territories. The highest increases were in the Yukon (+17.5%), Alberta (+13.7%), Northwest Territories (+12.7%) and British Columbia (+12.5%).

Just under 5.8 million taxfilers made a donation, a 3.5% increase. Again, the number rose in all provinces and territories, with Yukon showing the biggest gain (+16.2%)

For taxfilers reporting donations, the median donation has increased each year since 1999. In 2004, the median donation was \$230, up from \$220 in 2003. In other words, among those reporting charitable donations, half gave more than \$230 and half gave less.

Nunavut has led the provinces and territories in terms of median donation since 2000. However, it was the only jurisdiction in which the median donation declined from 2003, falling from \$410 to \$390. Nunavut's median was followed by \$340 for Prince Edward Island and \$310 for Newfoundland and Labrador.

Among census metropolitan areas (CMAs), taxfilers in Abbotsford, British Columbia, reported by far the highest median donation at \$540. Toronto was next with a median of \$320, slightly ahead of Saskatoon at \$310. It was the second year in a row that these three CMAs reported the highest donations.

Nationally, about 25% of all taxfilers claimed charitable donations, roughly the same proportion as in the past. Leading the way again was Manitoba where almost 29% of taxfilers declared a donation. It was followed by Ontario with 28%.

Source: Statistics Canada, The Daily, November 1, 2005

win/win proposition for the future well being of employers" said Cook. On the other hand, "the significant increases in employee benefit costs in recent years has forced many employers to also re-examine the design of their plans and the costs of delivering those plans."

The Greater Saskatoon Chamber of Commerce, in conjunction with Western Compensation & Benefits Consultants offers employers a comprehensive suite of 11 surveys covering the salaries and other compensation for over 350 positions. For details on the surveys and how to order go to www.wcbc.ca/annual or call Linda Reid at (800) 781-2411.

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Wednesday, November 9th, 2005
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Jason Skotheim

*Vice President of Operations,
Horizon Manufacturing Inc.*

**"Does Saskatchewan have the
Right Environment for Startup
Manufacturing & Processing"**
Tuesday, November 15th, 2005
Ramada Hotel & Golf Dome

Mark Francis

Independent Business Consultant

**"CNQ - Canada's New Stock
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Tuesday, November 29th, 2005
Saskatoon Club

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Dr. Alex McPherson, *President & CEO, Biomira Inc.* "Healthcare & Leadership"
John Cross, *Chairperson, Philom Bios* "A Call for Leadership - The Challenge"

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