

A Profile of Foreign Firms In Atlantic Canada



March 2003



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The Atlantic Provinces Economic Council (APEC) is an independent, non-partisan research and educational institution. Its objective is to promote the economic development of the Atlantic region of Canada. It accomplishes this through analysing current and emerging economic trends and policies; by communicating the results of its analysis and consulting with a wide audience; and by advocating the appropriate public and private sector response.

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A Profile of Foreign Firms in Atlantic Canada

Table of Contents

Executive Summary	v
1. INTRODUCTION.....	1
2. THE APEC DATABASE	3
Methodology	3
Criteria	3
Sample Size	4
Content	4
Summary.....	4
3. ANALYSIS.....	5
Number of Firms and Employees	5
Industry	7
Nationality	11
Timing and Mode of Investment.....	13
Major Projects Investment	13
Summary.....	16
4. CONCLUSION	17
Policy Issues	17
Further Research	18
Appendix A: Database Methodology.....	19
Appendix B: List of Foreign Firms in the APEC Database.....	23
Recent Publications of the Atlantic Provinces Economic Council.....	29

List of Tables

Table 1	Comparison of APEC Database with Statistics Canada's Business Registry	4
Table 2	Number of Foreign Firms, Establishments and Employees	5
Table 3	Foreign Firm Size, Atlantic Canada	5
Table 4	Industry Structure of Foreign Firms, Atlantic Canada	7
Table 5	Employment by Industry, Atlantic Canada	8
Table 6	Industry Structure of Foreign Firms, Newfoundland and Labrador	9
Table 7	Industry Structure of Foreign Firms, Prince Edward Island	9
Table 8	Industry Structure of Foreign Firms, Nova Scotia	10
Table 9	Industry Structure of Foreign Firms, New Brunswick	10
Table 10	Number of Foreign Firms by Geographic Region	11
Table 11	Geographic Distribution of Foreign Investment	11
Table 12	Geographic Distribution of US Firms	12

List of Charts

Chart 1	Size of Establishments, Atlantic Canada, 2002	6
Chart 2	Employment in Foreign Firms as a Share of Total Atlantic Employment, 2002	8
Chart 3	Number of Foreign Firms in Atlantic Canada in 2002 by Year of Investment	14
Chart 4	FDI in Canada and New Foreign Firms in Atlantic Canada, 1981-2001	14
Chart 5	Mode of Entry of Foreign Firms in Atlantic Canada	15

A Profile of Foreign Firms in Atlantic Canada

Executive Summary

This report presents a profile of foreign companies operating in the Atlantic provinces based upon a database that is being compiled by the Atlantic Provinces Economic Council (APEC). The database includes information on the nationality of foreign investors, the mode and date of their investment, their industry sector and employment. The report is part of APEC's ongoing research on this topic and complements its previous report, *Foreign Direct Investment in Atlantic Canada*, published in May 2002.

The foreign firms in APEC's database represent an estimated 80% of foreign-controlled establishments in Atlantic Canada. The results in this report are therefore based upon a sample of foreign firms in the region, which may or may not be truly representative of all foreign firms in the region. Foreign-control is defined by foreign ownership of the voting equity of companies and does not indicate the actual degree of influence exerted by a foreign parent upon its Canadian operations.

The 430 firms currently in the database directly employ about 54,000 workers, or almost 6% of Atlantic employees.

Nova Scotia has the largest number of foreign firms in the region (177 firms in the database). These firms account for 7.1% of all employees in the province. In New Brunswick, the 118 foreign firms employ 4.4% of all employees in the province. Newfoundland and Labrador has 112 firms in the database; these firms represent 5.9% of provincial employees. There are 23 foreign firms in Prince Edward Island that account for 1.5% of all employees.

Most of the foreign firms in the database are quite small with median employment of 25 employees but a few foreign firms employ more than 1,000 workers. The top 23 firms, employing 500 or more workers, account for about 55% of employment by foreign firms. Call centres, along with firms involved in manufacturing or retail trade, tend to be the largest employers. Statistics Canada data on all establishments with employees indicate that foreign-controlled establishments tend to be somewhat larger than domestic establishments in the Atlantic region.

Foreign firms are particularly important in the call centre industry, manufacturing, retail and the offshore energy sector. The foreign firms in this database employ about 33% of all Atlantic employees in the management and administrative and business services sector, 11% in manufacturing and about 7% in professional and scientific services.

The majority of foreign firms in the database are based in the United States, which accounts for 60% of foreign firms and 71% of foreign firm employment within the region. The UK has the second largest number of firms but France has the second largest share of employees.

Of the US firms, about 45% are headquartered in the South with only 27% based in the North East. The South is particularly important for energy firms, manufacturing and retail. The North East is a more important source for call centres and firms in information and other business services. The share of US firms with corporate headquarters in the North East has declined over time.

About 75% of the foreign firms currently in Atlantic Canada made their initial investment after 1990. The number of foreign firms in the region increased rapidly in the late 1990s in parallel with the national and international increase in foreign direct investment. Although mergers and acquisitions of existing Atlantic business operations account for many of the new foreign firms in the 1990s, there was also a distinct jump in the number of greenfield investments.

A Profile of Foreign Firms in Atlantic Canada

In line with international trends, mergers and acquisitions have increased in importance, accounting for 60% of new foreign entrants in the late 1990s. New greenfield investments have declined in importance from 64% of new firms prior to 1995 to 32% of new firms since 1995. Joint ventures have also become more important over time with about one-third of joint ventures in the energy sector.

For greenfield investments and joint ventures, the majority of new entrants in manufacturing and wholesale trade entered the region prior to 1995 whereas the majority of entrants in the call centre and energy sectors established their operations since 1995.

More than one-third of the firms in the database have operations in more than one Atlantic province with a few firms having plants or offices in all four provinces.

APEC estimates that these foreign firms accounted for about 25% of its Major Projects Inventory investment expenditures in 2002.

A Profile of Foreign Firms in Atlantic Canada

Chapter 1: Introduction

Foreign direct investment (FDI) is playing an increasingly important role in the Canadian economy. Yet very little is known about the extent and nature of FDI in the Atlantic provinces. A report on *Foreign Direct Investment in Atlantic Canada*, published by the Atlantic Provinces Economic Council (APEC) in May 2002, documented the massive increase in FDI in Canada, particularly over the last decade. While the report discussed a number of policy issues regarding investment attraction and the economic impact of foreign investment in Atlantic Canada, it highlighted how little is known about FDI in the region. In particular, there was a lack of detailed and up-to-date information on the nationality of foreign investors and the industries in which they operate.

This report is part of APEC's ongoing research into FDI in Atlantic Canada. It reveals important insights into the nature of FDI in the region and provides a basis for further research on the determinants and impact of these investments. The report will be of value to federal and provincial governments, economic development agencies, site selectors, foreign consulates and the business community at large.

The report is based upon a database, which APEC is compiling, of foreign firms with operations in the Atlantic provinces. Foreign firms are defined on the basis of foreign ownership of the voting equity of companies. The report provides a profile of foreign investment activity within the region, including the nationality of investors, the year and mode of their investment, their industry of operation and provincial employment. It is based upon information collected between July and September 2002.

Chapter 2: The APEC Database

This chapter presents a brief overview of the APEC database. A detailed analysis of these data is provided in the next chapter.

Methodology

As part of its previous research on FDI, APEC compiled a list of foreign-controlled companies in the Atlantic region. This list was largely based upon Statistics Canada's Inter-Corporate Ownership (ICO) database, which identifies all firms in Canada and their ultimate ownership. The list was supplemented with information obtained from federal and provincial government agencies and foreign consulates. In addition, given the importance of foreign firms in the offshore oil and gas sector, APEC cross-checked its list with the membership directories of the Offshore/Onshore Technologies Association of Nova Scotia (OTANS) and the Newfoundland Ocean Industries Association (NOIA). Further information on call centres in the region was also utilized.

APEC contacted all the firms on this list to verify that they have operations in the Atlantic region, to confirm their foreign ownership and to obtain basic corporate information. This research was carried out between July and September 2002.

A detailed description of the research methodology is provided in Appendix A.

Criteria

To be included in the database a firm had to have a current economic presence (e.g., a production or distribution facility or a sales office) in at least one Atlantic province and be foreign-controlled.

Foreign-controlled firms refer to firms where foreign investors control at least 50% of the voting equity. Control can sometimes be exercised with less than 50% of the equity depending upon the distribution of other shareholders. Foreign-control is based upon the ultimate ownership of a company. For example, an Atlantic firm may be a wholly-owned subsidiary of a Canadian company which is itself a subsidiary of a US-based corporation. In this case, the Atlantic firm would be considered US-controlled. This definition, as used by Statistics Canada, is essentially a statistical construct and does not say anything about the actual degree of influence exerted by a foreign company or investor on its Canadian operations. Franchises were not included in the database.

A few firms were included even though they did not appear to meet the strict criteria for foreign-control. They had a sufficient degree of foreign ownership to meet the normal definition for a foreign direct investment (i.e. at least 10% of the voting equity). For each of these firms, the degree of foreign ownership was at least 25%. Such investments are still considered to give the foreign investor a significant voice in the management of the company.

Some firms were omitted from the final database because APEC was unable to obtain or verify sufficient information on their Atlantic operations.

A firm was given one entry per province of operation so that firms with operations in all four Atlantic provinces have a total of four entries. In addition, a firm with different divisions in the same province that operate in separate industries, for example, a call centre and a production or retail facility, were also given separate entries.

Sample Size

APEC's database currently includes information on 430 foreign-controlled firms. These firms operate about 1,200 plants, offices and retail outlets within Atlantic Canada. Table 1 compares these numbers with the number of foreign-controlled establishments in Atlantic Canada in Statistics Canada's Business Registry as of June 2002. Although the statistical definition of an establishment, as used by Statistics Canada, does not always coincide with a plant or office (see Appendix A), these data provide the best comparable source of information on the total number of foreign operations in the region.

This analysis suggests that APEC's database currently includes information on almost 80% of the foreign-controlled establishments in Atlantic Canada. APEC has identified about 60 additional foreign firms that have or are likely to have operations in the region. Although APEC was unable to obtain sufficient information to include these firms in its database, these firms likely explain much of the missing sample in Newfoundland and Labrador and New Brunswick. In Nova Scotia there are a number of foreign-controlled firms not included in this database (although some unlimited liability and other companies that were excluded from the APEC database may still be included in the business registry data).

Table 1: Comparison of APEC Database with Statistics Canada's Business Registry

	NS	NB	NFLD	PEI	ATL
(1) Number of firms (APEC)	177	118	112	23	430
(2) Number of plants or offices (APEC)	474	400	250	70	1,194
(3) Number of establishments (Statistics Canada)	712	460	290	70	1,532
(4) = (2) as per cent of (3)	67%	87%	86%	100%	78%

Note: These data only include firms and establishments with employees. See Appendix A for definitions.

Sources: APEC Database & Statistics Canada, Business Registry Division.

Content

APEC's database contains the following information: name of firm, province of operation, name of foreign owner, degree of foreign ownership, nationality of foreign owner, US state of parent head office (if US-controlled), date of investment, mode of investment (e.g., greenfield or acquisition), industry sector, number of establishments (e.g., production plants, retail outlets, sales offices) and total employees within the province.

APEC did not attempt to collect any information on the value of foreign direct investment. Some firms are not able to provide this information as such financial data is often consolidated at the enterprise level. This is one reason why Statistics Canada does not provide a provincial breakdown of the value of foreign direct investment in Canada. Other firms are not willing to disclose this type of information.

Summary

APEC's database provides information on firms that represent about 80% of foreign-controlled establishments in Atlantic Canada although it is not known to what extent the database is representative of the industry distribution of all foreign firms in the region. The database includes information on the nationality of investors, the mode and timing of their investment, their industry sector and total provincial employment.

Chapter 3: Analysis

This chapter presents a profile of foreign companies in Atlantic Canada, based upon APEC's database of foreign firms.

Number of Firms and Employees

APEC's database contains information on 430 firms (Table 2). As expected, the largest number of foreign firms is in Nova Scotia (177 firms) with the smallest number in Prince Edward Island (23 firms). New Brunswick and Newfoundland and Labrador each have about 115 firms.

These firms operate a total of 1,200 establishments throughout the region. About 37% of these establishments are retail gas stations operated by foreign-owned companies. Excluding these gas stations, there are an average of 1.8 establishments per firm per province.

Table 2: Number of Foreign Firms, Establishments and Employees

	NS	NB	NFLD	PEI	ATL
Number of foreign firms	177	118	112	23	430
Number of plants, outlets or offices	474	400	250	70	1,194
Number of employees in foreign firms	26,800	14,050	11,950	930	53,700
<i>As per cent of provincial employment (excluding self-employed)</i>	<i>7.1%</i>	<i>4.4%</i>	<i>5.9%</i>	<i>1.5%</i>	<i>5.6%</i>

Note: Ten firms did not supply any employment data. Totals may not sum due to rounding.

Source: APEC Database & Statistics Canada, Labour Force Survey.

These foreign-controlled firms employ more than 53,700 people, or almost 6% of total employment in the region (excluding the self-employed). Nova Scotia has the highest concentration of workers in foreign-controlled companies at 7.1%; Prince Edward Island has the smallest concentration at 1.5%. These numbers understate the total employment impact of foreign firms in the region as only direct employees are included. Foreign investments, particularly in the offshore energy sector, support many more employees who work for various contractors. Also, the foreign firm employment numbers only represent those firms that were included in the database.

Table 3: Foreign Firm Size, Atlantic Canada

Employee Size Range	1-4	5-19	20-99	100-499	500+	Total
Number of firms	86	96	128	87	23	420
<i>Per cent of total</i>	<i>20%</i>	<i>23%</i>	<i>30%</i>	<i>21%</i>	<i>5%</i>	<i>100%</i>
Number of employees	177	950	5,611	17,292	29,692	53,722
<i>Per cent of total</i>	<i>0.3%</i>	<i>2%</i>	<i>10%</i>	<i>32%</i>	<i>55%</i>	<i>100%</i>

Note: Totals may not sum due to rounding. Ten firms did not supply any employment data.

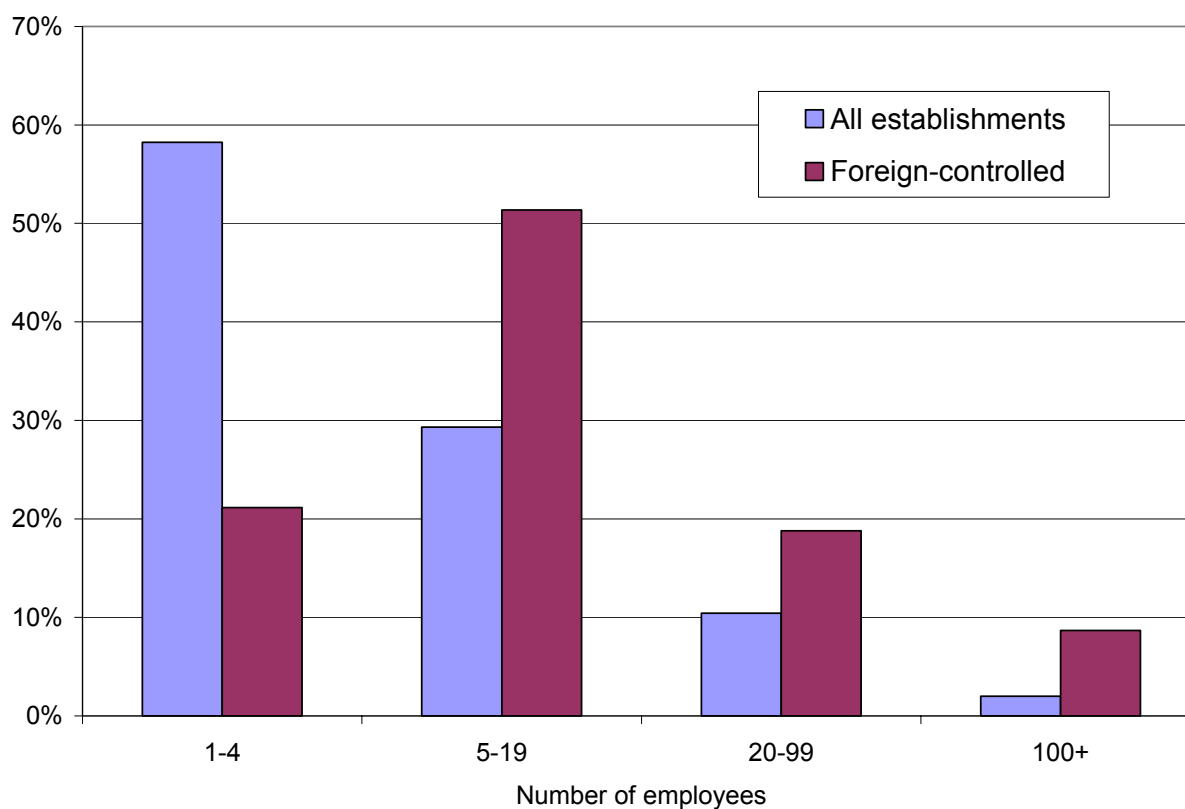
Source: APEC Database.

A Profile of Foreign Firms in Atlantic Canada

Most of these firms are quite small with median employment of 25 employees (Table 3). About 45% of firms employ less than 20 workers and almost 75% employ less than 100 workers. Yet fourteen firms have 1,000 or more employees and most of the employment is concentrated within a few large firms. The 23 firms employing 500 or more workers account for 30,000 employees or 55% of the total employment. Ten of the employers with 500+ workers are call centres with manufacturing and retail firms accounting for a further seven large employers. About 40% of the smallest firms with 1-4 employees are in the wholesale sector with professional and scientific firms also tending to be quite small. Prince Edward Island has the smallest share of large firms with no known foreign firms employing 500 or more workers.

Chart 1 shows comparative size information for all establishments with employees in Atlantic Canada using data from Statistics Canada's Business Registry. Foreign-controlled establishments in the Atlantic region tend to be larger than their domestic counterparts. For example, only 2% of establishments in the region employ 100 or more workers but 9% of foreign-controlled establishments are in this size category. Yet the foreign firms in Atlantic Canada are smaller than foreign firms elsewhere in Canada, with about 15% of foreign-controlled establishments in Canada employing 100 or more workers.

Chart 1: Size Distribution of Establishments, Atlantic Canada, 2002



Source: APEC & Statistics Canada, Business Registry.

Industry

The wholesale trades account for the largest number of foreign firms with 93 businesses or 21% of the total. Many of these firms are involved in the distribution of machinery, equipment and supplies, but most are quite small in terms of employment (Table 4). Large concentrations of foreign firms are also found in manufacturing (12% of firms), retail trade (11%) and professional, scientific and technical services (10%). Within manufacturing, the largest number of foreign firms is in the paper and wood products sector, followed by plastics and rubber, food and beverage and clothing and textiles.

In terms of employment, the picture is slightly different. Call centres are the largest employers with 29% of employment in foreign firms followed by manufacturing with 25%. Retail trade is also significant with 15% of foreign firm employment. As noted above, employment in the offshore oil and gas industry is underrepresented as these numbers only refer to direct employees of the operators. Overall, services account for 65% of all employment in foreign firms.

Table 4: Industry Structure of Foreign Firms, Atlantic Canada

NAICS	Industry	Number of firms	Employment (% of total)
11, 212	Agriculture, forestry, fishing & mining	9	5%
211, 213, 221	Energy (oil & gas extraction/services & utilities)	33	5%
23	Construction	8	1%
31-33	Manufacturing	52	25%
41	Wholesale trade	93	5%
44-45	Retail trade	46	15%
48-49	Transportation & warehousing	25	1%
52-53	Finance, insurance & real estate	39	4%
54	Professional, scientific & technical services	44	4%
51, 55-56	Information industries & business services	27	2%
56142	Call centres	36	29%
61-81	Other services	18	5%
	Goods-producing	102	35%
	Services	328	65%
	All industries	430	100%

Note: Totals may not sum due to rounding.

Source: APEC Database.

Table 5 compares the distribution of employment by foreign firms in the database with total employment in the region. Employment in foreign firms is relatively high in the management and business services sector, where foreign firms account for about 33% of Atlantic employees (Chart 2). This reflects the presence of more than 35 foreign-owned call centres in the region. The fifty-plus foreign manufacturing firms in the region employ about 11% of the total manufacturing employment. Foreign firm employment is also relatively high in the primary sector due to the presence of foreign firms in the mining and offshore oil and gas industry.

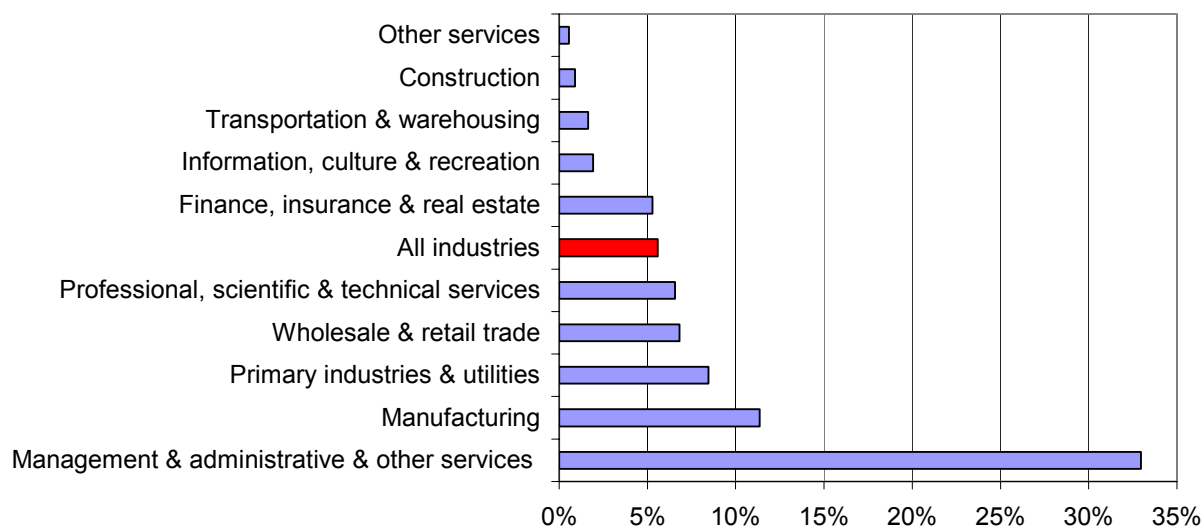
Table 5: Employment by Industry, Atlantic Canada

NAICS	Industry	Employment in foreign firms	Total Atlantic employment	Foreign firm employment as share of Atlantic employment
11-22	Primary industries & utilities	9%	6%	8%
23	Construction	1%	6%	1%
31-33	Manufacturing	25%	12%	11%
41-45	Wholesale & retail trade	20%	16%	7%
48-49	Transportation & warehousing	1%	5%	2%
52-53	Finance, insurance & real estate	4%	4%	5%
54	Professional, scientific & technical services	4%	3%	7%
55-56	Management & administrative & other services	30%	5%	33%
51, 71	Information, culture and recreation	1%	4%	2%
61-91	Education, health, accommodation & food services, other services & public administration	4%	38%	1%
	Goods-producing	35%	24%	8%
	Services	65%	76%	5%
	All industries	100%	100%	6%

Note: Foreign firms' share of total employment will be somewhat underestimated as these data only include information on foreign firms included in the APEC database. Employment data for July-September 2002.

Source: APEC Database & Statistics Canada, Labour Force Survey.

Chart 2: Employees in Foreign Firms As A Share of Total Atlantic Employees, 2002



Note: Excludes self-employed.

Source: APEC Database & Statistics Canada, Labour Force Survey.

In Newfoundland and Labrador, the largest concentration of firms is in the wholesale trades. Firms involved in the offshore energy sector, including both oil and gas companies and professional service firms, also account for a large number of foreign firms. In terms of employment, call centres account for the largest share (26% of foreign firm employment) followed by the retail sector (23%). Overall, foreign firms account for close to 40% of Newfoundland and Labrador's employment in the management and administrative services sector and 20% of employment in the primary sector. Employment is significant in the mining industry due to the Iron Ore Company of Canada mine in Labrador.

Table 6: Industry Structure of Foreign Firms, Newfoundland and Labrador

Industry	Number of Firms	Foreign Firm Employment (% of total)
Wholesale trade	24	2%
Energy (oil & gas extraction/services & utilities)	18	12%
Professional, scientific & technical services	16	3%
Retail trade	10	23%
Call centres	8	26%
Other industries	36	34%
All industries	112	100%

Source: APEC Database.

In Prince Edward Island, wholesale and retail firms account for half of the foreign firms in the province. The retail sector is the largest employer, accounting for almost 60% of employment in foreign firms. Wal-Mart is the largest known foreign employer in the province. Foreign firms account for about 8% of provincial employment in the wholesale and retail sector and about 5% of employment in finance, insurance and real estate.

Table 7: Industry Structure of Foreign Firms, Prince Edward Island

Industry	Number of Firms	Foreign Firm Employment (% of total)
Wholesale trade	6	15%
Retail trade	6	58%
Finance, insurance & real estate	4	10%
Other industries	7	17%
All industries	23	100%

Source: APEC Database.

While the wholesale sector accounts for the largest number of foreign firms in Nova Scotia, its contribution to employment is relatively small. The manufacturing sector is well represented along with professional services firms and companies in the energy industry. In terms of employment, manufacturing is the largest sector, accounting for 34% of foreign firm employment. Michelin, with its three tire manufacturing facilities, is the largest foreign employer in the province. Call centres are also significant with 23% of employment in foreign firms. Overall, foreign firms account for about 34% of Nova Scotia's employment in the management and administrative services sector, 19% of employment in manufacturing and 11% of employment in professional and technical services.

Table 8: Industry Structure of Foreign Firms, Nova Scotia

Industry	Number of Firms	Foreign Firm Employment (% of total)
Wholesale trade	39	4%
Manufacturing	20	34%
Retail trade	18	12%
Professional, scientific & technical services	18	5%
Energy (oil & gas extraction/services & utilities)	14	4%
Call centres	9	23%
Other industries	59	18%
All industries	177	100%

Source: APEC Database.

In New Brunswick, wholesale trade and manufacturing are the most important industries in terms of the number of foreign firms. However, call centres are the dominant source of employment, with about 45% of foreign firm employment. This partly reflects provincial initiatives to develop the call centre industry in New Brunswick. The manufacturing sector represents about 21% of employment in foreign firms. As a share of total provincial employment, foreign firms account for 34% of employment in the management and administrative services sector (which includes call centres) and 7% in manufacturing.

Table 9: Industry Structure of Foreign Firms, New Brunswick

Industry	Number of Firms	Foreign Firm Employment (% of total)
Wholesale trade	24	7%
Manufacturing	23	21%
Retail trade	12	12%
Call centres	18	45%
Other industries	41	14%
All industries	118	100%

Source: APEC Database.

Nationality

With 250 US firms in the region, the United States is by far the biggest investor in the region, accounting for almost 60% of foreign firms in Atlantic Canada (Table 10). The UK has the second largest presence in terms of the number of firms (44 firms), followed by the Netherlands (28 firms), France (25 firms), Norway (15 firms), Switzerland (15 firms) and Germany (12 firms).

In terms of employment, the US share is even larger at 71% of employment in foreign firms, but the Michelin plants in Nova Scotia push the French share of foreign firm employment (9%) above that of the UK (7%) and the Netherlands (3%). Japanese firms account for about 2% of foreign firm employment with Fujitsu Consulting being a significant employer while Stora Enso makes Finland an important employer.

The relative importance of the United States as an investor in the region is not surprising given the size of the US economy, its proximity and the increased integration between the two economies during the last 15 years. The importance of the UK reflects the fact that it is the second largest source of FDI in the world and it has a well-developed offshore oil and gas industry. The close historic ties between Canada and the UK may also play a role. The Norwegian presence in the region is almost exclusively related to the offshore oil and gas industry.

Table 10: Number of Foreign Firms by Geographic Region

	NS	NB	NFLD	PEI	Atlantic Canada
US	104	71	59	16	250
UK	18	9	15	3	44
Other EU	35	23	22	4	84
Other	20	15	16	1	52
Total	177	118	112	23	430

Source: APEC Database.

Table 11 shows that the geographic distribution of foreign firms and foreign firm employment in the Atlantic region is very similar to the distribution of the stock of foreign direct investment (FDI) in Canada (although there may be important variations at a more detailed country level).

Table 11: Geographic Distribution of Foreign Firms in Atlantic Canada

	Atlantic Canada Number of foreign firms (2002)	Atlantic Canada Employment in foreign firms (2002)	Canada Stock of FDI (2001)
US	58%	71%	66%
UK	10%	7%	8%
Other EU	20%	17%	16%
Other	12%	5%	10%
Total	430	53,722	\$321 billion

Source: APEC Database & Statistics Canada, Canada's International Investment Position, 2001.

For the US firms, information was also collected on the location of the head office. Atlantic Canada is often viewed as having close economic ties with the New England states. While this region remains the

A Profile of Foreign Firms in Atlantic Canada

most important destination for Atlantic exports, its relative importance has been declining, at least since the implementation of the Free Trade Agreement with the United States. APEC's database of foreign firms suggests that the southern US, rather than the North East, is the most importance source of inward foreign investment in the region. Firms based in the South accounted for 45% of US firms and 38% of employment in US firms. The North East was second with 27% of firms and 36% of employees.

The importance of the South is perhaps not surprising. The South accounted for about 32% of US gross state product in 2000 compared with only 22% for the Northeast. Distance may still play a role as the West is underrepresented in the database relative to its share of US gross state product (24%). Additional research on the distribution of corporate headquarters in the US would help further understand the role of geography in explaining US investment in Atlantic Canada.

Table 12: Geographic Distribution of US firms

	West	Midwest	South	Northeast	Total
Number of firms	10%	18%	45%	27%	247
Number of employees	9%	16%	38%	36%	37,425

Note: Totals may not sum to 100% due to rounding.

Source: APEC Database.

Yet there are important variations by industry. Almost all of the US firms in the energy sector and the majority of firms in the professional and scientific services sectors are based in the South. This reflects the role of Houston, Texas as the US energy capital. However, there are also more Atlantic manufacturing firms headquartered in the South than any other region. The retail sector is also well represented with Arkansas-based Wal-Mart being a large employer in the Atlantic region.

For US call centres, the North East is the most important source region, accounting for 48% of US call centres and 57% of US call centre employment in the Atlantic region. The North East is also the most important source region for firms in the information and other business administrative services sector.

While the distribution of US firms is broadly similar in each of the Atlantic provinces, the importance of the offshore oil and gas industry explains the higher proportion of firms from the South in Newfoundland and Labrador (53% of firms) and Nova Scotia (48% of firms). For New Brunswick, the call centre industry explains the 56% share of US employment from the North East.

In terms of the number of firms, the share of the North East has declined over time, from 33% of US firms that arrived in the region prior to 1990 to 24% of firms that invested since 1990. Measured by current employment in US firms, the share of North East firms declined from 48% to 34% over the same period. However, the share of North East firms did improve slightly for investments made since 1995 with the share of firms recovering to 26% and the share of employment up to 43%.

Firms from the West have seen an increase in their share of US firms investing in Atlantic Canada from 4% for investments made prior to 1990 to 12% for investments made since that time. Although four of the 22 firms established since 1990 are call centres, the other firms represent a wide range of industries. The relative importance of US firms headquartered in the South has been fairly constant over time, although it was somewhat higher during the 1960s-1980s.

Timing and Mode of Investment

About 75% of the foreign firms currently present in Atlantic Canada made their investments or acquired their interests after 1990. This does not mean that these are all new businesses. The year of investment simply represents the year that the current foreign owner established a new business or acquired an existing Canadian or foreign-controlled operation in Atlantic Canada.

The number of foreign firms investing in the region increased slowly up to 1989 when the Canada-US Free Trade Agreement came into effect (Chart 3). The number of foreign firms investing in the region jumped from an average of four per year in the 1980s to 23 per year in the 1990s, and averaged 30 per year in 2000-02. The most rapid increase was in the second half of the 1990s with the number of new foreign firms reaching a peak in 1999. Although mergers and acquisitions account for many of the new foreign firms in the 1990s there was also a distinct jump in the number of greenfield investments. The increase in the number of foreign firms investing in the region is consistent with the general increase in FDI in Canada during this period (Chart 4).

Almost half of the foreign firms in Atlantic Canada in 2002 entered the region through a merger or acquisition. The importance of mergers and acquisitions has increased over time from 34% of investments made prior to 1995 to almost 60% of investments made since then (Chart 5). By contrast, new greenfield investments accounted for 64% of new investments prior to 1995, but only 32% since. The importance of joint ventures has also increased over time with almost one-third of joint ventures being in the energy sector. Even in manufacturing, 57% of investments have come through mergers and acquisitions. In fact, only 5% of the foreign firms in Atlantic Canada in 2002 are what might be considered the traditional foreign investment – a greenfield manufacturing investment. Greenfield investment was particularly important for call centres and firms in the energy industry.

Half of the greenfield investments and joint ventures in the region have occurred since 1995 but there are some important variations by industry. For greenfield investments and joint ventures, the majority of new entrants in manufacturing and wholesale trade entered the region prior to 1995 whereas the majority of entrants in the call centre and energy sectors established their operations since 1995.

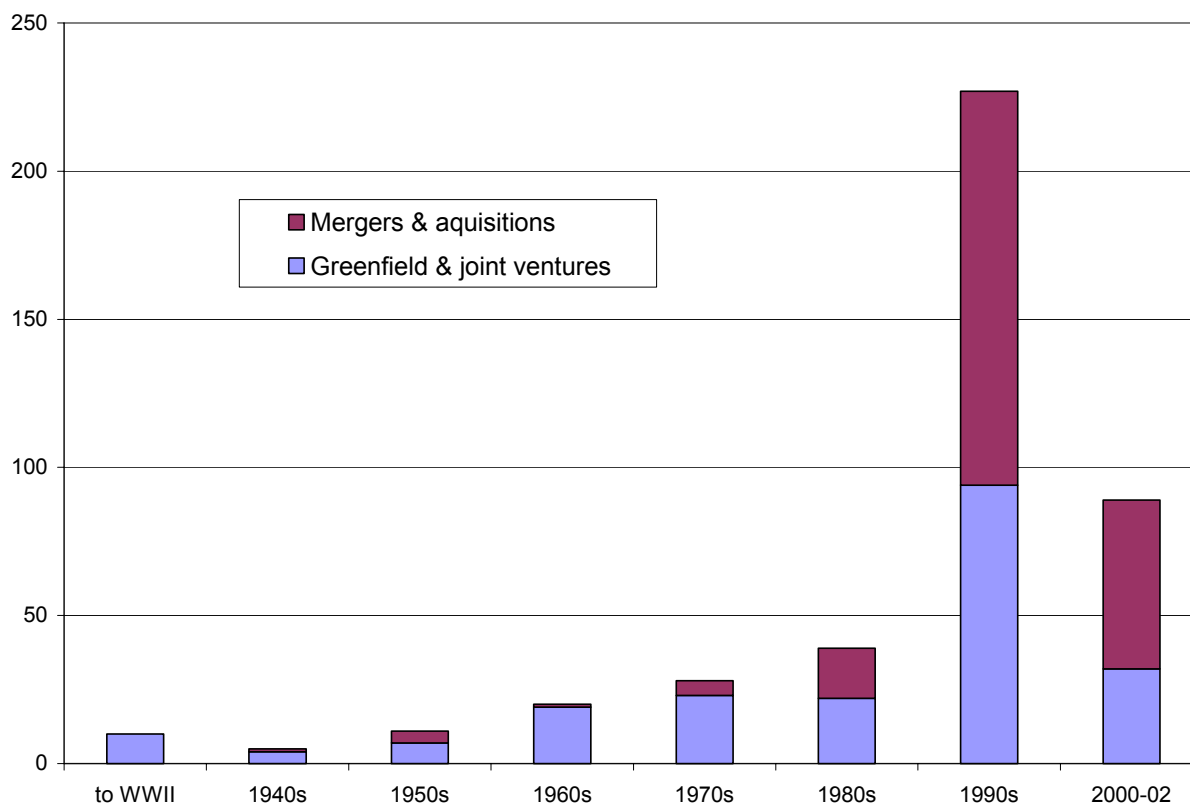
The vast majority of firms in the database (over 85%) are 100% owned by the largest foreign shareholder. Only 4% of firms in the database have ownership shares of less than 50%. These are included in the database as they still satisfy the traditional criteria for a foreign direct investment (i.e., foreign ownership of more than 10%). Some firms have more than one foreign investor so the total foreign ownership share is considerably greater than that of the largest foreign shareholder.

More than one-third of the firms in the database have operations in more than one Atlantic province with a few firms having plants or offices in all four provinces. All of the foreign firms in Prince Edward Island have operations in at least one other Atlantic province.

Major Project Investment

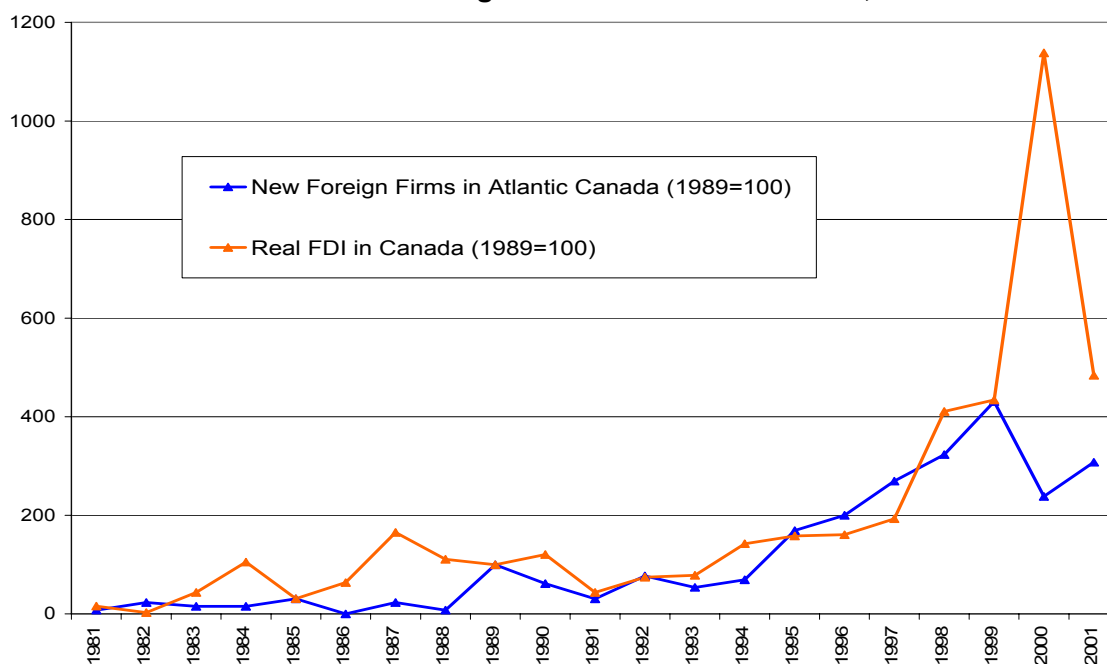
Each year APEC publishes its Major Projects Inventory of capital projects in the region, defined as projects with a capital value of \$10 million or more. The 2002 Major Projects Inventory identified 241 projects valued at \$44 billion. Using the database of foreign firms, APEC estimates that foreign firms account for \$12 billion or about 27% of the value of these major projects. Almost all of the foreign major project activity is in the energy and mining sector, where foreign firms account for 33% of total project value. Yet, foreign firms also account for 30% of the value of major projects in the other goods-producing sectors (mainly manufacturing). These projects are also classified by probability. For high-probability projects – those that were already underway or were soon to get started – APEC estimates that foreign firms accounted for 25% of major project value in 2002, or almost \$1 billion.

Chart 3: Number of Foreign Firms in Atlantic Canada in 2002 by Year of Investment



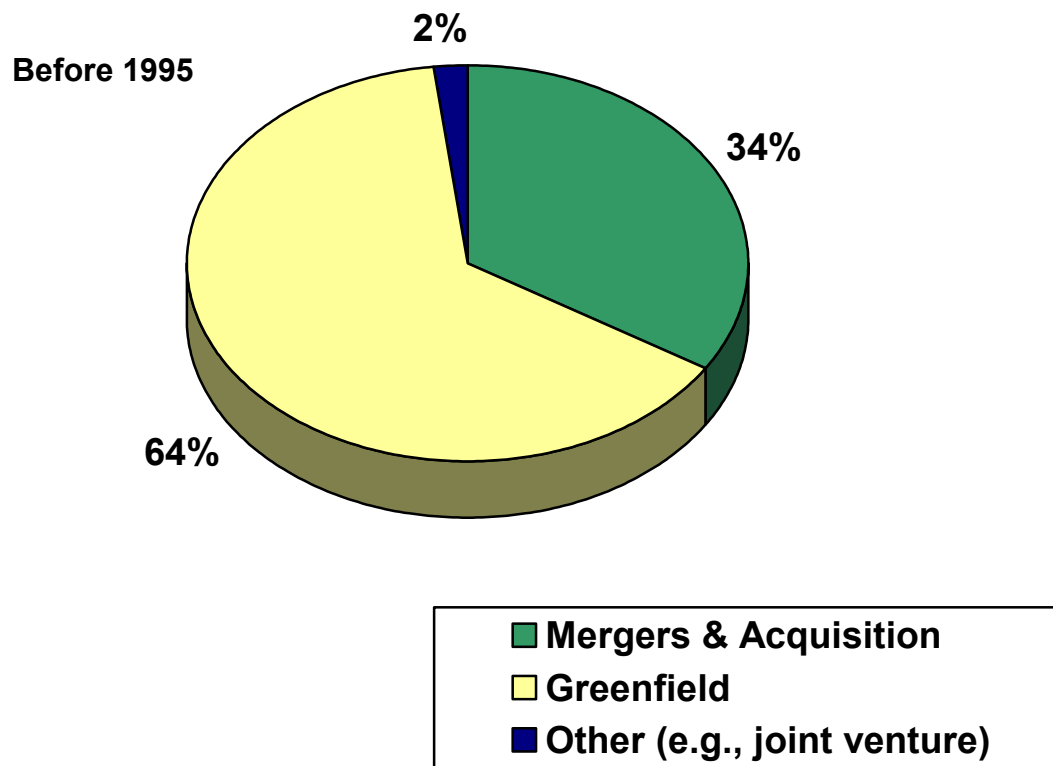
Source: APEC Database.

Chart 4: FDI in Canada and New Foreign Firms in Atlantic Canada, 1981-2001

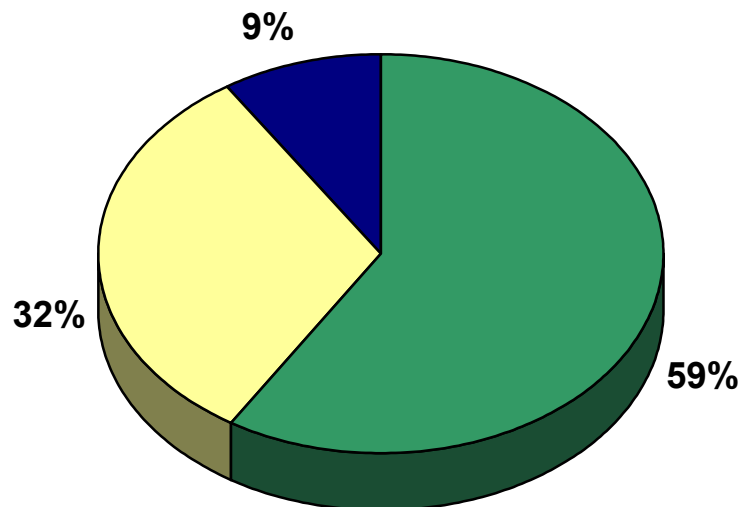


Source: APEC Database & Statistics Canada.

Chart 5: Mode of Entry of Foreign Firms in Atlantic Canada



1995 and Later



Source: APEC Database.

Summary

APEC's database of foreign firms presents a picture of substantial foreign investment activity in the Atlantic provinces. A total of 430 firms have been identified, which directly employ almost 60,000 people, or almost 6% of Atlantic employees. Over 20 of these firms employ 500 or more workers. Foreign firms are particularly important in the call centre industry, manufacturing, retail trade, and in the energy and professional services sector. The United States accounts for almost 60% of foreign firms in the region with the UK a distant second at 10%. Based upon the year of initial entry, foreign investment activity accelerated during the 1990s, with mergers and acquisitions increasing in importance. Only 5% of foreign firms represent the traditional manufacturing greenfield investment. APEC estimates that foreign firms account for about 27% of the value of its 2002 Major Projects Inventory.

Chapter 4: Conclusion

APEC's database of foreign firms represents an estimated 80% of foreign-controlled establishments in Atlantic Canada. Foreign-controlled firms are defined on the basis of foreign ownership of voting equity. This does not say anything about the actual degree of influence exerted by a foreign parent on its Atlantic operations.

This report has used the firms in this database to present a profile of foreign firms in the region. The 430 firms currently in the database directly employ about 54,000 workers or almost 6% of Atlantic employees. APEC estimates that these foreign firms accounted for about 25% of its Major Projects Inventory investment expenditures in 2002.

Foreign firms are particularly important in the call centre industry, manufacturing, retail and the offshore energy sector. The majority of foreign firms are based in the United States with more US firms headquartered in the South than the North East. About 75% of the firms currently in Atlantic Canada made their initial investment after 1990. The number of foreign firms in the region increased rapidly in the late 1990s in parallel with the national and international increase in foreign direct investment. Greenfield investments have declined in importance with mergers and acquisitions accounting for the majority of new foreign entrants in the late 1990s.

Policy Implications

APEC's research on foreign direct investment is still in its early stages but this report contributes to a better understanding of foreign investment activity in the Atlantic region. A number of preliminary policy implications may be drawn from this profile.

Foreign direct investment is traditionally thought of in terms of manufacturing greenfield investments and investment attraction policies are sometimes formulated accordingly. Yet only 5% of the firms in this database conform to this pattern. The service sector, in line with international trends in FDI, has increased in importance, and accounted for eight out of ten new foreign firms in Atlantic Canada since 1990. Almost 65% of foreign employment is in the service sector.

The foreign firms that have located in the Atlantic region are concentrated in certain sectors. To the extent that this reflects a comparative advantage, this can be built upon. For example, foreign-owned call centres with positive experiences in the region can be used to help market the region to other call centres.

Sensitivity to the industry composition of foreign investment is important because the relative importance of various attraction factors will vary by industry. For firms in the retail sector, the size of the local market will be of prime importance, along with the degree of local competition. Site availability will also play a role. For firms in the offshore energy sector, the location of natural resources are the main factor, along with the various determinants that affect the profitability of such investments (e.g., geophysical conditions, the royalty and tax regime and the regulatory environment). For professional and service firms that support big oil and gas operators, the size and growth potential of the local industry will be significant. For the manufacturing sector, access to raw materials and markets and the related transportation costs will be prime considerations. For call centres, a telecommunications infrastructure along with a supply of suitably skilled workers will be important.

These factors need to be considered not only in terms of marketing strategies, but also in terms of improving the business climate for foreign investment. For example, efforts to reduce regulatory barriers in the offshore oil and gas industry may be more effective than payroll tax credits or other tax incentives. Training programs for potential employees may help support growth in the attraction of call centres. Maintaining and developing an efficient transportation infrastructure may be critical for the manufacturing sector.

A Profile of Foreign Firms in Atlantic Canada

Investment attraction efforts often focus on particular markets. This profile suggests the need to be cognizant of industry concentrations, particularly in the US. There are proportionately more call centres and information and business service firms in the Atlantic region from the North East of the US, whereas firms in the energy sector are largely based in the South. A generalized investment attraction strategy focused on the New England states may be less effective than one targeted at specific sectors.

Some foreign firms have a presence in several or all of the Atlantic provinces whereas many are confined to only one province. All of the firms in PEI have operations in the rest of Atlantic Canada. Some of the firms that have already established operations in other parts of the Atlantic region may be suitable targets for expansion into other Atlantic provinces. Similarly, many of the foreign firms in the region have operations in other parts of Canada. Attracting foreign firms to the Atlantic region that already have some familiarity with the Canadian business environment may be an effective attraction strategy.

Joint ventures are increasing in importance and a similar trend was noted in the investments in the Atlantic region. While many of these are between different international firms (particularly in the offshore energy sector), policies to help local firms establish networks and build relationships with foreign firms may be helpful. Local firms can gain access to financial resources and international management expertise, while foreign firms can access important local knowledge and skill sets.

APEC's earlier report on foreign direct investment noted that existing foreign firms are often a more important source of employment growth than new investments. This profile has revealed the relatively small size of many of the foreign firms in the region. While investment attraction efforts may focus on relatively large investments, policies to encourage expansion of existing investors may be equally important.

Further Research

APEC plans to continue its research in this area. This research may include comparative studies with other jurisdictions and comparisons between Canadian and foreign-controlled firms. A number of important questions remain to be answered. These include:

What are the most important factors that have attracted foreign investment in the Atlantic provinces and how do these factors vary by industry?

What are the main inhibitors to foreign investment and which are most amenable to policy changes?

How do the pay rates of foreign firms compare with Atlantic Canadian companies?

To what extent do foreign firms contribute to skill upgrading of the local workforce?

To what extent do foreign firms, particularly manufacturers, purchase from local suppliers?

What impact have these firms had on the productivity of local firms?

To what extent do these firms engage in local R&D activities?

How much technology transfer has taken place between foreign and local firms?

To what extent are corporate decisions made by managers in Atlantic Canada rather than by managers in Canadian or international head quarters?

What are the impacts of mergers and acquisitions on the local economy?

How can policy makers best improve the climate for foreign investment in the Atlantic region?

What can be done to enhance the impact of foreign investment in the region?

Appendix A: Database Methodology and Definitions

This appendix describes the construction of the database, the criteria used and the definitions of the variables in the database.

Database Construction

As part of its previous research on FDI, APEC compiled a list of foreign-controlled companies in the Atlantic region. This list was largely based upon Statistics Canada's Inter-Corporate Ownership (ICO) database, which identifies all firms in Canada that are required to file a schedule of ownership information under the Corporations Returns Act. The Act, as amended January 1, 1999, applies to every corporation that carries on business in Canada or that is incorporated under a law of Canada or a province, whose gross revenue for the reporting period exceeded \$15 million, or whose assets exceeded \$10 million. In addition, corporations with assets and sales under these amounts but having long-term debt or equity owing directly or indirectly to non-residents exceeding a book value of \$200,000 must also provide ownership information.

In compiling the ICO database, researchers at Statistics Canada search international financial and ownership publications to obtain true beneficial owners rather than nominees. Additional information on corporate structure and ownership is also used in some cases to provide a more accurate assignment of the country of control and enterprise structure.

The main weakness of the ICO database for the purposes of this research is that it only identifies the province of the head office. Yet there are many foreign firms with operations in the Atlantic region that have head offices elsewhere in Canada. To overcome this weakness, APEC supplemented the list of foreign-controlled firms from the ICO database with information obtained from federal and provincial government agencies, foreign consulates and other sources. In addition, given the importance of foreign firms in the offshore oil and gas sector, APEC cross-checked its list with the membership directories of the Offshore/Onshore Technologies Association of Nova Scotia (OTANS) and the Newfoundland Ocean Industries Association (NOIA). Further information on known call centres in the region was also utilized.

APEC contacted all the firms on this list to verify that they have operations in the Atlantic region, to confirm their foreign ownership status and to obtain basic corporate information including the year and mode of their investment, their industry sector and level of employment. (Contact information was not available for 3% of the firms on this list. These firms most likely do not have current operations in the region.) The data collection was carried out between July and September 2002.

Criteria

To be included in the database a firm had to have a current economic presence (e.g., a production or distribution facility or a sales office) in at least one Atlantic province and be foreign-controlled.

A large number of firms were eliminated from the initial list because they had been struck off the provincial joint-stocks registry, they were duplicates or had amalgamated with other firms on the list, they no longer had operations in the region or they were no longer foreign-controlled. A number of firms, particularly in Nova Scotia, were also removed because they were not believed to conduct any economic activity in the region (e.g., holding companies and other companies registered for tax purposes only).

Foreign-controlled firms refer to firms where foreign investors control at least 50% of the voting equity. Control can sometimes be exercised with less than 50% of the equity depending upon the distribution of other shareholders. Foreign-control is based upon the ultimate ownership of a company. For example, an Atlantic firm may be a wholly-owned subsidiary of a Canadian company which is itself a subsidiary of a US-based corporation. In this case, the Atlantic firm would be considered US-controlled. The APEC database records the degree of ownership for the largest foreign investor. In some cases this was less than 50%, but total foreign ownership in the firm exceeded 50%.

A Profile of Foreign Firms in Atlantic Canada

The definition of foreign control, as used by Statistics Canada in its Inter-Corporate Ownership Database, is essentially a statistical construct and does not say anything about the actual degree of influence exerted by a foreign company or investor on its Canadian operations. This is matter for further research:

“Corporate control is the potential to affect the corporate strategic decision-making process of the board of directors of a corporation.... In many cases where control is said to exist, corporations may still function with considerable autonomy in their financial, marketing, or operational activities. The concept of corporate control should be viewed as a potential that exists and is exercised within the framework of a corporate industrial society with highly varied management practices” (Statistics Canada, Inter-Corporate Ownership Database, Notes and Definitions).

A small number of firms were included in the database even though they did not appear to meet the strict criteria for foreign-control. They had a sufficient degree of foreign ownership to meet the normal definition for a foreign direct investment (i.e. at least 10% of the voting equity). For each of these firms, the degree of foreign ownership was at least 25%. Such investments are still considered to give the foreign investor a significant voice in the management of the company.

Franchises were not included in the database. Although marketing and other support services may be provided from an international head office, the equity capital is usually provided locally.

About 60 firms were omitted from the final database because APEC was unable to obtain or verify sufficient information on their Atlantic operations.

Definitions

APEC's database contains the following information: name of firm, province of operation, name of foreign owner, degree of foreign ownership, nationality of foreign owner, US state of parent head office (if US-controlled), date of investment, mode of investment, industry sector, number of establishments and total employees within the province.

Number of firms. A firm was given one entry per province of operation so that firms with operations in all four Atlantic provinces have a total of four entries. In addition, a firm with different divisions that operate in separate industries, for example, a call centre and a production or retail facility, were also given separate entries.

Number of establishments. The number of plants, retail outlets or offices within a province. This may not always coincide with the statistical definition of an establishment as used by Statistics Canada which is defined as a production entity which: (a) produces a homogenous set of goods or services; (b) does not cross provincial boundaries; and (c) provides data on the value of output together with the cost of principal intermediate inputs used along with the cost and quantity of labour resources used to produce the output. A firm with two retail stores was considered to have two plants/stores/offices in the APEC database. However, if the accounting information for the two stores is not available separately, then they would be considered one establishment by Statistics Canada.

Employment. The total number of direct employees of the firm within the province. For some firms, the number was estimated. For example, information on the number of Atlantic employees was allocated to each province based upon the number of plants/offices in each province.

Nationality. This is generally based on the country of control as determined by the ICO database. For some firms with several foreign investors, the nationality of the largest foreign investor is used.

Industry. APEC classified firms to a NAICS code based on the industry classification in the ICO database and information provided by the firm about its Atlantic operations.

Year of investment. The year of investment refers to the year the foreign firm established its first presence in the Atlantic region. Some businesses were in operation for several years before being acquired by their current foreign owner. For firms with operations in several Atlantic provinces, the same

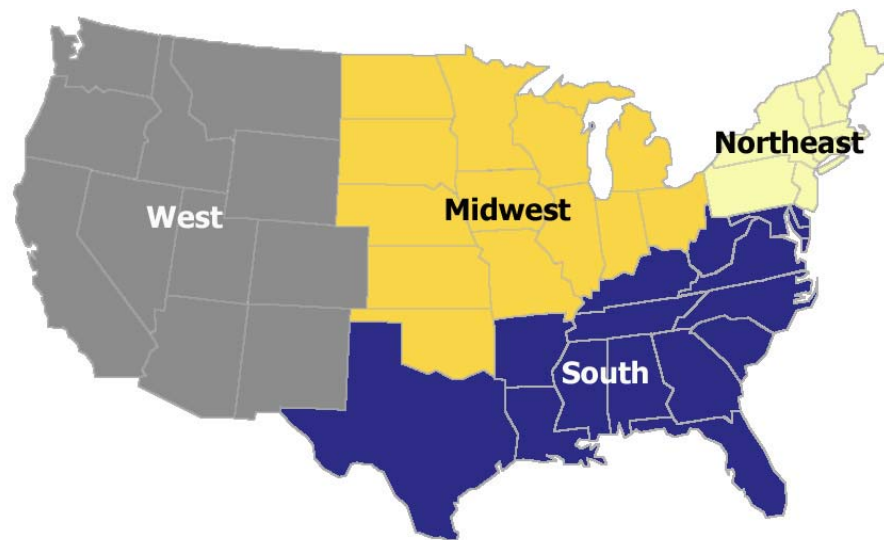
year is used for each provincial entry even though the firm may have expanded into other provinces at a later date.

Mode of investment. This refers to the mode of investment (e.g., merger or acquisition, new greenfield investment, joint venture, etc.). A foreign firm may have acquired a retail chain with outlets in at least one Atlantic province. The firm may have subsequently expanded into other Atlantic provinces, either by acquisition or by making new greenfield investments. Unless additional information was available, each provincial entry was assigned the same mode (i.e., acquisition in this example).

Degree of ownership. This measures the degree of equity ownership of the largest foreign shareholder. Total foreign ownership is sometimes much greater.

Major project investment. APEC's Major Project Inventory contains information on major projects in the Atlantic region, defined as capital projects valued at \$10 million or more (\$5 million in Prince Edward Island). The value of major project investment attributable to foreign firms was obtained by multiplying the value of the project by the share of foreign ownership in the company or project operator.

US regions. The US states are grouped according to the US Bureau of Labour Statistics regions as shown in the map below.



Disclaimer

While APEC has made every effort to ensure the accuracy of the information contained in this database, it does not guarantee the accuracy of this information. Firms that believe they have been erroneously included or excluded from the database should contact the Atlantic Provinces Economic Council.

Appendix B: List of Firms in APEC Database

Newfoundland and Labrador

ABB Vetco Gray Canada Inc.	GrantPrideco Canada Ltd.
Acan Windows Inc.	H & R Block (Nova Scotia) Inc.
Aker Maritime Kiewit Contractors	Halliburton Energy Services
Allied Aviation Service Co. of Newfoundland Ltd.	Harris Roome & Supply Ltd.
Altinex Canada Ltd.	Helpdesk Now
AMEC Callco Ltd.	Hibernia Management & Development Co.
AON Reed Stenhouse	Honeywell
ARAMARK Canada Ltd.	Hospitality Marketing Concepts
AT & T Global Network Services Canada Co.	HSBC Loan Corp. (Canada)
ATL-JW Consulting Ltd.	Husky Energy
Atlantic Coca Cola Bottling	Icedan Canada Inc.
Avis Rent-A-Car	ICT Group
AVW-TELAV Audio Visual Solutions	IKM Testing (Canada) Ltd.
Bailey-Sea (Nfld) Ltd.	IKON Office Solutions Inc.
Baker Hughes Canada Co.	Imperial Oil
Belron Canada Inc.	Insurance Corp Of Nfld Ltd.
BJ Services	International Communications & Navigation Ltd.
Bunzl Canada	International Paints (Canada) Ltd.
C-Mar Services (Canada) Ltd.	Invensys Systems Canada Inc.
Canadian Gypsum Co.	Iron Ore Co. of Canada
Carino Co. Ltd.	ITS Canada Inc.
Champion Technologies	Jacques Fugro Geosciences Inc.
Charles River Consultants	Johnson Inc.
Coflexip Stena Offshore Newfoundland Ltd.	JTI Macdonald Corp.
Compass Group Canada	Labatt Breweries Of Canada
Convergys Corp.	Lafarge Gypsum Canada Inc.
Cooper Cameron Canada Ltd.	Liebherr
Crane Supply	Maersk Canada Ltd.
Crawford Adjusters Canada	Mariteam Lighting Inc.
Cummins Eastern Canada Inc.	Matthews-Daniel International (Canada) Ltd.
Cutler Hammer Engineering Service	McNanara Construction Co.
Det Norske (DNV)	MI Drilling Fluids Canada Inc.
Dun & Bradstreet	Michelin North America (Canada) Inc.
Dynamex	Newfoundland Hard Rok Industries
EDS Canada	Newfoundland Margarine Co. Ltd.
EMCO Offshore	Noble Denton Canada Ltd.
Federal Express	Noble Drilling (Canada) Ltd.
FI Canada Oilfield Services Ltd.	Norsk Hydro Canada Oil & Gas Inc.
FONEMED North America	North Atlantic Ltd.
Fujitsu Consulting (Canada) Inc.	Oil Industry Logistics (Canada) Ltd.
Future Shop Acquisition Inc.	Ondeo-Nalco
GlobalSantaFe Drilling Co.	Peter Kiewit Sons Co Ltd.

Newfoundland and Labrador continued

Praxair Products Co.
Price Costco Co.
PSC Analytical Services
Rolls - Royce Canada Ltd.
Rowan Companies Inc.
SBM Canada Inc.
Schlumberger Of Canada
Seabase Ltd.
SGS Canada Inc.
Shell Canada Ltd.
Siemens Canada Ltd.
SimplexGrinnell Fire Protection
Smith International Canada, Ltd.
Stabil Drill Specialties Inc.

Terra Nova
Thales Geosolutions Canada Ltd.
Transocean Inc.
Transocean Offshore Ventures Inc.
Unisource
Univar Canada
Value Village Stores, Inc. (N.B.)
Vam Premium Connections
Vipond Systems Group
Wal-Mart Canada Corp.
Wartsila NSD Canada Inc.
Weyerhaeuser Co. Nova Scotia
White Rose Project
Workstrings Canada

Prince Edward Island

ARAMARK Canada Ltd.
Avis Rent-A-Car
Belron Canada Inc.
C-Mar Services(Canada) Ltd.
Crawford Adjusters Canada
EDS Canada
Federal Express
Future Shop Acquisition Inc.
Harris Roome and Supply Ltd.
Helpdesk Now
Honeywell
IKON Office Solutions Inc.

Imperial Oil
ING Insurance Co. Of Canada
Johnson Inc.
Michelin North America (Canada) Inc.
PEI Agromart Ltd.
Praxair Products Co.
Shell Canada Ltd.
Sparkling Spring Water Group Ltd.
The Pepsi Bottling Group (Canada) Co.
Value Village Stores, Inc. (N.B.)
Wal-Mart Canada Corp.

Nova Scotia

ABB Inc.
ABB Vetco Gray Canada Inc.
ABFAD Canada Ltd.
Agronomy Group Of Canada Operating
Allied Aviation Service Co. Of Newfoundland Ltd.
Allseas Canada Ltd.
Altinex Canada Ltd.
AMEC Callco Ltd.
AON Reed Stenhouse
APEX Industrial Supply Ltd.

ARAMARK Canada Ltd.
Asplundh Tree Service Inc.
AT&T Global Network Services Canada Co.
ATL-JW Consulting Ltd.
Atlantic Coca Cola Bottling
Autoport Ltd.
Avis Rent-A-Car
AVW-TELAV Audio Visual Solutions
Baker Hughes Canada Co.
Belron Canada Inc.

Nova Scotia continued

Best Access Systems Co.	Federal Express
BJ Services	FI Canada Oilfield Services Ltd.
Bowater Mersey Paper Co. Ltd.	Freeman Decorating Ltd.
Brenntag Canada Inc.	Fritz Starber
Breton ND Testing	Fujitsu Consulting (Canada) Inc.
C-Mar Services(Canada) Ltd.	Future Shop Acquisition Inc.
Canadian Gypsum Co.	GlobalSantaFe Drilling Co.
Canadian Linen And Uniform Services	GrantPrideco Canada Ltd.
Canexcel Hardboard Siding	H & R Block (Nova Scotia) Inc.
Canso Chemicals Ltd.	Halifax Grain Elevators Ltd.
Cape Breton & Central Nova Scotia Railway	Halliburton Energy Services
Casino Nova Scotia And Hotel	Harris Roome And Supply Ltd.
CB Richard Ellis Ltd.	Helly Hansen Canada Ltd.
Ceres Terminals Inc.	Hercules Canada
Chemcraft Atlantic Ltd.	Hermes Electronics Inc.
Chevron Canada Resources	Holophane Canada Inc.
Coldwell Banker Associates Real Estate Ltd.	Home Depot Nova Scotia Investments
Compass Group Canada	Honeywell
Composites Atlantic	HSBC Loan Corp. (Canada)
Convergys Corp.	Hydrosearch Canada Ltd.
Cooper Cameron Canada Ltd.	ICT Group
Cooperheat -MQS Canada Inc.	IKON Office Solutions Inc.
Crane Supply	IMO Foods Ltd.
Crawford Adjusters Canada	Imperial Oil (Esso Stations)
Crossley Carpet Mills Ltd.	Imperial Oil (Refinery)
Cummins Eastern Canada Inc.	ING Insurance Co. Of Canada
Cutler Hammer Engineering Service	International Paints (Canada) Ltd.
D.O.O.R. Canada Inc.	Invensys Systems Canada Inc.
Dack's Shoes Ltd.	Iron Mountain Records Management
Dartmouth Dodge Chrysler (1991) Inc.	ITS Canada Inc.
Det Norske (DNV)	Jacques Fugro Geosciences Inc.
Dun & Bradstreet	Johnson Inc.
Dynamex	JTI Macdonald Corp.
Eastern Canada Towing Ltd.	Keane Canada Inc.
Eastern Optical Laboratories Ltd.	Kerr McGee Offshore Canada Ltd.
EDS Canada	Kimberly Clark Nova Scotia
El Paso Canada Pipeline (Blue Atlantic Project)	Kongsberg Simrad
El Paso Oil & Gas Canada (Marquis Project)	Kuehne & Nagel International Ltd.
EMCO Offshore	Lafarge Cement
Enervision Inc.	Lafarge Concrete & Aggregate
Equisure Trust Co.	Macdonald Chisholm Inc.
Evangeline Real Estate Services Ltd.	Maersk Canada Ltd.
Evangeline Securities Ltd.	Mammoet Canada Eastern Ltd.
Exxon Mobil Oil Canada (Sable Project)	Marathon Canada Ltd.

A Profile of Foreign Firms in Atlantic Canada

Nova Scotia continued

Marden-Wild Of Canada Ltd.	SGS Canada Inc.
Maritimes & Northeast Pipeline	Shell Canada Ltd.
Matthews-Daniel International (Canada) Ltd.	Siemens Canada Ltd.
McKesson Information Solutions Canada Ltd.	SIF Canada LTD.
Metso Minerals Canada Ltd.	SII Neyfor
MI Drilling Fluids Canada Inc.	SimplexGrinnell Fire Protection
Michelin North America (Canada) Inc.	Smith International Canada, Ltd.
Microsoft Canada Co.	Sparkling Spring Water Group Ltd.
Nakamura Canada Corp.	Statia Terminals Canada Inc.
National-Oilwell Canada Ltd.	Stora Enso Port Hawksbury Ltd.
National Gypsum Canada Ltd.	Stream International
Nippon Suisan USA Ltd.	Superior Vallen Safety Supply Co. Ltd.
Novalis Technologies	Swedwood Canada Ltd.
Nystone Chemicals Ltd.	Thales Geosolutions Canada Ltd.
Ocean Prawns Canada Ltd.	Thales Naval Services Canada Inc.
Ocean Rig 2 AS	The Maritime Life Assurance Co.
Oil Industry Logistics (Canada) Ltd.	The Pepsi Bottling Group (Canada) Co.
Oiltools Canada Inc.	The Windsor & Hantsport Railway Co.
Oland Breweries Ltd.	Trentonworks Ltd.
Ondeo-Nalco	Unilever Canada
Peacock Mechanical Services	Unisource
Pratt & Whitney	Unisys Canada Inc.
Praxair Products Co.	Univar Canada
Price Costco Co.	UpSource Canada Corp
PSC Analytical Services	Value Village Stores, Inc. (N.B.)
Register.Com	Venture Lighting Power Systems North America Ltd.
Reinforced Plastic Systems Inc.	Vipond Systems Group
Robie & Kempt Services Ltd.	Wal-Mart Canada Corp.
Robinson Oil Co. (1987) Ltd.	Wallenius Wilhelmsen Lines Americas
Rolls - Royce Canada Ltd.	Wartsila NSD Canada Inc.
Rowan Companies Inc.	Welaptega Marine Ltd.
RTD Quality Services	Weyerhaeuser Co. Nova Scotia
Sampson Rope	Workstrings Canada
Saybolt Canada Ltd.	Xerox Canada Inc.
Schlumberger Of Canada	

New Brunswick

ABB Inc.	ARAMARK Canada Ltd.
Agronomy Group Of Canada	ASB Greenworld Ltd.
AMCOR Twinpak Atlantic Inc.	Asurion
AMEC Callco Ltd.	AT & T Global Network Services Canada Co.
Apex Industrial Supply Ltd.	Atlantic Coca Cola Bottling

New Brunswick continued

Atlantic Fine Yarns Inc.	Imperial Oil (Call Centres)
AV Cell Inc.	Imperial Oil (Esso Gas Stations)
Avis Rent-A-Car	ING Insurance Co Of Canada
AVW-TELAV Audio Visual Solutions	Integris Metal Inc.(Rasco)
AXA Insurance	Invensys Systems Canada Inc.
Babcock & Wilcox	Iron Mountain Records Management
Belron Canada Inc.	ITS Canada Inc.
BJ Services	Jiffy Products (N.B.) Ltd.
Bowater Couturier Inc.	Johnson Inc.
Bowater Maritime (Mill)	Kanalflakt
Bunzl Canada	Kuehne & Nagel International Ltd.
Canadian Gypsum Co.	Labatt Breweries of Canada
Canadian Linen And Uniform Services	Lafarge Concrete & Aggregate
Cendant Canada Inc.	Maritimes & Northeast Pipeline
Clientlogic	Marriott World Wide Reservation Centre
Compass Group Canada	Michelin North America (Canada) Inc.
Concentra Solutions	Microsoft Canada Co.
Crane Supply	Moncton Construction Inc.
Crawford Adjusters Canada	NCO Financial Services Ltd.
Crown Tanks Of Canada Ltd.	OAQ Technology Solutions
Cummins Eastern Canada Inc.	Ondeo-Nalco
Cutler Hammer Engineering Service	Oromocto Property Developments Ltd.
Dun & Bradstreet	PCI Chemicals Canada Co. Inc.
EDS Canada	Praxair Products Co.
EFKA Canada Ltd.	Price Costco Nova Scotia Co.
Enflo Canada Ltd.	Primus Telecommunications Canada Inc.
Exigen Group	Quartzitec
FAG Bearings Ltd.	Rigel Shipping Canada Inc.
Federal Express	RMH Teleservices Inc.
Flake Board Co. Ltd.	Roche Atlantic Consulting Group
Fritz Starber	SABIAN Ltd.
Fujitsu Consulting (Canada) Inc.	Saeplast Canada Inc.
Future Shop Acquisition Inc.	Saybolt Canada Ltd.
Genesys Laboratories (Canada-GLC) Inc.	SGS Canada Inc.
Grande Anse Peat Moss Co. Ltd.	Shell Canada Ltd.
H & R Block (Nova Scotia) Inc.	Siemens Canada Ltd.
Harris Roome & Supply Ltd.	SimplexGrinnell Fire Protection
Harrison & Associates Assurance Inc.	SmartForce
Hercules Canada	Smurfit Stone Container Canada Inc.
Holophane Canada Inc.	Sparkling Spring Water Group Ltd.
Honeywell	St. Anne-Nackawic Pulp Co. Ltd.
HSBC Loan Corp. (Canada)	Stolt Sea Farm Inc.
ICT Group	Sunshine Mills
IKON Office Solutions Inc.	Tann Paper Ltd.

New Brunswick continued

The Pepsi Bottling Group (Canada) Co.

Thulium Ltd.

Unilever Canada

Unisource

Unisys Canada Inc.

Univar Canada

Uponor Canada Inc. (Wirsbo Brand-Regina)

Urban Machinery Canada

USNR Co Ltd.

Value Village Stores, Inc. (N.B.)

Vas Canada Corp.

Vipond Systems Group

Viva Canada Inc.

Wal-Mart Canada Corp.

Weyerhaeuser Co.

WHK Woven Labels

Wicor Canada Co.

Woodchem Canada Ltd.

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