WORKING WITH THE WEST
A stronger West
A stronger Canada

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WORKING WITH THE WEST
2008 AND BEYOND

ACHIEVING RESULTS FOR THE WEST

Last year, Western Economic Diversification Canada (WD) marked 20 years of generating long-term prosperity and economic stability for western Canadians. For more than two decades we have championed the West’s potential in the federal realm and enriched the region’s economic success by supporting economic growth and diversification to complement its abundance of natural resources.

Those resources have made the West a substantial contributor to Canada’s economic success, but it is the emerging innovation-clusters, new and expanded enterprises and business acumen of the West that will keep its economy strong and sustainable over the long term.

Developing those strengths by responding to Western Canada’s unique challenges and opportunities is WD’s primary role, and we work hard to ensure we remain a relevant and effective advocate for the West.

During a series of roundtable discussions held in 2006, we consulted stakeholders across the region and in Ottawa to determine how the Department could best serve the West. Roundtable participants emphasized that WD plays a unique and valuable role in shaping the West.

The result of the discussions was a vision that returned WD to the economic core of its mandate, supporting initiatives and projects that have a significant impact on Western Canada’s long-term economic growth and competitiveness. Today, as we move forward, we are focussed on achieving our vision for a more diversified western Canadian economy with strong, competitive and innovative businesses and communities.

WD is a strong and effective partner in the development and diversification of the region’s economy. I invite you to read on to discover how we’re working with western Canadians to achieve enviable economic results.
To make that vision a reality, we’re working with the West to encourage:

- technology innovation and a competitive, expanded business sector
- economically viable communities with a high quality of life
- policies and programs that support economic development

Our programs and investments to encourage innovation, entrepreneurship and community economic development are supported by the department’s leadership and coordination role in furthering western interests and responding to economic challenges. The department works strategically through partnerships – with all orders of government; academic and research institutes; industry associations; and not-for-profit organizations – to implement initiatives that leverage both funds and expertise for the benefit of the West and westerners.

In supporting economic development activities that improve the region’s ability to generate long-lasting growth opportunities and compete in the global economy, WD is building a stronger West in a stronger Canada.
HIGHLIGHTS

The department undertook a broad range of activities to grow and diversify the West’s economy. All told, WD invested a total of $177.8 million in more than 180 projects that leveraged an additional $201.5 million from other partners in 2006-2007.

Some key highlights include a $4 million investment to boost research capacity at the University of Manitoba’s Richardson Centre for Functional Foods and Nutraceuticals, and a $15-million investment in the TEC Edmonton project. TEC, an acronym for Technology, Entrepreneur and Company development, describes the Centre’s main purpose, which is to transform start-up technology ventures into competitive companies.

WD also championed the Asia-Pacific Gateway and Corridor Initiative (APGCI), including securing $30 million to construct a container terminal at the Port of Prince Rupert. The APGCI is expected to support significant expansion of trade opportunities with burgeoning markets in Asia and beyond.

We also advocated for and secured federal support for a $33 million Community Economic Diversification Initiative along with funding for strategic airport expansions in Kamloops, Kelowna and Prince George through Natural Resource Canada’s Mountain Pine Beetle Program. As well, the department led the call for additional federal funds to expand Saskatoon’s International Vaccine Centre (InterVac).

Across the West, residents are benefiting from the tripartite Municipal Rural Infrastructure Fund. The program, delivered federally by WD in the region, has committed more than $1.05 billion in over 513 projects since it began in 2003.
INNOVATION & ENTREPRENEURSHIP

Natural resources have always formed the backbone of the western Canadian economy, but science and technology are leading its transformation toward a more diversified and sustainable economy, providing the knowledge to add value in traditional resource and manufacturing sectors and create new economic strengths in sectors such as life sciences, environmental technology, and information and communications technology.

WD’s activities are focused on expanding the West's knowledge-based economy. We support research and development that advances the growth of business clusters in vital sectors, fund projects that are boosting the West's ability to develop and commercialize new technologies and increase value-added processing in traditional industries, such as forestry and agriculture.

As the source of 80 per cent of all new jobs in the region, small businesses are also a valuable source of economic growth. To help western businesses grow and compete in the global economy, WD works collaboratively with business service organizations and associations as well as financial institutions to improve access to risk capital and strengthen business management skills.

Through targeted initiatives that improve participation rates in export markets, WD helps western businesses access key international markets in the United States, Mexico and the Asia-Pacific region.

“The assistance provided by WD has been key in encouraging additional investments in innovation; strengthening research capabilities; strengthening linkages between industry, government and the research infrastructure and increasing access to skilled workers.”

Ference Weicker & Company

“In the West, Western Economic Diversification Canada has significantly contributed to the upgrading of the business environment through the provision of services and advice.”

Organization for Economic Co-operation and Development
CREATING NEW SOURCES OF ECONOMIC GROWTH

CAPITALIZING ON ALBERTA’S TERRESTRIAL IMAGING EXPERTISE

**Alberta Terrestrial Imaging (ATIC) Centre Lethbridge, Alberta**

WD invested more than $2.7 million to establish the centre – the only facility of its kind in Canada.

The Alberta Terrestrial Imaging Centre (ATIC), the only facility of its kind in Canada, is creating new opportunities and economic benefits for the region through the commercialization of terrestrial imaging.

WD’s investment in the non-profit entity, created by the University of Lethbridge and Junctus Geomatics Corporation, allowed ATIC to research the potential uses of satellite images and to purchase satellite imagery equipment that will enable the development of commercial applications.

The centre will be a source for optical satellite images for up to 70 research institutions across Canada and will also be a centre of research into new applications, including resource management, energy, national security, emergency response and global climate change.

“This Centre is poised to develop new applications in information technology and data management. These are new tools to manage natural resources, water and the environment—tools to manage growth. All of this is possible because of the partnership between government, industry and academia.”

Ryan Johnson, President, Junctus Geomatics Corporation

Last year, every dollar WD invested in innovation attracted $2.88 from other sources.

In 2006-2007, WD invested $42 million to advance knowledge-based industries, which was matched by $41 million from provincial governments and almost $80 million from other sources, including non-government organizations and industry.

The installation of ATIC’s satellite-receiving station marked a first in North America for this type of technology. ATIC, a partnership between Junctus Geomatics and the University of Lethbridge, will bring world-class SPOT satellite imaging to Lethbridge for commercial and research use. (Photo courtesy of Junctus)
BOOSTING SASKATCHEWAN’S RESEARCH CAPACITY

**InterVac**
**Saskatoon, Saskatchewan**

WD has provided a total of $10.5 million since 2001 to boost the University of Saskatchewan’s vaccine research capacity, $6 million to construct InterVac and $4.5 million to expand the university’s Vaccine and Infectious Disease Organization (VIDO).

InterVac, a new vaccine research and development facility at the University of Saskatchewan, will significantly enhance Canada’s ability to develop and commercialize vaccines against emerging diseases.

Scheduled for completion in 2010, the centre received funding from the Government of Canada. It will be the first facility of its kind in the world, unique in its focus on vaccines for both animal and human pathogens. Nearly 80 per cent of emerging infectious diseases – including Avian Influenza and West Nile – affect both animals and humans. When completed, InterVac will be one of the largest vaccine research labs in North America with leading edge facilities not available elsewhere on the continent.

STRENGTHENING MANITOBA’S COMPOSITES SECTOR

**Composites Innovation Centre**
**Winnipeg, Manitoba**

WD has provided more than $4.5 million since 2003 to establish the centre and aid its expansion.

An investment by WD under the Canada-Manitoba Economic Partnership Agreement is creating an internationally competitive composites industry in Manitoba.

The Composites Innovation Centre’s (CIC) biomaterials laboratory works with industrial partners to develop bio-composites manufactured from natural fibres such as flax or hemp. The successful development of such materials will support both the agricultural and manufacturing sectors.

Composite materials, made by embedding materials like glass fibres or carbon threads in a plastic material such as resin, are extremely strong and lightweight. The centre has helped Boeing Canada Technology develop lightweight, low-cost parts for the 787 Dreamliner passenger jet, and developed stronger and lighter baggage compartment doors for Motor Coach Industries. Nearly 30 other research projects are currently underway.

“CIC plays a very important role in assisting companies in developing and commercializing new composite materials and technologies.”

Mark Ross, Chairman of the Board of Directors, Composites Innovation Centre

*Based in VIDO’s Neonatal Immunization program, Monika Polewicz is pursuing an M.Sc. degree in the development of novel vaccine formulations for infants and young children against pertussis (whooping cough).*

*Technician working in a dust booth, a filtered workspace for finishing and grinding composite parts. (Photo courtesy of the Composites Innovation Centre)*
COMMERCIALIZING NEW INNOVATION

BUILDING A SOLID ICT SECTOR ACROSS THE WEST

TRLabs

Across the West

In 2006-2007, WD invested $10 million in TRLabs, building on its investment of more than $27 million in the consortium since 2002 to support specialized initiatives and the core operations of laboratories in Edmonton, Calgary, Saskatoon, Regina and Winnipeg.

WD is keen to identify multi-regional initiatives that can help stimulate growth and development across all four western provinces. All four provinces have a solid base to support the growth of information and communication technology (ICT) and TRLabs is a prime example of a project that is developing the West’s potential in this field, across the board.

TRLabs is Canada’s largest ICT consortium, which brings together partners from industry, academia and government. The organization develops and commercializes new technology, advances knowledge in the ICT sector and trains university students for leadership roles in Canadian industry.

TRLabs employs more than 200 highly skilled employees in labs in Edmonton, Calgary, Saskatoon, Regina and Winnipeg. Over the past 20 years it has trained 840 university graduates, created 310 technologies adopted by companies and generated more than 160 patents.

“The new technology and highly skilled university graduates we produce are more important than ever in a sector that enables productivity in all other economic sectors, grows at twice the rate of the broader economy, and is Canada’s largest research and development spender and employment generator.”

Roger Pederson, President, TRLabs

To increase technology adoption and commercialization, WD approved funding for 11 projects totalling $28.2 million in 2006-2007. This investment will lead to 38 technology demonstrations, 75 new product licences, 16 spin-off companies and a projected $5.5 million in incremental venture capital investments.

WD’s continuing investment in TRLabs is strengthening the consortium’s role as a connector between industry, government, academic institutions and the global ICT community – enhancing ICT sector growth in Western Canada through shared infrastructure and specialized training of personnel.

EXPANDING B.C.’S TECHNOLOGY TRANSFER INFRASTRUCTURE

Innovation and Development Corporation (IDC)

Victoria, British Columbia

Since 2003, WD has invested more than $415,000 to support the University of Victoria’s IDC and the implementation of a regional technology commercialization support service on Vancouver Island, including $185,600 in 2006-2007.

The University of Victoria’s Innovation and Development Corporation (IDC) is now offering expanded technology transfer services to four other Vancouver Island post-secondary institutions.
With funding from WD, Camosun College, Royal Roads University, Malaspina University-College and North Island College will have access to the services of IDC, which works to move research into the public and private sectors through partnerships, technology licensing and the formation of new spin-off companies. To date, IDC has filed more than 200 national and international patent applications and helped incorporate more than 35 university spin-off companies. On average, IDC receives about 50 new invention disclosures per year.

“\nThe continued support by both the federal and provincial governments means students and faculty from across Vancouver Island will receive the assistance they need to bring their research discoveries to the marketplace. Each new company established through IDC creates new jobs, generates substantial revenue and provides Vancouver Island with the benefits of our research breakthroughs.\n
Dr. David Turpin, President, University of Victoria

From trappers to high tech, the historic Hudson’s Bay Building in Edmonton is undergoing a transformation. Now known as Enterprise Square, its refurbished third and brand new fourth floors were funded in part by WD to incubate start-up technology companies.

MOVING ALBERTA’S INNOVATIVE IDEAS INTO THE MARKETPLACE

TEC Centre
Edmonton, Alberta

WD invested $15 million to construct the Centre, building on an investment of $2 million in 2005 to support TEC Edmonton activities.

An investment by WD is transforming a downtown Edmonton landmark into a new business incubator. TEC Centre, located in the historic Hudson’s Bay building – now known as Enterprise Square – will provide lab and office space to help start-up companies convert their research into marketable products and services.

TEC Centre will be operated by TEC Edmonton, a joint venture between the University of Alberta and the Edmonton Economic Development Corporation. TEC, an acronym for Technology, Entrepreneur and Company development, describes the Centre’s primary purpose, which is to transform start-up technology ventures into competitive companies.

The new Centre will build on the University of Alberta’s successful track record in commercialization. In March 2007, 74 companies derived from University of Alberta research were active in the marketplace.

The Government of Alberta, the City of Edmonton and the University of Alberta have also committed funds to the project.
ADDING VALUE TO TRADITIONAL INDUSTRIES

ENHANCING THE RESEARCH CAPACITY OF SASKATCHEWAN’S PETROLEUM SECTOR

Petroleum Technology Research Centre (PTRC)
Regina, Saskatchewan

WD has invested more than $4.8 million to help construct the PTRC and boost its technology research activities.

Innovative technologies developed by the Petroleum Technology Research Centre (PTRC), funded by WD, are establishing Saskatchewan as a world leader in boosting oil production and reducing greenhouse gases.

The International Energy Agency Greenhouse Gas (IEA GHG) Weyburn-Midale CO2 Monitoring and Storage Project, one of the world’s three largest in-field carbon storage research projects, pumps liquefied carbon dioxide into layers of rock deep underground, where it acts like a solvent, loosening the oil to increase the amount that can be recovered. The technical research the PTRC is leading on the project suggests this procedure could extend an oil reservoir’s life by up to 25 years.

The technology is also a solid step toward addressing climate change, because the greenhouse gases used in the process – more than seven million tonnes to date – are removed from the environment and safely stored underground.

EXPANDING MANITOBA’S NUTRACEUTICAL SECTOR

Richardson Centre for Functional Foods and Nutraceuticals
Winnipeg, Manitoba

WD invested $4 million to augment the Richardson Centre’s applied research capacity.

A new applied research and product development centre at the University of Manitoba’s Richardson Centre for Functional Foods and Nutraceuticals is diversifying the agricultural sector and providing healthier foods to Canadians and consumers worldwide.

The centre, with funding from WD, focuses on the research and development of food supplements extracted from crops grown in the prairie region. Researchers from different disciplines work in partnership with scientists from the faculties of agriculture and food sciences, human ecology, medicine and pharmacy to identify useful compounds in plants, enhance these compounds and develop ways to process and incorporate them into food products.

Current world consumption of functional foods, nutraceuticals and natural health products is estimated at $70 billion annually and is projected to reach $500 billion by 2010.
INCREASING KNOWLEDGE INFRASTRUCTURE

SUPPORTING THE CONTINUED GROWTH OF MANITOBA’S BIOTECHNOLOGY SECTOR

Chemistry Centre of Excellence
Winnipeg, Manitoba

WD contributed $555,000 to establish a state of the art chemistry facility at the Centre.

Manitoba’s biotechnology sector contributes $400 million to the provincial economy and employs approximately 5,000 people. Its activities are complemented by the province’s strong manufacturing sector. The demand for employees in both areas is expected to continue growing rapidly.

Funding from WD has enabled the Chemistry Centre of Excellence to purchase and install new instrumentation equipment that will help the University of Manitoba play a key role in educating the next generation of biotechnology professionals.

The new centre will train university students and provide continuing education opportunities for existing professionals while enhancing research capabilities for industry – something that was not previously possible because of aging infrastructure.

"This facility will be the most modern and advanced undergraduate laboratory of its kind in the region and will expose our students to leading-edge technology that will increase their competitiveness in the job market, as well as their ability to increase innovation within the province."

Dr. Michael Freund, Associate Professor of Chemistry, University of Manitoba and Canada Research Chair in Conducting Polymers and Electronic Materials

KEEPING BRITISH COLUMBIA’S AEROSPACE SECTOR AT THE FOREFRONT

Kelowna Aerospace Technology Campus
Kelowna, British Columbia

WD’s $1.5 million investment in the Kelowna campus builds on the $2 million WD provided to establish the cutting-edge Air Traffic Management and Integrated Security Simulation Laboratory located at BCIT’s Aerospace Technology Campus at the Vancouver International Airport.

A new aircraft maintenance and aerospace training facility at Kelowna International Airport is responding to the burgeoning demand for skilled workers in British Columbia’s growing aerospace industry. The facility, the largest airport hangar in B.C.’s interior, is large enough to service Boeing 757 and 737-700 aircraft, and includes a dedicated training facility for aircraft maintenance engineering programs in avionics.

The project was made possible by a public-private partnership that brings together the Government of Canada, the Province of B.C., the British Columbia Institute of Technology (BCIT), Kelowna Flightcraft Inc., the City of Kelowna, the Central Okanagan School District, Kelowna International Airport and Westjet.
The new facility is contributing to British Columbia’s growing reputation as a global leader in the aerospace industry. In B.C., this rapidly growing industry includes more than 200 companies that employ 10,000 people and generates $1.25 billion a year.

“We’re building on a very successful public-private partnership at Kelowna International Airport that has been a cornerstone of aerospace training and job development in the Okanagan since 1999.”

Dr. Tony Knowles, President, British Columbia Institute of Technology

ENHANCING ACCESS TO RISK CAPITAL AND BUSINESS SERVICES

WESTERN CANADA’S BUSINESS SERVICE NETWORK

Western Canada Business Service Network Across the West

Since WD formed the Western Canada Business Service network in 1995, the Department has contributed approximately $404.5 million to support network operations.

WD supports the Western Canada Business Service Network (WCBSN), which provides more than 100 points of service in rural and urban communities across the West where entrepreneurs can get assistance in starting and growing businesses. The network, a unique partnership of several integrated organizations – Canada Business service centres, Community Futures, the Aboriginal Business Service Network, the Women’s Enterprise Initiative and Francophone Economic Development Organizations – provides a comprehensive source of business information, training, business advisory services and capital for Western Canada’s entrepreneurs.

In 2006-2007, WCBSN members provided 1,313 loans to small- or medium-sized businesses totalling $54.8 million, which leveraged an additional $66 million and resulted in the creation of approximately 4,400 jobs.
Providing Access to Venture Capital

WD improves access to risk capital by working with western financial institutions to make loans available to eligible small business owners who do not qualify for regular business loans. By contributing to a loan loss fund that offsets a portion of the risk incurred when lending to small businesses, WD micro loan programs help bridge the gap between traditional lending and the availability of venture capital.

Participating financial institutions include: Vancity and Coast Capital Savings in B.C., Servus Credit Union in Alberta, FirstSask Credit Union in Saskatchewan and Assiniboine Credit Union in Manitoba.

Since the first two urban micro loan agreements began in 1998, WD has provided $5 million in loan loss support, which has resulted in 2,205 loans totalling $29.4 million. It is estimated that the businesses receiving these loans have created more than 4,000 jobs and increased revenues by $104 million.

“Working together with WD, we are able to provide entrepreneurs with access to credit and financial services on the basis of their character and business idea – rather than solely on their credit history – to help create opportunities for themselves and their communities.”

Tamara Vrooman, CEO, Vancity Credit Union

Increasing Trade and Investment

Maximizing Asian Market Opportunities

S.U.C.C.E.S.S.
Across the West

WD has invested more than $1.4 million in S.U.C.C.E.S.S. initiatives that are generating links between Asian markets and western Canadian businesses, including $938,516 in the Gateway to Asia project.

An innovative partnership between WD and S.U.C.C.E.S.S. (the United Chinese Community Enrichment Services Society) led to the creation of Gateway to Asia, a project aimed at developing new markets for western Canadian goods and services. The unique initiative links western Canadian manufacturers and suppliers with recent Asian immigrants who can facilitate new business relationships and contracts with buyers and investors in their former homeland.

Gateway to Asia aims to increase the number of businesses exporting to Asia, the volume of export sales from Western Canada, the number of new products and services tailored to the
Asian market and the volume of investment from Asia. The successful B.C. export program has resulted in more than $2 million in new investment as well as incremental export sales – most notably in the manufactured wood sector – and is now being expanded to include Alberta, Saskatchewan and Manitoba.

In partnership with Western Economic Diversification Canada, S.U.C.C.E.S.S., local entrepreneurs and the Asia Pacific Foundation celebrate the launch of the Asia Pacific Foundation’s Leading the Way report. From L to R: Paul Evans, Co-CEO, Asia Pacific Foundation; Tanja McQueen, Manager of Corporate Development, BioteQ Environmental Technologies Inc; Thomas Tam, Program Director, S.U.C.C.E.S.S.; Russ Hiebert, Member of Parliament for South Surrey-White Rock-Cloverdale and Parliamentary Secretary to the President of the Queen’s Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Western Economic Diversification; Ken Kwan, Chairman, S.U.C.C.E.S.S.; Yuen Pau Woo, President and Co-CEO, Asia Pacific Foundation of Canada; David Chan, Project Manager, Asia Pacific Foundation of Canada; and Toby Chu, President and CEO, CIBT School of Business and Technology.

In 2006, the value of exports from Western Canada was $145.3 billion compared to $440.2 billion for Canada as a whole. WD is focused on increasing that proportion by supporting the development of key trade corridors and providing entrepreneurs with the skills needed to service international markets.

WD has a significant role to play in enhancing the competitiveness of Western Canada in global markets and in helping deliver on federal priorities related to trade, investment and competitiveness. WD does this by ensuring that western Canadian businesses and research institutions remain internationally competitive, by bringing a western regional lens to international competitiveness challenges, and by encouraging cooperation and supporting regional interests. WD also plays a key role in supporting the development of strategic trade corridors that lead to burgeoning Asian markets and the Midwestern U.S.

“In partnership with Western Economic Diversification Canada, S.U.C.C.E.S.S. has assisted over 100 Canadian companies and agencies in reaching out to markets in Asia.”

Thomas Tam, Program Director, S.U.C.C.E.S.S. Business & Economic Development
A series of trade missions are helping Manitoba's information and communications technology (ICT) companies expand their international markets. The missions – organized by WD in partnership with the Information and Communication Technology Association of Manitoba, Industry Canada, and Manitoba Trade and Investment – offer companies a low-cost way of connecting with targeted U.S. firms. Participating companies also benefit from trade development training, including legal issues, marketing and government procurement, provided by the Canadian Consulates in the U.S.

Since the first mission in 2002, WD has supported several trade missions to Minneapolis and Chicago, with plans for more U.S. cities, including Denver, underway.

The success of these trade missions has made it possible for WD to extend the service to ICT firms in Saskatchewan and Northwestern Ontario, and to other industry associations.

“Chicago represents a multi-million dollar opportunity for us. The mission opened the door for us big time.”

Larry Archer, President, Quantus Software
COMMUNITY ECONOMIC DEVELOPMENT

WD is strengthening communities, large and small, with initiatives that respond to specific economic challenges – such as the mountain pine beetle infestation – that hinder competitiveness and quality of life. We work in partnership with organizations, other levels of government, federal departments and members of our Western Canada Business Service Network, to reduce economic barriers and increase opportunities in the West.

Our investments are helping ensure that all westerners, including internationally trained immigrants, residents of rural and remote areas, and Aboriginal people, can participate fully in the economy. By supporting training and skill development initiatives to enhance productivity, we’re helping provide the skilled labour western businesses need to succeed, leading to an expanded and more competitive western business sector.

Western Canadians in communities of all sizes are also benefiting from cleaner water, greener facilities and better roads through the Municipal Rural Infrastructure Fund, a national program that is investing in modern core infrastructure and providing the foundation for a stronger economy.

WD’s activities are strengthening the region’s ability to successfully compete in the global economy while fortifying its economic base and stimulating the creation of higher paying jobs for western Canadians.

“With support from Western Economic Diversification Canada, we can provide new Canadians with the resources to pursue their dreams and capitalize on their education, training and experience. The fund will help internationally trained immigrants find meaningful employment and build better lives for themselves and their families.”

Dr. Maria Eriksen, President of the Board of Directors, Immigrant Access Fund Society
RESPONDING TO ECONOMIC CHALLENGES

DIVERSIFYING B.C.’S FORESTRY-DEPENDENT COMMUNITIES

Community Economic Diversification Initiative (CEDI) British Columbia

Delivered by WD, CEDI will see more than $33 million invested in B.C.’s communities that are most affected by the mountain pine beetle infestation. WD is investing an additional $18.35 million to improve and expand airports in Kelowna, Kamloops and Prince George to generate more economic opportunities in the regions they serve.

WD’s role in supporting the interests of western Canadians includes developing and championing federal responses to economic challenges facing the West. WD played a key role in advocating for the inclusion of a community economic diversification component within the federal Mountain Pine Beetle (MPB) Program. Led by Natural Resources Canada, the $200 million MPB Program is working to mitigate the effects of the worst mountain pine beetle infestation ever recorded in Canada. Forecasts indicate that 50 per cent of B.C.’s mature pine forests will be dead by 2008, and 80 per cent by 2013. The beetle is also threatening Alberta’s Lodgepole pine forests and the Jackpine stands of Canada’s northern boreal forest.

As a result of WD’s advocacy efforts, as part of the MPB Program, the department is now delivering the two-year Community Economic Diversification Initiative, which will invest more than $33 million in projects that support economic growth, job creation and future sustainability of communities adversely affected by the infestation.

Under the MPB Program, WD is also investing an additional $18.35 million to expand the Kelowna, Kamloops and Prince George airports. The expansions will increase flights to the area, boosting tourism and expanding business opportunities.

IMPROVING PRODUCTIVITY THROUGH SKILLS TRAINING

LINKING ABORIGINAL WORKERS WITH JOBS IN THE OILSANDS

Job Horizons Saskatchewan

WD has invested nearly $920,000 to strengthen and expand the Job Horizons program.

WD has provided support to a job placement program that is matching Aboriginal people in northern Saskatchewan with apprenticeships and jobs in the oilsands industry. In its first two years, the program placed 436 workers – more than double the anticipated number.

Job Horizons, managed by the Aboriginal Human Resource Council, uses a database to match northerners with new jobs and brings matches to the attention of human resource managers. The
initiative also advises job seekers on the skills required for specific jobs, refers them to training programs and assists them in the transition after they have obtained employment.

By preparing the North’s young and growing Aboriginal workforce for opportunities in Western Canada’s resource industries, Job Horizons is helping to meet the growing demand for skilled labour.

“\nThis successful project has resulted in job placements for northerners and it has made a valuable contribution to employers who are increasingly facing a skills shortage.”
Kelly Lendsay, President and CEO, Aboriginal Human Resource Council

ENABLING SKILLED IMMIGRANTS TO PARTICIPATE IN THE ECONOMY

Immigrant Access Fund Alberta

WD’s $520,000 contribution to the fund is helping more foreign-born professionals apply their skills in Canada.

Highly educated immigrants who come to Canada are well positioned to ease the West’s critical shortage of skilled labour but, because of the difficulty in getting their foreign credentials recognized, many remain under- or unemployed.

To administer the loan fund, the IAF works in partnership with the Calgary Foundation and Momentum, a local community economic development organization, in Calgary and with the Edmonton Mennonite Centre for Newcomers in Edmonton. Between 2005 when IAF began its loan program and November 2007, the foundation granted 76 micro loans – 60 to professionals in fields such as medicine, accounting and dentistry. WD contributed $120,000 for the expansion of the IAF into Edmonton and northern Alberta, building on an earlier investment of $400,000 for a total contribution of $520,000. WD funds are directed toward operational expenses, while donations from private sector organizations and individuals support the IAF loan funds.

Dr. Eva Hadzima emigrated from Slovakia in 2000. With a loan from the Immigrant Access Fund in 2006, she completed her accreditation in veterinary medicine and is now accredited with both the Alberta Veterinary Medical Association and the Canadian Veterinary Medical Association. Dr. Hadzima currently owns her own business and provides services to Calgary and area clinics such as the SPCA.
BUILDING STRONGER COMMUNITIES

INFRASTRUCTURE: THE FOUNDATION FOR A STRONG WEST

Communities across the West are building better roads, bridges, water treatment plants and recreational facilities with the help of the Municipal Rural Infrastructure Fund (MRIF). The national program, delivered by WD in the West, is providing modern and greener infrastructure – the foundation of a growing economy.

Projects funded under MRIF are cost-shared among federal, provincial and municipal governments to support locally identified infrastructure priorities that benefit communities and the environment.

Over the course of the five-year program, MRIF will see the investment of more than $886.8 million in rural and urban infrastructure – of which, WD will deliver $276.5 million to meet infrastructure needs in communities across the West.

MUNICIPAL RURAL INFRASTRUCTURE FUND PROJECTS IN THE WEST
(data is cumulative from program since program initiation)

Source: MRIF approved Project list by category (All levels). SIMSI #1327. Retrieved 05/02/2008.
POLICY, ADVOCACY & COORDINATION

To develop the western Canadian economy, WD acts as an advocate, linking the West’s priorities with national resources and ensuring federal policies and programs meet the needs of western Canadians. By coordinating programs between departments of the Government of Canada and other partners, WD responds to issues and economic challenges that impede the West’s long-term growth.

In addition to supporting activities that lead to an improved understanding of the western Canadian economy, WD makes strategic investments in major economic and business infrastructure – such as trade corridors and innovation centres – that have a broad economic impact.

Through these investments, WD is creating a solid foundation on which to build the western economy of the future.

“WD’s ability to bring stakeholders together is an essential ingredient in affecting meaningful changes in policies impacting the region.”

Canada West Foundation
INVESTING IN ECONOMIC INFRASTRUCTURE

LINKING THE WEST TO ASIAN MARKETS AND THE U.S. MIDWEST

Prince Rupert Container Terminal
Prince Rupert, British Columbia

WD contributed $30 million to the terminal, building on past WD investments of more than $5 million to develop Prince Rupert as a container terminal and cruise ship port of choice.

Canada is the most trade-dependent nation in the G7, with exports accounting for almost 40 per cent of the economy and linked to 25 per cent of all Canadian jobs. As a result, a modern and efficient transportation system is critical to Canada’s prosperity and quality of life.

The Government of Canada, through WD, invested $30 million to construct a container terminal at the Port of Prince Rupert. The new terminal, which opened in September 2007, is a key element of the West’s fastest and most efficient trade corridor between Asia and the Midwest United States.

Asia-Pacific countries account for about 45 per cent of global trade, and their explosive economic growth has created congestion at existing West Coast ports. The terminal provides a new entry point, as the closest North American port to major Asian markets, and saves producers and shippers time and money by enabling them to get their goods to market faster.

China’s largest steamship company, COSCO Container Lines Americas Inc., is already routing Asian freight through the new terminal, which links with CN’s North American rail network.

The Prince Rupert terminal supports the $1 billion federal Asia-Pacific Gateway and Corridor Initiative, which aims to help Canada capture a larger share of the West Coast shipping market. As one of six federal departments contributing to the initiative, WD has made investments that include $4 million towards widening and deepening the Fraser River Port to keep commercial shipping moving through the lower Fraser River ports. Regular dredging sustains safe operational water depths for deep-sea vessels and helps to mitigate flood risks in the region.

By 2020, container cargo coming through B.C. ports is projected to grow by up to 300 per cent, with an associated increase in trade value of $40 billion, creating 32,000 jobs.
The Prince Rupert terminal will create enormous opportunities for northern British Columbia and ensure that Canada’s importers and exporters, right across this country, will have a new and uncongested gateway to the Asian marketplace.”

Don Krusel, President and Chief Executive Officer, Prince Rupert Port Authority

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The partners will also share the cost of up to $8 million in improvements to the Port of Churchill. As Canada’s only deep-water Arctic seaport, the port plays an important role in economic development and tourism activities throughout northern Manitoba.

WD also recognizes the strategic importance of the Port of Churchill, and has contributed $2.1 million for infrastructure improvements and marketing activities to increase the use of the port and diversify the range of products shipped through Churchill. In 2007, the port experienced record wheat shipments, record northern re-supply shipments, the first grain shipment bound for domestic markets and the first-ever ocean shipment from Russia.

WD continues to work with the Province of Manitoba and other partners through the Churchill Gateway Development Corporation to pursue economic opportunities that will contribute to the viability of the port.

In October 2007, the Kapitan Sviridov carried the first ever Russian shipment to the Port of Churchill. (Photo courtesy of Hudson Bay Port Company)

ESTABLISHING MANITOBA AS A GLOBAL TRANSPORTATION GATEWAY

Efforts are underway to build on Manitoba’s strategic north-central continental location to establish the province as a global transportation gateway. One such effort is the further development of the International Mid-Continent Trade and Transportation Corridor, with the Port of Churchill as its northern terminus.

In October 2007, the Government of Canada announced an agreement with the Province of Manitoba to cost share a $40 million project to upgrade the rail line between The Pas and Churchill.
CHAMPIONING WESTERN CANADIAN INTERESTS

INCREASING ACCESS TO MAJOR FEDERAL CONTRACTING OPPORTUNITIES

WD plays a key role in ensuring the interests of western industry are taken into account at every stage of the bidding process for major purchases made by the Government of Canada.

For example, under the Canada First Defence Strategy, the Department of National Defence will purchase about $17.1 billion worth of equipment and support over the next three years. Major purchases already underway include Boeing C-17 strategic airlift aircraft and Chinook helicopters, Lockheed Martin C-130J tactical airlift aircraft, new trucks for the Army and a new fleet of supply ships for the Navy.

Government policy requires that, for every dollar awarded, contractors deliver a corresponding dollar in economic activity in Canada, in the form of high-quality industrial and regional benefits (IRBs). To ensure Western Canada receives an equitable portion of those benefits, WD organized a mission to the U.S. in 2007 to link western Canadian aerospace and defence companies with U.S.-based Boeing and Lockheed Martin. Major prime contractors also came to Canada to look for potential suppliers to fulfil their IRB obligations, and WD helped by providing logistical support and identifying potential western partners.

“Visits to Boeing and Lockheed-Martin allow us to showcase our province’s capabilities. With these large U.S. companies looking to do business in Canada as part of their bid, we’re working with WD to ensure that Manitoba and western Canadian companies are well positioned to win contracts associated with these major national procurements.”

Vic Gerden, Executive Director, Manitoba Aerospace Association

ENHANCING WESTERN OPPORTUNITIES IN U.S. MARKETS

WD is one of seven federal departments that partnered to establish the five-year Enhanced Representation Initiative (ERI) in 2003 and is a partner in the program’s successor, the North American Platform Program. Through the ERI, WD works with federal partners, the western provinces, the business community, and research and development (R&D) stakeholders to identify priorities and undertake projects designed to enhance Western Canada’s competitive position in key U.S. markets.

The ERI has significantly augmented Canada’s presence in the U.S., particularly in western U.S. markets of major importance to Western Canada. Six of the nine new or expanded Canadian consulates/trade offices are located in the western states.

To date, WD has collaborated on almost 50 ERI projects that have increased the awareness of Western Canada’s technology capabilities in U.S. markets and among U.S. R&D organizations and investors. Projects were undertaken in sectors that include life sciences, ocean technologies, wireless, petroleum technologies and composite materials. Many of these have resulted in western Canadian firms and R&D organizations developing working relationships with U.S. partners.
“Our goal is to become a global enterprise that will build employment in the West while supporting our local labour force and providing mentoring programs for all employees.”

Doug Dyment, President and CEO of Gatekeeper Systems Inc.

One company that has benefited is Gatekeeper Systems Inc. of Abbotsford B.C., which designs and manufactures video surveillance systems. WD helped the company find new markets by organizing networking opportunities through the ERI. Gatekeeper Systems has since grown from three to 50 employees, and now counts the U.S. Air Force among its clients. Their Viperfish ASX technology will record Air Force planes in action, including escorting convoys, protecting air bases and carrying out air strikes.

CREATING OPPORTUNITY THROUGH COLLABORATION

PUTTING THE WEST AT THE FOREFRONT OF NANOTECHNOLOGY

Nanotechnology Across the West

Nanotechnology is a key platform technology, with broad-reaching impacts on both traditional resource sectors as well as new economy sectors. WD has provided support of over $14.5 million toward $30 million in projects to build nanotechnology capability in the West. The effort has been concentrated in Alberta.

Nanotechnology is widely expected to form the foundation of the next major revolution in technology, with societal and economic impacts that could dwarf those of the industrial and computer revolutions that preceded it.

For many years, WD has worked to establish Alberta as one of the world’s leading centres in nanotechnology research, investing more than $14.5 million in facilities and advocating

(continued on page 24)
for the establishment of the National Institute for Nanotechnology (NINT) at the University of Alberta. NINT is the product of a strategic partnership between the federal government, the National Research Council, the Province of Alberta and the University of Alberta.

Opened in June 2006, NINT is one of the world’s most technologically advanced nano-research facilities. An integrated multi-disciplinary institution, NINT’s efforts are concentrated in advanced materials, information and communications technology, energy, life sciences and medicine.

Nanotechnology, a platform technology that creates microscopic devices, has virtually unlimited applications, including fuel cells that do not need to be recharged and molecular capsules capable of conveying precise quantities of medication directly to the site of infection or disease within a patient’s body.

“The expertise and knowledge that are being developed (at the National Institute for Nanotechnology) will lead to breakthroughs in agriculture, forestry, energy, health and the environment, generating new businesses and skilled jobs and providing tremendous benefits to Albertans and Canadians.”

The Honourable Victor Doerksen, MLA, former Minister of Alberta Innovation and Science

EXPANDING SASKATCHEWAN’S SYNCHROTON CAPACITY

Canadian Light Source (CLS)
Saskatoon, Saskatchewan

WD’s investment of more than $32 million supported synchrotron construction and the addition of beamlines that will enable world-leading, specialized research.

The Canadian Light Source (CLS) in Saskatoon is a major research facility and Canada’s only synchrotron light source. A truly multi-disciplinary research tool, the CLS promises major breakthroughs in disciplines from the basic sciences of chemistry, physics, geology and biochemistry to the applied sciences of genomics, global warming, engineering, radiology and medicine.

WD acted as a catalyst for the $174 million project, contributing more than $32 million and helping bring together a consortium that includes other federal partners, the Saskatchewan, Ontario and Alberta governments, the City of Saskatoon, academia and industry.
Using powerful magnets and radio frequency waves, the synchrotron accelerates electrons to nearly the speed of light, producing beams of light millions of times brighter than sunlight. The light beams are guided into workstations where they are capable of isolating the microscopic nature of matter down to the level of an atom. CLS currently operates seven beamlines and seven others are under construction. When the facility reaches full capacity, more than 200 scientists, technicians and operational staff will work at the CLS and more than 3,000 academic and industrial researchers from across Canada and around the world are expected to use the facility each year.

**UNDERSTANDING THE WEST**

Every year, WD supports a number of research projects and initiatives that create a better understanding of western trends, issues and opportunities. Recent examples include:

**Towards a National Asia Pacific Gateway Strategy**

The Asia Pacific Foundation of Canada undertook a research and awareness building project focusing on economic opportunities in the Asia-Pacific region. More than 500 people attended the Asia Pacific Summit in October 2006, and another 300 stakeholders participated in forums across Canada. In addition, the project produced four research papers and developed an online resource, providing the latest research, statistics, events, speeches and other useful links. The project has contributed to an increase, from 51 to 70 per cent, in Canadians’ awareness of Asia’s importance to Canada’s economy.

**Building Saskatchewan’s Bio-Economy: A Life Sciences Strategy**

This report, prepared by Ag-West Bio Inc. based on a survey and analysis by the Conference Board of Canada, highlights the strengths of Saskatchewan’s life sciences sector and identifies strategic priorities for the future. It provides a practical approach to transforming Saskatchewan’s life sciences capabilities into drivers of sustainable economic growth by focusing on bio-fuels and bio-products, nutrition, health and wellness.

**NEXT West**

The Canada West Foundation’s NEXT West project is engaging a wide variety of western Canadians through forums, essay competitions and more, to generate and debate the public policy strategies best able to promote economic prosperity and quality of life in the region over the long-term. To date, the three-year research, consultation and communications initiative has created nine publications on economic, generational and community transformative forces.

“This image shows ATP (the universal energy storage molecule) which binds to a protein. ATP is involved in this protein’s capacity to indirectly produce glucose. Scientists are studying this interaction because of its relation to diabetes. (Image courtesy of Dr. Louis Delbaere, Department of Biochemistry, University of Saskatchewan)
Going For Gold

This Canada West Foundation project will examine the West’s economic standings and make recommendations for its future through a series of research papers, provincial research roundtables and surveys on keeping Western Canada competitive in the global economy. The three-year project, running from 2007-2010, will end with an international economic conference to be held in Vancouver in 2009, shortly before the 2010 Winter Olympic Games, that will explore best practices in economic development policy.

Western Canada - Where the Spirit of Innovation Meets a World of Opportunity

This promotional brochure is based on the 2006 KPMG Competitive Alternatives international business cost study, which indicates that Canada is among the lowest-cost regions in which to do business. The brochure highlights those results and focuses on six key western sector clusters that are expanding at a rapid pace: aerospace, agrifood, biotechnology, environmental technology, information and communications technologies, and medical devices. WD developed the brochure with the Department of Foreign Affairs and International Trade, the western provinces and Canadian Consuls in the U.S.

Small Business Profile: A Profile of Business in British Columbia

This report examines growth trends over the last decade to answer some common questions about the role of small business in B.C. It examines the number of businesses, growth in employment, contribution to the economy, industry breakdown, impact on regional economies and the role of small business exporters. This publication is prepared annually in collaboration with BC STATS in the Ministry of Labour and Citizens’ Services.

Revisiting Portraits of Small Business Growth and Employment in Western Canada

This is the fourth in a series of reports, prepared by the University of Alberta’s Western Centre for Economic Research. Previous studies underlined the challenges and demands of small business. This report quantifies the impact of small business on the western Canadian economy, offering a sectoral and provincial breakdown of small business growth, with special emphasis on the high tech sector. The composition of the self-employed is also examined in terms of gender, age and education achieved.

MOVING FORWARD

Moving forward, WD will continue to support and advance the Government of Canada’s commitment to fostering an innovative, knowledge-based economy. By developing responsive programs and policies, and partnering with all levels of government, organizations and research institutes, WD will continue its momentum in furthering innovation, entrepreneurship and community economic development.

To maximize our impact in the West, we’re focusing our activities on four key areas in the coming year: Technology Commercialization; Trade and Investment; Business Productivity & Competitiveness and Rural Diversification. All of our programs and activities will be supported through a strong commitment to good management practices.

By delivering on our vision – to be leaders in creating a more diversified western Canadian economy that has strong, competitive and innovative businesses and communities – we’re building a stronger West in a stronger Canada.
Our Strategic Outcomes

Policy, Advocacy & Coordination: Policies and programs that support the development of Western Canada

Community Economic Development: Economically viable communities in Western Canada with a high quality of life

Entrepreneurship & Innovation: A competitive and expanded business sector in Western Canada and a strengthened western Canadian innovation system

Our Program Activities

- Collaboration & Coordination
- Advocacy
- Research & Analysis

- Community Economic Planning, Development & Adjustment
- Infrastructure

- Business Development & Entrepreneurship
- Innovation

A stronger West. A stronger Canada
WORKING IN YOUR COMMUNITY

Canada Business
www.cbsc.org
Small Business BC
601 West Cordova Street
Vancouver, British Columbia
Canada V6B 1G1
Telephone: 604-775-5525
Toll Free in BC: 1-800-667-2272
TTY (Telypewriter): 711
Fax: 604-775-5520
Email: askus@smallbusinessbc.ca

The Business Link – Edmonton
#100-10237-104 Street NW
Edmonton, Alberta T5J 1B1
Telephone: 780-422-7722
Alberta Toll Free: 1-800-272-9675
Fax: 780-422-0055
Website: www.canadabusiness.ca/alberta/
E-mail: buslink@canadabusiness.ca

Canada-Saskatchewan Business Service Centre
#2 – 345 Third Ave South
Saskatoon, SK S7K 1M6
Phone: 306-956-2323
Toll free: 1-888-576-4444
(Anywhere in Canada)
Text Telephone (TTY) For Hearing Impaired only: 1-800-457-8466
(Anywhere in Canada)
Fax: 306-956-2328
Email: saskatchewan@canadabusiness.ca

Canada/Manitoba Business Service Centre
250 - 240 Graham Avenue
PO Box 2609
Winnipeg, MB R3C 4B3
Telephone: 204-984-2272
or 1-800-665-2019
Toll Free in Canada: 1-800-665-2019
Toll Free Hearing Impaired only (TTY): 1-800-457-8466
Fax: 204-983-3852
E-mail: manitoba@canadabusiness.ca

Aboriginal Business Service Network
www.cbsc.org/absn/
In Alberta, Saskatchewan and Manitoba, contact your local Canada Business for referral to the nearest Aboriginal resource office, or explore the link above. In British Columbia direct enquires to: Aboriginal Business Service Network 355 Burrard Street, Suite 880 Vancouver, BC V6C 2G8 Telephone: 604-685-2330 Toll free: 1-800-551-2276 www.firstbusiness.ca

Community Futures
www.communityfutures.ca
Community Futures British Columbia Suite 1056, 409 Granville Street, Vancouver BC, V6C 1T2 Telephone: 604-685-2332 Fax: 604-681-6575 E-mail: info@communityfutures.ca
Community Futures Alberta PO. Box 184 115 4th Avenue West Cochrane, AB T4C 1A5 Phone: 403-851-9999 Fax: 403-851-9995 Website: www.cnfa.ca Email: janelle@cfna.ca
Community Futures Saskatchewan PO Box 1545 Saskatoon, SK S7K 3R3 Telephone: 306-260-2390 Fax: 306-665-5740 Email: office_cfps1@sasktel.net
Community Futures Manitoba 559 - 167 Lombard Avenue Winnipeg, Manitoba R3B 0V3 Telephone: 204-943-2905 Fax: 204-956-9365 E-mail: info@cfmanitoba.ca

Women’s Enterprise Initiative
Women’s Enterprise Centre (B.C.)
Head Office:
Suite 201, 1726 Dolphin Avenue Kelowna, BC, V1Y 9R9 Toll Free: 1-800-643-7014 Tel: 250-868-3454 Fax: 250-868-2709
Vancouver Office: Suite 82, 601 West Cordova Street Vancouver, BC, V6B 1G1 Toll Free: 1-800-643-7014

Alberta Women Entrepreneurs
Calgary Office
610, 736 - 8th Ave. SW
Calgary, AB T2P 1H4 Telephone: 403-777-4250 Toll free: 1-800-713-3558 Fax: 403-777-4258 Website: www.avebusiness.com Email: info@avebusiness.com

Alberta Economic Development Organizations
Société de développement économique de la Colombie-Britannique 220-1555, West 7th Avenue Vancouver, BC V6J 1S1 Telephone: 604-732-3534 Toll free: 1-877-732-3534 Fax: 604-732-3516 Email: info@sdebc.com Website: www.sdebc.com

Edmonton Office
100, 10237 - 104 Street N.W.
Edmonton, AB T5J 1B1 Telephone: 780-422-7784 Toll free: 1-800-713-3558 Fax: 780-422-0756 Website: www.avebusiness.com Email: info@avebusiness.com

Women Entrepreneurs of Saskatchewan Inc.
1925 Rose Street Regina, Saskatchewan S4P 3S5 Telephone : 306-359-9732 Toll free: 1-800-670-0879 Email: info@avebusiness.com Website: www.avebusiness.com

Women Entrepreneurs of Saskatchewan Inc.
1925 Rose Street Regina, SK S4P 3P1 Telephone: 306-359-9732 Toll free: 1-800-670-2332 Fax: 204.237.4618 E-mail: cdem@cdem.com Internet: www.cdem.com

Women’s Enterprise Centre
Centre of Manitoba
100 - 207 Donald Street
Winnipeg, MB R2H 2P9 Telephone: 204-988-1860 Toll free: 1-800-203-2343 Fax: 204-988-1871 E-mail: wecinfo@wecm.ca Website: www.wecm.ca

Women Entrepreneurs of Saskatchewan Inc.
112 – 2100 8th Street East Saskatoon, SK S7H 0V1 Telephone: 306-477-7173 Toll free: 1-800-879-6331 Website: www.womenentrepreneurs.sk.ca/

Women Entrepreneurs of Saskatchewan Inc.
1925 Rose Street Regina, SK S4P 3P1 Telephone: 306-359-9732 Toll free: 1-800-879-6331 Website: www.womenentrepreneurs.sk.ca/

Women’s Enterprise Centre
Centre of Manitoba
100 - 207 Donald Street
Winnipeg, MB R2H 2P9 Telephone: 204-988-1860 Toll free: 1-800-203-2343 Fax: 204-988-1871 E-mail: wecinfo@wecm.ca Website: www.wecm.ca
A stronger West
A stronger Canada

WESTERN ECONOMIC DIVERSIFICATION CANADA
www wd gc ca  Toll Free: 1-888-338 WEST (9378)