



Western Economic  
Diversification Canada

Diversification de l'économie  
de l'Ouest Canada

# WEST AT A GLANCE

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## DIVERSIFICATION

SUMMER 2019

Canada

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## Inside this Issue

News and Analysis	1
Upcoming Events	9
Look Ahead	13
Key Economic Indicators	14

### About Western Economic Diversification Canada

Western Economic Diversification Canada (WD) was established to develop the western Canadian economy and advance its interests in Ottawa.

The Department plays a key role as investor, delivery agent, advisor, pathfinder, and convener for the West by delivering on national and regional economic development programs that strengthen the West's traditional economic drivers while accelerating the development of new opportunities.

WD's strategic investments, and research and policy work, help entrepreneurs, businesses, and researchers move new ideas from the test bench to the market, support skills development, and foster business innovation. WD also advocates on behalf of western Canadian industry by informing national policy discussions to ensure that businesses are strong, competitive, and poised to take advantage of opportunities in the global marketplace.



# NEWS AND ANALYSIS

## ALBERTA

### *Opportunity in Calgary's growing digital technology sector*

It is no secret that the last few years have been challenging for the City of Calgary. While Canada's economy continues to grow following economic weakness in 2015, Calgary continues to struggle. Calgary's economy gained momentum in 2017 and early 2018, driven by steady increases in oil prices. However, a plunge in the price of western Canadian oil later in 2018, in part due to pipeline capacity constraints, caused this recovery to sputter. Economic growth forecasts remain weak, high downtown office vacancy rates persist, and unemployment remains elevated.

Despite these challenges, Calgary is showing resiliency as it diversifies into new industries that support longer-term stability. One of these areas is digital technology, anchored by the city's young and highly-skilled workforce. According to Statistics

Canada, Alberta's digital economy has grown by 24% since 2010, and in 2017 it comprised 3.6% of the province's total output and 3.2% of jobs. Compared to its population size, Alberta has the third largest digital economy in the country, and it is poised for growth. A report by International Data Corp suggests that Alberta companies plan to spend \$18.4 billion on digital transformation by 2022.

Calgary is working hard to support its growing tech sector. The City of Calgary set up the \$100 million Opportunity Calgary Investment Fund, managed by Calgary Economic Development. The fund has already made several investments in digital technology, including \$100,000 to help NPower Canada launch its first location outside of Toronto. Using these funds, the company will provide free, short-term



training to young, low income Calgarians seeking careers in the digital economy.

Similarly, a new \$1.5 million project from Canada's Future Skills Centre will help displaced but highly-skilled energy sector workers to access tech training in Calgary. *EDGE UP: Energy to Digital Growth Education and Upskilling Project* is a 2-year program led by Calgary Economic Development, with several post-secondary institutions and private sector partners. The goal is to train displaced, mid-career energy sector workers for high-growth tech careers such as:

- data analysts
- full stack developers
- information technology project managers

Many of Calgary's professionals with backgrounds in science and engineering have transferrable skills needed to fill the growing demand for digital tech careers. Digital technology skills are also increasingly in demand in traditional industries like oil and gas.

Calgary's digital plan aligns strongly with WD's mandate to diversify and grow the western economy. Through the Government

of Canada's Innovation and Skills Plan, WD is committed to building a culture of innovation and competitiveness, including supporting the growth of innovation ecosystems. For instance, WD provided a \$500,000 repayable contribution to MobSquad to spark further growth in Calgary's tech sector. This local company employs Calgary-based software engineers and programmers to fill talent gaps in US tech firms. Another example is WD's \$1.3 million repayable contribution to ATTAbotics to commercialize its robotic warehousing and fulfilment system in Calgary.

As Western Canada continues to diversify and adapt to the economy of the future, WD is committed to fostering an entrepreneurial environment that supports innovation, growth, and competitiveness.



# BRITISH COLUMBIA

## ***Building a diverse economy in British Columbia***

The forestry sector is a cornerstone of the British Columbia (BC) economy. In 2017, forestry-related activities in BC represented 32% (\$14.1 billion) of commodity exports and generated \$992 million in government revenue for the Province of BC. The sector employed more than 57,000 workers and supported at least 7,000 businesses. BC's forestry industry is a primary employer in rural BC and a leader in sustainable forest management and environmental stewardship. However, there have recently been mill closures and curtailments due to the cumulative impacts of:

- softening international markets
- decreased access to fibre owing to increasingly severe wildfire seasons and the mountain pine beetle infestation

After years of steady growth, the sector is experiencing a contraction. Mill closures and production cuts made headlines during the summer of 2019, with thousands of employees experiencing shift reductions and layoffs. This follows two years of record-breaking wildfire seasons that led to declarations of a provincial state of emergency. When such events occur in communities dependent on a single sector like forestry, diversification into new and emerging industries is vital to support workers and a resilient provincial economy. Opportunities for diversification, however, can be limited by a community's remoteness or other constraints.

In response to the significant negative impacts on businesses from the 2017 wildfire season, WD provided over \$1.8 million in funding to the Community Futures



Development Association of BC and local Community Futures (CF) organizations to facilitate economic rebuilding in affected communities.

One example of a project supported through this funding is in the town of Clearwater, BC, in the North Thompson River valley north of Kamloops. The forestry sector has been a major source of employment in Clearwater for generations, but the town is now dealing with the closure of the nearby Vavenby sawmill. The community has found an opportunity to decrease its vulnerability to fluctuations in the forestry sector by diversifying its economy and growing its tourism sector.

Clearwater borders Wells Gray Provincial Park. In spring 2018, Tourism Wells Gray received funding from CF Thompson Country to expand its digital marketing presence and to bolster tourism offerings in the winter, spring and fall shoulder seasons. This strengthens the sector and increases year-round employment opportunities.

Clearwater is located within the Simpcw First Nation's traditional territory and its outdoor and cultural tourism products include cultural displays and traditional foods at the North Thompson Aboriginal Centre. With CF and Canadian Red Cross wildfire recovery funding, Tourism Wells Gray promotes these offerings through digital marketing

campaigns and by training local businesses to work with travel companies to attract visitors to the region.

WD is committed to helping develop and diversify the western Canadian economy. It does so in a number of ways. This includes supporting businesses and communities through its network partners in the Western Canada Business Service Network, which includes CFs. WD also recently launched Grow West: The Western Canada Growth Strategy. This strategy will position the West for success through its four interrelated pillars, which include "diversification" and "communities". As BC communities face economic uncertainty, WD will continue to work with organizations to diversify the regional economy.



# MANITOBA

## ***Manitoba aims to lead globally in plant-protein production***

The agri-food sector includes all activities from farm to fork, and is a key contributor to Manitoba's economy. Crop and animal production accounted for 3.8% of Manitoba's total GDP in 2015. Food manufacturing, the largest manufacturing subsector in the province, contributed 1.8%. The agri food sector represents an area of significant potential growth for Manitoba.

A sharp rise in middle class consumers in developing economies and changing consumer preferences have accelerated global demand for protein. In particular, demand for plant protein is expected to grow rapidly, as consumer preferences drive more customers towards organic and better-for-you markets. And an August 2019 report from the United Nations that said increased use of plant-based food and fuels are key to slowing climate change will only help to accelerate this trend among

consumers. This gives Manitoba the chance to diversify its agricultural products.

The Government of Manitoba recently released the Manitoba Protein Advantage Strategy. This policy paper outlines economic investment into long-term, sustainable development of both the plant and animal protein sectors. The strategy positions Manitoba as North America's protein supplier of choice. To that end, the province aims to attract \$1 billion in new investment in the plant processing industry and \$500 million to the animal processing industry by 2025. Doing so is expected to create 1,550 new jobs.

The strategy aligns with the Government of Canada's Protein Industries Supercluster. The Supercluster is expected to increase GDP by \$4.5 billion and create more than 4,500 new jobs over the next 10 years. WD is helping both provincial and federal strategies meet targets.





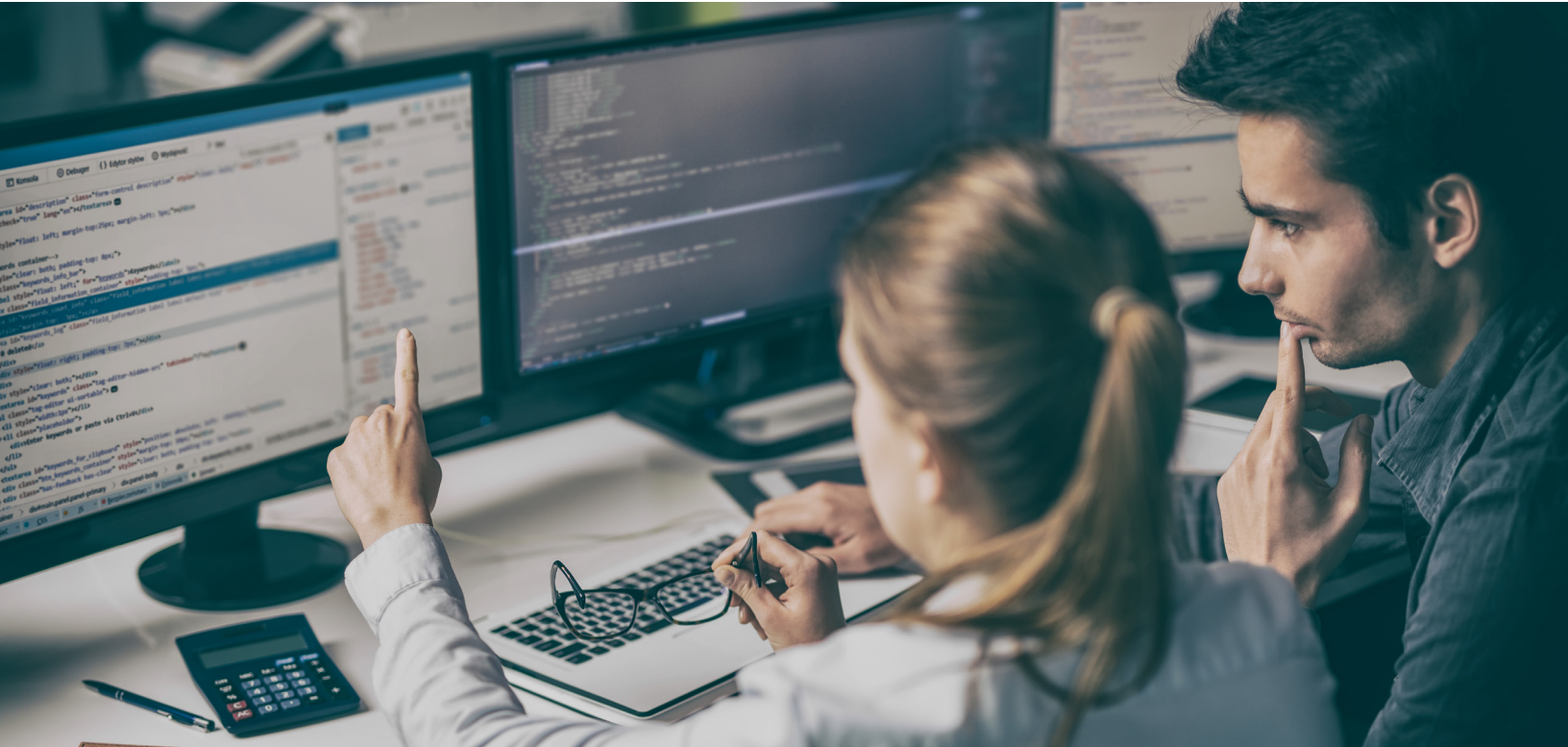
Manitoba is not just diversifying the types of plants it grows. Manitoba is also shifting towards value-added food production to create jobs and attract more investment to the West. Southern Manitoba appeals to manufacturers due to its:

- affordable and environmentally friendly hydro-electric power
- skilled workforce in Portage la Prairie and Winnipeg
- proximity to the United States border

Two major pea-processing plants are scheduled to open in the area in 2020. France-based Roquette Frères SA is building a \$400 million plant near Portage la Prairie. It will require an estimated 125,000 tonnes of sustainably grown yellow peas. Burcon NutraScience Corp is building a \$65 million processing facility outside Winnipeg that will handle 20,000 tonnes of pea and canola protein.

A number of partnerships through WD's Women's Entrepreneurship Strategy Pilot (WES) will increase the exports of Canadian agri-food products into United States and

Chinese markets. For example, a project with Prairie Fava Ltd. will help expand to the United States market through scale-up and product commercialization activities. Another project with GORP, a company that makes all natural energy bars, will improve production efficiency and develop an export strategy to access the Chinese market.



# SASKATCHEWAN

## *Saskatchewan's bumper crop in tech startups*

Long known for its agricultural productivity, Saskatchewan is now earning a reputation for a new and rapidly growing crop – software development firms. These startups are increasingly finding market success with innovative, industry-leading products. Investors are taking note and making record-setting infusions of capital.

One software company, Vendasta, grabbed headlines in July with news that it had raised \$40 million in venture capital from private investors. This was the largest investment in a Saskatchewan tech firm to date. The company provides cloud-based digital marketing tools and solutions to more than 16,000 companies around the world. It will use the funds to grow its workforce from 285 to 650 employees in the next three years. Most of them will be based in Vendasta's head office in Saskatoon.

Six months before Vendasta's success, 7shifts Scheduling Software, also based in Saskatoon, was in the news for having raised US \$10 million in financing from investor groups based in New York and Toronto. The company developed an app that restaurants use to schedule and communicate with employees. The idea grew out of founder Jordan Boesch's efforts to digitize and simplify scheduling for his family's Quizno's restaurants in Regina. The app is now used by 10,000 restaurants around the world, including some major North American franchise chains.

According to industry association SaskTech, Saskatchewan's digital technology sector employs between 10,000 and 20,000 people. In 2016, the sector contributed \$2 billion to the provincial economy – about 2.5% of Saskatchewan's GDP. SaskTech member companies created over 220 jobs in the



in the first nine months of 2018, and SaskTech estimates the industry will need to add 400 jobs by the end of 2019 for members to achieve their hiring goals. Job creation numbers were estimated prior to Vendasta's recent influx of capital, and we can expect over 300 new jobs from that company's expansion alone. Fueled by a number of recent success stories and a surge in capital investment, the growth rate of Saskatchewan-based tech companies has averaged 100% in the past year.

The affordability of mid-sized cities like Saskatoon and Regina is cited as a significant advantage for starting and growing companies. It is also an advantage for attracting young professionals, such as programmers and engineers. Still, ensuring sufficient supply of skilled workers is a significant challenge. Firms like Vendasta, 7shifts and others recruit from around the world, while still supporting efforts by SaskTech and others to get more Saskatchewan young people into coding.

WD has been an active investor in Saskatchewan's tech sector as part of its commitment to diversification. Through the Western Innovation Initiative (WINN), WD provided more than \$6.7 million to Vendasta in 2016 and 2018. WD announced a \$3 million investment in 7shifts in 2019, along with a \$3.5 million investment in Coconut Software. WD is also supporting the early growth of the next generation of tech startups through a close to \$1.2 million operating grant to tech incubator Saskatchewan Collaborates – also known as Co.Labs.

Saskatchewan's agricultural and natural resources have benefitted the province during booms. But they have also brought about lean years, due to the unpredictable fluctuations of the weather and international commodity markets. The diversification created by Saskatchewan's growing tech startup ecosystem is a path out of the extremes of the boom and bust cycle.

# UPCOMING EVENTS

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## ALBERTA

### **Alberta Block Chain Summit**

Calgary, AB | [September 12, 2019](#)

A specialized technology conference that provides an in-depth look at blockchain's transformative power in industry, government and economic systems.

### **13<sup>th</sup> Carbon Dioxide Utilization Summit**

Calgary, AB | [September 11-12, 2019](#)

This event brings together senior experts from various CO2 emitting industries to discuss sustainable, technological and commercial aspects of CO2 utilization in Canada and across the globe.

### **ENERGY DISRUPTORS: UNITE 2019**

Calgary, AB | [September 17-18, 2019](#)

Energy Disruptors is a catalyst for bold, game-changing solutions to the world's biggest energy challenges.

### **Economic Developers Association of Canada Annual Conference**

Edmonton, AB | [September 21-24, 2019](#)

The annual conference for Economic Developers Association of Canada, a national organization of economic developers.

### **Flying High: Unmanned Systems in Alberta**

Calgary, AB | [September 24, 2019](#)

A conference on current and future applications of Unmanned Aerial Systems in Western Canada.

### **77<sup>th</sup> Annual Alberta Forest Products Association Meeting**

Jasper, AB | [September 25-27, 2019](#)

An annual event to learn more about and build relationships related to the Alberta forestry sector.

### **Banff Venture Forum**

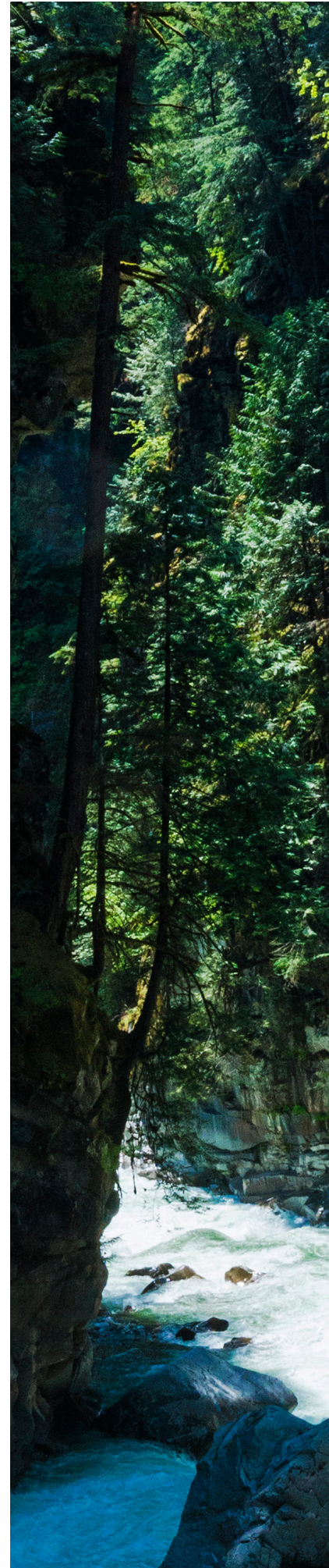
Banff, AB | [October 3-4, 2019](#)

An event showcasing high-tech companies, and offering insight into key issues within the industry.

### **Alberta Sustainable Building Symposium 2019**

Edmonton, AB | [October 7-9, 2019](#)

A signature event of the Canada Green Building Council – Alberta Chapter for those with an interest in accelerating best in green building practices.



## **Calgary Energy Roundtable**

Calgary, AB | [October 10, 2019](#)

This conference will bring together energy sector leaders to discuss the theme of opportunity through innovation.

## **SPARK 2019**

Edmonton, AB | [October 28-30, 2019](#)

A conference aimed at discovering how we can reduce GHG's, attract investment, and build a more diverse, lower carbon economy in Alberta.

## **W21C Innovation Academy**

Calgary, AB | [October 30, 2019](#)

This event fosters innovation to contribute to the improvement of safety and quality of care, connecting health care professionals, entrepreneurs, and community members.

# **BRITISH COLUMBIA**

## **State of the Island Economic Summit**

Nanaimo, B.C. | [October 23-24, 2019](#)

The State of the Island Economic Summit is an annual gathering of business, community and government leaders sharing ideas, asking questions, networking, learning about new initiatives, and exploring opportunities.

# **MANITOBA**

## **2019 Manitoba Community Futures Provincial Conference**

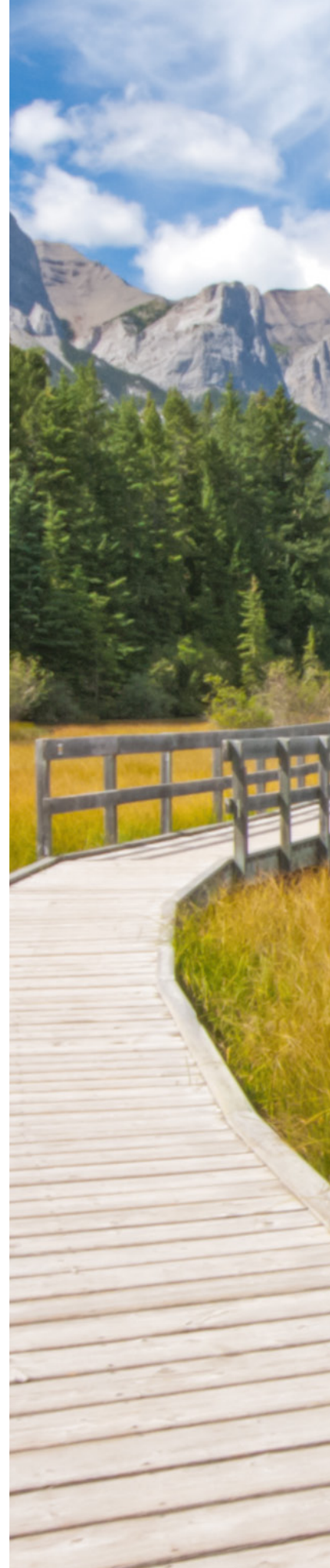
Gimli, MB | [September 17-19, 2019](#)

A conference to focus on how organizations and communities thrive in today's environment. Topics include generations in the workforce, cyber security and ransom, non-traditional businesses, and technology and rural issues.

## **Manitoba Protein Summit**

Winnipeg, MB | [September 19, 2019](#)

The summit will include details on the Government of Manitoba's sustainable protein strategy. The strategy was announced in January 2019, and it aims to ensure that Manitoba producers continue to be leaders in the plant and animal protein sectors.



## **Manitoba Métis Federation Annual General Assembly**

Winnipeg, MB | [September 20-22, 2019](#)

The Manitoba Métis Community will gather to review accomplishments, celebrate successes, and plan for the future. It is an opportunity to set goals and directions, and for relationship building among Métis citizens, leaders, entrepreneurs, and artists.

## **Vehicle Technology International Conference**

Winnipeg, MB | [September 30 to October 2, 2019](#)

This inaugural conference will focus on alternative propulsion technologies, heavy-duty and specialized vehicle applications, vehicle simulation and testing, “smart” vehicle technologies, and various other topics.

## **Manitoba Chambers of Commerce Economic Development Tour**

Flin Flon, MB | [October 9-10, 2019](#)

A showcase of business opportunities in northern Manitoba, specifically Flin Flon, including events, tours, and meetings with local elected officials and Indigenous leaders.

## **Southern Manitoba Manufacturers' Summit**

Morden, MB | [October 24, 2019](#)

The summit will include topics such as workforce development through immigration, digital marketing, cyber attacks, and Industry 4.0.

# **SASKATCHEWAN**

## **Sask Startup Summit**

Regina, SK | [September 12-13, 2019](#)

Sask Startup Summit brings together early-stage companies, mentors and investors to help you navigate the biggest challenges of being a startup. This summit is built around interactive sessions and lots of opportunities to connect, to give you the tools and takeaways you need to take your company to the next level.

## **Canadian Healthcare Engineering Society 39<sup>th</sup> Annual Conference**

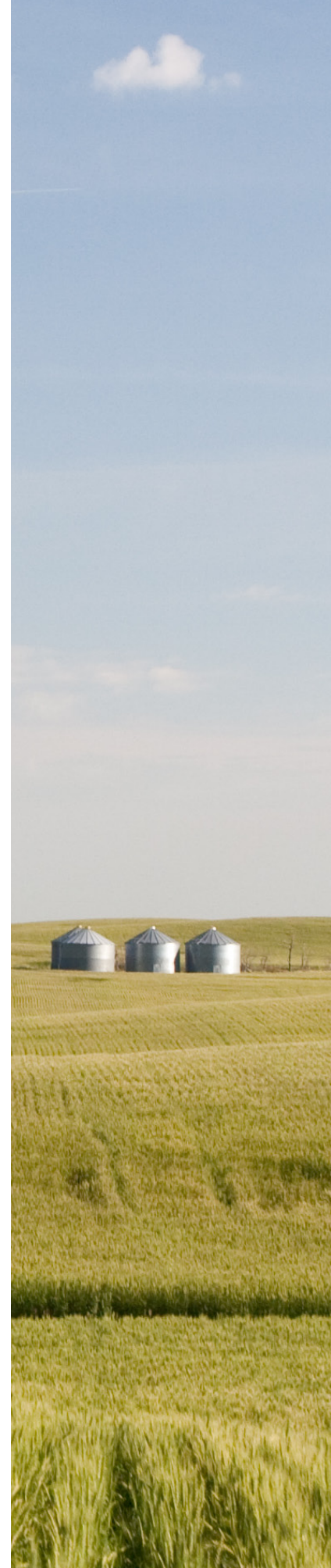
Saskatoon, SK | [September 22-24, 2019](#)

The “HUB” that enables resiliency in healthcare.

## **Core Days 2019**

La Ronge, SK | [September 25-26, 2019](#)

Annual mining conference of interest to northern community leaders, businesses that service the exploration industry, prospectors and companies undertaking exploration, and people who work in the minerals exploration sector.



**Global Health Conference 2019**  
Saskatoon, SK | [September 28, 2019](#)

The Global Health Conference is dedicated to raising awareness about pressing global health issues. This will be a forum to discuss and analyze practices and policies that move us towards sustainability and health equity.

**2019 Creative City Summit**  
Saskatoon, SK | [October 1-3, 2019](#)

The 2019 Creative City Summit in Saskatoon - Growing the Creative Cultural Economy for the 21st Century.

**5th Annual Saskatchewan Oil and Gas Supply Chain Forum**  
Regina, SK | [October 3, 2019](#)

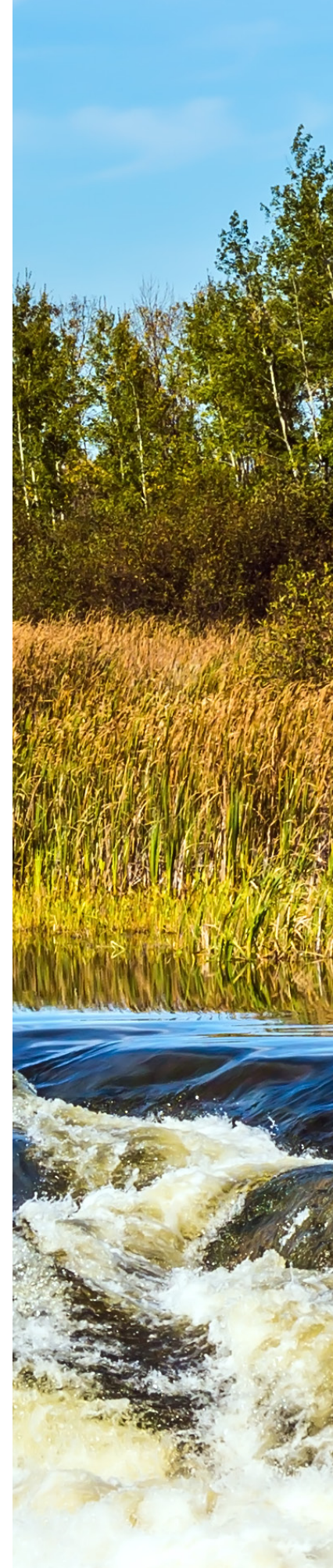
The annual Saskatchewan Oil and Gas Supply Chain Forum provides the attendees with the opportunity to connect with procurement staff from oil-producing and pipeline companies. It is focused on Saskatchewan-based industrial supply and service companies supporting or wishing to support the oil & gas industry activities in the province and elsewhere, and on oil & gas industry procurement or other representatives.

**2019 W̱ichitowin Indigenous Engagement Conference**  
Saskatoon, SK | [October 16, 2019](#)

W̱ichitowin is Cree/Saulteaux term for “helping each other” or “working together”, which is an important component of delivering enhanced programs and services within an organization, government or community setting. Now in its fifth year, the conference is commemorating the children that never made it home and is paying respect to the survivors of the Indian residential schools, Indian day schools, missing and murdered Indigenous women and girls, and the sixties scoop, by recognizing that they were, and continue to be, seeds for change.

**4th Plant Phenotyping and Imaging Research Centre Symposium**  
Saskatoon, SK | [October 23-24, 2019](#)

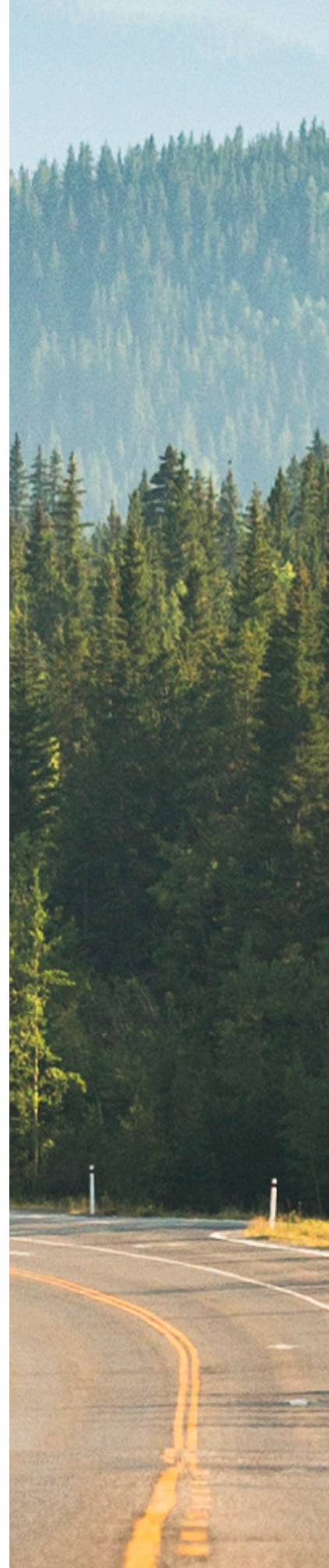
The theme of the 2019 P<sup>2</sup>IRC Symposium is *Achievements – Expectations – Implementation*, and will include diverse speakers, including world-renowned international researchers, P<sup>2</sup>IRC researchers from across Canada, industry representatives, students and others.



# LOOK AHEAD

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- The Government of Alberta established a Blue Ribbon Panel to assess the province's finances and economy, with a focus on identifying ways to eliminate waste, duplication and non-essential spending. The panel advised on such areas as: the government's fiscal outlook and department and agency expenditure trends; a plan to balance the budget by 2022-23 without raising taxes; a plan to retire the province's debt; and the business investment climate in Canada and its impact on Alberta's economy. The panel's final report was delivered to the Alberta government on August 15<sup>th</sup> and was made public on September 3<sup>rd</sup>. The Alberta government will determine the next steps in the coming months.
- Manitoba's 42nd provincial general election has been called for Tuesday, September 10, 2019.










# KEY ECONOMIC INDICATORS






## GDP

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Real GDP<sup>1</sup></b> (2007 \$billions, forecast)	\$268	\$340	\$86	\$67	\$2,082	2019
% ch. from year earlier	2.3%	-0.8%	-0.1%	0.5%	1.4%	

## LABOUR MARKET

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Employment (SA, thousands)</b>	2,570	2,344	580	650	19,030	Jul-19
Change from previous month	-4.8	-14.3	-2.2	-0.1	-24.2	
% ch. from previous month	-0.2%	-0.6%	-0.4%	0.0%	-0.1%	
% ch. from year earlier	3.8%	0.8%	2.0%	0.5%	1.9%	
<b>Unemployment Rate (SA,%)</b>	4.4%	7.0%	5.4%	5.8%	5.7%	Jul-19
percentage points from previous month	-0.1	0.4	0.3	0.1	0.2	
percentage points from year earlier	-0.5	0.3	-1.1	-0.2	-0.2	
<b>Regular EI beneficiaries (SA)</b>	40,670	47,730	14,850	15,390	442,580	Jun-19
Change from previous month	220	-1,350	-280	-10	-180	
% ch. from previous month	0.5%	-2.8%	-1.9%	-0.1%	0.0%	
% ch. from previous year	-2.2%	-10.9%	-10.8%	-0.8%	-4.6%	
<b>Average weekly earnings</b>	\$999.85	\$1,182.54	\$1,070.11	\$954.56	\$1,031.00	May-19
Change from previous year	\$40.77	\$34.78	\$58.51	\$17.21	\$33.93	

## PRICES






	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>CPI (y/y)</b>	2.1%	1.3%	2.0%	2.2%	2.0%	Jul-19
CPI (y/y) previous month	2.6%	1.4%	2.0%	2.7%	2.0%	Jun-19

<sup>1</sup>Real GDP at market prices, forecast for 2019 (Conference Board of Canada Provincial Outlook Winter 2019)






SA - Seasonally adjusted SAAR - Seasonally adjusted at annual rates

Sources: Statistics Canada and Conference Board of Canada






# CONSUMERS and BUSINESS

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Retail Sales (SA, \$millions)</b>	\$7,163	\$6,776	\$1,590	\$1,788	\$51,345	Jun-19
% ch. from previous month	-0.4%	-0.4%	-2.7%	1.3%	0.0%	
% ch. from previous year	0.7%	-1.1%	-3.8%	0.9%	1.0%	
<b>Manufacturing Sales (SA, \$millions)</b>	\$4,487	\$6,492	\$1,274	\$1,574	\$58,016	Jun-19
% ch. from previous month	-0.7%	-6.5%	-6.0%	-5.8%	-1.2%	
% ch. from previous year	-4.8%	-0.9%	-14.0%	-4.9%	0.1%	
<b>Building Permits (SA, \$millions)</b>	\$1,346	\$908	\$150	\$239	\$8,012	Jun-19
% ch. from previous month	-6.1%	-12.5%	12.3%	-27.9%	-3.7%	
% ch. from previous year	-14.8%	-31.3%	37.8%	14.8%	-5.7%	
<b>Housing Starts (SAAR, thousands)</b>	53	29	2	7	222	Jul-19
% ch. from previous month	-13.9%	-9.0%	-39.7%	-33.7%	-9.6%	
% ch. from previous year	23.3%	-4.0%	-45.7%	-28.7%	9.8%	

# INTERNATIONAL TRADE

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Merchandise Exports (\$millions)</b>	\$3,843	\$10,236	\$2,475	\$1,416	\$46,975	Jun-19
% ch. from previous month	-2.1%	-14.3%	-18.5%	9.5%	-7.4%	
% ch. from previous year	-9.1%	0.0%	-5.1%	-5.2%	-3.1%	
<b>Merchandise Imports (\$millions)</b>	\$4,798	\$2,245	\$1,122	\$1,849	\$50,491	Jun-19
% ch. from previous month	-1.7%	-11.5%	8.4%	-10.3%	-6.7%	
% ch. from previous year	-7.8%	-21.0%	-0.6%	-9.0%	-4.3%	

# DEMOGRAPHICS

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Population (estimate)</b>	5,034,482	4,362,503	1,169,131	1,362,789	37,412,852	Q2 2019
% ch. from previous year	1.4%	1.7%	0.9%	1.2%	1.4%	
<b>Largest Cities (CMAs)</b>	Vancouver (2,650,005)	Calgary (1,486,050)	Saskatoon (322,568)	Winnipeg* (832,186)		2018
	Victoria* (395,523)	Edmonton* (1,420,916)	Regina* (257,337)	Brandon (61,507)		

\* Provincial Capital

SA - Seasonally adjusted

SAAR - Seasonally adjusted at annual rates