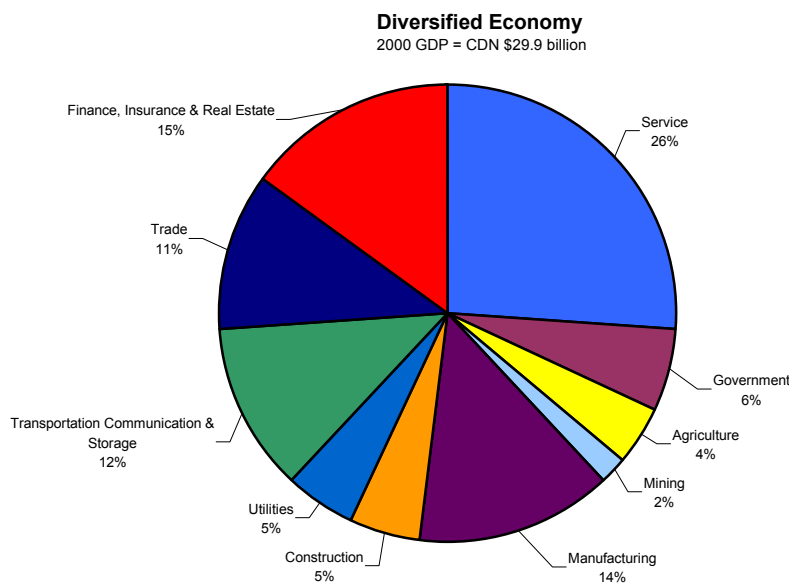




Investing in Manitoba's Economy

Manitoba Canada is an excellent investment opportunity. Canada is one of the strongest growing economies in the world and is currently projected to have the strongest growth of the G8 countries. The province of Manitoba provides an excellent investment opportunity to tap into the strong Canadian economy. Located in the center of Canada, Manitoba has a population of 1.2 million people, a GDP of 30 billion dollars and is the most economically diverse province in the country. This is the key to Manitoba's current success and future growth as the province doesn't depend on any one single industry but offers opportunities in a wide variety of industries from manufacturing, services, agriculture, mining, energy, and many more. Not only is this economy diverse but it continues to focus on becoming more diverse with the provincial government and local businesses continuing to promote development into areas of the new economy such as life sciences, biotechnology, aerospace, advanced manufacturing and communication technology. Apart from its diversified economy, Manitoba offers a highly skilled multilingual workforce, low business operating costs and a perfect location for access to the rest of North America.

Some of Manitoba's larger industry sectors are, agriculture, manufacturing, and natural resources. Agriculture is one of Manitoba's oldest industries; many settlers originally came to Manitoba's prairies to farm the rich fertile soil. Today agriculture still remains a very important industry for the province. Just like the overall economy Manitoba's agriculture sector is also well diversified with 46% livestock and 54% crops. Livestock includes cattle, sheep, and an expanding hog industry. In terms of crops, the most important crop is wheat, which accounts for 40% of total crops grown. Other crops include canola, flax, other grains, and vegetables. Many of these raw goods are used in Manitoba's large food processing sector, which makes food products such as french fries, cooking oil, and processed meats.



Manufacturing is Manitoba's largest industry accounting for 14% of GDP. The province has over 1,500 manufacturing establishments of various sizes producing, transportation equipment, wood products, chemicals, furniture, paper, apparel and textiles, pharmaceuticals and many others. Manufacturing shipments in 2001 totaled \$11.5 billion.

Natural resources are another Manitoba industry that provides an excellent investment opportunity. Manitoba is endowed with abundant forests, fresh water lakes, and large mineral deposits. Although Manitoba is considered a prairie province, it is actually mostly forest which provides an excellent base for the wood products industry, which generated \$1.3 billion last year. Manitoba has thousands of lakes, which sustain 2,200 fishermen. These lakes not only are valuable for their fish stocks but for fresh water. Fresh water is quickly becoming a very valuable commodity and the export market for this product will become very large. These lakes are also extremely valuable for Manitoba's Hydro electricity, providing Manitoba residents with some of the lowest cost electricity in the world and export sales of \$1.3 billion. As the Canadian Shield runs

through Manitoba, there are many mineral deposits. Manitoba currently has ten mines producing nickel, zinc, copper, gold, tantalum, cesium, silver, building stone, lime, and others. Lately there has also been serious exploration for diamonds in Manitoba's north, which could make for a very lucrative investment opportunity.

As previously mentioned, Manitoba is in the geographic center of Canada, and is also in the center of North America giving Manitoba great access to export goods to the rest of Canada, the U.S.A and Mexico. Manitoba is the key part of the Mid-continent trade corridor, connecting Canada to a central North American market of 100 million people. Manitoba's largest city, Winnipeg is only 1 hour away from the Canadian U.S. border giving it access to the largest economy in the world. 80% of Manitoba's exports are to the United States and since the 1989 Canada-U.S. Free Trade agreement, Manitoba's exports to the U.S. have increased 350%. Manitoba has 30 international trucking terminals (10 which are Manitoba owned) providing transportation of Manitoba goods to the rest of North America. Winnipeg is the truck transportation capital of western Canada and every day 1,500 trucks cross the Manitoba-U.S. border. Winnipeg is also serviced by three rail companies, CN, CP and Burlington north whose combined railway lines can deliver Manitoba goods to virtually anywhere in North America. In northern Manitoba, the Port of Churchill (Polar Bear Capital of the world) on Hudson Bay gives Manitoba access to the Atlantic Ocean and worldwide destinations. Manitoba has had the strongest growth in exports in Canada. Last year exports grew 7.4% while nationally exports decreased 2.8%.

Manitoba also boasts some of the lowest business operating costs in North America. According to a 1999 research study by accounting firm KPMG, Canada is the least expensive of all G7 countries (G7 does not include Russia) for doing business in electronics, food processing, medical devices, metal fabrication, pharmaceuticals, plastic products, telecom equipment, and software. Canada has these low costs because of lower cost of living for employees, competitive tax rates (corporate tax is currently 16.5% and will be reduced to 15% by 2005 giving Canada a lower corporate tax rate than the U.S.), government tax subsidies and development initiatives and large savings in employee benefits due to the Canada's national health care system. Manitoba has even lower business costs due to the least expensive electricity in North America, affordable

industrial land and office rent, lower shipping costs and a productive and highly skilled labor force.

Manitoba is clearly an excellent investment opportunity, with a diverse industry base, skilled work force, low business costs, and an excellent geographic location. Manitoba's outlook for the future is also very bright; GDP is forecasted to grow 3.5% in the next year. With strong growing industries in science and research, explorations in mining, and abundant natural resources, Manitoba's economy is certain to continue growing long into the future.

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