

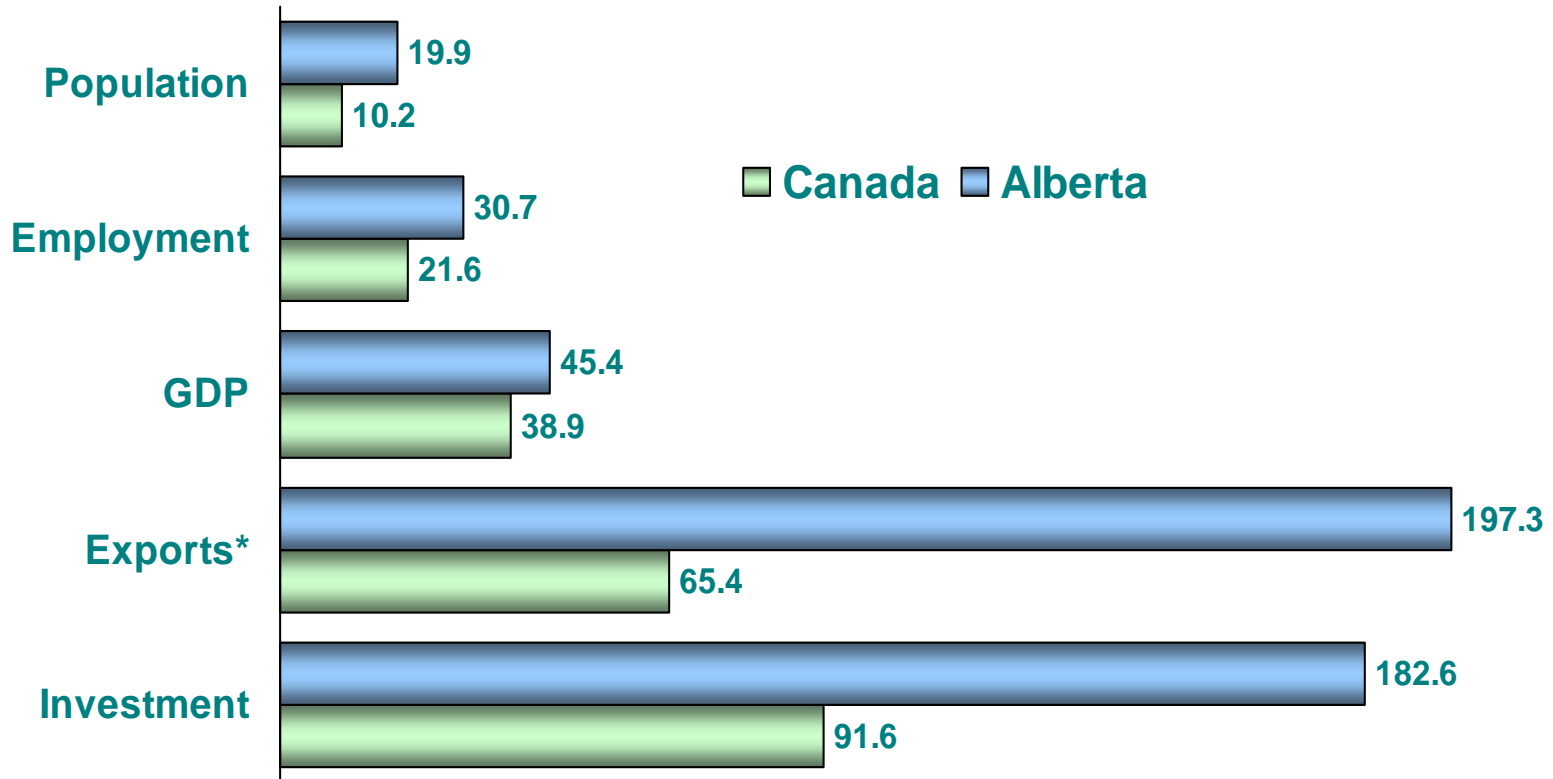


# Highlights of the Alberta Economy

Alberta Employment, Immigration and Industry  
Policy & Economic Analysis  
January 2007

# Economic Highlights

## Growth In Selected Indicators: 1995 - 2005 Per Cent Change



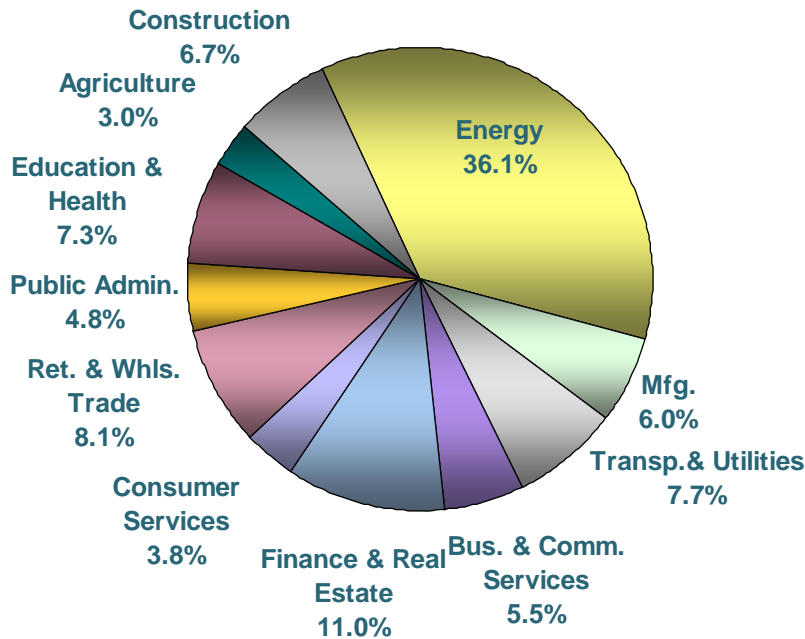
\* Goods Exports

Source: Statistics Canada and Alberta Economic Development

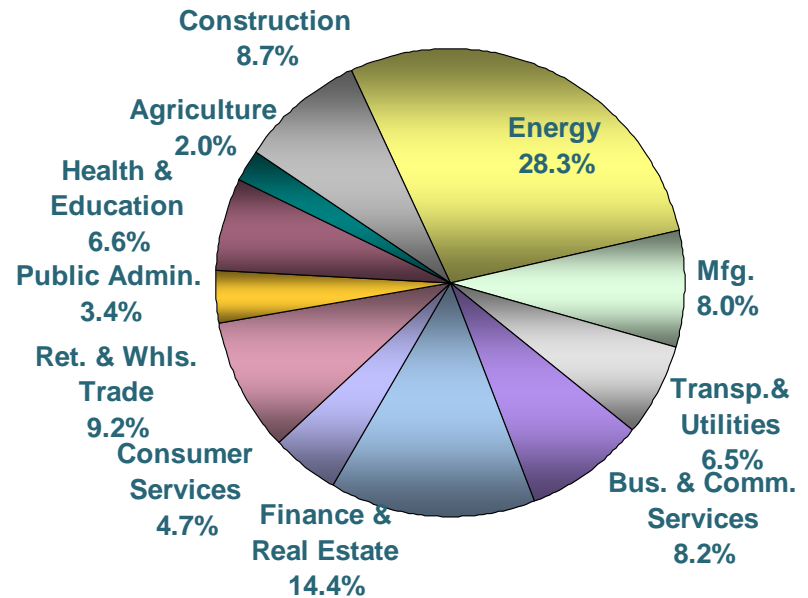


# Increasing Economic Diversity

**Increasing Economic Diversity: 1985**  
 Percentage Distribution of GDP  
**Total GDP: \$66.5 Billion**



**Increasing Economic Diversity: 2005**  
 Percentage Distribution of GDP  
**Total GDP: \$218.4 Billion**

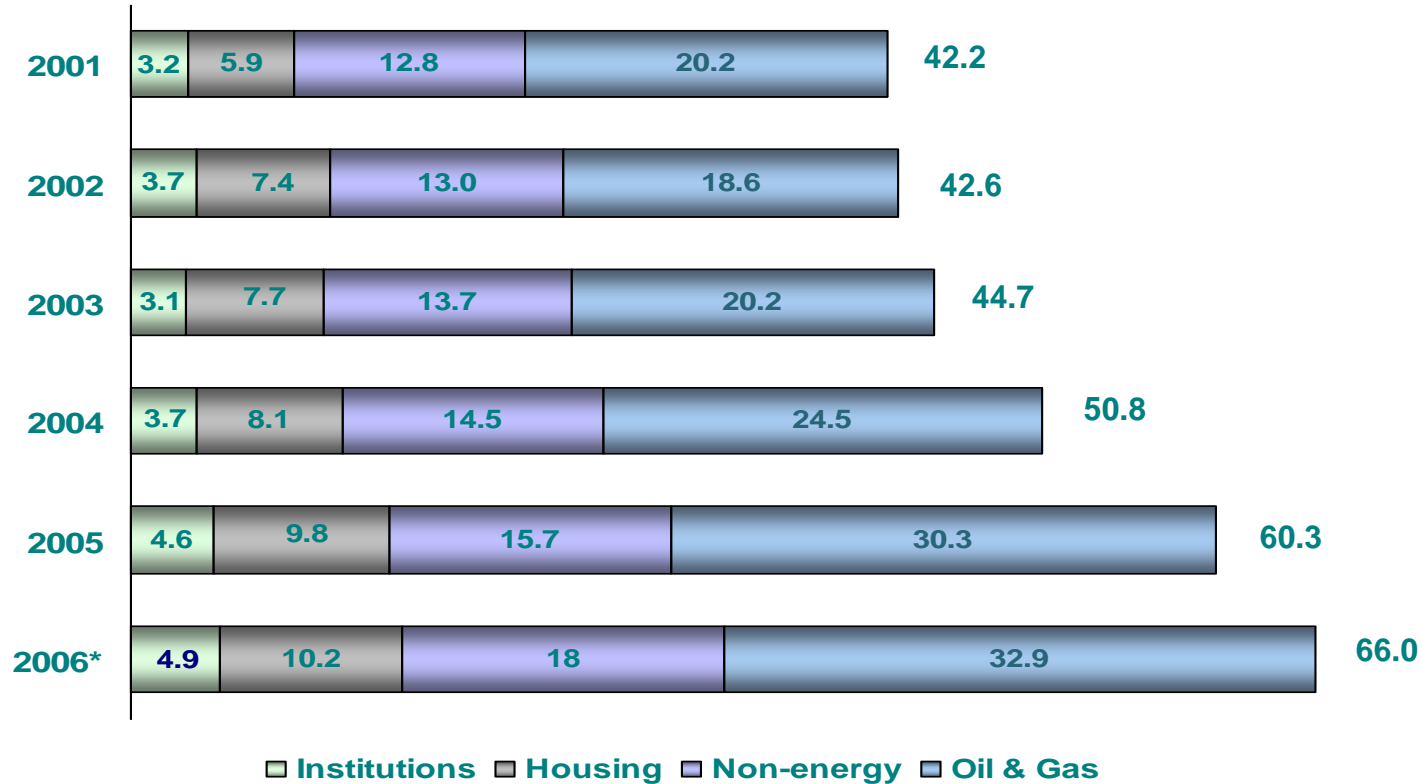


Source: Alberta Finance



# Attractive Investment Climate

## Total Investment in Alberta Capital Expenditures (\$ Billions)



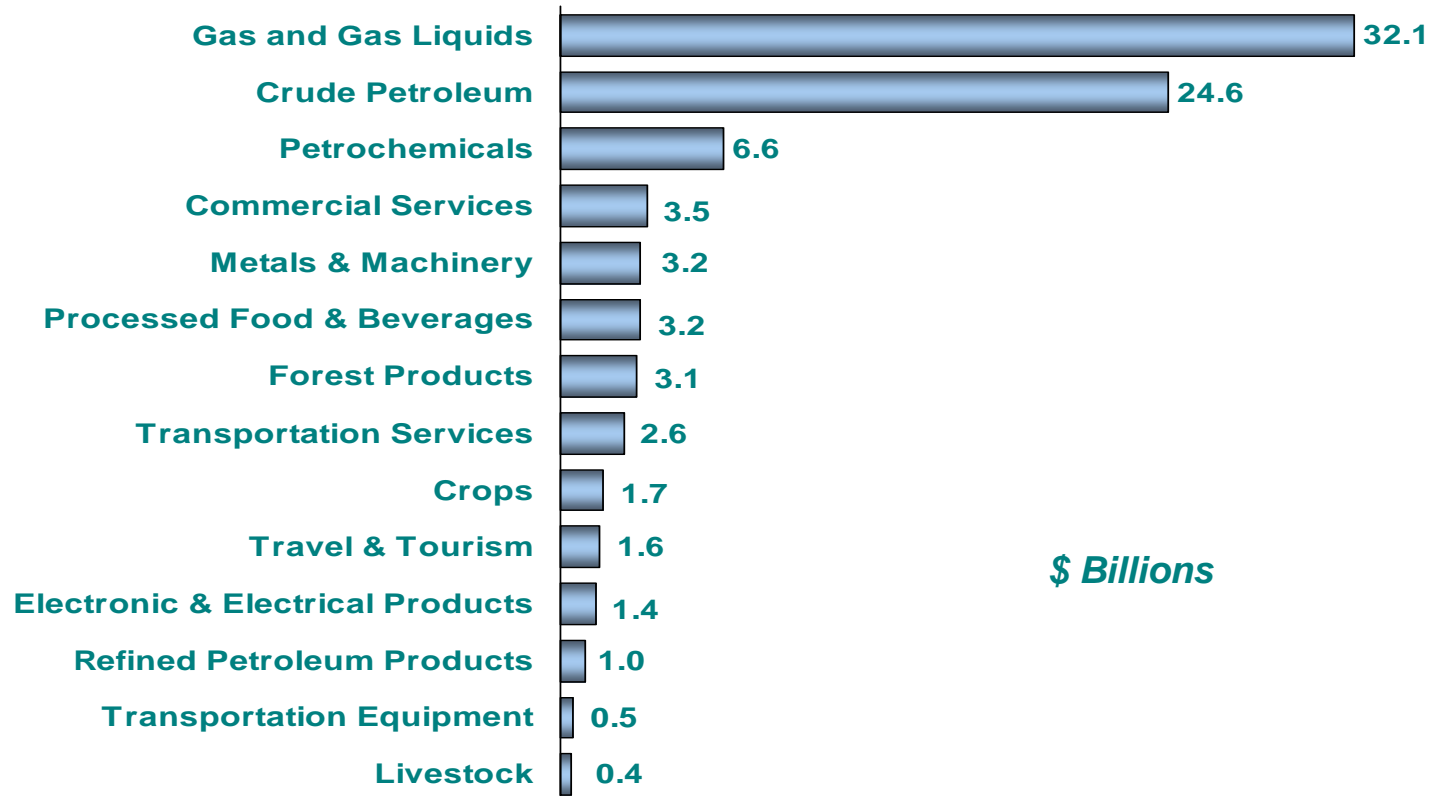
\* Intentions

Source: Statistics Canada



# An Exporting Economy

## Alberta's Major Exports 2005 Total Exports: \$87.8 Billion \*



\* Total exports of goods and services  
Sources: Statistics Canada and AED



# Strategic Location

Alberta is part of a western Canadian market of 9.8 million people.

Alberta's proximity to the western United States provides easy access to an overall market of 59 million people. This includes the 10 states, westbound from Colorado to the Pacific Coast.

Alberta's international airports in Edmonton and Calgary provide excellent air service to Canadian and international markets.

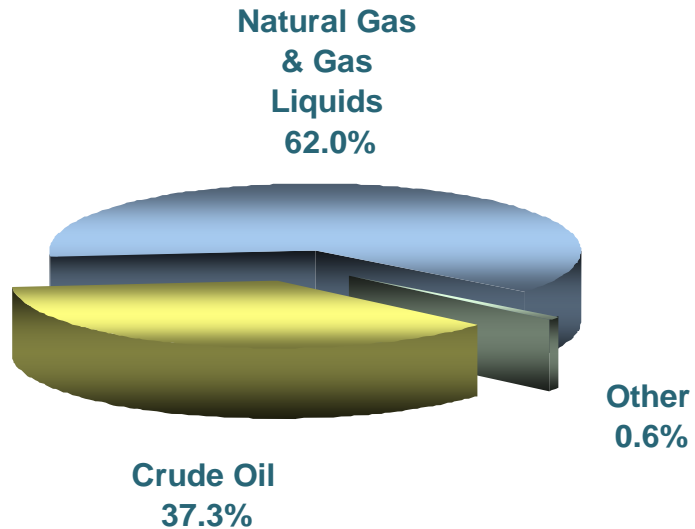
At the same time, Alberta operates nine international trade and investment offices, including six in Asia, Alberta's second largest export market.



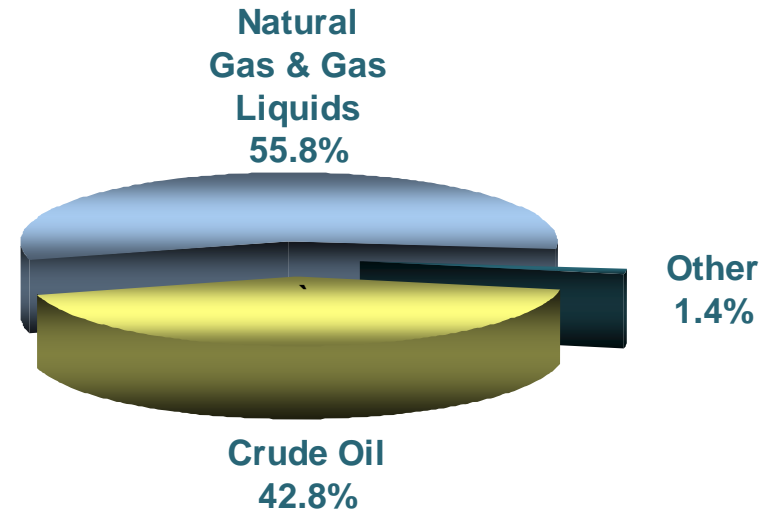
# Abundance of Natural Resources

## Energy

**Alberta's Energy Revenues 2005**  
Total: \$82.2 Billion



**Alberta's Energy Exports 2005**  
Total: \$57.5 Billion



Source: Statistics Canada and Alberta Energy And Utilities Board



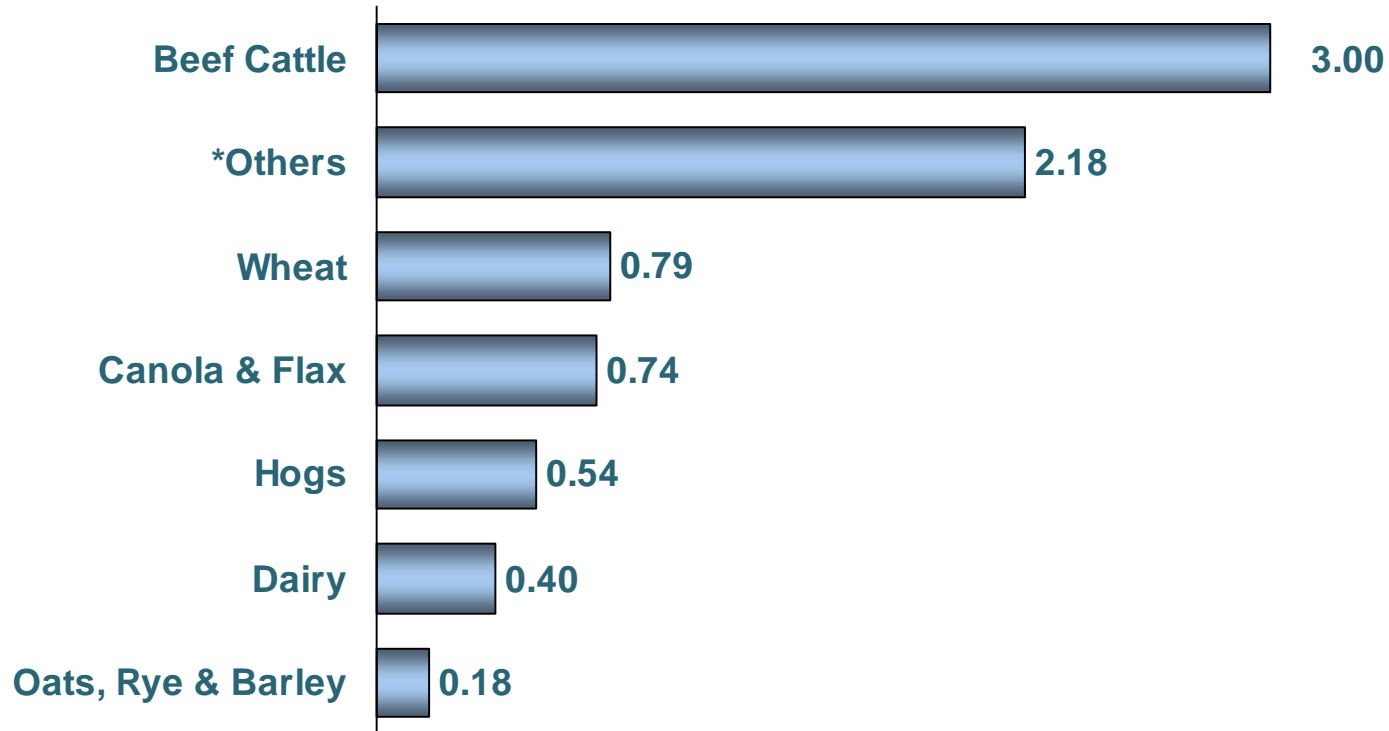
# Abundance of Natural Resources

## Agriculture

### Alberta's Major Agricultural Products 2005

Farm Cash Receipts (\$ Billions)

**Total: \$7.8 Billion**



\*Includes specialty cash crops, honey, poultry, eggs, program payments, etc.

Source: Statistics Canada





# Abundance of Natural Resources - Forestry

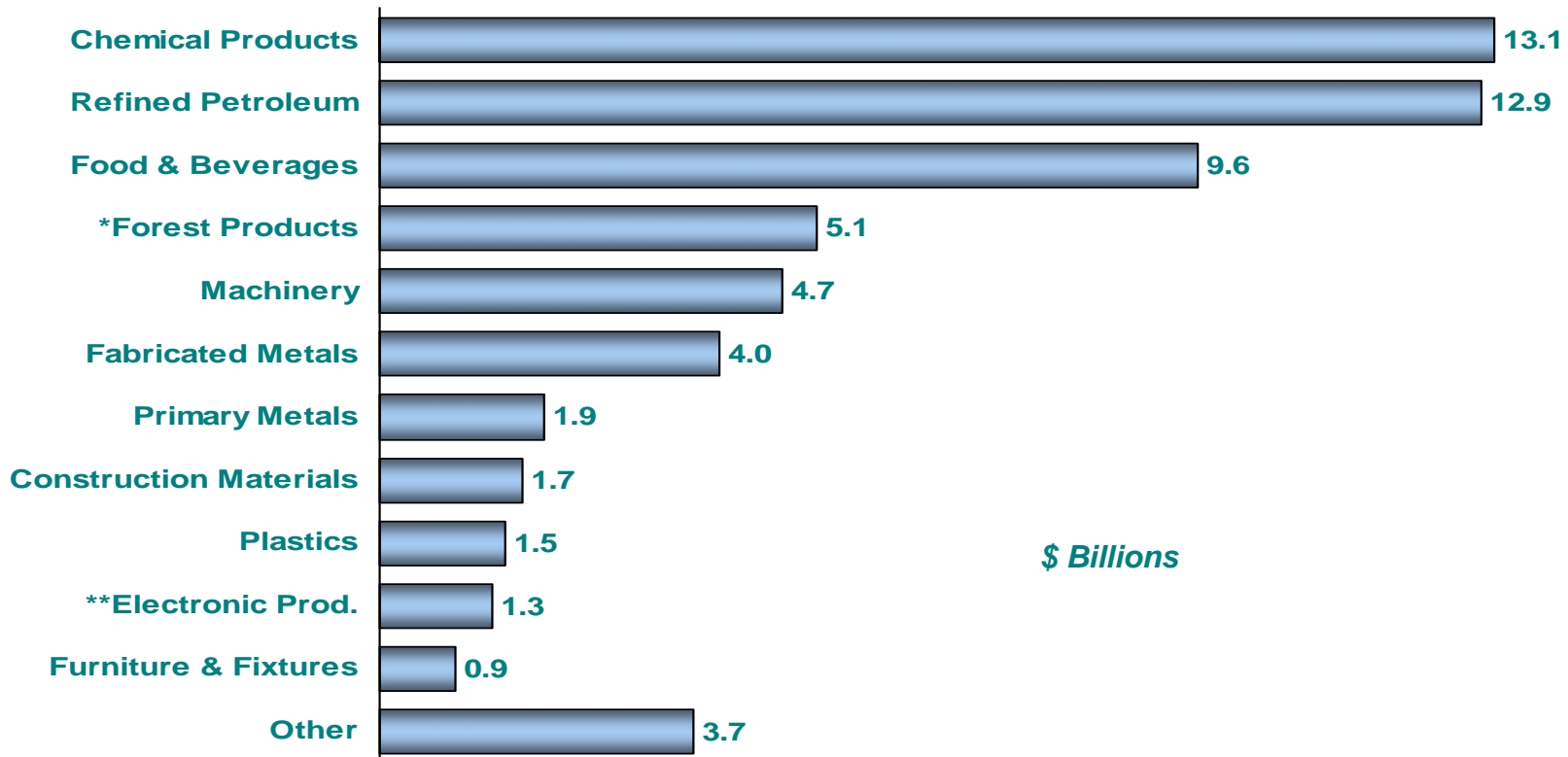
- Industry shipments reached \$5.1 billion in 2005, and exports were \$3.1 billion.\*
- Of the forested area, about 60% or 22.5 million hectares are considered suitable for harvest.
- Annually, Alberta allows 23.9 million cubic metres to be harvested.

\* Includes wood products and pulp & paper



# A Growing Manufacturing Base

## Value of Alberta Manufacturing Shipments 2005 Total: \$60.3 Billion



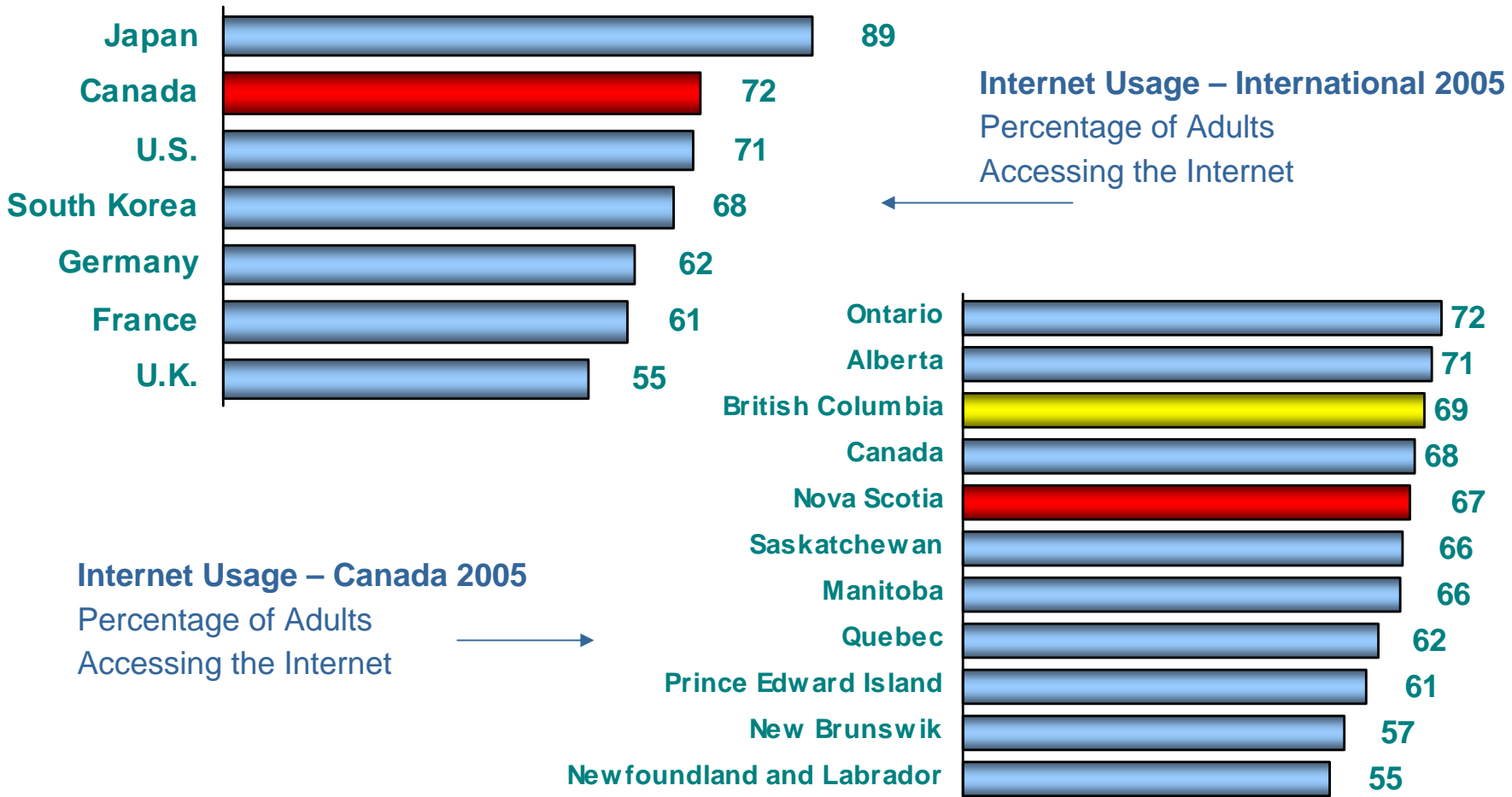
\*Includes wood and pulp & paper industries

\*\*Includes telecom equipment

Source: Statistics Canada



# Information and Communication Technologies



Sources: Statistics Canada and Ipsos-Reid



# Research & Development

Alberta's extensive network of research and development institutions and facilities help develop and commercialize advanced products and processes.

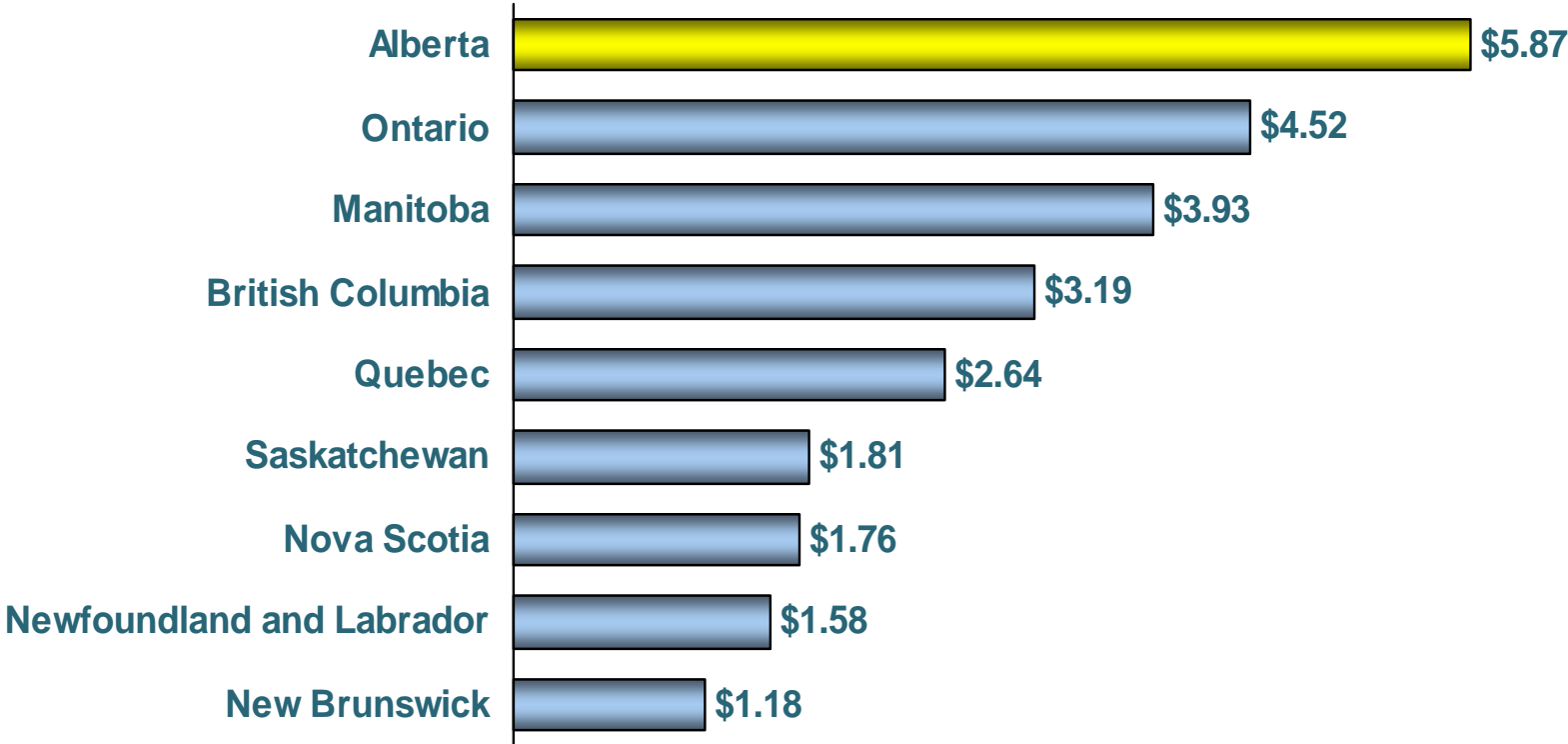
- Telecommunications Research Laboratories (TR Labs)
- Alberta Science and Research Authority (ASRA)
- Informatics Circle of Research Excellence (iCORE)
- WestGrid
- Alberta Research Council
- Alberta ICT Institute
- Microsystems Technology Research Institute (MSTRI)
- Netera Alliance
- National Institute for Nanotechnology
- Network for Emerging Wireless Technologies (NEWT)
- Alberta Ingenuity
- Universities Technologies International (UTI)
- TecEdmonton
- Alberta Heritage Foundation for Medical Research (AHFMR)

Advanced Technology  
Institutes & Facilities:



# Arts and Culture

## Private Sector Support of Performing Arts (2004) Per Capita

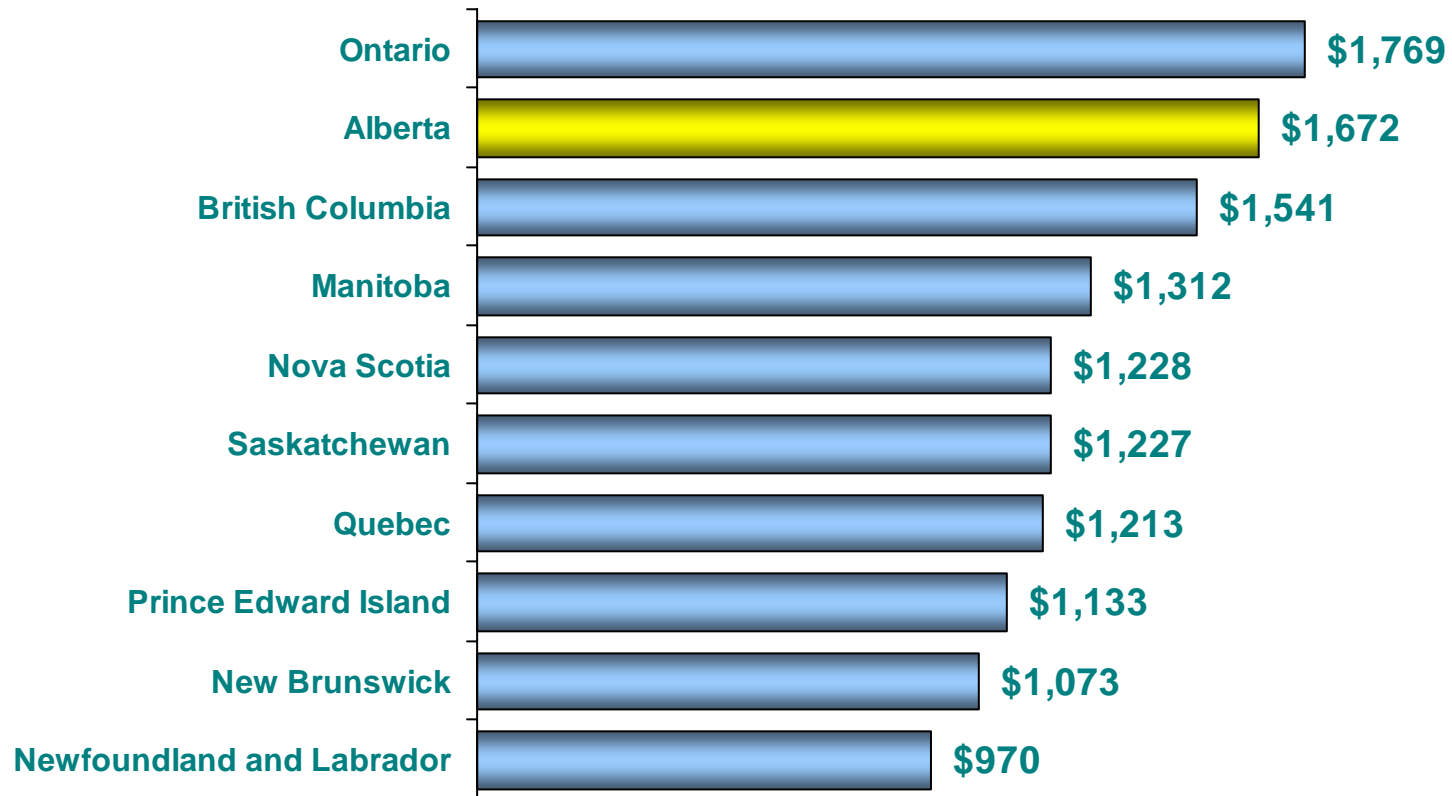


Note: Excludes Prince Edward Island statistics which were suppressed to meet the confidentiality requirements of the Statistics Act.

Source: 2004 Performing Arts Survey Statistics Canada



## Expenditures on Recreational Activities Per Household



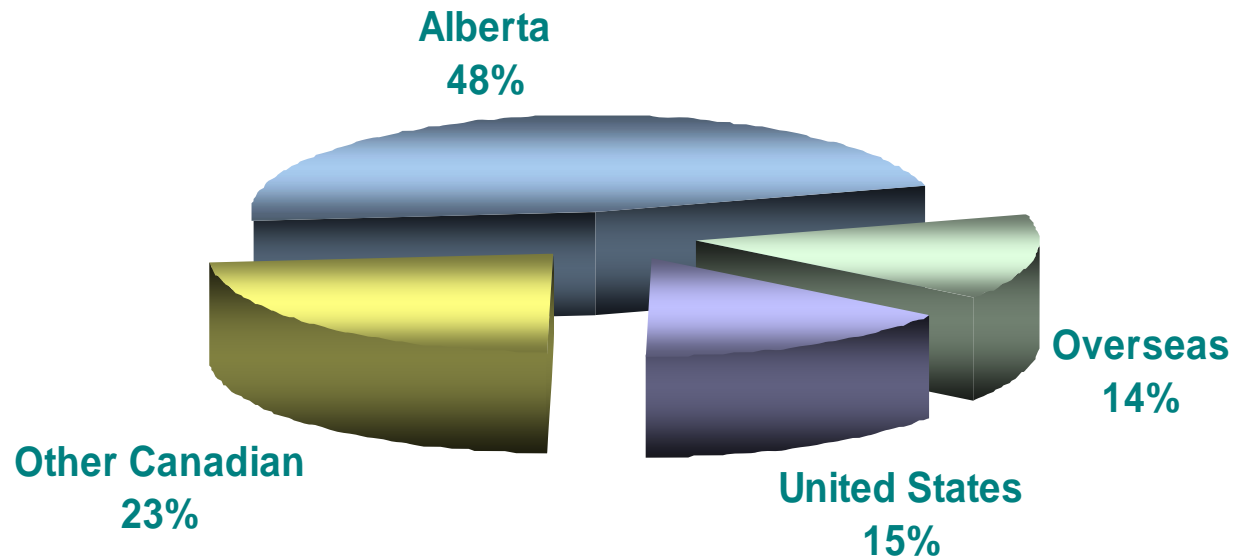
Source: Statistics Canada, 2004 Survey of Household Spending



# A Vibrant Tourism Industry

## Tourism Receipts 2004

Total: \$5.0 Billion



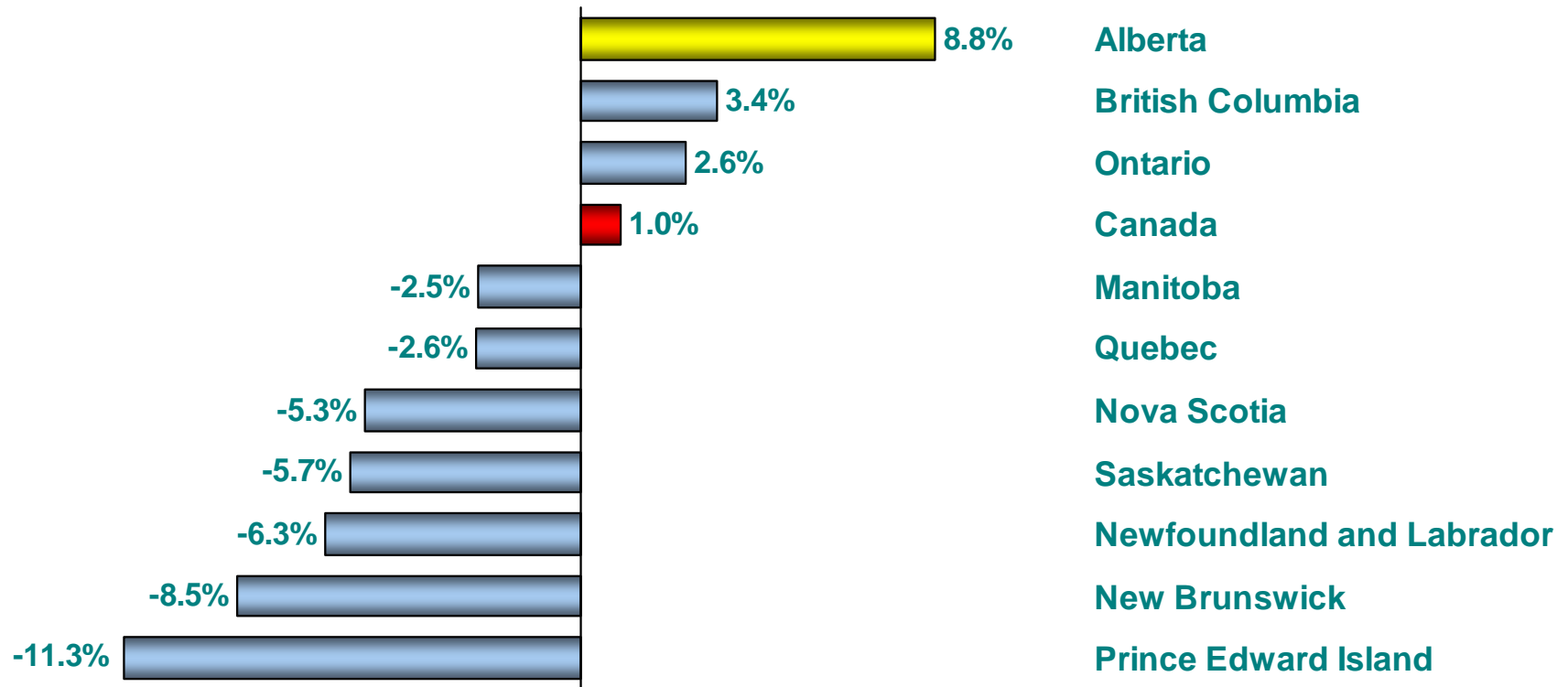
Source: Statistics Canada



# Small Business - Cornerstone of the Economy

## Small Business – Cornerstone of the Economy 2000 – 2005

Percentage Change in Employer Businesses



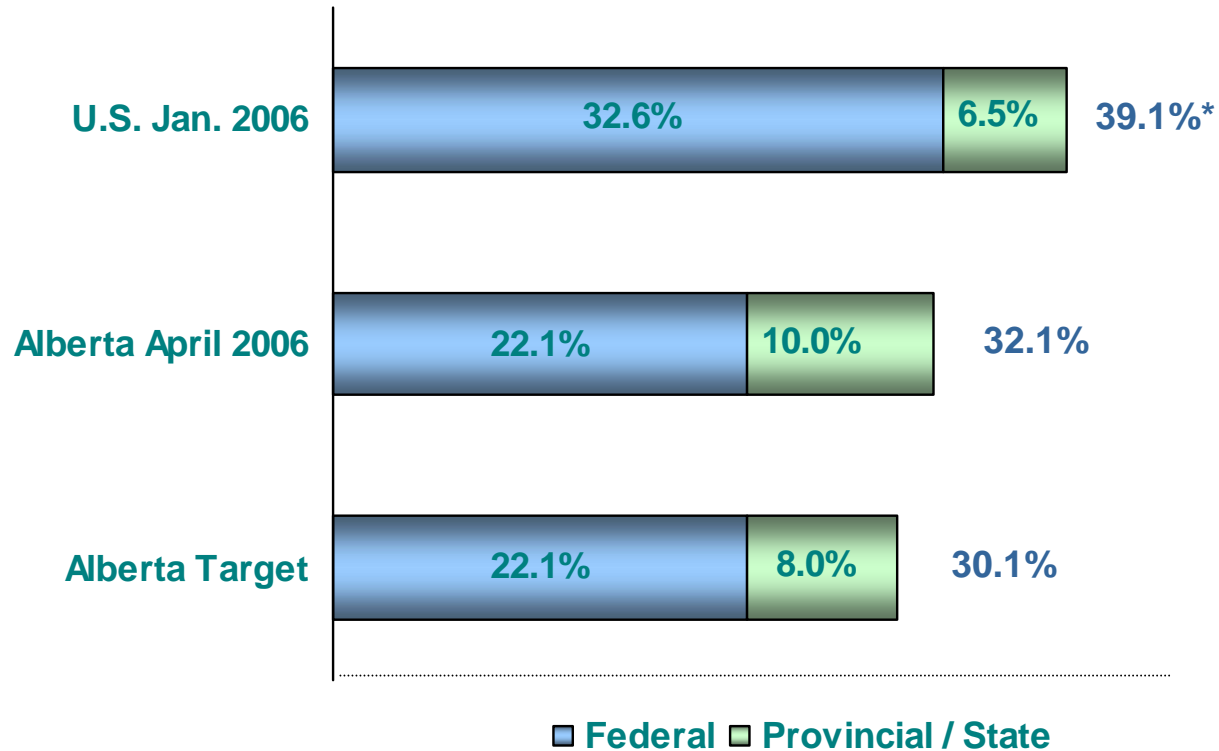
Source: Canadian Business Patterns, Statistics Canada





# Competitive Corporate Taxes

## Comparison of Corporate Income Taxes



\*6.5% represents the average effective top general state corporate income tax rate

Rates known as of January 2006

Source: Alberta Economic Development & Federation of Tax Administrators



# Provincial & State Corporate Income Tax Rates

Provincial Corporate Income Tax Rates (%)				State Corporate Income Tax Rates (%)			
Province	General	Mfg. & Processing	Small Business	State	General	Mfg. & Processing	Small Business (d)
Newfoundland and Labrador	14.0	5.0	5.0	Washington (c)	n/a	n/a	n/a
Prince Edward Island	16.0	16.0	5.4	Oregon	6.6	6.6	6.6
Nova Scotia	16.0	16.0	5.0	California	8.84	8.84	8.84
New Brunswick (a)	13.0	13.0	1.5	North Dakota	7.0	7.0	2.60
Quebec	9.9	9.9	8.0	Montana	6.75	6.75	6.75
Ontario	14.0	12.0	5.5	Idaho	7.6	7.6	7.6
Manitoba	14.5	14.5	4.5	Colorado	4.63	4.63	4.63
Saskatchewan (b)	17.0	10.0-17.0	5.0	Utah	5.0	5.0	5.0
Alberta	10.0	10.0	3.0	New Mexico	7.6	7.6	4.8
British Columbia	12.0	12.0	4.5	Louisiana	8.0	8.0	4.00
<b>Federal</b>	<b>22.12</b>	<b>22.12</b>	<b>13.12</b>	<b>Federal</b>	<b>35.0</b>	<b>33.95</b>	<b>33.0</b>

Canadian rates effective March 2006/US U.S. rates effective January 2006

(a) New Brunswick small business rate effective July 1, 2006

(b) Saskatchewan general corporate income tax rate effective July 1, 2006

(c) Washington has a business occupation tax in lieu of an income tax, which is based on gross revenue sales (0.471% to 1.5% according to the type of business).

(d) State small business rate is the effective tax rate for US\$325,000 (comparable to Alberta threshold of Cdn\$400,000)

U.S. federal small business rate is the effective rate for US\$245,000 (comparable to Canadian federal threshold of Cdn\$300,000).

Source: Alberta Economic Development, Federation of Tax Administrators



# Provincial Capital and Payroll Tax Rates

Provincial Capital and Payroll Tax Rates (Maximum %)		
Province	Capital Tax (General)	Payroll Tax
Alberta	-	-
British Columbia	-	-
Saskatchewan	0.60	-
Manitoba	0.50	4.30
Ontario	0.30	1.95
Quebec	0.53	4.26
New Brunswick	0.25	-
Nova Scotia	0.28	-
Newfoundland and Labrador	-	2.00
Prince Edward Island	-	-

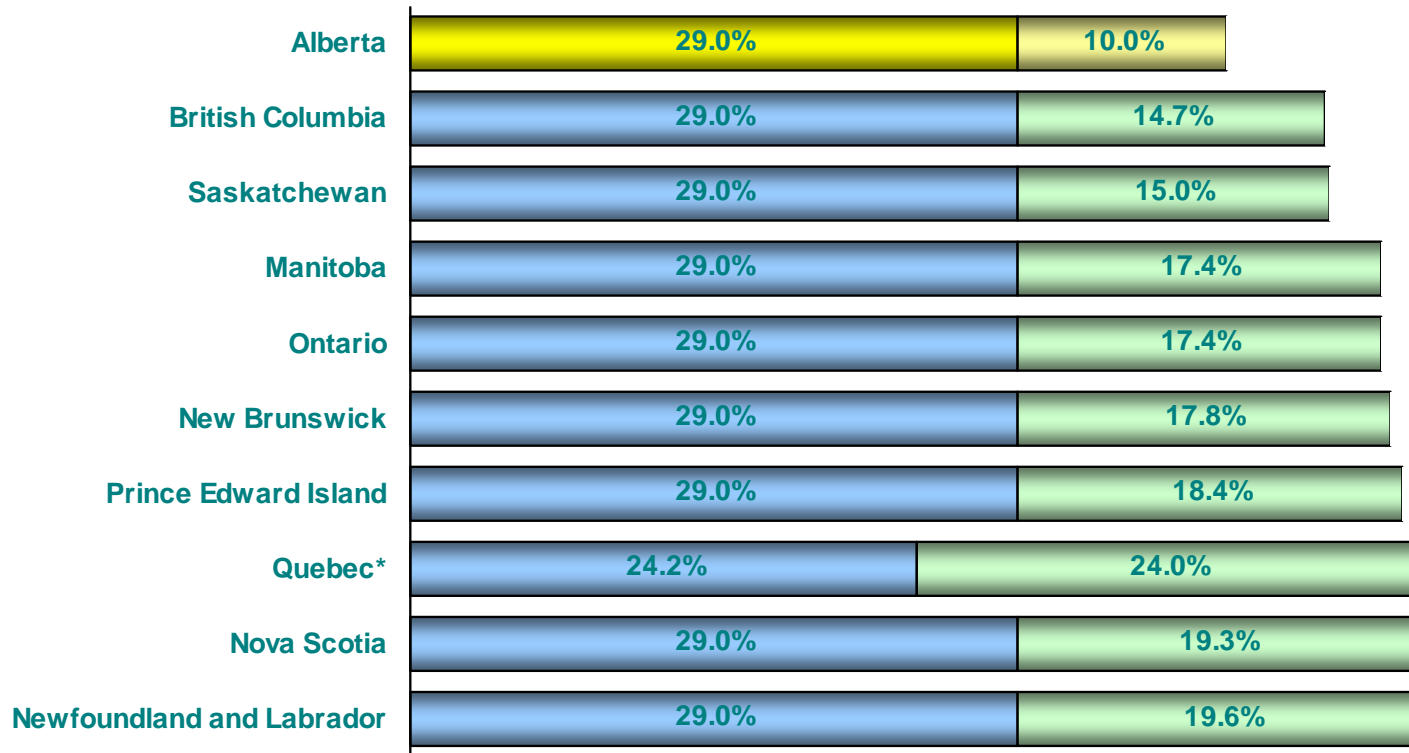
\*Rates for other provinces known as of February 23, 2006.

Source: Alberta Finance



# Low Personal Taxes

## Top Marginal Effective Personal Income Tax Rates - 2006



■ Federal Personal Income Tax ■ Provincial Personal Income Tax

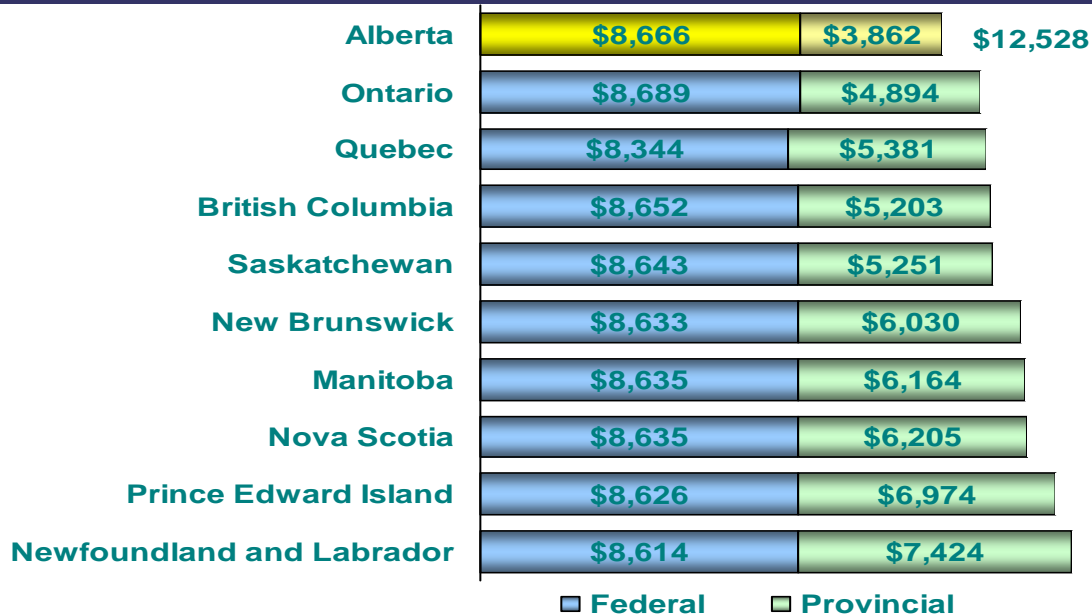
Source: Alberta Finance, March 2006.

Note: Includes Surtaxes

Rates for other provinces known as of February 23, 2006



# Low Personal Taxes



Comparison of Provincial and Federal Taxes by Province  
Two Income Family of Four - \$60,000\*

Comparison of Provincial and Federal Taxes by Province  
Two Income Family of Four - \$100,000\*

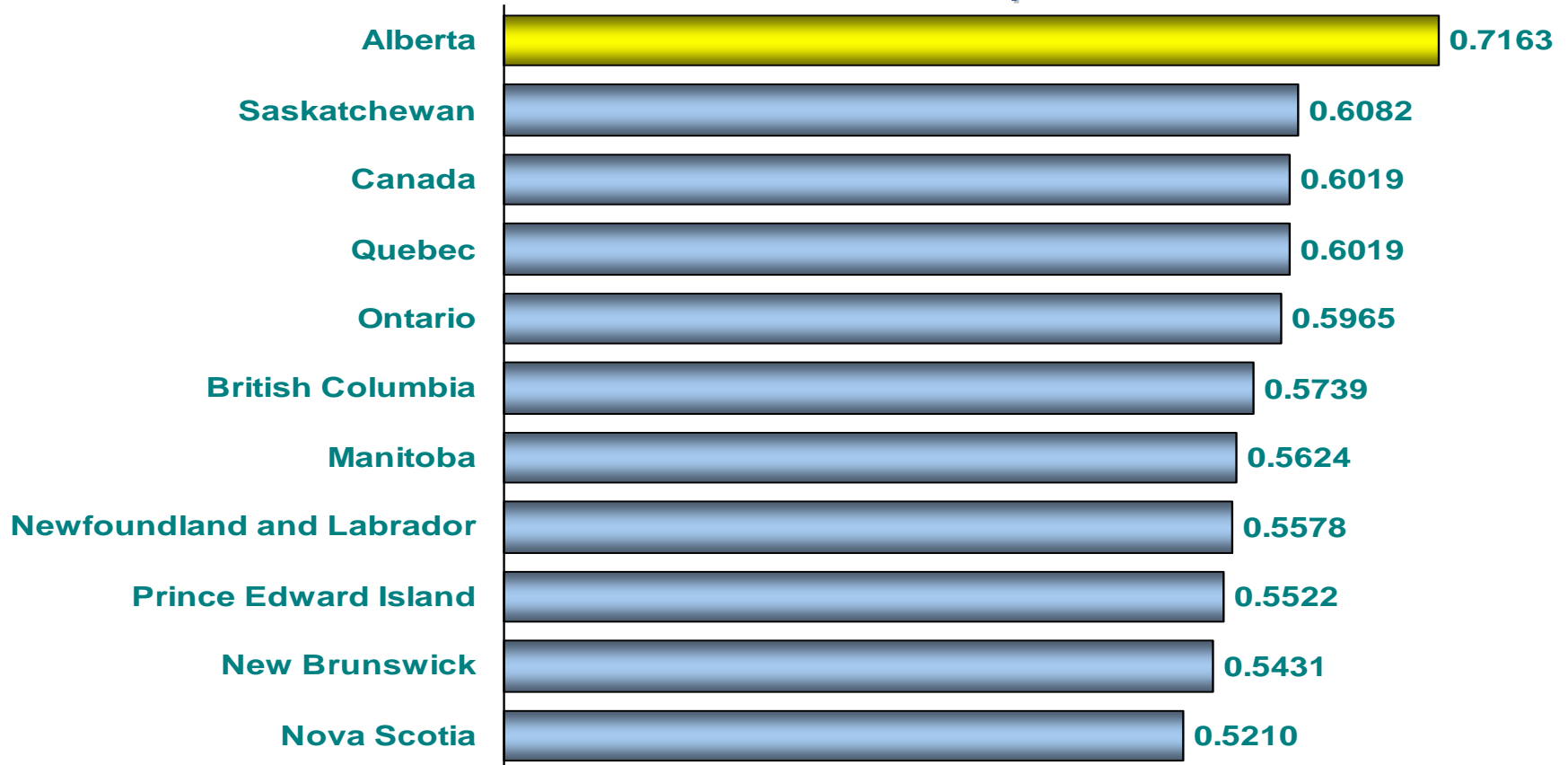
\*As of March 2006

Source: Alberta Finance



# Index of Economic Well-Being 2005

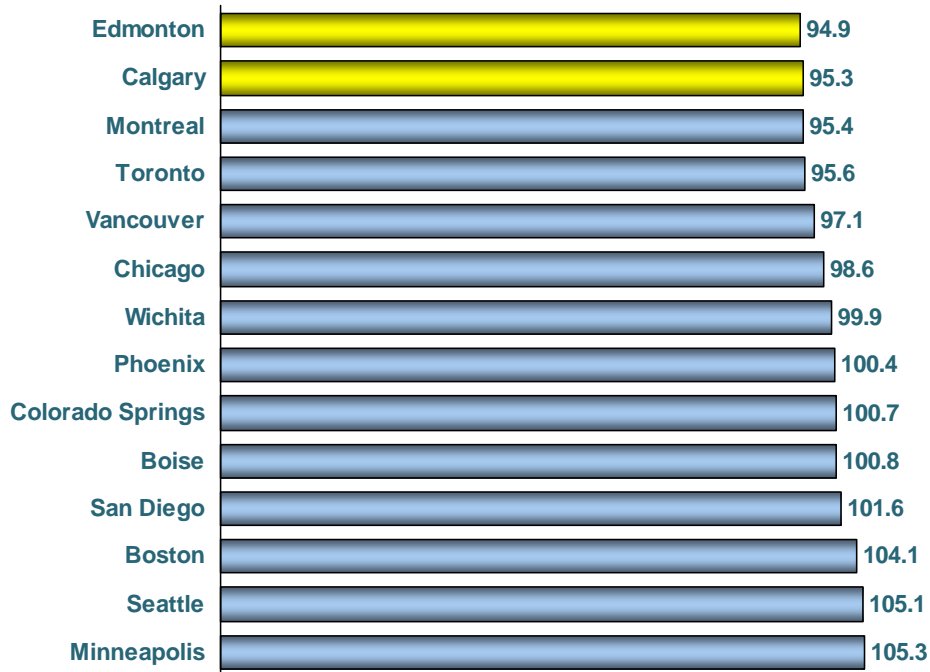
## Provincial Comparison



Source: Centre for the Study of Living Standards



# Industrial Cost Competitiveness



## Overall Cost Competitiveness Advanced Software Development Selected Locations

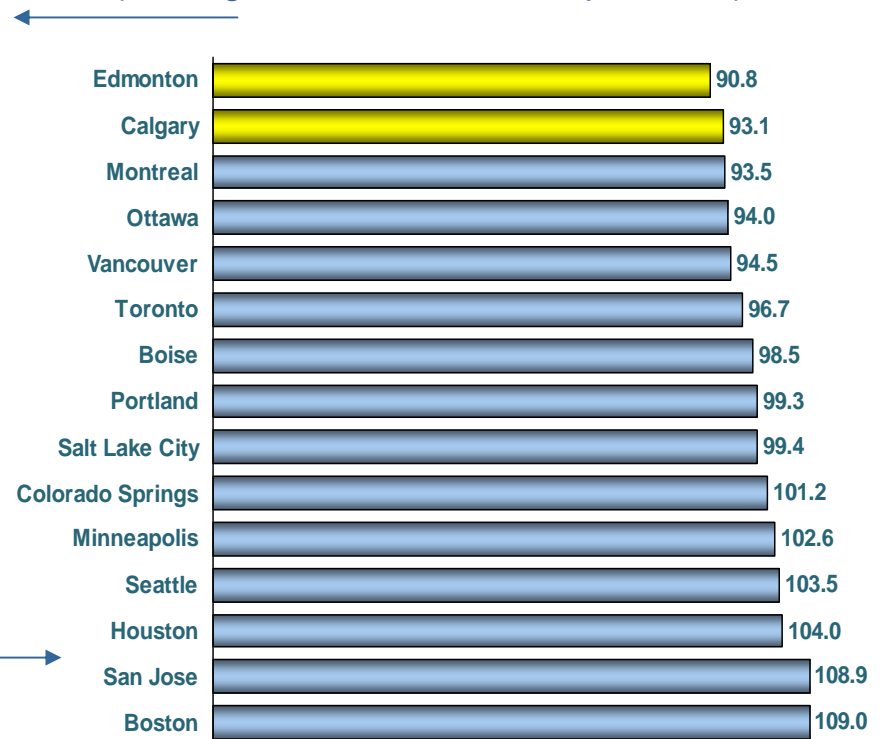
(Average of US Locations Equals 100)

\* As of March 2006

Source: KPMG

## Overall Cost Competitiveness Food Processing Industry Selected Locations

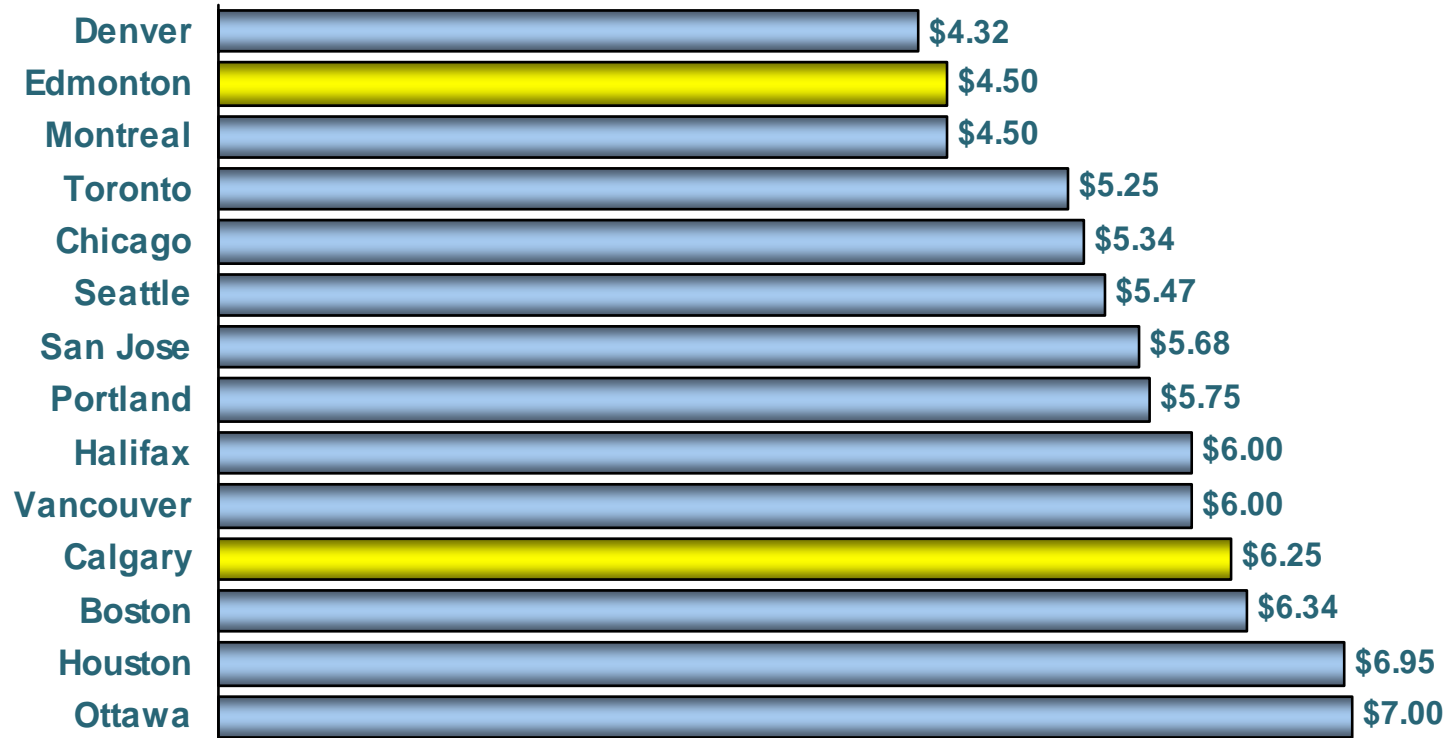
(Average of US Locations Equals 100)



# Industrial Lease Rates

## Industrial Lease Rates

(Cdn\$ per square foot, Triple Net Rent)



Note: For Warehouse Distribution Space

Source: Colliers International

Canadian Real Estate Forecast 2005/2006

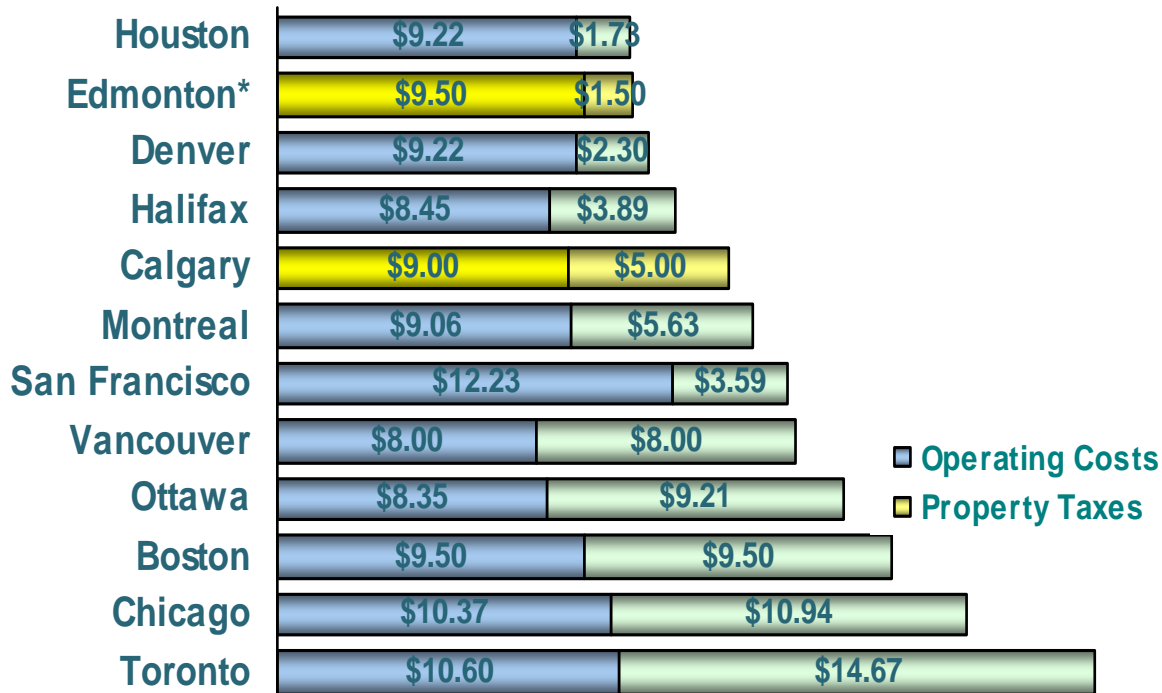




# Office Operating Costs

## Office Operating Costs & Taxes

(Cdn\$ per square foot, Downtown class A)



\*2004 Edmonton taxes

Note: Operating costs include utilities, building management, and janitorial

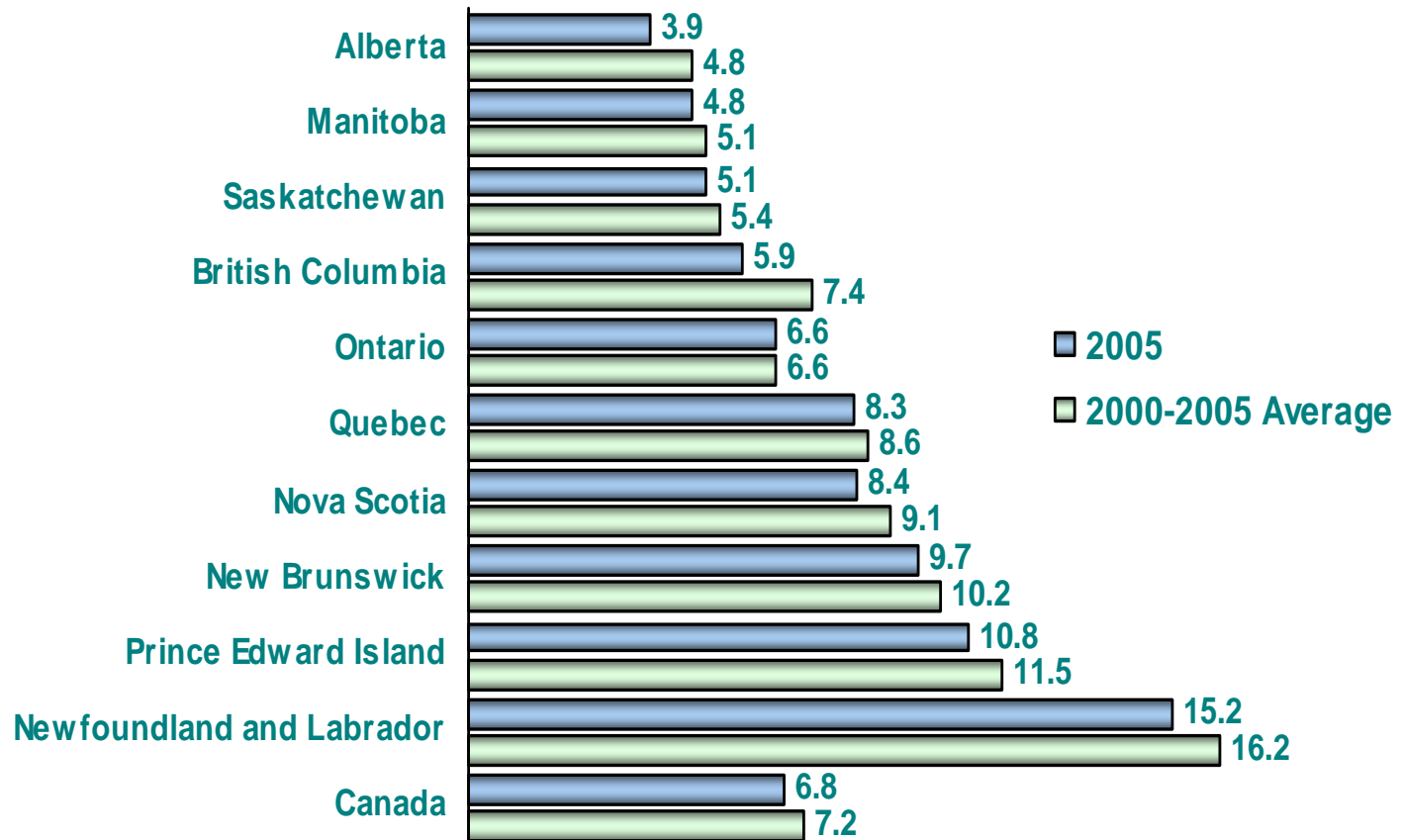
Source: Colliers International

Canadian Real Estate Forecast 2005/2006



# Alberta's Labour Force

## Unemployment Rates (%) by Province: 2000 - 2005



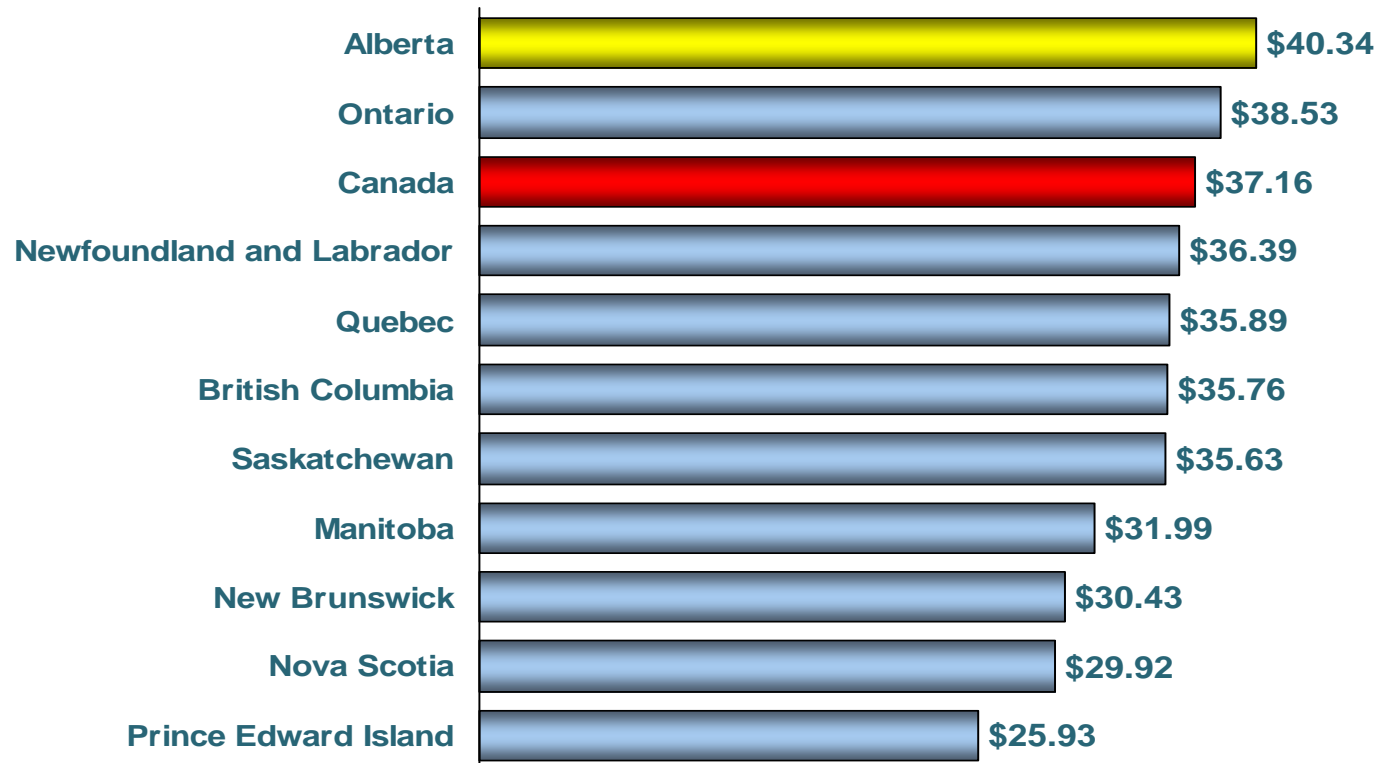
Source: Statistics Canada



# Labour Productivity

## Total Economic Productivity 2005

Real GDP per Hour Worked, in 1997 constant dollars

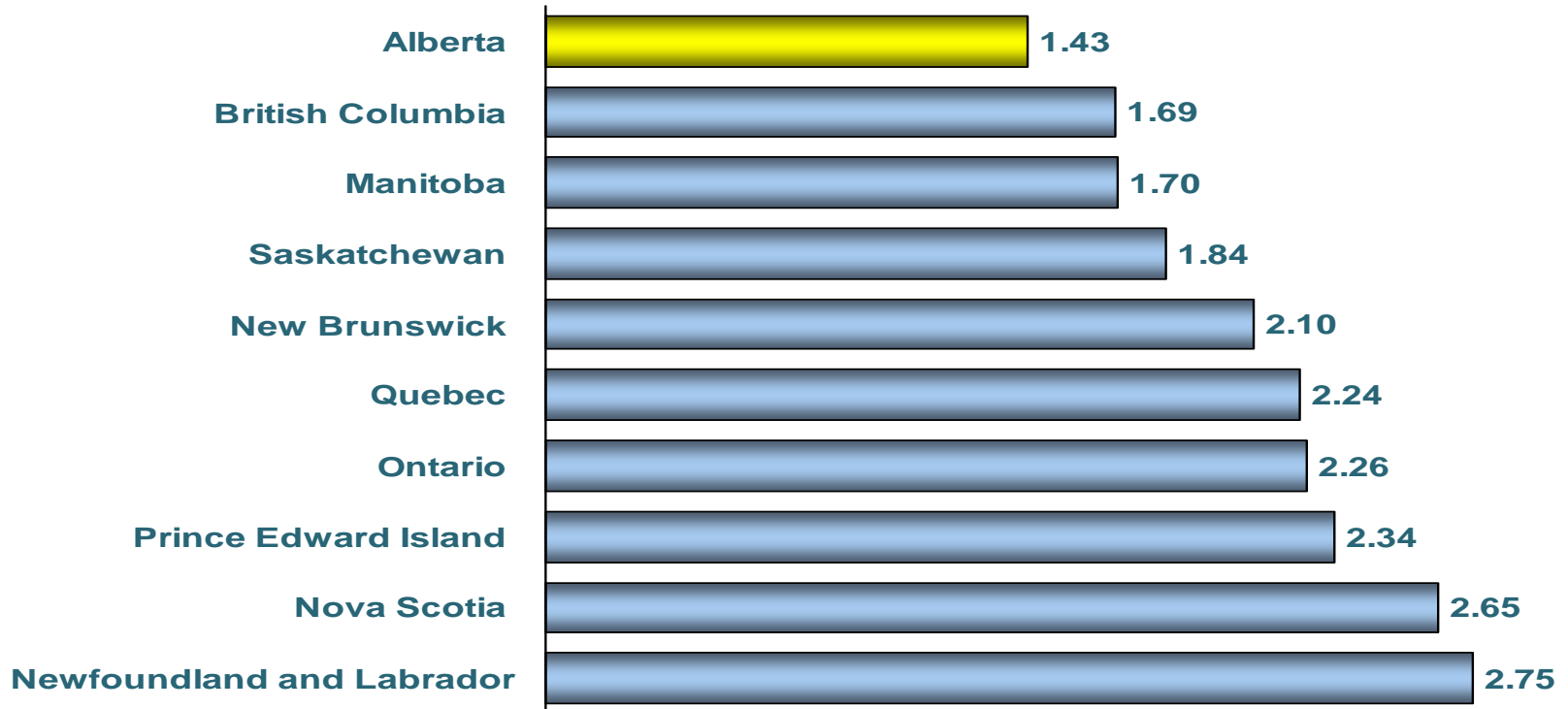


Source: Statistics Canada



# Workers' Compensation Board Premiums

## Workers' Compensation Board Premiums 2007 Assessment Rates\* Per \$100 Payroll



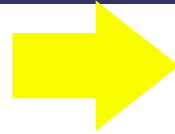
\* Provisional as of January 1, 2007

Source: Association of Workers' Compensation Boards of Canada



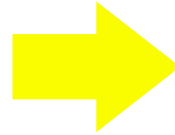
# Quality Education

University of Alberta



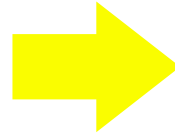
Canada's second largest English-speaking university with about 39,000 students\*\*. Extensive research facilities.

University of Calgary



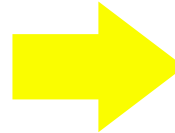
With more than 31,000 students\*\*, U of C is a major research centre.

University of Lethbridge



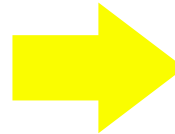
Has a focus on liberal arts and select professional programs (9,000 students\*\*).

\* NAIT & SAIT



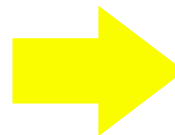
Among the largest polytechnical institutes in Canada, with over 47,000 students\*\* in total.

Public Colleges



14 public colleges with about 87,000 students\*\* in total.

Private Colleges



7 private (but publicly funded) university colleges with about 5,000 students\*\* in total.

\* Northern Alberta Institute of Technology and Southern Alberta Institute of Technology

\*\* Full Time and Part Time Students, 2004-2005



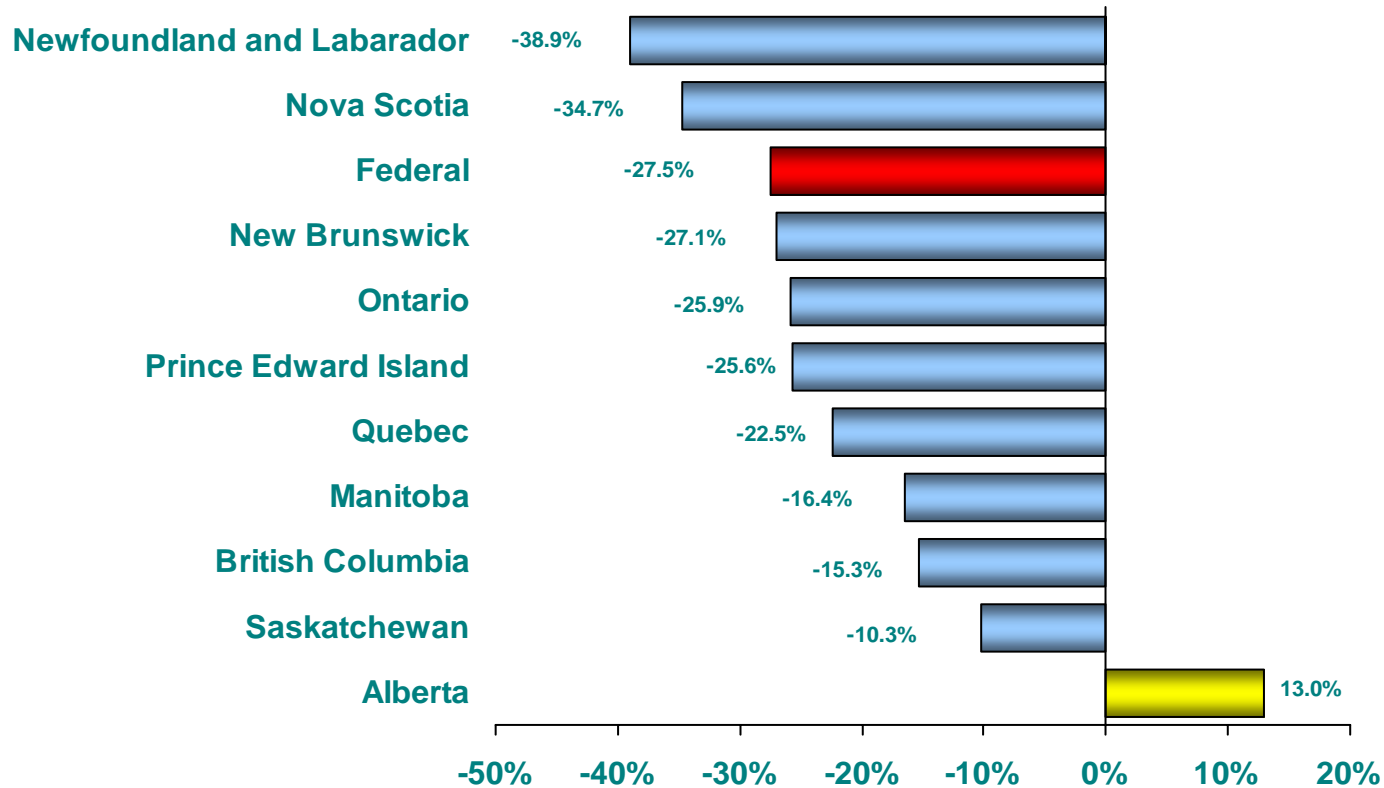
# Quality of Health Care

- The costs of health care in Alberta, as they are in the rest of Canada, are for the most part covered by general federal and provincial taxes. In Alberta, health care premiums are \$44 per month for individual coverage and \$88 per month for family coverage.
- Major medical centres in Edmonton and Calgary offer specialty and high technology care while pursuing active research programs.



# Provincial Net Assets/Debt

as a percent of GDP, March 28, 2006



\*Other Governments as of March 21, 2005. Excludes Pension Liabilities.

Source: Alberta Finance

