

Saskatchewan enjoys economic boom

In the home province of the Grey Cup winners, population increases and business grows

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OTTAWA -- When a good number of Canadians think of Saskatchewan, they think of things like farms, flat highways and the TV show *Corner Gas*, the theme song for which implies there's "not a lot goin' on" in that province.

However, it happens to be home to one of the hottest economies in country, with GDP booming, arguably the most in-demand residential real estate in Canada, and petroleum reserves that are starting to look good to oil tycoons put off by pending royalty hikes in Alberta.

"The mood is good, business is good, it's a great place to be at a great time," boasts Steve McLellan, CEO of the Saskatchewan Chamber of Commerce, who points out that, along with everything else, it's home to the Grey Cup-winning Saskatchewan Roughriders.

Economic growth, in some of its manifestations, is not always apparent to the people it surrounds. But one thing that is evident in Saskatchewan, McLellan says, is a change in people's attitudes over the last few years.

"It's a very positive environment here right now," he says. "Our cities are growing. Our civic leaders are optimistic about the future. Business is good just about across the board, from retail to resources. And people are generally in a good mood, and that's a good thing."

The Conference Board of Canada was tracking Saskatchewan's economic growth this year to amount to 4.3 per cent, second only to Newfoundland and Labrador's 6.8 per cent.

Benjamin Tal, senior economist with CIBC World Markets in Toronto, categorizes Saskatchewan as the "hottest province." He says the projection for Newfoundland's growth "doesn't count" because it is measured against relatively light activity and narrowly based on output from the oil industry.

The Canadian Real Estate Association was projecting the number of existing homes in Saskatchewan sold through the Multiple Listing Service (MLS) to rise 33.7 per cent this year for 12,220 transactions, the biggest proportional growth in the country. Prices were forecast to rise 17.4 per cent for an average of \$155,000, second only to Alberta's 24.6-per-cent growth.

Tal says Saskatoon is the strongest local real estate market in the country. The average resale price in November there was \$251,202, according the local real estate board, which was up 50 per cent from a year earlier.

The most recent Statistics Canada jobs report put Saskatchewan's unemployment rate at four per cent. The only province lower was Alberta at 3.6 per cent. Canada's overall jobless rate -- 5.9 per cent and just 0.1 point up from a 33-year low -- is nearly two points higher than Saskatchewan's.

There's myriad of numbers out there that tell a story about what's happening in Saskatchewan. But McLellan says no number is as telling as the province's population.

Statistics Canada's latest figures put Saskatchewan's population at more than one million as of Oct. 1. It has the highest rate of population growth in the country, and that marks a reversal in trends. The latest census, based on data taken in 2006, put Saskatchewan's population at 968,157, which was down 1.1 per cent from five years earlier.

McLellan finds irony in the idea of Corner Gas -- a TV show set in a small town where ATMs and cellphone reception are novelties -- being a mental benchmark for some on what Saskatchewan is.

"[The show] is a good example of both the old image and the new Saskatchewan," he says. "There's a million people a week who see that show, and it's a demonstration of the strength of the movie-and-television production [in Saskatchewan]."

Other TV shows produced in the province include Little Mosque on the Prairie, Moccasin Flats and Renegade Press.

But the big story in Saskatchewan is of natural resources.

There's a thriving petroleum industry, as evident in the record \$250.3 million the provincial government reaped this year though sales of Crown land for the oil-and-gas purposes.

"Largely, our recent boom is fuelled by the oil-and-gas industry," says Lyle Stewart, the province's enterprise and innovation minister.

Mining is a big part of it also. The province happens to be home world's biggest producer of of fertilizer, Potash Corp. of Saskatchewan Inc. Potash, nitrogen and phosphate are its main materials. The company recently announced a \$1.8-billion expansion of its mining and milling operations in Rocanville, Sask.

Saskatchewan is also home to Cameco Corp., the world's largest publicly traded uranium firm.

And the province's more traditional agricultural industry is experiencing a resurgence as global grain prices skyrocket. Tal notes that demand for ethanol as a seemingly earth-friendly fuel alternative or additive has created another dimension of demand for farm-grown resources, until recently, meant primarily for food purposes.

"Global demand for grains is at an all-time high and supply is at an all-time low," Tal says.

Similarities to Alberta are plenty, with both reaping the benefits of a world getting hungrier for oil and gas. As well, you have the economic centres in two main cities; Regina and Saskatoon in Saskatchewan, and Edmonton and Calgary in Alberta.

The population of Alberta is more than triple that of Saskatchewan, but some say it's conceivable that, decades from now, that gap could be close to erased. McLellan notes that Saskatchewan had a larger population than Alberta in the 1940s, but the latter's subsequent oil boom changed things dramatically.

Stewart declines to criticize Alberta's government for its decision to raise oil-and-gas royalties. But he says his government has no plans to do the same, and adds that there could be more oil-and-gas activity going to Saskatchewan as a result of Alberta's decisions on royalties.

Stewart says if there's a lesson to be learned from Alberta, it's that a provincial government needs to keep pace with population growth with appropriate investments in infrastructure such as roads, hospitals and schools.

"We will have the advantage, if we follow in [Alberta's] footsteps, of hindsight," he says. "And we hopefully will be able to handle the infrastructure demands maybe better than Alberta did, [and]] maybe some of the environmental issues because of new technology. ... We're a blank slate."

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