



A business event series presented by the Greater Halifax Partnership and The Chronicle Herald

Business beyond borders



Todd Gillis Photo

A container ship enters a busy Halifax Harbour last Tuesday afternoon while another departs. One of the many reasons the Port of Halifax is attractive to shippers is the fact that it is the only location on the East Coast that can handle fully laden post-Panamax container vessels; its strategic location connects both NAFTA and the EU, the two largest trading blocks in the world.

Opportunities to export around the world are 'significant' for Nova Scotia companies

By donalee Moulton
Contributing Writer

There are no borders in today's global marketplace. Companies of all sizes have the potential to export their goods and services around the province, around the country and around the world.

"Indeed," says David Surrette, regional vice president, Atlantic Canada of Export Development Canada, "the opportunities for Nova Scotia companies to export are significant. We need to build on those opportunities."

The foundation for transforming opportunity into reality is to look at the big picture, says Brad Smith, the Partnership's vice president of business development. "The supply chain model captures the essence of successful exporting."

It is useful to look beyond products and markets. Exporters — and particularly potential exporters — must examine every link in the chain from production to distribution to marketing. Each step along the way there are opportunities to enhance exporting potential. For example, if a Nova Scotia company is currently buying raw materials from a firm in another province then exporting a finished product, there may be a local sup-

plier that can provide the raw material as cost effectively, if not more so. Bringing that local company on board now means one more Nova Scotia firm is involved in exporting.

"The supply chain," stresses Mr. Smith, "doesn't just go in one direction — from company to market. There are suppliers, partners and opportunities that flow in both directions. We need to go with the flow."

Nova Scotia also needs to take advantage of one of its export strengths — intellectual capital. "Our full potential includes the service sector," notes Stephen Dempsey, president and CEO of the Greater Halifax Partnership. "There is a voracious appetite for expertise in the world market. We can help feed that appetite."

Firms like Jacques Whitford are doing just that. The Dartmouth-based environmental consulting company has more than 1,400 employees with 40 offices across Canada, in the United States and internationally. Its expertise in diverse and demanding sectors such as oil and gas, real estate, mining, commercial, industrial and government services has led Jacques Whitford teams into more than 65 countries working with clients in the Middle East, South and Central America, the Caribbean, Russia, China and South-



Bonnie Bobryk Photography

A CN Rail train makes its way from the Ceres container terminal in Halifax May 1. Halifax boasts a seamless intermodal connection from ship to the CN Rail line into the heart of North America. This rail link, combined with some of the most affordable rail freight rates in North America, gives Halifax a considerable competitive advantage over ports on the U.S. East Coast. It makes Atlantic Canada an attractive entry point to the whole continent.



Bonnie Bobryk Photography

A transport truck leaves Ceres container terminal in Halifax last Monday.

east Asia.

"We are proud to be headquartered in Atlantic Canada and working together with the Greater Halifax Partnership to grow our economy," says CEO Bob Youden. "Exceptional service is the path to our success. It begins with a genuine interest in understanding who our clients are — their businesses, needs and objectives — how they think and what they care about. That's smart business."

Client service and strategic thinking are critical to growth at the local level — and the international level, agrees CGI's senior vice-president of Atlantic Canada Cecil Smith. "Our goal at CGI," he says, "is to work together with clients to enhance their capability, help streamline their op-

erations and ultimately improve competitiveness."

CGI, a world-class leader in information technology and business process services, employs almost 25,000 professionals in more than 100 offices in 16 countries. In Atlantic Canada, the company has over 600 professionals working to serve clients here, and beyond.

"We are committed to growing our presence in Nova Scotia," says Mr. Smith. "This is a good province to do business in — and to export our services from."

Business, of course, can use a helping hand, and that's where the Greater Halifax Partnership's SmartBusiness initiative comes in. The program helps exporters and export-ready companies in a

number of ways. "We match exporting firms up with existing businesses to grow the supply chain," says Mr. Smith. "We also help companies by providing them with information they need when they need it."

The Partnership is not alone. It works closely with Export Development Canada, International Trade Canada and Nova Scotia Business Inc. to support companies as they enter or further enter the export market.

"Exporting is so much more than we traditionally thought," says Mr. Dempsey. SmartBusiness is a tool we use to take advantage of opportunities. Collaboration is another tool."

Watch out world.

Global economy not as robust in '06 but Nova Scotia well positioned for growth

By donalee Moulton
Contributing Writer

Albert Einstein and economists share one fundamental philosophy: What goes up must come down.

In terms of the global economy, says Stephen Poloz, senior vice president of corporate affairs and chief economist with Export Development Canada, the last three years have been on an upward spiral. That spiral, he predicts, is about to shift downward.

"The global economy is on a tear — we are in the third consecutive year of strong growth and inflation remains low," Mr.

Poloz notes. "But the expansion is showing its age, and the elements of a slowdown are steadily falling into place. The likely outcome? A sequential slowdown that spreads gradually from country to country and sector to sector, like dominoes falling onto one another."

Mr. Poloz, who is currently on an annual cross-Canada tour called *Let's Talk Exports*, points out that the steady improvement in global conditions since 2001 is leading many to erroneously forecast another great year in 2006. "The world grew by more than five per cent in 2004, and this momentum carried into the first half of 2005. But that is too fast to be sustained — a moderation will either oc-

cur naturally or the always-vigilant central banks will make certain of it," he says.

The bottom line: slower growth in corporate earnings. "Companies that looked very healthy during the past 18 months, and attracted plenty of low-cost financing, will lose some of their shine in this more challenging economic environment," says Mr. Poloz.

"Highly indebted countries' weaknesses will become more apparent, too, and a busy global electoral calendar in 2006 will bring those weaknesses under the microscope," he adds. "We will enter a much tougher credit environment, with less leverage than we see at present, in which investors will be more appropriately com-

pensated for the risks they are taking. In other words, risk spreads will widen in general, and some of them might widen a lot."

While the news for 2006 is not as bright as in more recent years, export growth will still be a reality — and an achievable goal — for many companies, especially in Halifax where there are many inherent advantages to reaching the global market. The Port of Halifax — on the Great Circle Route — is one such advantage. Another advantage comes in the form of partners and advocates, such as the Halifax Gateway Council, which effectively creates export opportunities.

On a provincial level, Nova Scotia's

sales to Europe are higher than the national average, and the province has more export diversification than the automobile-driven market in Ontario, notes Mr. Poloz. "At the same time, the province has developed a strong new export market in the energy sector, an industry that now makes a significant contribution to the provincial economy."

Let's Talk Exports

Just what companies can expect in 2006, and how they can enhance their export potential, will be discussed by Stephen Poloz at today's *Building Our Future* luncheon at the Westin Nova Scotian. For details, please visit: www.greaterhalifax.com

