

**Remarks by Stephen Dempsey, President and CEO, Greater Halifax Partnership
March 24, 2005 - Greater Halifax Partnership 2005 Annual General Meeting**



Ladies and Gentleman, thank you for joining the Greater Halifax Partnership for our 2005 Annual General Meeting. We are delighted to see so many investors and friends of the Partnership here this afternoon. Each of you has played an important role in our community's economic success

I want to begin by briefly talking about that success. 2004 was a very good year.

Today, there are 370,000 of us living in Greater Halifax - the most in our community's history. There are 21,000 businesses in Greater Halifax the most in our community's history. Each year, more people are attracted to Greater Halifax because there is opportunity here – last year alone saw 7,100 new jobs created – the most in recent history. As Neville mentioned, we have one of the lowest annual unemployment rates in the country, lower than Montreal, Vancouver, Toronto and Ottawa.

But the numbers don't tell the whole story. Looking back over the past number of years, there is a common theme emerging in Greater Halifax that is contributing to our success. That theme is partnership. We are seeing more cooperation, integration and coordination towards common economic objectives than we have seen in our community's history. We believe the correlation between this partnership approach and our economic performance is very strong.

An excellent example of this in action is HRM's Regional Planning Process. HRM's regional plan will provide direction for how our community will grow over the next 25 years. The plan is a framework that guides decisions on where we will live and the community and economic resources that will be necessary to support our lifestyle. HRM has consulted extensively with our community in the creation of this plan. In 2004, they partnered with the Halifax Chamber of Commerce to ensure that the views of the business community were identified and incorporated. Under the direction of Bill Black, the Chamber did a great job – assembling a team of sixty business leaders who researched, analyzed and developed recommendations on six key growth areas critical to Greater Halifax's economic future. I would like to commend the Chamber and their volunteers - and in particular the Chair Stephen Plummer and President Valerie Payn for the Chamber's important contribution to the regional plan

Now, one of the fundamental assumptions in HRM's regional plan is growth – economic growth

and population growth. The plan assumes that HRM's population will grow by one hundred thousand people. But that increase in population is not a given. Without economic growth – jobs and opportunities for people, our region's population will not necessarily grow. That's where we all come in. Through your businesses, you are building our economy \$1 dollar and one job at a time.

At the Partnership, we are working to support your efforts by taking action on issues and initiatives important to that growth. In our 2004 Annual Report, you will see the actions the Partnership has undertaken in the past year. I want to highlight just a few, because I believe they go to the heart of the Partnership's mission and role - specifically focused on building business confidence and the retention and expansion of existing businesses.

Let's look at confidence first. Research and experience tell us that business confidence is critical to investment and growth. A confident community invests in itself, stimulates external investment, develops new technologies, products and services and creates employment. For this reason, for the last 10 years, the Partnership has been using our marketing campaigns to change the way we view ourselves and the way we are viewed by others. It all started with our efforts to brand Greater Halifax as Canada's Smart City. It's easy to forget that before we launched our first marketing campaign, business confidence in Greater Halifax was at a dangerously low level and unemployment was the number one issue in the minds of business people.

Today, when surveyed, the majority of business people say they are confident about the future, Greater Halifax is firmly established as Canada's Smart City and our business people are among the most optimistic in the country when it comes to hiring new employees – More examples of this recognition and growth in confidence can be seen in our Annual Report. Last year we bolstered our efforts to build confidence with a call to action. Our '*I See Growth*' campaign encouraged business people to turn their confidence into investment and growth.

We backed the campaign with a new website that provides one-stop shopping to businesses looking for ideas and information supporting their growth. Last year, our websites generated over 2.6 million hits. The '*I See Growth*' campaign has generated 30 million media impressions in our region and beyond through integrated television, radio, print and billboard advertising – all aimed

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at supporting confidence and economic growth.

But this year, the Partnership undertook two important actions to get at something even more fundamental to our mission and our economy – the retention and expansion of existing businesses. Research and experience tell us that it is the retention and expansion of companies that already exist in our community that will generate the bulk of new investment, new jobs and new opportunities

MIT's David Birch says that, "Up to 80 per cent of job growth is generated by existing companies." Up to 90% of new investment comes from existing companies. Let me give you 2 examples of how we have put our business expansion and retention strategy into action. Last year, more than a thousand jobs were in jeopardy when Manulife Financial Corp. announced its intention to acquire John Hancock Financial Services – parent company to Maritime Life. The Partnership immediately saw the seriousness of this situation and mobilized 2 key partners – Nova Scotia Business Inc. and the Halifax Chamber of Commerce to join us in an effort to retain as many jobs as possible. Together, we made the business case for Greater Halifax so compelling that Manulife decided to retain almost all of Maritime Life's employees here. Following that commitment to our community, Manulife selected the Halifax branch of CGI as its IT provider – creating 300 new jobs – with 200 more CGI hires planned over the next 2 years here in Greater Halifax. Ladies and gentlemen, this initiative is a retention and expansion success story that generated significant national attention as Manulife and CGI executives praised our community for its attitude, talent, business environment and quality-of-life. Just as importantly, it spoke to the power of partnership – I am not at all sure what the result would have been without the quick action that the Chamber and in particular Nova Scotia Business Inc. brought to this initiative

My second example involves our SmartBusiness retention and expansion initiative. As I mentioned before, 80 percent of an areas growth comes from existing companies. This is why with your support and at the request of our primary investor, HRM, the Partnership is helping existing businesses remove barriers to growth and work to create the most competitive business climate in Canada. SmartBusiness drives economic growth one business at a time. Since launching SmartBusiness in June, our team of Account Executives have met with over 500 Greater Halifax companies representing 53,000 jobs or

approximately 25 percent of our workforce. We identified 173 companies with barriers to business growth. These barriers fall into 2 broad categories – issues specific to the individual company and issues shared by a large number of companies. We deal with the first type of issue immediately – as soon as it is identified, it is given to the member of an Action Team, a group of 22 public and private sector organizations in the best position to remove it To-date, we have resolved individual issues with 85 of the 173 companies and we are working on resolving the rest

But the second type of issue, those shared by a large number of companies, requires a different type of action. These systemic issues represent some of the entrenched growth barriers that lie just below the surface of any economy – barriers created by ineffective and burdensome regulations, inconsistent zoning policies, labour demand issues, access to financing, uncompetitive taxation and more. They can't be removed overnight and they will require significant public and private cooperation to overcome – but their removal represents tremendous opportunity. By the end of 2004, SmartBusiness has had a direct impact on retaining 760 jobs and creating 510 new jobs in Greater Halifax. Moreover, based upon the work we have already done, we estimate that in the near future the SmartBusiness strategy could influence the growth of 430 companies, create 3,700 jobs and an estimated \$1 billion in new economic activity in Greater Halifax.

Ladies and gentlemen, we believe that 2004 represented a very successful year for our economy and our Partnership... and our actions in 2005 will remain concentrated on our 2 primary areas of focus – growing business confidence and the retention and expansion of existing businesses. I would like to thank our Mayor Peter Kelly, CAO George McLellan and the entire HRM Council for their continued investment and support. I would like to thank the Partnership's Board of Directors, represented here today, for their guidance, commitment and leadership. I get to work with a great group of people every day. The team at the Greater Halifax Partnership is passionate about Greater Halifax and the work that they do to drive economic growth in our region. I want to thank them for their work. Finally, I'd like to thank our investors for their dedication to the economic growth of our region. It is through their continued generous support of time and dollars that we are able to fulfill our mandate.