

Canada's North Responding to World Demand

by Julianne Philpott

Living and working in Canada's eastern Arctic and North does not come without its challenges: undependable communications infrastructure, limited and expensive traveling options, skilled worker shortage and accommodation and housing challenges.

Despite necessary improvements that need to and will be made over the next few years in order to ensure the sustainability of the nation's northern region, countries around the world are quickly taking notice of the activity taking place here for one major reason: Canada's North has what the world wants.

From oil and gas to new tourism opportunities, the northern regions of Labrador/Nunatsiavut, Nunavut and Nunavik are responding to the needs of businesses in nearly every sector in many countries of the world. In an area of Canada that has struggled in the past to cultivate strong business partnerships or realize economic potential with other areas of Canada due to both distance and remoteness, these northern regions are now providing products and services to major players in the oil and gas, fishery, energy, transportation, infrastructure, mining and even arts and crafts sectors.

"It is difficult sometimes due to the expense involved for business people from the South to fully tap into the economic opportunity up North," says Hal Timar, executive director of the Baffin Regional Chamber of Commerce in Iqaluit, Nunavut. "Many people in the South are not aware of just how much economic activity and the scope of activity that is happening up here."

A testament to this activity, the amount of mining and mineral exploration in the North is growing at an unprecedented rate, a rate that will continue to increase substantially in the coming years. Although representing a mere 0.1 per cent of Canada's population, the territory of Nunavut has the largest land area of any province or territory in the country. This amounts to incredible potential in the resource development industry and means billions for Nunavut's real economic output in the mining field, production that will reach \$1.8 billion by 2020, twice the 1999 level of economic activity.

The untapped potential in Labrador's oil and gas sector is leading the way in Canada's North, with 4.2 trillion cubic feet of discovered natural offshore gas reserves. Industry giants like Husky Energy and Chevron are spending millions in exploration programs shaping Labrador into a world-class destination for oil and gas activity.

Perhaps for what Nunavik (northern Quebec) is currently best known, Quebec's long-awaited strategic plan, Plan Nord, promises \$80 billion in investments toward its infrastructure and socio-economic needs, a project to be carried out over the next 25

years. Described as one of the “biggest economic, social and environmental projects of our time,” Plan Nord commits to providing 20,000 jobs per year.

A mega-project on everyone’s radar this year, and projected to cost \$6.2 billion and provide 7,500 person years of employment, is the Lower Churchill Hydroelectric Generation Project – Muskrat Falls Generating Station. Deemed the most attractive undeveloped source of hydroelectric energy in North America, Muskrat Falls means billions of dollars for suppliers in the energy sector.

There is no denying that large-scale mining and energy developments in Labrador have contributed significantly to the progression of the Trans Labrador Highway, Sterling Peyton, president of the Labrador North Chamber of Commerce, says that those living and working in the Labrador region also drove the construction of the highway by articulating the need for such a critical development.

“The highway is something that will forever change the delivery of goods and services into Labrador,” says Peyton. “We’re not as dependent on others anymore. It’s opened up Labrador.”

With massive projects underway or in planning stages of development in nearly every sector, the North has the ability to respond to needs of businesses and suppliers all over the world. The increasing demand for iron ore and rare earth elements in China, the replacement of existing power infrastructure with alternative energy solutions found in the North, initiatives in Arctic ocean technology, high demand for northern clothing and unique works of art, and the recent strides that have been made in the fishing industry have positioned Labrador/ Nunatsiavut, Nunavut and Nunavik alongside other regions in Canada and abroad that are providing high-quality and first-rate products to the rest of the world.

“It’s all about developing your own circumstances in these places,” says Peyton. “If you don’t develop the infrastructure capacity in the North, how could you possibly grow the economy? You would be depending on an economy somewhere else.”

Many of these developments will be explored at the upcoming Northern Lights 2012 Business and Cultural Showcase, a joint venture of the Baffin Regional and Labrador North Chambers of Commerce that celebrates business and arts and culture in the regions of Labrador/ Nunatsiavut, Nunavut and Nunavik.

The event is taking place from February 1-4, 2012 in Ottawa, Ontario, and conference sessions include topics surrounding northern sovereignty, mining, arctic ocean technology, energy, tourism, oil and gas, climate change, transportation and infrastructure. For more information, please visit www.northernlightsottawa.com.