

## NEWS

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### **Saskatchewan eyes success in 2009, even as rest of country in economic turmoil**

**LATEST NEWS** 

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THE CANADIAN PRESS

REGINA - It's -20 C with the wind chill and snow is falling as Shelley Hood stands in front of her new home in Regina, ready to face her first Saskatchewan winter.

“Well, I hear it's a dry cold,” she laughs.

Hood has left the hustle and bustle of life in Toronto, enticed to the West with her husband and four children after meeting a delegation from Saskatchewan at a recent job fair.

“I was just really overwhelmed with how excited everybody was about Saskatchewan and how nice they were. There was actually a distinguishable difference in the room. It just gave you a really great sense that it was a good place to be,” says Hood.

“The job itself was more exciting than anything I was seeing in Toronto and once I started researching the city, I thought it would be a great lifestyle change as well.”

She's not alone.

People from every part of the country are flocking to the plain vanilla, square-cornered province.

Employment is strong and a booming economy has made Saskatchewan a rags-to-riches story. While economic storm clouds are raining bad news down upon the rest of the country, experts are confident that Saskatchewan will be a relative bright spot in 2009.

“We still think it's going to be the strongest province in the country over the next year,” says Robert Kavcic, an economic analyst with BMO Capital Markets. “That doesn't mean it's not going to slow and we're expecting it to slow actually quite sharply, but it still should be the strongest province in Canada.”

There are a lot of reasons for optimism.

Statistics Canada figures show that Saskatchewan's population growth in 2007-08 was the strongest since the early 1970s. For the first time, the province led the pack when it came to interprovincial migration.

It also had the lowest unemployment rate in all of Canada in November, with 14,800

more people working than in November 2007.

Sales of Crown petroleum and natural gas rights helped swell provincial coffers by a record \$1.12 billion during the past year.

Both the National Energy Board and the Saskatchewan Ministry of Energy and Resources say the province has more than enough conventional gas to keep that industry active for many years.

The Conference Board of Canada forecasts that Saskatchewan will lead the country in economic growth in 2009. In its autumn 2008 outlook, it said "Saskatchewan is in a league of its own; booming conditions are anticipated to persist well into 2009."

It's a lot of attention for a province often considered little more than the long and boring drive between Winnipeg and Calgary.

And Saskatchewan Premier Brad Wall is crowing. "Our standing has increased right across the country and in North America," he said during an interview with The Canadian Press.

The icing on the cake is the \$2.3-billion provincial budget surplus. That extra cash gave Wall's government room to make a significant income tax cut in the past year and reduce the provincial debt by about 40 per cent - to \$4.2 billion. Wall says his next budget, to be delivered in March, will be the "best chance to peer into the future" to see when the government might be able to eliminate its debt.

Still, Wall is quick to caution that commodity prices will play a major role. Much of the surplus has been based on high prices, including for oil. It soared to nearly US\$150 a barrel in 2008 and then tanked to below US\$40 by year's end.

Commodity prices are also raising concerns on the farm. Some producers, like Norm Hall, suggest the boom was too short-lived and there could be tough times ahead in 2009.

"This one-year blip, yes it was really nice and we really appreciated it, but it wasn't long enough to catch up with all the bills," says Hall, who owns a farm near Wynyard with his brother.

There other concerns, too, as the perception of Saskatchewan changes and the province becomes a destination for people rather than a revolving door.

The resort village of Katepwa, which is nestled in the Qu'Appelle Valley just northeast of Regina, is so small it doesn't even have a postal code. It's a scenic spot with beaches and a lake.

The boom has brought in so much money that some of the village's 200 full-time residents feel they could be forced out. Waterfront property that went for \$16,000 about

25 years ago now draws a cool \$600,000.

“It's insane. It's false, but it's supply and demand,” says Mayor Fred Weekley.

“We want to control it in some fashion that it still maintains its character.”

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