

Big plans to set up in Nova Scotia



Technology, financial companies create stir with announcements they're coming east and will be hiring

By STEVE PROCTOR Business Editor

Stephen Lund believes 2006 was the most significant year for the development of Nova Scotia since Michelin announced it was going to make tires in the province 35 years ago.

The head of the province's development agency, Nova Scotia Business Inc., says that with Research In Motion investing \$230 million to build a technology centre in Hammonds Plains, and several finance and insurance companies committing to set up shop and create 1,000 high-paying jobs over the next six years, the province is set to thrive.

"What is the single biggest driver of growth in world economies today? Technology. Who is leading the charge? RIM. Where did they choose to locate when they had 20 other communities shortlisted in Canada? Halifax. It doesn't really get any better than that, does it?"

The RIM deal is far more significant than the 1,200 jobs the maker of the BlackBerry promises to create, says Mr. Lund. It gives the province a global profile that will lead to other companies looking at the province.

"They'll say, 'If RIM is there, and they're the best, what are we missing? Why aren't we there?'"

The same kind of talk is going on about Halifax as a financial centre. After four international companies announced in the fall they were coming to the provincial capital to create almost 1,000 jobs, Mr. Lund said he spent hours fielding calls from reporters and financial companies around the globe wanting to know what was going on.

"People don't realize how different it's going to be. They don't get how significant these announcements are."

The companies that announced new offices or expansion of existing ones included Olympia Capital, a hedge fund; Marsh Inc., a global risk specialist; Butterfield Bank of Bermuda; and fund administrator Citco Group of Curacao.

"It's not just the direct jobs," said Mr. Lund. "Everyone is going to benefit — restaurant owners, taxi drivers, cleaners. Over the next 10 years, the taxes the new finance companies will pay could allow the province to buy 30 to 40 MRIs for hospitals. Everyone in the economy is going to benefit."

Sunny Marche, an associate business professor at Dalhousie, said the deals announced this year are substantial.

"This is not government smoke and mirrors. These are very good-paying jobs. These are not call-centre positions. This is the knowledge economy at its best."

He said new finance clusters and booming global interest in hedge funds mean Nova Scotia graduates are in a good position to land good jobs. He said the province's competitive advantage lies in its highly educated workforce, its improving technology infrastructure and the relatively low costs for doing business.

Don Mills, president of Corporate Research Associates in Halifax, believes the ties established with Bermuda and the Caribbean this year can be further exploited.

"There are literally hundreds of Dalhousie grads working there already, so we have links that can be strengthened," he said. "They have lots of major companies on the island that could see Nova Scotia as a good place to expand."

As a partner in Total Marketing and Communications, a Bermuda marketing and research firm, Mr. Mills said he visits the island frequently and is pleased to hear locals there talking about Halifax as the new Dublin, Ireland.

Dublin, once a down-and-out community with tremendous economic problems, is now one of the economic bright lights of Europe. The city, and the country as a whole, was able to turn it around by targeting development in technology, insurance and banking, the same sectors Nova Scotia has been pursuing.

David Wicks, head of the Sobey School of Business at Saint Mary's University, said the activity has been exciting for students. He said RIM has been on campus recruiting a couple of times, as have the financial companies.

"Students are seeing first-hand they don't have to go out west to make a good living," Mr. Wicks said. "They can stay in Nova Scotia and have a rewarding career. Our universities and the community colleges are going to play an important role in keeping this good-news story. These companies are looking for innovative thinkers, and you can't innovate if you don't have an education."

The province is giving RIM a \$14-million payroll rebate program, a tax rebate linked to numbers of employees hired, and a \$5 million financial package with recruitment and training incentives. The financing packages made available for the other projects appear in the charts below.

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