

Investors courted



Premier Bob McLeod and Francois Rossouw, fur marketing specialist with the Department of Industry, Tourism and Investment, attend the annual Beijing Fur Fair as part of the GNWT's trade delegation to China earlier this month. In addition to wild furs, the premier touted aurora tourism and natural resources.

photo courtesy of GNWT

Premier hoping to see China play greater role in industry, tourism, investment

by Daron Letts
Northern News Services
Beijing, China

Premier Bob McLeod returned from his second visit to China as leader of the GNWT earlier this month, optimistic that Chinese investment in the territory will soon grow.

"I think we made some good contacts and I think we're on the right track," he told *News/North* last week, shortly after returning from Shanghai. "The Chinese were very excited because, as they say, we're a perfect fit – Canada, China and the Northwest Territories – because the demand for resources is such that it's increasing incrementally every year and they have a lot of people, a lot of production, but they have few resources."

While meeting with Chinese government officials in the lands, resources and energy sectors, as well as representatives from Chinese mining companies, McLeod said he had an opportunity to assuage some of his hosts' fears about investing in the NWT.

"We talked about what they saw as the challenges to investing in the Northwest Territories and I think we went away with a much better understanding of what they saw as the challenges and we talked about what kind of things we could do to improve," he said. "What I came away with was that it was very clear that the Chinese have invested in other foreign countries and they've been burned in quite a few cases and so they're very careful now and they exercise due diligence. Here in the Northwest Territories, they had questions about our regulatory process, what our investment policy was, what kind of taxation, whether we had specific programs to help

attract Chinese investment, whether their workers could be allowed to work on projects – that kind of information."

In response, McLeod said he explained that devolution comes into effect on April 1, and that the GNWT and the federal government are collaborating to "provide for an efficient and effective regulatory process" and that the GNWT would be administering the royalties with a taxation regime that "recognizes the high cost of operating in the Northwest Territories."

He also distinguished between Prime Minister Stephen Harper's two-year-old virtual ban on further state-owned enterprises investment in Alberta's oil sands according to the Investment Canada Act, and the open door to foreign investment in the emerging projects in the Sahtu's Canol shale play.

Although McLeod pitched the NWT as a storehouse of an estimated 81.2 trillion cubic feet of natural gas and nearly seven billion barrels of untapped oil, the Chinese officials were cautious, he said.

"One of the things that they felt was lacking (when discussing NWT oil and natural gas) was that they didn't have specific project information that they could look at investing in," he said.

The Chinese officials also did not engage with the territories' hydroelectric potential, he said.

"I don't think they saw it as an area that was interesting to them, other than how it could make other projects go forward – unless we could show that it would be significant returns on their investment," McLeod said. "The main interest was in how (hydroelectric projects) could help develop mining projects or other projects."

Among the questions the Chinese government asked was whether Chinese companies that invest in the NWT would be permitted to bring their workers into the territory.

"That's something that we are looking at already and we're trying to come up with some new initiatives in that area," McLeod said.

Chinese investment in the NWT is on the way, he said.

"We had some specific project meetings on the mining side and the one mining proponent that was with us (representing Fortune Minerals Inc.) participated in meetings and I'm very optimistic that we will have some Chinese investment very soon," he said.

Fortune announced last summer that Procon Resources Inc. had agreed to make a strategic investment of \$11.7 million in the company's capital stock of Fortune, in two allotments of \$5,850,000, which represents a 19.4 per cent ownership stake in the company. Procon is majority owned by Beijing-based China CAMC Engineering Co., Ltd., a subsidiary of China National Machinery Industry Corporation.

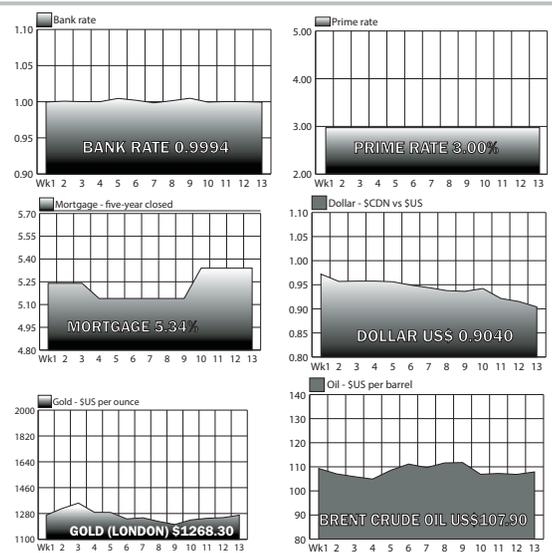
The companies agreed to work together to advance the NICO Gold-Cobalt-Bismuth-Copper Project, located 50 kilometres west of Whati.

"There's other mining projects that have been approved that are also travelling in China because, I mean, the capital that's available for development in Canada has really – there's not much available," McLeod said.

He said he expects another GNWT trade mission to return to China within a year.

"Everybody wants to get into business with China, so if you don't get in there, you're not going to get any of that investment," he said.

TRENDS AT A GLANCE – past 13 weeks



BUSINESS Briefs

with Daron Letts

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Northern Lights showcase ready to shine

Ottawa

The Northern Lights business and cultural showcase is scheduled to begin in Ottawa Jan. 29.

According to the Labrador North Chamber of Commerce, 160 booths had been booked as of late last week and 530 delegates had registered.

The Labrador chamber is handling registration this year, while the Baffin Regional Chamber of Commerce co-ordinates the biannual event. The event runs until Feb. 1 at the Ottawa Convention Centre.

Students, unemployed pursue labour skills

Kangiqiniq/Rankin Inlet

A group of youth now possess additional employment skills following a training program that concluded in Rankin Inlet earlier this month.

It was the second program aimed at work readiness delivered by the Kivalliq Mine Training Society (KMTS) during the past few months. The first program was held in Repulse Bay.

The KMTS program is aimed at youth between the ages of 16 to 30 who are out of school and have no job.

The participants learn about basic work-placement skills, resume writing and conflict skills.

In Rankin, the participants were involved in a three-week program on work readiness delivered through Nunavut Arctic College, and spent four weeks cleaning the old nickel mine site and community inuksuk through a partnership with the Hamlet of Rankin Inlet.

They also received first-aid training and obtained their Class 5 driver's license during the program.

KMTS program development officer Evan Morrison said the program went fairly well in Rankin.

Of the 14 participants who began the program, 10 stuck with it, he said.

"The program helps them get to know their local employers better and, also, to get better motivated to find a job or go back to school," he added.

– Darrell Greer

Time to plan for summer student hiring

NWT/Nunavut

Businesses, not-for-profit organizations, registered co-operatives, and municipal governments that plan to hire students this summer have until Jan. 31 to apply for federal wage subsidies.

The Canada Summer Jobs program provides up to 50 per cent of the territorial minimum wage of \$10 per hour for employees between ages 15 and 30 who are registered as full-time students this academic year, and who intend to continue full-time studies in the next academic year.

To be eligible, the jobs must feature a minimum of 30 hours and a maximum of 40 hours per week and run between six and 16 weeks in duration.

There is no cap on the number of employees that can be signed up for the program, but only companies with 50 or fewer employees across Canada may apply.