

Opportunities North 08

A Vision for Yukon's Future, October 1, 2008 Premier Dennis Fentie

Ladies and gentlemen, honoured guests, welcome to the 2008 Opportunities North Conference – Your Future is Here!

I'm pleased to tell you here today that Canada's future is here in Canada's North.

This morning I will be talking specifically about a vision for Yukon's future.

In 2005, our government embarked upon a visioning exercise, entitled "Pathways to Prosperity; An Economic Growth Perspective, 2005 to 2025".

That visioning document concluded that economic activity in Yukon will be robust for the foreseeable future with employment levels steadily increasing and overall economic output increasing on a year-to-year basis.

Yukon's growth will be fueled by an explosive demand for the Territory's abundance of mineral resources, oil and gas and other resources, as well as a dramatic expansion in the tourism sector due to a surge in the desire of international travelers to experience Yukon's breathtaking wilderness and northern cultures.

Employment opportunities will be abundant not only in the mining and oil and gas sectors but also in trades, professional and financial services, cultural industries, the knowledge sector and tourism.

The recreation and entertainment sectors will expand with venues catering to the growing youth segment of the population.

Yukon's economy will continue to diversify fueled by growth in economic sectors such as film and sound, cultural and knowledge based industries, oil and gas including pipeline infrastructure, forestry and value-added manufacturing.

Cold climate technology and research capacity will grow leading to improved production and developments in the construction, mining and oil and gas industries.

Environmental technologies will minimize impacts of mining, forestry and pipeline construction. Ladies and gentlemen as I speak to you here this morning Yukoners are turning that vision into reality.

In 2008, we are on track and on target in fulfilling Yukon's future promise.

Our Territory is one of the last great frontiers with an abundance of untapped business potential. The key to unlocking this business potential is private sector investment combined with partnerships – partnerships with the private sector, partnerships between our respective governments and the Government of Canada, partnerships with First Nations, partnerships with Alaska and British Columbia, as well as partnerships with our United States, European and Asian markets.

Let me give you some examples.

Yukon First Nation development corporations are actively seeking partnerships to work on projects that range from building community infrastructure to developing lands.

The Alaska-Canada Rail Link Pre-Feasibility Study is a recent initiative led jointly by the Government of Yukon and the State of Alaska to examine the long term multi-modal rail transportation development potential of Yukon and Alaska.

The Yukon Government has made a commitment to secure tidewater access for Yukon, the completion of the Yukon Port Access Strategy and our participation on the Skagway Port Development Committee are very important first steps towards meeting this commitment.

Strategically situated, with shipping access to Asian markets and providing a land link between Alaska and the rest of North America, Yukon is positioned to leverage its world class mineral and oil and gas deposits, breathtaking scenery and skilled and adaptable people.

Our government has developed an investment attraction strategy to guide the development of a diversified private sector economy.

Yukon's reputation is growing internationally and we have spread the message that Yukon is "Open for Business".

Developing trade links to China and the Asian region is an important initiative as it manages Yukon's global economic risks by diversifying our trade partners.

Trade linkages to Asia build trade and investment opportunities with these growing economic powerhouses.

By building a strong relationship with contacts in Asia, we are positioning Yukon as an excellent place to do business.

While this relationship-building process has taken some time to develop, we are now beginning to see the fruits of our labours.

On March 5, 2008, North American Tungsten Corporation Ltd announced a private placement, strategic alliance agreement with China's Hunan Nonferrous Metals Corporation.

The agreement will raise approximately \$19.4 million for the development of the Mactung Project.

This is but one example of how our work and investment attraction efforts have led to new investment capital, which is critical to growth because it enables businesses to expand operations, pursue new opportunities and explore potential.

Yukon is part of a Northwest trading region and economic and communications corridors that are fostering greater international relations that will help develop strategic partnerships to enhance our competitiveness in the global marketplace.

Our major deposits of zinc, tungsten, copper, iron, silver, gold and coal are in high demand by China and other countries in Asia.
Asia requires considerable mineral resources in order to maintain its growth path.

Increased demand, among other things, has contributed to exploration spending in Yukon in 2007, approximately \$140 million, and is leading to new mine developments, resulting in new jobs for Yukoners.

The Territory is also blessed with an estimated 20 trillion cubic feet of untapped natural gas potential and an estimated 900 million barrels of oil.

Yukon promotes exploration of this potential and development of pipeline infrastructure to get our natural gas to market.

The Mackenzie Valley and the Alaska Highway pipeline projects come readily to mind.

Both projects offer enormous business opportunities for the North, and will inject billions of dollars into the North American economy.

The recent decision by the State of Alaska to issue TransCanada a license heightens the need for governments to ensure that a clear and effective regulatory process is in place in Canada and that the costs and benefits are understood and identified.

We believe that it is important for Canada to engage with First Nations in a timely and committed manner to ensure that legal consultation requirements are met and that First Nations have the necessary capacity to fully participate in project planning and benefit from the project.

The Yukon Government for its part is continuing to do its work to be "Pipeline Ready".

Our government is working with Alberta and British Columbia under the strategic action plan that was signed by Premiers and working with the State of Alaska and project proponents.

TransCanada Alaska will now move forward with project development, which will include engineering, environmental reviews, aboriginal relations and commercial work, concluding with a binding open season by July 2010.

Yukon has seven conditions in relation to the Alaska Highway Pipeline, namely:

- Ensuring a net fiscal benefit to Yukon;
- Enhancing positive socio-cultural impacts while mitigating negative socio-cultural impacts;
- Promoting environmental stewardship;
- Recognizing community and First Nation interests;
- Advancing a clear and efficient regulatory process;
- Supporting economic pipeline access for Yukon natural gas; and
- Requiring take-off points for natural gas energy use within Yukon.

Transportation infrastructure is essential to economic growth in the Territory and significant long-term investment is critical for improving transportation infrastructure to meet growing demands.

Our government has made a number of commitments to address transportation infrastructure issues in the Territory.

Yukon is pushing for the completion of the Shakwak North Alaska Highway project, planning for the major reconstruction and upgrading of the Campbell Highway, completion of improvements to the Whitehorse Air Terminal Building and implementation of the vision outlined in “Prospective Corridors to Growth – A Transportation Vision for Yukon”.

Further, as part of the “Western Transportation Strategy”, Yukon, Northwest Territories and Nunavut were tasked with developing a northern transportation blueprint.

In February 2008, all three Territories signed “Northern Connections: A Multi-Modal Blueprint for the North”.

Northern Connections identifies issues and challenges for four modes of transportation in each Territory – road, rail, air and sea, including;

- Aging road infrastructure, some sections of which fall below modern highway standards;
- Rapidly increasing industrial and recreational use of road systems;
- Rapid economic growth;
- Climate change impacts, including melting permafrost;

Work is already underway to address these challenges.

We are investing heavily in our highways, we are expanding our airport and we are working to ensure tidewater access.

The development of renewable energy infrastructure is another key requirement to promote the Territory's future economic growth.

Yukon is poised to invest in solutions that will enhance both the environmental and economic sustainability of northern communities and looks to the federal government and other partners to achieve our goals.

Yukon appreciates Canada's recognition of the importance of the North and would point out that enhancing the sustainability of northern communities also enhances Canada's sovereignty.

The Territory must work towards eliminating the need for diesel-powered electrical energy generation.

Hydro electricity is Yukon's best clean energy option at the present time and we will be looking to form partnerships with Canada, First Nations, and the private sector to develop this potential.

In May 2008, our government released two documents for consultation: our Energy Strategy, which will guide energy programs and economic development in the energy sector over the next ten years, and a Climate Change Action Plan, committing to establish Yukon targets for greenhouse gas emission reduction within two years and to enhance support for climate change monitoring, education and adaptation initiatives.

Two very key initiatives emerge out of the Climate Change Action Plan:

- The establishment of a Yukon Research Centre of Excellence; and
- A Yukon Cold Climate Innovation Centre in affiliation with Yukon College and its Northern Research Institute.

The Yukon Research Centre of Excellence will focus on climate change adaptation, attracting research to Yukon, building on the existing body of knowledge, ensuring Yukoners benefit from the results of northern research, increased economic and industrial benefits of research and becoming a leader in climate change research and development.

The Yukon Cold Climate Innovation Centre involves developing a research, development and commercialization centre for the export of new, innovative products and services.

The mandate of the Innovation Centre will focus on cold region technologies, including building construction and maintenance, municipal infrastructure; including water, sewage, heat and power, waste and road, geo-technical works – construction and infrastructure specialties that may

be applied also to mine reclamation, transportation, permafrost, pipeline and other fields that may present themselves.

Collaborative and partnering initiatives through MOU's between Yukon College and the University of Alberta exist now.

Initiatives such as the Yukon Research Centre of Excellence and the Yukon Cold Climate Innovation Centre are perfect examples where collaboration and cooperation between Yukon and Alberta can further move these projects forward and create new opportunities.

In the October 2007 speech from the throne the Government of Canada committed to build "a world-class arctic research station that will be on the cutting edge of arctic issues, including science and resource development".

In a letter to the Prime Minister, our government encouraged a pan-northern "Node and Network" approach to northern research, as well as links between the Yukon Research Centre of Excellence and the proposed federal Arctic Research Station.

As you can clearly discern from all that I have said so far, the vision for Yukon's future is built upon providing business opportunities and private sector investment through infrastructure that supports development, streamlined regulatory regimes and partnerships; partnerships with governments, First Nations and the private sector.

In closing, I would like to say that these are exciting and challenging times for Yukon as we proceed down the pathway to prosperity towards a bright future in decades to come.

I wish you all a successful conference and to all our guests, enjoy your stay in Yukon and have a safe journey home.