

SPEAKING NOTES

by

PREMIER FENTIE

**Economic Club of Toronto
Breakfast Meeting**

April 10, 2007

- Good morning ladies and gentlemen.
- It gives me great pleasure to be here.
- It is wonderful to see so many business people, in addition to my territorial counterparts, here today.

Introduction

- Ladies and gentlemen, Yukon is truly coming of age. The recent 2007 Canada Winter Games held in Whitehorse has demonstrated to Canadians the tremendous energy, ability, and opportunities in Yukon.
- The Games were held from February 23 to March 10. 2,649 athletes competed in 22 sports supported by 457 coaches, 238 team managers and 239 mission staff.

- The event attracted more than 250 members of the media and over 600 VIPs: The most national sponsors to date, and the most broadcast hours of any past Canada Games.
- And what an amazing northern experience it was. In the true northern tradition of friendship and hospitality, the Yukon, Northwest Territories, and Nunavut joined together to make the 2007 Canada Winter Games a Pan Northern celebration, welcoming athletes and participants from across the nation to share in the unique spirit and beauty of our land.
- The Games provided a showcase for Canadian athletic talent- highlighting the northern regions of Canada; and they presented an opportunity to nurture Canadian pride.

- In addition to the athletics, Whitehorse hosted several non-sporting venues including the Athletes Village, Mission Centre, the Media Centre, the Volunteer Centre, and venues for the Opening and Closing Ceremonies.
- With Whitehorse as the host city, Canada's North was front and centre, and Canada's eyes focused on our remarkable region of the country. The 2007 Canada Winter Games were an unparalleled Pan Northern experience teeming with the sounds, sights, and aromas of Canada's North.
- Yukon is proud of its contribution to Canada's sport development system, and will benefit for years to come from the lasting legacy of sport facilities, community pride and national unity resulting from this experience.

Yukon: Solid Investment Climate

- But Yukon is not only a great place to play – it features a solid investment climate as well.
- Since April 1, 2003, through devolution, decisions about Yukon resources are made by Yukoners. Our government has worked to establish regulatory certainty for our resource sector investors.
- The Yukon government has no debt, no territorial sales taxes, and highly competitive taxation. In fact, we have some of the lowest personal and income tax rates in Canada. In addition, the Yukon government spends a higher percentage of its annual budget on capital projects than any other Canadian jurisdiction.

- Whitehorse is home to an international airport with; direct jet service daily from Vancouver, Calgary and Edmonton; scheduled service to the Northwest Territories and Alaska; and twice weekly service to Frankfurt Germany April to October.
- Yukon boasts its own airline, Air North, which has been carrying people and cargo to destinations in the Yukon, British Columbia, Alberta, Northwest Territories and Alaska for over 30 years.
- Yukon has access to more than 4,800 kilometers of all-weather roads, with a year-round highway system. 98% of communities, homes and Yukon businesses have access to high speed internet.

- Because of this connectivity, our educated workforce, our air access, and a proactive government combined with our clear lifestyle advantages, Yukon has attracted an impressive amount of business activity.
- Our technology and media based companies are leaders in multimedia animation, web design, software design, and telecommunications.
- IT firms, graphic designers, artists, animators, and internet companies involved with new media technologies are proving Yukon to be a prime location for the knowledge-based sector.
- Yukon College in Whitehorse offers a large selection of courses for working professionals looking to upgrade their skills, and full-time students wanting to establish a career.

- Yukon boasts world-class health services and recreational opportunities. Whitehorse has a new hospital facility with up-to-date equipment and highly trained staff.
- In addition, there are health centers and nursing stations that provide 24-hour care in the rural communities.
- We are a modern people; adaptive, entrepreneurial and creative, who choose to live in a place that affords us an extraordinary quality of life. Innovation is in our nature; finding unique solutions to northern challenges in a variety of sectors.
- Yukoners have worked in the natural resources industry for over 100 years. From forestry to mining; generations of families have shared trade techniques to develop Yukon and adapt to the changing world.

- Our territory is one of the last great frontiers with an abundance of untapped business potential. Our rich cultural legacy, geography, natural resources, proximity to major economic centers, advanced telecommunications network, and positive investment climate are fueling growth.
- Yukon First Nations are in a unique situation compared to many parts of Canada. 11 of 14 First Nation Final Agreements are now signed; which means that Yukon provides business certainty and transparency in land and environmental regulations.
- In addition, Yukon First Nations are partners and key players in the development of the Yukon economy.

- Yukon First Nation development corporations are actively seeking partnerships to work on projects that range from building community infrastructure to developing lands.
- With active Development Corporations, businesses, and entrepreneurs Yukon First Nations are well positioned to generate opportunities and wealth for their citizens and communities.

Our Yukon Advantage

- As the world's economic axis shifts to Asia, the advantage of Yukon's strategic location advantage is becoming increasingly clear.
- Yukon's access to ice-free Alaskan ports, establishes a bridge between Asia and southern Canada, and ultimately to the rest of North America.

- As such, Yukon is becoming a key transportation and trade corridor that has potential to include road, rail, pipeline and fiber-optic networks, and access to ports. Yukon also offers strategic access to international markets.
- Export products and commodities can be transported from the Whitehorse region to Skagway and then seaward to Asia more quickly than shipping from Prince Rupert or Vancouver, BC port facilities.
- Within Canada and the U.S., a surge in demand for resources is evidenced in the planning of two gas pipelines, oil and gas exploration, renewed interest in Yukon's world class mineral resources, and major infrastructure projects.

- Increasingly global interest is turning towards Yukon as explosive growth in demand for minerals, oil and gas, and other resources has propelled commodity prices to historic highs.
- Yukon is blessed with defined deposits of high-quality gold, copper, and lead with world scale deposits of tungsten, silver, zinc and iron.
- Demonstrating the demand for Yukon's resources, mineral exploration and development expenditures reached an estimated \$132 million last year. A near record high for Yukon.
- We also have untapped natural gas potential estimated at 20 trillion cubic feet, and oil potential estimated at 900 million barrels.

Infrastructure

- To fully realize the potential of our resources, we are supporting a number of significant infrastructure initiatives.
- Industry has determined that both the Mackenzie Valley and the Alaska Highway pipelines will be needed to meet the energy demands of the south.
- Both projects offer enormous economic opportunities for the North, and will inject billions of dollars into the North American economy.
- To this end, we have formed alliances with Alaska, Alberta, British Columbia and the Northwest Territories to advance these projects. Together we have tremendous opportunities to develop largely untouched oil and gas resources.

- As many of you know, the Yukon government has also continued to advance the Alaska-Canada rail link Pre-feasibility Study.
- The completed study will give us a sound, fact-based means to determine how to proceed with such a far reaching project.
- The study will provide an opportunity to examine the long term multi-modal transportation development potential of Yukon and Alaska. In examining a range of routing options and phased development scenarios, the study will provide a foundation of information to guide the infrastructure development necessary to fully realize Yukon's natural resource potential.

- The extensive data research and analysis of the study will help inform government decision making and provide the private sector with valuable economic models for the further development of mineral properties.
- In lock-step with the rail link study is a port access study.
- In Yukon, the key issue is not just getting our resources to tide-water, but providing industry the certainty that transportation infrastructure will ensure the lowest possible production costs.
- Both the Yukon Ports Access Strategy Study and the Alaska Canada Rail Link Pre-Feasibility Study were prepared jointly for the Government of Yukon and Alaska.

- Together these studies are a significant part of the development of a new North Pacific-Rim Trade Corridor. Transportation infrastructure development in the Yukon is inextricably linked to the increasing demand for natural resources in Asia markets.
- Yukon is actively working to address these transportation issues to ensure the private sector is able to fully realize its potential in Yukon.
- We are looking forward to a joint release of these studies very soon.

Conclusion

- Yukon is at the beginning of a long and promising new era in our economic growth and development.
- Our projections indicate that Yukon's population will continue to grow to record levels, contributing to an ever expanding labour force.
- We will meet the future with a skilled labour force, rewarding career opportunities, and strong First Nation participation in the domestic and global economy.
- Looking ahead, our government believes the opportunities in Yukon will be second to none, as we move forward with the expansion and diversification of our territory's economy.
- I invite all of you to take part in these

- prosperous times, and join us in building Yukon's future, the North's future and Canada's future, together.
- Thank you.