



Canada: Identified Procurement Opportunities in the Atlantic Provinces

Luz Betancur
July 09

Summary

Despite the global recession, spending on major projects in Atlantic Canada is forecast to rise 9 percent in 2009 thereby providing excellent opportunities for U.S. companies. According to the [Atlantic Provinces Economic Council](#) (APEC), 329 major investment projects have been identified (new and ongoing), with an estimated value of CDN\$86 billion, an increase of 13 percent over last year's projects value.

These projects are benefiting from a drop in material cost, exchange rate fluctuation, and affordable labor costs. Several large private projects that are in the advanced stages continue to move forward, providing important support and economic stability to the Atlantic Provinces, primarily as the provincial governments of Nova Scotia, Newfoundland and Labrador, New Brunswick, and Prince Edward Island attempt to provide some economic stimulus of CDN\$939 million, funds that will be administered by Government agencies including the [Atlantic Canada Opportunities Agency](#) (ACO), and the [Infrastructure Canada Program](#) (ICP).

The Canadian Federal Government, and the four Atlantic Provinces will work together with municipalities, regional stakeholders, industrial and local partners (primarily SMEs), and research and development units to prioritize and identify opportunities that will positively impact the economic progress of the four Atlantic Provinces.

	2008-2009	2009-2010	2010-2011	Total Investment
Financial Resources (\$ millions)	328.2	321.9	288.9	939

Source: Treasury Board of Canada Secretariat, 2008-2009 Report on Plans and Priorities

Most Significant Projects Inventoried per Province

Newfoundland and Labrador (NF)

The province's current year spending increased by 20 percent or approximately CDN\$4 billion in 2009. Close to 86 new and existing projects have been identified in the province totaling CDN\$38.7 billion, representing a 5 percent project increase over last year figures.

The increase is primarily explained in the revised project value of the [Lower Churchill](#) hydroelectricity generation project at a cost of \$6-9 billion; the inclusion of the proposed Come-by-Chance refinery expansion by Alberta's based [Harvest Energy](#); the start of work on the [Vale Inco](#) mine processing facility; the White Rose expansion project by Canadian owned Husky Oil; the [Belleoram marine terminal project](#) at CDN\$1.9 million; CDN\$42.5 million for two major defense projects: a new [9 Wing Gander](#) defense infrastructure project to improve overall effectiveness of wing support operations, and the construction of a new 1358 square meter facility to replace the building that currently houses a [91 Construction Engineering Flight](#) facility (91 CEF), a reserve heavy construction engineering unit that provides tactical and logistics support to the Canadian Air Forces; and a number of [oil and gas production](#) projects including the Hebron Oil project at a cost of \$ 3-5 billion; Finally the province has committed to the financing of several [highway improvement projects](#) in the next two years.

Nova Scotia (NS)

Current year spending in the Province of Nova Scotia is up 23 percent to CDN\$2.7 billion. The increase in value is due to the 119 new or expanded infrastructure projects with an estimated dollar value of CDN\$21.2 billion (up 2 percent over last year's projects).

Major economic drivers in the province include the [EnCana's Deep Panuke](#) natural gas project scheduled to begin in 2010 for the production and processing of natural gas; the completion of the [Highway 104 Antigonish Bypass Phase 2](#); the Lower East Pubnico development at a cost of CDN\$3.9 million; a [wind turbines](#) project on Dalhousie's Mountain; and a bridge rehabilitation on the National Highway System as part of the Province's announcement of [highway project investments](#).

New Brunswick (NB)

Eighty six projects have been identified totaling CDN\$24.1 billion, up 23 percent over last year's projects. The value of current year spending, however, is down 13 percent in 2009 to CDN\$2.5 billion.

The rise in the total value is due to [Irving Oil Ltd's](#) proposed North Atlantic energy corridor increased estimates for a second oil refinery; the expansion of NB's [Energy Hub](#); a CDN\$600 million [solar cell plant](#) near Miramichi; the [Fundy Trail Parkway](#); improvements to the [Shippagan Harbour](#) valued at CDN\$4.9 million; upgrades to the southern railway system in the amount of CDN\$18-million; and several [transportation infrastructure](#) projects announced by the province.

Prince Edward Island (PEI)

Thirty eight projects totaling CDN\$2.3 billion have been identified in PEI. This value is up 58 percent over last year's projects. The rise in total value is largely due to the new [Summerside Wind Energy project](#); the development of the Wood Islands and Miminegash Harbour at CDN\$3.1 million; and the reintroduction of five year capital budgets. Current year spending for the province is up 3 percent in 2009 to about CDN\$321 million.

Opportunities for U.S. Companies

U.S. companies specializing in one or more of the following economic sectors can pursue contractual opportunities as the following products and services will be required in the next two years to supply the necessary equipment and works to address a large number of projects in the Atlantic Provinces:

Transportation – Airport, ferry and sea port facilities, marine terminals, railway tracks, rail beds

Energy – Wind Turbines, hydro dams, tidal generators, hydro electrical technology, solar cell panels and electrical switchgear

Construction – equipment for fabrication and repair

Environment – renewable water systems

Defense – reconstruction of military flight facilities

Software – flight simulation programs, network security

ACE – construction and design consulting services, engineering services

Oil & Gas – drills, pipes, elbows, anticorrosive fluids, valves, pumps

Mining – pipe and accessories (pipe, flanges, adapters, spools, elbows, tees, tubing), electrical cable & wiring, consumables (adhesives, chalking, aerosol, cleaners, placards)

Industrial Machinery – heavy industrial equipment, materials handling equipment, tools & metalworking equipment

The [U.S. Commercial Service](#) in Canada provides U.S. firms with a wide range of cost effective business development services including business facilitation services, matchmaking opportunities, local agents and distributor's search. With professionally staffed offices throughout Canada, we help U.S. firms promote their products and services and realize their full export potential.

Resources & Contacts

- A list of over 329 major investment projects in various stages of development across Atlantic Canada can be purchased by contacting the [Atlantic Provinces Economic Council](#).
- [Newfoundland and Labrador Oil and Gas Industries Association](#)
- [New Brunswick Ministry of Natural Resources](#)
- [Canadian Association of Petroleum Producers](#)
- [Canadian Association of Oilwell Drilling Contractors](#)
- [New Brunswick Department of Energy](#)

For More Information

The U.S. Commercial Service in Ottawa can be contacted via e-mail at: Luz.Betancur@mail.doc.gov;
Phone: 613 688-5216; Fax: 613 238-5999; or visit our website: <http://www.buyusa.gov/canada/en/>

The U.S. Commercial Service — Your Global Business Partner

With its network of offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting <http://www.export.gov/eac>.

Comments and Suggestions: We welcome your comments and suggestions regarding this market research. You can e-mail us your comments/suggestions to: Customer.Care@mail.doc.gov. Please include the name of the applicable market research in your e-mail. We greatly appreciate your feedback.

Disclaimer: The information provided in this report is intended to be of assistance to U.S. exporters. While we make every effort to ensure its accuracy, neither the United States government nor any of its employees make any representation as to the accuracy or completeness of information in this or any other United States government document. Readers are advised to independently verify any information prior to reliance thereon. The information provided in this report does not constitute legal advice. The Commercial Service reference to or inclusion of material by a non-U.S. Government entity in this document is for informational purposes only and does not constitute an endorsement by the Commercial Service of the entity, its materials, or its products or services

International copyright, U.S. Department of Commerce, 2007. All rights reserved outside of the United States.