

Think Big. Think Saskatchewan.

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July 2018

1. A Vibrant and Growing Economy

Saskatchewan has a wealth of resources that is the envy of nations – agriculture, potash, uranium and oil. And the world is watching Saskatchewan technological firsts in clean-coal power generation, animal vaccine research and nuclear science.

The province has a diversity of resources that has enabled it to weather global economic cycles. In fact, the province has seen record population, employment, investment and export growth.

From 2008 to 2017, Saskatchewan is estimated to reach \$151 billion in new investments.

Home-grown companies are fuelling much of this growth, including:

- Nutrien, the world's largest potash company
- Brandt Group of Companies, a major agricultural equipment manufacturer
- Cameco, one of the world's largest uranium companies

Foreign companies that have invested or opened offices here include:

- AMEC
- Hutchison Whampoa
- BHP Billiton
- AREVA
- K+S Potash

\$151 B

Estimated capital investment from 2008 to 2017

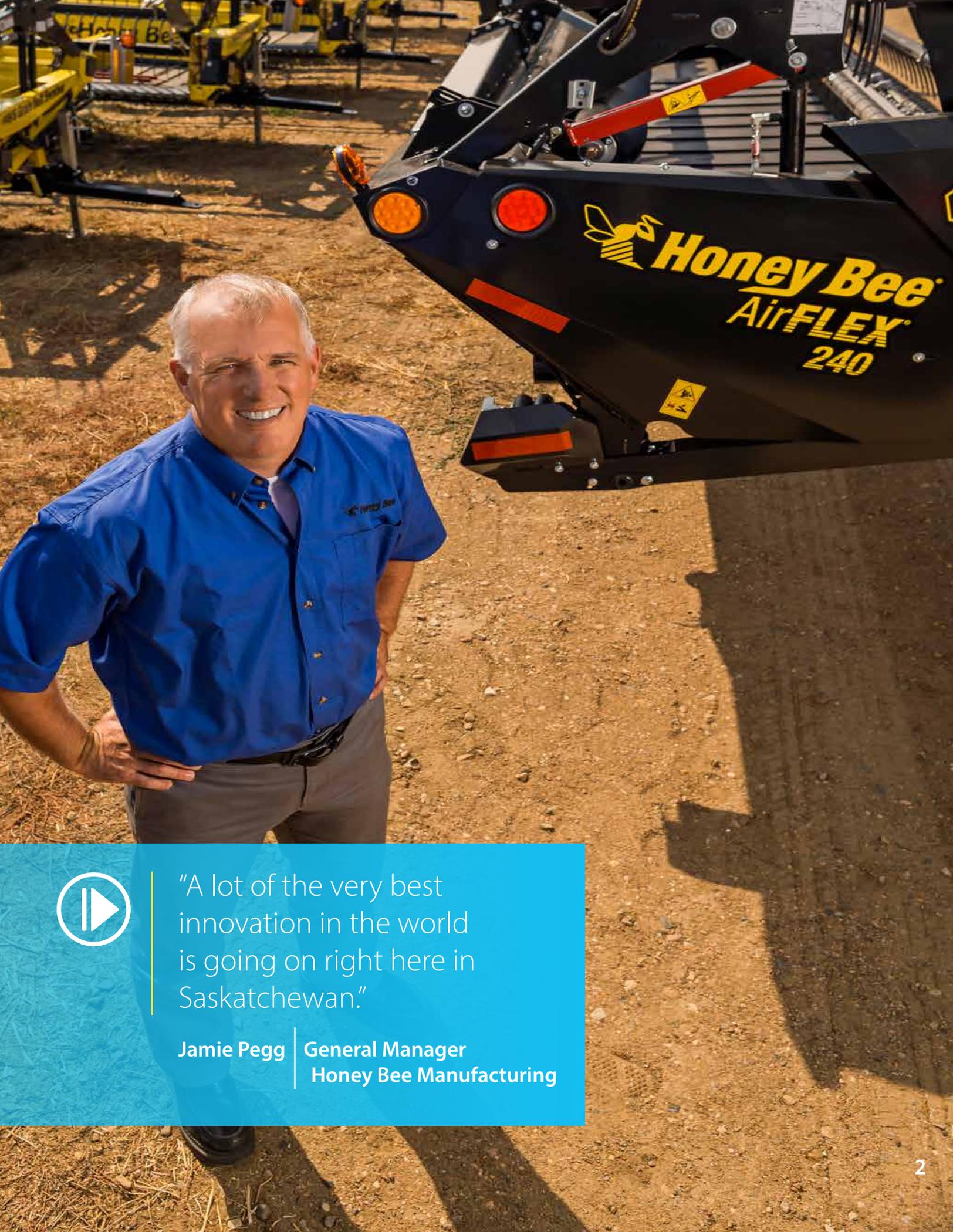
\$4.8 B

Investment in new exploration and development by the oil and gas industry forecast in 2017

\$193 M

Estimated to be spent on mineral exploration in 2018





"A lot of the very best innovation in the world is going on right here in Saskatchewan."

Jamie Pegg | General Manager
Honey Bee Manufacturing

Exports

Saskatchewan exports totalled \$28.9 billion in 2017. The U.S. is Saskatchewan's top export market, receiving almost 50% of total exports. China is the second-largest export market, followed by India, Japan and Mexico.

Asia is the most important emerging export market for the province. Saskatchewan exports to Asia increased from \$2.3 billion in 2005 to \$8 billion in 2016.

Top 10 Export Markets of 2017



Top Export Products of 2017

Oil	\$7 B
Potash.....	\$5 B
Canola Seed.....	\$3.6 B
Wheat.....	\$3.1 B
Lentils.....	\$1.2 B
Canola Oil.....	\$1 B
Peas.....	\$1 B
Uranium.....	\$0.82 B

Saskatchewan is the world's largest exporter of lentils and potash.

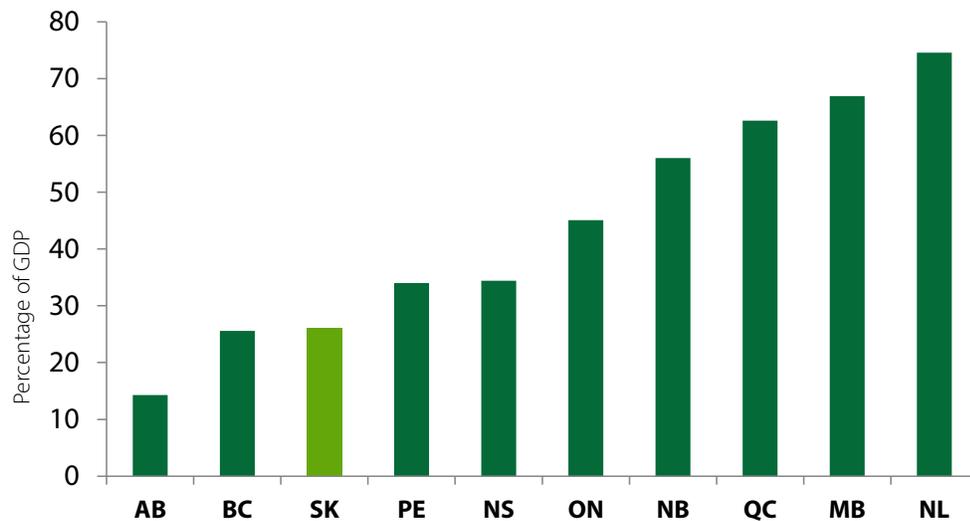
2. Competitive Business Environment

Saskatchewan has worked diligently in the past several years to create one of the most competitive business environments in North America.

In 2017, international research organization the Fraser Institute ranked Saskatchewan as the top jurisdiction in Canada and second in the world for mining investment.

In 2017, the province's economy is forecast to grow by 2.5%. According to the Conference Board of Canada, Provincial Outlook: Spring 2017, this will be the second-highest economic growth rate in Canada.

2017-18 Total Debt (percentage of GDP)



Source: DBRS - Adjusted Total Debt as of March 31, 2018
Statistics Canada and Conference Board of Canada

Competitive Taxes and Responsive Government

The Government of Saskatchewan is committed to creating a fiscally stable economy and maintains strong credit ratings with both Moody's Investor Services and Standard & Poor's.

A 2016 Conference Board of Canada report found that Saskatchewan has the lowest net business tax burden among the provinces and the second-lowest provincial tax burden on individuals.

Capital investment increased \$6.4 billion from 2006 to 2016 and grew at an annual average rate of 6.3%, which was the third-highest growth rate in Canada. After declines in 2015 and 2016, Saskatchewan's projected total capital investment is expected to return to growth in 2017. The forecast calls for \$14.5 billion of capital investment in 2017, which is 3.4% higher than total capital investment in 2016.

Saskatchewan has maintained competitive and stable regulations and royalty rates, providing the reassurance companies need to make new investments and expand existing operations.

"Stable government policy in Saskatchewan really helps reduce the risk of investment."

Jason Denney | **President & CEO**
Teine Energy



Tax reductions and incentives to note:

- Saskatchewan Commercial Innovation Incentive, the first "patent box" style incentive of its kind in North America
- Corporate income tax rate as low as 10% on manufacturing and processing profits—lowest in Canada
- Manufacturing and processing exporter hiring tax incentives
- 2% small business tax for Canadian-controlled private corporations
- No corporate capital tax for general corporations
- No payroll tax or health premiums levied
- 6% refundable investment tax credit on manufacturing and processing equipment
- 10% refundable tax credit for research and development expenditures
- 6% provincial sales tax—the lowest rate of all provinces with a sales tax
- Provincial tax exemptions for eligible machinery, equipment and materials used during the manufacturing process
- 10-year royalty holiday for new, old and base metal mines

3. Strong Resource Sectors

Saskatchewan's rich, diverse resource sectors are led by mining and oil and gas, which generated a real GDP by industry of \$13 billion in 2017. Combined, these resource sectors account for 21% of the province's total 2017 real GDP by industry.

Energy

With almost 3% of the Canadian population, the province accounts for 36% of Canada's primary energy production. Saskatchewan is one of the only places on the globe that produces crude oil, natural gas, coal, uranium, biofuels, geothermal, wind and hydro power.

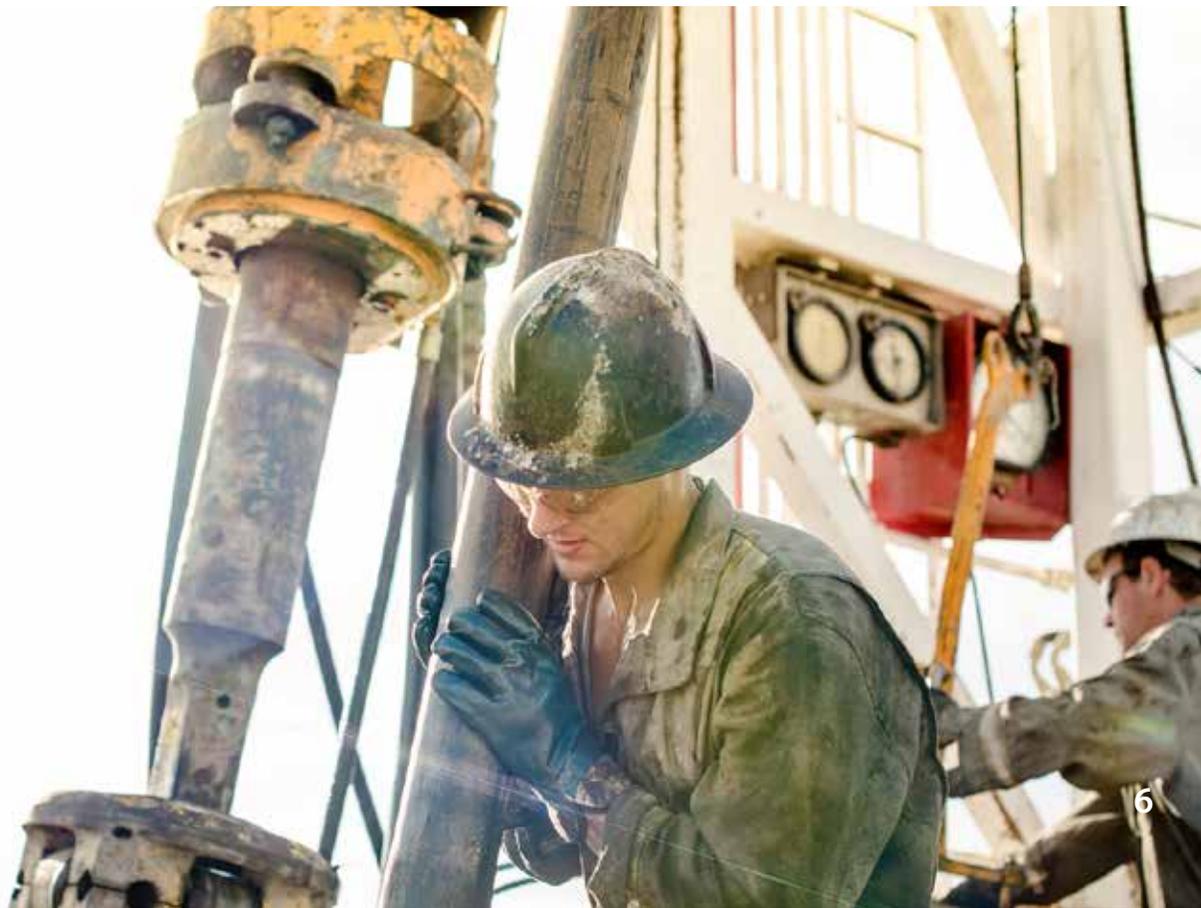
Saskatchewan is Canada's second-largest oil-producing province and the sixth largest onshore producer in Canada and the United States. In 2017, the province produced 485,500 barrels of oil per day, with about 65% shipped to the U.S.

Saskatchewan is home to a significant portion of one of North America's largest oil plays – the Bakken Formation.

The province is also a leader in petroleum research, especially in the areas of enhanced oil recovery and horizontal well drilling.

Saskatchewan is Canada's third-largest producer of natural gas. In 2017, the combined value of oil and gas production is forecast to reach \$9.1 billion.

The province exports 90% of its uranium, with the remaining 10% fuelling Canada's nuclear reactors. Saskatchewan's uranium is responsible for approximately 5% of the electricity generated in the U.S.



Minerals

Saskatchewan has the largest potash industry in the world, accounting for about one-third of annual global production and hosting nearly half of the world's known resources. The world's largest high-grade uranium deposits are located in northern Saskatchewan, which account for just over 22% of the world's primary uranium production in 2016.

Existing Saskatchewan producers have undertaken major expansions in the past several years, while international mining companies are developing new operations here or have announced intentions to do so. Saskatchewan's newest potash mine, operated by Germany's K+S Potash Canada, has now been in production for over a year, while other companies, such as BHP Billiton, Yancoal, JSC Acron and Rio Tinto, are continuing to evaluate projects and new mine development.

“Saskatchewan has great opportunities in base and precious metals and diamonds.”

Patrick Soares

President & CEO

Foran Mining Corporation



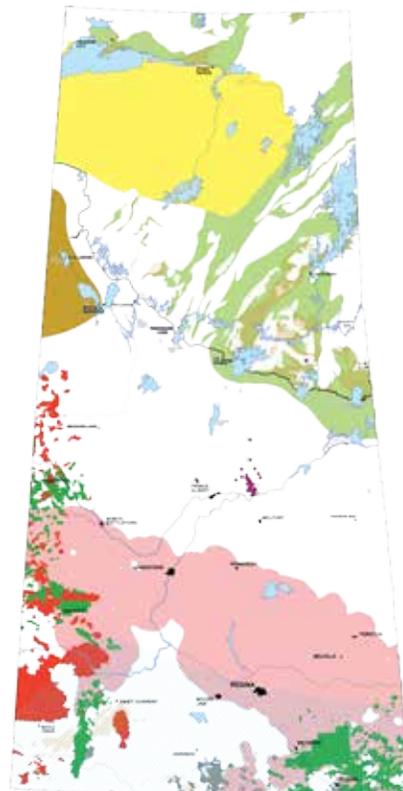
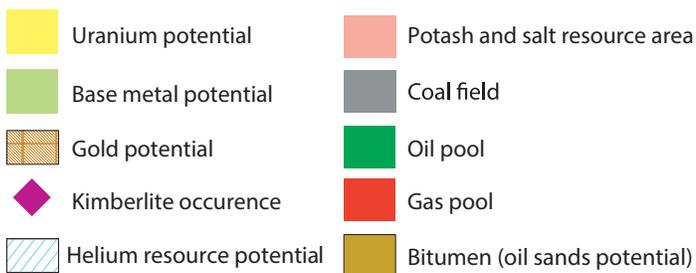
There is also unrealized potential in base metals, particularly zinc and copper. The Flin Flon mining camp, which straddles the Manitoba-Saskatchewan border, has been a substantial producer for decades and is estimated to have the highest contained value of base metal ore per square kilometer in Canada. The existing infrastructure makes exploration more attractive for companies.

There are areas with high gold potential that remain under-explored. The Seabee operation, which has produced 1.3 million ounces of gold, had its third consecutive year of record production in 2016, generating 77,600 ounces of gold. Exploration expenditures have traditionally focused on the La Ronge and Glennie greenstone belt and areas north and east of Lake Athabasca.

The province is home to one of the world's largest fields of diamond-bearing kimberlites. Ongoing discoveries in the northeast part of the province have highlighted Saskatchewan's potential for diamonds.

The province also produces coal, salt, silica sands, kaolin, clays, as well as sodium and potassium sulphates and has strong potential for economic deposits of nickel, rare earth minerals and platinum group elements.

The world's largest high-grade uranium deposits are located in northern Saskatchewan.



Agriculture

Located in the heart of the Canadian Prairies, Saskatchewan has some of the most productive land in the world, laying claim to 40% of Canada's cultivated farmland.

The province is Canada's most important grain-producing region, supplying a third of the world's total exported durum wheat.

Saskatchewan is the world's largest exporter of lentils, dried peas, mustard, oats, durum wheat and canola.

Within Canada, the province is second only to Alberta in cattle production, with cattle producers generating about \$2.26 billion in livestock farm cash receipts in 2017.

With its traditional roots in agriculture, the province has grown a strong agri-food sector and is a leading exporter of agri-food products with sales reaching \$13.6 billion in 2017.

Saskatchewan is also part of the pan-prairie 'supercluster' designed to develop new products that add value to crops such as wheat, canola, and lentils and other pulses. The supercluster involves more than 120 corporate, industry and post-secondary partners, with total cash, in-kind venture capital investment from partners of \$400 million. Facilities such as the Agri-Food Innovation Centre and the Saskatchewan Food Industry Development Centre play a pivotal role by offering the services needed to develop and process products from concept to commercialization.



Saskatchewan's share of world export markets 2017:

41%
Lentils

28%
Mustard

24%
Canola Seed

36%
Peas

21%
Canola Meal

33%
Oats

33%
Durum Wheat

22%
Flaxseed

"If you want to be international and to be a leader in value-added agriculture, Saskatchewan is the place to be."

Murad Al-Katib

**President & CEO
AGT Food & Ingredients**



Forestry

Forestry is northern Saskatchewan's second – largest industry. The province's commercial forest zone covers 11.7 million hectares, with 5.3 million hectares classified as productive forest land available for commercial timber harvesting.

Saskatchewan's forests are sustainably managed and its forestry sector is globally competitive. At full utilization, Saskatchewan's forest industry has the potential to generate more than \$1.2 billion in forest product sales annually and support over 13,000 direct and indirect jobs.

The industry is well positioned for continuous growth, and investment opportunities exist within the emerging bio-economy and other value-added products.

2017

forest product sales totalled nearly \$1.2 billion

170+

small businesses produce a variety of forest products

10

large forest product manufacturing facilities produce lumber, pulp and panels



4. Manufacturing and Supply Chain Opportunities

Manufacturing plays a key role in Saskatchewan's economy, representing 7% of the province's GDP. Shipments reached \$16 billion in 2017.

Saskatchewan manufacturers have achieved many world firsts in satellite communication technology, dry-land farming equipment, and mining machinery and robotics.

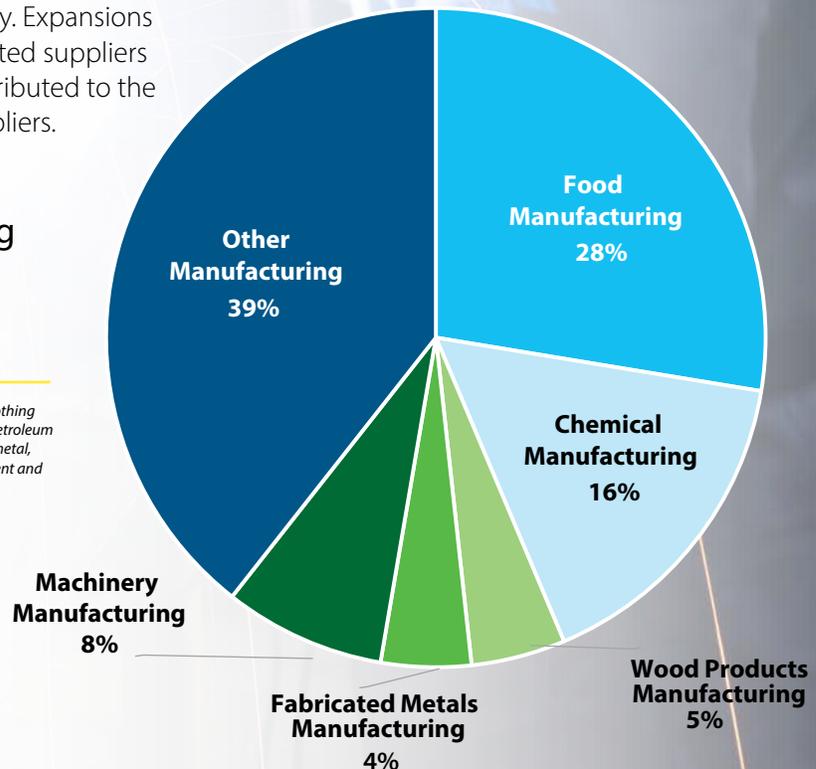
The province has created a favourable business environment for manufacturers with many competitive advantages, including: the lowest corporate income tax in Canada for manufacturers and processors at 10 per cent, the Saskatchewan Commercial Innovation Incentive, manufacturing and processing exporter hiring tax incentives, as well as provincial tax exemptions for eligible machinery, equipment and materials.

From 2007 to 2017, manufacturing shipments increased 54%. The continuing growth of Saskatchewan's resource sectors has created huge supply chain opportunities for manufacturers and service providers. Saskatchewan's innovative manufacturers are collaborating to build leading-edge technology such as continuous mining equipment used in the potash industry. Expansions in the mining sector alone have attracted suppliers from around the world and have contributed to the growth of existing Saskatchewan suppliers.

Saskatchewan Manufacturing Shipments 2017

* Includes beverage and tobacco, textile mills, textile product mills, clothing manufacturing, leather and allied product, printing and publishing, petroleum and coal products, plastics products, non-metallic minerals, primary metal, computer and electronics, electrical products, transportation equipment and miscellaneous.

Source: Statistics Canada Table 16-10-0048-01



“Saskatchewan’s infrastructure is globally competitive.”

Ben Voss | **President**
Morris Industries



5. Solid Infrastructure

Utilities

Major utilities in the province are provided by government-owned Crown corporations, ensuring competitive and stable utility costs.

The province's power corporation, SaskPower, provides electrical services to the entire province, using natural gas, coal, hydro and wind. The province's natural gas utility, SaskEnergy, operates a distribution system serving more than 390,000 residential, farm, commercial and industrial customers.

SaskTel is Saskatchewan's leading full-service communications provider, offering a wide range of products and services including voice, data, Internet, messaging, cellular and wireless dataservices.

Cost-effective Utilities and Reliable Transportation Networks

One of the priorities of the Saskatchewan government is building a solid infrastructure to meet the needs of a growing economy and population. Government investment in core infrastructure has amounted to nearly \$9.6 billion since 2008-09, with a further \$3.7 billion committed in the 2017-18 fiscal year.

"Saskatchewan has always been our stable base. It's always producing. It's always adding to our bottom line."

Grant Beck



President & CEO
Graham Group



Transportation

Located in the centre of North America, Saskatchewan offers easy access to markets across the continent and around the world. The province is just a one-day drive from a market of 60 million people and a two-day drive from 270 million people. Freight transported from Saskatchewan can reach 71% of the U.S. market in less than 48 hours.

To support its export market, the province has developed an extensive rail and road network. In fact, Saskatchewan has the largest road network in Canada. The province's 190,000 kilometres (118,060 miles) of rural roads are enough to circle the globe more than four times. The province has 2,400 trucking companies, two international airports, two major railways and 13 short-line railways.

Because of its central location, Saskatchewan is developing into a major distribution centre. The Global Transportation Hub (GTH), located just outside Regina, is a logistics park that offers world-class infrastructure to allow efficient movement of goods by rail and truck. The GTH has attracted a number of private sector projects, including a \$220-million facility for Canada's largest food distributor.

Real Estate

Saskatchewan's growing economy has led to dramatic growth in the construction sector. In 2017, building permits reached \$2.1 billion with prices for commercial, industrial and residential real estate remaining competitive when compared to major Canadian cities such as Vancouver, Calgary and Toronto.

With a solid infrastructure, access to markets and competitive operating costs, Saskatchewan is the place to locate.

Saskatchewan's central location provides easy access to transport across North America





6. Innovative Leader

Saskatchewan's extensive research infrastructure is anchored by Innovation Place technology parks in Saskatoon and Regina.

Saskatchewan Research Council, located in Saskatoon, is one of Canada's leading suppliers of applied research, development and demonstration services, as well as technology commercialization.

Life Sciences and Biotechnology

Saskatoon has emerged as a world leader in biotechnology and life sciences thanks to a research cluster that includes Innovation Place – Saskatoon, the Canadian Light Source synchrotron and the University of Saskatchewan.

The Canadian Light Source is Canada's only synchrotron and one of the most advanced in the world. Scientists from around the globe are using the synchrotron to conduct research in areas including nanotechnology, environmental technologies and pharmaceuticals.

The University of Saskatchewan has built an international reputation in health sciences, agriculture, and environmental and life sciences. The university and the provincial government created the Sylvia Fedoruk Canadian Centre for Nuclear Innovation, placing Saskatchewan as a global leader in nuclear science and medicine.

The Government of Saskatchewan, the University of Saskatchewan and Nutrien have collaborated to create the Global Institute for Food Security. This public-private partnership applies Saskatchewan's unique resources, innovation and expertise to the global challenge of feeding a growing population.

The university's Vaccine and Infectious Disease Organization – International Vaccine Centre is responsible for several world firsts in animal vaccines. The vaccine centre is also developing vaccines to protect people and animals from global diseases such as avian influenza.



Silicon Valley of the Prairies

Saskatchewan has an extensive innovation cluster and the R&D infrastructure to support technology startups. The recently introduced Saskatchewan Technology Start-up Incentive is a non-refundable 45% tax credit for individual, corporate and venture capital corporations investing in eligible startup businesses on a first-come first-served basis.

The Saskatchewan Research & Development Tax Credit provides a 10% refundable R&D tax credit to qualifying companies.

With successful tech startups including 7Shifts, GasBuddy, Vendasta and Siemens|Mentor graphics laying their roots in Saskatchewan, the province is quickly earning the reputation of being a hotbed for technology startups.

“Saskatchewan is the smart choice for technology investment.”

Kristopher Breen

**Director of Customer Enablement
Mentor Graphics, a Siemens Business**





Sustainable Energy Research

Innovation Place – Regina and the University of Regina are recognized for their expertise in energy, information technology and climate change.

Located at Innovation Place, the Petroleum Technology Research Centre is a leader in enhanced oil recovery and carbon capture and storage research.

In Estevan, SaskPower is operating one of the world’s first and largest carbon capture and storage projects involving a coal-fired power generation plant. Completed in 2014, the project has transformed an existing coal power generation plant into a producer of low-carbon baseload electricity, capturing the carbon dioxide emissions and storing them underground.

SaskPower also operates the new Carbon Capture Test Facility. This facility provides global technology vendors with a unique venue to develop and test the next generation of carbon capture and storage technology. Most recently, SaskPower and BHP Billiton have partnered to establish a global centre for carbon capture and storage knowledge located at Innovation Place in Regina.

SaskPower operates the Carbon Research and Storage Centre, which hosts Canada’s first industrial-scale deep saline formation CO₂ storage project. The Aquistore deep underground injection and monitoring well is administered by the Petroleum Technology Research Centre.

7. Young, Well-educated Labour Pool

Saskatchewan's workforce has grown at a record rate to keep pace with a vibrant economy. From 2007 to 2017, Saskatchewan's employment grew by 12.4%, adding 62,700 more jobs to the economy. During this period, provincial employment reached all-time highs nine out of 11 years.

The province has a workforce that is young and well educated. Youth aged 15 to 24 years accounted for 13.5% of those employed in the province in 2017 – the fourth-highest share in Canada. Almost 60% of the total number of employed people in the province have at least completed post-secondary education or training.

Indigenous people made up about 15.9% of the province's population in 2016 and are expected to account for about one in five people in Saskatchewan by 2036 – one of the highest shares among provinces. The relatively young age of the Indigenous population provides further opportunities to meet future labour demands.

In turn, employment opportunities continue to spur population growth, with much of this growth coming from immigration.

To keep up with demand for skilled labour, Saskatchewan has streamlined the provincial immigrant nominee program and increased the number of placements to attract immigrants whose skills fit labour market demands.

“There is a huge buzz for the start-up ecosystem here in Saskatchewan. It's a breeding ground for a lot of innovation.”

Jordan Boesch



**CEO
7shifts**

8. Educational Excellence

Saskatchewan's International Quality Post-secondary Education

Saskatchewan has a strong educational network, attracting increased enrolment both locally and internationally.

Located in Saskatoon, the University of Saskatchewan is recognized internationally for its leadership in agriculture, information technology, health services and biotechnology.

The University of Regina, located in Regina, is at the forefront of teaching and research in petroleum engineering, climate change, health care, social work, justice and education.

Offering apprenticeship, certificates, diplomas, degrees and continuing education programs, Saskatchewan Polytechnic is the province's primary post-secondary institution for technical education and skills training. The school serves students through campuses in Moose Jaw, Prince Albert, Regina and Saskatoon, as well as through distance education.

Saskatchewan Indian Institute of Technologies provides technical and vocational training to Indigenous students.

The province's seven regional colleges adapt their programs to address regional workforce trends and often customize programs to fit the needs of individual employers.

Fall 2016 enrolment (full- and part-time)

14,849 University of Regina

21,441 University of Saskatchewan

2015-16 enrolment

28,259 Saskatchewan Polytechnic



9. Quality of Life

A Great Place to Live and Work

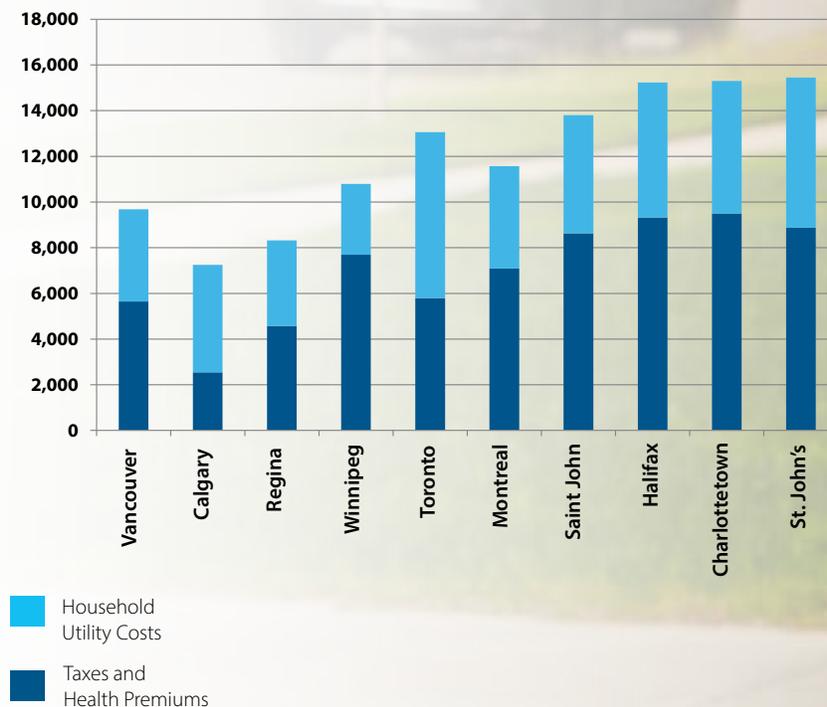
People move to Saskatchewan for work, but stay because of the lifestyle. This provides Saskatchewan-based companies a unique ability to attract and retain workers.

In 2018, a family of four with an annual income of \$75,000 will pay lower combined taxes and household utility costs in our capital city of Regina than in most other major Canadian cities. Vehicle insurance is cheaper in Saskatchewan than in any other province, and basic telephone services are among the lowest.

As well, Saskatchewan allows more time for living. Even in Saskatchewan's two largest cities, the average commute is just 20 minutes!

2018 Intercity Comparison of Taxes and Household Utility Costs

Family of Four at \$75,000 Total Income
(Values in Dollars)



Source: Saskatchewan Ministry of Finance





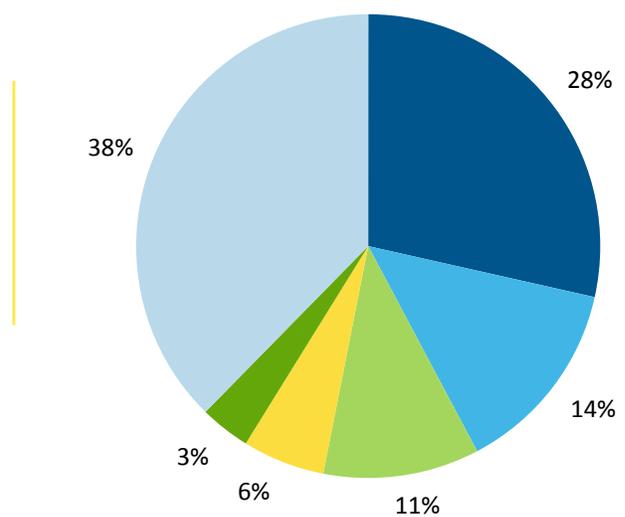
Cultural Diversity

Saskatchewan has a diverse cultural community. Residents come from many different ethnic backgrounds. In recent years, the province has seen a dramatic increase in immigration to meet labour force demands. More than 107,000 people immigrated to Saskatchewan from 2007 to 2017. Vibrant Asian, European, South American and African communities welcome newcomers.



Source: IRCC
Permanent Residents March 31 2018 data

Saskatchewan Immigration 2007-2017 Top 5 Countries of Origin





Recreation

Saskatchewan offers a wide variety of entertainment options. The province is home to the Saskatchewan Roughriders, the most popular team in the Canadian Football League. Modern multi-sport facilities for hockey, swimming, soccer and more are available in all cities.

The province has a strong arts and cultural community. Many internationally renowned authors, artists and musicians call Saskatchewan home. Both Saskatoon and Regina have symphony orchestras.

Because of the quality of its volunteers, Saskatchewan has been able to attract major sporting events such as the World Junior Hockey Championships and the Canadian Football League's national championship – the Grey Cup. As well,

the province has been able to draw world-famous talent such as the Rolling Stones, Beyoncé and Paul McCartney.

Saskatchewan has two national parks, 34 provincial parks, 100,000 lakes and rivers, and more golf courses per capita than any other place in North America.

10. Investment and Export Expertise

Organizations to help you do business with Saskatchewan

The Ministry of Trade and Export Development advances economic growth to generate wealth and opportunity in Saskatchewan. The ministry facilitates a co-ordinated cross-government approach to attract investment and grow export markets.

The ministry fosters and supports a competitive business environment, facilitates trade and strengthens Saskatchewan’s international relations.

For more information, visit saskatchewan.ca/invest or email invest.sask@gov.sk.ca.

Export Expertise

Saskatchewan Trade and Export Partnership (STEP) champions the province’s export industry and assists provincial businesses in realizing global marketing opportunities. STEP works to increase the province’s exports to established markets while tapping into new markets through the initiation of sales, contracts and projects for Saskatchewan exporters.

Operating as a government and industry partnership, the membership-based organization offers core delivery programs and services focused on members’ needs including trade development, market intelligence, international finance and logistics consulting services. As well, STEP delivers industry-specific funding programs including the Market Access Program and Exporter Readiness Program.

For more information, visit sasktrade.sk.ca or email inquire@sasktrade.sk.ca.

