EASTERN ALBERTA TRADE CORRIDOR UPDATE

PTP Energy and Agriculture Summit
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Presenter:
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Agenda

1. Economic outlook for Alberta
2. How does EATC fit into PTP?
3. Texas Alberta Trade Opportunities
Economic Outlook

WTI Crude Oil (Nymex)
5 Year Prices

Source – Bloomberg Business
Alberta Election 2015

- Progressive Conservatives held office for 44 years
- New Democratic Party in office now for the first time
Alberta Government Priorities

1. Diversify energy markets
2. Invest in a greener, more sustainable economy
3. Pursue a coherent and effective economic strategy
1. Diversifying Energy Markets

- Continued intergovernmental engagement on pipelines
2. Investing in a Clean Energy Future

- Climate Leadership Implementation Act to put the “Climate Leadership Plan” into action

- Reinvest revenues from the carbon levy into creating jobs and economic diversification
3. Economic Diversification and Job Creation

- Support small- and medium-sized business with venture capital, updated credit union legislation and a new Promoting Job Creation and Diversification Act
- Modernize royalties to promote innovation, efficiency, transparency and accountability
- Implement the Alberta Petrochemicals Diversification Program
How does EATC fit into the PTP system?
Trade Opportunities
EATC Strengths

EATC has strength in:

- Agriculture
- Energy
- Defense
- Unmanned Vehicles
- Manufacturing
Agriculture

In 2015, bilateral agriculture and food trade between Alberta and Texas was valued at $343 million.

A commodity comparison between Alberta and Texas would show that beef is an integral export commodity for both jurisdictions.
Agriculture

**Eastern Alberta Trade Corridor**

**Agri-Foods**

**Industry Overview**

In 2011, Alberta produced about 30% of total Canadian agri-food exports, and was the third largest provincial exporter of agri-food products. This changing international economy has created many new opportunities for Alberta’s agri-food industry. Some of these opportunities include:</p>

- Meat snacks, which are a fast-growing category of processed foods, with a steady growth in the U.S. market and increasing demand in Europe and Asia. 
- The three primary forms of meat snacks include jerky, made from dried meat with a unique blend of spices, and salami, which are part of the growing category ofsnack foods. 

**Sector Overview**

Agriculture is a key component in the agri-food processing sector, which is the largest manufacturing sector in the province. Alberta’s agri-food sector is the second largest in Canada in terms of value added. 

**Ready Meals**

**Industry Overview**

The world population is expected to hit 8.2 billion by 2025, roughly a 29% increase from the 2016 global figure. The demand for food is growing due to the rapid increase in the global population. Hence, agri-food products continue to grow at a rapid pace. Africa is one of the fastest-growing markets in the world, with a rapidly increasing population. 

**Sector Overview**

Populations are increasing dramatically in developing countries and global trade in agricultural products continues to grow at a rapid pace. The level of global trade in agricultural products is large and growing, providing new value-added products including functional foods, food ingredients, and industrial and other non-food uses are also increasing. 

**Pulse Crop Processing**

**Industrial Overview**

Pulse crops include peas, beans, chickpeas, and lentils, which come in a wide range of colours and sizes and are used as edible seeds. Pulses are grown for both food and feed in countries around the world for their high protein content, which is especially high in India. 

**Sector Overview**

Commercial pulse production continues to be a profitable enterprise for Canadian growers due to the increasing demand for pulse crops, especially in developing countries. In addition to being a profitable crop for growers, pulse crop production has contributed to the expansion of the pulse processing industry. Increasing employment opportunities in small communities across Canada.
Energy

Bioenergy

Company Profiles

Another EATC Success Story

Himark Biogas Inc. is a technology development and commercialization company founded in 1987. It has been working on research and development in the area of biomass energy, particularly in the production of biogas. Himark is supported by the Alberta government and has developed a unique technology that allows for the efficient conversion of agricultural waste into biogas.

The company's Himark Biogas Inc. project involves the construction of a biogas plant using agricultural waste as a feedstock. The plant will produce biogas that can be used for energy production, as well as for the production of electricity.

Energy

Industry Overview

In energy, Alberta is a leader in the production of oil and gas, with significant deposits of natural gas and oil. The province produces approximately 3.5 billion cubic feet of natural gas per day and 2.2 million barrels of oil per day. The oil and gas sector is the backbone of Alberta's economy, contributing to approximately 15% of the province's GDP.

The industry continues to grow as new fields are discovered and existing fields are developed. In addition, the province is exploring new sources of energy, such as wind and solar power. The government has implemented policies to encourage the development of renewable energy sources, including the introduction of feed-in-tariff programs and tax incentives for renewable energy projects.

Oil Sands and Energy Sector Service and Support

Metal Fabrication and Machinery Manufacturing

Industry Overview

The province's Metal Fabrication and Machinery Manufacturing (MFMM) sector is one of the largest in the province, with a strong base in the oil and gas industry. The MFMM sector is a significant contributor to Alberta's economy, providing a variety of products and services to the oil and gas, petrochemical, and heavy industrial sectors.

The MFMM sector in Alberta has unique characteristics:

- High demand for skilled labor
- Strong customer base in the oil and gas sector
- Diverse range of products and services

The sector is expected to continue to grow as the demand for industrial machinery and equipment increases. The government has implemented policies to encourage innovation and the development of new technologies, which will help to drive the sector forward.

Sector Overview

The MFMM sector in Alberta has unique characteristics:

- High demand for skilled labor
- Strong customer base in the oil and gas sector
- Diverse range of products and services
- Development of new technologies and processes
Renewable Energy

- The best potential locations for wind power mirrors the EATC geography

- Furthermore the sunniest spot in Canada is in southeast Alberta, so we also have an advantage in solar.
Alberta and Texas – Good Partners
Thank You