



## Editorial

# Canada continues to play key economic role

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Arizona owes its neighbors to the north -- and we don't mean Nevada, Utah or Colorado -- a debt of gratitude for helping build a strong and increasingly important economic bond.

The trade, tourism, biotech and transportation ties between Canada and Arizona must continue to be nurtured, with sights set on further collaboration and business links, particularly in the bioscience arena.

Over the past several weeks, The Business Journal has reported on only a few of the myriad companies that have powerful connections to the state and Valley business community.

Perhaps the most recent example is **Phelps Dodge Corp.** Just this week, the Fortune 500 copper mining giant set plans in motion to grow to goliath proportions through a proposed \$40 billion merger with two Canadian nickel companies -- Inco Ltd. and Falconbridge Ltd.

Last week, we told you about **InNexus Biotechnology**, a Canadian cancer drug development company, which is nearing completion of a lab it is building on the Mayo Clinic campus in Scottsdale. InNexus continues ramping up for growth with the expected hiring of about 30 people in the next year or so.

Efforts taken to strengthen ties between Arizona businesses and economic development groups and their counterparts in Montreal, Ottawa, Calgary, Edmonton and Toronto should be a priority for our biotech community. Montreal has strong pharmaceutical and research and development sectors. Calgary and Edmonton are known for their agriculture-based biotechnology and life sciences.

We also reported last week that the number of Canadian tourists visiting Arizona grew substantially in 2005, with about 422,000 coming here to see the beautiful desert landscape and spend big bucks. That's a 19 percent jump from 2004 and a whopping 66 percent increase from 2002, based on travel statistics from the Conference Board of Canada.

Canada continues to be a prime market for our products, too, with exports to our northern neighbor growing in the first quarter of 2006 by 26 percent, according to the Arizona Department of Commerce. Arizona sales this year to Canada could reach \$2 billion.

New trade numbers for 2005 report \$1.6 billion in Arizona exports to Canada; \$1.5 billion in imports from Canada to Arizona; and \$3.1 billion of bilateral trade. The goal of the **Canada Arizona Business Council**, founded by Montreal transplant Glenn Williamson, is to see bilateral trade grow to \$5 billion by 2008.

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Some 90,000 Arizona jobs are supported by Canada-U.S. trade, and many people aren't aware that much of the real estate industry here is largely driven by Canadians. In fact, Canada continues to be one of the largest foreign investors in Arizona, according to the CABBC.

All of this is solid evidence that Arizona has a significant economic partner in Canada. It is imperative that local business and economic development leaders keep these ties strong. There are many more business and investment opportunities between the two nations that should be explored.

#### Canadian Connections

The following Arizona-based companies are Canadian-owned:

Circle K Stores Inc.

Stantec Inc.

PCL Constructors Inc.

Harris Bank (Bank of Montreal)

Trax Software

Syntellect Inc.

RBC Dain Rauscher Inc. (Royal Bank of Canada)

Thomson NETg (formerly KnowledgeNet Inc.)

And the following Arizona-based companies have operations in Canada:

Insight Enterprises Inc.

EFunds Corp.

The Dial Corp.

EaglePicher Inc.

PetsMart Inc.

General Dynamics C4 Systems

Avnet Inc.

US Airways Inc.

Best Western International Inc.

U-Haul International Inc.

JDA Software Group Inc.

Inter-Tel Inc.

Swift Transportation Corp.

Source: Canada Arizona Business Council