



Northwest
Territories Industry, Tourism and Investment

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Seizing Opportunities: Securing Our Future



Message from the Minister

The economy of the Northwest Territories is poised to provide NWT residents with unprecedented opportunities for employment and business development. We have become a Territory that Canada and the world are watching with keen interest and even envy.

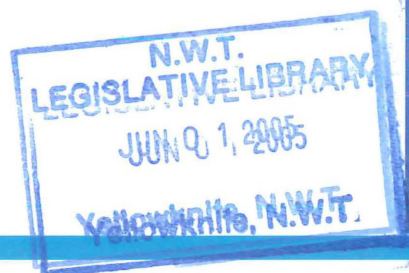
Resource exploration and development are undoubtedly the most significant part of our economy. The NWT is committed to the development of the Mackenzie Gas Project, which will open the Mackenzie Valley as a major energy corridor for oil, natural gas and hydro-electricity and ensure NWT residents benefit first and foremost.

In April 2005, the new Department of Industry, Tourism and Investment commenced operations with the mandate to promote economic self-sufficiency and to create a prosperous, diverse and sustainable economy for the benefit of all Northwest Territories residents.

It is essential that we work with our partners to build on our past successes and pursue a broad range of opportunities. Together we will create a diversified economy that respects our cultural heritage and supports self-reliant people and communities. Tourism, arts and crafts, traditional economy, small and medium-sized enterprises, transportation and forestry are all part of our economic mosaic and integral to the continued sustainable growth of our economy.

This document shares our vision and plans for the Department of Industry, Tourism and Investment. With the support of the Legislative Assembly through the budget process, these plans will guide our investments in programs and services necessary to seize opportunities and secure our future.

Brendan Bell
Minister of Industry, Tourism and Investment



→ VISION

The Department of Industry, Tourism and Investment will be recognized as a client focused organization contributing to a vibrant, diverse and sustainable economy for the Northwest Territories.

→ MISSION

The Department of Industry, Tourism and Investment, in partnership with others, will provide quality programs and services to promote and support Northwest Territories economic prosperity and community self-reliance.

→ GOALS

To promote and support a diversified economy that provides opportunities for Northwest Territories residents.

To promote and support the development of business opportunities, including agriculture, commercial fishing, the traditional economy, tourism, trade, investment, manufacturing, and secondary industries.

To promote the sustainable development of natural resources that respects the conservation and protection of the environment for our future generations.

To secure economic and employment opportunities from responsible resource development for Northwest Territories residents.

To develop partnerships with individuals, businesses, communities, Aboriginal organizations and other governments to foster prosperity and community self-reliance.

Powerful Economic Drivers

The rich resource base of the Northwest Territories supports Canada's fastest growing economy.

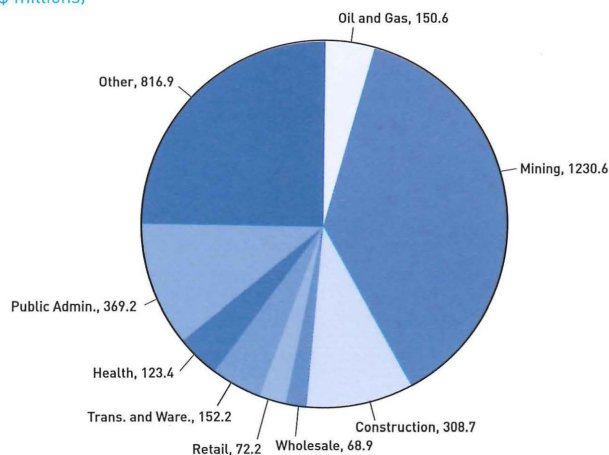
- GDP of the NWT reached \$4.2 billion in 2004, up significantly from \$2.3 billion in 1999.
- Employment growth has been significant with almost 4,000 new jobs being generated over the last five years. Our population has only increased by 2,400 over the same period.
- Diamond production for 2004 was \$2.7 billion, positioning the NWT as the third largest producer of rough diamonds by value in the world. A third diamond mine is scheduled to begin production in 2007.
- Construction activity contributed \$309 million to gross domestic product in 2003 making it the second largest industry in the NWT.
- Oil and gas extraction contributed \$151 million to GDP in 2003.
- The Mackenzie Gas Project is anticipated to result in an estimated investment of \$7.7 billion (three fields, gathering lines, Inuvik processing plant, pipelines, facilities). The pipeline is expected to stimulate ongoing oil and gas exploration and development.

The challenges we face are two-fold. One is the need to maximize benefits from these developments while creating a positive investment climate. The second is to ensure the development of a diverse economy that makes effective use of our many resources.

- Our renewable resources are underutilized – total fish, fur and timber exports were valued at only \$13 million in 2003.
- Tourism has recovered from global events, and is worth \$54 million annually. But there is still significant room for expanding sales, and for developing tourism markets in smaller communities.
- The NWT has the potential to generate significant amounts of hydro-electricity using modern run-of-river technology.
- Manufacturing and innovative approaches to northern needs can provide new opportunities to meet the unique challenges of the North.

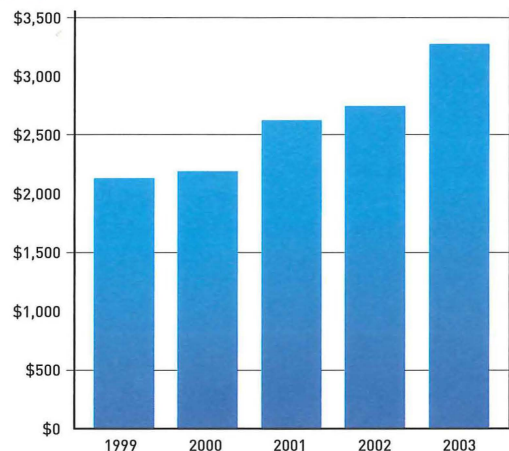
To take advantage of the opportunities to diversify our economy, while making wise and sustainable use of our natural resources, the NWT needs to receive a fair share of resource revenues. We need to ensure that NWT residents and businesses have an economically sustainable future and the capacity to benefit from both present and future opportunities. By working collaboratively with all stakeholders, the NWT will overcome any challenges and build a strong future for all of its people.

NWT Gross Domestic Product by Sector
(\$ millions)



Source: NWT Bureau of Statistics (April 2004)

Annual NWT Gross Domestic Product at Factor Cost
(\$ millions)



Source: NWT Bureau of Statistics (April 2004)



Mining our mineral resources provides employment and stimulation to our northern economy.



Oil and gas exploration and development is a vital part of the NWT economy.

Mines & Minerals

ITI will lead in developing and promoting strategies to increase NWT economic benefits from mining activities.

1. Promote and support mineral exploration and sustainable mineral development.

- Work with partners to develop a mineral investment strategy.
- Seek increased funding for geoscience.
- Develop a socio-economic policy framework.
- Develop a minerals commodity price forecasting model to guide investment decisions.

2. Diversify the commodity base.

- Focus the Prospector Grubstake Program on projects that will diversify the commodity base.
- Implement an Advanced Mineral Exploration (AMEX) Program targeted at diversification of the commodity base.

3. Promote and support economic participation by NWT residents.

- Deliver prospector training programs.
- Develop a public outreach program.

4. Prepare for devolution of management responsibilities for subsurface minerals.

- Develop organizational design and plans for the integration of Government of Canada employees.
- Develop appropriate statutory, regulatory and policy framework.

Oil & Gas

ITI will lead in developing and promoting strategies to increase NWT economic benefits from oil and gas exploration, development and transmission activities.

1. Promote and support oil and gas exploration and sustainable development.

- Work with partners to develop an investment strategy.
- Seek increased funding for geoscience.
- Develop a socio-economic policy framework.
- Develop an oil and gas commodity price forecasting model to guide investment decisions.

2. Promote and support economic participation by NWT residents.

- Develop a public outreach program.

3. Prepare for devolution of management responsibilities for oil and gas.

- Develop organizational design and plans for the integration of Government of Canada employees.
- Develop appropriate statutory, regulatory and policy framework.

4. Support the sustainable development of the Mackenzie Gas Project.

- Coordinate GNWT plans and actions, including providing for participation in the Joint Review Panel process, the National Energy Board process and the Socio-Economic Agreement negotiations.
- Operate the GNWT Mackenzie Valley Pipeline Office to provide information and facilitate strategic relationships.
- Develop plans to maximize economic opportunities for NWT residents.
- Build strategic relationships with key stakeholders.



Hydro power developments meet an increasing percentage of the NWT's energy needs.

Photo: NWT Power Corporation



Tourists from around the world visit the NWT for a unique northern experience.

Energy

ITI will coordinate the development and administration of a GNWT energy policy.

- 1. Develop an integrated, coordinated approach to energy planning for the GNWT.**
 - Lead in the development of a GNWT policy framework to support energy development and conservation objectives.
 - Lead in the development of a GNWT Energy Plan.
- 2. Identify emerging energy opportunities and develop plans to take advantage of them.**
 - Research and analyze world energy supply and demand.
 - Work with partners to research and develop cost-effective NWT energy supply options.
 - Seek out markets to generate revenues from surplus NWT energy supplies.

Tourism

ITI will develop and implement NWT tourism strategies with partners in the tourism industry, support and participate in global marketing of tourism, and develop, operate and maintain public tourism facilities.

- 1. Increase numbers of tourists and tourism revenues.**
 - Work with NWT Tourism to develop an NWT brand.
 - Support NWT Tourism in marketing the NWT as a tourist destination.
 - Increase investment in tourism product development.
 - Support development of cultural/Aboriginal tourism products.
 - Work with Education, Culture and Employment and the tourism industry to deliver tourism training.
- 2. Create a positive regulatory environment for the growth of tourism.**
 - Amend the Travel and Tourism Act to streamline licensing requirements for tourism operators.
 - Work with the tourism industry to develop new Tourism Operator Regulations.
- 3. Increase tourism in all NWT regions.**
 - Develop regional tourism plans including a regional attractions plan.
 - Promote and support development of tourism products and services in smaller communities.
- 4. Build on partnerships.**
 - Designate NWT Tourism as the GNWT's destination marketing organization.
 - Strengthen relationships with tourism partners.

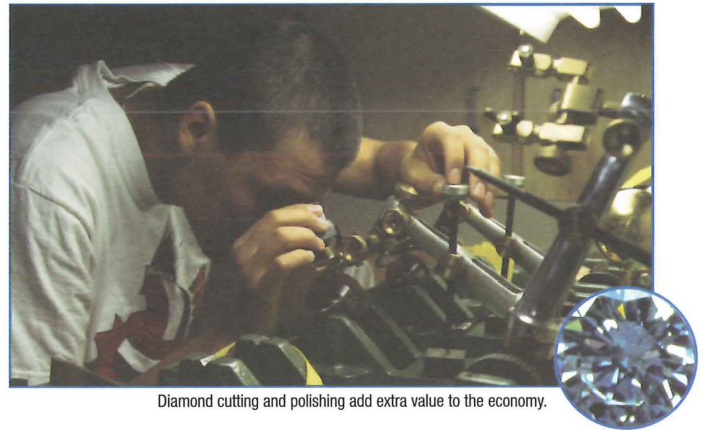


Pristine lakes and spectacular vistas await those who visit the NWT.

Parks

ITI will operate and enhance a system of NWT parks and tourist information facilities that support and promote tourism.

1. **Develop a Territorial Parks Plan.**
 - Review Parks Master Plan and update sites plans.
2. **Improve infrastructure.**
 - Develop new RV sites.
 - Designate and develop new Sahtu “Do Et Q” Territorial Park.
 - Improve infrastructure in Hidden Lake Territorial Park.
3. **Improve park experience.**
 - Develop interpretive and cultural programs.
 - Improve park operations to provide quality services and facilities.
 - Review and revise Territorial Parks Regulations.
4. **Increase the number of park visitors.**
 - Develop and implement parks marketing strategy.
 - Develop park website with on-line reservations system.
 - Develop electronic permitting system.
5. **Explore divestiture opportunities**
 - Examine opportunities to divest territorial parks located within municipal boundaries.



Diamond cutting and polishing add extra value to the economy.

Diamond Projects

ITI will promote the development of NWT diamond value-added industries including sorting, cutting, polishing, grading, jewellery design and manufacturing, and marketing.

1. **Implement National Diamond Strategy.**
 - Develop partnership plan with the Federal Government/Industry/Provinces.
 - Develop national and international marketing plans.
2. **Implement Diamond Tourism Strategy.**
 - Develop and implement branding program for NWT and diamonds.
 - Develop partnership with cutting/polishing and tourism industries.
3. **Expand secondary diamond industry through diversification and growth.**
 - Improve access to rough diamonds.
 - Develop partnerships with cutting/polishing industry.
 - Develop diamond jewellery industry using small business incentives.
4. **Develop and share diamond expertise with the rest of Canada.**
 - Promote Rough Diamond Valuation programs.
 - Share information with other jurisdictions.
 - Create Center of Excellence in NWT.
 - Develop and deliver training programs.



Two boys learn trapping skills in one of the youth training programs supported by the GMVF program.



Moosehide gloves with beadwork.

Traditional Economy, Agriculture & Fisheries

ITI will coordinate support and promote NWT agriculture, fisheries, trapping and commercial game harvesting to increase economic benefits for NWT residents, communities and businesses.

1. Promote and enhance the Traditional Economy.

- Complete and implement the “Support to the Traditional Economy Policy”.
- Develop and expand programs to increase participation, with special emphasis on youth.
- Develop certificate trapper training program.

2. Increase income and profitability of the fur industry.

- Promote and support the Genuine Mackenzie Valley Fur (GMVF) program.
- Promote excellence through the use of best trapping methods and pelt handling practices.
- Promote adherence to international trade agreements.
- Expand GMVF programs to include traditionally finished hides.

3. Promote and support the fishing industry.

- Provide support to fishers to diversify operations and attract new sources of income, utilizing existing assets.
- Develop marketing campaign in support of the domestic fishery.

4. Promote and support development of the agriculture industry.

- Develop farm-based environmental plans throughout the agriculture industry.
- Promote investments in high margin products and technology.
- Promote the development of NWT markets for agri-food products.

Economic Diversification

ITI will facilitate diversification of the economy by promoting and supporting activities that add value to products and services and expand on the knowledge, skills and creativity of NWT residents.

1. Support and promote NWT Arts.

- Maintain an online NWT artists' database.
- Develop an NWT Arts branding program.
- Promote E-commerce to provide artists with access to national and international markets.
- Implement the NWT Arts Strategy.

2. Promote and support value-added production.

- Finalize and implement an NWT Manufacturing Strategy.

3. Promote and facilitate innovation in conjunction with the private sector.

- Complete a feasibility study, including identification of opportunities and potential operational models, for an NWT Innovation Centre.
- Obtain partnership funding for the development of an NWT Innovation Centre.

4. Promote NWT products and services.

- Build and promote linkages among the traditional economy, the arts and tourism.
- Promote investment opportunities in NWT tourism, diamonds, arts and culture at Expo 2005.
- Ensure effective procurement policies and practices.
- Promote effective trade practices with other jurisdictions.



The Prospects North Conference and Trade Show drew approximately 500 delegates to talk about Northern business and investment.



At the Inuvik Petroleum Show northern businesses market their products and services to the oil and gas industry.

Business Information & Intelligence

ITI will support decision making by providing economic data, market intelligence, sectoral information and opportunity studies.

1. **Identify business information needs and assess program effectiveness.**
 - Build and maintain informal links with businesses/associations by undertaking client surveys and attending trade shows.
2. **Provide relevant and timely information on economic indicators.**
 - Produce and distribute quarterly sectoral newsletter.
 - Provide web site information.
 - Research business issues and publish findings.
 - Undertake and publish sectoral opportunity studies.
3. **Promote best business practices.**
 - Participate in information-sharing among Canadian jurisdictions.
 - Produce E-commerce and How-To-Start-A-Business booklets.
4. **Provide technical advisory services to the GNWT and private sector clients.**
 - Undertake economic valuations including: special surveys, economic impact analyses, and trend and forecasting analyses.
 - Work with NWT Tourism to link business plan objectives with market circumstances.

Access to Capital

ITI, in conjunction with the Business Development Investment Corporation, will facilitate access to capital by promoting business financial programs and assistance available from the GNWT, other governments, government agencies and the private market.

1. **Facilitate client access to capital to take advantage of business development opportunities.**
 - Promote business financial assistance programs.
 - Champion business issues in the development of government policies.
 - Undertake business program reviews in cooperation with the Business Development and Investment Corporation.
2. **Maximize client access to funding through partnerships with public/private agencies.**
 - Promote use of alternative financial arrangements such as loan guarantees and letters of credit.
 - Establish partnerships with Indian and Northern Affairs Canada, Business Development Canada, Aboriginal Business Canada and private sector financial institutions.
 - Adjust programs to facilitate partnerships.
3. **Promote NWT investment opportunities to national and international audiences.**
 - Research and advocate for tax incentives (tax credits).
 - Promote and champion an improved NWT business investment environment.
 - Promote NWT opportunities to national/international business interests and governments.



Photo: NWT Tourism

The aurora is a major attraction for tourists from all over the world.

Supporting the Vision of the 15th Legislative Assembly

The vision, mission, goals, and plans of the Department of Industry, Tourism and Investment support the vision of the 15th Legislative Assembly and the following priorities of the Government of the Northwest Territories Strategic Plan:

- Benefiting from the development of northern resources – concluding fair devolution and resource revenue sharing agreements with Canada.
- Negotiating, through the devolution process, authority for northern government over the regulatory regime – establishing consistent standards and practices.
- Diversifying our economy – supporting small business, traditional economies, agriculture development and fisheries, and expanding our tourism sector.
- Maximizing northern benefits from the proposed pipeline – ensuring northerners have the skills and take advantage of the economic opportunities associated with the construction of the Mackenzie Gas Project.
- Building an efficient and effective energy sector – providing clean and affordable energy to northern consumers, and encouraging conservation.

Your views are important to us. Please direct your comments and suggestions by letter or email to:

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