

**Manitoba Prosperity:
Barriers and Necessary Reforms**

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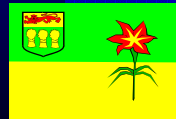
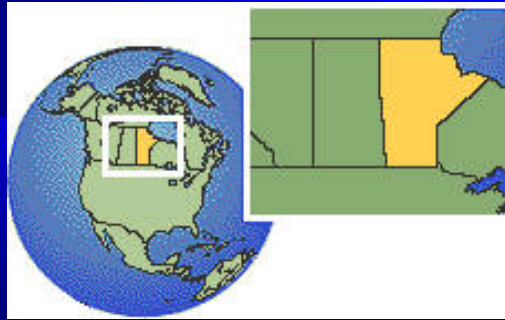
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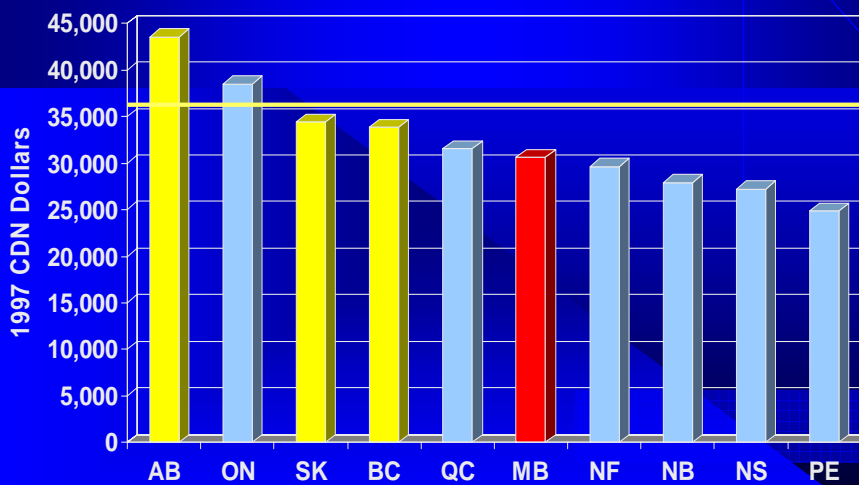
Presentation Outline

- ❖ Manitoba Prosperity Check
- ❖ Government spending
- ❖ Investment Climate
- ❖ Free Trade

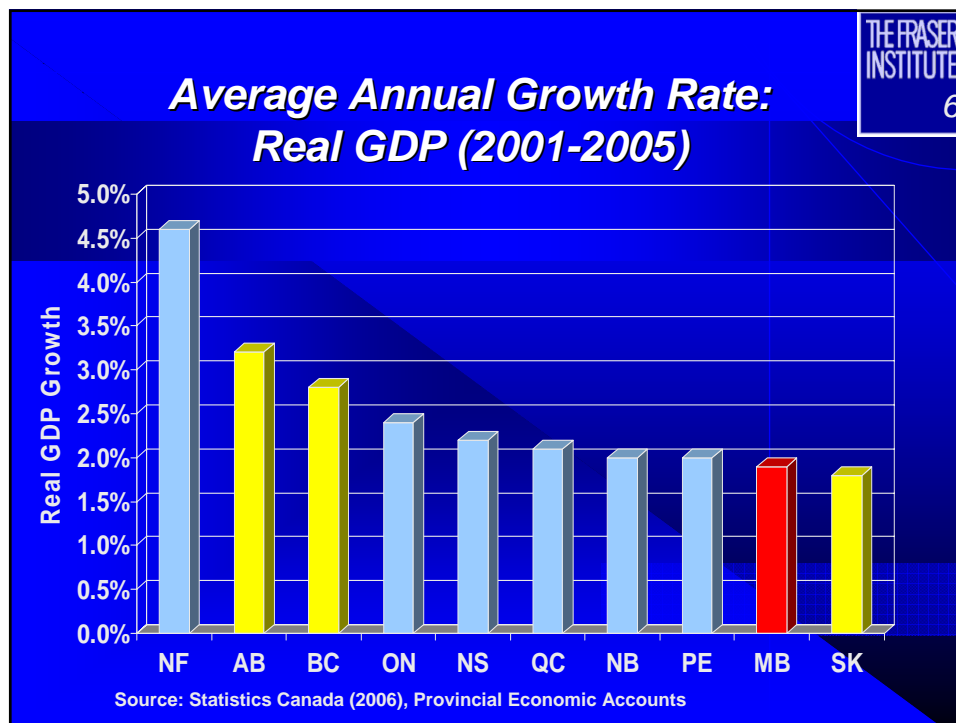
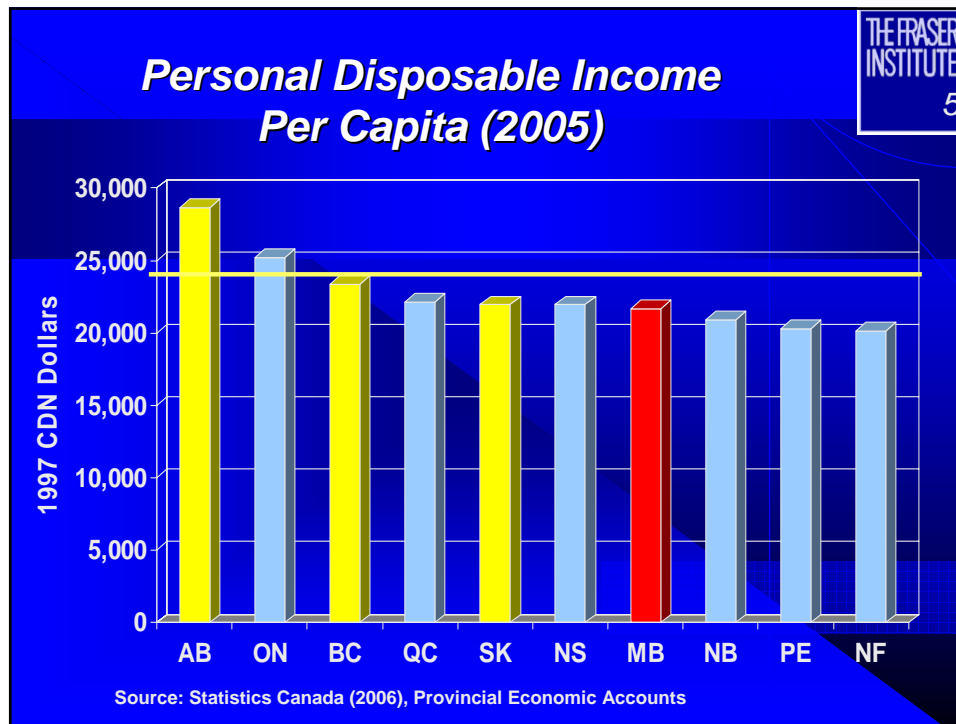
Economic Prosperity: Manitoba in the Canadian Context

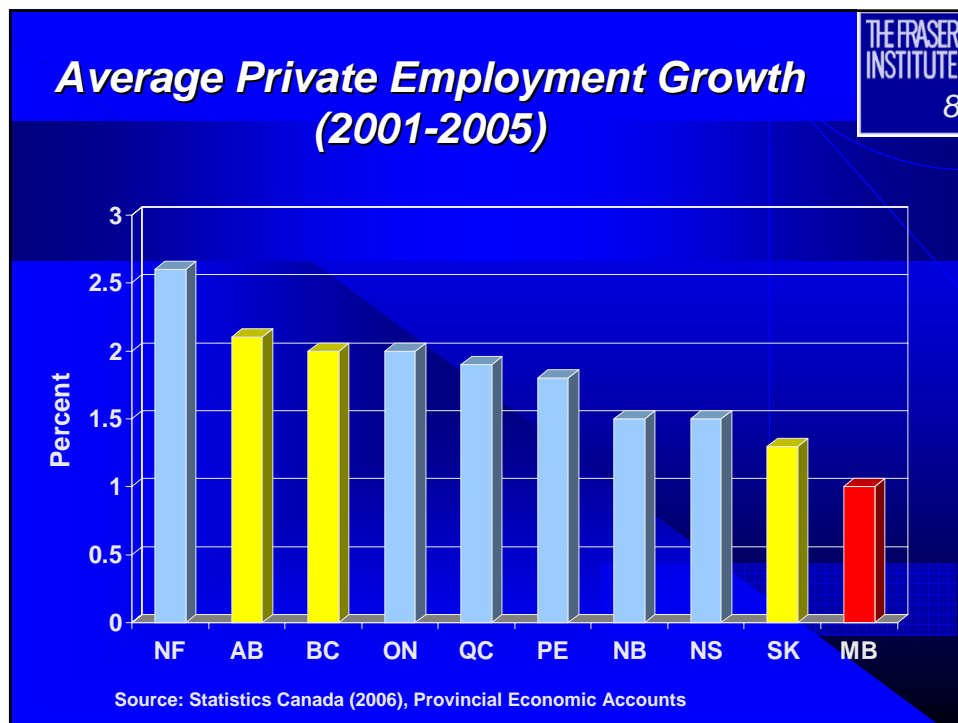
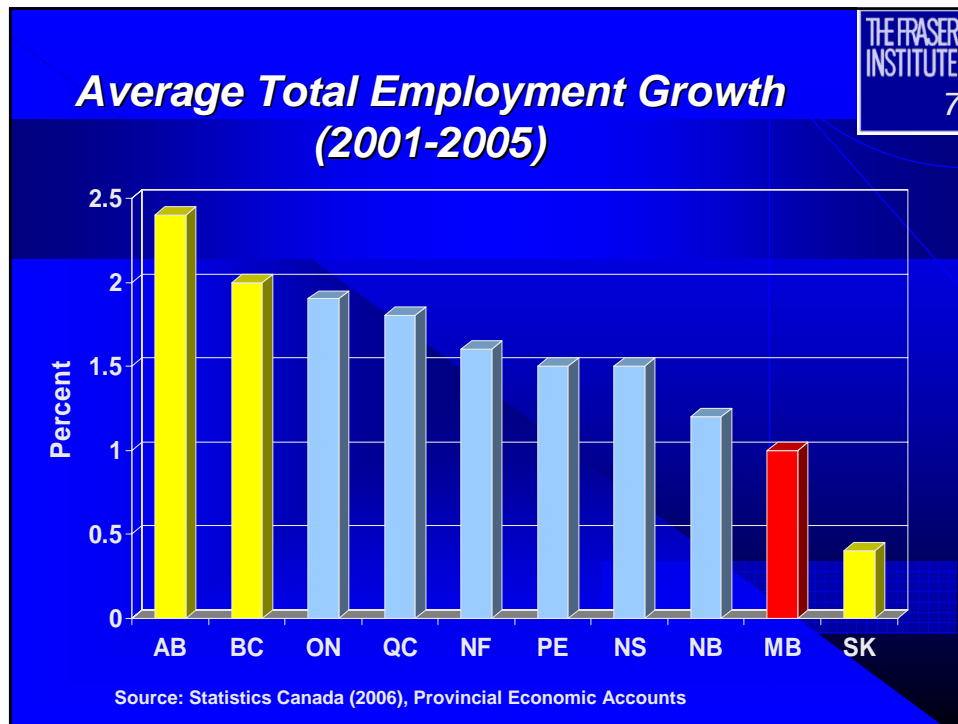


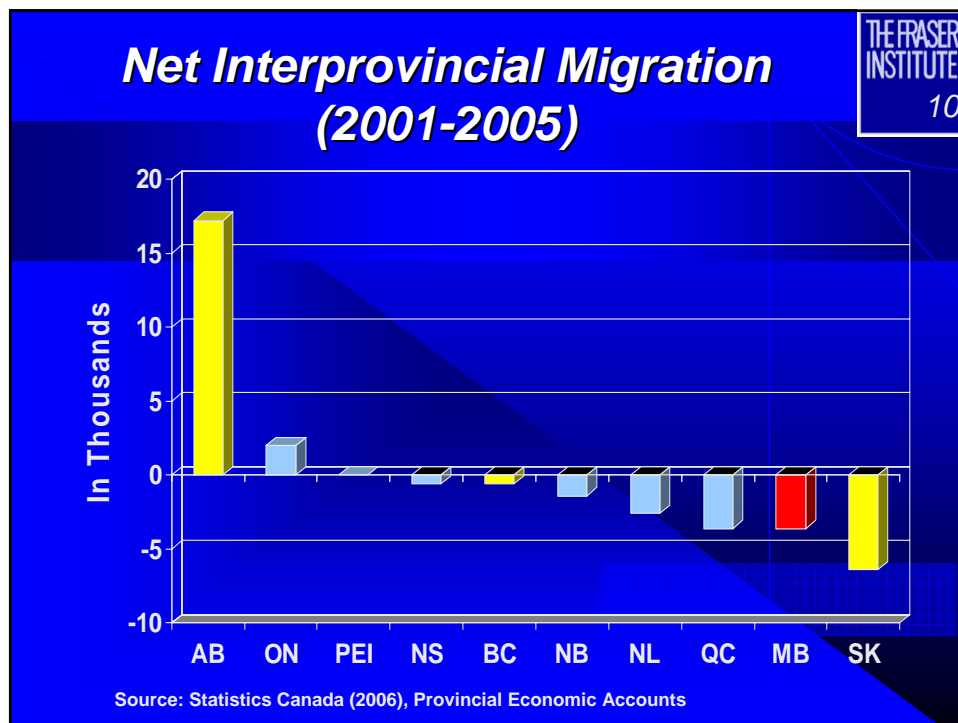
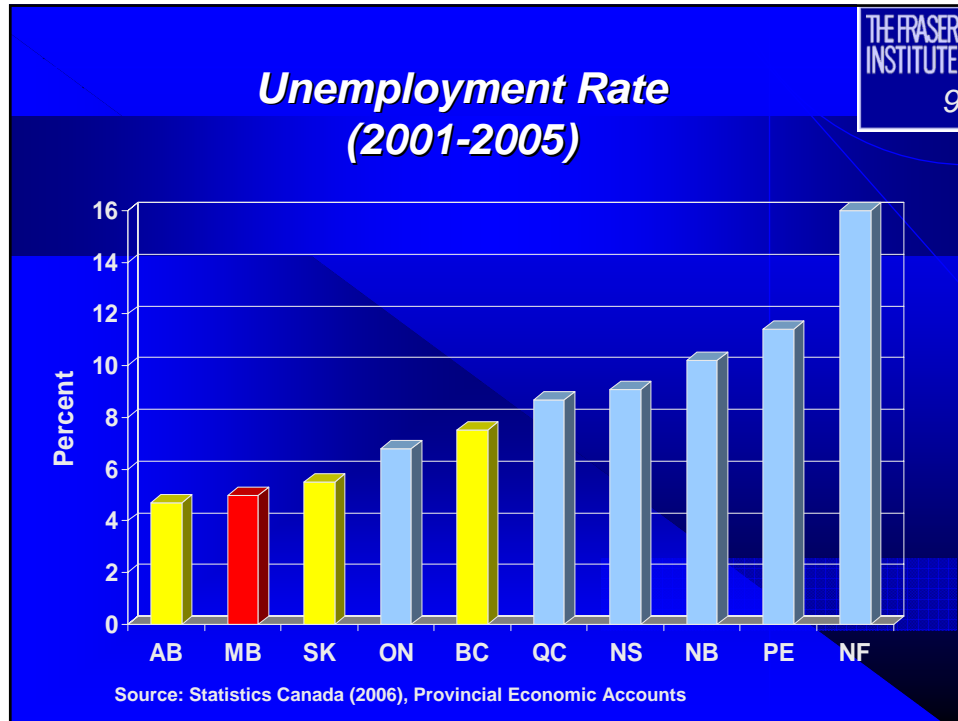
Gross Domestic Product (GDP) Per Capita (2005)

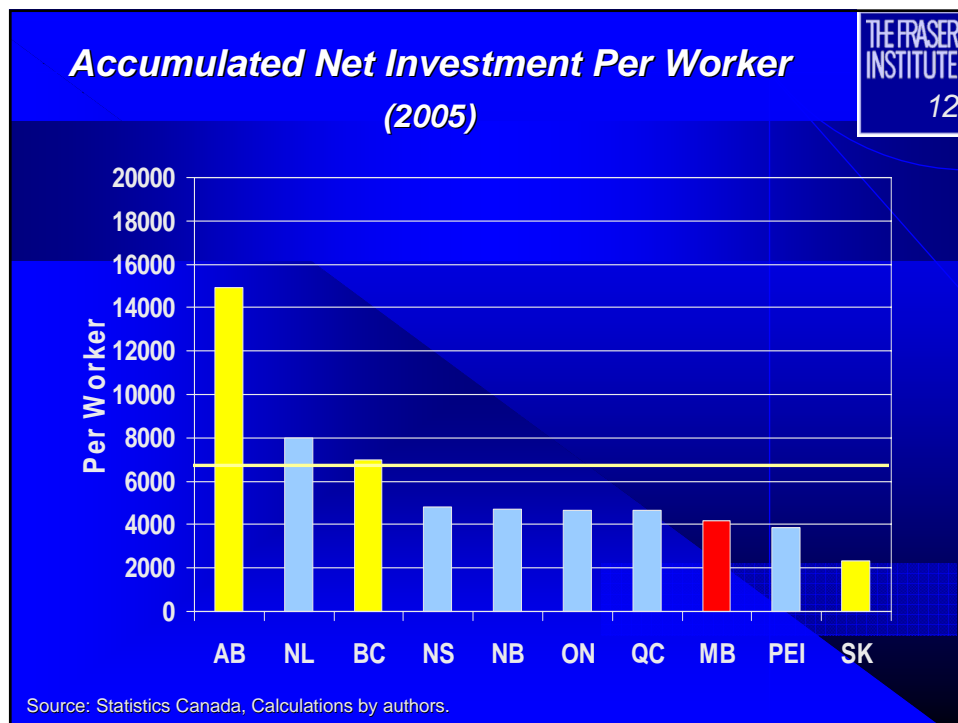
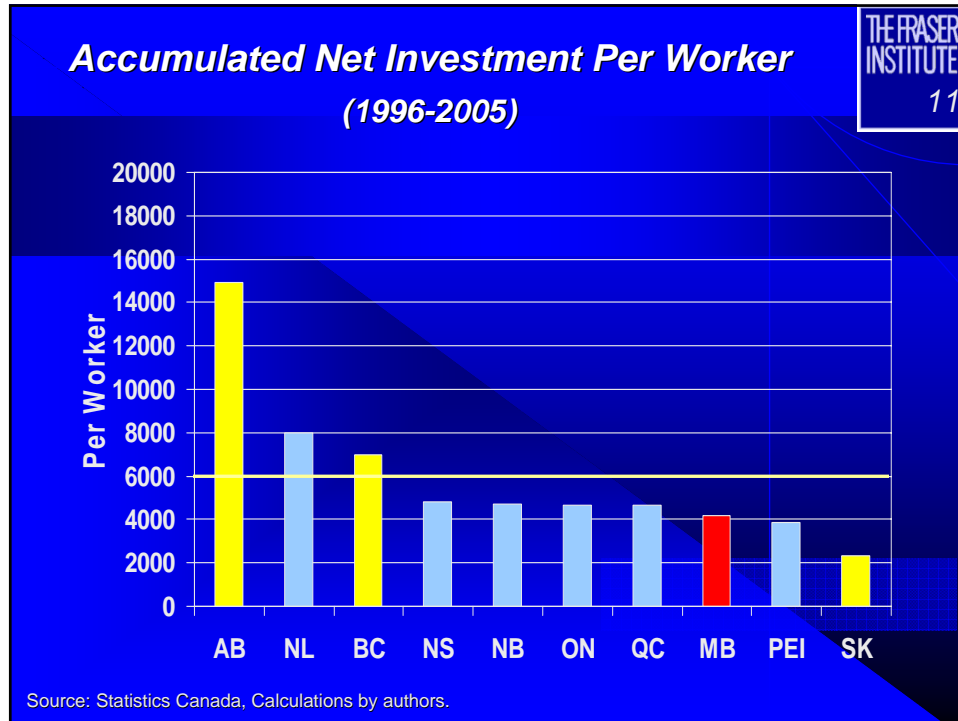


Source: Statistics Canada (2006), Provincial Economic Accounts









Manitoba's Economic Performance



- Low GDP per capita
- Low GDP growth
- Weak employment growth (job creation)
- Low unemployment...but high out-migration
- Low levels of investment

Two Approaches to Economic Development



- Create an environment within which economic activity can productively occur: eliminate barriers to trade, investment, and labour mobility coupled with competitive tax and regulatory regimes.
- Actively support and protect selected industries, sectors, and firms so as to create a platform for future growth and competitiveness.

Two Approaches to Economic Development

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Create the Right Environment

- optimal government
- competitive tax rates
- incentive-based tax structure
- cost-effective regulations
- adequate infrastructure
- broad-based free trade

Active Participation

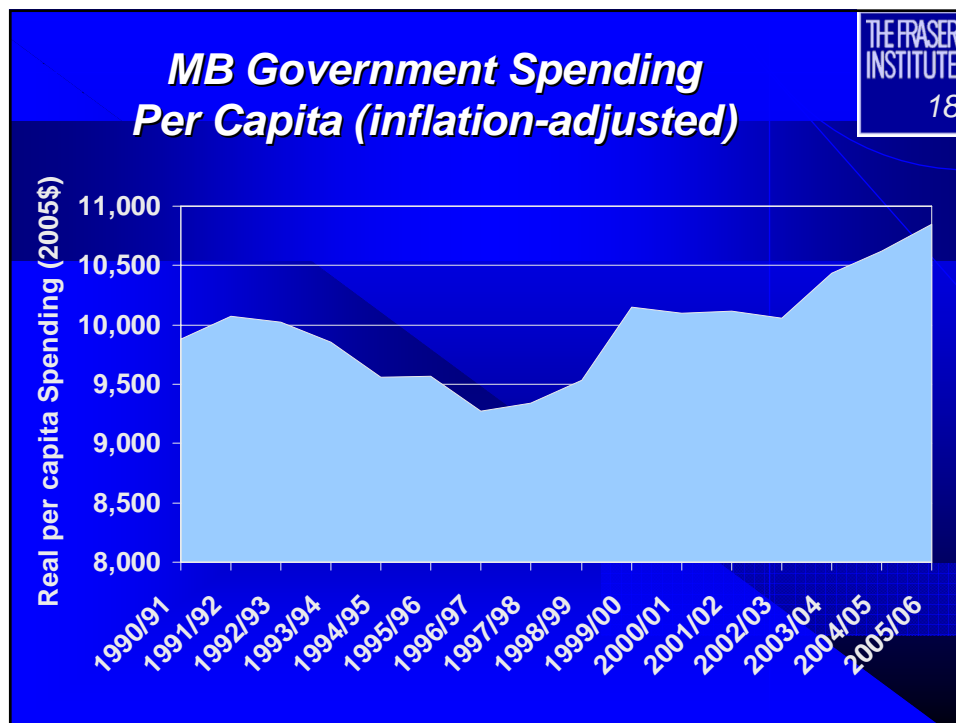
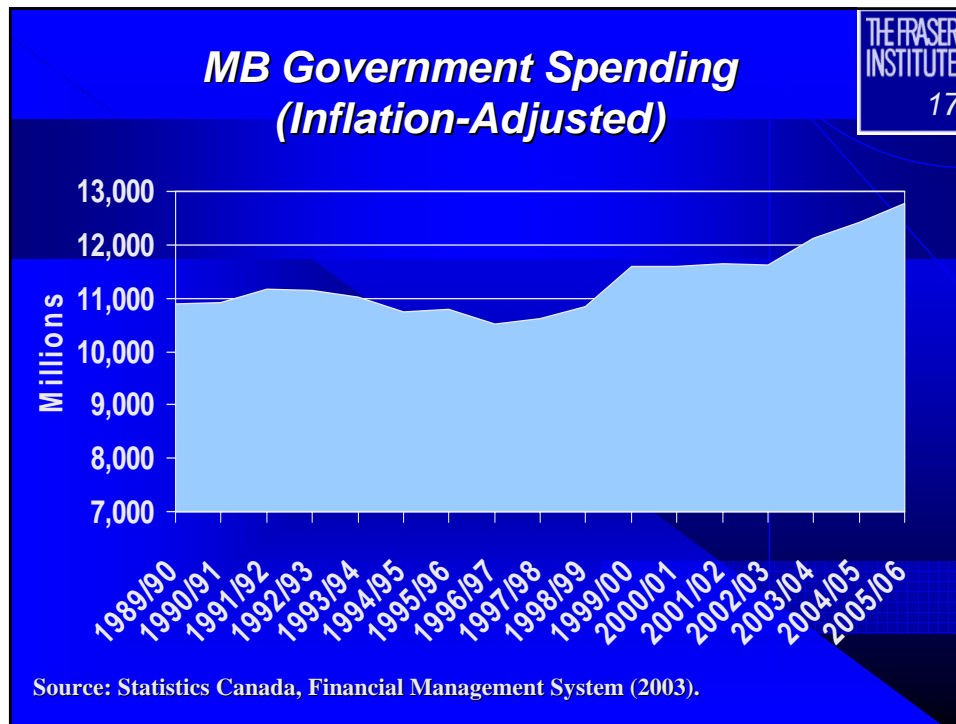
- preferential tax rates
- subsidies & other support
- asymmetric regulations
- targeted free trade
- expanded role for government

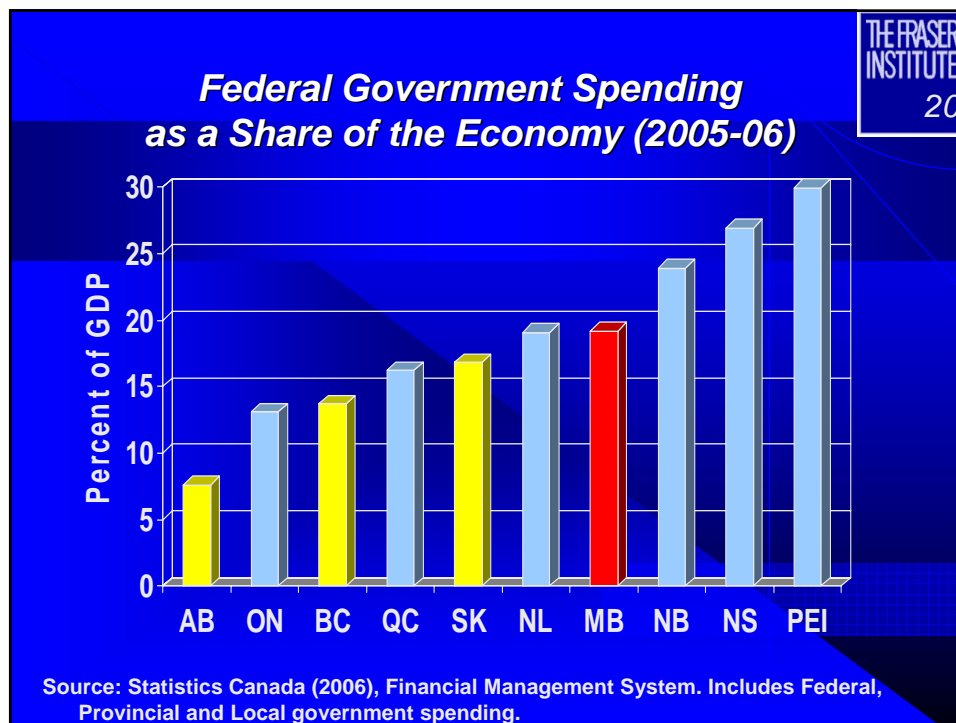
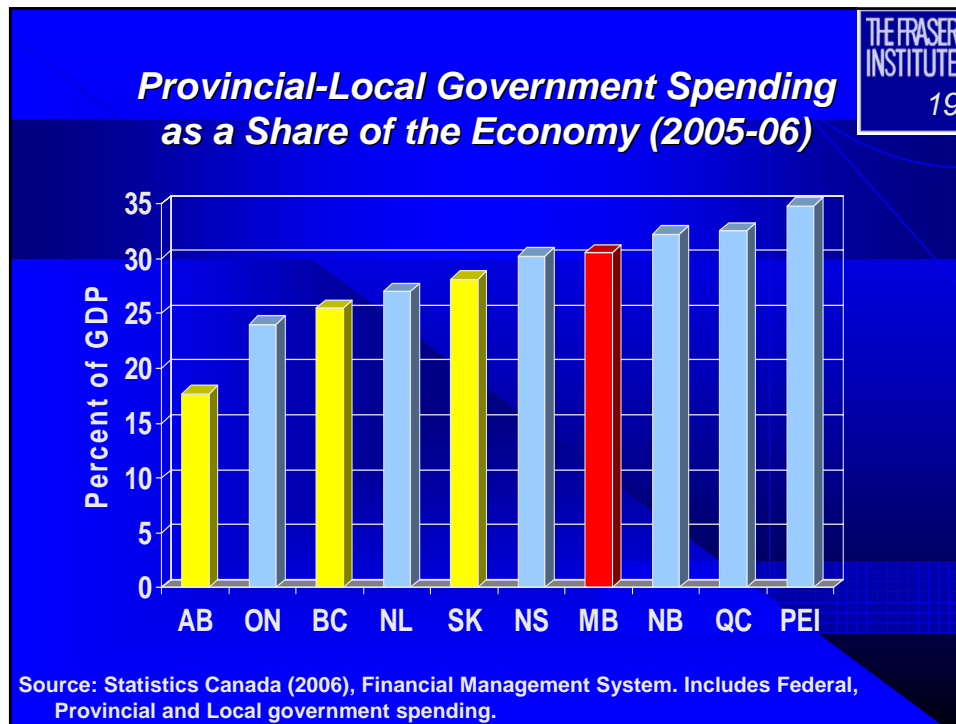
Size of Government: Barrier #1

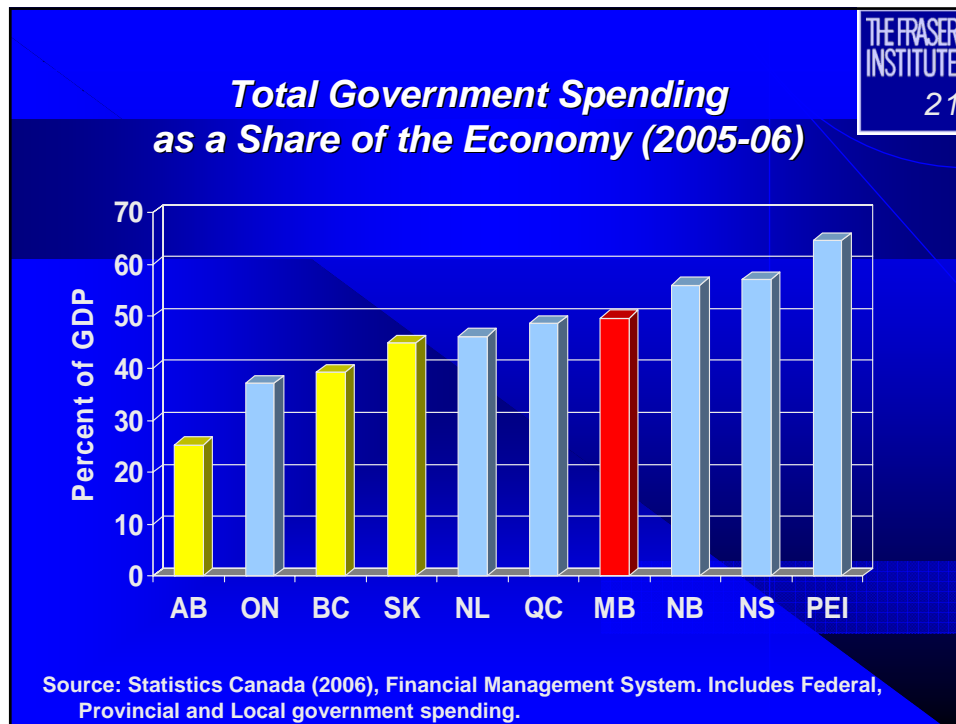
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- Size of government compared to the economy matters.
- Manitoba has not succeeded in reducing the size of government.









Investment Climate: Barrier #2

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- Based on 6 years of survey data (1998-2004) of money managers
- Includes 7 sections:
 - Corporate income taxes;
 - Fiscal prudence;
 - Personal income taxes;
 - Infrastructure;
 - Corporate capital taxes;
 - Labour regulation; and
 - Regulatory burden

STUDIES IN
ENTREPRENEURSHIP & MARKETS

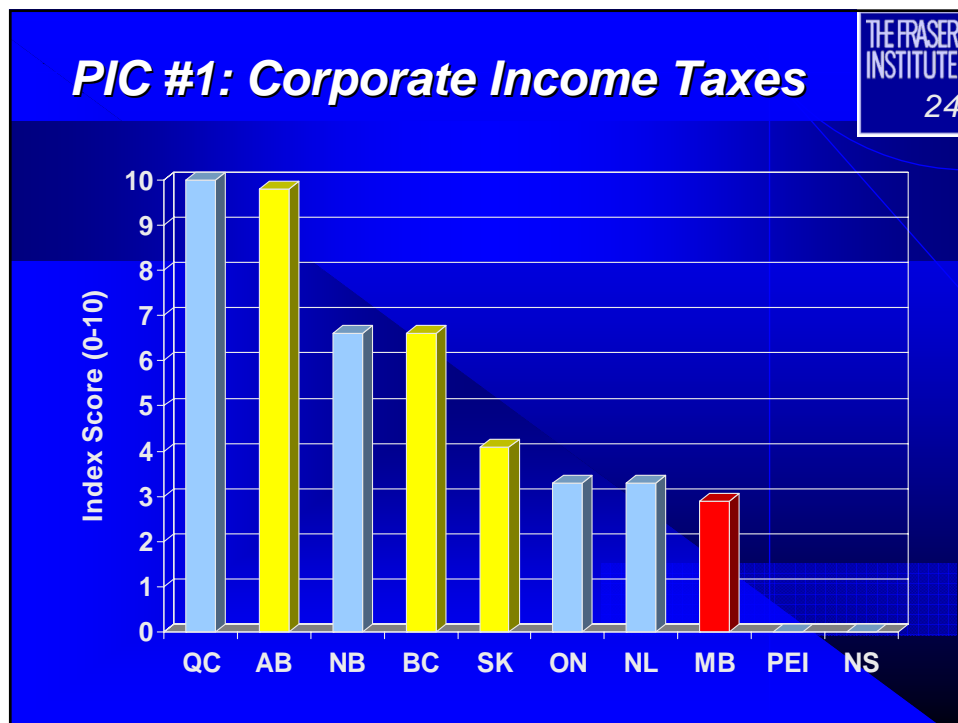
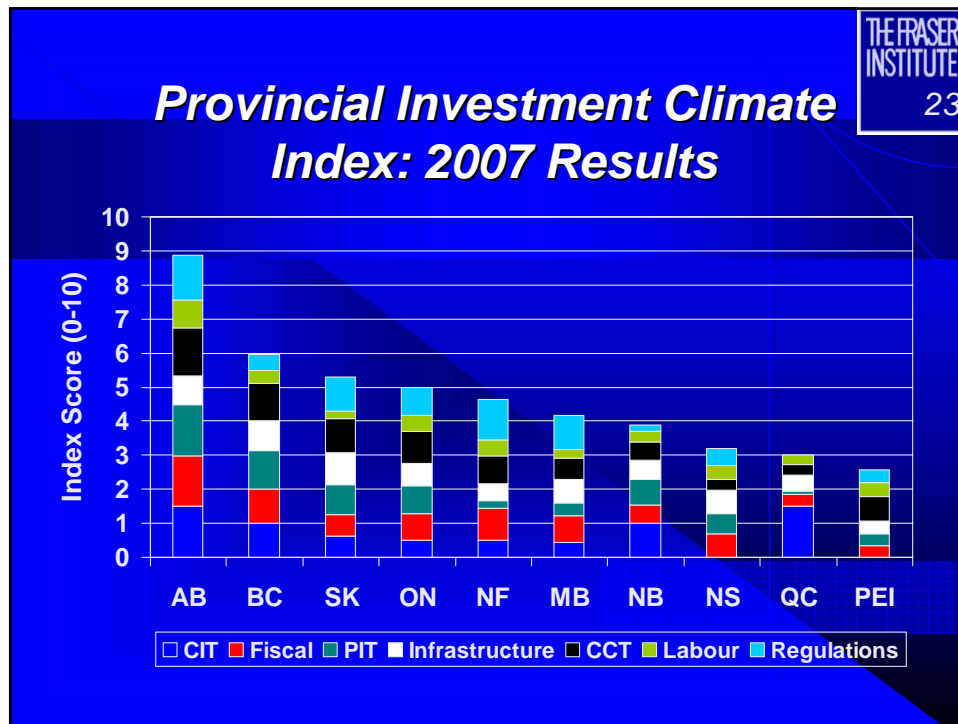
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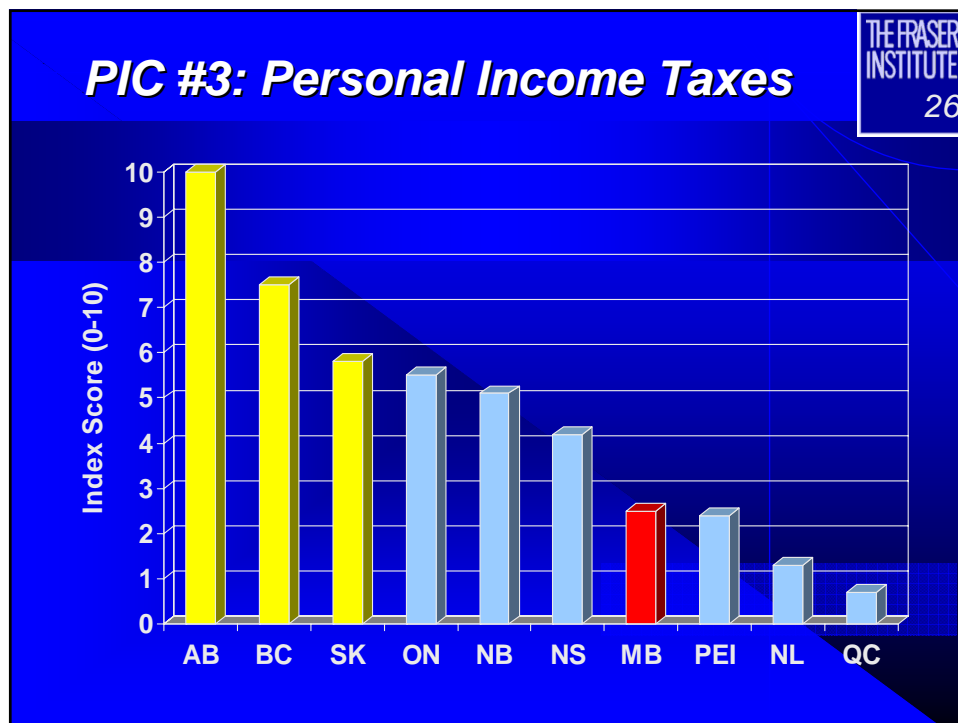
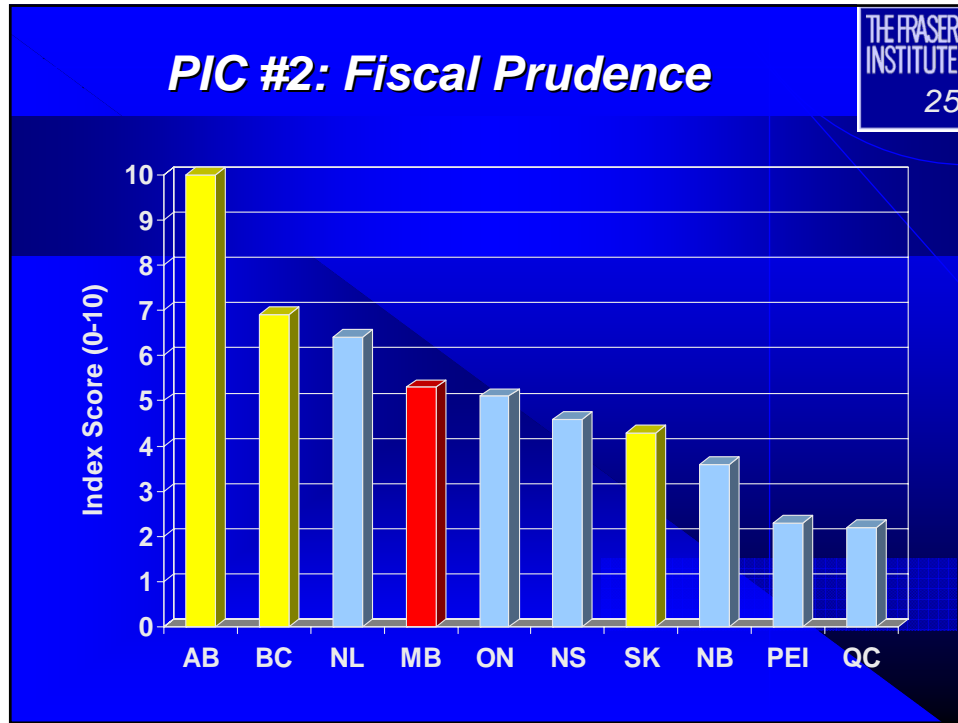
Canadian Provincial Investment Climate Report
2006 Edition

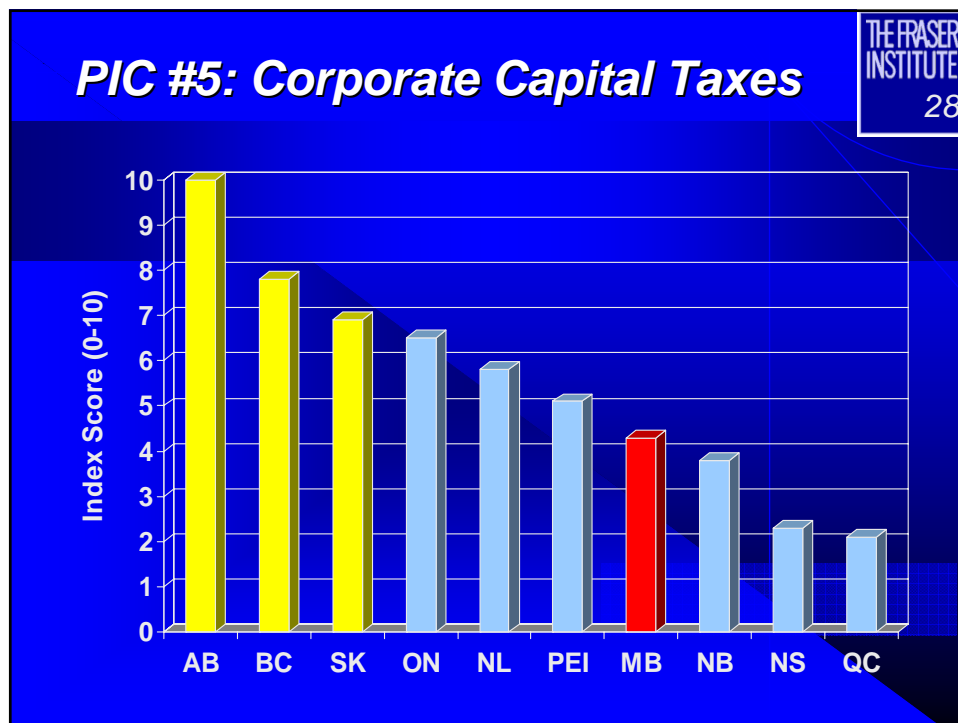
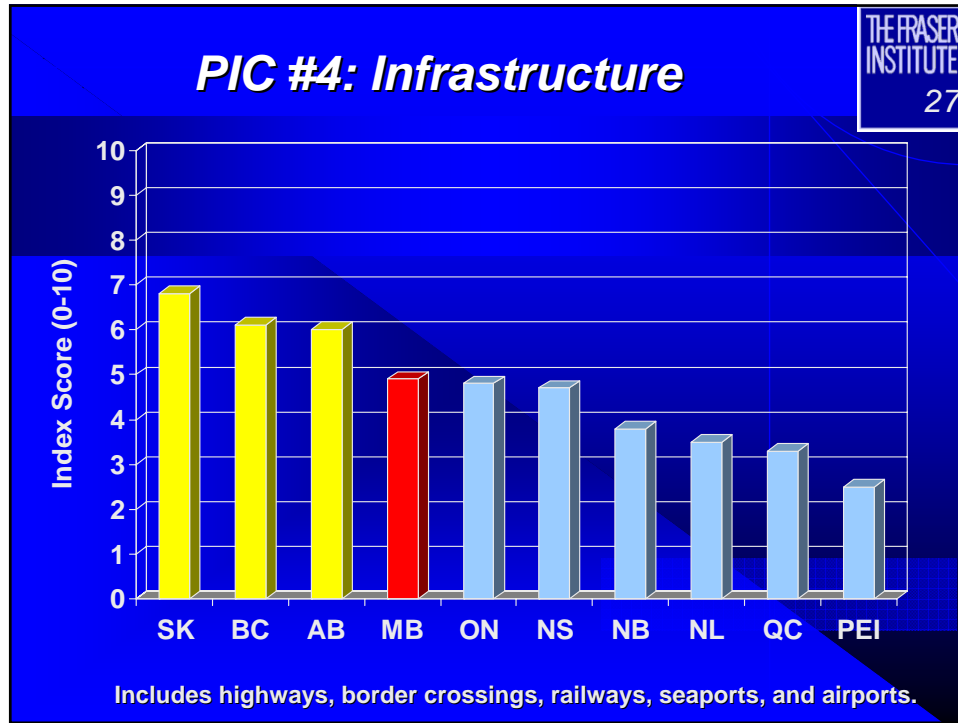
Jason Clements, Margaret Pellegrini, Todd Gehlert & Nicki Vothhals

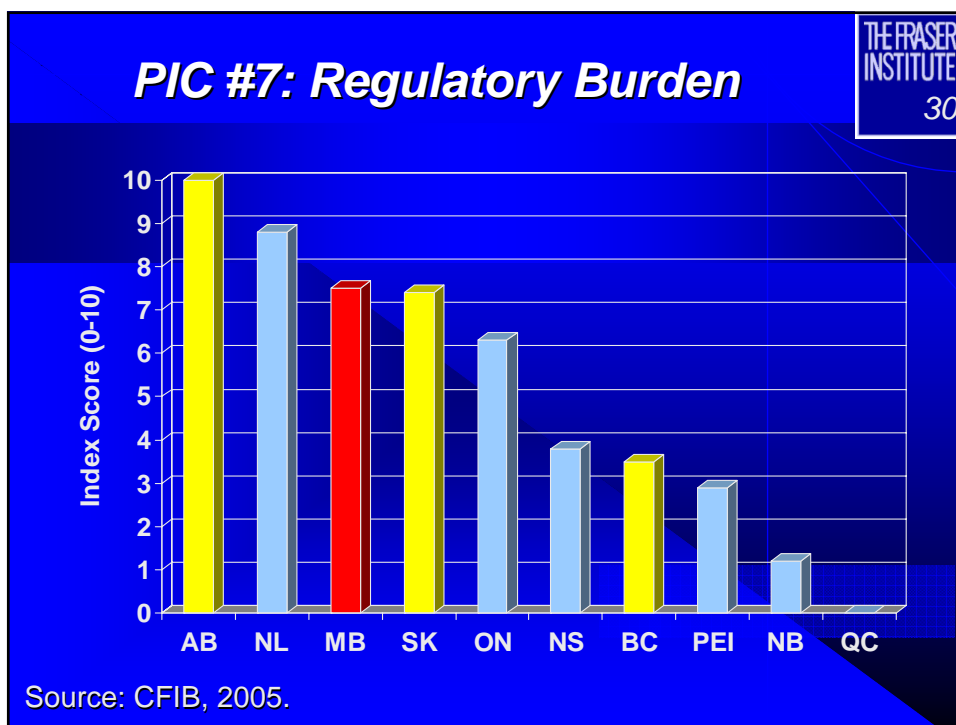
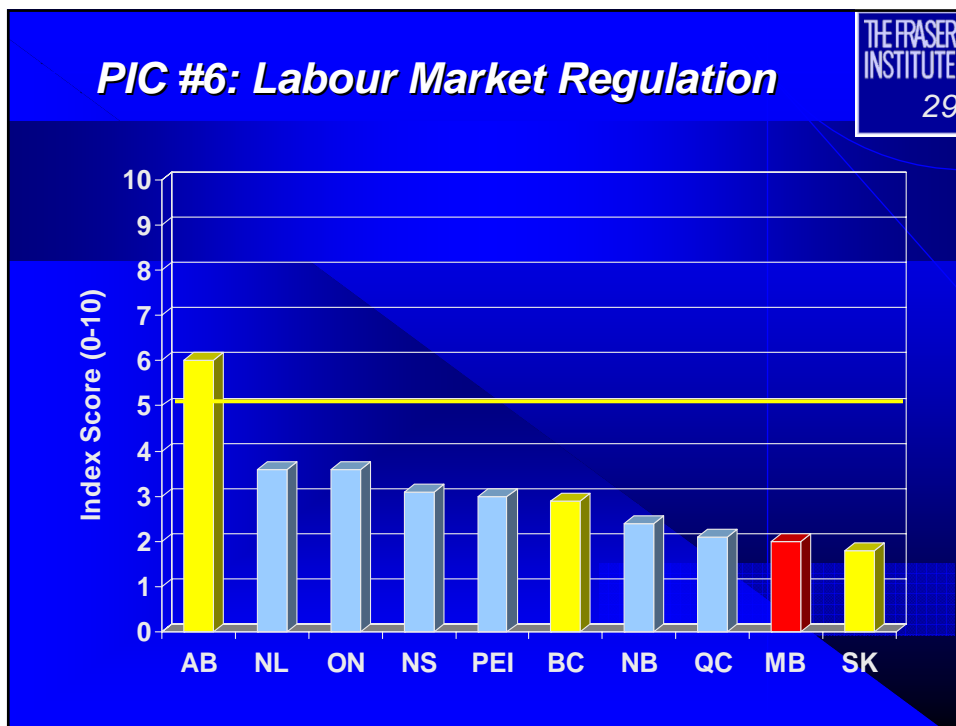
Contents	
Executive summary	3
Introduction	4
1. Overview of the Investment Managers Survey	6
2. Provincial Investment Climate Index	16
3. Comparing the Index of Provincial Investment Climate and the Investment Manager Survey index	34
Conclusions and recommendations	35
Appendix A: Methodology	40
Appendix B: Review of scholarly research on each component	46
Notes	48
References	49
About the authors & acknowledgments	49

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Free Trade: Barrier #3

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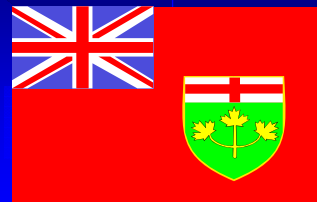
- April 28th, 2006 – TILMA
- Free trade agreement between AB and BC covering products, services, investment, and labour
- Fundamental improvement on previous agreement (AIT)
- Manitoba's opportunity



Conclusion & Recommendations

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- Poor Economic Performance
- Smaller, focused government
- Incentive-based tax relief (personal and business)
- Balanced Labour Regulation
- Free trade



Questions & Hopefully Answers...

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**Download our study:
Canadian Provincial Investment Climate 2007 Report**

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