

Atlantic Provinces Economic Council



Annual Report 2004–2005



About APEC

The Atlantic Provinces Economic Council (APEC) is an independent, non-partisan research and educational institution. Its objective is to promote the economic development of the Atlantic region of Canada. It accomplishes this through analysing current and emerging economic trends and policies; by communicating the results of its analysis and consulting with a wide audience; and advocating the appropriate public and private sector response.

APEC is a federally incorporated, non-profit organization primarily financed by membership contributions and funded research. Founded in 1954 as a partnership between the provincial governments and private sector, it now draws widespread support from business, organized labour, and the community at large.



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Message from the Chair

This past year was one marked by constructive debate and discussion, spirited priority-setting and positive change throughout the Atlantic region. I was especially inspired by the unwavering commitment and

support of business, government and community leaders over the past year as we rolled out our APEC growth and prosperity agenda in the region.

Capitalizing on the talent and energy around the Board table, we launched the year with a facilitated day of exploration and priority-setting. This session provided an opportunity for us to capture our collective priorities and generate action plans to achieve them.

We determined, as perhaps our single-most important priority, that we needed to challenge the perception that Atlantic Canada is a drain on the national economy and in doing so, advance the region's relevance to the rest of Canada. We recognized that APEC could be a catalyst for changing this perception, establishing the region as fully capable of sustained growth and prosperity.

Recognizing the diversity of priorities, and tapping into the pool of talented and thought-provoking leaders in the region, we organized a forum for information exchange and priority-setting—*The Atlantic Economic Summit* in Moncton, New Brunswick last fall.

Prior to the Summit we circulated a document entitled *An Agenda for Growth and Prosperity in Atlantic Canada* in an effort to provoke constructive debate and discussion in advance of the Summit. The document highlighted the economic challenges facing Atlantic Canada, including low productivity levels and our aging population; our transition towards a knowl-

edge economy; the need for heightened innovation; and, the federal government's role and recommended changes in strategies for Atlantic Canada.

The Summit was best described by our President and CEO, Elizabeth Beale, in the December 2004 issue of *Progress* as having "brains and the passion of a revival meeting." This event was designed to expose the major challenges facing Atlantic Canadians and stimulate debate on new policy ideas. Speakers and delegate discussions focused on relevant topics such as immigration, energy policy and regional development strategies. Priorities included reducing inter-provincial barriers; addressing the region's human capital requirements; improving government accountability; and, encouraging a more positive attitude.

Building on the success of the Summit, our staff participated in numerous engagements across Atlantic Canada designed to reinforce the ideas developed at the Summit with policy-makers and other stakeholders.

I would like to continue with our progress to date and encourage staff, the Management Committee and the Board to remain energized and focused as we continue to be the champion for growth and prosperity in the region.

In closing, I would like to thank Elizabeth Beale and her staff for all their help during my inaugural year as Chair. I'd also like to extend my appreciation to the entire Board, most notably the contributions of retiring Governors Francis McGuire, Wade MacLauchlan, Gordon Carrick and Jim Lea.

A handwritten signature in blue ink, which appears to read "Jay Forbes". The signature is fluid and cursive.

Jay Forbes
Chair, APEC Board of Governors

Report of the President and CEO



APEC'S 50th anniversary year in 2004 was exceptional, in every sense of that word. Uncommon, in that we shifted gears away from more routine research studies in favour of hosting a series of dynamic policy

forums and other celebratory events across the region. Singular, in that successfully reaching the 50 year mark is a rare accomplishment when similar organizations in Canada have all too often disappeared. Excellent, in that in bringing so many old and new friends together, the *mélange* was not only stimulating but great fun.

One of my favourite events was the Reunion held in July 2004 at Halifax, where we welcomed back many former Governors and staff, including four previous heads of APEC. Many individuals associated with APEC have gone on to great success elsewhere, yet they retain a deep affection for the organization, continuing to keep in touch and support APEC in different ways. Certainly the non-stop conversation and stories exchanged at this event served to revive or cement many friendships.

The 50th anniversary provided an opportunity to affirm the value we bring to our members and others, as a unique source of analysis and advice about the economy of this region. But it also reaffirmed our values, as a non partisan and independent voice, able to pull together a wide community of interests to act on behalf of Atlantic Canada.

Over the years, APEC has built a solid reputation around some of its key programs. Indeed some of these enjoy remarkable longevity. Our annual business *Outlook* conferences attended by hundreds across the region each fall are now in their 11th year while the major projects inventory carried annually in our

spring *Atlantic Report* is now in its 25th year. The quarterly *Atlantic Report*, the mainstay of our regular economic reports has been published by APEC for 40 years. Maintaining the quality expected in these programs while establishing new initiatives at APEC can be a challenge, but one that we relish.

What makes a difference in the success of an organization such as APEC? It is the individuals involved, and their skills, ideas and commitment that can really make things happen. Our 50th anniversary celebrations enjoyed unprecedented support from our members who turned out for various events with enthusiasm, our Governors under the direction of Chair Jay Forbes who provided leadership and essential financial support and our staff who worked tirelessly throughout the year.

It was a stellar year for APEC, a 50th anniversary of which everyone can be proud.

Elizabeth Beale
President and CEO



APEC Reunion, July 2004.
Current and Past Presidents of the Atlantic Provinces Economic Council.
Left to right: James D. McNiven, 1977-81; Elizabeth Beale, 1996-present;
William Jenkins, 1974-77; and Tim O'Neill 1988-93

APEC Board of Governors 2004–2005

Officers

Jay Forbes ~ Chair
President & CEO
Aliant Inc.

Allan C. Shaw ~ Past Chair
Chairman & CEO
The Shaw Group

Tom Brennan ~ Treasurer
Vice President, Commercial Banking,
Atlantic Canada
Bank of Nova Scotia

Elizabeth Beale ~ ex officio
President & CEO
Atlantic Provinces Economic Council

Nova Scotia

Maurice Robichaud ~ Vice Chair
Senior Vice President, Public Affairs
Corporate Communications Limited
(CCL)

Dorothy Spence
CEO
AEC Innovations Inc.

Susan Payne
President & CEO
ACA Co-operative Ltd.

W. Trevor Green
District Vice-President, Nova Scotia
& Market Leader Atlantic Provinces
BMO Bank of Montreal

Sarah Dennis
Vice President
The Chronicle Herald

Bruce A. Marchand
Partner
Patterson Palmer Law

Glenn Hynes
Executive VP and CDO
Sobeys Inc.

New Brunswick

Francis McGuire ~ Vice Chair
President & CEO
Major Drilling Group International Inc.

Michelle Carinci
President & CEO
Atlantic Lottery Corporation

Denis Losier
President & CEO
Assumption Life

Mary Keith
Director, Communications
J.D. Irving Ltd.

David Hay
President & CEO
NB Power Holding Corporation

Prince Edward Island

James A. Lea ~ Vice Chair
President & CEO
Maritime Electric Company

Wade MacLauchlan
President
University of PEI

Jeanette MacAulay
VP Development & External Relations
Holland College

Ron Keefe
President
Diagnostic Chemicals Ltd.
& Bio Vectra dcl

Newfoundland & Labrador

Christine A. Fagan Q.C. ~ Vice Chair
Solicitor
Cox Hanson O'Reilly Matheson

Clarence C. Dwyer
Vice President Corporate Affairs
Rutter Inc.

Gordon Carrick
Vice President, East Coast
Petro-Canada

Karl Smith
President & CEO
Newfoundland Power Inc.

Peter Woodward
Vice President
Woodward Group Corporation



**APEC Governors at Atlantic Economic Summit,
September 28, 2004, Moncton, New Brunswick**
Left to right (front row): Wade MacLauchlan, Mary Keith, Jeanette MacAulay,
Allan C. Shaw, Dorothy Spence, Susan Payne, Francis McGuire, Glenn Hynes
Left to right (back row): Maurice Robichaud, Jim Lea, Christine Fagan,
Denis Losier, Elizabeth Beale, Jay Forbes, Trevor Green,
Gordon Carrick, Sarah Dennis, Tom Brennan

Analysis, Engagement, Advocacy— APEC Moves Full Circle in Its 50th Anniversary Year

50
years
1954–2004

Returning to our roots—perhaps that is the best way to describe the 50th anniversary of the Atlantic Provinces Economic Council (APEC) in 2004.

When APEC was created in 1954 as a joint initiative between the business community and provincial governments in Atlantic Canada, its mandate was unequivocally activist. The Atlantic economy in the early 1950s was in the doldrums, the needs of small provinces all too easily ignored as Canada ramped up for the post-war investment boom. APEC's founders were determined to reverse this trend and bring new prosperity to the region. Early studies and programs stressed self reliance—pulling the region up by its own bootstraps. But advocacy on the region's behalf, the Atlantic region being a relatively novel concept at the time, remained a dominant theme of APEC's interventions with analysts, politicians and potential investors in Atlantic Canada.

While promoting the economic development of Atlantic Canada has remained the driving force



Atlantic Economic Summit, September 2004.

behind APEC's programs over the years, the interpretation of this mandate has shifted over time. APEC activities continue to cover research and publications, education and engagement with stakeholders, as well as policy advocacy. However, as policy deliberations have become increasingly sophisticated, APEC's role as a knowledge broker, bringing understanding of the complexities of economic policy and performance to a wide body of stakeholders, has become more important. Many firms, organizations and government departments now rely on APEC to provide a solid and broad based assessment of policy choices, in turn using our analysis as the basis for their own advocacy. Discussions at the APEC Board often revolve around where we should sit on a particular policy—are we there to provide the analysis or lead the charge?

This past year, we have reasserted the Council's advocacy role around the key challenges facing Atlantic Canada. Factors such as the widening productivity gap (measured as output per hour worked) between the three Maritime provinces and Canada, or the increased loss of the popula-



Gala Dinner at the Atlantic Economic Summit September 2004.
Left to right: John Bradley, Economic and Social Research Institute, Dublin; Jeanette MacAulay, Holland College; John Helliwell, Professor Emeritus, University of British Columbia; Christine Fagan, Cox Hanson O'Reilly Matheson; Pierre-Marcel Desjardins, Canadian Institute for Research on Regional Development; Ed Cramm, Council of Atlantic Premiers; Linda Inkpen, Fortis Properties and Francis McGuire, Major Drilling Group International Inc.

tion from the region to the rest of Canada, have galvanized our thinking about new strategies required to improve regional performance and support the transformation of Atlantic Canada into a knowledge economy. Although there are certainly some parallels to challenges faced in the early years, factors such as the rapid evolution of communications technology, resource constraints and demographic change have raised a whole new set of questions around the adequacy of the current regional policy framework to effect change.

Could we do better in Atlantic Canada? Certainly APEC's Governors have come to the conclusion that substantive changes are needed in areas such as tax policy, the regulatory framework and innovation in order to build a more globally competitive economy in Atlantic Canada. Their input into the design of our 50th anniversary program, including our major policy conference, the *Atlantic Economic Summit* held last fall, led to a thought-provoking event that challenged conventional thinking in many areas. Their contribution to our policy deliberations which culminated in the June, 2004 release of a strategy paper, *An Agenda for Growth and Prosperity in Atlantic Canada*, has now flowed through into some new thinking about improving the region's business environment. Their



APEC Reunion, July 2004.

Left to right: Tom Kent, Queen's University; David Amirault, Bank of Canada and Mike McCracken, Informetrica Limited.



APEC Reunion, July 2004.

Left to right: Barrie Black, New Brunswick Innovation Foundation; Bill Belliveau, Bell Strategic Inc. (Past APEC Governors) and Bruce Marchand, Patterson Palmer Law (Current APEC Governor).

leadership has been a powerful force in shifting APEC back to a more activist agenda.

Of course, we have had lots of other help in the generation of new ideas. At the *Summit*, speakers such as Jack Mintz of the C.D. Howe Institute challenged the effectiveness of regional development programs, while John Bradley from the Dublin-based Economic and Social Research Institute pointed to the role of education and flexible industrial policies in facilitating Ireland's transformation. At the APEC Reunion last summer, former APEC Governor Tom Kent, now affiliated with the School of Policy Studies at Queen's University, argued for a radical shake up of regional industrial strategies, with the four provinces and federal governments coming together to build a new alliance for economic development in Atlantic Canada.

Talking is easy—and we certainly had lots of opportunity for discussion and debate at the range of events held across Atlantic Canada during our 50th anniversary year. But new policy prescriptions will only have merit if they bring results in terms of a more prosperous economy in Atlantic Canada: APEC's members and other stakeholders will need to work together to ensure that the momentum for change continues.

Past APEC Chairs

R. Whidden Ganong	1955–56	D.J. O’Connell	1972–74	Ronald E. Smith	1993–95
R.J. Rankin	1957–58	L.G. Hudson	1974–75	Thomas J. Hayes	1995–97
Frank MacKinnon	1958–59	A.A. Brait	1975–77	Aldéa Landry	1997–99
Arthur Johnson	1959–61	G.J. Doucet	1977–80	Stephen Wetmore	1999–01
Y.W. Smith	1961–62	George T. Urquhart	1980–82	Gary Bruce	2001–02
Gerald E. Martin	1962–63	David Mann	1982–84	Allan C. Shaw	2002–04
John S. Wright	1963–65	David A. Ganong	1984–85		
John R. O’Dea	1965–66	R.A. McCulloch	1985–87		
Gilbert Finn	1966–68	Donald Deacon	1987–89		
C.R. MacFadden	1968–70	T.C. Bird	1989–91		
Stephen Weyman	1970–72	John O’Dea	1991–93		

Note: In 1981, the title of the senior member of the Board of Governors was changed from “President” to “Chairman” and the title of the senior member of the permanent staff was changed from “Executive Vice-President” to “President”. These changes reflect APEC’s status as a private corporation.

APEC Staff

Elizabeth Beale

President & CEO

Ashton Aldon

Membership and
Communications Coordinator

Patrick Brannon

Research Analyst

Lise Brooks

Administrator

David Chaundy

Senior Economist

Will Gibbons

Student—Research Assistant

Kimberley Tran

Economist



*From left to right (seated): Elizabeth Beale, Will Gibbons and Ashton Aldon.
From left to right (standing): Lise Brooks, Kimberley Tran,
Patrick Brannon and David Chaundy.*

Membership

APEC members provide a solid base of support for our activities across the region and beyond. Members participate throughout the year in APEC conferences, consultations and other meetings, strengthening our voice and influence on public policy issues.

Members receive all APEC's regular publications and special reports as well as discounted rates on conferences and other events. Members can also take advantage of access to APEC staff for special requests on regional data and analysis.

APEC Patron Members

Our Patron members provide a special commitment of support to the organization. We are pleased to acknowledge the following Patrons of APEC and thank them for their ongoing support.

Aliant Inc.

Atlantic Canada Opportunities Agency

Atlantic Lottery Corporation

BMO Bank of Montreal

Business Development Bank of Canada

Canadian Imperial Bank of Commerce

Canadian National

Emera Inc.

Ernst & Young LLP

ExxonMobil Canada Ltd.

Fortis Inc.

Halifax Port Authority

Industry Canada

Informetrica Limited

McCain Foods Limited

New Brunswick Power Corporation

Noranda Inc.

Petro-Canada

Progress Corp.

RBC Royal Bank

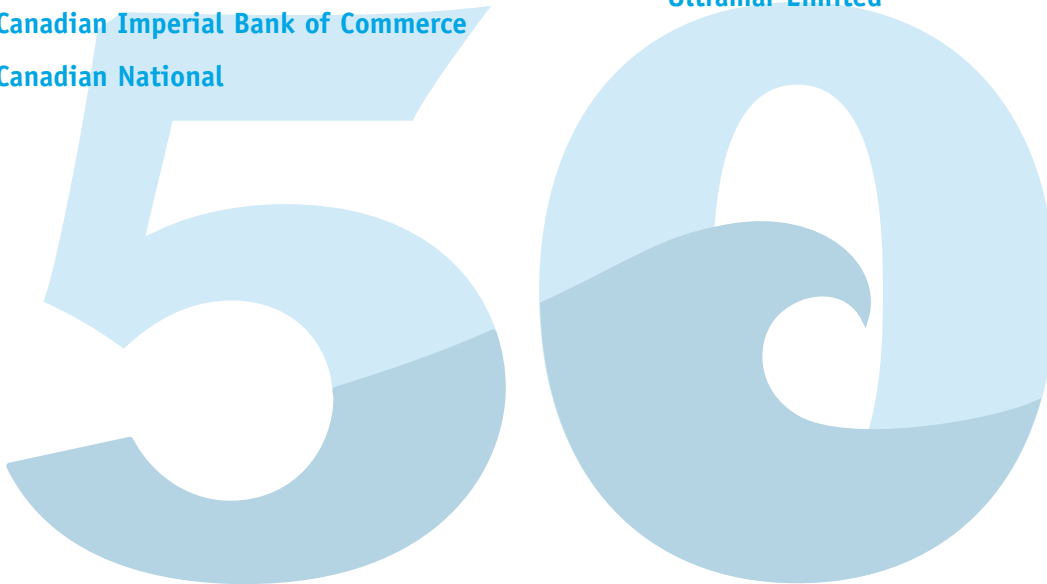
**Scotia Investments Limited /
Maritime Paper Products Limited**

Scotiabank

TD Canada Trust

The Shaw Group Limited

Ultramar Limited



Members

ABCO Group Limited	Brown Economic Assessments	City of Fredericton	Emera Inc.
Acadia University	Brunswick News Inc.	City of Mount Pearl	EnCana Corporation
Acadian Seaplants Limited	Burchell Green Hayman Parish	City of St.John's	Enterprise Cape Breton Corporation
ACF Equity Atlantic Inc.	Bureau du Québec dans les Provinces Atlantiques	Clayton Research Associates	Enterprise Fredericton
ADI Limited	Business Development Bank of Canada	Clearwater Fine Foods Inc.	Enterprise Greater Moncton
Aecon Atlantic Group	Business New Brunswick	College of the North Atlantic	Environment Canada Corporate Affairs Branch
Agriculture & Agri-Food Canada— Rural Secretariat	C.D. Howe Institute	Colliers International (Atlantic) Inc.	EPRC Limited
Air Liquide Canada	C.S.A. Enterprises Ltd.	Collins Management Consulting & Research Ltd.	Ernst & Young LLP
Alberta IIR	Cadillac Fairview Corporation Limited	Community College of New Brunswick, Bathurst Campus	ExxonMobil Canada Ltd
Alfred J. Bell & Grant Limited	Calhoun Research & Development	Competition Bureau Canada	Federal Reserve Bank of Boston
Aliant Inc.	Canada / NL & Labrador Business Service Centre	Conseil économique du Nouveau-Brunswick Inc.	Finance Canada
Altus Group	Canada Customs and Revenue Agency (Library)	Construction Association of Nova Scotia (CANS)	Financial Analysis Services, Halifax Regional Municipality
AMIRIX Systems Inc.	Canada Mortgage & Housing Corporation	Construction Sector Council	Fisheries & Oceans, Policy & Economics Branch
Arrow Construction Products Ltd	Canada Revenue Agency	Consulate General of Japan	Fleet Maintenance Facility Cape Scott
ASCO Canada Limited	Canada West Foundation	Consulate General of Switzerland	Fortis Inc.
Asia Pacific Foundation	Canadian Petroleum Products Institute (CPPI)	Consulate General of the Netherlands	Fortis Properties
Association of Atlantic Universities	Canadian Association of Petroleum Producers	Corporate Communications Limited	Fraser & Hoyt Group
Association of Professional Engineers of Nova Scotia	Canadian Centre for Policy Alternatives (CCPA)	Council of Atlantic Premiers	Fraser Institute
Assumption Mutual Life Insurance Company	Canadian Council of Chief Executives	Cox Hanson O'Reilly Matheson	Freeland Consulting Inc.
Atcon Group Inc.	Canadian Gypsum Co.	Crane Supply	G.J. Cahill and Company Limited
ATGOV	Canadian Imperial Bank of Commerce	Crosby Molasses Co. Ltd.	Gardner Pinfold Consulting Economists Ltd.
Atlantic Blue Cross Care	Canadian Labour and Business Centre (CLBC)	Dalhousie University	Geoplan Consultants Inc.
Atlantic Canada Airports Association	Canadian Manufacturers & Exporters	Dalhousie University Library	Gerald Walsh Recruitment Services Inc.
Atlantic Canada Opportunities Agency	Canadian National Railway	Department of Education and Culture (NS)	Greater Charlottetown Area Chamber of Commerce
Atlantic Corporation Inc.	Canadian Plastics Industry Association	Department of Finance, Economics & Statistics Branch (NL)	Greater Halifax Partnership
Atlantic Digital Reproduction Inc.	Canadian Policy Research Networks Inc.	Department of Human Resources & Employment	Growth Works Atlantic Ltd.
Atlantic Energy Solutions	Canadian Salt Co. Ltd.	Department of Innovation, Trade and Rural Development	Halifax International Airport Authority
Atlantic Home Building & Renovation Sector Council	Capital Health	Development & Technology (PEI)	Halifax Port Authority
Atlantic Lottery Corporation	Carleton University Library	DHL International Express Limited	Halifax Regional Development Agency
Atlantic Provinces Chambers of Commerce	Casino Nova Scotia	Diagnostic Chemicals Limited	Hawk Communications Inc.
Atlantic Provinces Community College Consortium	CB Richard Ellis Limited	Diversified Metal Engineering Ltd	Health Canada
Atlantic Tractors & Equipment Limited	Centre de Commercialisation Internationale	Dockrill Horwich Rossiter	High Liner Foods Inc.
Atomic Energy of Canada Limited	Centre for International Business Studies	Dominion Bond Rating Service Limited	Holland College
ATV/ASN	Centre for the Study of Living Standards	Dover Flour	Hollet & Sons Inc.
Beacon Securities Limited	Chamber of Commerce	DRI-WEFA	Human Resources and Skills Development Canada
Bibliothek des Instituts für Weltwirtschaft	Citizenship & Immigration Canada	East Port Properties Limited	IBM Canada Ltd.
Black & McDonald Limited		Eastern Canada Towing Ltd.	Imperial Oil Limited
BMO Bank of Montreal		Eastern Protein Foods Ltd.	Industry Canada
Bridgewater State College		École des Hautes Études Commerciales	Informetrica Limited
Bristol Group			ING Insurance Company of Canada

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 Institute of Chartered Accountant of Nova Scotia
 Insurance Bureau of Canada
 Investment Dealers Association of Canada
 Irving Equipment
 J. Christopher Nagel, P.C. Inc.
 J.D. Irving Limited
 J.J. Barnicke Atlantic Limited
 Kanayo Software Inc.
 Kent Homes
 Killam Properties
 KPMG Management Consulting
 La Fédération des caisses populaires acadiennes limitées
 Labour Market Services
 Landal Inc.
 Le Conseil de développement économique de la Nouvelle-Écosse
 Legislative Library (Ontario)
 Legislative Library House of Assembly
 Leonard Corporation
 Library of Parliament
 Mainland Nova Scotia Building & Construction Trades Council
 Major Drilling Group International Inc.
 Mammoet Canada Eastern Ltd.
 Marathon Canada Petroleum ULC
 Maritime Lumber Bureau
 Maritime Paper Products Limited
 Marketing Team Atlantic Inc.
 Martillac Limited
 McCain Foods Limited
 McInnes Cooper
 McKesson Health & Pharmaceutical Services Ltd.
 McMaster University
 Memorial University of Newfoundland
 Mercer Human Resource Consulting Limited
 Metropolitan Halifax Chamber of Commerce
 Metropolitan Immigrant Settlement Association (MISA)
 Mount Allison University
 Mount Saint Vincent University

Mount Saint Vincent University (Library)
 Mr. Dave Leonard
 Mr. Eugene Weiss
 Mr. James McNiven
 Mr. R.A. McCulloch
 MRSB Consulting Services Inc.
 MT&L Public Affairs
 Municipality of the County of Colchester
 Municipality of the District of Guysborough
 National Bank of Canada
 National Liberal Caucus Research Bureau
 National Research Council
 NB Department of Training and Employment Development
 NB Investment Management Corporation
 Neill & Neill: Information Services
 New Brunswick Training Group Inc.
 New Brunswick Department of Finance
 New Brunswick Innovation Foundation
 New Brunswick Power Corporation
 New York Public Library
 Newfoundland & Labrador Association of Technology Ind. (NATI)
 Newfoundland Capital Corporation Ltd.
 Newfoundland Containers Ltd.
 Noranda Inc.
 Nova Knowledge
 Nova Scotia Agricultural College
 Nova Scotia Business Inc.
 Nova Scotia Community College (NSCC)
 Nova Scotia Egg Producers
 Nova Scotia Liquor Corporation
 Nova Scotia Teachers' Union
 NS Labour Market Development Secretariat
 Oceanex (1997) Inc.
 Oceans Advance
 Office Interiors Group
 Office of the Auditor General
 Office of the Leader—New Democratic Party

Oland Brewery
 Opron Maritimes Construction Limited
 OTANS
 Patterson Palmer
 PCL Constructors Canada Inc.
 Peapell and Associates/Supertemp
 PEI Business Development Agency
 Petro-Canada
 PRAXIS Research & Consulting Inc.
 PricewaterhouseCoopers
 Privy Council Office
 Progress Corp.
 Queen's University (Library)
 RBC Royal Bank
 Research Alliance
 Robert K. Buzzell Ltd.
 Robertson Surette Group Limited
 Rodd Hotels & Resorts
 Rural and Small Town Program
 Rutter Inc.
 Ryerson University
 Saint John Construction Association Inc.
 Saint John Library Region
 Saint Mary's University
 Saint Mary's University (Library)
 Scotia Investments Limited
 Scotiabank
 Scribendum
 SGCI Communications Inc.
 Shell Canada Limited
 Simon Fraser University
 SNC Lavalin
 South West Shore Development Authority
 Southwest Properties Ltd
 Sparkling Spring Water Limited
 Spell Read P.A.T. Learning Systems Inc.
 Springwall Sleep Products Inc.
 St. Francis Xavier University
 St. Francis Xavier University (Library)
 St. John's Board of Trade
 St. John's Development Corporation Ltd.
 St. John's Port Authority
 St. Thomas University

Standard & Poors
 Statistics Canada
 Stewart McKelvey Stirling Scales
 Sunny Corner Enterprises Inc.
 TARA—Telecom Application Research Alliance
 TD Canada Trust
 The CCL Group Inc.
 The Centre for Spatial Economics
 The Chronicle Herald
 The Shaw Group Limited
 Toyota Canada Inc.
 Transport Canada (NB)
 Trent University
 Ultramar Limited
 Union of Nova Scotia Municipalities
 Université de Moncton, Campus de Shippegan
 Université de Moncton, CIRRD
 Université de Saint-Anne
 University College of Cape Breton
 University of British Columbia
 University of Maine
 University of New Brunswick
 University of PEI (Robertson Library)
 University of Prince Edward Island
 University of Toronto (Library)
 University of Vermont
 University of Waterloo
 University of Windsor
 Voisey's Bay Nickel Company Ltd.
 Walter Construction (Canada) Limited
 Whitehill Technologies Inc.
 Woodward Group
 Workers' Compensation Board of Nova Scotia
 Workers' Investment Fund
 York University (Library)

Publications

Atlantic Report

Quarterly review of regional trends plus feature article. Distributed as part of APEC membership.* (Listed with title of feature article) 14-17pp

Winter 2005, Vol. 39, no. 4

Lure of the East: The Emergence of Asia's Global Giants and the Implications for Atlantic Canada

Fall 2004, Vol. 39, no. 3

Outlook 2005: Finding Success in Distant Markets

Summer 2004, Vol. 39, no. 2

Business Subsidies and Their Role in Atlantic Canada

Spring 2004, Vol. 39, no. 1

Major Projects Inventory 2004: What's Next on the Drawing Board for Atlantic Canada?



Report Card

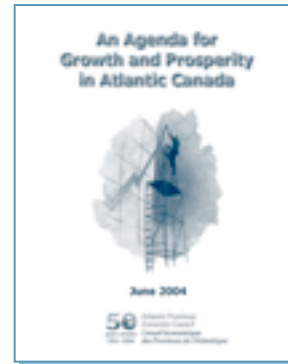
Two-page leaflet focused on a topical issue in the Atlantic economy. Distributed four times a year as a part of APEC membership.*

March 2005—*Will Foreign Students Fill the Empty Seats at Atlantic Universities?*

November 2004—*Atlantic Economy Becomes Less Seasonal*

August 2004—*The Atlantic Fishery: Now a Global Industry*

May 2004—*China on Radar Screen for Atlantic Businesses*



Other Recent Publications**

March 2005

Seasonality in Atlantic Canada: Trends, Challenges and Policy Issues

September 2004

Subsidized to the Hilt? An Analysis of Business Subsidies in Atlantic Canada.

August 2004

Nova Scotia Forest Industry Labour Force Profile

June 2004

An Agenda for Growth and Prosperity in Atlantic Canada



APEC Commentary**

February 2005

Federal Budget 2005: Highlights for Atlantic Canada

November 2004

Canada's Equalization Program: C.D. Howe's Proposals for Reform Miss the Mark

Selected recent publications are also available on our website: www.apec-econ.ca

* Non-members may purchase individual copies of these publications by contacting the APEC office.

** Available on our website only in PDF format.

Auditors' Report

To the Members of the
Atlantic Provinces Economic Council

We have audited the balance sheet of **Atlantic Provinces Economic Council** as at March 31, 2005 and the statements of revenue, expenditures and members' surplus and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Halifax, Canada
April 21, 2005

Ernst + Young LLP

Chartered Accountants

Atlantic Provinces Economic Council Balance Sheet as at March 31

	2005	2004
	\$	\$
Assets		
Current		
Cash	398,838	417,780
Accounts receivable	127,183	167,664
Prepaid expenses	1,289	28,368
	<hr/>	<hr/>
	527,310	613,812
Capital assets <i>[note 3]</i>	11,435	16,760
	<hr/>	<hr/>
	538,745	630,572
Liabilities		
Current		
Accounts payable and accrued liabilities	29,784	32,194
Deferred revenue	17,820	23,730
	<hr/>	<hr/>
	47,604	55,924
Commitments <i>[note 4]</i>		
Members' surplus	491,141	574,648
	<hr/>	<hr/>
	538,745	630,572

See accompanying notes

Approved by the Board of Directors

 Director

 Director

Atlantic Provinces Economic Council Statement of Revenue, Expenditures and Members' Surplus Year ended March 31

	2005	2004
	\$	\$
Revenue		
Membership fees	221,169	210,886
Sponsorships	189,454	48,500
Conferences and seminars	181,997	89,949
Provincial memberships	106,565	106,568
Research contracts	63,255	341,835
Other income	44,327	36,178
	<hr/>	<hr/>
	806,767	833,916
Expenditures		
Salaries and benefits	454,926	409,684
Meetings and conferences	220,748	79,983
Administrative	146,273	129,753
Printing and publications	37,826	36,959
Research	20,806	77,267
Professional and consulting	9,696	25,753
	<hr/>	<hr/>
	890,275	759,399
Excess of (expenditures over revenue) revenue over expenditures for the year	(83,507)	74,517
Members' surplus—beginning of year	574,648	500,131
Members' surplus—end of year	<hr/>	<hr/>
	491,141	574,648

See accompanying notes

Atlantic Provinces Economic Council Statement of Cash Flows Year ended March 31

	2005	2004
	\$	\$
Operating Activities		
Excess of (expenditures over revenue) revenue over expenditures for the year	(83,507)	74,517
Non-cash operating items:		
Amortization	5,365	6,580
	(78,142)	81,097
Net changes in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	40,481	(14,322)
Decrease (increase) in prepaid expenses	27,079	(12,109)
(Decrease) increase in accounts payable and accrued liabilities	(2,410)	6,585
(Decrease) increase in deferred revenue	(5,910)	1,975
Cash (used in) provided by operations	(18,902)	63,226
Investing Activities		
Acquisition of capital assets	(40)	(4,667)
Cash used in investing activities	(40)	(4,667)
Net change in cash during the year	(18,942)	58,559
Cash, beginning of year	417,780	359,221
Cash, end of year	398,838	417,780

See accompanying notes

Atlantic Provinces Economic Council Notes to Financial Statements March 31, 2005

1. Status and Nature of Activities

The Atlantic Provinces Economic Council (APEC) is an independent, non-partisan research and educational institution. Its objective is to promote the economic development of the Atlantic region of Canada. It accomplishes this through analyzing current and emerging economic trends and policies; by communicating the results of its analysis and consulting with a wide audience; and by advocating the appropriate public and private sector response.

APEC is a federally incorporated non-profit organization primarily financed by membership contributions and funded research. Founded in 1954 as a partnership between the provincial government and private sector, it now draws widespread support from government, business, organized labour, and the community at large. APEC has approximately 300 members.

2. Significant Accounting Policies

Revenue recognition

Research funding is recognized on the percentage of completion basis. Membership fees and subscription revenue are recorded as income in the year billed unless they relate to a future year.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided using the declining balance method at the following rates:

Computer software	100%
Computer equipment	30%
Furniture and fixtures	20%

One-half the normal annual rate is used to calculate amortization in the year of acquisition. No amortization is recorded in the year of disposal.

Financial instruments

The financial instruments recognized in the balance sheet consist of cash, accounts receivable, accounts payable and accrued liabilities. The differences between the carrying values and fair values of the Council's instruments are not material due to their short term maturities and/or normal credit terms.

Use of estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those reported.

3. Capital Assets

	2005		
	\$		
	Cost	Accumulated Amortization	Net
Computer software	2,499	2,479	20
Computer equipment	31,002	21,017	9,985
Furniture and fixtures	5,851	4,421	1,430
	39,352	27,917	11,435

	2004		
	\$		
	Cost	Accumulated Amortization	Net
Computer software	2,459	1,751	708
Computer equipment	31,002	16,738	14,264
Furniture and fixtures	5,851	4,063	1,788
	39,312	22,552	16,760

4. Commitments

Equipment leases

APEC has entered into agreements to lease certain office equipment expiring in 2008 and 2010. For accounting purposes, these leases are classified as operating leases. Future minimum lease payments for the following five years are as follows:

2006	\$5,013
2007	5,013
2008	4,097
2009	2,265
2010	1,699

Rental of premises

Under the terms of an operating lease expiring September 30, 2007 APEC is committed to make minimum annual payments for office rentals of \$28,404. APEC is also required to pay its share of certain operating expenses.