For Immediate Release

Waterloo Region Enjoys Greatest Degree of Cost Advantage In Research & Development

Canada’s Technology Triangle, Waterloo Region, March 21, 2006 … The competitiveness of the Waterloo Region, known as Canada's Technology Triangle, continues to rank favourably compared to locations among the G-7 countries, according to the Competitive Alternatives: KPMG’s Guide to International Business Costs study released today by KPMG.

The new study, an in-depth analysis covering nine industrialized countries, shows that the cost of doing business in the Waterloo Region is 5.7% less than the average for the United States locations surveyed. The Canadian average is 5.5% less.

Two years ago, both the Waterloo Region and Canada as whole had a 9% advantage. In the intervening period, however, the value of the Canadian dollar has risen 13.6%.

"The latest survey shows a narrowing of the cost differences among the countries surveyed. This means the spotlight is also on other important locational considerations such as the quality and availability of the best talent, ready access to technology and proximity to customers", says John Tennant, CEO, Canada’s Technology Triangle Inc. "Fortunately, these are where the Waterloo Region has considerable strength too. The Waterloo Region can point to its high levels of skill, education and quality assurance".

The Waterloo Region enjoys its greatest degree of cost advantage vis-à-vis the USA for firms that are R&D intensive firms, according to the study. "These are also areas where the Waterloo Region has been successful in attracting new investment and jobs from firms such as McAfee, Nuvation, and now Google", notes Bill Elliot, Director of Business Development for Canada’s Technology Triangle Inc.

The study points out that labour costs are a key component of total costs. Here, Canada fares well among the G-7 countries with the lowest labour related costs, including salaries and wages as well as costs for statutory plans and other employer-sponsored benefits. Canada is also the lowest cost location when it comes to land purchase and building construction costs for a new industrial facility.

The highest cost countries in the survey are Germany and Japan, both of which are important sources of investment in the Waterloo Region and investment attraction priorities for Canada’s Technology Triangle Inc. Compared to the Waterloo Region, the overall German cost index is 13.1% higher while Japan is 12.6% greater.

The study uses an exchange rate of $US 0.852 to the Canadian dollar.

Canada’s Technology Triangle Inc is a sponsor of Competitive Alternatives: KPMG’s Guide to International Business Costs in order to ensure the inclusion of the Waterloo Region and to provide full access to the comprehensive database. The analysis enables Canada’s Technology Triangle Inc and its partners to position the Waterloo Region as a destination for business, informs its investment attraction strategies, and contributes to stakeholders' understanding of important variables related to the future of the Regional economy.

Canada’s Technology Triangle Inc is the public-private regional economic development partnership marketing the Waterloo Region and the cities of Cambridge, Kitchener and Waterloo to the world. The study can be accessed through the web site of Canada’s Technology Triangle Inc at http://www.techtriangle.com/Publications/ResearchReports.cfm.
About Competitive Alternatives

Competitive Alternatives is the guide to comparing business costs in North America, Europe, and Asia-Pacific. The report measures the combined impact of 27 cost components that are most likely to vary by location. The research covered 128 cities in nine industrialized countries. The basis for comparison is the after-tax cost of startup and operation, over a ten-year time horizon. More than 2,000 individual business scenarios were examined, combing more than 30,000 items of data. Cost information was collected primarily between July 2005 and January 2006.

If you have received this email notice in error or would like to request to be removed from this list, please notify us at (866) 233 5133 or (519) 747-2541 or info@techtriangle.com