

ENERGY BUILDERS

Calgary pivots to show economic strengths in sectors beyond oil and gas

IN 2008, WHEN CALGARY ECONOMIC DEVELOPMENT

published its 10-year economic strategy for the city, the biggest challenge facing local companies was finding enough skilled people to fill jobs in the booming energy sector.

But that changed dramatically in 2014 when the bottom fell out of the oil and gas market and prices plunged. The recession that followed for the next two years forced a rethink of how Calgary could pivot away from its traditional reliance on oil and gas for prosperity and find new ways to apply its inherent strengths to other business sectors.

The result is the just released *Calgary in the New Economy*, an update to the original 2008 strategy. With input from Calgarians in the public, private and non-profit sectors, it's the framework for how Calgary will build its sense of community, shared prosperity and sustainable development.

"Calgary has gone through a major shift in its economic strategy since the release of the 10-year plan in 2008," says Bruce Leslie, vice president, Trade Investment & Attraction for Calgary Economic Development. "While the energy sector has rebounded to some extent and is still an important driver of our economy, it's not the same as it was."

He points out energy companies have changed the way they do business and are working smarter, cleaner and, generally, with fewer people.

"Calgary's opportunities are now in the technological advances in the energy sector and how we can pivot those technologies to other industries and other sectors," says Mr. Leslie. "Our priorities for economic development going forward are built on the areas where we have a natural advantage, which also happen to address the world's greatest needs: food, health, energy and transportation."

The new strategy focuses on the drivers of economic growth: talent,



Calgary's new economic development strategy focuses on drivers of growth including talent, innovation and a business-friendly environment. ISTOCK.COM

innovation, place and a business-friendly environment.

That's not to say Calgary doesn't already have a thriving tech sector. Companies like NovAtel, one of the city's earliest tech pioneers, began in the early 1990s and has become a world leader in global navigation satellite system products.

Veerum, a more recent entrant into Calgary's technology ranks, has developed a digital platform that creates an exact replica of a project's physical reality throughout the design, fabrication and construction in a format that can compare digital objects with physical objects. The technology currently serves clients in the oil and gas industry, but has applications elsewhere, including hydropower, mining and industrial construction.

Ingu Solutions, which began commercial operations only this year, is already regarded as a leading

innovator of technology to keep pipelines safe. The company's technology was designed for oil and gas, but is versatile enough for use in virtually any piping system; yet another example of how technology developed for the energy sector has a wider application.

"There are many examples of how Calgary is using innovative technology not only to transform the oil and gas sector, but also adapt that technology to a whole range of other sectors," says Mr. Leslie. "We have an educated workforce, and an entrepreneurial spirit and innovative drive that has built the economy we have now and can pivot to lead the new economy."

On top of that, Calgary is ranked the fourth most livable city in the world by the Economist Intelligence Unit, and the number one most livable city in North America, he adds. Graeme Edge, CEO of Calgary-

based Energy Disruptors, a global energy and tech forum, says Calgary faces changes that go beyond the energy sector.

"We are seeing a convergence of disruptive technologies as well as changing social and political behaviours that are creating a period of unprecedented change, not just in energy but in every industry," he says, adding Calgary has an opportunity to use the economic strengths and expertise it has developed as an energy powerhouse to build clusters around key technologies.

"There is a growing awareness of the huge opportunity to apply digital technologies such as artificial intelligence to traditional energy verticals such as oil and gas and electricity," adds Mr. Edge. "Calgary has had some good technology success stories in recent years, so we need to find ways to spin more companies off the back of these successes."

PRODUCERS COUNTING ON POSITIVE NEWS

Canada's oil and gas sector is keeping its collective fingers crossed for good news in the coming 12 months to ease investor concerns and help get Canada onto a more even playing field with global energy competitors, according to Jason Langrish, president of the Energy Roundtable, a private sector forum launched in 2004 to help define the Canadian energy sector's role in domestic affairs and international markets.

"There are several questions hanging over the sector," he says. "One has been answered – the LNG Canada project in British Columbia has its Final Investment Decision. If the Trans Mountain pipeline project gets shovels in the ground again, and if there are positive developments on the Keystone XL project – or even if two of these three things happen – the mood will brighten."

Mr. Langrish points out that the increase in activity in the Canada's tight oil and gas liquids-rich regions, such as the Montney and Duvernay formations in Western Canada, are world-class assets and are drawing investment.

"The output from these plays is of a higher quality than bitumen and very heavy oil from oil sands and therefore tends to fetch higher prices or have less of a differential from the Western Hub pricing," he says. "The problem is they are not a substitute in terms of job creation and scale of investment for what the oil sands were a few years ago."

But the bottom line for the longer-term success of Canada's energy sector, says Mr. Langrish is: "Market access, market access, market access."



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