



Canadian Trade Successes 01-06

## TRAIL B.C. RESORT COMMUNITY ATTRACTING HIGH TECH INVESTMENT

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Key Quotation:	
<p>Marten Kruyse gave the Community Investment Support Program (CISP) contribution much of the credit for the new investments. "CISP helped us put forward a business case to M-Tech, which was the beginning. Without the CISP program, we would not have been able to retain the consultant. The CISP program was absolutely catalytic in getting this initiative off the ground and attracting the new investment."</p>	
Story details:	
<p>The area already has a strong industrial base and thriving tourism industry. Now, Greater Trail is emerging as a magnet for high-tech investment.</p> <p>In the past year, a foreign high-technology firm has made a significant investment in the region, and others will soon follow suit.</p> <p>M-Tech, a South African firm, has invested \$700,000 to set up a subsidiary in Greater Trail, an initiative that could create up to seven new software engineering jobs. The subsidiary, Flownex Simulations Inc., will provide and develop software solutions to assist with improving industrial flow processes.</p> <p>Flownex has just completed construction of an office building that is housing three high-tech firms. So far, six companies as well as the Kootenay Association for Science &amp; Technology and Tech Village, an advanced-technology business advocacy group, have leased offices in the building.</p>	

Greater Trail consists of the cities of Trail and Rossland as well as five other municipalities and electoral areas in the West Kootenay region of B.C., near the Canada-U.S. border. The communities are working together to create a competitive business environment to attract new investment.

Marten Kruyse, Director of Economic Development for Greater Trail, described a combination of factors that sealed the M-Tech investment. These included easy access to potential customers in western Canada and the western U.S., competitive costs of business, including real estate, and the related businesses in the area. The region also has superb recreational activities, and Spokane International Airport is just a short drive to the south in Washington state.

But Kruyse said the M-Tech investment wouldn't have happened if the region hadn't first undertaken a concerted effort, with federal government support, to identify its investment strengths and weaknesses.

In 2003-04, Greater Trail received \$12,500 from the Community Investment Support Program (CISP), a program run by the Department of Foreign Affairs and International Trade (DFAIT) to help municipalities attract foreign direct investment.

Typically, the CISP offers a contribution of 50 percent of a project's value. The rest of the funds must come from the private sector and local communities.

Greater Trail used the CISP funding to hire an international business development consultancy, J. Visser and Associates, which produced a market analysis called "Options for Economic Growth in Greater Trail."

The report consisted of an analysis of the community's strengths and weaknesses. It identified growth sectors and made recommendations on how the community could attract target industries.

Taking note of the community's strong industrial base and the growth potential of an industrial software industry, the consultant advised the community to develop an industrial software sector. Two South African firms—including M-Tech—and two from the United States were identified as prospective investors.

"From the consultant we ended up with a list of specific companies. We identified a number of companies that looked like they were seeking a presence in new areas where they could get some growth in customer base," said Kruyse.

M-Tech showed an interest in establishing a subsidiary in Greater Trail, in part due to the area's proximity to the western U.S. and Canadian industrial software marketplace.

Personal contact also made a difference. Kruyse said the president of M-Tech visited the area himself, and was impressed with its recreational appeal. The company located its office in Rossland, just up the mountain from Trail. Rossland is developing a world-class ski resort community with year-round outdoor attractions.

Hard work added the winning touch. Using the CISP support, Greater Trail put together a marketing package exclusively for M-Tech, describing the area's competitive advantages for the company.

The high-tech trend is spreading. Since the M-Tech investment, a software firm from the U.S. and another one from South Africa have expressed an interest in locating subsidiaries in Greater Trail.

"The investment through Flownex could be a catalyst for the development of a kind of collaboration among technology companies in this area," said Kruysse. "Once you have the first one, it's easier to attract others."

Kruysse gave the CISP contribution much of the credit for the new investments. "The CISP helped us put forward a business case to M-Tech, which was the beginning. Without the program, we would not have been able to retain the consultant. The CISP was absolutely catalytic in getting this initiative off the ground and attracting the new investment."