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## PotashCorp Projects Generate Large Economic Impact on Province

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### Article

The already substantial economic benefit PotashCorp brings to Saskatchewan is growing significantly through \$4.8 billion the company is spending on expansion and debottlenecking projects in the province. This economic boost will continue well beyond the construction phase ending in 2012 and deliver positive impacts right up to the end of the operational life of the mines.

PotashCorp currently employs about 1,600 people in Saskatchewan with an estimated 2008 payroll of \$160 million. It is expecting to contribute approximately \$850 million to the province this year in royalties and taxes – that's close to 10 percent of the provincial budget. In 2007, PotashCorp made philanthropic contributions of approximately \$3.5 million, most of which was distributed here in Saskatchewan.

According to an economic impact study undertaken for PotashCorp by SJ Research Services of Regina, the projects at the Rocanville, Allan, Lanigan, Cory and Patience Lake operations are expected to generate:

- a multiplier effect of 1.8 on the Saskatchewan economy (for every dollar spent it means \$1.80 of economic benefit)
- \$3.2 billion in cumulative new GDP (Gross Domestic Product) during construction (2007–2012)
- \$3.8 billion in annual GDP from the end of the ramp-up period in 2014 onward, equivalent to 7.4 percent of the 2007 provincial GDP
- 14,583 direct and indirect jobs that will be sustained over the operating life of the mines
- new provincial taxes totaling \$390 million over the five-year construction phase and \$290 million – per year – after 2014 (not including hundreds of millions of dollars in royalties and taxes generated by potash sales)

Significant spillover impacts will occur outside of the regions where the construction projects are taking place. During the five-year construction phase, for example, the rest of the province is expected to experience a \$1.5 billion increase in GDP, an average 3,800 new jobs created annually with \$4.7 billion in cumulative labor income.

After ramp-up at all construction sites is complete, in 2014 operational impacts for areas outside the construction regions are estimated to be \$421 million GDP, 9,600 jobs with \$370 million in labour income.

Numerous additional spin-offs might be expected. Communities near PotashCorp facilities have traditionally benefited from increased donations when company operations expanded. For example, PotashCorp is contributing \$530,000 to the new Southeast Integrated Care Centre – Moosomin. The report says Saskatchewan can also anticipate an increased demand for workers and a jump in retail sales and non-residential construction.

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<a href="#">Sustainability</a>	(233)
<a href="#">Financial</a>	(222)
<a href="#">Potash</a>	(185)
<a href="#">Customers</a>	(183)
<a href="#">Phosphate</a>	(141)
<a href="#">Nitrogen</a>	(136)
<a href="#">Management</a>	(126)
<a href="#">Markets</a>	(117)
<a href="#">Employees</a>	(110)
<a href="#">Facilities</a>	(107)
<a href="#">Community</a>	(98)
<a href="#">Donations</a>	(75)
<a href="#">China</a>	(73)
<a href="#">India</a>	(63)
<a href="#">Strategy</a>	(62)
<a href="#">Other Asia</a>	(60)
<a href="#">Safety</a>	(60)
<a href="#">Latin America</a>	(59)
<a href="#">North America</a>	(58)
<a href="#">Governance</a>	(40)
<a href="#">Awards</a>	(26)
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<a href="#">Aboriginal Strategy</a>	(3)
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