

B. Comparison with 1994 results

1. Canada's competitiveness increased between 1994 and 1995

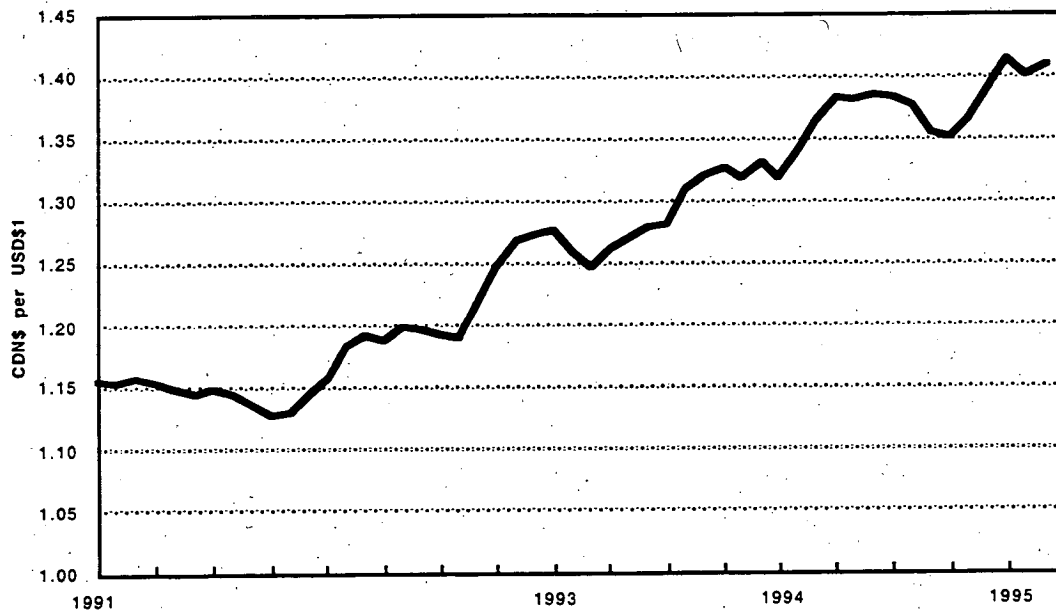
All costs in this study are presented in U.S. dollars. While the 1994 results showed Canadian jurisdictions to be cost **competitive**, the results for 1995 show a significant cost **advantage** for Canadian locations.

2. Exchange rates trends have increased Canada's cost advantage

Much of the increase in competitiveness is attributable to the increasing value of the U.S. dollar in Canada—up from \$1.33 Canadian in our March 1994 report to \$1.41 Canadian in March 1995. The change in exchange rates has increased the purchasing power of U.S. dollars in Canada, and has dramatically increased the cost-competitiveness of Canadian jurisdictions. Exchange rate trends are illustrated in Exhibit I-2.

Exhibit I-2

Trends in the value of the U.S. dollar in Canadian funds



Source: Bank of Canada monthly average exchange rates.