



KEANE Inc. chooses Halifax as software development centre

Keane Inc. of Boston, Massachusetts, a \$450 million information technology heavy-weight, is establishing a software application development centre at Halifax, Nova Scotia, to serve its clients in Canada and the U.S.

Keane designs, develops and manages software for corporations and health care facilities and its client list includes *Fortune 1000* companies such as IBM, AT&T, Microsoft, General Electric, and Elf Atochem.

In an interview with *Canada Investment News*, Vice-President John F. Keane Jr. underlined the importance of Nova Scotia's human resources edge as a factor in the company's decision to move into the province. "For software companies, the United States is currently a very labour-short market and we need to look beyond our borders to find the skills we need.

"After reviewing a number of options we chose Halifax. We were impressed by the availability of trained professional help in the area, including software development engineers and computer science graduates. This location is also handy to cities in the U.S. northeast where many of our major clients are located. In addition to all that, the costs of setting up and operating a software development centre here, compare favorably with those in similar U.S. locations."



John Keane Jr.
is Vice-President of
Keane Inc.

Also influencing Keane's decision was the success of the company's other Canadian operation — a software development unit in Toronto. The company's Canadian clients include Royal Bank, IBM Canada, Consumers Gas, and Maritime Tel. & Tel.

Mr. Keane says: "The company will be making a significant initial investment in the development and delivery of business for the Halifax Centre." The Nova Scotia government is contributing \$1.7 million in the form of a loan through the Canada/Nova Scotia Cooperation Program. The Centre will employ 113 people at the outset.

Commenting on Keane's arrival in Halifax, Nova Scotia's Premier John Savage says: "This marks the addition of another major player in the province's growing Information Technology community; and demonstrates the importance that high technology companies attach to the quality of Nova Scotia's skilled workforce." ♦

For the results of a recent comparative study of costs in Atlantic Canada with U.S. cities, see page 11.

New KPMG study SHOWS THAT U.S. dollar goes further in Canada

For the third year in a row, a comparative survey of business costs has shown that Canada enjoys a significant advantage over the United States.

Conducted by KPMG Management Consulting, the study focused on location-sensitive start-up and operating costs for seven industries in 13 Canadian and 10 U.S. cities.

Key findings:

- Overall costs are lower in Canada for all seven industries.
- Costs related to location are, on average, 15.7% lower in Canada. These components account for about 40% of total operating costs and translate into an overall after-tax cost advantage of 6.7%.
- Industrial, land construction and electricity costs are lower in Canada.
- Canada's system of R&D tax credits contributes to the Canadian cost advantage.
- Canada's overall cost advantage holds as long as the purchasing power of the U.S. dollar is about \$1.15 Canadian. This is well below the trading range of the last several years.

The study looked at the following cost factors: industrial land, construction, labour, electricity, transportation, telecommunications, interest and depreciation, and tax treatment (federal, regional and local taxes and R&D credits).

Sponsoring the study were the Department of Foreign Affairs and International Trade, the Royal Bank of Canada and the Economic Developers Association of Canada. ♦

If you wish to purchase a copy of the original report, please contact the editor of the study:

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