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Tax cuts or spending  
cuts needed, budget  
office says. FP2

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# UNBALANCED



CANADA'S BUSINESS VOICE, THURSDAY, JANUARY 14, 2010

the bread-and-butter [jewel-  
lery] demand, which will need  
much lower prices to be stimu-  
lated," he said in an interview.

"And that, to my mind,  
means something closer to  
US\$700 or US\$800 an ounce  
than US\$1,000-plus."

In the short-term, this may  
not be an issue: GFMS expects  
that implied net investment in  
gold will be "markedly higher"  
in the first half of 2010 than it  
was in the last six months of  
2009, as it expects the global  
economy to recover more  
slowly than the market con-  
sensus.

Additionally, there is the  
backdrop of zero interest rates  
and a potentially weaker U.S.  
dollar in the short term. And  
while US\$57-billion is a huge  
amount of investment in  
gold, it is still tiny compared  
to other asset classes, and Mr.  
Klapwijk said that number  
could easily increase if more  
investors are drawn to the pre-  
cious metal.

But he does not expect  
these conditions to last for-  
ever. "At some point, you'd  
imagine governments would  
have to start cutting spending  
and balancing their books," he  
said.

"If investors see that world  
government finances are be-  
ing brought into order and in-  
terest rates being raised, gold  
becomes a lot less attractive."

For the first half of 2010,  
GFMS projected an average  
price of US\$1,175 an ounce,  
roughly in line with current  
levels. It is expected to be a  
very volatile road, however,  
as the consultancy predicted  
that prices will trade in a wide  
range of US\$990 to US\$1,230  
an ounce.

## NATIONAL REPORT



### MDS NORDION ADDS STAFF IN HQ SHIFT

MDS Nordion is adding 45 to 50 new employees as its Ottawa operation assumes head-office functions of Mississauga, Ont.-based MDS Inc. "We are moving forward as a stand-alone company," said Steve West, recently confirmed as chief executive of MDS Inc. and a director of the company. Nordion has about 450 employees in Ottawa and another 150 in Vancouver and Europe. The old MDS is in the process of spinning apart as the sale of scientific instruments, medical laboratories and contract drug-research operations are completed. MDS still has to find a buyer for an early-stage contract drug-research business. Mr. West said the sale of the scientific-instruments business, once seen as the future of MDS, to Danaher Corp. is still scheduled for completion this quarter despite legal issues with a partner in a related joint venture. *Canwest News Service*

### COMMERCIAL REAL ESTATE STILL HURTING

Canada's commercial real estate market faces another tough year, but is at least poised for more rapid recovery than the battered U.S. market once the economic cycle begins its next upswing, says real estate services company Avison Young. In 2009, "the dislocation in real estate lending and investing was so severe in March and April that the market appeared to be on the verge of collapse," said Avison Young chief executive Mark Rose. The financial crisis and recession that accompanied it

drove up vacancy rates in Canada across several commercial asset classes, including office space (up 270 basis points to close out 2009 at 9%) and industrial space (up 110 basis points to 6.3%), Avison Young said in its 2010 national forecast. The Canadian real estate market "appears to be weathering the downturn thanks to relatively sound, though shaken, market fundamentals," said Mr. Rose. "2010 is shaping up to be more of the same, but with a slightly positive bias."

*Financial Post*



## Canadian major risks in

### HAITI

*Continued from Page FP.*

"For certain people, it will be difficult to say, 'OK, yes, Haiti is a country I can invest in.' But if you stand back and consider the situation, you realize that this kind of cataclysm can happen anywhere. This was a place where it was difficult to do business in the past. But things have improved on that count. Merits that we stay there," Mr. Monfourny said.

The poorest country in the Western hemisphere, half the country's nine million people live in abject poverty according to the U.S. Central Intelligence Agency. Two thirds of all Haitians depend on agriculture, mainly small-scale subsistence farming. Gross domestic product per capita was US\$1,300 in 2009 and the inflation rate was 15.5% the same year.

Insecurity and infrastructure problems have limited investment activity. But U.S. economic efforts have bolstered the country's garment and auto-parts sectors. Haiti government continues to rely on international assistance for fiscal sustainability.

Canada spends more money on development assistance in Haiti than any other country in the Americas and 102,430 Canadians reported their ethnic origin as Haitian