

## Effects of federal budget won't be clear for some time – Fredericton Chamber

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(FREDERICTON, NB) – The Fredericton Chamber of Commerce is pleased that the federal government is still focused on balancing the budget by 2015 and has made skills development the centerpiece of its 2013-14 budget, but will wait to make a final judgment until new Labour Market Agreements are negotiated with the province.

“The skills gap has been a pressing issue for New Brunswick employers for many years now. It is difficult for us to make a judgment on the Canada Job Grant program until the details are worked out with the provinces - with no new money involved, we hope that effective existing training efforts will not be lost,” stated Krista Ross, CEO of the Fredericton chamber. “Another area of concern is the employer contribution component may put the program out of reach for some of our members, many of whom are in the small business category. We hope that some nuance can be negotiated into the agreement so that all of those who are in need of skilled workers can benefit from the program.”

The chamber has a similar view on the announced Building Canada Plan. The extended term of the national infrastructure plan to 10 years has the potential to allow for longer-term planning by the municipalities, but this is also dependant on how the money is rolled out. Minister Flaherty has suggested that this funding may be back loaded as infrastructure projects develop (and become more expensive) over the next several years.

Another important issue for chamber members addressed in the federal budget is tariffs. While the chamber supports the elimination of tariffs on sporting equipment and baby clothing, this is a limited and tepid start to narrowing the price gap between Canadian and US retailers. Of greater concern is the plan to graduate 72 countries from ‘developing’ to ‘developed’ status in relation to tariffs and thereby raise the costs of goods entering Canada from these countries, including China and India.

The chamber is disappointed with the federal government’s investment in innovation, particularly in Atlantic Canada. With the loss of approximately \$770 million in Scientific Research and Experimental Development tax credits in the previous budget, innovation investments in this budget have not restored this support.

“With the emphasis that Fredericton and New Brunswick have placed on innovation as a catalyst for stimulating our economy, it is disappointing that the federal government did not invest more heavily in this area,” said Janice Corey, president of the Fredericton chamber. “While in many ways we appreciate the fiscal restraint demonstrated in this budget, there are areas such as innovation, which we believe can provide a healthy return on investment if administered effectively.”

*With more than 900 members, the Fredericton Chamber of Commerce is one of Atlantic Canada’s largest chambers of commerce. A dynamic business organization, the Fredericton Chamber of Commerce is*

*actively engaged in policy development that affects the competitiveness of our members and of the Canadian business environment.*

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