

## **Fredericton chamber reacts to Canada's Economic Action Plan 2014**

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For Immediate Release

(Fredericton, NB) – The Fredericton Chamber of Commerce is telling its members the federal government's 2014 Economic Action Plan is a mixed bag for business. The apprenticeship-based expansion of the federal student loan program is welcomed news for a region preparing itself to fully benefit from a number of trades-intensive projects over the next few years. Related, the reallocation of training funds from the job-market alignment and internship-based Youth Employment Strategy specifically targeting small and medium-sized enterprises could also be a boon to the region, which needs to focus on retaining as many educated young people as possible. With the recent agreement between the provinces and federal government to harmonize apprenticeship systems across Atlantic Canada, now is the time to leverage greater labour mobility in the region. The chamber is also hopeful that the announced \$40 million in additional funding for the Canada Accelerator and Incubator Program can benefit the city, which has made entrepreneurship the centrepiece of its economic development strategy. On the other hand, even with the freeze on employment insurance premiums, the chamber is disappointed with the elimination of the EI Hiring Credit for small business, particularly in a province with an unemployment rate hovering around 10%.

The chamber is particularly concerned about the federal government's plan to move ahead with the Canada Job Grant on 1 April 2014 with or without an agreement from all of the provinces. The proposed program, which was unveiled in the 2013 Economic Action Plan, has been the subject of debate between the federal and provincial governments for the past year is meant to replace the current Labour Market Agreements (LMAs) and Labour Market Development Agreements (LMDAs) which expire on 31 March 2014.

"The LMA and LMDA funds were put under provincial control to distribute because the provinces are in the best position to decide what skills training were most needed in their own jurisdictions," said Krista Ross, Fredericton chamber CEO. "In fact, this has also been the intention for the Canada Job Grant as well. To now suggest that the program can be effectively and efficiently administered through Service Canada locations is dubious."

"However, we are pleased at the suggestion that the proposed one-third contribution from employers can be in form of wages being paid to employees during planning," Ross added. "The suggestion that employers do not currently have 'skin in the game' is nonsense – if anything, they have all of the skin in the game."

The Fredericton chamber is pleased that the federal government appears to be making the Canada-USA price gap a priority, but details are lacking in the documents released on 11 February 2014. The Fredericton chamber has a policy resolution on the books of the Canadian Chamber of Commerce which calls for the government to implement recommendations provided by the Senate Committee on National Finance in February 2013.

“It is unclear how the government intends to practically implement their announced plans regarding the price gap,” said Chris Johnston, Fredericton chamber president. “We are also concerned about the plan to assess whether the tariffs eliminated in 2013 have been passed onto customers. Looking at whether prices on particular items have dropped over the course of a year in a vacuum does not tell the whole story. At a minimum the government must look at the entire importation burden, particularly given that preferential tariff rates were removed from 74 countries at the same time last year. We hope that decisions are not made based on a very narrow scope when there are so many factors at play.”

“The chamber is in favour of a number of other announcements in the budget,” added Joseph O’Donnell, chamber first vice president. “The internal trade barrier index should at least bring clarity to particular issues in provincial-to-province trade – a similar system seems to have had some success on the international level. Reductions in red tape surrounding GST/HST remittances and credits should benefit business, individuals and the government. Apprenticeship funding will also be important for New Brunswick as we move forward with natural resource and infrastructure projects and we hope to see more of the same in the future.”

The chamber is hosting a luncheon with Minister of State (ACOA) / Regional Minister for New Brunswick Rob Moore on 18 Tuesday 2014 where we hope to have some of these issues clarified. Tickets are available at [www.frederictonchamber.ca](http://www.frederictonchamber.ca) for those community members interested in attending.

*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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