



Atlantic Chamber of Commerce supports the direction taken in 2018-2019 Nova Scotia Budget

Windsor, NS (March 21, 2018) – The Atlantic Chamber of Commerce (ACC) is giving a positive assessment of the 2018-2019 provincial budget. Nova Scotia has made significant progress in stabilizing its fiscal situation and if their forecasts pan out the province will table seven consecutive balanced budgets. Many local chambers of commerce in Nova Scotia were especially encouraged to hear the recent announcement of investments to expand rural high-speed internet. With a rural population that is twice the national average, it is appropriate that our government work with communities to ensure businesses in smaller communities are not disadvantaged.

The province's track record of spending within its means and investing for future growth are fitting approaches to building a prosperous Nova Scotia. The ACC commends proposed investments in education, infrastructure and poverty reduction. This emphasis on developing the building blocks for growing the economy is one of the most important functions of government.

"The province's finances are on a positive path," said Sheri Somerville, CEO of the ACC. "We hope to accelerate this progress through collaboration with the Office of Regulatory Affairs and Service Effectiveness, support for Business Impact Assessments of new regulations and promoting regional regulatory cooperation."

The province's economy has experienced several years of expansion, but the future appears less rosy. Growth of the provincial gross domestic product (GDP) is forecast to drop by 50% to 0.6% in 2018 and again to 0.4% in 2019, which may limit the province's fiscal capacity to further invest in programs to support economic growth and job creation. The overall burden on taxpayers will also expand due to increases in CPP premiums and the undetermined impact of carbon pricing.

There are many threats to our economic prosperity that warrant an even more cautious approach to managing the province's finances. Without further development of our offshore, royalties may disappear within a couple of years, and the trade relationship with the United States is becoming increasingly problematic with imposition of tariffs on commodities like lumber, paper and steel. While our economy and trade remain positive, it is the appropriate time to consider building an economic cushion.

"We are concerned that the government's focus on reducing the debt to GDP ratio is obscuring the fact that the province will continue to increase the size of the provincial debt and 9% of the budget required to make interest payments," noted Richie Mann, Chair of ACC. "There is no plan to reduce \$15B of provincial debt so our government will have to write a minimum \$2.3M cheque every day to pay any interest payment. The lack of a debt reduction plan ignores our obligation to future generations."

This year's budget also includes an optimistic prediction of \$20M in revenues from the sale of recreational cannabis. Chambers of Commerce do not agree with the provincial government's decision to limit retail sales to government outlets. The ACC contends it is the role of government to regulate sales and allow tax paying private sector outlets to respond to market demand. More importantly there is an urgent need for governments to develop regulations that will provide assessment criteria for impairment on our roadways and in the workplace.

The Atlantic Chamber of Commerce recognizes that Nova Scotia government has achieved a very unique status in having presented a surplus budget. It will require significant effort to protect this surplus, including a need to focus on cost control while enhancing the environment for business attraction and investment.

About the Atlantic Chamber of Commerce

As the strong, credible and unified voice that influences an environment where business in Atlantic Canada succeeds, the Atlantic Chamber of Commerce (ACC) represents more than 16,000 businesses through its network of 93 chambers of commerce and boards of trade in the four Atlantic provinces. ACC is a catalyst to influence, educate and advocate on policy related issues to support business, deliver high-value services and opportunities to our members, and to support and promote initiatives that contribute to sustainable economic growth in the region.

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