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GMCC: Provincial budget has small wins but misses bigger picture

The 2017-2018 provincial budget contains some small wins for the business sector but government still hasn't grappled with the bigger issues of public debt and tax burden, Greater Moncton Chamber of Commerce CEO Carol O'Reilly said Tuesday.

In a review of the budget tabled by the Liberal government, O'Reilly had praise for some specific spending in education, tourism and the population growth secretariat.

"Creating a system that produces literate, job-ready graduates should be a priority," O'Reilly stressed. "And we welcome greater investment in our natural attractions to promote tourism and an attempt to grow our population through immigration and repatriation of New Brunswickers who have moved away."

But the bigger challenge facing New Brunswick remains, she stressed.

The budget continues to cut into our annual deficit, but the net debt will grow this year to \$14.4 billion – more than \$19,000 for every man, woman and child in the province. The projected deficit will return to 2009-2010 levels, but the net debt has almost doubled in the same time period.

"We cannot continue to simply pay the interest on our debt and not make a strategic effort to reduce what we owe," O'Reilly said.

The GMCC is also disappointed by the trend toward overall higher taxes. Members will appreciate the continued reduction of the Small Business Tax from 3.5 to three per cent, which had been previously announced. But the cumulative impact of higher taxes, including the HST, gas and diesel taxes, property taxes, the minimum wage, large corporate tax, Workers Compensation rates, and the prospect of a carbon tax, dampens business confidence.

"The tax burden facing business makes it more difficult to operate, generate a profit and re-invest that money," O'Reilly pointed out.

After eight consecutive years of a weak economy, flat GDP and small new job growth and wage increases, business was looking for a budget that created the conditions under which it can grow.

"The business community was looking for more than a stand-pat budget."

O'Reilly said Greater Moncton is fortunate in that it has been better able to withstand the poor economy. The region has created more jobs over the past 25 years than the rest of the province combined, leads in population and retail sales growth, and has a stable unemployment rate. A recent GMCC survey showed a high level of confidence in the Greater Moncton economy, but only lukewarm confidence in the provincial economy.

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The Greater Moncton Chamber of Commerce is the voice of the business community for more than 750 businesses representing more than 32,000 members in Moncton, Dieppe and Riverview and the vicinity.