



St. John's
BOARD of TRADE

OFFICE OF THE PRESIDENT

BOARD OF TRADE BUILDING
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March 10, 2009

Hon. Paul Oram, M.H.A.
Minister of Business
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's, NL A1B 4J6

Dear Minister Oram:

The St. John's Board of Trade is pleased to discuss issues of importance with the Government of Newfoundland and Labrador in advance of the tabling of the 2009-10 provincial budget. This relationship is and has been a strong and productive one and we look forward to continued work together for the good of this province well into the future.

Last week, with some of my colleagues, I had the opportunity to represent the Board in a meeting with your colleague Minister Kennedy to specifically discuss budget matters. It is in this vein I am writing to you. We recognize that government faces difficult decisions and challenges for managing the economy in the coming months and years. Initiatives that were introduced in last year's Budget, which were a great support to the business community, were supported by stronger commodity prices and a rosier forward-looking picture nationally and globally.

For this reason, we took the initiative to outline specific measures as solutions for some of the challenges facing business and the province. We would like to share the information we shared with Minister Kennedy as it relates directly to your department. In your deliberations with other Cabinet colleagues, the Board would encourage you to raise and advocate for the following:

'Local-to-Local' initiatives: Demographics indicate that many entrepreneurs will look to retire in the next few years and this potentially creates a vacuum for local ownership as the younger demographic may not be large enough to take on this key role in the economy. The Board strongly supports local ownership of business, and looks to maintain and enhance local ownership over time. In fiscal years 2009-10 and 2010-11, the Board recommends that government put \$1M each year into incentives, skill/knowledge transfer supports, training and private sector expertise (i.e. legal, consulting, etc) to support the transitioning of ownership and management of local businesses to up and coming local entrepreneurs. The Board strongly suggests that government support this initiative with **'Local-to-Local' Loans**, which could be cost-shared between the Departments of Business and Innovation, Trade and Rural Development. Specifically, the Board would advocate for a third-party administered fund of targeted loans to facilitate the sale of 'local-to-local', recognizing that this would have a positive impact on businesses in urban and rural Newfoundland and Labrador.

- 2009-10 suggested investment: \$2M

Leading Business Forward

Air Access: Air access is an important issue for our members and we welcome the Department of Business' recently released report on this topic. Currently, our policy committees and Directors are reviewing the document to more fully understand how we can contribute positively to helping Newfoundland and Labrador further build air access to support our communities and our industries. The Board asks that government build on the recently completed air access study by looking at the opportunity cost to business due to restricted or non-existent air access to/from Newfoundland and Labrador and generating a plan to take to airlines to enhance service in the province. This plan would be based on an economic assessment of air access so that a case can be built for airlines, demonstrating the feasibility of flying to and from our province. As a secondary objective, this plan could look at barriers to companies locating head offices here and the impacts of this on charities, numbers of local employees and related topics. The Board notes that this 2009-10 allocation would be a research and planning fund and would not reflect the larger potential actual cost of an air route development fund.

- 2009-10 suggested investment: \$500K

Finally, the Board asks government to look more closely at its tier 1 strategic industries and invest significantly in their success. This will result in some industries coming out ahead, but with fluctuations in commodity prices and economic conditions, we believe that now is the time to look more closely at innovative industries that have traction in international markets, practical strategic and operational plans and high long-term earning potential.

Minister, we are encouraged by your work and that of the government as a whole. We look forward to further collaboration that leads to real solutions for businesses here and businesses looking to locate in St. John's and Newfoundland and Labrador. If we can provide further assistance and intelligence on behalf of our 700+ members, we would be more than willing to do so. I wish you the best in your budget discussions and look forward to March 26.

Sincerely,



Bruce Templeton
Chair

c.c. Mr. Ray Dillon