



## **MEDIA RELEASE**

*For immediate release*

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### **Restraint, strategic investment will pay off: Board**

The St. John's Board of Trade welcomed Finance Minister Tom Marshall's provincial financial update today as a key part of the discussion on public policy and spending in the lead-up to pre-budget consultations and Budget 2011-12. The Board welcomed news of a small surplus projection but cautioned against new spending that could eliminate the positive cash flow.

Responding to today's financial update, Board Chair Derek Sullivan said, "A projected surplus is welcomed by every resident and business in Newfoundland and Labrador. But a surplus based largely on oil prices and production cannot be viewed as a call to bring new programming and expenses into next year's budget. We need to pay down our debt, diversify our economy and eliminate measures that hurt businesses."

While there are many positive indications, such as projections of future growth and major projects moving forward, issues such as changes in interest rates, the U.S. dollar and commodity prices can present future challenges. Future circumstances must be considered when developing public spending plans such as Budget 2011-12.

"There are a lot of pressures being placed on the province's financial resources," continued Mr. Sullivan. "We still have a substantial public debt, and new programs and expenses have a longer shelf life than our resource revenues. There is a very small surplus, not an influx of money to spread around. Government has to manage resources carefully and ensure programs and services are sustainable in the long term."

The Board views economic diversification as a method of ensuring long term prosperity for people of Newfoundland and Labrador. Diversification means ensuring our labour force is well prepared for current and future jobs, attracting immigrants, investing in sustainable industries such as Information and Communications Technology, and enhancing our venture capital market so that people can create new companies, jobs and wealth in the province.

The Board of Trade looks forward to government's continued attention to strengthening the business environment, as businesses drive economic growth and create employment and local wealth, as well as contribute significant tax revenues to provincial coffers.

The St. John's Board of Trade is a non-partisan, business advocacy organization that is the principal voice of business for over 800 members and their 30,000+ employees in the St. John's area. Its mission is to improve the local business climate, enhancing its members' ability to do business through advocacy and member services.

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Media contact: Craig Ennis, Vice President, Policy & Communications, 726-2961, ext 3,  
[cennis@bot.nf.ca](mailto:cennis@bot.nf.ca)