

Forest NB chooses growth

MIKE LEGERE
COMMENTARY

In preparation for the upcoming provincial election, **Forest NB** has joined an alliance of organizations including the Atlantic Chamber of Commerce, New Brunswick Business Council, Le Conseil Économique de Nouveau Brunswick, Fredericton Chamber of Commerce, Saint John Region Chamber of Commerce, and the Greater Moncton Chamber of Commerce.

The alliance, promoted under the #WeChooseGrowth banner, has identified five key areas of focus which prospective governments should address. These key areas include a private sector driven economy, responsible resource development, improved export performance, labour force development and responsible financial management.

Strong supporting government policies are important for businesses to invest and grow our economy. It's what helps build confidence and reduce risk.

A good example of policy driven support for business was the 2014 **forest** strategy. Here was a policy that faced harsh criticism at the time, and put the then Progressive **Conservative** government under David Alward on the defensive.

The current Gallant government inherited the strategy but did not make any change to it, maybe to bear witness if the strategy in fact had merit.

Let's consider the objectives of the strategy and whether it has delivered.

One of the goals was to increase investment by securing wood supply for industry. This was to create jobs and construction spending and increase capacity to produce more goods with greater efficiency.

Four years later, the facts appear to have proven this policy effective. More than \$750 million has been invested since 2015. Wood purchases have increased from private sources alongside the increased crown allocations, and employment in the sector has increased 13 per cent between 2011 and 2016. **Forest** sector GDP contribution

to the economy has increased an impressive 30 per cent over the same period. Most of these gains have been in the last four years.

Interestingly, a recent article by economist Richard Saillant connects the dots that form the current picture of modest economic growth experienced in the province. Mr. Saillant credits the private sector for this growth, and a recent economic impact report commissioned by **Forest NB** indicates forestry was the leading contributing sector.

What could be accomplished if all private sector businesses, resource and non-resource alike, had the necessary tax and regulatory environment to thrive?

In forestry, one per cent growth in our value-added output would translate to \$12 million in additional wage income and 240 additional jobs.

The tax revenue derived from forestry jobs throughout the sector top \$200 million a year. This is the equivalent of 2,684 nurses, 2,915 teachers, or 1,451 doctors. And this is from a single sector.

Imagine for a moment multiple sectors firing on all cylinders.

Natural resources are a gift to the people of New Brunswick. It is not a

gift to be admired from afar and never touched, but something to be carefully unwrapped and used with the intended respect and generosity it has been provided to us.

Forest NB believes in straight-forward policies that serve a clear objective. In forestry, our objectives go far beyond four-year mandates as we manage for future generations.

It is this future generation of New Brunswickers who will thank the government elected in September for the foresight in committing today to future economic growth from a renewable **forest** resource, and other natural resource sectors.

Imagine a future New Brunswick where we have a net in migration from other provinces. Imagine a province where everyone has access to a family physician, where schools are appropriately staffed, and our social programs are the envy of neighbouring jurisdictions. If you can imagine these things, then imagine a province where #WeChooseGrowth.

Mike Legere

is executive director of **Forest NB**, an industry association representing **forest** product manufacturers in New Brunswick.

