

Economy, NAFTA & minimum wage discussed at EDC breakfast

Written By PETER RICHARDSON

The annual Shelburne Economic Development Committee breakfast was a huge success once again this year.

The morning got off to a great start with a hearty welcome from EDC Chair Mike Fazackerley. Some 200 people gathered at the Shelburne Legion to consume a great deal of coffee and a good breakfast, courtesy of Lavender Blue Catering of Orangeville, before settling in to hear the various speakers and presentations.

Shelburne Police Services Constable Cory Courtney gave a presentation on Ontario's CPTED program, or Crime Prevention Through Environmental Design. A pro-active crime prevention strategy, CPTED, (pronounced sep-ted), is utilized by planners, architects, security professionals and police officers to help reduce crime and improve the quality of life for residents in general.

The general idea behind the program is to use proper design and the built-in environment, to help reduce any incidents and fear of crime and thus promote an improvement in the quality of life.

Anyone interested in further information or implementation, can contact the Shelburne Police Services or go to www.cptedontario.ca.

This year's featured guest speaker, was Pierre Cl  roux, Vice President of Research and Chief Economist at Business Development Bank Canada, or BDC. With 25 years of experience as an economist and having worked both in the government and private sectors, Mr. Cl  roux presented an optimistic look at the current economic conditions and the outlook going forward.

The economy at present is doing well and is in the middle of a growth period. The world economy is currently growing rapidly, driven by rising commodity prices and there are no recessions anywhere in the world today. The strong growth is worldwide, with China, for example, showing a growth rate of 6.6 percent this year alone.

The US economy is growing, which is good for Canada. Unemployment, in the US is at 4.1 percent and this growth should continue for at least two to three more years, before a slow down appears.

With Ontario exporting 85 percent of it's production south of the border and Canada as a whole exporting 75 percent, this economy bodes well for Canadian business. Our growth rate in 2017 was 3 percent and should be a further 2.1 percent in 2018, with growth seen in every province.

The economy is running at full capacity and business investments are up. Government spending is up and this in-turn stimulates consumer spending.

The housing market is slowing and stats will not equal 2017, in 2018, however lower prices will encourage first time buyers to invest. Unemployment sits at 5.5 percent, which is the lowest rate ever recorded and 2018 is expected to see slower, but continued growth over the next two to three years.

Mr. Cl  roux sees the cost of borrowing rising both here and in the US, and expects the dollar to hold at \$.80 for 2018. This, of course, is good news for exporters, though not perhaps for those wishing to shop or vacation south of the border. Mr. Cl  roux did not think that the Bank of Canada would raise interest rates this quarter, which has proven to be the case.

On the subject of NAFTA, he says that the BDC remains optimistic that a deal will be reached, primarily based upon the fact that our two economies are so closely tied together. Despite the US President's ill informed opinions, the Canadian trade deficit is the lowest of all the American trading partners and, secondly, Canada remains the United States largest trading partner, by far.

Nevertheless, should the worst case scenario prevail and there is no NAFTA, Cl  roux maintained that little would change, since the

average tariff imposed is from 1-4 percent, which, he said, has led a 40 percent of exporters to not even utilize NAFTA. When asked if he thought that these low tariff rates might not be dramatically increased without an agreement, he stated that, in his opinion they would not, due to our position as their largest trading partner and because we are the largest importer of goods from a number of US states, both border states and others.

He also pointed out, that the repeal of NAFTA was not up to President Trump, but rather to the US Congress, whose elected members would be loathe to oppose their constituents' economic survival.

Mr. Cl  roux took the time to outline the BDC's outlook for the changing economic picture concerning technology and the aging workforce. In retail, in particular, the effects are substantial. While 90 percent of Canadians now shop online, only 40 percent of businesses have a retail presence online. Online sales are increasing by 15 percent per year and retailers are hard pressed to adjust to the changes. Robot production is expected to quadruple in the next two years, which will definitely help areas such as oil production.

When added to the fact that we have an aging work force, this poses new problems. Whereas, in the past, the labour force would increase at a rate of 2 percent per year, thus generating a good pool of workers to draw upon, today it is 1:1. That is, only one new worker is available for every one that retires and this statistic will not change for the next ten years. Presently, 80 percent of our workforce is from outside Canada! The new workforce, is also very different from the past one. They are now millennials and not motivated solely by income potential. Millennials look more to the amenities and the lifestyle that their jobs will provide them rather than just how much money they can amass .

This prompted Councillor Steve Anderson to ask if all this technology now posed a threat to the workforce, noting the number of companies that were reducing their workforce due to technological breakthroughs and improvements. Pierre answered that jobs lost on one side would be regained on the tech company side. Someone still has to build the robots. Workers will require new skills and retraining and education will be of paramount importance going forward. Skills upgrading will become almost a constant undertaking in the future work place.

Mr. Cl  roux's personal opinion, concerning the current minimum wage debate, is that increases in the minimum wage will adversely affect jobs and hiring. His opinion is that you should retrain workers to allow them to achieve better jobs instead.

Rounding out the event, was a panel discussion with prominent politicians, business professionals and civil servants, to discuss changes since last year's breakfast and what to expect looking forward to 2018 and beyond, followed by the annual EDC Awards. The Community Builder Award was presented to Greg and Heather Holmes, of Holmes Appliances and Music Shop, for their work in the community and in particular the Shelburne Fiddle Park Pavillion.

Andrew James received the Community Engagement Award, Lindsay Wegener of Spaw -Perfect Grooming received the Community Champion Award and Jamie -Lee Higginson from Prim Pickins Canada was the 2018 Business Excellence Award winner. This years Public Service Excellence Award was give to past CAO John Telfer, for all his dedicated service to the Town of Shelburne.