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News Release

For Immediate Release

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Brian Gallant's Government Holds New Brunswick's Tourism Industry Back And At Competitive Disadvantage

Fredericton, NB: The announcement on Friday that the Provincial Government would not introduce enabling legislation to support the implementation of a tourism marketing fund came as a shock to the New Brunswick Tourism Industry. The announcement was made with no prior discussion and is considered as a callous disregard for tourism businesses that in the final analysis are responsible for creating jobs and growth for our communities.

"Tourism has traditionally been a low priority for successive governments and the government position is further evidence of this disregard for New Brunswick's third largest service sector in the province," said TIANB Chair, Dan Myers. "Can New Brunswick truly afford such a callous *disregard* of businesses and *ignore* the realities of a highly competitive international tourism marketplace?" concluded Myers.

Over the past several years the New Brunswick tourism industry has been concerned about the capacity to access the levels of funding required to support marketing and product development competitiveness. Operators in New Brunswick's well-established tourism industry are proud of the substantial contribution they make to the annual provincial economy. Today's tourism market is very competitive. Other jurisdictions are utilizing every opportunity to generate revenue to promote their products and services as a first-class vacation experience. New Brunswick is surrounded by provinces and states that have a Destination Marketing Fund (DMF) program. Such is the case for Nova Scotia, Prince Edward Island and Maine. "Rather than inspiring confidence in the industry which is made up of thousands of small businesses, the liberal government and the Minister of Tourism have exhibited an extraordinary lack of understanding towards tourism," said Myers.

In November 2017, the government announced its tourism growth strategy with a target of increasing visitor spending to \$2 billion by 2025 as a key objective. "We are still uninformed as to the specific content of the plan, there seems to be no motivation for government to consult and work more closely with industry," says Myers. In spite of multiple requests to obtain further clarification TIANB as the voice of the tourism industry is still waiting for the details of the plan to assess the level of collaborative initiative assigned to industry. "The announcement and the way they went about it demonstrates clearly that the government does not have a collaborative and cohesive tourism strategy. Without such a plan, innovative projects and offerings are jeopardized and so too are jobs," Myers said.

The disregard and absence of consultation shown by the government and the Minister towards the Tourism Industry and its representatives has clearly upset industry. "We do not feel that the Minister has the best interest of industry in mind nor does he understand and appreciate the value we have to the province. Therefore, we are requesting his immediate resignation as Minister of Tourism, Heritage and Culture. To that end we are requesting a meeting with the Premier to address these issues," states Myers.

“Tourism has long faced an uphill battle for recognition in New Brunswick.” said Myers. In January, New Brunswick's Liberal government released a \$9.6 billion budget with the province's 11th straight deficit and a hefty increase in the net debt. The 2018-19 budget projected a deficit of \$189 million, and adds \$372.3 million to a net debt that's now set to hit \$14.4 billion by the end of March 2019. The annual cost of servicing the debt is about \$675 million. “The slope has become steeper and concerns can only be enhanced by the government’s manifest disregard for the tourism industry,” continued Myers.

The Tourism Industry sees the recent government announcement as extremely detrimental to the province’s economic prosperity. “We are very frustrated that the government has chosen to ignore our research and our input as businesses that live and work in New Brunswick. What the government is doing is effectively limiting business’s ability to market itself and to compete fairly, therefore putting many jobs at risks and severely damaging tax revenues for generations to come. The provincial government’s lack of understanding for our industry and complete disregard hurts not only us, but all New Brunswickers with potential lost economic activity,” said Myers.

The tourism industry in New Brunswick supports over 42,000 employees and represents close to 9% of the province’s labour force. These jobs sustained by tourism extend beyond the tourism sector itself, as tourism demand impacts on retail and other industries. Reports indicate that visitors spend roughly \$1.3 billion dollars in New Brunswick. Tourism contributes more than \$520 million annually to the provincial GDP. The tourism share of provincial GDP ranks with the combined share of agriculture, forestry and fishery in the New Brunswick economy. “Tourism creates jobs and disseminate revenue to the local people by boosting investment in rural areas as well as assisting thousands of small and medium-sized enterprises (SMEs), which are the backbone of the province’s economy,” said Myers.