

Liberal Party of PEI Response to the Partnership for Growth

A Call to Action to Prepare an Economic Action Plan

The Liberal Party of PEI applauds the efforts of The Partnership for Growth. Harnessing the collective intellect, experience, enterprise and creativity of more than 20 of our leading organizations and industry associations will result in positive long-term economic outcomes for our Province.

We support your call to action for a bold vision for Prince Edward Island, we support the underlying principle of a partnership approach for economic growth, and as stated in the Premier's speech to Rotary in January 2019, we believe in "Getting Ahead, Together". We applaud the fact that you have come together as independent organizations to encourage collective growth across our province.

A Liberal Government will create an Economic Action Plan within the first six months of a new mandate. Further, we will establish a task force to develop the plan which will include representatives from The Partnership for Growth. The Task Force will also include other stakeholders such as PEI's Federation of Municipalities, Indigenous representatives, our post-secondary institutions, our federal partners with economic development mandates and others.

Over the past four years, the PEI Liberal Government has proven that we can lead a collaborative effort to grow our economy, making PEI a great place to work and live. The Liberal track record in this regard is undisputable – Prince Edward Island has become a leader in economic growth in our nation and we have no intention of slowing down.

We fully concur that the private sector and community leaders must lead our economic growth agenda and that the role of government is to create an environment where business can invest and grow with confidence. A Liberal government would continue to increase business competitiveness by investing in economic infrastructure and skills development initiatives.

We are now leaders in Canada in economic growth. We have a proven track record. Let's keep working.

As evidenced by all economic performance measures, and our consistent and timely reporting over the past four years, the Wade MacLauchlan Liberals know how to support economic growth. The Liberal Party of PEI will indeed set new economic targets, ambitious goals with timelines and a supporting accountability framework. One of the greatest strengths of Premier MacLauchlan has been his relentless, hard-working approach to accelerate economic growth, job creation and support for PEI businesses. He has led by example in developing and implementing new programs to make

Canada's smallest province Canada's smartest province. Hard work is paying off. Now is not the time to take our foot off the pedal.

We have reviewed the six key priorities identified by the Partnership for Growth and concur that these priorities would provide a strong framework for an economic action plan. Indeed, we support the connection of these issues in building a Prince Edward Island that links ongoing economic growth together with strong social inclusion and community development.

By any measure PEI has performed well in these areas of priority over the past four years. Looking forward we have momentum and we can build on this success.

With respect to the "Target 2024" goals and targets, The Liberal Party of PEI concurs that this provides a reasonable framework for measuring economic outcomes. As you would expect, however, as the Economic Action Plan is developed other ideas may be added and/or these five goals could be amended. We might, for example, have stakeholders who would like to see goals set for growth in job creation, investments in rural PEI, overall expansion of supporting economic infrastructure, growth of indigenous businesses, etc. Having said that we will, as requested, provide comments on the specific targets outlined in the Partnership for Growth document.

We agree that GDP growth is an important economic indicator. PEI is the only jurisdiction in Canada with continual GDP growth since 2008. In recent years PEI has been outpacing the national GDP average growth and the Liberal Government of PEI has set the conditions and economic environment to support continued GDP growth at a pace which should continue to be amongst the highest in the country. This assertion is supported by the Conference Board of Canada which projects that PEI will lead the country in growth in 2019. It is critical to note however that this growth and economic confidence is contingent upon strong fiscal management and strategic public investment and initiatives that support business growth. The Liberal Government of PEI has played a leadership role in consistently investing in our economic strategy over the past four years.

Average annual GDP for Canada over the past ten years has been in the range of 1.6% to 2.0% which is a reasonable national benchmark for the coming five years. The Partnership for Growth goal of average annual GDP growth of 3% is therefore a lofty "bold" goal. It is a goal that could only be achieved with Wade MacLauchlan as Premier. The Liberal Party of PEI is up for this challenge.

With respect to export sales, the Partnership for Growth document references PEI economic performance for export sales growth of \$115.7 M (2017) and \$97.3 M (2014) which equates to 18% growth over this three-year period. We note that these export figures are for a one-month period only- December 2017 versus December 2014 which is a limited view. In preparing the Economic Action Plan the Liberal Party believes our province should set targets for export sales in emerging markets that are linked to Canada's new international trade agreements as well as growing revenues from our

existing leading trading partners such as United States, China and The European Union. Sales in services should be considered as well, to add to our strong sales in merchandise. Moreover, our strong domestic sales to other parts of Canada needs constant attention, especially for our small- and medium-sized enterprises.

A Growth in international export sales of 6% is an ambitious target. To achieve this goal our province will need to accelerate targeted investments to support businesses that are growing export sales. We will need government to play a strong supporting role - again building on the success of the past four years of Liberal Government. Strong leadership, sound economic policies, and programs will be essential if we are to achieve this goal. The Liberal Platform released on Tuesday, April 1 outlines a plan and commitments we expect the member organizations of Partnership for Growth will support. Our comprehensive, well thought out and clearly costed strategy will support growth in export sales.

Under a Liberal Government, over the past five years PEI was well ahead of the average national growth for export sales growth. In fact, PEI was 2nd amongst all provinces (behind only B.C) with growth of 29.9% over that five year-period.

The Liberal plan is to set a goal of average annual growth of 6.5% (compounded annually) which actually exceeds the target recommended by the Partnership for Growth. Further, the Liberal Party of PEI believes that with a strong Liberal government, under the leadership of Wade MacLauchlan, the Province of PEI could achieve \$2 Billion in international goods exports by 2023!

The goals recommended relative to population, employment and take-home pay are contingent, in the view of The Liberal Party of PEI, upon the implementation of new programs and initiatives that ensure growth and investment in skills development. This equally extends to enhancing our education system such that young Islanders get a strong start in life. The Liberal platform details a comprehensive plan that addresses the targets related to population growth, our education system and our tax structure and policies.

Innovation and productivity growth will be an integral part of the Economic Action Plan. As a province we must continue to grow a culture of creativity, innovation and hard work from tip to tip. The Liberal Party of PEI will continue to invest in programs that support innovation in all sectors and in all regions of our province. PEI is becoming recognized as a leader in Canada in moving quickly and smartly to take advantage of emerging economic opportunities. In addition, we must of course commend the ingenuity and business skills of our resource-based and tourism sectors that are the backbone of our economy. In response to an increasingly competitive global market place, innovation is happening everywhere in our Province. We believe that our post-secondary institutions and our supporting research-based entities are second to none. Industry and academia are collaborating in PEI. This is helping our businesses be more competitive and in attracting new talent.

Over the past four years, The Liberal Government of PEI has made investments in economic infrastructure that supports the growth of new enterprises as a priority and will continue to do so. We agree with the goals the Partnership for Growth has established for entrepreneurship and high-growth companies. We fully expect that as The Liberal Government of PEI and industry continue to work together to create a new Economic Action Plan that we will collectively develop exciting new ideas once again accelerating the growth of start-up companies in PEI. We are leaders in our country in helping new entrepreneurs succeed and we are committed to keep building on our past successes. If we keep working at this, under the leadership of Wade MacLauchlan, the confidence of our new PEI entrepreneurs and the supporting stakeholders will flourish in the coming years!

In the Liberal platform you will see strong alignment with the Partnership for Growth six key priorities. Our proposed, capital investments and new programs and initiatives will result in opportunities for Islanders and help PEI's private sector businesses improve competitiveness and profitability. As a result of a strong fiscal management, prudent investment and a working together mentality we are poised for future prosperity.

Since 2015, the number of full-time jobs in our province has grown by 5,000 and our Island economy expanded by \$1 Billion annually in only three years as of the end of 2017. Further, between 2014 and 2017, per capita disposable income increased by more than \$1,400. The Liberal platform includes many measures that will help ensure continued job growth and skills development. Jobs and economic growth are good for families throughout our Island.

The Liberal platform includes a series of measures to continue this momentum and create 3,500 new full-time jobs; encouraging young Islanders to stay in and return to our province. In addition, the Liberal Party of PEI will implement a new Worker Acceleration Program designed to allow employees to access new training while at their current job. Hundreds of Islanders will benefit from this new program. As noted by the Partnership for Growth, expanding our highly skilled workforce is essential to fuel economic growth and further job creation. The Liberal Party of PEI agrees and we have a comprehensive plan to make it happen.

As detailed in the Liberal platform, our PEI quality of life and place will continue to be the best in the country if we make smart investments in people and talent as well as our economic infrastructure and programming that supports innovation and creativity. The Liberal Party of PEI will develop an Economic Action Plan that builds on our strengths and past successes and aligns all stakeholders. This includes investing in our young people, effectively addressing challenges like climate change and working together across the Island. PEI Liberals believe that our Province has a unique advantage in that our provincial government and industry can work together in a more timely and responsive manner- we can outperform competitors if our goals are aligned and we help each other succeed.

We applaud the initiative of the Partnership for Growth and the commitment to work together to build greater opportunity for all Islanders. With a clear and comprehensive plan strongly linked to your objectives, a Liberal Government is prepared to work with the Partnership to accomplish immediate goals and work to build a sustainable prosperous future for the next generations of Prince Edward Islanders.

For PEI to achieve the bold goals you have set we will need the strong leadership of Wade MacLauchlan and the Liberal team. We will need a Premier who can help drive results and bring out the best in all Islanders.

A Liberal Government led by Wade MacLauchlan will not only prepare an Economic Action Plan, we will aggressively implement it and we will once again ensure PEI outperforms our global competitors. And we will do this together. Results matter-let's keep working!

Thank you for providing The Liberal Party of PEI with this opportunity.