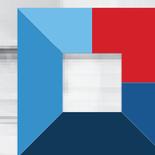


QUARTERLY REPORT

01/19 – 03/19



**ECONOMIC
DEVELOPMENT**

GREATER SAINT JOHN

**MORE JOBS.
MORE PEOPLE
WORKING.
MORE ATTRACTIVE
BUSINESS
ENVIRONMENT.**

**Economic Development
Greater Saint John (EDGSJ)
is dedicated to achieving
consistent, long-term
economic growth for the
communities of Grand
Bay-Westfield, Saint John,
Rothesay, Quispamsis and
St. Martins.**

WELCOME to the inaugural edition of the Economic Development Greater Saint John (EDGSJ) Quarterly Report.

This document is designed to give our organization's stakeholder group and partnership network, as well as the citizens of Greater Saint John and the business community, regular access to information on the state of our economy and the work being done to improve it.

The first quarter of 2019 saw our organization launch a new 3-year economic development plan, which crystallized our efforts around four focus areas. The pages that follow will provide additional detail, but I am pleased to report that we have made significant progress toward each of our year one targets. We have also collaborated with community partners on some very exciting initiatives that will drive even more progress.

Our annual workplan covers the day-to-day effort required to achieve our targets, but also to develop and foster our partnership network, to communicate with our investors, and to educate the community about economic development.

Between January and March 2019, our efforts to improve our economy took place against a larger economic context – internationally, nationally and regionally – that can only be described as turbulent.

THERE WERE REASONS FOR CONCERN:

- The International Monetary Fund (IMF) downgraded its global growth forecast for 2019 and 2020.
- Saint John Census Metropolitan Area (CMA) job vacancy rates (unfilled jobs) are on the rise.
- The Saint John CMA lags significantly behind other regional centres for immigrant attraction.
- Total international merchandise exports in January were down 27% year over year.
- Regionally, LNG exports and electric power exports were both down, likely due to the warmer winter.

THERE WERE REASONS FOR OPTIMISM:

- Canadian Gross Domestic Product (GDP) growth for January was above expectations.
- Canadian employment numbers for February were up 2% year over year.
- The Saint John CMA 2018 population was up 0.4% over 2017.
- The Saint John CMA labour force in February 2019 was up nearly 10% since February 2018.
- Provincially, the value of pulp and paper mill exports were up strongly year-over-year in January.

We are watching these indicators closely, so we can design our approach to target achievement in a way that leans in to the opportunities before us and steers us around the roadblocks.

If you have any questions about what you see in this report, don't hesitate to give me a call or send me an email.

Economic development is a marathon, not a sprint. We know the work we do today will pay dividends in the long run – and we hope you'll join us on the journey.

Sincerely,



Ron Gaudet, CEO
Economic Development Greater Saint John

CONTEXT: Q1 2019 ECONOMIC INDICATORS

GLOBAL

Real Gross Domestic Product (GDP) growth forecast for 2019 (all countries): 3.5%¹

Real GDP growth forecast for 2019 (advanced economies): 2%¹

Price of Brent crude oil: \$69.01 per barrel (USD)²

Percent change in price of Brent crude oil since January 1, 2019: +25%²

NATIONAL

Value of the Canadian dollar: \$0.745 (USD)³

Percent change in value of the Canadian dollar since January 1, 2019: +0.01%³

Real GDP growth (January 2019): +0.3%⁴

Employment growth rate (seasonally adjusted) February 2018 to February 2019: 2.0%⁴

TOP 5

WHERE ARE PEOPLE
MOVING TO THE
SAINT JOHN CMA⁶ FROM?⁴

- 1 Fredericton
- 2 Moncton
- 3 Calgary
- 4 Toronto
- 5 Halifax

REFERENCES:

¹International Monetary Fund (IMF) ²Nasdaq ³Bank of Canada ⁴Statistics Canada
⁵IRCC ⁶A CMA is a Census Metropolitan Area ⁷Conference Board of Canada.



LOCAL CONTEXT

(Saint John Census Metropolitan Area)⁶

Population (2018): 130,107⁴

Percent change in population over 2017: +0.4%⁴

Population growth rank

(out of 20 urban centres in Atlantic Canada): 8th⁴

Number of immigrant arrivals in 2018: 835⁴

Percent change in immigrant arrivals over 2017: +8.4%⁵

Job vacancies (Q4 2018): 2,055⁴

Percent increase in job vacancies over Q4 2017: +20%⁴

Labour force (seasonally adjusted) for March 2019: 71,900⁴

Percent change in labour force since March 2018: +11%⁴

Employment (seasonally adjusted) for March 2019: 67,900⁴

Percent change in employment since March 2018: +13%⁴

Unemployment rate (seasonally adjusted) for March 2019: 5.6%⁴

Value of building permits issued in January 2019: \$13.3 M⁴

Percent change in value of building permits issued since January 2018: +6%⁴

Value of international exports in January 2019: \$811 M⁴

Percent change in value of international exports compared to January 2018: -28%⁴

Value of international exports – excluding refined oil – in January 2019: \$421 M⁴

Percent change in value of international exports – excluding refined oil – compared to January 2018: -10%⁴

Saint John CMA GDP growth (Q1 2019 over Q1 2018): 1.2%

Saint John CMA GDP growth forecast for 2019: 1.1%



FOCUS AREA

1

WORKFORCE DEVELOPMENT

TO ATTRACT AND RETAIN TALENT TO SUPPORT THE GROWTH OF OUR EXISTING COMPANIES AND ATTRACT NEW COMPANIES TO OUR REGION.

YEAR ONE TARGET

Work with 30 companies to fill 350 stagnant jobs (posted for at least 90 days and still unfilled).

STATUS

We are on track for target achievement.

YEAR-TO-DATE PROGRESS

220 jobs filled.

WINS AND ACHIEVEMENTS IN Q1

75% of companies participating in the Provincial Information Communications Technology Council (ICTC) Virtual Job Fair, targeting newcomers with ICT skills, are from Saint John.

We joined Opportunities New Brunswick and officials from Post-Secondary Education, Training and Labour on a 2-day mission in Vancouver to promote the region and connect job-seekers with employers here at home.

CONCERNS AND CHALLENGES IN Q1

Companies are struggling to understand immigration processes and manage the business risk of international recruitment.

Q1 HIGHLIGHT

A multi-agency pilot project called “Filling Unfilled Jobs” is underway and gaining ground. The initiative is designed to work with companies that are struggling to fill positions in the Saint John region.

The team includes representatives from PETL, the City of Saint John, ONB, Economic Development Greater Saint John, and ACOA and is supported by the regions’ settlement agencies. Together we are working with 21 employers to build customized action plans to address their recruitment, onboarding and retention challenges. These companies have forecasted the need to hire 1,137 people this year, for positions ranging from \$28,000/year to \$180,000/year.

READ MORE ABOUT OUR FOCUS AREAS IN OUR 3-YEAR ECONOMIC DEVELOPMENT PLAN, AVAILABLE AT:
EDGSJ.COM



FOCUS AREA

2

ENTREPRENEUR DEVELOPMENT

BUILD THE GREATER SAINT JOHN
ENTREPRENEURIAL ECOSYSTEM
WITH A FOCUS ON SCALABLE
START-UPS.

🎯 YEAR ONE TARGET

Support the launch of 30 start-ups and
60 new jobs.

🔍 STATUS ●●●

We are on track for target achievement.

YEAR-TO-DATE PROGRESS

7 start-ups launched.
13 jobs created.

WINS AND ACHIEVEMENTS IN Q1

Financing provided to new businesses
from EDGSJ = \$145,000.

Leveraged funds provided to new
businesses = \$150,661.

Eight companies will complete our
Venture Validation Program on April 10,
and 12 new aspiring entrepreneurs will
begin the program on April 11.

Q1 HIGHLIGHT

Two Saint John companies supported
by EDGSJ made the top 10 in the NBIF
Breakthru program.

Sensory Friendly Solutions, a start-up
headed by Christel Seeberger, also
pitched as a finalist at the gala event.
Her company is launching a digital
database of products, services, and
locations specifically designed to ease
the challenges of daily life for people
with sensory sensitivities.

Christel took our 13-week Venture
Validation Program in Fall 2017.
This helped her explore her value
proposition, define her customer, and
build a business and financial model.
After completing the course she
successfully applied for an Impact Loan
from EDGSJ which gave her \$25,000
for her business. We've continued
to support Christel through office
hours and mentoring sessions with
EDGSJ staff, and our Entrepreneurs-
in-Residence Dan Doiron and Donna
Mazerolle. Christel also received a
\$25,000 grant from EDGSJ through the
Smart and Connected Communities
project to allow her to conduct a pilot
project.

READ MORE ABOUT OUR
FOCUS AREAS IN OUR 3-YEAR
ECONOMIC DEVELOPMENT
PLAN, AVAILABLE AT:

EDGSJ.COM



FOCUS AREA

3

BUSINESS INVESTMENT & INNOVATION

PROMOTE GREATER SAINT JOHN'S VALUE PROPOSITION FOR INVESTMENT, AND SUPPORT COMPANIES IN BEING GLOBALLY COMPETITIVE.

YEAR ONE TARGET

Business investment: 300 jobs created through investment attraction.

Innovation: develop concept, test feasibility and secure partner buy-in for an Innovation District.

STATUS ● ● ●

Some headway has been made.

YEAR-TO-DATE PROGRESS

43 jobs filled.

WINS AND ACHIEVEMENTS IN Q1

Ongoing discussions regarding the Innovation District have been very well received with positive feedback.

Three recent leads and requests for information have developed into site visits for April.

CONCERNS AND CHALLENGES IN Q1

Labour force development remains a bottleneck for business investment.

Preparing the go-to-market concept for our Innovation District requires a lead sponsor to give the project a physical home and to be a magnet for partners and collaborators.

Q1 HIGHLIGHT

We worked diligently this quarter to meet with partners in education, industry and government with the goal of boosting innovation in our region. Together our approach is to foster large-scale and intense collaboration – whether through physical proximity and co-location, or through joint initiatives – that will create the kind of collisions that spark innovation.

READ MORE ABOUT OUR
FOCUS AREAS IN OUR 3-YEAR
ECONOMIC DEVELOPMENT
PLAN, AVAILABLE AT:

EDGSJ.COM



FOCUS AREA

4

MARKETING GREATER SAINT JOHN

TELL THE GREATER SAINT JOHN STORY TO ATTRACT PEOPLE AND INVESTMENT, AND SUPPORT THE GROWTH OF OUR COMPANIES.

YEAR ONE TARGET

Collaborate with agencies/ municipalities to create a shared marketing toolbox, complete an economic development marketing plan for Greater Saint John and acquire resources to implement the campaign.

STATUS ●●●

Some headway has been made.

YEAR-TO-DATE PROGRESS

We have commissioned a study, jointly with Develop Saint John, to survey businesses and individuals under the age of 45 to determine whether they see themselves living, working, etc. in Saint John. The survey will help determine the correct marketing message to attract people to our region. We also are continuing to work with the City of Saint John and other agencies to create a shared marketing tool box.

CONCERNS AND CHALLENGES IN Q1

Accessing resources to implement the campaign.

Q1 HIGHLIGHT

We were pleased to launch a new website for our organization in Q1 – designed to be adaptable and scalable as needs change over time. Our site provides easy access to the kind of information businesses and individuals need – as they consider a move to Greater Saint John.

READ MORE ABOUT OUR
FOCUS AREAS IN OUR 3-YEAR
ECONOMIC DEVELOPMENT
PLAN, AVAILABLE AT:

EDGSJ.COM

CHALLENGE – ACCEPTED!

Economic growth is a team effort.

We certainly don't do it alone – we have our own set of projects we are responsible for, but we also sit at the table alongside dozens of partners who each own a wide variety of projects that will have a positive and lasting impact on our economy.

It's important to know that everyone has a role to play.

If you are a citizen, you can support economic development by:

- ✓ Shopping local.
- ✓ Sharing job opportunities with friends and family.
- ✓ Sharing good news stories about local businesses and entrepreneurs.
- ✓ Championing the Saint John region to friends and family who live outside the area.
- ✓ Participating in the workforce.
Upload your resume to <http://careers.edgsj.com>.

If you are a business owner, you can support economic development by:

- ✓ Building a local supplier network.
- ✓ Working with local suppliers to build capacity and expertise.
- ✓ Learning how to minimize the risk of scaling-up.
- ✓ Considering your export options.
- ✓ Hiring newcomers.

40 King Street, Saint John, NB E2L 1G3
506 658 2877 • info@edgsj.com



EDGSJ.COM