



## **2021 Provincial Budget Submission**

## Introduction

---

The Manitoba Chambers of Commerce (MCC), established in 1931, is the umbrella organization for Manitoba's chamber movement. With a membership comprised of 68 local Chambers of Commerce, as well as hundreds of direct Corporate Members, MCC is the province's largest and most diverse advocacy association for the business community, representing close to 10,000 businesses and community leaders.

Our mission is to champion sustainable economic growth leading to greater prosperity for business and communities in Manitoba, and we have a bold vision to "make Manitoba the Best Place to Live and Work."

For Manitoba's business community, the challenges of the COVID-19 pandemic have made this past year the most challenging year in recent times. Many businesses have been forced to close their doors to in-person traffic and patrons for significant periods of time; they've had to furlough or lay off thousands of employees, and they've become dependent on government relief programs to survive.

It is through the lens of the MCCs vision and mission and the current economic realities that we provide our comments to the provincial government as it deliberates in the development of Budget 2021.

## Budget 2021

---

In today's globally competitive business environment, it is imperative for government to create a climate that enables Manitoba's existing businesses to grow and thrive, while attracting new investment. For Manitoba to reach its full potential there are seven key public policy pillars that Manitoba must address to demonstrate our collective commitment to "Growing Manitoba's Economy":

1. **A COMMON ECONOMIC AGENDA:** Strengthen the partnership with the private sector to build a stronger economic base and ensure Manitoba remains internationally competitive, providing jobs for a growing population.
2. **INFRASTRUCTURE INVESTMENT:** With an improving fiscal capacity, invest in core, community, and educational infrastructure to support vibrant, healthy communities connected within the province and to our trading partners.
3. **GLOBAL TRADE:** Build Manitoba's capacity to promote trade and expand our global profile to take full advantage of our potential.

4. **INDIGENOUS ENGAGEMENT:** Commit to consistent engagement with the federal government and our Indigenous communities to ensure everyone benefits from a prosperous economy.
5. **PRODUCING, ATTRACTING AND RETAINING TALENT:** Commit to working with the business community and educational sectors to ensure Manitoba produces, attracts, educates, trains, and retains the skilled workforce fundamental to sustaining economic growth, prosperity, and healthy communities.
6. **ACCESS TO CAPITAL:** Maintain a system for easy and increased access to capital and establish a new framework for venture capital within which both the private and public sectors participate to allow Manitoba businesses to thrive.
7. **ESTABLISH STRONG SUSTAINABLE FISCAL RELATIONSHIPS:** Commit to establishing a modern fiscal framework to ensure provincial and municipal levels deliver their respective obligations to provide services to Manitobans and build strong, mutually supportive communities.

## **MCCs 2020 Manitoba Business Outlook Survey (October 2020)**

---

[Click here to view linked document.](#)

### **Key takeaways**

- Cash flow is the single greatest concern for Manitoba businesses (29% of survey respondents said it's their chief concern).
- Most leaders said they restricted spending given the uncertainty (60% of respondents), and more than half (54%) said they had experienced a decrease in sales.
- There are gaps in information related to government emergency relief and support programs, and there are opportunities to enhance overall communication.
- Employees are experiencing high levels of stress. (18% of respondents said employee well-being/mental health was their top concern).

## Recommendations

---

### Economic Competitiveness

Manitoba has taken significant steps in the past number of years to improve its fiscal situation which had resulted in a more sustainable outlook.

The Manitoba Chambers of Commerce believes that to return to the level of prosperity needed to take the provincial economy to the next level, the provincial government must ensure economic growth is still the driving force behind decisions.

Decisions should be made through the lens of restarting and stabilizing the Manitoba economy, preventing high business failure rates down the road once emergency programs wind down, as well as making Manitoba more attractive to investment and new business.

**1. The Manitoba Chambers of Commerce encourages the Province of Manitoba to provide continued supports for those who need it most throughout 2021.**

Timely and accessible supports for businesses – especially those in the hardest-hit sectors, such as hospitality, restaurants/bars/beverage rooms, hotels, airlines/airports, personal services -- will prevent further layoffs, closures, and bankruptcies. We assert that existing COVID-19 emergency relief programs should be scalable, enabling larger businesses to access more significant relief to ensure their continuity. We also encourage government to consider ways to promote a business stream of “buy local” (not just a consumer campaign) to encourage selection of local supply chain inputs and investment in home-grown products/materials.

**2. The Manitoba Chambers of Commerce encourages the Province of Manitoba to focus on investments that will help retrain and reskill Manitobans affected by the pandemic.**

We recommend that the Province of Manitoba considers allocating funds directly to members of the business community, enabling them to access, develop, and even deliver training and upskilling most suitable to the success of their sector or individual business.

### Access to Capital

One of the biggest challenges facing entrepreneurs and businesses in Manitoba is the availability of capital to grow and expand their business. Access to capital, including limitations to existing Manitoba grant opportunities, has been identified by a number of industries and entrepreneurs as a critical issue holding their business back from growing. Difficulties in accessing capital are hindering the full potential of Manitoba’s business community and the economy overall.

- 3. The Manitoba Chambers of Commerce encourages the provincial government to establish a comprehensive access to capital strategy that identifies all stages of capital financing, current capital availability and local gaps along with the entire capital gamut (idea incubators, venture capital funds, etc.) and provincial initiatives to address the deficiencies.**

### **Economic Development**

In December of 2018, the Province launched Phase one of the Economic Growth Action Plan to establish an Economic Growth Committee of Cabinet and a new Manitoba Economic Development office to lead economic development initiatives and projects with business, industry and stakeholders.

Seven regional and strategic partnerships were established to deliver economic development programs and front-line services.

- 4. The Manitoba Chambers of Commerce asks the provincial government to commit to providing the support, resources, and development of sustained plans to ensure the effective implementation of the Economic Development Strategy to be delivered by the seven regional and strategic partnerships.**

### **Workforce**

As a result of the pandemic, thousands of Manitobans have dealt with changes to and losses of employment. They will need reskilling and retraining to re-enter the workforce. Many would argue current training programs do not address the gaps in the labour market. Collaboration between business, education, and the government is needed to address deficiencies in the quality and sharing of information and better planning to discuss skilled labour training.

- 5. The Manitoba Chambers of Commerce asks the provincial government to commit to working with the business and education sectors on a strategy to establish a new framework to better identify the needs of business and the development of education programs to meet the growing demand for future employment.**

### **Digital Infrastructure**

The past year, with thousands of Manitobans working from home, students learning from home, and many businesses pivoting to online platforms to ensure service delivery and revenues, Manitoba's significant shortcomings in the area of digital infrastructure have been revealed.

6. **The Manitoba Chambers of Commerce encourages the Province of Manitoba to work with the Federal government and the private sector to make significant investments in improving the quality of digital infrastructure in Manitoba.**

## Conclusion

---

As we move forward in restarting Manitoba, it is imperative that our economic recovery be a staged process supported by clear direction and guidance, as well as open and ongoing communication from health care officials. We recognize that we can only recover effectively when we re-establish Manitobans' sense of safety and instill confidence for employers, employees, and customers.

Each region's experience differs significantly across the province when it comes to transmission rates, tracking and tracing capacity, and other variables. However, when the time comes, businesses of all sizes need a predictable and coordinated effort to ensure society reopens in a harmonized fashion that prioritizes individual safety as well as economic stability.

There are several critical elements that we encourage the Province to consider prioritizing to ensure our recovery plan results in the greatest success:

1. **A readiness plan with a focus on sectors and regions hardest hit.** It is critical that Manitoba's employers are aware of how reopening will take place step-by-step so they can properly prepare.
2. **Advance notice.** Businesses and their employees need sufficient time to prepare to get back to work. In addition to the Engage platform which enables advance feedback on proposed orders, we recommend at least ONE WEEK of notice regarding likely potential changes to public health orders.
3. **Clear guidelines.** Businesses need to clearly understand the rules and how they will be enforced. Inconsistent and unclear public health guidelines cause confusion among businesses, employees, and consumers alike, and make it difficult for individuals to take appropriate action to protect themselves and their communities.
4. **Practical communication with businesses.** Educational training via virtual workshops in advance of reopening would equip employers with practical information to help them implement proper protocols, and keep staff and customers safe. The Province of Manitoba may also wish to consider offering virtual "awareness training" regarding emergency relief programs.
5. **Rapid testing.** Sufficient and timely testing and tracing gets employees back to work quickly, ensuring continued productivity and reduced strain on families.

6. **Evidence-based decision making.** A strong testing and tracing apparatus ensures the province can accurately assess where and how the virus is spreading, so that efforts to target restrictions can be confidently based on solid data.
7. **Leveraging private sector to support vaccine distribution and deployment.** Businesses will be critical in supporting public awareness, logistical capabilities, and best practices.