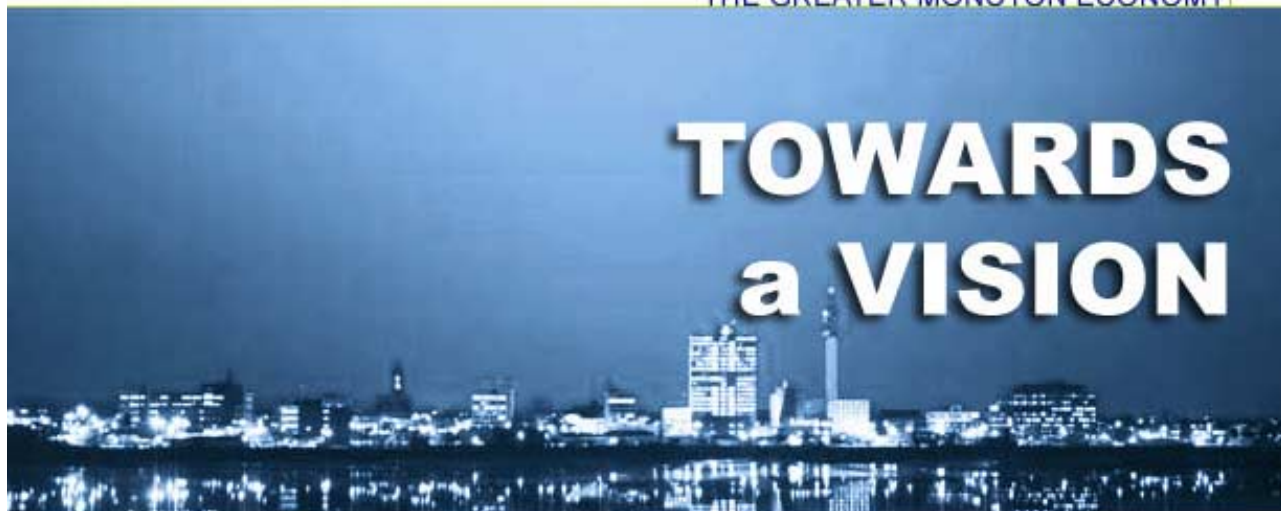


THE GREATER MONCTON ECONOMY



A research document in support of the strategic planning process

DRAFT VERSION

December 2003

Prepared by:
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(version française disponible)

Executive Summary

ShiftCentral has been retained by Enterprise Greater Moncton (EGM) to help guide the organization and its stakeholders through a strategic planning process. This research document was developed to provide EGM and its stakeholders with a detailed analysis of the Greater Moncton economy, its successes, weaknesses, potential opportunities and potential threats. The report provides EGM and its stakeholders with the background knowledge to begin finding answers to the key questions that will drive the strategic planning process.

Key Research Findings - Population:	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> Greater Moncton's population growth from 1991-2001 was the second best in Atlantic Canada but 44th out of the 130+ urban areas in Canada. 	<ul style="list-style-type: none"> Given that New Brunswick's population overall is declining and that Greater Moncton is the most significant growth engine for the province, was our growth rate acceptable? Can it be sustained?
<ul style="list-style-type: none"> Greater Moncton has had some success attracting people from other parts of NB and Canada – but has among the worst records for immigration among urban areas in Canada. 650 of the 1.8 million immigrants to Canada settled in Greater Moncton. 	<ul style="list-style-type: none"> Should Greater Moncton have a proactive plan to attract immigrants to the community or focus its efforts on attract migrants from other Canadian provinces?
<ul style="list-style-type: none"> Greater Moncton is now one of the most bilingual communities in Canada (ahead of Ottawa). ¼ of all Anglophones speak French. 	<ul style="list-style-type: none"> A great benefit for economic as well as community development. However, it may mean increasing isolation for unilingual residents.

Key Research Findings - Income:	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> Real median family income in Greater Moncton decreased from 1990 to 2000 while increasing at the provincial and national levels. The decrease was only 0.9% over the ten-year period. Other major urban areas such as Halifax, Saint John and St. John's also registered a decline indicating a trend in urban Atlantic Canada. 	<ul style="list-style-type: none"> Is this trend based on the high level of entry level jobs that were created in Greater Moncton or is it a longer term trend?
<ul style="list-style-type: none"> Average employment income is 16% lower in Greater Moncton than the national average. The income gap between Greater Moncton and Canada is increasing. 	<ul style="list-style-type: none"> The increasing income gap between Greater Moncton and the national level is concerning. It may be a transitional issue as the economy moves from its blue collar to white collar industries.
<ul style="list-style-type: none"> There are less low income families in Greater Moncton than most other urban areas in Canada (as a percentage of total families). 	<ul style="list-style-type: none"> It seems that the economy is not as harsh on underprivileged as others.

Key Research Findings – Education Levels:	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> Greater Moncton has among the lowest rates of university-educated workers among urban areas in Canada. We also have among the lowest rates of university students among urban areas. 	<ul style="list-style-type: none"> This trend has an impact on incomes as well as on the economy's ability to provide workers for high skills industries.
<ul style="list-style-type: none"> There are 42% more Francophones with a university education than Anglophones (as a % of population). 	<ul style="list-style-type: none"> This is the opposite of the national trend and brings both positive and negative considerations.
<ul style="list-style-type: none"> Greater Moncton has a lower percentage of its youth (aged 15-24) in school than other urban areas. 	<ul style="list-style-type: none"> This is concerning as less young people in school can translate into a comparatively less educated workforce over time.

Key Research Finding – Major Industries:	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> Greater Moncton's job creation rate was above the national average from 1991-2001. The vast majority of these jobs were in information technologies (1,500+ new jobs), manufacturing (1,300+ new jobs) and call centres (4,000 new jobs). 	<ul style="list-style-type: none"> Will we continue to see growth in these three sectors or will others emerge?
<ul style="list-style-type: none"> Greater Moncton has the largest call centre industry in Canada – by far – as measured by the % of customer service occupations in the workforce. 	<ul style="list-style-type: none"> Have we reached saturation? Is there room to expand into more areas such as business process outsourcing?
<ul style="list-style-type: none"> Greater Moncton's manufacturing sector has grown strongly – employment is up 67% since 1991. Greater Moncton now has more manufacturing workers as a percentage of the labour force than any other urban area in Atlantic Canada. 	<ul style="list-style-type: none"> Manufacturing is in decline nationally but up strongly in Greater Moncton. Is this just a blip or a trend that can be leveraged into future growth?
<ul style="list-style-type: none"> The transportation and warehousing sector has grown strongly with a 45% increase in Material Handling occupations. 	<ul style="list-style-type: none"> What will be the impact of the new four lane highway on Greater Moncton's position as a regional distribution hub?
<ul style="list-style-type: none"> Greater Moncton's IT sector has been growing and now sits behind only Fredericton among Atlantic Canadian urban areas for IT employment. 	<ul style="list-style-type: none"> Much of this growth is driven by the larger players such as OAO, Whitehill and Xwave.
<ul style="list-style-type: none"> Greater Moncton has a lower percentage of creative and cultural occupations compared to other urban areas. However, there has been strong growth since 1991. 	<ul style="list-style-type: none"> New research draws a direct link between the creative and cultural aspects of a community and its economic growth over time.
<ul style="list-style-type: none"> Greater Moncton has a much lower rate of micro-businesses (less than 10 employees) than the province and Canada as a whole. 	<ul style="list-style-type: none"> Is this a good thing or a bad thing?
<ul style="list-style-type: none"> Greater Moncton has a lower self-employment rate than NB and Canada as a whole. 	<ul style="list-style-type: none"> Is this a good thing or a bad thing? Does it reflect a lower level of entrepreneurship or a hot labour market?

Key Research Finding – Major Industries (cont.):	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> ▪ Sectors expected to grow strongly over the next ten years (that are relevant to our economy) include: <ul style="list-style-type: none"> ○ Business process outsourcing ○ Certain niche manufacturing ○ Biotechnology/life sciences ○ Cultural/creative industries ○ Health industries ○ Marketing/public relations ○ Information technologies ○ Tourism ○ Government services ○ Language industries 	<ul style="list-style-type: none"> ▪ In which of these sectors can Greater Moncton effectively compete? What remedial steps need to be put in place to allow us to compete?

Key Research Finding - Infrastructure:	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> ▪ Even though New Brunswick has a good broadband infrastructure, the province has the lowest rate of Internet usage in Canada. 	<ul style="list-style-type: none"> ▪ Are we properly leveraging the quality of our IT infrastructure both to our own population and to industry?
<ul style="list-style-type: none"> ▪ Four major IT training schools have closed in Greater Moncton in the past three years. 	<ul style="list-style-type: none"> ▪ What will the impact of this be on the growth of the IT sector in Greater Moncton?
<ul style="list-style-type: none"> ▪ New Brunswick has almost no access to risk capital for its start up companies. 	<ul style="list-style-type: none"> ▪ This has been a protracted challenge for our IT and other innovative startups. Are there steps that can be taken to rectify it?
<ul style="list-style-type: none"> ▪ The airport is growing strongly and has greatly enhanced our access to outside markets. 	<ul style="list-style-type: none"> ▪ We still don't have direct links to the vital U.S. market. Is this a major or minor consideration?
<ul style="list-style-type: none"> ▪ The vast majority of call centres that came to Greater Moncton over the past ten years setup in existing office real estate. 	<ul style="list-style-type: none"> ▪ Where will new growth in office jobs take place? Is there existing stock?
<ul style="list-style-type: none"> ▪ The new four-lane highway connecting New Brunswick to the U.S. and central Canada will be ready by 2006. 	<ul style="list-style-type: none"> ▪ What will be the impact of this highway? Positive? Negative?
<ul style="list-style-type: none"> ▪ New Brunswick spends the lowest in Canada on research and development. 	<ul style="list-style-type: none"> ▪ Many studies have directly correlated R&D activity and economic growth over time. Are there steps that can be taken to improve this? What is the role of the local stakeholders?

Key Research Finding – Regional Influence:	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> ▪ The average employment rate differential between Greater Moncton and its peripheral communities is the highest among Atlantic Canada's urban areas. 	<ul style="list-style-type: none"> ▪ Why is this? They come for shopping, entertainment and services – but, it seems, not for employment (at least at the same level of other urban areas).

Key Research Finding – Trends:	Considerations for EGM and its stakeholders:
<ul style="list-style-type: none"> Local and regional partnerships are a major emerging trend in economic development. 	<ul style="list-style-type: none"> Can the community build critical mass through partnerships?
<ul style="list-style-type: none"> Community level investment marketing and attraction activities are on a steep growth curve whereas just a few years ago investment marketing was almost exclusively in the domain of the provincial government. ACOA has also started an Investment Group mandated to raise awareness of Atlantic Canada among potential foreign direct investment (FDI) targets. 	<ul style="list-style-type: none"> Enterprise Fredericton, Enterprise Saint John, the Greater Halifax Partnership have all initiated strategies to enhance their investment attraction activities. Greater Moncton has led the pack in this area but what is the next level of activity?
<ul style="list-style-type: none"> There has been a strong positive momentum that has built up in Greater Moncton over the past decade. 	<ul style="list-style-type: none"> Can we sustain this momentum? How do we identify the next generation of leaders?

A SWOT for Greater Moncton

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Moderate operating cost environment. ▪ Bilingual labour force. ▪ Above average high school & college level educated workforce. ▪ Proven ability to attract migrants from other parts of Canada. ▪ Track record of strong growth in key sectors such as call centres, IT, manufacturing and transportation/warehousing. ▪ Solid brand awareness in Canada as a good place for business. ▪ Located at the centre of the Maritimes. Good road and rail access to major markets. ▪ Largest airport in New Brunswick. ▪ Growing arts and cultural community – a key component of the creative community. 	<ul style="list-style-type: none"> ▪ Have not attracted immigrants. ▪ A below average university educated workforce. ▪ Low levels of university students and new university graduates. ▪ A tightening labour pool for specific sectors such as the call centre industry. ▪ A lower than average self-employment rate. ▪ Lack of access to risk capital. ▪ Non competitive economic development incentive programs within key industry sectors. ▪ Lack of a brand image beyond the borders of Canada. ▪ A lower than average percentage of cultural and creative occupations in the workforce.
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Evolving the call centre industry into business process outsourcing. Becoming a hub for 'near shore' BPO operations. ▪ Leveraging the growth of the manufacturing sector into further organic and externally generated growth. ▪ Capitalizing on our growing arts and cultural sectors to become a creative community and accelerate creativity and innovation. ▪ Expanding our marketing reach through partnerships such as the Halifax-Moncton Growth Corridor and the Greater Moncton Strategic Partnership. ▪ Growing our average income levels through the attraction of higher skilled jobs. ▪ The changing nature of the relationship between the Federal and municipal governments could lead to new funding and partnership opportunities. 	<ul style="list-style-type: none"> ▪ The increasing outsourcing of service and manufacturing jobs to Asia. ▪ An increasing educational and income gap between Anglophones and Francophones in Greater Moncton. ▪ The lower amount of youth 15-24 in school. ▪ The perception that Greater Moncton is 'getting it all' at the expense of other communities in New Brunswick. ▪ The increasing competition for investment attraction in the sectors in which Greater Moncton has a solid track record. ▪ Potential fragmentation of economic development activities within the Greater Moncton region itself. ▪ A lack of available office space. ▪ A decreasing government employment base.

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A Ten-Year Review of the Greater Moncton Economy: Reflecting on the recent past

1. Introduction

Greater Moncton's economy has performed relatively well over the past decade or so in the Atlantic Canadian context. However, in the Canadian context, the Greater Moncton area¹ has under-performed. For example, from 1991–2001, population growth in the Greater Moncton area was 44th in Canada among the 130+ Census Metropolitan and Census Agglomeration areas².

This report is not a marketing document. It highlights the positive attributes of the Greater Moncton economy as well as some of the negative aspects that have limited economic growth and may have an impact on growth into the future. It has been prepared as a support document for Enterprise Greater Moncton and its stakeholders as they begin to prepare a strategic plan for the region to support economic growth into the future.

The report includes a *Ten-Year review of the Greater Moncton* economy. Where data exists, the most recent figures are used. In many cases, the 1991 and 2001 Censuses are used as they contain the most comprehensive data for review. The report also includes an *Industries Review* that looks at the various industries in Greater Moncton and highlights those in growth and those in decline over the past decade. Finally, the report includes a section entitled *The Way Ahead: The Elements of Future Economic Growth*, which outlines the infrastructure assets of the local economy both as strengths and potential weaknesses as the region moves forward.

1.1 Greater Moncton in Context

As a starting point to the review, it is important to establish the context in which Greater Moncton finds itself in 2003. Over the past decade or so, Greater Moncton has emerged as the dominant economy in New Brunswick. As of 2003, it now boasts the largest population in New Brunswick (on a population density basis³), the highest percentage of business establishments, the largest labour market and the largest wholesale and retail market. It also has emerged in the last decade as the most significant economic growth engine for the Province of New Brunswick curtailing some of the out-migration of the provincial labour force.

However, as this report will reveal, Greater Moncton is also faced with some significant challenges. Our university-educated population is still well below the average of our peer group of communities. Our university students per capita ratio is well below the average of our peer group of communities. In addition, average income, adjusted for population, has actually declined in Greater Moncton while it has increased in most of our peer group urban areas. Further, Greater Moncton has one of the lowest rates of immigration among similarly sized communities in Canada. These factors, among others, pose significant challenges for Greater Moncton and, if not addressed, may impact our ability to continue our role as an economic growth engine for the Province of New Brunswick and for Atlantic Canada as a whole.

¹ For the purposes of this report, Greater Moncton is defined as the Moncton Census Agglomeration area which is made up of the City of Moncton, the City of Dieppe and the Town of Riverview as well as several outlying communities. It does not include Shediac or Sackville.

² These are Canada's urban areas. They range in size from the Toronto CMA to the Campbellton CA.

³ The Saint John Census Metropolitan Area has a slightly larger population but it is spread over a much larger geographic region.

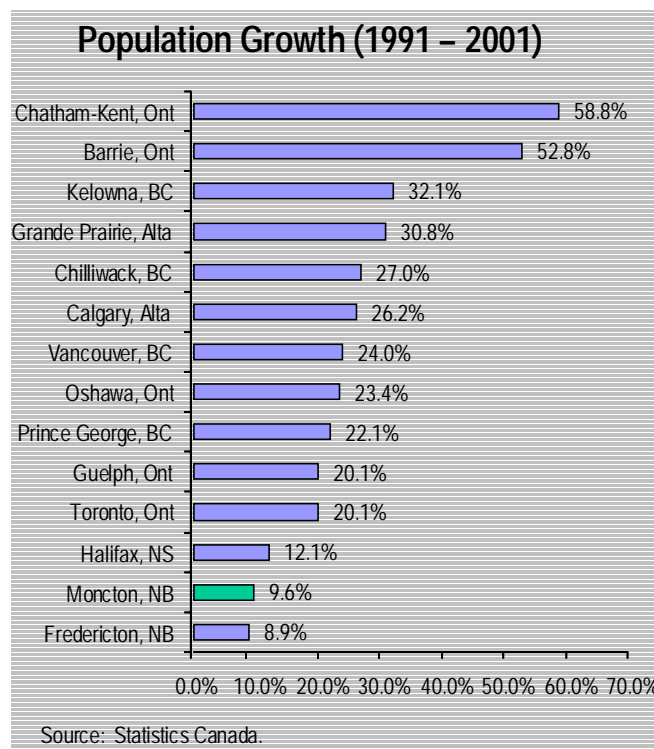
2. Population, Demographic & Labour Force Trends

2.1 Population Growth: Good but not great

Much has been written about the success of Greater Moncton. It has been called the Moncton Miracle. It has been lauded in many circles as an example of an economic success story for Canada. However, the population growth figures over the past decade cast some doubt on this characterization of the Greater Moncton region. While population growth has been relatively strong – especially in the Atlantic Canadian context – it has been well below the majority of other medium and large sized communities in North America. From 1991 to 2001, Greater Moncton's population increased by 9.6% which was 44th out of Canada's 133 Census Metropolitan and Census Agglomeration areas.

British Columbia had 13 CMAs/CAs and Ontario had 17 CMAs/CAs that grew faster than Greater Moncton. All but one of Alberta's 12 CMAs/CAs grew faster than Greater Moncton over the decade.

Perhaps even more importantly, in order to have brought New Brunswick's population growth rate in line with the national average, New Brunswick's urban centres (including Greater Moncton) would have needed to grow four to five times faster over the decade than they did.



2.2 In-Migration: Positive trend

Table 1: Net Migration Trend
Net In-Migration Trend (1992 - 2001)

	Albert	Westmorland	NB
1991-1992	237	487	-490
1992-1993	-465	808	-1,574
1993-1994	-132	913	-1,046
1994-1995	-179	1,089	-1,071
1995-1996	4	1,306	-714
1996-1997	-67	715	-650
1997-1998	-91	-6	-2,982
1998-1999	67	631	-429
1999-2000	-34	1,018	-666
2000-2001	188	1,200	-622
Total	-472	8,161	-10,244

Source: Statistics Canada.

There are two main drivers of population growth: natural population growth/decline and migration. There are two sources that can be used to study migration trends in Canada. One is the quarterly data published by Statistics

Canada on mobility within Canada using CCRA tax filer data⁴. The other is the Census. As Table 1 reveals, Westmorland and Albert counties (the two main counties in which Greater Moncton is situated) exhibited a fairly strong net in-migration of people over the ten-year period (the difference between people moving into the region versus moving out). However, the in-migration to Greater Moncton was not enough to counter the strong overall out migration of people from New Brunswick as a whole. On a positive note, some 80% of the net in-migration was persons under the age of 44 – meaning that the majority of people moving here were entering the labour force.

From the Census, we can determine with some specificity where the migrants are coming from. One question on the Census asks people to state where they were living five years before. Migration patterns are then developed from the results. According to the 2001 Census, there were 13,010 new migrants in Greater Moncton since 1996 from other parts of New Brunswick, 6,775 from other provinces in Canada and only 550 from international locations. Despite the anecdotal evidence that people are moving in droves from rural New Brunswick, only 20% of New Brunswick's intraprovincial migrants settled in Greater Moncton from 1996 to 2001. Table 2 shows the percentage of new migrants by origin. Interestingly, Greater Moncton and New Brunswick had twice as many migrants from other parts of Canada than the national average (as a percentage of the total). Other key migration facts include:

- Greater Moncton received 50% less interprovincial migrants than the national average (as a percentage of population).
- New Brunswick has a whole received a much higher percentage of international migrants (immigrants) compared to Greater Moncton. Fredericton had the highest rate of immigration followed by Saint John, Edmundston and then Greater Moncton. 41% of New Brunswick's immigrants did not settle in the province's largest three centres. Canada as a whole received seven times as many immigrants from 1991 to 2001 as New Brunswick (adjusted for population). Only 615 of 1.8 million immigrants settled in Greater Moncton.
- Greater Moncton had a higher percentage of New Brunswick's Francophone intraprovincial migrants (26.4%) than New Brunswick's Anglophone intraprovincial migrants (17.5%).
- Greater Moncton received 190 Francophone immigrants compared to 175 Anglophone immigrants and 185 non-official language immigrants from 1996 to 2001.

Table 2: Source of New Migrants (% of Total Migrants)

	Canada	New Brunswick	Greater Moncton
Intraprovincial migrants	65.7%	63.3%	64.0%
Interprovincial migrants	16.6%	32.5%	33.3%
External migrants	17.7%	4.3%	2.7%

Source: Statistics Canada.

2.3 Job Creation: Outpacing the national average

Table 3: Greater Moncton's Job Creation - 1991-2001

TITLE	1991	2001	Change	% Change
Total labour force	56,175	65,305	9,130	16.3%
Jobs Gained			16,025	
Jobs Lost			6,730	
Net Jobs Created			9,295	

Source: Stats. Canada

While population growth overall was slightly less in Greater Moncton compared to the national average, the labour force grew much faster (narrowing the employment to population ratio gap). From 1991 to 2001, the labour force in Greater Moncton grew by 9,130 persons or a 16.3% increase compared to a national increase of 9.7%. Using four-

⁴ This data is only available at the county level.

digit occupational codes from the Census, we can determine how many new jobs were added by occupation and how many were lost by occupation to give a sense of the changing nature of the workforce and where specifically the new job creation occurred. Table 3 shows that there were over 16,000 jobs gained in the four-digit occupational codes while some 6,700 were lost leading to the net job creation or labour force growth over the decade.

A few key job creation facts:

- On a percentage basis, Greater Moncton lost about the same percentage of jobs as Canada as a whole.
- Greater Moncton's new job creation was higher than the national average (24.5% of the labour force versus 14.8% nationally).
- Table 4 below shows the top occupations by increasing employment since 1991. The influence of the call centre/back office sector was significant. The largest increase by far was the 2,200 new jobs in the Customer service, information and related clerks occupational category.
- The IT sector was also a major growth engine adding over 1,300 new positions in Computer and information systems occupations.
- Other major growth sectors included financial services, warehousing and manufacturing jobs.
- Table 5 shows the top occupations by declining employment since 1991 and reveals some interesting trends. The number of secretaries declined significantly – most likely drawn into call centre employment and not replaced.
- Interestingly, two major retail occupational categories declined significantly from 1991 to 2001. Since 2001 there have been major new retail activity which will most likely drive these numbers up again by the 2006 Census.
- Another interesting trend was the decline in secondary school teachers. This loss was offset by the increase in elementary and secondary school teacher assistant positions.
- Railway-related employment dropped steeply over the decade losing several hundred jobs – there remains only a couple of dozen people employed in this area.
- Mid level and senior managements jobs are up significantly since 1991.
- Table 6 shows the increasing occupations on a percentage basis and also reveals some interesting trends. In addition to call centre and IT occupational growth, the manufacturing sector picked up significantly during the decade. Seven of the top 20 fastest growing occupations were in the manufacturing field. Other strong growth sectors on a percentage basis included some specialized health occupations and specific management occupations.

Table 4: Top 20 Increasing Occupations

<u>Occupation:</u>	<u>1991</u>	<u>2001</u>	<u>Change</u>
B553 Customer service, information and related clerks	315	2535	2220
C070 Computer and information systems occupations	465	1775	1310
G960 Food counter attendants, kitchen helpers and related occupations	1075	1750	675
H812 Material handlers	830	1200	370
A131 Sales, marketing and advertising managers	355	715	360
B413 Supervisors, library, correspondence and related information clerks	10	330	320
B011 Financial auditors and accountants	340	655	315
G811 Visiting homemakers, housekeepers and related occupations	305	575	270
G973 Other elemental sales occupations	255	515	260
B533 Tellers, financial services	355	600	245
B510 General office clerks	980	1210	230
I212 Landscaping and grounds maintenance labourers	190	410	220

B311 Administrative officers	465	675	210
J317 Labourers in food, beverage and tobacco processing	285	495	210
H711 Truck drivers	965	1155	190
G812 Elementary and secondary school teacher assistants	150	335	185
B014 Other financial officers	85	240	155
A302 Banking, credit and other investment managers	210	335	125
G011 Retail trade supervisors	275	400	125
H611 Heavy equipment operators (except crane)	190	315	125

Source: Statistics Canada.

Table 5: Top 20 Declining Occupations

<u>Occupation:</u>	<u>1991</u>	<u>2001</u>	<u>Change</u>
B211 Secretaries (except legal and medical)	1715	1125	-590
B531 Accounting and related clerks	1070	610	-460
G211 Retail salespersons and sales clerks	3190	2825	-365
G311 Cashiers	1405	1140	-265
H414 Railway carmen	240	20	-220
H016 Contractors and supervisors, mechanic trades	280	115	-165
E131 Secondary school teachers	655	545	-110
H822 Other trades helpers and labourers	100	10	-90
B411 Supervisors, general office and administrative support clerks	135	45	-90
H832 Railway and motor transport labourers	100	20	-80
B415 Supervisors, recording, distributing and scheduling occupations	130	55	-75
H412 Heavy-duty equipment mechanics	175	105	-70
G412 Cooks	825	755	-70
E121 College and other vocational instructors	500	430	-70
B412 Supervisors, finance and insurance clerks	160	90	-70
A373 Transportation managers	230	160	-70
H831 Public works and maintenance labourers	225	160	-65
H533 Automotive mechanical installers and servicers	100	35	-65
H422 Motor vehicle body repairers	180	115	-65
H216 Telecommunications installation and repair workers	155	90	-65

Source: Statistics Canada.

Table 6: Top 20 Increasing Occupations (% basis – Minimum 50 employed)

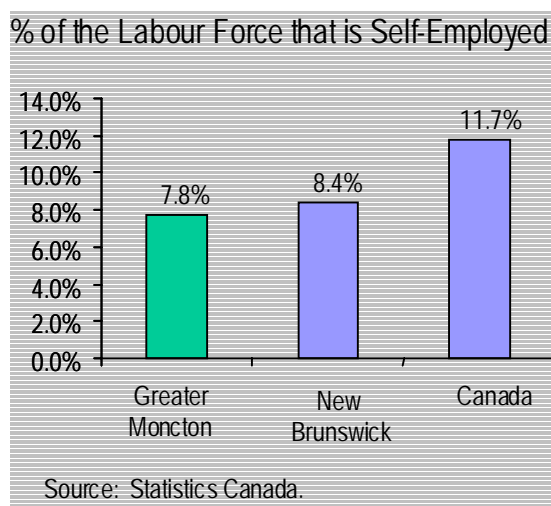
<u>Occupation:</u>	<u>% Change:</u>
B413 Supervisors, library, correspondence and related information clerks	3200%
J213 Electronics assemblers, fabricators, inspectors and testers	1100%
B553 Customer service, information and related clerks	705%
J312 Labourers in metal fabrication	600%
A014 Senior managers - Health, education, social and community services and membership organizations	533%
A303 Other business services managers	533%
J222 Furniture and fixture assemblers and inspectors	533%
E215 Other instructors	500%
C041 Industrial and manufacturing engineers	450%
J318 Labourers in fish processing	450%
D214 Respiratory therapists and clinical perfusionists	400%
G922 Estheticians, electrologists and related occupations	367%
C163 Inspectors in public and environmental health and occupational health and safety	367%
B314 Property administrators	340%
J145 Paper converting machine operators	329%
B013 Securities agents, investment dealers and traders	300%
J214 Assemblers and inspectors, electrical appliance, apparatus and equipment manufacturing	300%
C070 Computer and information systems occupations	282%
D235 Other technical occupations in therapy and assessment	267%
G923 Pet groomers and animal care workers	267%

Source: Statistics Canada.

2.4 Self-Employment: Not as entrepreneurial as Canadians as a whole

From the Census we can determine how many people in the community are self-employed. While not an absolute measure of entrepreneurialism (which is more a state of mind than a hard number) it can act as a proxy for entrepreneurship as an indication of the willingness of people to startup a small business and work for themselves. The chart shows that as of the 2001 Census, only 7.8% of the labour force in Greater Moncton is self-employed (just over 5,000 people) which is below the provincial average and significantly below the national average.

Francophones in Greater Moncton have a lower rate of self-employment than Anglophones with 7% of the labour force self-employed. Males have a 50% higher self-employment rate than females but interestingly since 1991 the rate of self-employment among females in Greater Moncton has increased from 3.3% to 6% of the labour force much faster than the provincial and national levels. Overall, the self-employment rate in Greater Moncton increased about the same as the national rate from 1991 – 2001.



2.5 Income Growth: Below the provincial average

One economic indicator that under-performed in Greater Moncton during the 1990s was family income. Table 7 shows the median family income for families in Greater Moncton compared to other urban areas in Atlantic Canada. The figures shown are in constant 2000 dollars (adjusted for inflation). From 1990 to 2000, median family incomes in Greater Moncton declined by 0.6% while rising in New Brunswick and in Canada as a whole by 0.8%. For two income families, median income dropped 1.9% compared to growing strongly in New Brunswick and Canada as a whole. For one income families the decline was even more pronounced in Greater Moncton but the province and Canada also registered a decline in median family income among single income families. The two family categories registered strong income growth during the 1990s in Greater Moncton were those with no employment income at all (11.2% growth) and lone parents with children under 18 (13.9% growth in real family income).

As the table reveals, the trend in declining family incomes extends to most of the major urban centres in Atlantic Canada.

Table 7: Median Family Income Comparison (in 2000 dollars)

	All Families			Two Income Families	One Income Families
	2000	1990	% Change	% Change	% Change
Canada	55,016	54,560	0.8%	5.5%	-3.8%
New Brunswick	45,558	45,194	0.8%	3.2%	-5.5%
Moncton	49,939	50,244	-0.6%	-1.9%	-6.4%
Cape Breton	38,228	41,941	-8.9%	0.8%	0.8%
Charlottetown	51,102	51,077	0.0%	4.6%	-4.2%
Fredericton	55,631	55,143	0.9%	2.5%	-5.2%
Halifax	55,885	56,336	-0.8%	4.5%	-6.0%
Saint John	50,163	51,090	-1.8%	5.4%	-10.4%
St. John's	52,548	53,492	-1.8%	3.0%	-4.2%

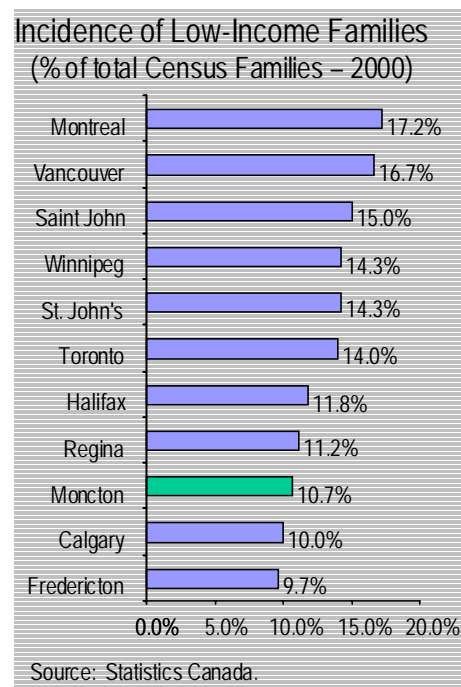
Source: Statistics Canada.

2.5.1 Low Income

While income growth in Greater Moncton has been moderate, the incidences of low-income families is among the lowest among urban areas in Canada. The chart shows the percentage of families that were classified as low income in 2000. For specific family types, there are some differences. For example, for single parent female families, Greater Moncton has the lowest rate of low income among these urban areas. This is most likely due to the strong growth in lone parent family income mentioned above. However, the low-income rate increases among the population 65 and older. In Greater Moncton, the rate of low-income seniors is 37.4% of families compared to 33% in Halifax and only 27.7% in Fredericton.

2.5.2 Income by Language Group

While Anglophones have higher average employment income in New Brunswick and in Canada as a whole, the trend is the opposite in the Greater Moncton region. Provincially, Anglophones make on average 9% more than Francophones. In Greater Moncton, Francophones make, on average, 3.4% more than Anglophones. This could be driven by the increasing gap in education levels between Francophones and Anglophones in the community (see Section 2.6 below) and by a perceived premium placed on bilingual workers. Persons with neither English or French as their mother tongue make even more, on average, than others in the community.



2.6 Education: Good and bad news

The Greater Moncton workforce has been in transition for the past two decades losing its reliance on the CN Shops and a workforce that did not have a high percentage of university-educated individuals. Greater Moncton's workforce has been raising its education level in recent years. The number of people in Greater Moncton with a university degree is up 30% from 1991 to 2001. This rate of increase, however, was slightly below the provincial and national rate of increase.

Despite the increase in occupations requiring university education (outlined above), Greater Moncton still ranks among the bottom quartile of urban areas in Canada in the area of a university-educated population. The chart shows how Greater Moncton compares to a number of urban areas across Canada as well as the national average. Table 8 shows the educational makeup of the Greater Moncton population 15+ by category compared to the provincial and national levels. The categories shown include the lowest level of education and higher (i.e. 55.8% of Greater Monctonians have some post-secondary – college, trade school, university).

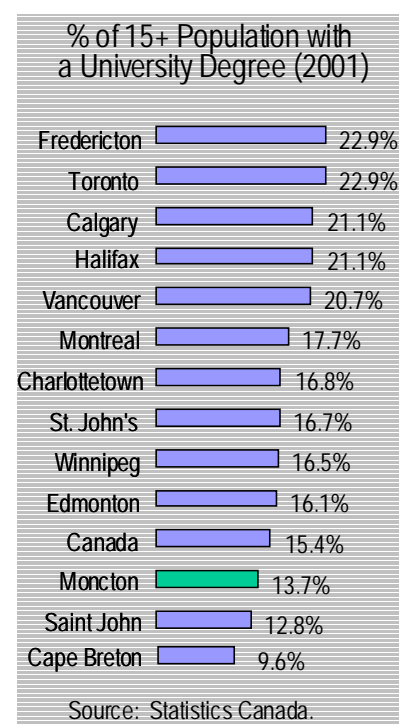


Table 8: Education Levels (2001)

	Canada	New Brunswick	Greater Moncton
Less than Grade 9	9.8%	13.8%	8.9%
High School	68.7%	62.7%	69.8%
Some Post-Secondary	54.6%	47.9%	55.8%
University Degree	15.4%	11.3%	13.8%

Source: Statistics Canada.

One interesting fact from the Census has to do with the education level of the population 15+ by mother tongue. Francophones in Greater Moncton have a much higher rate of university education than Anglophones (16.6% versus 11.7%). Persons with neither English or French as a mother tongue have an even higher rate with 36% of the population 15+ having a university degree. The high rate of Francophone university graduates is a testament to the influence of the Université de Moncton. This topic will be explored further below.

Another education indicator of interest is the percentage of persons aged 15 to 24 that are enrolled in school. As Table 9 reveals, Greater Moncton has a higher percentage of young people not attending school compared to the provincial and national averages. Over time, this is a major cause for concern as education is becoming an increasingly important part of the 21st century workforce.

Table 9: Youth in School (2001)

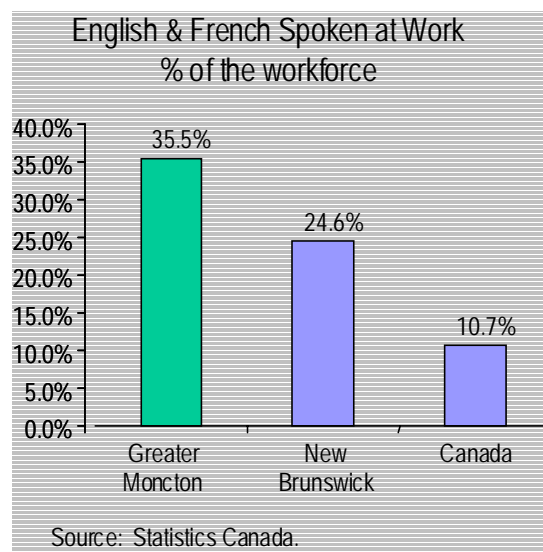
	<u>Canada</u>	<u>New Brunswick</u>	<u>Greater Moncton</u>
Not attending school	37.0%	42.2%	45.0%
Attending school full time	57.0%	54.4%	51.7%
Attending school part time	6.0%	3.4%	3.3%

Source: Statistics Canada.

2.7 The Bilingual Community: A key asset

Most Greater Monctonians agree that the bilingual nature of the workforce has been a major driving influence in the economic growth of the community over the past ten years. This feature of the workforce has played a significant role in the growth of key sectors such as call centres/back offices and IT firms. Here are some interesting statistics related to the bilingual community in Greater Moncton:

- 65% of Greater Monctonians are mother tongue English. 34% are Mother tongue French (2001).
- The Anglophone population grew 9.3% during the 1990s while the Francophone population grew 10.9%.
- 62% of the migrants into Greater Moncton from 1996 to 2001 were Anglophone, 36% were Francophone.
- Almost one quarter of all Anglophones in Greater Moncton are bilingual and this rate has been increasing significantly faster than the national average. Further, the percentage of bilingual Anglophones in Greater Moncton is among the highest in Canada.
- Over 42% of Greater Monctonians are bilingual which is one of the highest percentages in Canada - significantly higher than the other major bilingual city outside of Quebec – Ottawa – with only 39% of the population (not including Hull) claiming to be bilingual.
- Over 35% of the workforce stated on the 2001 Census that both French and English are used at their place of work – over two times greater than the national average and significantly higher than the New Brunswick average.



2.8 Multicultural Influence: A declining role

Greater Moncton has attracted a significant amount of migrants from other parts of New Brunswick and Canada to work in our industries and contribute to our quality of life. However, the community has not been effective in attracting immigrants from other countries. Of the 1.8 million immigrants that settled in Canada from 1991 to 2001, only 615 are residents of Greater Moncton as of the 2001 Census. To put this in perspective, Greater Moncton would have needed to attract over 7,100 immigrants during the same period to have achieved the same immigration rate as the Canadian average. Further, as shown in Table 10, Greater Moncton did not even receive a percentage share of the immigrants to New Brunswick during the 1990s. This lack of immigration has led to Greater Moncton having one of the lowest rates of immigrant population in all of Canada (as shown in the chart).

Table 10: Greater Moncton's Share of Immigration

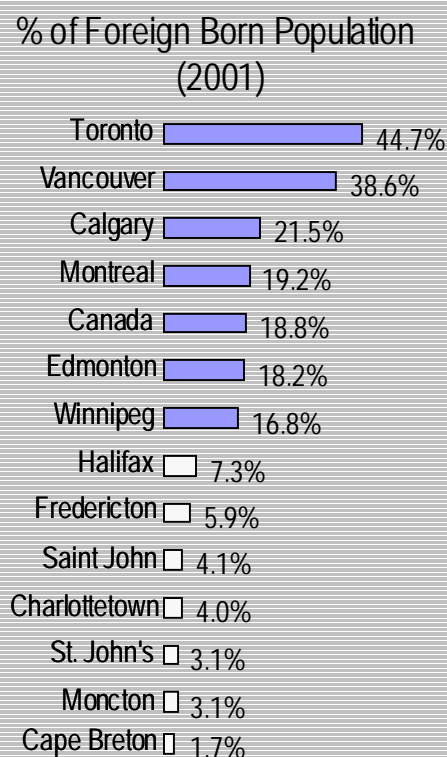
Period of Immigration	% of National Immigrants	% of NB Immigrants
1971-1980	0.10%	17.4%
1981-1990	0.04%	12.0%
1991-2001	0.03%	14.1%

Source: Statistics Canada.

This is especially concerning given the important role that the limited number of immigrants play in the Greater Moncton economy. Here are some statistics⁵ related to the small immigrant population in Greater Moncton:

- Greater Moncton's immigrants have a 40% knowledge of both English and French rate. In most cases, this is on top of their native language⁶.
- Greater Moncton's immigrants are much more educated than non-immigrants – 36% have university degrees.
- Greater Moncton's immigrant youth have a much higher rate of school attendance (ages 15 – 24).
- The immigrant unemployment rate in Greater Moncton is much lower than the non-immigrant rate.
- There are twice as many self-employed immigrants in Greater Moncton as non-immigrants.
- Greater Moncton's immigrants earn on average 41% more employment income than non-immigrants.

The importance of immigration will be highlighted in further detail below in the section *The Way Ahead*.



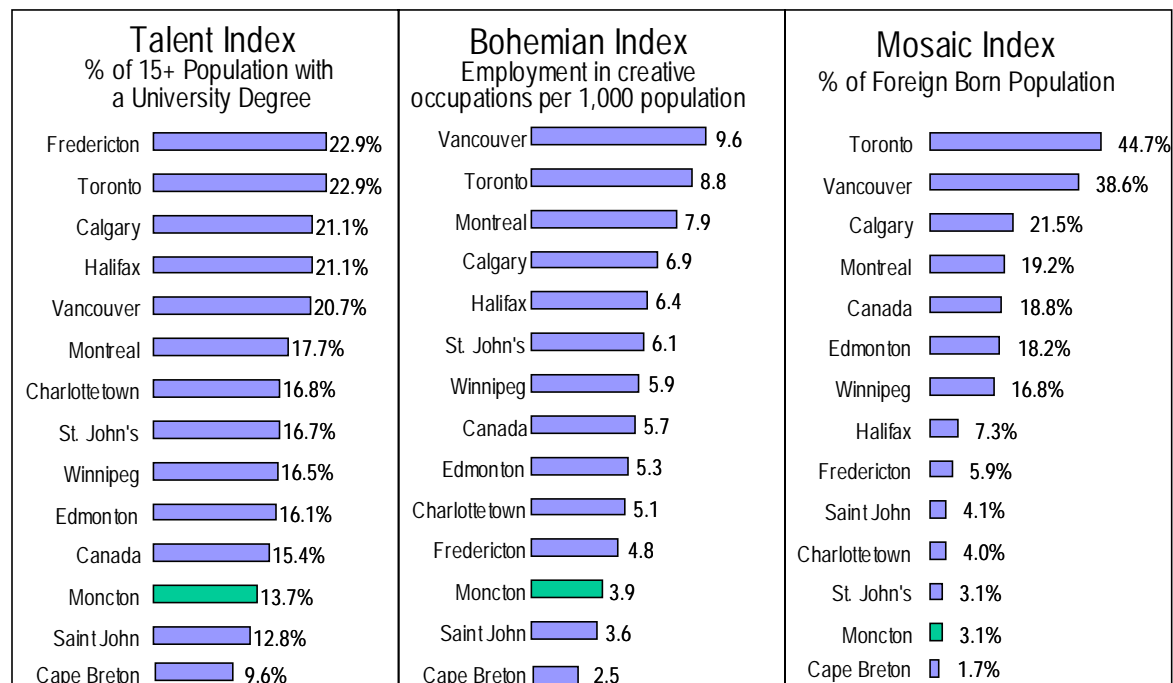
Source: Statistics Canada.

⁵ Immigrants in this case are defined as those with a mother tongue other than French or English.

⁶ The percentage of native English or French speaking immigrants is relatively low.

2.9 The Creative Influence: Below our peer group

Creativity drives innovation which, in turn, is pivotal to economic growth according to research that emerged in the late 1990s. Richard Florida developed the Creative Cities Index for the metropolitan areas in the United States and Canada. Florida's research revealed that the successful city tends to be more educated, having a higher percentage of Bohemians (persons employed in creative occupations), a higher percentage of immigrants and a strong high-tech sector. For this report, the Creative Cities model was developed for the Greater Moncton region and compared to other major urban areas in Canada. The chart shows the results.



Source: Statistics Canada.

- **Talent Index:** On the Talent Index (percentage of adult population with a university degree) Fredericton and Halifax scored very high. Greater Moncton was below the national average. However, using university degree holders as a proxy for 'talent' has some flaws. For example, Greater Moncton and Saint John have higher rates of community college and trade school graduates – many of these are in new economy disciplines such as graphic design and computer programming. If these educational attainment metrics were included, the overall results would be different.
- **Bohemian Index:** Halifax and St. John's again scored higher on the Bohemian Index (based on occupational codes F03 Creative and performing artists and F14 Creative designers and craftspersons) than the national average while Charlottetown and Fredericton were slightly below the national average. Greater Moncton again were well below the national average.
- **Mosaic Index:** The Mosaic Index is simply the percentage of the population that is foreign-born or first-generation immigrants. As was revealed above, Greater Moncton is among the worst performers in this area.
- **Tech Pole Index:** This index was not developed for two reasons: 1) Florida and Gertler did not make public which NAICS codes were used as technology-based industries and 2) their methodology included a size bias which would rank smaller urban areas lower.
- **Conclusion:** Using the Creative Cities approach, Greater Moncton falls well below its peers for creativity and based on Florida's work this would indicate that the community does not have the capacity for 'innovation'. There are flaws with Florida's methodology and approach. However, it does provide good food for thought for Enterprise Greater Moncton and its stakeholders as they embark on a strategic planning process for Greater Moncton.

3. Industries Review: Economic Growth Drivers

3.1 General Overview

There are two methods to evaluate the relative importance of various industries in the Greater Moncton economy. The first is to look at the employment by industry figures and the second is based on the number of establishments in each industry group. This section will provide a general overview of the trends followed by a summary review for each major industry group.

Table 11 shows the percentage of employment by major industry group in Greater Moncton compared to the provincial and national averages. As the table reveals, the Greater Moncton economy employs a much higher percentage of workers in the wholesale, transportation and warehousing industries. Retail trade employment is only slightly higher than the provincial and national averages. Greater Moncton employs over 40% more people in the information and cultural industries than the provincial average and employment in this area is also slightly higher than the national average (note this does not include the arts sector). Greater Moncton has a higher percentage of employment in most service-related industries such as finance, professional, scientific and technical services as well as administrative and support industries. Greater Moncton has more people employed in tourism-related occupations as well. The local economy, however, has a lower percentage of manufacturing employment as well as primary industries employment.

Table 12 shows the number of establishments by major industry in Greater Moncton compared to New Brunswick and Canada as a whole. Table 13 shows the number of establishments by industry per 10,000 population to provide a sense of the relative importance of each industry to the local economy.

Table 11: Employment by Major Industry (2001 Census) - % of Total

	Greater Moncton	New Brunswick	Canada
All industries			
11 Agriculture, forestry, fishing and hunting	0.9%	5.6%	3.7%
21 Mining and oil and gas extraction	0.2%	0.9%	1.1%
22 Utilities	0.4%	1.0%	0.8%
23 Construction	5.4%	6.4%	5.7%
31-33 Manufacturing	8.6%	12.6%	13.9%
41 Wholesale trade	6.2%	3.5%	4.4%
44-45 Retail trade	12.2%	11.2%	11.3%
48-49 Transportation and warehousing	8.1%	5.5%	5.0%
51 Information and cultural industries	2.8%	2.0%	2.7%
52 Finance and insurance	5.2%	3.0%	4.1%
53 Real estate and rental and leasing	1.5%	1.1%	1.7%
54 Professional, scientific and technical services	4.3%	3.5%	6.3%
55 Management of companies and enterprises	0.0%	0.0%	0.1%
56 Administrative and support, waste mgmt and remediation services	6.7%	4.7%	3.9%
61 Educational services	6.1%	6.6%	6.6%
62 Healthcare and social assistance	10.8%	11.1%	9.7%
71 Arts, entertainment and recreation	1.9%	1.6%	2.0%
72 Accommodation and food services	7.5%	6.6%	6.7%
81 Other services (except public administration)	5.0%	5.4%	4.8%
91 Public administration	6.2%	7.8%	5.8%

Source: Statistics Canada.

Table 12: Establishments by Major Category (2002)

	Greater Moncton	% of Total	NB	% of Total	CAN	% of Total
Agriculture, Forestry, Fishing & Hunting	173	2.3%	5,157	11.6%	196,715	9.1%
Mining	18	0.2%	102	0.2%	15,292	0.7%
Utilities	4	0.1%	18	0.0%	1,905	0.1%
Construction	878	11.7%	5,024	11.3%	240,277	11.1%
Manufacturing	338	4.5%	2,098	4.7%	104,384	4.8%
Wholesale Trade	608	8.1%	2,224	5.0%	121,341	5.6%
Retail Trade	851	11.3%	5,243	11.8%	215,643	9.9%
Transportation and Warehousing	427	5.7%	3,186	7.2%	104,752	4.8%
Information and Cultural industries	122	1.6%	429	1.0%	29,354	1.4%
Finance and Insurance	316	4.2%	1,625	3.6%	104,681	4.8%
Real Estate and Rental and Leasing	591	7.9%	2,344	5.3%	158,636	7.3%
Professional, Scientific, and Tech. Services	737	9.8%	3,222	7.2%	277,729	12.8%
Mgmt. of Companies and Enterprises	235	3.1%	1,304	2.9%	73,728	3.4%
Admin. & Support and Waste Mgmt.	361	4.8%	1,629	3.7%	98,495	4.5%
Educational Services	80	1.1%	440	1.0%	18,930	0.9%
Health Care and Social Assistance	499	6.6%	2,519	5.7%	91,724	4.2%
Arts, Entertainment, and Recreation	170	2.3%	883	2.0%	38,927	1.8%
Accommodation and Food Services	430	5.7%	2,614	5.9%	110,161	5.1%
Other Services (except Public Admin.)	661	8.8%	4,139	9.3%	163,328	7.5%
Public Administration	16	0.2%	356	0.8%	7,596	0.3%
Total	7,515		44,556		2,173,598	

Source: Statistics Canada.

Table 13: Establishments by Major Category - Per 10,000 Population

	Greater Moncton	NB	CAN
Agriculture, Forestry, Fishing & Hunting	15.1	72.3	67.2
Mining	1.6	1.4	5.2
Utilities	0.3	0.3	0.7
Construction	76.7	70.4	82.1
Manufacturing	29.5	29.4	35.7
Wholesale Trade	53.1	31.2	41.5
Retail Trade	74.3	73.5	73.7
Transportation and Warehousing	37.3	44.6	35.8
Information & Cultural Industries	10.7	6.0	10.0
Finance and Insurance	27.6	22.8	35.8
Real Estate and Rental and Leasing	51.6	32.8	54.2
Professional, Scientific, and Tech. Services	64.4	45.1	94.9
Mgmt. of Companies and Enterprises	20.5	18.3	25.2
Admin. & Support and Waste Mgmt.	31.5	22.8	33.7
Educational Services	7.0	6.2	6.5
Health Care and Social Assistance	43.6	35.3	31.4
Arts, Entertainment, and Recreation	14.8	12.4	13.3
Accommodation and Food Services	37.5	36.6	37.7
Other Services (except Public Admin.)	57.7	58.0	55.8
Public Administration	1.4	5.0	2.6
Total	656.2	624.2	742.9

Source: Statistics Canada.

3.2 Agriculture, Forestry, Fishing & Hunting

This sector is not a major driver in the Greater Moncton economy. There are less than 600 people employed in this area and the number has dropped by 18% since 1991. There are few interesting sectors that are thriving in the outlying communities in the Greater Moncton Census Agglomeration area. The region has 37% of New Brunswick's apiculture (bee keeping) firms and 33% of the fur-bearing animal and rabbit production.

3.3 Mining

The mining sector has almost no commercial value to the Greater Moncton economy.

3.4 Utilities

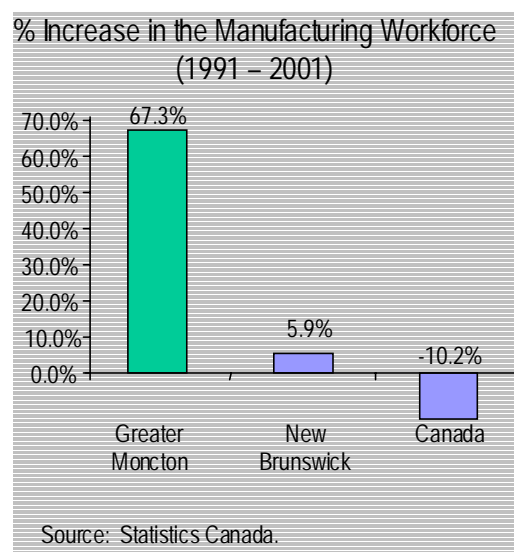
The utilities sector has limited impact on the Greater Moncton economy employing only 255 people in 2001. Greater Moncton is home to 44% of the province's water supply and irrigation systems companies.

3.5 Construction

The construction sector is a significant economic sector in the Greater Moncton economy employing some 3,400 workers (in 2001) and 878 companies. However, the construction industry employs less people and has less establishments than the province as whole (adjusted for population size). Greater Moncton is home to 22% of New Brunswick's commercial and institutional building construction companies, 21% of the province's land subdivision and highway, street and bridge construction companies, 26% of the province's structural steel and precast concrete contractors and 50% of the province's tile and terrazzo contractors. Employment in the sector fluctuates depending on market conditions but has increased slightly (4%) from 1991 to 2001.

3.6 Manufacturing

The manufacturing sector in Greater Moncton is relatively smaller than in New Brunswick and Canada as a whole. However, in the past decade, manufacturing in Greater Moncton has grown strongly. As the chart reveals, there has been 67% increase in people employed in manufacturing-related occupations⁷. This represent and increase of 1,245 new jobs in Greater Moncton since 1991 compared to only 1,585 in New Brunswick as a whole. Across Canada, manufacturing employment declined by 10% over the decade. Strong growth was experienced in all four manufacturing related sub-occupations including: supervisors in manufacturing (+37%), machine operators in manufacturing (+44%), assemblers in manufacturing (+171%) and labourers in processing, manufacturing and utilities (+88%). On a sector basis, Greater Moncton's manufacturing industry is particularly strong in wood and metal manufacturing as well as food-related. As Table 14 reveals, on a percentage of New Brunswick's manufacturing sector, Greater Moncton has a higher percentage of metal related manufacturing.



⁷ Occupational Code J: Occupations unique to processing, manufacturing and utilities.

Table 14: Top Manufacturing Sectors in Greater Moncton

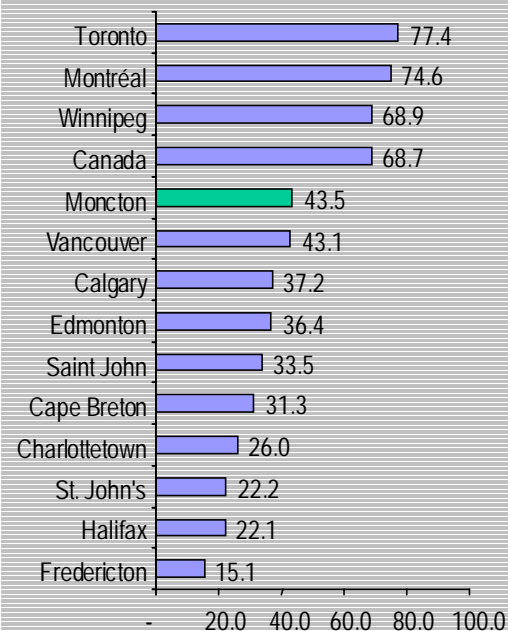
Sector:	Total	Sector:	% of NB
Wood Kitchen Cabinet and Counter Tops	15	Stationery Products	100.0%
Sign Manufacturing	15	Major Kitchen Appliances	100.0%
Medical Equipment and Supplies	13	Other Motor Vehicle Parts	75.0%
Other Printing	12	Clay Building Material and Refractories	66.7%
Seafood Product Preparation and Packaging	11	Computer and Peripheral Equipment	50.0%
Machine Shops	9	Animal (except Poultry) Slaughtering	50.0%
Commercial Bakeries and Frozen Bakery Products	8	Paper (except Newsprint) Mills	50.0%
Sawmills (except Shingle and Shake Mills)	8	Industrial Gas	50.0%
All Other Miscellaneous Wood Products	7	Tires	50.0%
Metal Window and Door Manufacturing	6	Metal Tanks (Heavy Gauge)	50.0%
All Other General-Purpose Machinery	6	Metal Window and Doors	46.2%
Measuring, Medical and Controlling Devices	6	Prefabricated Metal Buildings and Components	44.4%
Other Animal Food Manufacturing	5	Other Men's and Boys' Cut and Sew Clothing	40.0%
Manifold Business Forms Printing	5	Pharmaceutical and Medicines	40.0%
All Other Plastic Product Manufacturing	5	Paint and Coatings	40.0%
Ready-Mix Concrete Manufacturing	5	Aerospace Product and Parts	40.0%
Other Plate Work and Fabricated Structural Products	5	Other Transportation Equipment	40.0%
Other Ornamental and Architectural Metal Products	5	Blind and Shades	40.0%
Other Wood Household Furniture Manufacturing	5	Measuring, Medical and Controlling Devices	37.5%
All Other Food Manufacturing	4	Wood Kitchen Cabinet and Counter Tops	36.6%

Source: Statistics Canada.

Compared to other urban areas in Atlantic Canada, Greater Moncton has a fairly impressive manufacturing sector. As the chart reveals, after the growth of the past decade, Greater Moncton's manufacturers employ more people per 1,000 in the labour force than all other major urban centres in Atlantic Canada.

However, the chart also reveals just how important the manufacturing sector for Canada's economic growth engines. Toronto, for example, has almost double the manufacturing workers as Greater Moncton when adjusted for population.

**Manufacturing-Related Occupations
Per 1,000 in the Labour Force (2001)**



Source: Statistics Canada.

3.7 Wholesale Trade

The wholesale trade sector in Greater Moncton is an important economic engine. There are 3,935 persons employed as wholesale sales representatives in Greater Moncton which is 31% of the provincial total employment. Further, there has been a 9% increase in employment since 1991. In terms of specific wholesale sectors, Greater Moncton has 80% of the companies in the Pharmaceuticals and Pharmacy Supplies, Household Appliance Wholesaler-Distributors and Floor Covering Wholesaler-Distributors; 50% of the province's Jewellery and Watch Wholesaler-Distributors, Sound Recording Wholesalers and Video Cassette Wholesalers; and an above average percentage of wholesale trade companies in almost all categories.

3.8 Retail Trade

The retail trade sector in Greater Moncton is also an important economic engine but probably not as influential as the perception would suggest. Greater Moncton has only a slightly higher percentage of its workforce in the retail trades and slightly less retail establishments compared to the provincial and national averages. In addition, the number of retail salespersons and retail trade managers declined from 1991 to 2001 by almost 400 people. However, since 2001 a number of large retail establishments have opened in Greater Moncton which has most likely erased these losses.

3.9 Transportation and Warehousing

The transportation and warehousing sector has been a strong economic driver for Greater Moncton for many years given the communities central location in the Maritime Provinces. Greater Moncton's warehousing sector includes 27% of the province's total firms and 34% of the province's non-management employment⁸. Further, there has been a 45% increase in non-management employment bringing the total number of workers to over 1,200. The transportation sector has seen a 19% increase in truck drivers since 1991 but the province as a whole did better with a 24% increase. Interestingly, Greater Moncton is home to only 12% of the truck drivers in New Brunswick despite having the largest presence of trucking firms. The data indicates that more and more truckers are choosing to reside in rural New Brunswick communities.

3.10 Information & Cultural Industries

Greater Moncton is home to 28% of New Brunswick firms in this industry. There has been strong growth in this area since 1991 as related employment grew from 560 employed in 1991 to 865 in 2001 (a 55% increase). There was employment growth in librarians, Archivists, photographers, audio and video recording technicians, writers and editors.

⁸ Occupational code H812: Material Handlers.

Table 15: Greater Moncton's Information and Cultural Industries (2002)

Industries:	Total	% of NB
Motion Picture and Video Production	43	53.8%
Periodical Publishers	9	32.1%
Radio Broadcasting	8	25.0%
Libraries	7	22.6%
Newspaper Publishers	6	21.4%
Book Publishers	6	27.3%
Motion Picture and Video Distribution	6	60.0%
Post-Production and Other Motion Picture and Video Industries	6	50.0%
Internet Service Providers	6	15.4%
Television Broadcasting	4	50.0%
Sound Recording Studios	3	33.3%
Cable and Other Program Distribution	3	15.8%
Software Publishers	2	20.0%
Motion Picture and Video Exhibition	2	7.4%
Integrated Record Production/Distribution	1	50.0%
Music Publishers	1	33.3%
News Syndicates	1	25.0%
All Other Information Services	1	33.3%

Source: Statistics Canada.

3.11 Finance and Insurance

Greater Moncton is home to 19% of New Brunswick's finance and insurance establishments and 30% of the province's employment in this sector. The higher percentage of financial and insurance employment is due to some regional financial services companies and a major financial services call centre located in the community. Employment in the sector is up 60% to over 3,100 workers since 1991 again with the one financial services call centre making up over half of the new jobs created.

3.12 Real Estate and Rental and Leasing

25% of New Brunswick's establishments in this sector are located in Greater Moncton along with 24% of the provincial employment. According to the Census, the number of real estate agents actually declined by 18% from 1991 to 2001.

3.13 Professional, Scientific, and Tech. Services

Greater Moncton is slightly above the provincial average for professional, scientific and technical services industries and employment in New Brunswick. 22% of the provincial employment in this area is in Greater Moncton as are 23% of the establishments. There has been an 18% increase in the number of professional engineers in Greater Moncton from 1991 to 2001 compared to a 10% drop in New Brunswick as a whole. There has also been a 66% increase in engineering technologists and technicians in Greater Moncton since 1991. There has been a 33% decline in the number of biologists and related scientists.

3.14 Mgmt. of Companies and Enterprises

Greater Moncton only has 5% of the New Brunswick employment in this industry and 18% of the firms. There are only 10 people employed in this sector as of 2001.

3.15 Admin. & Support and Waste Mgmt.

This is the most curious NAICS industry code as waste management companies have been lumped in with administrative and support operations. However, this sector has grown strongly and now employs over 4,200 people or 25% of the provincial industry. Many of Greater Moncton's call centres would fall under this category. The call centre industry is not an 'industry' in itself but call centres are found in all other sectors. However, telemarketing firms and other non-industry specific call centres are found in this category. More analysis of the impact of the call centre sector is found below.

3.16 Educational Services

Greater Moncton's education sector employment and establishments are similar to the provincial averages. There has been a 44% decline in the occupation: School principals and administrators of elementary and secondary education since 1991. While there has been an 8% increase in Elementary school and kindergarten teachers there has been a 17% decline in Secondary school teachers. This has been offset by the rapid increase of Elementary and secondary school teacher assistants (+123% since 1991). Specific educational sectors where Greater Moncton is stronger than the provincial average include: language schools (40% of the provincial industry's total firms) and fine arts schools (31% of the provincial industry's total firms).

3.17 Health Care and Social Assistance

Greater Moncton has slightly higher than its percentage share of health care and related employment and establishments. Greater Moncton has seen a 15% increase in health-related occupations compared to 10% provincially and 15% nationally. Greater Moncton has registered an increase in the relative importance of this sector compared to the province as a whole.

3.18 Arts, Entertainment, and Recreation

Greater Moncton is home to 22% of the provincial employment in this area and 19% of the establishments. There has been an 8% decline in people employed in recreation-related jobs and a 50% decline in artisans and craftspersons since 1991. However, as mentioned above, there has been an 89% increase in creative and performing artists and strong growth in painters, sculptors and other visual artists since 1991. Greater Moncton has 100% of the province's dance companies and 40% of the province's Live Theatres and Other Performing Arts Presenters with Facilities.

3.19 Accommodation and Food Services

Greater Moncton has 20% of the provincial employment in this industry as well as 19% of the provincial establishments. The number of hotels and motels as well as food and drink establishments are in line with the provincial average. There has actually been a 5% decline in employment in this industry from 1991 to 2001 compared to a 10% decline provincially and a 3% increase nationally.

3.20 Other Services (except Public Admin.)

Other services includes a range of sectors including automotive and furniture repair activities. Greater Moncton has less than its share of these firms and employment compared to the provincial average.

3.21 Public Administration

Greater Moncton has a lower percentage of public administration workers than the provincial and national averages. The number of public administration workers is on the decline in Greater Moncton. Only 4.5% of New Brunswick's public administration organizations are located in Greater Moncton.

3.22 Call Centres/Back Offices

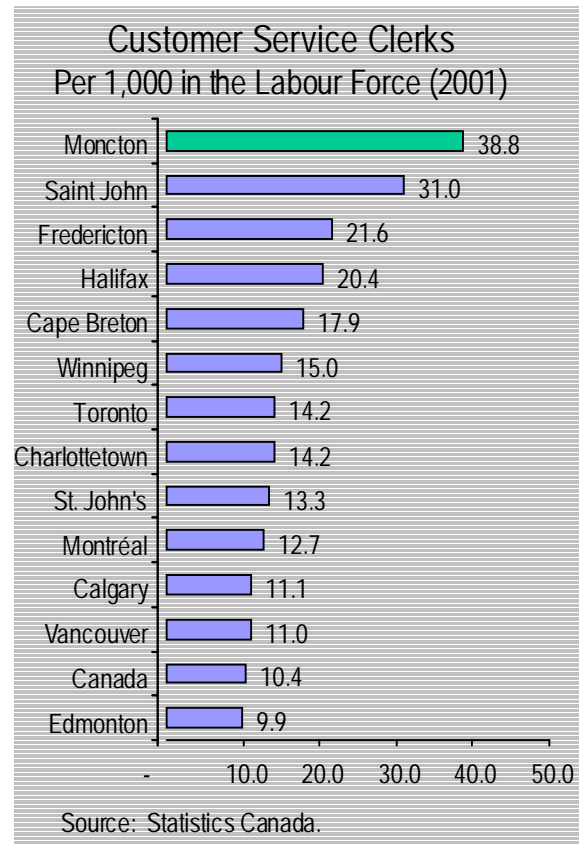
The call centre/back office industry has been the largest economic driver for the Greater Moncton economy over the past decade. Because this is not really an industry, rather functions within all industry sectors, it is somewhat difficult to develop accurate figures. However, we know there are over 20 call centres/back offices in Greater Moncton employing an estimated 4,500 people. From the occupational data in the Census, we can determine the impact of the call centre industry in Greater Moncton. While all the job growth in these sectors was not specific to the call centre industry, it has been by far the most significant influence.

Impact on front line workers:

- Customer service, information and related clerks employment increased over 700% to over 2,500 people in 2001. Greater Moncton has the highest percentage of workers in this category of any urban area in Canada – and by a wide margin.
- General office clerk employment was up by 25% from 1991 to 2001.
- Financial auditors and accountants employment was up 93%.

In addition, the call centre industry added a whole new layer of supervisory and management talent in Greater Moncton:

- Supervisors, library, correspondence and related information clerks employment up 3200%
- Other business services managers employment up 533%
- Sales, marketing and advertising managers employment up over 100%
- Other financial officers employment up 182%
- Senior managers - Financial, communications carriers and other business services employment up over 107%
- Information systems and data processing managers employment up 73%

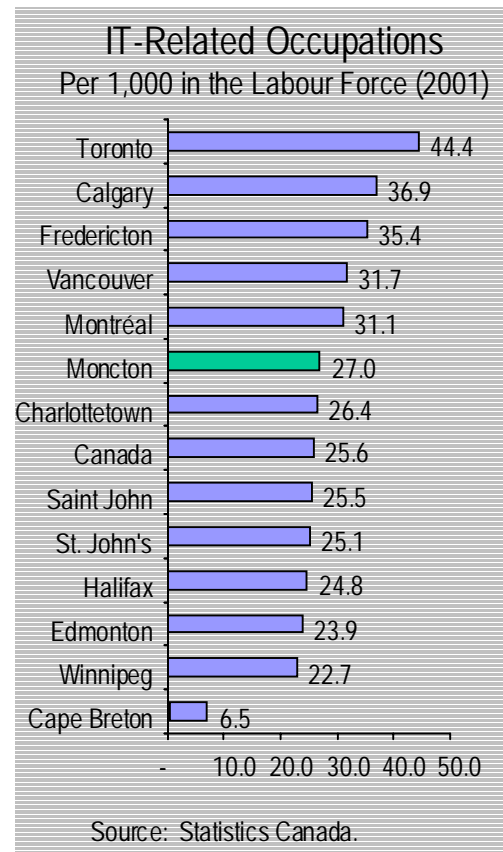


3.24 Information Technology

The information technology industry in Greater Moncton performed quite well over the ten-year period from 1991 to 2001. Over 1,300 jobs were created in the broad occupational category: Computer and information systems occupations. This was a 282% increase in IT positions. The Greater Moncton economy includes over 28% of New Brunswick's IT professionals. As the chart shows, across Atlantic Canada, only Fredericton has a higher percentage of IT professionals in its workforce. In terms of specific IT occupations, Greater Moncton has 24.5% of the province's Information systems analysts and consultants, 24.5% of the Database analysts and data administrators, 27.3% of the Computer programmers and interactive media developers, 25.6% of the Web designers and developers, 42.9% of the User support technicians and 44.4% of the province's Systems testing technicians.

The IT workforce in Greater Moncton is split between companies specifically in the IT sector and IT departments within our large companies such as Atlantic Blue Cross Care, Assumption Life, etc. As Table 16 reveals, Greater Moncton is home to 25.5% of New Brunswick's IT companies with a particular concentration of computer systems design firms, wholesalers/distributors and graphic design companies⁹.

The figures in the table come from Statistics Canada's June 2002 Business Register. Since June of 2002, a number of Greater Moncton's IT firms have closed including several computer training firms, eLearning firms and web services firms. This downturn in the local IT industry is cause for concern. However, the community's well established, larger IT firms such as OAO, Whitehill and xWave's Moncton operations have not been adversely affected by the dot.com meltdown.



⁹ Graphic Design Services companies are not officially considered IT firms. However, they were included because increasingly the work they do includes web sites, online databases, online graphics, etc.

Table 16: Information Technology Sector in Greater Moncton

# of Companies by Sub-Sector:	Greater Moncton	% of NB Industry	% of CAN Industry
Computer Systems Design and Services	112	25.2%	0.21%
Computer Training	8	18.6%	0.77%
Software Publishers	2	20.0%	0.13%
Computer & Software Wholesaler-Distributors	19	37.3%	0.48%
Internet Publishing and Broadcasting	1	n/a	14.29%
Internet Service Providers	6	15.4%	0.50%
Web Search Portals	0	n/a	0.00%
Data Processing, Hosting and Services	1	5.9%	0.08%
Graphic Design Services	17	37.8%	0.26%
Total Companies	166	25.5%	0.24%

IT Companies per 10,000 Population

Greater Moncton	14.2
New Brunswick	8.5
Canada	21.5

Est. IT Employment*

	Total	Per 1000
Greater Moncton	1,775	27.0
New Brunswick	6,295	16.9
Canada	406,735	25.6

*Occupational Code: Computer and information systems occupations

Source: Statistics Canada.

3.24 Size of Establishments

Statistics Canada's Business Register reports organization size by employment categories as shown in the following table. Greater Moncton has a lower percentage of micro-businesses (less than ten employees) but a similar amount of small businesses in general (under 50 employees) compared to the provincial and national averages as shown in Table 17. From 1993 to 2002, the number of micro-businesses in Greater Moncton has declined as a percentage of total businesses.

Table 17: Establishments by Employee Size (2002)

	Greater Moncton	NB	CAN
1-4	47.9%	59.2%	58.8%
5-9	21.0%	17.3%	16.4%
10-19	14.8%	11.5%	11.3%
20-49	11.0%	7.6%	8.1%
50-99	3.2%	2.5%	3.0%
100-199	1.3%	1.1%	1.4%
200-499	0.6%	0.5%	0.6%
500 +	0.2%	0.2%	0.3%

Source: Statistics Canada.

The Way Ahead: The Elements of Future Economic Growth

4. Building Scenarios – Economic Growth

Economic growth, in a general sense, is difficult to measure at the community level as gross domestic product (GDP data is only calculated at the provincial level. Some estimations could be made but using job creation and labour market growth is a good proxy for economic growth.

Greater Moncton's economy created over 9,100 net new jobs from 1991 to 2001. This was a 16.3% increase in the size of the labour force. As was indicated above, labour force growth in Greater Moncton was higher than the national average during the decade. However, it was below many of the hottest economies in Canada as shown in the chart.

From 1991 to 2001, Greater Moncton lost 0.4 jobs for every job it created¹⁰. This ratio is similar to the national rate of job loss. The jobs loss rate for the next ten years is difficult to estimate but if we assume a similar rate over the 2001-2011 timeframe, then Table 18 shows the number of gross and net new jobs that would have to be created over that period to match the percentage growth in the labour force from 1991-2001. There would have to be just under 1,000 net new jobs created per year to achieve the same growth rate.

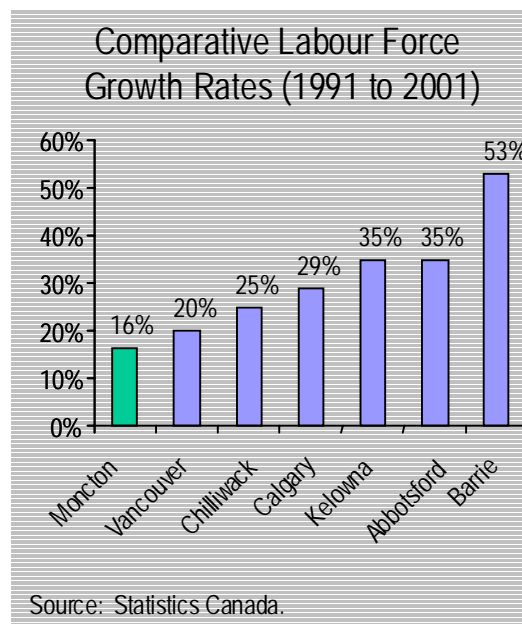


Table 18: Job Creation Projections for 2001-2011

	ACTUAL	PROJECTED
	1991-2001	@ 1990s growth rate
Gross Jobs Gained	16,025	18,352
Jobs Lost	6,730	7,707
Net Jobs Created	9,295	10,645
Gross Jobs Created Per Year	1,457	1,668
Net Jobs Created Per Year	845	968
Labour Force Size*	65,305	75,950
Total Population**	117,727	136,917
Population Growth Rate	9.6%	16.3%

*Assumes the labour market participation rate remains the same at 68.1%.

**Assumes the labour force to population ration remains the same.

¹⁰ This calculation is based only on the increase/decrease in jobs per occupational category and not on specific labour turnover in the Greater Moncton economy.

Early indications are that the Greater Moncton is continuing strong growth in the labour market since 2001. From October 2001 to October 2003, according to the Labour Force Survey, there were 6,000 new jobs added to the labour market over the two-year period – a rate well above that required to achieve the same growth rate as the previous decade. However, much of this job growth has been residual – call centres ramping up to full capacity, new retail establishments and increased residential construction jobs.

Considerations:

- Is the same labour force growth rate achievable/realistic?
- Where would the 19,000+ new population (net of out-migrants) come from?
- What industries would create the 1,600+ new jobs per year required?

5. Economic growth engines over the next 5-10 years

This section will outline some of the industries that are expected to be strong primary engines of growth over the next few years – particularly in North America. There is no doubt that Greater Moncton capitalized on a few key growing sectors throughout the 1990s and growth over the next ten years will require Greater Moncton to leverage the next wave of industry growth. This is a key point for EGM and its stakeholders to assess when developing a strategic plan. If there is no growth or negative growth predicted for specific industries and Greater Moncton targets those sectors for growth then the task becomes that much harder.

5.1 Business Process Outsourcing (BPO)

Business process outsourcing (BPO) is a term used to cover the outsourcing of a broad range of services. Traditionally linked to core IT functions such as data processing, billing, data hosting, etc., BPO now includes CRM and help desk support as well as a wide variety of other functions such as training and human resources management. Gartner Group predicts BPO will be a \$300 billion market by 2004. The Yankee Group forecasts double-digit growth for BPO through 2008 – faster than all other IT segments. In total, over the next 15 years, 3.3 million U.S. service industry jobs will move offshore to countries like India, Russia, China and the Philippines according to a Forrester analyst.

Current regions having success attracting BPO include India, Mexico, Jamaica, Brazil and the Philippines. But it's not just the lowest cost location that matters. The quality of the workforce, IT infrastructure and educational infrastructure are just as important and that is why locations such as Canada and New Zealand (with higher cost environments) are also growing their BPO activity. Gartner research suggests that "near shore" outsourcing to Canadian and Mexican locations will also be a major trend in the coming years as many companies would prefer to outsource operations but to a closer, more stable environment.

Other key points:

- BPO is growing strongly unlike many of the sectors that New Brunswick has focused on in recent years.
- Greater Moncton has many of the key drivers for the BPO sector. Operating costs for software development and support services are 30%-40% lower than major U.S. markets. Also, firms such as OAO Technologies have proven that people will move into the region for good job opportunities in the IT sector.
- Location is an advantage. Many companies looking to outsource business functions will look to closer, less risky business locations.
- BPO supports both investment attraction into the region and trade activities. There are many companies in Atlantic Canada that specialize in the outsourcing of various business processes.

Considerations:

- Should Greater Moncton jump on this trend? Should the community become the 'near shore' branded location? Could we support it? Can we provide the labour?
- Indian BPOs have set up companies in the U.S. to promote their services. What is the best way to effectively promote Greater Moncton to this target group?

5.2 Manufacturing

The manufacturing sector grew rapidly in Greater Moncton over the past decade despite a decline nationally (see section 3.6 above). The majority of this growth was organic – driven by locally owned companies. In addition, there have been two new major manufacturing announcements in Greater Moncton just this year. The key consideration for EGM and its stakeholders is whether or not the 1990s was an aberration or can the community continue to carve out a niche in specific manufacturing segments? Much of the labour-intensive manufacturing has been migrating to Asia in recent years. In fact, Export Development Canada's Vice President & Chief Economist Stephen Poloz recently stated that manufacturers will continue reducing or containing the number of workers. He also 'encouraged' Canadian companies to outsource manufacturing jobs to China. Another important indication of manufacturing trends in the Canadian manufacturing sector is the expected decline in the automobile sector in Southern Ontario. Scenarios range from zero growth to a sharp decline in this industry over the next ten years.

Here are a few sectors where Greater Moncton may have some potential opportunity:

- **Metal manufacturing:** This sector has grown strongly in recent years and there are now over 20 firms in this sector as of 2001.
- **Wood products manufacturing:** There are 15 firms in the Wood Kitchen Cabinet and Counter Tops sector.
- **Aerospace/Defense Manufacturing:** A new initiative has been created to grow this sector in the region. While the mega projects in this sector are limited and highly competitive, there may be some opportunity to exploit niche opportunities similar to PEI's Slemon Park which saw the growth a small cluster of related industries during the 1990s.
- **Food Products Manufacturing:** In Greater Moncton and some of the communities on the periphery of the community, food product manufacturing has been growing strongly. Most of it is based on a local supply of specific products such as honey, blueberries, etc.

Considerations:

- Should more research be done to determine specific manufacturing sectors where Greater Moncton has opportunity?
- Most of the companies are local startups – can the region attract new investments into the manufacturing sector or are competing jurisdiction incentive programs too lucrative?

5.3 Biotechnology/Life Sciences

Biotechnology and life sciences continue to be a hot topic among economic developers. There are currently an estimated 70+ biotech cluster initiatives underway around North America. Although this sector is expected to grow, there are a few points for EGM and its stakeholders to consider. One, successful biotech clusters are based on having a premier research institution and a strong local venture capital environment. Secondly, the biotechnology sector is the most competitive in North America from an economic development perspective. One recent expert stated that this is driven "more by the group-think of the economic development fraternity than the economics of biotech." He went on to say it is an 'idea virus,' -the public's biotech fever. "Everybody is going after the exact same thing and the likelihood that any one city is going to succeed is remote."

Considerations:

- Biotechnology/life sciences is a high value, high wage, high innovation sector.

5.4 Cultural/Creative Industries

Greater Moncton has seen strong growth in this area over the past ten years but still lags well behind most of the other urban areas in Atlantic Canada. EGM and other stakeholders have been promoting festivals, schools and other endeavors but there has been limited effort to specifically bring in companies from this sector from outside.

Consideration:

- Should Greater Moncton have a deliberate strategy to bring in companies in cultural and creative industries?

5.5 Health Industries

Health-related jobs are expected to growth strongly again over the next decade. Long-term trends such as an aging population, longer life spans, technology, automation and cocooning will have a definite impact on future trends. In addition, this sector offers above average wages and increases the skill level of the workforce.

Consideration:

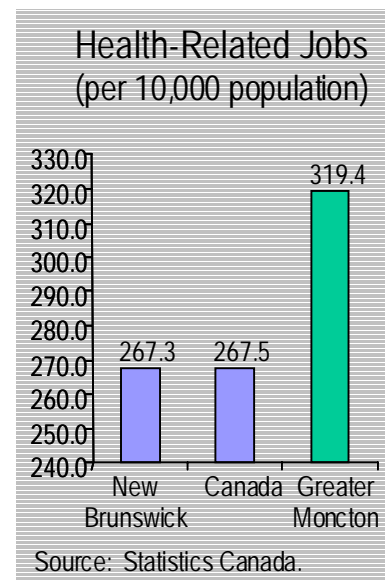
- Should Greater Moncton have a deliberate strategy to grow the health care sector?

5.6 Marketing/Public Relations

The U. S. Dept. of Labor, Bureau of Labor Statistics (BLS) forecasts that this will be one of the top ten fastest growing sectors over the next decade in the United States. According to the BLS, As promotion and market positioning become even more important in retail and foreign trade, money will continue to be spent in financial, personnel, information systems, managerial and consulting areas.

Consideration:

- Should Greater Moncton have a deliberate strategy to grow this sector? Are there ways to service U.S. and global markets with these services from Greater Moncton?



5.7 The IT Sector

The BPO industry (5.1 above) involves the outsourcing of IT and related jobs. However, the IT industry in general is still expected to grow strongly in North America (regardless of whether or not the jobs are outsourced). According to the U.S. Bureau of Labor Statistics, eight of the top ten fastest growing occupations until 2010 will be IT-related. These include: Computer software engineers, applications; Computer support specialists; Computer software; Engineers, systems software; Network and computer systems administrators; Network systems and data; Communications analysts; Desktop publishers; Database administrators and Computer systems analysts.

Considerations:

- Should Greater Moncton have a deliberate strategy to grow the local IT sector?
- Are we graduating enough individuals in these fast growing occupations?

5.8 The Tourism Sector

Although 2002 and 2003 have seen a decline in this sector in New Brunswick, the general trend since the early 1990s has been positive. The majority of employment in this sector is seasonal in nature and the average wages are below the economy as a whole.

Consideration:

- Should Greater Moncton have a deliberate strategy to grow the tourism sector?

5.9 Government Services

There are mixed opinions as to where this sector will go over the next ten years. The New Brunswick government has been adding jobs in recent years as has the Federal government. While the data is not published for Greater Moncton (after 2001), there is no evidence that significant new federal or provincial jobs are coming to Greater Moncton.

Consideration:

- Should Greater Moncton have a deliberate strategy to increase the number of government jobs in the community?

5.10 /Language Industries

Greater Moncton has a lot of strengths in the language industries field. For example, there are 18 translation and interpretation services firms located in Greater Moncton which is 58% of the provincial total industry. Despite this, the number of translators has remained at the same level in Greater Moncton from 1991 to 2001 while it grew 48% provincially and 44% nationally.

Consideration:

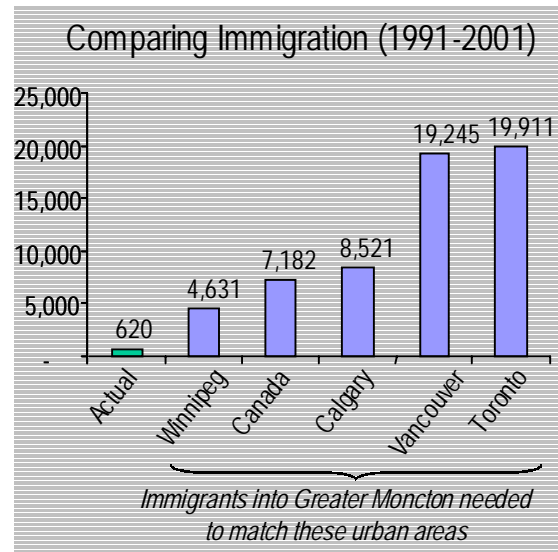
- Given the fact that Greater Moncton is among the most bilingual communities in Canada, should we be leveraging this strength into jobs and economic development?

6. Migration/Immigration – A new approach

There is no question that if Greater Moncton is going to achieve a strong economic growth rate over the next ten years, it will be crucial to continue to attract people from other parts of New Brunswick, Canada and internationally.

Because of the strong track record it is reasonable to assume that people from other parts of New Brunswick and Canada will come here for the right job opportunity. This has been proven over the past ten years.

Section 2.8 above outlines that Greater Moncton has been among the worst attractors of immigrants among urban areas in Canada over the 1990s. Of the 620 immigrants to Greater Moncton, 190 were from the U.S., 145 were from Africa (mostly French-speaking) and 115 were from Asia. 35 of the 22,000 immigrants from France into Canada settled in Greater Moncton. As the chart shows, Greater Moncton would have had to attract over seven times as many immigrants just to reach the level of immigration in Winnipeg – a city that is complaining that its immigration levels are not good enough.



In the 1970s and 1980s, much of the thinking around economic development was that businesses locate in communities for reasons of geography, cost, labour force, raw materials, etc. and that marketing would have a limited impact. The 1990s turned that assumption around as communities with the best marketing (coupled with incentives) tended to be highly successful. It seems that a similar philosophy existed in Canada in the 1990s in relation to immigration. Immigrants, so they say, locate in communities where others from their country or region are located – the Chinese in China Town, the Haitians in Montreal, etc.

Considerations:

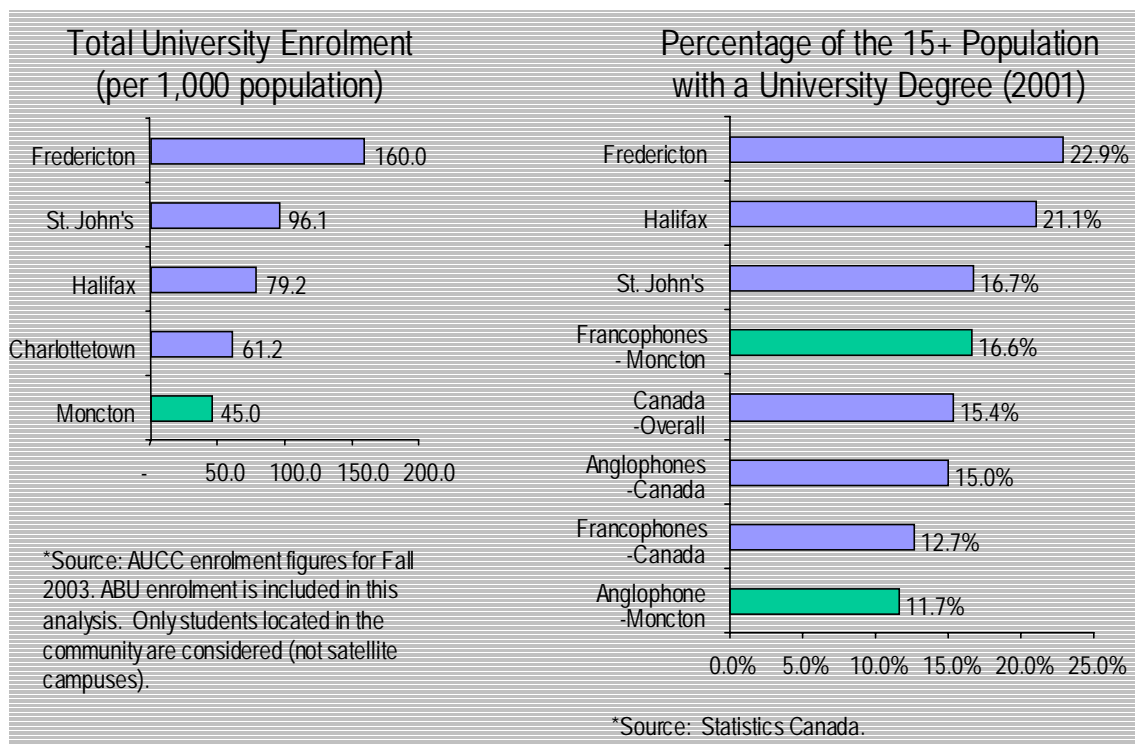
- Should Greater Moncton be a test community in Canada to prove that theory wrong? Can a deliberate immigration strategy achieve similar success rates as a deliberate business attraction strategy? Who would champion it? What would it involve? Is it necessary?
- Are there ways that Greater Moncton could enhance its settlement infrastructure to make it easier for immigrants to move into this community?
- Can immigration be structured to respect the linguistic equilibrium in Greater Moncton?

7. Economic Development Infrastructure – Filling the gaps

This section will highlight a few key infrastructure areas that are critical to the economic development of the community. It is not intended to provide an exhaustive list or a detailed review rather talking points for EGM and its stakeholders as they embark on the strategic planning process.

7.1 Educational Infrastructure

As was mentioned above, one of the most potentially challenging trends coming out of the research is low level of university educated people in Greater Moncton and the increasing gap between the Francophone and Anglophone university-educated population. As of the 2001 Census, there were 42% more university educated Francophones than Anglophones as a percentage of the population. This is most likely a testament to the positive role that l'université de Moncton has played in raising the level of university education among the Francophone population. However, as the chart below shows there is a direct correlation between university enrolments and having an educated workforce. Fredericton has one of the largest student populations as a percentage of the population in Canada and also has one of the most highly educated workforces.



Considerations:

- Should Greater Moncton take deliberate steps to increase the amount of students and graduates in the community?
- Should Greater Moncton increase its English student population by attracting a new campus to the community? There would need to be some 4,000 more university students annually in Greater Moncton reach Greater Halifax's ratio of students to population. Is there a role for the existing universities – including Mt. Allison?

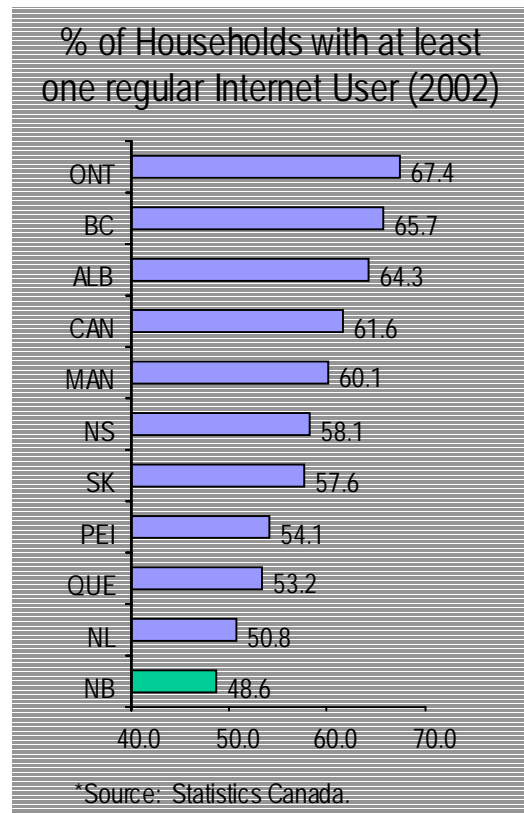
7.2 IT Infrastructure

The information technology infrastructure in a community is vitally important to support the growth of new economy industries.

Telecommunications is a key attribute of the Greater Moncton economy. Although there limited hard data on **broadband infrastructure** specifically in the Greater Moncton area, we are known to have one of the highest penetration rates of broadband in the world. Canada is third among OECD communities and Aliant claims that 90% of urban and sub-urban homes are passed by broadband. In addition, Rogers and other suppliers offer broadband infrastructure.

However, there is evidence that New Brunswickers are loosing ground rapidly in the use of the Internet. In 1999, New Brunswick was tied for seventh in Canada, among the ten provinces, for the percentage of households with at least one regular Internet user (see the chart). However, by 2002, New Brunswick had dropped to last place in Canada – even Newfoundland has passed New Brunswick in this important benchmark.

While there is limited data available specifically on Greater Moncton – the fact that New Brunswick as a whole at the bottom of the pile for this statistic should be concerning to EGM and its stakeholders.



Another IT infrastructure area is the **education and training field**. Through the 1990s, Greater Moncton saw the development of a small cluster of IT training colleges and schools from the public colleges in Moncton and Dieppe to the many private sector schools. However, in the past three years, private IT training in Greater Moncton has dropped significantly as ITI, MacKenzie, BKM and Success College have all closed their doors. They all closed, at least in part, because of the shrinking demand for their diploma programs.

Another characteristic of successful IT clusters around North America has been **access to risk capital**. This is all but non-existent in Greater Moncton and most of the smaller IT firms operate out of internally generated funds and bank credit lines. This means that when there is an extended period of negative cash flow – the company can't sustain itself. This may be one reason why a dozen of Greater Moncton's once leading IT firms have closed their doors in recent years.

Considerations:

- Is there any role for EGM and its stakeholders to play in driving up Internet usage in Greater Moncton? Education programs, etc.? In the mid 1990s the government implemented highly successful Get Connected programs. Should EGM lobby the province to consider this again? Or is last place acceptable?
- What will the short and mid term implications from the decline in private IT training be to the economic development of Greater Moncton?
- Is there any role for EGM, the province or ACOA in the matchmaking of risk capital sources and IT targets in Greater Moncton?

7.3 Industrial/Business Parks

Greater Moncton's industrial and business parks have seen strong infill over the 1990s. Dieppe Industrial Park has gone through an expansion and Caledonia Industrial Estates has 160 acres available and 600 acres for expansion. Emmerson Technology Park and the Champlain Business Campus are emerging as sites for call centres, IT and other business services.

Consideration:

- Are there opportunities for improvement?

7.4 Office Space

It is difficult to determine the total amount of new office space that was needed over the 1990s to accommodate the growth of the call centre and IT sectors. The reason for this is that a lot of the office space in Greater Moncton was converted from other uses (i.e. Marvin's building). However, if we use 100 square feet for every incremental office worker through the 1990s, it would translate into 700,000+ square feet of office space that was needed to handle the growth. Much of this office space was preexisting (in various formats) and was relatively cheap to upgrade or retrofit to an office environment.

Considerations:

- If Greater Moncton will continue to attract office workers (call centres, business process outsourcing, etc.), where will they be housed? Only a small percentage of all the call centres and IT firms that established in Greater Moncton over the past 10 years or so waited to have a new building constructed for them.
- Does Greater Moncton require a plan for the staged development of new office space over the next ten years?

7.5 Transportation Infrastructure

Great strides have been made to expand the **Greater Moncton International Airport** and make it a regional player. However, it still doesn't have direct, scheduled flights to the United States – a key market for business and tourism. Within two years, both **the highway** from the U.S. and Central Canada will be four-lane – in addition to the one between Moncton and Halifax. Greater Moncton's presence as a **hub for rail activity** is diminishing.

Considerations:

- Are there ways to build on the airport infrastructure? Are direct flights to key U.S. markets ever to become a reality? Does it matter?
- Does the enhanced highway infrastructure help or hurt Greater Moncton? Now that the highways are first class will companies be more inclined to do regional distribution out of Montreal or Toronto?
- Are there any opportunities left to build on the rail infrastructure in Greater Moncton?

7.6 Cultural/Creative Assets

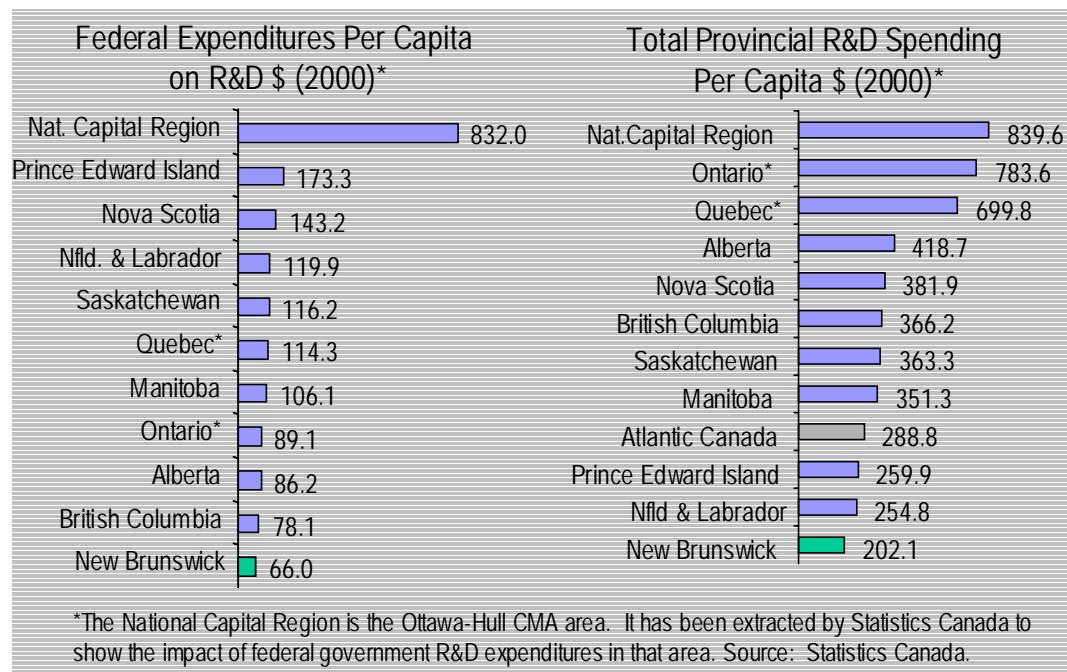
In the 1990s, support for cultural or creative industries was not considered 'core' economic development. However, based on the Creative Cities research (see section 2.9 above), it is now clear that there is a correlation between creative communities and economic growth over time. In the past ten years, Greater Moncton's artistic and cultural employment base has grown strongly but we still lag behind most of our peer urban areas.

Considerations:

- Are there actions that can be taken by EGM and/or its stakeholders to enhance the community's activities in this area?
- Are there specific infrastructure initiatives that could stimulate more activity?
- Should more research be done to evaluate the impact of the arts and cultural industries on the Greater Moncton economy?

7.7 Research and Development

There is limited data on R&D expenditures in the Greater Moncton area. Most of the published data is at the provincial level and it does not look good for New Brunswick. In 2000, the most recent data shows that New Brunswick is dead last in Canada for R&D spending on a per capita basis and last in the amount of Federal expenditures on R&D (as shown in the chart).



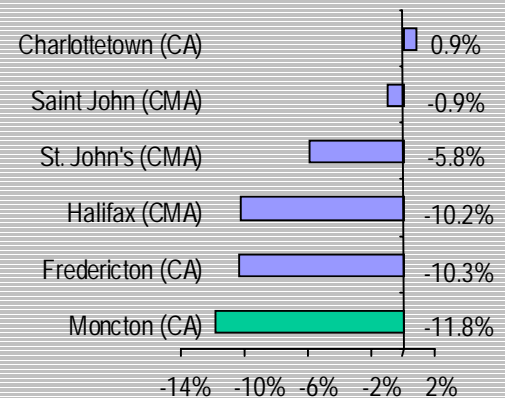
Considerations:

- Should research be done to determine the level of R&D in the Greater Moncton area?
- R&D is considered by most to be critical to innovation and innovation critical to future economic success. How can EGM and its stakeholders stimulate R&D?

8. Greater Moncton's role driving the southeastern NB economy

Greater Moncton is the hub for southeastern New Brunswick and Northwestern Nova Scotia. It's common knowledge that people drive into Greater Moncton from a one to two hour's drive away to shop, access entertainment as well as personal and business services. However, it does not seem that Greater Moncton is a hub for employment. The chart shows the average employment rate differential between Greater Moncton and its surrounding communities including: Memramcook, Shediac, Sussex, Sackville, Petitcodiac, Hillsborough, Cap-Pele, Bouctouche and Dorchester. The average community employment rate in these peripheral communities is 12% lower than in Greater Moncton and this is the highest differential among all urban areas in Atlantic Canada¹¹. This is particularly concerning as unemployment rates in the core urban area have dropped to 7% and below and we are beginning to see signs of labour shortages in a few sectors.

**Average Employment Rate Differential
Communities surrounding the CA/CMA**



Source: Statistics Canada – 2001 Census.

The reasons for this large employment rate differential are not clearly identifiable. They could include a variety of factors such as lower education levels, skills/experience, demographics and even physical access. On this last point, across Atlantic Canada there seems to be a much lower employment rate differential between communities connected with a four-lane highway.

Considerations:

- Should a more detailed analysis be conducted to better understand why the success of Greater Moncton (from an employment perspective) is not spilling over into these peripheral communities?
- Are there activities that EGM could undertake that could help lower these differentials?

9. Partnerships/Networked Cities – the need for critical mass

Increasingly in North America and Europe, community partnerships to support economic development are becoming more prevalent. From local public/private sector partnerships (such as the Greater Moncton Strategic Partnership), economic corridors (such as the Halifax-Moncton Growth Corridor) to networked cities arrangements (i.e. the World Energy Cities Partnership), these collaborations are becoming popular mechanisms to generate critical mass and enhance economic development outcomes.

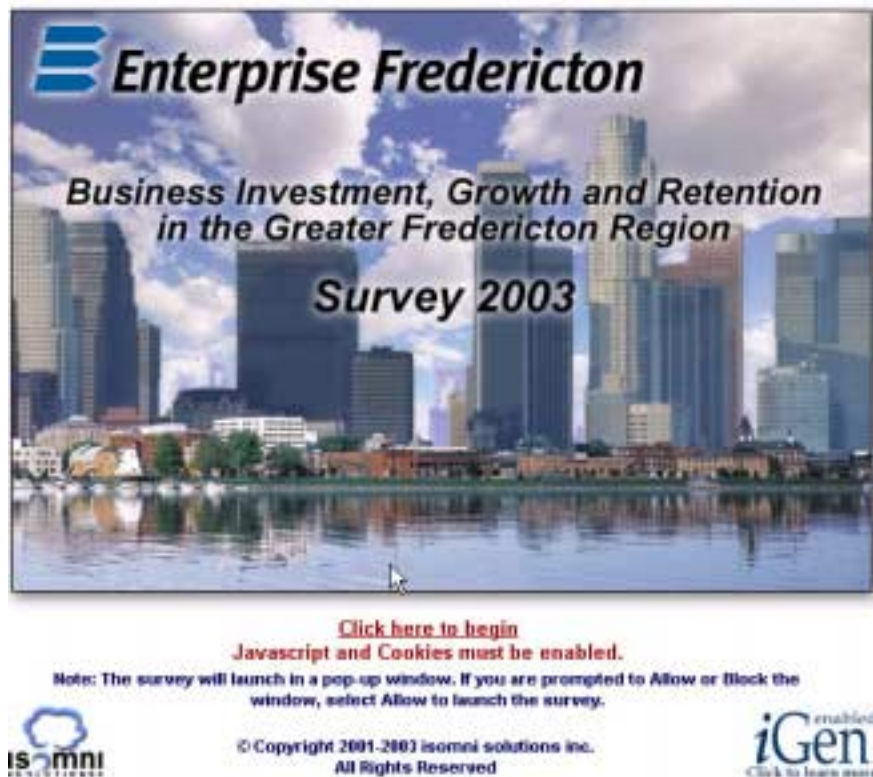
Considerations:

- What is the role of the Halifax-Moncton Growth Corridor in the overall economic development of Greater Moncton?
- What is the role of the Strategic Partnership?
- Are there specific industry sectors or other segments of the Greater Moncton economy that could benefit from better partnerships?

¹¹ Based on the average community employment rate – not weighted for population.

10. Investment Promotion/Marketing

Greater Moncton has been a leader in the active promotion of the community as a location for business investment. In addition, Enterprise Greater Moncton was the first local economic development agency in Atlantic Canada to hire a staff person to manage investment attraction. However, as of 2003, all of the larger economic development agencies have at least one full time staff dedicated to investment attraction and Saint John, Fredericton and Halifax are either currently going through an foreign direct investment marketing and attraction strategy process. Enterprise Fredericton received funds from PEMD-I to undertake a review of FDI attraction initiatives and has developed an online questionnaire (see graphic). One of the questions asks respondents if Fredericton should implement a Moncton-style public/private sector partnership.



Considerations:

- Does Greater Moncton still have a leadership position in this area?
- What will be the impact of this new trend toward more advanced community-level FDI attraction initiatives?
- Would there be better impact from marketing the Halifax-Moncton Growth Corridor rather than individual communities?
- Should Enterprise Greater Moncton devote more staff time and effort to FDI attraction given the new environment?

11. Building Momentum

Greater Moncton has had success over the past decade attracting and growing new business and building its reputation as a great place for business. This model was emulated by the Greater Halifax Partnership when it was established in the late 1990s.

Considerations:

- What is the role of momentum in the next wave of Greater Moncton's economic development?
- How do we engage the next generation of leadership to support this momentum and growth into the future?