



SOUNDING BOARD



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Improving investment conditions key to recovery

LEADERSHIP | Against competitors Greater Vancouver is dead last for taxes on capital investment

For business owners and managers alike, the COVID-19 pandemic arrived like a hurricane on our shores, upending operations, customers, revenues, and business models. It's as if in an instant, we were "all at sea" without the reassurance of firm ground beneath our feet.

And it is not just businesses feeling the impacts, the provincial deficit is estimated to be \$12.5 billion this year, while the federal deficit will climb to an eye-popping \$343 billion. Needless to say, there is considerable uncertainty going forward.

As the B.C. government works on its recovery plan, a bold vision will be required to help

businesses survive in the short term and the economy to be competitive and resilient in the future. However, according to our latest survey, businesses are not particularly confident that the recovery plan will help their business succeed or survive. Only 16% are confident, compared to 47 per cent that are not confident.

As businesses have worked overtime to adapt their strategies and operations, so too must governments. B.C.'s approach to economic recovery must build confidence and match the determination taken to fight COVID-19. That same level of focus must be directed towards improving investment conditions to help revive private



Kari Yuers, 2019-20 Chair, Greater Vancouver Board of Trade

sector employment, which has accounted for over 90 per cent of job losses.

To improve investment conditions, we should start by tackling old problems. According to our 2018 Greater Vancouver Economic

Scorecard, our region was dead last in a ranking of 19 comparable city regions in North America and around the world, in terms of our marginal effective tax rate on capital investment for businesses.

In addition, over the last two years, employers have seen costs increase with the new Employer Health Payroll Tax (EHT) in addition to increasing the carbon tax, corporate income tax, and property tax, among others. Income taxes were also raised on professionals, making it increasingly difficult to retain and attract individuals to the region. The change provides a disincentive to additional work and reduces the amount those individuals can spend to support the economy.

Making our tax rates and investment incentives more competitive will go a long way to spur competitiveness and assist in recovery. Improving overall taxation and investment conditions will be one of many parts of the Board of Trade's advocacy efforts in the coming weeks and months.

As a region and a province, we will need to fight for every net new job and every dollar of investment. It is time to be bold.

As Mark Twain said, "twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbour. Catch the trade winds in your sails." **SB**

GVBOT business survey highlights impacts of COVID-19

ECONOMY | Survey finds slow and fragile recovery for business will require bold plan

A recent GVBOT survey reveals that businesses expect a substantial "second wave" of negative impacts should government support programs expire too quickly. The survey finds that there is a need for continued and measured support for businesses as two-thirds of 1,401 BC business leaders polled are using some form of government support, of which only 28 per



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cent expect to return to normal once the programs end. Of the

remainder, 32 per cent expect to reduce employee hours and 27 per cent expect to lay-off or terminate employees. One-in-ten will have to close either temporarily or permanently.

Businesses say the most important components of the recovery plan are providing payroll or wage supports and reducing taxes and fees. Cutting red tape, creating better investment

conditions, direct cash flow support, and making regulations more efficient are other notable suggestions.

In terms of impact, the survey finds that three quarters of businesses surveyed are dealing with decreased sales, 42 per cent have laid off staff and 40 per cent are dealing with increased operating costs.

This is the fourth GVBOT

survey in a series that looks at the impacts of COVID-19 on BC businesses, conducted by the Mustel Group and done in collaboration with the BC Chamber and the Mindreader platform and BCBC. The survey was conducted between July 6 to 13, 2020. **SB**

Further survey results can be found at boardoftrade.com/restart-survey



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INDUSTRY AND TRADE

SUSTAINABILITY | The interdependence of thriving industries and oceans

Local business leaders talk sustainability and share innovative strategies and solutions

BY MICHAEL MENEER

Businesses are aligning with a growing number of customers and job seekers in valuing and prioritizing organizations that exemplify sustainable practices. According to an Insights West poll released last year, 88 per cent of BC residents consider themselves worried about climate change, however, 73 per cent are confident that solutions will be found. More than half of Canadians say they will reduce purchases or overall consumption as actions to help combat climate change. The GVBOT's recent three-part sustainability series explored the "yin-yang" of opportunity and responsibility for businesses.

Panellists across the series highlighted that sustainability is driving businesses to build and innovate their strategies to deal with climate change, manage myriad risks, and to leverage

technology solutions. In July, the third and final session was headlined by the federal fisheries minister and focused on the "blue economy."

"Thriving and healthy oceans are vital to our planet and our communities," said Bridgitte Anderson, President and CEO at the Greater Vancouver Board of Trade. "The current pandemic provides an opportunity for businesses to kickstart their sustainability agendas, tap into new technologies, and explore innovative options for tackling an expanding range of environmental challenges."

Canada's Minister of Fisheries, Oceans, and the Canadian Coast Guard Bernadette Jordan, reported that the blue economy, driven by sustainable ocean resources, accounts for over \$31 billion GDP, and employs over 300,000 Canadians. "Canada has the largest coastline in the world, but we are eighth in terms of contributing to the global blue economy. We need

to invest in this now, and become real competitors on the world stage," said Minister Jordan. "This is not a question of balancing the environment and the economy. You only need to balance something when it is in opposition to each other, but the blue economy and the ocean's ecosystems are dependent on one another for success."

Pacific salmon are a great example of this interdependence, contributing a big part of the roughly \$1 billion annual fisheries economy in BC. Yet, there are serious conservation concerns that are limiting economic fisheries for some stocks, particularly here in the Lower Mainland with Fraser River sockeye, steelhead and some Chinook stocks.

But conservation concerns also represent opportunities for businesses that are thinking critically about sustainability. Take Helijet, which operates scheduled and charter air service between Vancouver, Vancouver Island and Northern B.C. Helijet makes an annual donation to the Pacific Salmon Foundation (PSF) based on one-way flights sold on Helijet's



scheduled passenger service routes. PSF uses these funds to underwrite salmon habitat restoration projects, citizen science, and community hatcheries that support conservation goals all along the routes flown by Helijet. Helijet also donates "chopper time" to assist with remote conservation projects. For Helijet, this is a meaningful contribution towards sustainability that earns them valuable brand credibility with customers as they fly over some of the most precious salmon habitat in the world.

The GVBOT sustainability series was a significant step

forward as it helped businesses share sustainability successes, identify new opportunities, and explore challenges. With strong participation amidst the pandemic, the series showed that corporate interest in sustainability is greater than ever. And thanks to our panellists, the series was able to equip GVBOT members with the information they need to implement sustainable business practices while supporting their bottom lines. **SB**

Michael Meneer is President/CEO of the Pacific Salmon Foundation and series moderator.

TRADE | Trade Accelerator Program

Helping Canadian businesses succeeding internationally

While the global economy remains uncertain, there are still opportunities for small- and medium-sized enterprises to extend their reach to new markets by exporting goods and services. The World Trade Centre Vancouver dedicates itself to strengthening the export performance of small- and medium-sized businesses in B.C. The Trade Accelerator Program (TAP) provides small and medium businesses with access to some of Canada's top exporting advisors, resources, and contacts while giving them hands-on training to expand internationally and domestically.

In 2015, the World Trade Centre Toronto introduced TAP to businesses in Ontario. Two years later, the Greater Vancouver Board of Trade and World Trade Centre-Vancouver, launched the first cohort in British Columbia.

As a result of the program's success, TAP is now a national program, in partnership with the Government of Canada. With a proven track record of helping companies get results, TAP graduates have increased their export revenue by an average of 28 per cent within six to twelve months of graduating from the program.

Companies participating in TAP gain access to trade and investment resources and learn to navigate the complexities of the global trade ecosystem through industry experts, workshop exercises, and one-on-one mentorship meetings. This four-day program is structured over six weeks, assisting companies in gaining a deeper understanding of international best practices, expanding their global footprint, and increasing revenue through exposure to new markets.



"I found the TAP program very informative on a number of different levels. There are so many factors to consider when looking at creating an export plan that you are bound to overlook something that might seem trivial but is actually very important, said Edward Sawchyn, President, Cooler Heads Safety Inc. Gaining perspective from all the presenters and experts in their respective fields gave me a much better understanding of

the complexity of becoming an exporter and we are now much better prepared to take on this challenge."

Are you ready to take your business into a new international market? The Trade Accelerator is now accepting applications for the Fall 2020 digital cohorts. **SB**

To learn more about the Trade Accelerator Program, or to apply to participate, visit tapbc.ca.

The Trade Accelerator Program puts fuel on the fire of entrepreneurship. The things you learn are not "nice-to-do's" they are "must-do's." I would highly recommend it to anyone looking to take their export game to the next level

Dan Wainwright, President of PACRIM Distributors

