

# BUSINESS

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## Consumer confidence high

**Economy** Optimism in Atlantic Canada much higher than the national average

DAVE MACLEAN  
TELEGRAPH-JOURNAL

Consumer confidence remains high in New Brunswick.

Don Mills, the president and CEO of Halifax-based Corporate Research Associates, told an audience at the Saint John Board of Trade luncheon Wednesday that New Brunswick's major cities are better shielded from recessionary times because they have a more diverse economy than the smaller communities.

The population is moving toward the urban centres, which are less dependent on a single industry, therefore less likely to be devastated by the loss

of a major employer, Mills said.

"All the urban areas are doing pretty well and that's because their economies are stable," Mills said. "They're not recession-proof, but they're pretty stable. They have a good core of jobs and businesses that aren't going to change very much. When people feel good about their jobs, their confidence will be good too. All the urban areas are enjoying that benefit. You might see some job attrition over the long term, but you won't see massive job attrition."

"What you see in New Brunswick is one-industry towns being hurt. When you lose the only industry in town, it's devastating. You don't have that

problem in the cities. There's not one company that's going to devastate the economy. The cities have some flexibility and adaptability that the smaller communities don't have."

The region is enjoying the benefits of a more diversified economy, Mills said.

"The good news is that our economies in Atlantic Canada are much more diversified than they've ever been," he said. "They're much more resilient than they've been and we're not as reliant on old traditional industries and we have many more jobs that are knowledge-based and service-based, and they tend to be more stable."

Mills said the consumer confidence

index – an indicator designed to measure optimism in the economy and spending tendencies – was at 82.1 in Atlantic Canada, much higher than the national average of about 50 points. He said Saint John and Moncton were even higher than the regional average, closer to 90. That's good news for retailers in the province.

"That's a positive sign because consumers make up two-thirds of the spending on the economy," he said. "If they stop spending, there's a big consequence immediately. The urban centres are doing quite well. That's good news because we're in the process in

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KATE LEBLANC/TELEGRAPH-JOURNAL

Don Mills speaks with Thomas S. Simms III, chairman and CEO of T.S. Simms, and Chuck Martin, president of T.S. Simms. Mills encouraged business leaders and politicians in Saint John to embrace the energy hub and to market the Port City aggressively.

### 'The energy sector is a high-talent pool to play in'

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Atlantic Canada of becoming urbanized, finally."

The good news for retailers, said Mills, is that people aren't changing their minds about making major purchases.

"There's not a lot of evidence yet that people are starting to change their mind about decisions on major purchases. In fact, 40 per cent have not changed their spending habits. Despite this avalanche of bad news – bad news daily, interrupted by more bad news – those numbers are staying consistent."

Mills encouraged business leaders and

politicians in Saint John to embrace the energy hub and to market the Port City aggressively.

"You need to pick something that can distinguish and differentiate the city as a place to attract investment and, more importantly, talented people," he said. "You have to repopulate Saint John. You're going to need it for lots of reasons – you have to rebuild the infrastructure to make it a more attractive city. It has to be appealing for people to want to come here and live in the city. The energy sector is a high-talent pool to play in."

"You'll have 4,000 or 5,000 people coming to this city for that sector. It will make

a tremendous difference, for a lot of reasons, way beyond economic."

Asked to name the most important issue facing them today, most New Brunswickers – 35 per cent – selected the economy.

Mills said New Brunswickers feel much better about job security than they did in the past. Only a quarter of respondents named employment, a figure that has been as high as 60 per cent in the past.

The state of health care and the price of gas are at the bottom of the list of concerns, at five per cent and one per cent, respectively.