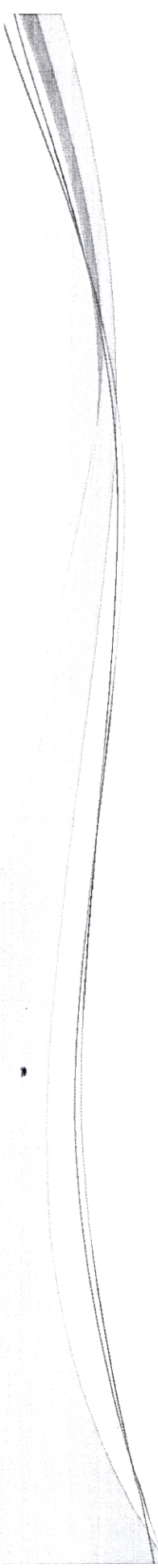


# Making Maine Competitive

*An Economic Development Strategy Statement for Maine*

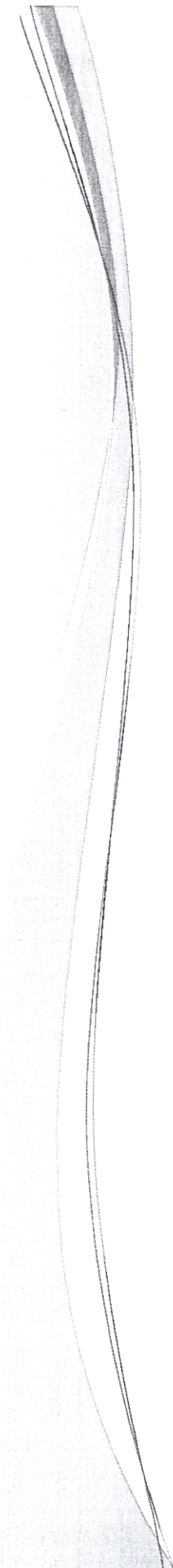
Department of Economic and Community Development  
George C. Gervais, Commissioner  
2011-present



*5 MRSA §13051... "an economic development strategy designed to focus the State's economic development activities and resources on economic opportunities can significantly help the State and its municipalities realize greater growth and prosperity without adversely affecting the quality of life in the State"*

## I. Competitiveness

## II. Capitalize on Existing Assets



❖ Although improving Maine's competitiveness is the first priority for the LePage Administration, we realize that ignoring all else impacting our economy would result in many missed opportunities. Therefore, we also continue to focus on areas that have the potential to move Maine forward and seek ways to capitalize on Maine's current assets.

❖ Once Maine's competitiveness has shown considerable progress, we propose to create the **Governor's Economic Development Action Committee**. The committee will include the private sector and will collaborate on a re-focus of Maine's economic development goals. Once again, only after substantial improvement in Maine's competitiveness has been realized will this critical next step be taken.

❖ The committee will create an action plan that leverages Maine's assets and position as not only a state with a superb quality of life, incredible natural resources, and strong work ethic, but also as **one of the nation's most competitive state's for attracting investment and creating wealth**. Live, Work and Play will have new meaning and jobs will go hand-in-hand with the attraction of unobstructed new investment. This comes naturally with a solid action plan and the ability to compete.



# I. Competitiveness



## I. Competitiveness

### WEALTH FOR MAINE CITIZENS

Creating wealth by increasing Maine's competitiveness is crucial. Increasing wealth for all of Maine is the goal. Increasing Maine's competitiveness is the primary way to achieve sustainable job growth, improve wages, increase revenues and build wealth.

### PROFITABILITY = GROWING ECONOMY

At the very core of policy consideration impacting Maine's economy we must focus on the goal of creating sustainable economic growth for Maine. Opinions vary widely on what is a "best practice" towards this end. However, any state's economy depends on the private sector's ability to be profitable. *Remove private sector profitability from the equation and the economy suffers.*

\*"Will this make Maine more competitive?"

\*"Is there a positive ROI on Maine's Investment?"



## I. Competitiveness

### **PAST STRATEGIES**

Given the plethora of economic development strategies over the past few decades and Maine's consistent ranking and perception as being among the most costly and difficult states in which to conduct business, the LePage Administration's plan is predicated on improving what has kept these deeply involved strategies from any meaningful success – Maine's competitiveness.

### **AN IMPROVED MAINE**

Once policy decisions are making Maine more competitive, we will not only continue on as a great place to vacation, but will also be a great state in which to invest. These investments will quickly grow our economy and create wealth and jobs for all of Maine.

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## I. Competitiveness

### **PRODUCTIVITY**

Competitiveness equals the productivity realized from the utilization of assets and resources – both human and natural resources. Productivity determines wages and standards of living. An increase in productivity translates into economic growth. For any state, productivity depends on how a state competes first, then what strategies will have a meaningful impact. Innovation also is a key, for innovation drives productivity.

### **GOVERNMENT'S ROLE**

Only productive and profitable businesses can create wealth and jobs – and every state is competing to offer the most productive environment for business. Both government and the private sector play critical roles in creating an improved and robust economy. The role each plays is different, but very much interrelated. One simply will not improve without the other.

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## I. Competitiveness

### **LOWER THE COST OF DOING BUSINESS**

Both time and money contribute to the cost of doing business in Maine. With an emphasis on energy, healthcare and taxes, we will implement new policies aimed at mitigating the high costs of doing business. With this focus we will help existing businesses thrive and expand and be in a position to attract new investment to Maine – both of which will add new jobs for Maine people.

Maine's regulatory environment has been far too difficult to navigate and is costing businesses too much time and money impeding economic growth in Maine. This inability to quickly and easily access clear information regarding regulatory requirements leads to uncertainty, which in turn leads to stagnation.

Paving the way for the private sector to profit, creates the path for Maine's economy and Maine's citizens to achieve a greater prosperity and quality of life.

*\*\*Will this make Maine more competitive?\**

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## I. Competitiveness

### MAKE IT EASIER TO DO BUSINESS

An equally important part of making it easier to do business in Maine is fostering an attitude of cooperation and mutual understanding between state government, local government and the private sector. All too often the agency-business relationship is adversarial when it need not be.

We will change the attitude of state regulatory agencies to one of cooperation and understanding. Creating an environment that not only says that we are "Open for Business" but an environment that improves Maine's competitiveness.

Streamlining the license and permitting process in Maine with specific timeframes and procedural improvements allows the private sector more time to focus on creating jobs and prosperity.

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## I. Competitiveness

### PREPARE A WORKFORCE FOR MAINE'S ECONOMY

In today's economy the workforce needs are constantly changing. The rapid pace of technological advancements and emerging industries means that we must prepare a competitive workforce.

Business leaders say that their most important assets are their employees. We need to commit educational resources to provide our private sector businesses with knowledgeable, work-ready employees.

We must commit to reforming our K-12 education system through bold action that puts our students first. If Maine children are to be the best of the best, we must no longer settle for the status quo.

The competitive workforce of tomorrow, begins today!

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## II. Capitalize on Existing Assets

- ❖ Following are areas of ongoing effort as we continue with improving Maine's competitiveness as priority one.

## STRENGTHEN MAINE'S EXISTING BUSINESSES

Lowering the cost to do business and reducing regulatory burdens will strengthen Maine's existing businesses. Focusing efforts on expanding business opportunities both here and overseas will allow our existing businesses to grow.

### **Focus Forward:**

- ✓ Through the Governor's Account Executives we will connect with businesses in every region of the state; answer questions and identify resources to address their needs.
- ✓ The Department of Labor and the workforce development system will work to identify ways to address the "skills gap".
- ✓ Promote the Maine Made Products Marketing Program to expand opportunities for Maine's small businesses and give them access to new markets.
- ✓ Work collaboratively with communities, chambers of commerce and regional economic development programs to build a stronger business environment.
- ✓ Work with educational institutions to ensure that the needs of our businesses are being met by our students and workforce of tomorrow.
- ✓ The Department of Transportation will seek ways to improve our infrastructure and create better access to external markets.

\*\*Will this make Maine more competitive?\*

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## MAINE'S NATURAL RESOURCES

Maine's Natural Resources are our most precious commodity and protecting the future of our fishing, farming and forestry industries will foster job growth in sectors that have remained the backbone of our heritage. Preserving our forests, abundant coastline and pristine environment in addition to enhancing our knowledge through research and development will ensure the existence of these resources for generations to come.

### **Focus Forward:**

- ✓ Work with the natural resources agencies to ensure that a fair and expeditious process for permitting and regulatory compliance exists for businesses.
- ✓ Preserve and protect Maine's coastal fishing industries by conducting scientific research to ensure Maine's fishing waterways thrive and grow.
- ✓ Work with educational institutions to develop an agriculture curriculum to teach the importance of being good stewards of our land.
- ✓ Foster relations with the industrial sector to ensure the success of Maine's mill operations.
- ✓ Work to create opportunities for Maine citizens to succeed in agriculture and ensure a safe, wholesome and high quality food supply.

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## II. Capitalize on Existing Assets

### INTERNATIONAL COMMERCE

Providing necessary resources to Maine's businesses will allow them to compete in the national and international marketplace. Many of Maine's small businesses are poised for expansion and assistance provided by the Maine International Trade Center will ensure they are knowledgeable and prepared for global competition. Attending international trade missions provides Maine businesses with opportunities to connect with resources to expand and share their products and services with the world.

#### **Focus Forward:**

- ✓ Ensure that Maine businesses are poised for international commerce by providing access to programs and resources.
- ✓ Work with the private sector to encourage foreign direct investment.
- ✓ Encourage Maine businesses to attend trade and sales missions.
- ✓ Recruit foreign students to attend Maine's higher education institutions.
- ✓ Provide Maine businesses with emerging market access.
- ✓ Increase Maine's export sales.
- ✓ Develop a mentor program of successful Maine international businesses.

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## II. Capitalize on Existing Assets

### TOURISM

Maine has long established itself as a tourist destination for travelers near and far. The tourism industry in Maine generates millions of dollars in tax revenues and has a multi-billion dollar economic impact. The Tourism industry strives to offer visitors a unique Maine experience that seeks to ensure repeat visitation and even the ultimate experience of relocating to Maine.

#### **Focus Forward:**

- ✓ Promote Maine as a world-class four season tourist destination.
- ✓ Work collaboratively with regions and local organizations to promote all of Maine.
- ✓ Ensure maximum revenue generation.
- ✓ Foster private industry partnerships.
- ✓ Promote Maine as a visual media production location.
- ✓ Increase overseas visitor attraction.
- ✓ Work with educational institutions to ensure that the needs of our tourism businesses are being met by our students and workforce.
- ✓ Work to achieve inter-agency collaboration to promote the Maine brand.

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## II. Capitalize on Existing Assets

### BUSINESS ATTRACTION

The Department of Economic and Community Development is statutorily charged with engaging in business attraction efforts for the state of Maine. However, the department has suffered reductions in both staff and funding over the years. This underscores the importance of our relationship with Maine & Company, a private, non-profit corporation with members and a board comprised of senior executives from Maine's top businesses, the president of the Maine State Chamber of Commerce and the commissioner of Maine's Department of Economic & Community Development.

**Focus Forward:**

- ✓ DECD will engage and collaborate with Maine & Company to actively target companies who may benefit by locating in Maine.
- ✓ The Maine Department of Labor stands ready to provide Maine & Company with a detailed compilation of labor data specific to interested business attraction targets.
- ✓ DECD's Office of Business Development will assist Maine & Company as needed.
- ✓ The Maine International Trade Center will collaborate with Maine & Company towards a Foreign Direct Investment effort.

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## II. Capitalize on Existing Assets

### THE “MAINE BRAND”

Capitalizing on the “Maine Brand” is a top priority as we prepare to take action on our new found competitive advantages in the near future. The challenge to overcome is identifying just what the “Maine Brand” is! There are as more identities that claim stake to be **the Maine Brand** than there are state agencies --- and each state agency has developed their own identity independent of commonality. A well thought out and properly implemented brand development for the State of Maine will leverage some well accepted notions of Maine: Quality, Workmanship, Beauty, Ingenuity, Authentic, One-of-a-kind, Pure, and Independent (among others).

Maine needs an identifiable brand, a consistent use of this brand, and a plan to leverage the brand for the benefit of every segment of Maine’s economy.

#### **Focus Forward:**

- ✓ Identify the “Maine Brand”.
- ✓ Maximize the effectiveness, efficiency of all state advertising, promotion and marketing.
- ✓ Leverage the “Maine Brand” – cross promote and collaborate.
- ✓ Create a “Brand Craving” for everything that is Maine.

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## ENERGY

Our nation, region, and state have become overly dependent on unreliable, insecure, and expensive forms of energy which can undermine economic vitality, impacts national security, and directly affects our economy and quality of life. Maine needs to create effective public and private partnerships that advance Maine's energy security and economic development in an environmentally responsible manner.

**Focus Forward:**

- ✓ Utilize, develop or expand the energy transmission infrastructures.
- ✓ Enhance the long-term security, reliability and affordability of generating, transmitting and distributing indigenous renewable energy to consumers.
- ✓ Work to decrease the total cost of energy to Maine people in an enduring way that:
  - ✓ Is environmentally responsible in compliance with all applicable standards and regulations based on sound science;
  - ✓ Optimizes the economic growth in state by promoting cost-competitive indigenous energy sources, achieving direct and indirect private sector job growth and leveraging Maine's strategic advantages such as location, forest and agricultural base;
  - ✓ Increases energy efficiency by empowering people with knowledge and capability to employ proven cost-effective efficiency technology;
  - ✓ Reduces the dependency on foreign oil sources.

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## COMPETITIVE TAX STRUCTURE

We need to create a predictable and stable business environment that gives businesses confidence when planning long-term or choosing to invest in Maine. We must ensure that our tax policies raise sufficient tax revenues to finance public expenditure while maintaining sustainable budget deficits and public debt ratios and more importantly ensure Maine's competitiveness with our neighboring States.

A competitive tax structure can create the conditions for more robust job creation in the private sector, stronger capital formation, higher exports and increased foreign investments. Conversely, uncertainty and excessive taxation restrict our ability to innovate, compete and hire.

### **Focus Forward:**

- ✓ Seek opportunities to reduce Maine's income tax.
- ✓ Evaluate our tax incentive programs to ensure maximum investment.
- ✓ Review and reform Maine's tax structure.

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## II. Capitalize on Existing Assets

### INNOVATION

Encouraging and coordinating the State's research and development activities will strengthen Maine's position in a competing global market. Through the Maine Technology Institute entrepreneurs, innovators, established businesses and institutions receive assistance necessary to fund, grow and connect them to resources that will help them commercialize their technologies. These programs help innovators accelerate progress to the market, leverage additional private and public investment, and ultimately, expand their economic impact in Maine.

#### Focus Forward:

- ✓ Support promising technologies by funding research and development projects at Maine companies.
- ✓ Focus on programs that enhance commercialization.
- ✓ Work to secure higher paying wages through the Business Innovation project.
- ✓ Assist Maine businesses to ensure progress to market acceleration.
- ✓ Create a network of mentors and partner organizations invested in seeing Maine's entrepreneurial economy grow.
- ✓ Work with federal partners and private sector businesses to leverage resources.

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## TRANSPORTATION INFRASTRUCTURE

Effectively managing the existing transportation system for safety and effectiveness while wisely investing resources will support economic opportunity for Maine's citizens. Evaluating Maine's infrastructure by maintaining quality roads and bridges, making improvements to our seaports and working waterfronts and encouraging airport and railroad expansion will ensure Maine's competitiveness into the future.

### **Focus Forward:**

- ✓ Work collaboratively with communities, chambers of commerce and regional economic development programs to build stronger working waterfronts.
- ✓ Seek development of the East-West Highway to provide improved access to trade with the Canadian provinces.
- ✓ Ensure common sense regulations exist to promote private sector involvement in our transportation infrastructure.
- ✓ Work to increase the number of miles of highway reconstruction to ensure the health and success of Maine's trucking industries.
- ✓ Work to enhance Maine's ports to attract shipping businesses, passenger cruise lines and ferry services.

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## II. Capitalize on Existing Assets

### MAINE'S SEVEN SECTORS

Maine's seven technology business sectors have long been revered as defining Maine's economy. We must continue to focus on these sectors which include mature industries (like forestry and agriculture) as well as emerging ones (such as composite materials and biotechnology) for investment and other types of support. Maine needs more than individually successful companies to have a vibrant economy and efforts through the Maine Technology Institute, tax incentive programs and international business recruitment are working to develop strong clusters within these sectors to stimulate business investment in technology development.

1. Biotechnology
2. Composites and Advanced Materials
3. Environmental Technologies
4. Products and Agriculture
5. Precision Technology
6. Technology and Aquaculture
7. Precision Manufacturing

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