

1 **Q. Reference: Dr. Cleary's Evidence, Page 17, Line 13-14**

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3 **Please explain what Dr. Cleary considers to be an economic storm?**

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5 A. Dr. Cleary uses the term economic storm as a figure of speech, and as such it is a
6 subjective term. Practically speaking, Dr. Cleary was referring to periods of
7 significant negative economic growth. Dr. Cleary would note from the data provided
8 for Figure 4 of his evidence of three years where NL's GDP growth was well into
9 negative territory: 1996 at -4.7%; 2009 at -10.0%; and, 2012 at -4.4%. During each
10 of those three years, NP experienced an increase in revenue despite negative
11 economic growth: 1996 at +0.8%; 2009 at 2.0%; and, 2012 at +1.7%. Surely there
12 are many businesses that would have been happy to see their revenue grow like NP's
13 did during such periods of economic decline, which is reflective of their low
14 business risk.