

2009-2010 BUDGET PRESS RELEASE No. 4

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2009-2010 BUDGET

MAKING QUÉBEC A WORLD LEADER IN CLEAN ENERGY AND THE ENVIRONMENT

Québec, March 19, 2009 – In tabling the 2009-2010 Budget, Minister of Finance and Minister responsible for Infrastructure Monique Jérôme-Forget unveiled a plan to tackle the recession and prepare for an economic recovery. “The government wants to bank on our strengths. Québec has enormous potential. Our economy is diversified. We are leaders in several cutting-edge industries. We have clean and renewable energies that are the envy of our neighbours. We have a labour force whose skills are recognized worldwide,” declared the Minister.

The 2009-2010 Budget has a plan to make Québec a world leader in clean and renewable energy. It announces measures to implement the Northern Plan as well as measures to affirm Québec’s place as a world leader in the environment and green technology. It also provides substantial funding to develop and market Quebecers’ know-how in the new industries of the future.

Clean and renewable energies

The government is mandating Hydro-Québec to carry out projects that will produce another 3 500 megawatts of electricity, of which 700 megawatts will be reserved for the development of other renewable energy sources, in particular wind power. The projects recently implemented or scheduled for implementation in the short and medium terms raise our targeted energy development to 14 000 megawatts of hydroelectricity and other forms of renewable energy by 2035.

Implementation of the Northern Plan

The Northern Plan is a major project for the future of Québec, a project for a generation that consists in developing northern Québec in partnership with the First Nations, the Inuit and all local communities inhabiting this vast territory. “With this budget, we are taking the first steps toward giving life to this vision for the future,” stated the Minister. To that end, she announced:

- the extension of Highway 167 from Chibougamau to the Otish Mountains, and repairs to Highway 389 between Baie-Comeau and Fermont, for a total investment of \$698 million;
- a \$106-million envelope to improve northern airports.

Gas exploration

Québec intends to pursue hydrocarbon development on its territory in a responsible and respectful manner. To encourage gas companies to continue to invest, the Minister announced a program to enhance knowledge of Québec's hydrocarbon potential, particularly in the Gaspésie and Bas-Saint-Laurent regions. The Minister also announced a five-year tax royalty holiday for natural gas wells put into production by the end of 2010.

Environment and green technologies

"With this budget, we are stepping up our efforts to reduce greenhouse gas emissions. We are involved in the development of new green technology sectors," affirmed Minister Jérôme-Forget. Among other things, she announced:

- a \$500-million capital expenditure program for the installation of bioenergy production equipment;
- creation of a research and development program for new energy technologies;
- adoption of tougher energy efficiency standards for the construction and renovation of public buildings;
- acceleration of the \$204-million plan to modernize management of public dams;
- a refundable tax credit for the purchase or lease of new green vehicles.

Developing Québec's know-how

Québec relies on research and innovation to set itself apart from other economies and thus ensure its prosperity. New companies that commercialize intellectual property will benefit from a 10-year tax holiday.

"Quebecers want their government to look beyond the current situation to prepare Québec for recovery. This budget includes an ambitious plan to position Québec as a technology, energy and environmental power," the Finance Minister concluded.

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