

2010-2011 BUDGET
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STIMULATE JOB CREATION AND
ECONOMIC RECOVERY

Québec, March 30, 2010 – “The reason we were hit less hard by the recession than many others and why Québec is already on the road to recovery is because our government made the right decisions at the right time and did not wait to act,” the Minister of Finance, Raymond Bachand, said as he presented the 2010-2011 Budget Speech. During the coming year, the government will continue with the action it has initiated and will consolidate the recovery in the short term, to secure Quebecers’ prosperity and well-being.

Consolidating the recovery

In 2009, with its recovery plan, the government injected \$6.8 billion in the economy. “We are now deploying the second part of the plan and will commit \$8.2 billion in 2010. We are also continuing the Employment Pact Plus, the Renfort program for business financing and the investments stipulated in the Québec Infrastructures Plan, which will reach \$9.1 billion in 2010-2011,” Minister Bachand announced.

The budget also contains measures targeting those regions and sectors hit hardest by the recession: \$30 million will be allocated over two years to implement the Plan Emploi Métropole and \$50.5 million will be earmarked for special support for the forest industry.

Modern, high-quality infrastructures

The government is continuing to invest in infrastructure. The 2009-2014 Québec Infrastructures Plan Investments will involve investments totalling \$42.6 billion. Of this amount, \$28.5 billion will be applied to maintain infrastructures such as keeping health institutions in good condition, renovating hundreds of schools and maintaining the road network. The remaining \$14.1 billion will be used for new infrastructures, such as adding beds in hospitals, classrooms in schools as well as building roads.

“The Québec Infrastructure Plan has generated substantial economic benefits in all regions. It has been one of the cornerstones of economic recovery,” the Minister noted. Our investments in infrastructure and the energy sector have enabled us to create and support 100 000 jobs a year,” the Minister pointed out.

Extensive sports infrastructure

Part of the funds allocated to consolidating the recovery will be allocated to renovating arenas, more specifically replacing their refrigeration or air conditioning systems, which use freon, an environmentally harmful gas whose production and use will be restricted by 2020. The government will assume half the costs incurred by municipalities or organizations that own arenas to modify or replace their freon refrigeration system.

Support for high-performance sport

“To enable our athletes to remain competitive and shine even more on the world stage, the 2010-2011 Budget provides for the creation of the Institut national du sport du Québec. Located at the Olympic Stadium, the institute will be both a place where high-performance athletes can train and an organization capable of providing the required services to all of Québec’s international athletes.

“Our athletes garnered half the medals won by Canada at the Vancouver Olympic Games. That performance eloquently demonstrated that supporting athletes yields results. We will continue to encourage a sports culture and high-performance sport in Québec. With this in mind, Québec will back a possible bid by Québec City to host the Winter Olympic Games,” the Minister said.

Better funding for our infrastructures

To ensure the long-term funding of our road network and our public transit infrastructures, the government is announcing the implementation of the road and public transit infrastructure fund. The bulk of this fund’s revenues will be provided by the fuel tax as well as driver’s licence and vehicle registration fees. To secure its long-term funding, the Minister announced that the fuel tax will rise by 1 cent a litre on April 1, 2010 and by 1 cent per litre per year for the next three years. “All of this revenue will be allocated to the development of public transit and the improvement of our road network,” the Minister said.

The recovery is well underway

Economic activity in Québec has bounced back since the 3rd quarter of 2009, a sign that the recovery plan is working. “GDP is expected to grow by 2.3% in 2010. In addition, 38 700 jobs are forecast to be created in 2010 and 41 600 in 2011. Today, the unemployment rate is lower than it was in 2003,” the Minister pointed out. “In addition, in the 4th quarter, our real GDP gained 1.3%, a performance above the Canadian average. For the first time in 30 years, our unemployment rate is lower than in Ontario and Canada as a whole. And almost three quarters of the job losses between October 2008 and July 2009 have been offset since last July,” he added.

“These results are irrefutable proof that we have successfully gotten through the crisis. We have fulfilled the mandate we received from Quebecers in the last election campaign. We took prompt action and our targeted and immediate measures have supported our economy and protected Quebecers’ jobs. Today, we are announcing measures to continue along this path,” Minister Bachand concluded.

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