



2011-2012 BUDGET PRESS RELEASE No. 8

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A Plan to Position Québec in the New Global Economy

Québec, March 17, 2011 – “Changes in the global economy represent challenges and, especially, new opportunities. We owe it to Quebecers, both today and in the future, to act now to seize these opportunities to create wealth and position Québec squarely in the new global economy,” the Minister of Finance, Raymond Bachand, said today at the tabling of the 2011-2012 Budget.

He stressed the importance of supporting exports, stimulating entrepreneurship and business succession and intensifying the presence of digital technologies in the economy.

Develop and diversify export markets

“Exports represent over 40% of our GDP, making them one of the main drivers of our economy,” the Minister said at the outset. “Québec must strive to take advantage of the opportunities in emerging economies, particularly Brazil, Russia, India and China. That is why I am announcing the creation of Exportation Québec and the Export Program.”

Exportation Québec will be the single gateway to the services for Québec exporters offered by the Ministère du Développement économique, de l’Innovation et de l’Exportation (MDEIE). It will be mandated to facilitate access to government assistance measures, create business opportunities and increase Québec’s presence at trade events.

The Export Program will combine and double the export assistance currently offered by the MDEIE to offer exporting companies a more flexible and efficient tool.

The Minister also announced that the government would open a Québec office in Russia and bolster Québec’s representation in Brazil, India and China.

Encourage entrepreneurship and business succession

Minister Bachand also noted that Québec's economic performance relies in large part on the vibrancy of entrepreneurship and succession. He stressed the importance of fostering creativity, leadership and a flair for risk-taking so that more Quebecers take the plunge and go into business. To that effect, he announced a number of measures to foster entrepreneurship and business succession.

First of all, the government will set up the Capital Anges Québec fund. "Angel investors are key players in the seeding and startup of businesses. They come in very early on, before venture capital specialists. They detect promising projects and contribute to their success not just by investing their funds, but also by mentoring young entrepreneurs," he explained.

"At the other end of a business's life cycle is the issue of succession," the Minister continued. "Almost 55 000 entrepreneurs are expected to retire by 2018. Support must be given to young people willing and able to take over from them. That is why we are creating the Relève Québec Fund. It will offer will offer loans at attractive conditions to Québec entrepreneurs who succeed business owners in a business transfer, in order to finance part of their initial investment."

My colleague, the Minister of Economic Development, Innovation and Export Trade, will soon unveil the entrepreneurship strategy for which he has held consultations throughout Québec over the last few months.

Pursuing Québec's digital shift

New technologies, such as information technologies, are a decisive factor in boosting productivity. The government will allocate \$900 million over ten years to implement a digital economy strategy in every region and will increase the capacity of the existing infrastructure, while expanding the network.

The Chair of the Conseil du trésor will spell out the details of the digital economy strategy at a later date.

Consolidating Montréal's role in financial derivatives

"The Montréal Exchange makes a significant contribution to the vitality of Québec's financial sector," the Minister said. It has become a leader in the derivatives market. To consolidate Montréal's advantageous place in the derivatives market, we will create, under the leadership of HEC Montréal and in collaboration with Finance Montréal, the Autorité des marchés financiers and the university community, the Institut de la finance structurée et des instruments dérivés de Montréal."

This institute will act as a training centre and university research centre in the field of structured derivatives. It will also contribute to Montréal's reputation as a financial centre. It will receive funding of \$15 million over ten years, including \$5 million from the Autorité des marchés financiers.

Choosing sustainable development

The Minister noted that the government's ambition was a 20% reduction in Québec's greenhouse gas emissions by 2020 compared with their 1990 level, the most ambitious objective in North America. This vision will play out in the development of green technologies, the export of clean energy, the responsible development of natural resources and the reduction of Québec's oil dependency.

Accordingly, the Minister announced a number of measures to accelerate the arrival of electric vehicles through the implementation of a rebate program for the purchase or lease of a green vehicle and the purchase of home charging stations. The government will also develop the Route verte and foster the development of second-generation ethanol fuel using household and industrial residual materials.

"Quebecers themselves will be the artisans of Québec's success. Our population is educated and skilled. It is creative and innovative. Our economic growth and human fulfilment depend on those qualities," the Minister concluded.

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