



## BUDGET 2012-2013 PRESS RELEASE No. 1

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#### **A Budget With No New Taxes for Quebecers**

**Québec, March 20, 2012** – “Québec families have more money in their pockets now than in 2003, even with the effort citizens have been asked to make to return to budget balance. I am proud to say again that there has been no change to this effort: it has stayed the same since the March 2010 budget. Today’s budget contains no new taxes for Quebecers,” affirmed today Minister of Finance Raymond Bachand, in bringing down the Québec government’s Budget 2012-2013.

#### **Moderate economic growth**

He added that the economy will continue to grow in 2012 at a similar pace to that in 2011 and then accelerate in 2013. Household spending and business investment will continue to support domestic demand, while the international economy will favour exports more. After rising 1.6% in 2011, Québec’s economy should expand by 1.5% in 2012 and 1.9% in 2013. This growth should help keep the unemployment rate at approximately 8%, which compares favourably with the historical record.

#### **A lower deficit, for a third year**

"The deficit for fiscal 2011-2012 will be \$3.3 billion, including a \$300-million contingency reserve and a payment of close to \$850 million to the Generations Fund. The deficit will therefore be \$500 million lower than forecast last year," announced the Minister.

He added that it was the third year that the deficit was lower than forecast. "Moreover, when we achieve budget balance as of 2013-2014, we will pay increasing amounts into the Generations Fund: \$1 billion in 2013-2014, \$1.6 billion the following year, up to \$2.5 billion in 2016-2017," he pointed out.

**Building the future on our strengths**

"In the longer term, our potential for collective well-being depends necessarily on sustained economic growth, without which Québec society will no longer have the means to fulfil its aspirations. Behind today's turbulence and uncertainty, more fundamental changes are taking place globally. These changes present unique opportunities for wealth creation. Who will benefit? Peoples who possess natural resources, or a skilled, productive labour force, or dynamic businesses; or, better yet, a combination of the three, as in our case," said the Minister.

He indicated that this budget contains measures that will enable Québec to:

- tap into the full potential of the Québec labour force, be it experienced, young or immigrant;
- develop our natural resources and deploy the Plan Nord, for example by taking an equity interest in certain projects;
- foster the growth of Québec businesses by making available to them capital totalling \$1.3 billion;
- placing the economy in the service of our values, for example by enabling our seniors to grow old in their environment and building new social housing;
- implement a second climate change action plan.

"This budget invites us to build on our strengths and put in place the tools for our enrichment and the maintenance of our quality of life. In this way, we will leave our children a strong economy, able to sustain an enviable level of well-being over the long term," the Minister concluded.

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**Source:** Office of the Minister of Finance, Minister of Revenue  
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