



BUDGET 2012-2013  
PRESS RELEASE No. 8

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### **\$1.3 Billion of New Capital to Support Our Companies**

**Québec, March 20, 2012** – “Wealth creation requires the participation not only of our workers, but also our entrepreneurs and our businesses. Budget 2012-2013 contains \$1.3 billion in assistance measures to help businesspeople in Québec develop their businesses and capitalize on new opportunities here and elsewhere,” the Minister of Finance, Raymond Bachand, said today in tabling the Québec government’s Budget 2012-2013.

#### **Participate in the development and processing of our natural resources**

The Minister noted that the government will raise funding allocated for equity stakes in the mining and hydrocarbon sector from \$500 million to \$1 billion. In addition, the government is creating the Fonds Valorisation Bois. This \$170-million fund will provide Québec companies with the capital they need to carry out projects relating to the manufacturing of high-value-added products.

#### **Fostering the growth of our businesses**

The Minister indicated that an essential factor for the development of businesses is the availability of capital. He announced a number of measures to that effect. Accordingly, Innovatech Québec et Chaudière-Appalaches will be converted into a mixed public-private capital corporation, in partnership with Capital régional et coopératif Desjardins. The organization will ultimately have an additional \$180 million available for Québec technology companies.

The government will gradually raise, over three years, the annual issuance limit of Fondation, the Fonds de développement of the CSN, to enable it to reach an optimum level of capital. The increase will free up additional cash resources of \$150 million.

The Minister also announced that the envelope of the program to facilitate the capitalization of social economy companies, whose objective is to foster the creation, maintenance and development of social economy companies, will be raised by \$13.1 million.

Lastly, he indicated that the government will participate in the Fonds de co-investissement COOP, a \$30-million co-investment fund for the pre-startup and startup of cooperatives.

### **Take our tourist attractions to the next level**

The Minister announced the implementation of a refundable tax credit to foster the modernization of the tourist accommodation offering, in force until December 31, 2015. The 25% tax credit will apply to eligible expenditures in excess of \$50 000. The amount of the tax credit may not exceed \$175 000 per year.

In addition, a new five-year \$85-million loan and loan guarantee program will be put in place to support the development of tourist attractions.

### **Partnership for the development of Montréal**

“The Québec government wants to encourage young Montrealers to get involved in entrepreneurial activity and is thus allying itself with the Fondation du maire : le Montréal inc. de demain. To enable this foundation to continue and bolster its action among young entrepreneurs in Montréal, Budget 2012-2013 stipulates the creation of a \$15-million matching fund,” the Minister said.

He also announced that the Fonds de développement Emploi-Montréal, which offers financing tools to businesses in the form of startup loans, technical support to Montréal economic and community development corporations or consulting services to social economy companies, will receive a \$3-million interest-free loan for five years.

### **Choosing sustainable development**

“The clean technology sector is growing vigorously worldwide, in particular because of the urgent need to counteract climate change,” the Minister noted. However, this sector has to rely on sufficient venture capital to ensure its development. In this context, the government is announcing its equity interest in the Cycle Capital Fund III. The fund will have a minimum capitalization of \$100 million. Its objective will be to invest in cleantech companies at the development stage.

### **Improve the manufacturing sector’s productivity with information technology**

To strengthen the manufacturing sector, the Minister announced measures to encourage manufacturing SMEs to integrate information and communications technologies (ICT). These measures are designed to increase the productivity of these companies.

“Improving productivity, in particular by integrating new technologies, is a crucial factor in the success of our manufacturing companies. However, technology choices are complex and can entail financial risks for SMEs. In addition, it is not enough to purchase equipment to benefit from ICTs. An organizational culture geared towards ICT-driven innovation must also be developed. The ESSOR 2.0 and PME 2.0 programs will support companies that want to make the digital shift and improve their productivity,” the Minister pointed out.

The ESSOR 2.0 program will offer assistance to SMEs consisting of loans for the purchase or rental of computer hardware and software, and of non-repayable contributions for expenditures relating to consulting services for the development of detailed ICT integration. The PME 2.0 program is a pilot project to support companies integrating ICTs.

### **Develop new export markets**

“Exports represent 45% of our GDP, making them one of the main drivers of our economy,” the Minister pointed out. “In Budget 2011-2012, we announced the creation of Export-Québec to help companies develop, consolidate and diversify their markets outside Québec. This year, we are adding new assistance measures for sectors whose growth is closely tied to new markets: fashion and clothing, forestry and biofood products.”

He added that the 2008 recession had forced Québec to better position itself in emerging countries, which Budget 2011-2012 helped to achieve by stipulating the development of Québec delegations abroad, in particular in Brazil, Russia, India and China. To further encourage companies to export their products and services, this budget stipulates the consolidation of the activities of existing delegations in Québec’s major export markets, namely the United States, Europe and Asia. Accordingly, an envelope of \$4.5 million will be allocated to the Ministère des Relations internationales over the next three years.

### **Investments for the municipalities**

To develop the economic development potential of each region of Québec, the government initiated, in November 2011, the Stratégie pour assurer l’occupation et la vitalité des territoires 2011-2016. As part of Budget 2012-2013, the government is consolidating its action regarding all of Québec’s regions with additional investments of \$165 million, bringing the financing allocated to the regional conferences of elected leaders and local development centres to \$670 million over five years.

**Increasing the competitiveness of the biofood sector**

Since 2008, the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec has deployed a major strategy to promote Québec food. In Budget 2012-2013, the Minister announced an investment of \$4 million per year to make the public more aware of products certified as Aliments du Québec, and of \$1 million per year to market them at the local and regional levels.

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**Source:** Office of the Minister of Finance, Minister of Revenue  
and Minister responsible for the Montréal region  
Catherine Poulin  
Communications Director  
418 643-5270  
514 873-5363