

**2000-2001 BUDGET**  
**CREATE \$5 BILLION IN INVESTMENTS AND**  
**16 000 JOBS**

**Québec City, March 14, 2000** – In the 2000-2001 Budget Speech, Deputy Premier and Minister of State for the Economy and Finance Bernard Landry announced an ambitious program to support private investment in major projects. Any enterprise that carries out a major investment project in Québec will enjoy a comprehensive 10-year tax holiday. This program alone may give rise to \$5 billion in investments and create 16 000 jobs within the next five years. The Minister also announced other measures that will foster private investment.

**A comprehensive tax holiday: following in the steps of the Republic of Ireland**

Any major investment project that helps create at least 350 jobs, or 100 jobs in association with an investment of over \$300 million, will receive a comprehensive 10-year tax holiday. This will cover income tax, tax on capital and payroll taxes. "We would do well to follow in the footsteps of the Republic of Ireland, a small country of 3.7 million people that has experienced phenomenal growth recently," Mr. Landry said when he introduced this measure.

The 10-year tax holiday for major investments is in itself a particularly strong incentive for large investment projects to locate in Québec rather than elsewhere. Private investments under this program could reach \$5 billion over five years and create 16 000 direct jobs.

## **Significant support for other investments**

Other measures presented in the Budget Speech are aimed at all businesses investing in Québec. For instance, the 125% accelerated depreciation is extended over another five years and the capital tax holiday over two years for manufacturing and tourism investments as well as investments in computer equipment and technology transfers. Introduced for the first time in 1997-1998, these two measures have contributed significantly to the remarkable growth observed in private investment in Québec. The extension of the application period will attract large-scale investments.

## **Making the most of exceptional assets**

Over a full year, these measures will have a financial impact of \$178 million. They will be a major stimulus for the growth of private investments, the main driving force behind job creation.

“Last September,” Mr. Landry said, “I made public the KPMG report which demonstrated beyond a doubt that location and operating costs for businesses in Québec were competitive. The measures announced in the 2000-2001 Budget Speech will make it possible to take full advantage of these exceptional assets in order to create yet more jobs and greater wealth in our economy.”

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