

BUDGET 2000-2001

\$310 MILLION FOR REGIONAL DEVELOPMENT

Québec City, March 14, 2000 – Deputy Premier and Minister of State for the Economy and Finance Bernard Landry announced in the 2000-2001 Budget Speech a series of initiatives estimated at \$310 million to stimulate and support the economic and social development of Québec's regions.

Promoting the economic diversification of the regions

Québec's regions need, to different degrees, to modernize their economies in order to create more long-lasting jobs.

That is why \$50 million is granted to encourage the economic diversification of the Bas-Saint-Laurent, Saguenay–Lac-Saint-Jean, Mauricie, Estrie, Abitibi–Témiscamingue, Côte-Nord, Nord-du-Québec, Chaudière–Appalaches, Lanaudière, Laurentides, Montérégie and Centre-du-Québec regions.

Over the next three years, an additional amount of \$15 million will be allocated to the Fonds de diversification économique de la Capitale, while \$12 million will go to the Fonds de développement de la Métropole.

Special assistance for certain regions

“Some regions are still struggling with under-employment. We have a moral obligation to stand together to deal with this problem,” Mr. Landry said.

Last November, the government announced that it was providing \$23 million to stimulate job creation and economic recovery in the Gaspésie–Îles-de-la-Madeleine region. This Budget raises the amount to \$49 million. Of this sum, \$9 million will be allocated for road work, \$12 million for tourism infrastructures and \$5 million to create jobs in the forest industry. These additional investments will make it possible to create over 800 jobs in the coming year.

Additional appropriations of \$10 million will be used to set up a support program for junior mining exploration companies. These funds will also make it possible to add a component to the program of assistance for mining exploration that will be dedicated to the Abitibi geological sub-province.

The Sorel and Tracy urban area will receive a budget of \$21 million over the next three years to promote the implementation of projects designed locally.

\$100 million to support the modernization of the pulp and paper industry

A grant of \$100 million is given to Innovation-Papier (INNO-PAP), an organization with the mandate to promote the modernization of the pulp and paper industry.

This initiative will support investments of \$700 million and preserve 2 500 jobs in a number of Québec regions.

\$25 million to extend the gas network

The availability of natural gas at attractive prices contributes to the economic growth of the regions served. The government will devote \$25 million in the next three years to supply industrial parks in the regions of Québec City, Abitibi, Montérégie, Estrie, Saguenay–Lac-Saint-Jean, Mauricie and the Laurentides, and farm producers in the regions of Saint-Hyacinthe, Beauce and Bécancour. This measure should help to create investments of \$150 million and 2 400 jobs.

New loan guarantee program for small business start-ups

Because the creation of small businesses benefits economic development in a number of Québec regions, the government is setting up a loan guarantee program for such enterprises. The government will cover 80% of the losses that lenders may sustain. The program will make it easier for these enterprises to find the necessary capitalization and working capital.

Reforming financial instruments in the farming sector

To initiate a broad reform of the financial instruments particular to the agricultural sector, and in accordance with the commitments made during the Québec Agriculture and Agri-Food Conference held in Saint-Hyacinthe in March 1998, the government is setting aside, for the next seven years, an annual budget of \$300 million to fund financial instruments for the agricultural sector.

Other measures for the regions

With a view to fostering the processing of aluminum in the Saguenay–Lac-Saint-Jean region, this Budget announces measures to promote the development of Aluminum Valley. The firms that will manufacture aluminum products or specialized equipment for their manufacture there will benefit from a credit equal to 40% of the salary of an employee for the year after he or she is hired.

Furthermore, appropriations of \$30 million will be earmarked for the Société des établissements de plein air du Québec (SÉPAQ) over the next three years for infrastructures providing accommodation services, and access to sites and territories.

Lastly, as promised, the government will table in 2000 the Québec Rural Policy. Until then, it will maintain its support for programs for rural officers and traditional farm products, and funding for Solidarité rurale du Québec.

The initiatives presented today demonstrate the great importance that the government gives to regional development in Québec.

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