

BUDGET 2014-2015
PRESS RELEASE No. 4
#budgetQc

BUDGET 2014-2015

Ensuring the Prosperity of the Regions

Québec, February 20, 2014 – The Minister of Finance and the Economy, Nicolas Marceau, reaffirmed, while tabling Budget 2014-2015, that the government is acting to ensure the prosperity of the regions and is maintaining its support for the municipalities.

“Québec’s economic performance depends directly on the growth of each of its regions. By focusing in particular on measures supporting investment, all of Québec’s regions become wealthier. The scope of the actions brought forward in recent months is a good indication of the government’s commitment to develop their full potential,” the Minister said.

\$1.8 billion of private investments supported by the government in the regions

The Québec government has clearly shown that it intends to remain involved in the development of the regions as part of Québec’s *Economic Policy – Putting Jobs First*. Concrete actions are planned to foster the development of sectors directly relating to regional economic growth.

These include targeted initiatives for the forest and oil sectors, the tax credit for investments with higher rates in the resource regions, measures for the development of Northern Québec and steps to promote tourism in the regions.

“Since last October, the Québec government has contributed to \$1.8 billion of private investment projects in the resource regions. These initiatives will help create or maintain roughly 2 500 direct jobs,” the Minister noted.

New initiatives included in Budget 2014-2015

As part of Budget 2014-2015, the government is bringing forward specific initiatives for Québec’s regions.

In addition, as part of Budget 2014-2015, the Minister of Finance and the Economy announced initiatives for regions affected by forest fires and support for training part-time volunteer firefighters.

Additional investments by Capital régional et coopératif Desjardins

Since 2001, Capital régional et coopératif Desjardins (CRCD) has played a significant role in financing Québec cooperatives and SMEs, especially those located in the resource regions.

To enable CRCD to maintain its financial activities in Québec's regions, with an extra effort for businesses located in areas facing economic difficulties, the government is announcing that CRCD will be allowed to issue \$150 million in shares for 2014 and that it will invest at least \$10 million over four years in territories facing economic difficulties.

Québec's regions and municipalities

All of Québec's regions benefit from the efforts devoted to job creation and investment. In Québec's regions where economic activity is more muted, the government is working to start the public investment projects stipulated in the Québec Infrastructures Plan as quickly as possible.

As of October 2012, the government created the economic diversification fund for the Centre-du-Québec and the Mauricie regions, giving it a \$200-million envelope. In November 2012, the government launched the economic diversification fund for the Des Sources RCM, in the asbestos region. In May 2013, the Premier unveiled the government action strategy for the development of the Gaspésie-Îles-de-la-Madeleine region. The government launched the National Policy on Rurality last December. The Minister of Transport and Minister of Municipal Affairs, Regions and Land Occupancy recently released the Québec Sustainable Mobility Policy, giving public transit authorities solid financial assistance.

Renewal of local investment funds

Under the existing terms and conditions, local investment funds (LIFs) will expire on December 31, 2014 and local development centres (CLDs) will no longer be able to provide financing as of January 1, 2015.

In view of the importance of LIFs in supporting local entrepreneurship, the Minister of Finance and the Economy, in Budget 2014-2015, plans to defer the repayment of LIFs for five years, making funds available to maintain CLD activities in the regions; In addition, the terms and conditions of LIFs are being streamlined to support future entrepreneurs seeking to acquire businesses in all regions of Québec.

"With these changes and this deferral, CLDs will be able to make additional investments of \$25 million from 2015-2016 to 2019-2020 from the existing capitalization," the Minister pointed out.

LIFs seek to stimulate local entrepreneurship by fostering access to capital for starting up or expanding traditional or social economy businesses. They are the main tool available to the 120 CLDs to support businesses in their territory.

Montréal, Québec's metropolis

The government invests substantially in Montréal. The administrative region alone will receive \$34.2 billion in investments by 2023, as stipulated in the Québec Infrastructures Plan, which is in keeping with its economic weight.

“The government recognizes Montréal as a true metropolis, with everything that implies in terms of special responsibilities. I am therefore confirming the reinstatement of the annual payment of \$25 million to Ville de Montréal to help it assume its responsibilities attendant on its status as Québec's metropolis,” the Minister indicated.

In 2017, the metropolis will celebrate its 375th anniversary. It coincides with the 50th anniversary of the 1967 World's Fair. So that there is a tangible legacy of this event, the government will support forward-thinking projects contributing to the city's visibility.

The Minister of Finance and the Economy confirmed to this end approximately \$125 million in government funding for four major capital projects, as government legacies, on emblematic sites in the city: the refurbishment of Place des Nations and the construction of a panoramic shoreline boardwalk at Parc Jean-Drapeau, enhancement of the activities offered on the Espace pour la vie site, a new pavilion for the Musée des beaux-arts de Montréal and a new phase in the expansion of the Montréal Museum of Archaeology and History in Pointe-à-Callière.

Québec, the national capital

The city of Québec must also assume special responsibilities attendant on its status as the national capital.

In addition, the city of Québec is a driver of tourism development in Québec. “I am therefore confirming the government's financial support for the project to redevelop the Dalhousie site along the St. Lawrence River and the government's support for the construction of an indoor ice skating oval in the city of Québec, the Anneau de glace Gaétan-Boucher,” the Minister said.

Québec is a heritage city of multiple treasures and a prominent place of culture. Accordingly, the Minister of Finance and the Economy also announced the bringing up to standard and the conversion of the Chapelle historique du Bon-Pasteur, to make it accessible to the public as part of a project compatible with the building's historical and architectural features.

\$10 million to develop the residual forest biomass sector

Forest biomass is a renewable energy source that is available and frequently abundant. Using forest biomass to produce energy is one option for reducing fossil fuel consumption and helping to achieve our energy independence objectives.

“As part of Budget 2014-2015, the Québec government is undertaking to invest \$10 million through a new fund to speed up development of the residual biomass sector,” the Minister indicated.

In this regard, the government will work with Fondation and the Fédération québécoise des coopératives forestières (FQCF) to set up a fund with minimum capitalization of \$20 million.

Improvement to the tax credit to foster the modernization of the tourism accommodation offering in the regions

The refundable tax credit fostering the modernization of the tourism accommodation offering was implemented in Budget 2012-2013 to accelerate and intensify infrastructure investments by accommodation establishments located in Québec’s regions.

To enable tourism accommodation corporations to better plan their work and carry out their renovation and improvement projects more quickly, the government is announcing that the \$50 000 minimum investment threshold will no longer be applied on an annual basis but rather for the entire duration of the tax credit, i.e. from March 2012 to December 2015.

- 30 -

Source: Mélanie Malenfant
Assistant Chief of Staff and Press Relations Officer
Office of the Minister of Finance
and the Economy
418-643-5270 or 514-873-5363