



Provincial Budget 2011

What Small and Medium Businesses in the Board of Trade need to know

Budget 2011 was brought down by the Government of Newfoundland and Labrador on April 19, 2011. Below are highlights of what small and medium sized businesses of the St. John's Board of Trade should know about how the Budget might affect them.

General Support

The Provincial Government has a comprehensive set of business development programs and services available for small and medium-sized businesses. Budget 2011 investments of more than \$128 million include:

- Approximately \$71 million is provided to businesses in tax credits and incentives. These include such initiatives as the Small Business Tax Credit, Manufacturing and Processing Profits Tax Credit, Scientific Research and Experimental Development Tax Credit, Film and Video Tax Credit, Economic Diversification and Growth Enterprise Program, Direct Equity Tax Credit, and the Resort Property Investment Tax Credit;
- \$29 million is allocated to the Department of Business for the Business Attraction Fund, which enhances the province's ability to compete for and attract new national and international business investment;
- \$12.8 million is available for investment through the Department of Innovation, Trade and Rural Development's Small and Medium-sized Enterprise Fund. The fund enables local businesses to strengthen their operations and target new business opportunities in markets around the world;
- \$5 million is allocated to the Department of Innovation, Trade and Rural Development's Regional/Sectoral Diversification Fund, which supports sector development and contributes to the development of stronger, more diversified regions;
- \$2 million is available for the Oil and Gas Manufacturing and Services Export Development Fund. Administered by the Department of Business, the fund assists oil and gas supply companies in the province to expand their markets through the export of products and services;
- \$1 million is allocated to the Department of Innovation, Trade and Rural Development for its Business and Market Development Program. The program provides matching contributions to small businesses, enabling them to acquire new skills, meet industry standards, and expand their marketing reach to other jurisdictions; and,
- \$1.7 million is allocated to the Department of Business to administer the Air Access Strategy, a five-year approach aimed at enhancing air access to, from and within Newfoundland and Labrador.

Innovation

The Department of Innovation, Trade and Rural Development will re-invigorate its programs under the provincial innovation strategy – Innovation Newfoundland and Labrador: A Blueprint for Prosperity. Supported by a Budget 2011 investment of \$11 million, an overview of the enhanced programs is as follows:

- Building on the strides that have been made to Newfoundland and Labrador's telecommunications capacity, the Provincial Government will invest a further \$8 million to improve broadband access in underserved areas and take steps to further develop an internal telecommunications network; and,
- \$3 million annually will be allocated to the two core programs established under the innovation strategy. The Commercialization and Innovation Enhancement Programs will be expanded to enhance support for innovative activities in traditional sectors, further expand opportunities for rural businesses, and target opportunities in such emerging sectors as life sciences and green technologies.

Established in 2009, the Research and Development Corporation is a key driver in increasing research and development activity in Newfoundland and Labrador. In Budget 2011, it has more than \$19 million available to make research and development related investments in people, strategic opportunities and infrastructure.

Sector-specific

Budget 2011 allocates \$5.4 million to support innovative activities in Newfoundland and Labrador's forestry.

Budget 2011 allocates approximately \$14 million over three years, including an additional \$8.3 million in 2011-12 to increase the volume of innovation and research in Newfoundland and Labrador's fishing and aquaculture industries.

\$6.1 million is available for investment under Oceans of Opportunity, a five-year strategy designed to accelerate sector development. Administered by the Department of Innovation, Trade and Rural Development, the strategy also helps enhance the province's environment for business and technology development within the ocean technology community.

Budget 2011 invests \$1.4 million to implement tourism initiatives. Working with destination management organizations and the Newfoundland and Labrador Tourism Board, the goal is to double tourism revenue by 2020 by following the strategic directions outlined in Uncommon Potential: A Vision for Newfoundland and Labrador Tourism (Vision 2020).

Through total funding of \$5.1 million in Budget 2011, the Provincial Government will build on investments made under its cultural strategy: Creative Newfoundland and Labrador: The Blueprint for Development and Investment in Culture, to further support opportunity in the arts and heritage sectors.