



MEDIA RELEASE

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Board offers insight into Budget 2010

Budget 2010 offers some welcome public policy initiatives and programs for business in Newfoundland and Labrador; however, deficit spending is something to be cautious about, said the St. John's Board of Trade.

"Economic conditions are not static, but prudent management of public funds must be a key consideration for the province," said Chair Derek Sullivan. "The Board advocates for debt reduction because that frees up financial resources far into the future. Paying a dollar today on driving debt down will mean multiple dollars for public programs and services in the future."

The Board does recognize that government investment in the economy, particularly in regions harder hit by economic challenges, is necessary to support success across the province. Additionally, the track record of government in the past few years in terms of deficit reduction has been welcome.

"This year's provincial spending plan does include a deficit, but we are confident that government will largely stay on the track of working towards reducing our public debt over time," said Mr. Sullivan. "Achieving surpluses and getting rid of the provincial debt will pay off for everyone. It's in all of our best interests to encourage our provincial leaders to achieve that goal, even if it means that we don't all get what we want right now."

There are a number of items announced in today's budget that do support the business sector as it continues to drive the economy and create jobs, wealth and opportunities. These include:

- Drop in small business corporate income tax rate from 5 percent to 4 percent;
- More than \$65 million to help private sector enterprises expand as part of a \$126 million business plan
- Increasing the dividend tax credit rate to 11 percent from 9.75 percent
- The Board also welcomed continues decreases in personal income taxes

In the lead-up to the Budget, the Board developed and promoted specific solutions to government as it continues to advocate for specific policies and programs that sustain economic growth and development for the future.

"The Board is continually proactive in making practical suggestions about how to support the business community, within the city and across the province," said Mr. Sullivan. "Newfoundland

and Labrador has to take advantage of opportunities, employ people, compete with other places, and create wealth. That means that its people have to be active and forward thinking. It is incumbent on the Board to be a productive and contributing part of this process. Being a part of the process means being part of the solution, not the problem.”

The St. John’s Board of Trade welcomes the inclusion of a number of its recommendations in Budget 2010-11, including:

- Incoming investment attraction strategy
- A comprehensive labour market review
- A five year air access strategy
- Continued activities on poverty reduction

The St. John’s Board of Trade is a non-partisan, business advocacy organization that is the principal voice of business for over 750 members in the St. John’s area. Its mission is to improve the local business climate, enhancing its members’ ability to do business through advocacy and member services.

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