



Canada: 2009 Federal Budget - Canada's Economic Action Plan

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Summary

The purpose of this document is to highlight new business opportunities in Canada created by the 2009 Federal Budget. Being coined as Canada's Economic Action Plan, the 2009 Federal Budget, which was unveiled by the Minister of Finance Jim Flaherty on January 27, 2009, is geared toward stimulating the Canadian economy. The proposed action plan is geared to be a strong, balanced stimulus that includes massive investments in infrastructure, as well as tax relief, transfers, and other new initiatives. Several of the initiatives that have been already been announced are aimed at small businesses, whereas other initiatives include investments in partnerships with the provinces, territories, and municipalities. Over the next two years, the total stimulus to the Canadian economy, including the stimulus from other levels of government, will surpass \$C50 billion, an amount equal to 3.2 per cent of real GDP for Canada. The plan has numerous spending measures aimed at stimulating the Canadian economy and outlines Federal Government deficits for the next several years starting with 2009.

Note: one Canadian dollar equals \$0.78 U.S. dollars (March 2009)

Opportunities for U.S. Companies

The 2009 Federal Budget will position Canada's economy for long-term recovery by promoting investment and competition. It will include investing in more sustainable development, supporting small businesses and promoting economic opportunities in all regions of Canada. Canada's Economic Action Plan is designed to help families and stimulate consumer spending. It is aimed to help those hit hardest by the global recession, protect jobs and support businesses. The Canadian government also wants to ensure access to financing for businesses. Another priority is to take immediate action to expand and repair Canada's infrastructure.

U.S. companies should be able to take advantage of projects in Canada that are targeted for new or accelerated funding under the Federal budget.

Here is a list of investments in infrastructure by province:

Ontario

The Ontario government, which historically has been providing financial resources to the Federal pot, is grabbing a share of the equalization pie for the first time due to the province's economic downturn. Ontario is also reaping extra millions due to tweaks in the Canada Health Transfer formula. Ontario will now get \$C347 million in equalization funding in the coming year, reports the Canadian daily, **The Globe and Mail**. In addition, Ontario will get a total increase of \$C880 million in the funding it receives as part of the Canada Health Transfer (CHT), due to amendments to the complex formula that determines the size of each province's check.

- A new research facility for the Institute for Quantum Computing in Waterloo, amounting to \$C50 million in funding.
- Bridges at two of the busiest U.S.-Canada border crossings: the Blue Water Bridge in Sarnia and the Peace Bridge in Fort Erie, earmarked at \$C14.5 million.
- Rehabilitation of federal bridges, including several in the National Capital Region, the Burlington Lift Bridge in Burlington and the LaSalle Causeway in Kingston, earmarked at \$C42 million in total.
- Twinning key sections of the Trans-Canada Highway along Northern Highways 11 and 17.
- Renewal of Union Station in Toronto.
- A new development agency in Southern Ontario designed to help people and businesses, earmarked at \$C1 billion over five years.
- Construction/renovation of Mount Sinai Hospital and the Joseph & Wolf Lebovic Health Complex in Toronto, earmarked at \$C80 million in estimated funding.
- Reconstruction of the Gardiner Expressway in Toronto, from Hwy 427 to the Humber River. Project includes structural improvements, repairs to bridges and decks, and paving, earmarked at \$C80 million in estimated funding.
- Proposed industrial & commercial development of a 50 acre site called Kodak Lands, at 85 Industry St. in Toronto, earmarked at \$C100 million.

British Columbia

- Modernization and expansion of border service at Huntington, Kingsgate, and the Pacific Highway.
- Evergreen transit line in Vancouver.

Alberta

- Twinning of a section of the Trans-Canada Highway through Banff National Park, earmarked at \$C130 million through Parks Canada.
- Telus Science Centre in Calgary.

Saskatchewan

- Highway 39 truck bypass in Estevan.

Manitoba

- New capital projects of the Keewatin Railway Company.
- Centerport Project at Inland Port in Winnipeg

Quebec

- Construction of a third VIA Rail railway track at key points between Toronto and Montreal to boost express service, a project earmarked at \$C407 million.
- \$C212 million renewal of the Champlain Bridge in Montreal, Canada's busiest bridge.
- Development of a plan for the future of the historic Manege Militaire in Quebec City, destroyed by fire in 2008.

New Brunswick

- Completion of the Fundy Trail Parkway.
- Improvements at the Shippagan Harbor.

Nova Scotia

- Renewal of bridges on the National Highway System.

Prince Edward Island

- Summerside Wind Energy Project.

Newfoundland

- Improvements to Tshiuetin railway.
- Trans-Canada Highway improvements.

Yukon Territory, Northwest Territories, Nunavut

- \$C87 million over the next two years to maintain or upgrade key Arctic research facilities.
- Up to \$C217 million to accelerate the construction of the Pangnirtung Harbor in Nunavut and repair core small craft harbors across Canada.
- Piqusilirivvik cultural facility in Clyde River, Nunavut.
- Water treatment programs in the Yukon.

Information Sources

Government of Canada – <http://actionplan.gc.ca>
Department of Finance Canada – <http://www.fin.gc.ca>
Richardson Partners Financial Limited – <http://www.rpfl.com>
Canadian Broadcasting Corporation – <http://www.cbc.ca>
The Globe and Mail – <http://www.theglobeandmail.com>
Daily Commercial News – <http://www.dcnonl.com>

For More Information:

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