

FOR IMMEDIATE RELEASE – April 16, 2024

SURREY BOARD OF TRADE STATEMENT ON FEDERAL BUDGET 2024

Today, the Surrey Board of Trade's Policy & Research Manager, Jasroop Gosal, was in Ottawa at the 2024 Federal Budget Lock-Up to hear the pre-briefing and presentation of the Federal Budget and Three-Year Fiscal Plan.

"The Surrey Board of Trade is pleased to hear about several investments that will enhance productivity, benefit business, and alleviate some costs on businesses such as permitting and regulatory approval process improvements, defence, artificial intelligence, clean technology, energy incentives, and housing," said Anita Huberman, President & CEO, Surrey Board of Trade. "We are disappointed that BC transportation and specific infrastructure projects were not mentioned. We hope that a significant amount of the money allocated to the Regional Economic Development Agencies will be provided to PacfiCan, which can fund projects in Surrey. We are also disappointed that no Surrey-specific projects were mentioned in this budget, except for the previously announced \$95 million to the City of Surrey for the Housing Accelerator Fund. Surrey is going to be the largest city in British Columbia and is starved of infrastructure and transportation investments."

This year, we indicated 10 priorities that the Federal Government should focus on:

1. A comprehensive tax review to save government and business money so that productivity can increase.
2. Ensure reliable supply chains through Canada Trade Infrastructure Plan investments to prevent threats to supply chains locally and globally, and guarantee support and funding of port infrastructure.
3. A national pharmacare plan to save business money.
4. Investments to support a more robust manufacturing industry sector.
5. A plan to reduce the budget deficit and conduct stakeholder engagements when the Monetary Policy Framework is renewed in 2026.
6. Accelerate the Permanent Federal Transit Fund so it begins in Q3 of 2024.
7. Permitting and regulatory approval process improvements.
8. Harmonization of tax reporting mechanisms with Provincial governments and to allow for information to be shared between agencies at all orders of government.
9. Demands for expertise in artificial intelligence, quantum computing and Canadian businesses are well-placed to lead in high-growth sectors, but to maintain this competitive edge, we must capitalize on our advantages in Artificial Intelligence (AI), cybersecurity, and digital health.
10. Workforce development investments tying industry needs to curriculum development for private and public post-secondary institutions.

HIGHLIGHTS TO NOTE:

- *Regional Economic Development Agencies: \$50 million over two years to support local innovative housing solutions across the country, such as designing and upscaling of modular homes, the use of 3D printing, mass timber construction, and panelized construction. \$200 million over five years, starting in 2024-25, to boost AI start-ups to bring new technologies to market, and accelerate AI adoption in critical sectors, such as agriculture, clean technology, health care, and manufacturing. \$158.5 million over two years, starting in 2024-25, on a cash basis, for the*

Regional Economic Growth through Innovation program. A portion of this funding will be dedicated to housing innovation.

- *\$6 billion over 10 years, starting in 2024-25, to Infrastructure Canada to launch a new Canada Housing Infrastructure Fund. The Fund will accelerate the construction and upgrading of housing-enabling water, wastewater, stormwater, and solid waste infrastructure that will directly enable new housing supply and help improve densification. Provinces will have until January 1, 2025, to secure the agreement.*
- *Capital gains for individuals with more than \$250,000 in capital gains in a year will increase from one-half to two-thirds. The new rules will apply to capital gains realized on or after June 25, 2024.*
- *Lifetime Capital Gains Exemption (LCGE): increase the LCGE to apply to up to \$1.25 million of eligible capital gains.*
- *Canadian Entrepreneurs' Incentive: reduce the tax rate on capital gains on the disposition of qualifying shares by an eligible individual. This measure would apply to dispositions that occur on or after January 1, 2025.*
- *Budget 2024 proposes to provide an additional \$1.3 billion over four years, starting in 2024-25, to Infrastructure Canada for Reaching Home: Canada's Homelessness Strategy.*
- *Mineral Exploration Tax Credit: extend eligibility for the Mineral Exploration Tax Credit for one year, to flow-through share agreements entered into on or before March 31, 2025.*
- *Clean Electricity Investment Tax Credit: Budget 2024 provides the design and implementation details of the tax credit. The tax credit would be available only to Canadian corporations.*
- *Accelerated Capital Cost Allowance (CCA): an accelerated CCA of ten per cent for new eligible purpose-built rental projects that begin construction on or after Budget Day and before January 1, 2031, and are available for use before January 1, 2036.*
- *Strengthening Canada's AI Advantage: targeted AI support of over \$2.4 billion, including to launch a new AI Compute Access Fund and Canadian Sovereign Compute Strategy, and to support AI adoption across our entire economy.*
- *Enhancing Research Support and Federal Research Grants with \$3.5 billion in new strategic research infrastructure and federal research support, including investments in modern, high-quality research facilities and infrastructure, which are essential for breakthroughs in Canadian research and science.*
- *Modernizing the Scientific Research & Experimental Development tax incentives and further capitalizing the program with \$600 million over four years, and \$150 million per year ongoing, to boost research and innovation.*
- *Delivering, by the end of this year, major economic investment tax credits to attract private investment, create more jobs, and drive Canada's economy towards net-zero by 2050. And expanded eligibility for the Clean Technology Manufacturing investment tax credit, allowing more businesses to benefit.*
- *A new Electric Vehicle (EV) Supply Chain investment tax credit.*
- *Extending for an additional year the Canada-US Energy Transformation Task Force, to continue close collaboration with our largest trading partner, including bolstering critical mineral and nuclear energy supply chain integration.*
- *\$57.3 billion in support of infrastructure projects across the country from 2023-24 until 2028-29.*
- *National Regulatory Alignment to break down the barriers to internal trade.*
- *Foreign Credential Recognition for health care professionals.*
- *Foreign Credential Recognition for construction workers.*
- *Maintaining the lowest marginal effective tax rate (METR) in the G7.*

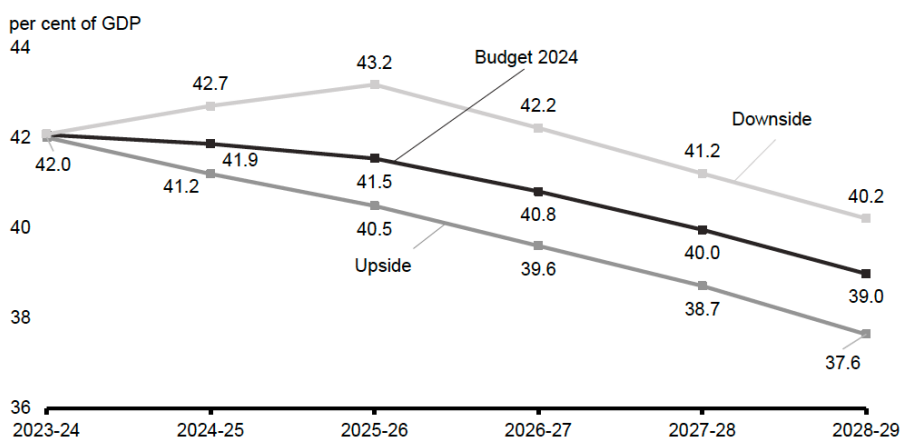
- *Maintaining declining debt- and deficit-to-GDP ratios.*
- *The New Canada Carbon Rebate for Small Businesses.*
- *Phased-in National Universal Pharmacare for contraceptive and diabetes.*
- *\$279 million in childcare investments.*
- *Budget 2024 proposes to provide \$64 million in 2024-25 to Agriculture and Agri-Food Canada to support a \$250,000 interest-free limit.*
- *\$46.9 million over five years starting in 2024-25, with \$8.5 million in remaining amortization and \$11.1 million ongoing, to Natural Resources Canada to renew the Polar Continental Shelf Program to continue supporting northern research logistics, such as lodging and flights for scientists; and \$3.5 million in 2024-25 to Polar Knowledge Canada to support its activities, including the operation of the Canadian High Arctic Research Station.*
- *\$60 million over five years for Futurpreneur Canada.*
- *Canadian Entrepreneurs' Incentive to reduce the inclusion rate to 33.3 per cent on a lifetime maximum of \$2 million in eligible capital gains. Entrepreneurs will have a combined exemption of at least \$3.25 million when selling all or part of a business.*
- *Investing in Canadian Start-ups with \$200 million over two years, starting in 2026-27, on a cash basis, to increase access to venture capital for equity-deserving entrepreneurs, and to invest in underserved communities and outside key metropolitan hubs.*
- *Tax Treatment of Charitable Donations: tax treatment of charitable donations be revised to allow individuals to claim 80 per cent (instead of the previously proposed 50 per cent) of the Charitable Donation Tax Credit.*
- *\$7.2 million over three years, starting in 2024-25, to support the Canadian Chamber of Commerce's Business Data Lab.*
- *The **downside scenario** sees a **shallow recession in Canada**. Various headwinds such as structural imbalances in housing markets and spillovers from geopolitical tensions keep inflation and interest rates elevated for longer than expected, with adverse effects on confidence and consumer activity.*
- *The **upside scenario**, the Canadian **economy sees faster economic growth** than in the survey. A more resilient US economy—underpinned by strong balance sheets for households and firms and recent supply-side improvements in productivity—benefits the Canadian economy through higher export demand and improved global commodity prices.*

SPECIFICS

As Stated in Budget 2024	As Stated in Budget 2023
Budget Balance (deficit) at year end (billions): <ul style="list-style-type: none"> • -\$40.0 2023/24 (updated forecast) • -\$39.8 2024/25 (budgeted) • -\$38.9 2025/26 (planned) • -\$30.8 2026/27 (planned) • -\$26.8 2027/28 (planned) • -\$20.0 2028/29 (planned) 	Budget Balance (deficit) at year end (billions): <ul style="list-style-type: none"> • -\$43.0 2022/23 (updated forecast) • -\$40.1 2023/24 (budgeted) • -\$35.0 2024/25 (planned) • -\$26.8 2025/26 (planned) • -\$15.8 2026/27 (planned) • -\$14.0 2027/28 (planned)

Budgetary balance - upside scenario	-38.4	-33.5	-31.2	-23.2	-20.2	-13.2
Budgetary balance (per cent of GDP)	-1.3	-1.1	-1.0	-0.7	-0.6	-0.4
Federal debt (per cent of GDP)	42.0	41.2	40.5	39.6	38.7	37.6
Budgetary balance - downside scenario	-40.4	-48.0	-52.1	-39.2	-32.3	-24.1
Budgetary balance (per cent of GDP)	-1.4	-1.6	-1.7	-1.2	-1.0	-0.7
Federal debt (per cent of GDP)	42.1	42.7	43.2	42.2	41.2	40.2

Federal Debt-to-GDP Ratio Under Economic Scenarios



- **Real GDP**
 - Budget 2024 assumes annual real GDP growth of 1.1 per cent in 2023 (nominal GDP increased by 2.7 per cent)
 - 0.7 per cent in 2024 (nominal GDP 3.8 per cent)
 - 1.9 per cent in 2025 (nominal GDP 3.8 per cent)
 - 2.2 per cent in 2026 (nominal GDP 3.8 per cent)
 - 2.1 per cent in 2027 (nominal GDP 3.8 per cent)
 - 2.0 per cent in 2028 (nominal GDP 3.8 per cent)
 - 1.7 per cent between 2023-2028 (nominal GDP 3.8 per cent)
- **Revenue outlook**

Total government revenue is forecast at:

 - \$447.8 billion in 2022/23;
 - \$465.1 billion in 2023/24;
 - \$497.8 billion in 2024/25;
 - \$514.6 billion in 2025/26;
 - \$535.7 billion in 2026/27;
 - \$561.4 billion in 2027/28, and;
 - \$586.3 billion in 2028/29.
- **Federal debt (billions)**
 - \$1,173.0 in 2022/23;
 - \$1,215.5 in 2023/24;
 - \$1,255.3 in 2024/25;
 - \$1,294.1 in 2025/26;
 - \$1,324.9 in 2026/27;
 - \$1,351.7 in 2027/28, and;

- \$1,371.7 2028/29.

Read the full budget [here](#).

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Anita Huberman, 604-634-0342, anita@businessinsurrey.com