



## **For Immediate Release**

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### **Fiscal Prudence for Difficult Times**

Victoria – The Mining Association of British Columbia (MABC) expressed support for Budget 2009, acknowledging the provincial government’s ongoing commitment to fiscal prudence though noting more may be required to respond to current economic challenges.

“Through tax, spending and regulatory measures, the B.C. government has made significant strides in improving the province’s competitiveness and fiscal health over the past several years,” acknowledged Pierre Gratton, President and CEO of MABC. “Balancing difficult economic choices, Budget 2009 generally stays the course, but bolder measures may be required to respond to the current economic crisis.”

Budget 2009 projects a deficit of \$495 million for 2009/10 and \$245 million for 2010/11, returning to balanced budgets thereafter. “Years of prudent fiscal management have helped to limit the size of the projected fiscal deficit,” added Mr. Gratton. “And it has helped to limit the impact on program cuts and protect B.C.’s hard-earned tax competitiveness.”

B.C. is relatively well-positioned compared to other Canadian jurisdictions to weather the current economic crisis, but the province’s export-oriented economy is vulnerable to the precipitous decline in global commodity prices, exacerbated by the liquidity crisis restricting access to credit. The immediate impact of the current crisis has been the closure or suspension of some B.C. mines, while others have announced lay-offs. In this context, the province could do more to build on the federal government’s budget by introducing measures that would ease the credit burden, provide temporary tax relief or facilitate access to reasonably priced capital.

B.C. mining sector currently contributes \$8 billion to the B.C. economy. The long term prognosis is for a robust B.C. mining sector, supported by demand for minerals and metals from emerging economies such as China and India. The MABC fully supports the Throne Speech’s commitment to pursue a “one project/one process” for review and approval of new mining projects, critical to ensuring that the sector emerges from the current economic crisis in a position to contribute significantly to the province’s well-being.

The MABC acknowledges clarifications and expansions to sales tax exemptions for production machinery and equipment that will provide modest benefit to the mining industry. The industry also supports the protection of education spending, acknowledging in particular additional support to the Industry Training Authority that will provide an additional 2,000 apprenticeship training spaces to help address human resource challenges facing resource sectors.

MABC represents companies involved in the exploration and development, mining and smelting of minerals, metals, coal and industrial minerals in British Columbia. It is regarded as the pre-eminent voice of mining in the province.

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