



# CREATING HIGH-PAYING JOBS AND HELPING BUSINESSES SUCCEED



CANADA'S ECONOMIC ACTION PLAN 2013

Canada 

CANADA'S ECONOMIC  
**ACTION  
PLAN**  
#eap13



Economic Action Plan 2013 is the next chapter in the Government's long-term plan to strengthen the Canadian economy in an uncertain world, and create jobs and growth, while keeping taxes low for families and businesses and balancing the budget by 2015.

## **STRENGTHENING THE COMPETITIVENESS OF THE MANUFACTURING SECTOR**

Manufacturers and processors are major contributors to the Canadian economy, employing approximately 1.8 million Canadians in a wide range of industries across the country, including aerospace, automotive, forestry, information and communications technologies, food processing, pharmaceuticals and shipbuilding, among others. Economic Action Plan 2013 helps manufacturers build on this success.

## **TAX RELIEF FOR NEW MANUFACTURING MACHINERY AND EQUIPMENT**

In recognition of the ongoing uncertainty in the global economy, Economic Action Plan 2013 announces tax relief in the form of a two-year extension of the temporary accelerated capital cost allowance (ACCA) for new investment in machinery and equipment in the manufacturing and processing sector. This measure will provide \$1.4 billion in tax relief to the sector. More than 25,000 businesses in the manufacturing and processing sector have taken advantage of this initiative since it was first introduced.



## TAX RELIEF FOR NEW MANUFACTURING MACHINERY AND EQUIPMENT HELPS BUSINESSES INVEST FOR THE FUTURE

### **Armo Tool Limited (London, Ontario)**

“The ACCA has been an important support for our business strategy. In 2008 and 2009 manufacturing and the automotive industry were severely challenged; despite shrinking sales we began increasing our investment in equipment. These investments allowed us to be competitive internationally so that we could gain substantial sales to companies in Mexico, Europe and even China. This year we are building an addition which increases the size of our plant by a third and installing much larger equipment to further increase our competitiveness. We now have returned sales to peak levels with employment to match. The future for our company and employees is very bright. The ACCA is an important lever to keep our companies vibrant and competitive.”

### **Bell Helicopter Textron Canada Limited (Mirabel, Quebec)**

“Our company has made significant investments in new production equipment over the past five years. The ACCA has been a critical factor in our decision to make these investments, providing cash flow when we needed it most, as the investments are made. Investment in new technology is critical for our business. At a time of considerable economic, financial, and market risk, the ACCA has been a welcomed tax incentive that has allowed us to strengthen our competitive position as a Canadian manufacturer.”

## **STRENGTHENING THE COMPETITIVENESS OF MAJOR MANUFACTURING INDUSTRIES ACROSS CANADA**

The Government is also taking steps to improve the long-term competitiveness of key manufacturing industries by:

- Providing \$920 million to renew the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) for five years, starting April 1, 2014.
- Providing \$200 million over five years, starting on April 1, 2014, for a new Advanced Manufacturing Fund in Ontario, as part of the renewal of FedDev Ontario.
- Building on the success of the National Shipbuilding Procurement Strategy to ensure that purchases of equipment for the Canadian Armed Forces will create economic opportunities for Canadians by developing key domestic industrial capabilities.



- Providing stable funding of close to \$1 billion over five years for the Strategic Aerospace and Defence Initiative, and creating an Aerospace Technology Development Program with funding of \$110 million over four years beginning in 2014–15, and \$55 million annually thereafter.
- Providing \$92 million over two years starting in 2014–15 to continue support for forestry innovation and market development.

## **INVESTING IN WORLD-CLASS RESEARCH AND INNOVATION**

Innovation is a driving force of change in the world economy. As global competition intensifies, and technology creates inroads to new business lines and processes, fostering a world-class, knowledge-based economy that helps Canadian businesses innovate and build a competitive advantage remains an essential part of Canada's Economic Action Plan.

## **SUPPORTING ADVANCED RESEARCH**

Economic Action Plan 2013 provides an additional \$37 million per year to strengthen partnerships between industry and researchers, to help transform scientific knowledge into the innovative new products and services that open and expand markets and improve our quality of life. This includes \$12 million annually for the College and Community Innovation Program, which supports collaboration between colleges and industry, with a focus on helping firms become more innovative and productive.

## **SUPPORTING LEADING-EDGE RESEARCH INFRASTRUCTURE**

State-of-the-art research infrastructure is critically important to sustain the knowledge economy.

To keep Canadian universities, colleges, research hospitals and other not-for-profit facilities across Canada on the leading edge of discovery, Economic Action Plan 2013 announces that the Canada Foundation for Innovation will allocate \$225 million to fund advanced research infrastructure and the Foundation's operations, building on the \$5.5 billion the Government of Canada has provided to the Foundation to date.

In addition, infrastructure at post-secondary institutions that supports advanced research and teaching will, for the first time ever, be eligible for funding under the Provincial-Territorial Infrastructure component of the new Building Canada Fund. Funding will also be available for projects of national and regional significance in communities across the country in a broader range of categories including highways, public transit, drinking water, wastewater, connectivity and broadband, and innovation.

## **CREATING JOBS THROUGH THE VENTURE CAPITAL ACTION PLAN**

Canada requires a strong, sustainable venture capital industry to finance high-potential young businesses and help them grow into globally competitive firms.

Economic Action Plan 2013 advances the Venture Capital Action Plan with \$60 million to expand the services offered by outstanding and high-potential incubator and accelerator organizations in Canada, and a further \$100 million through the Business Development Bank of Canada to invest in firms graduating from business accelerators.

## **PROMOTING AN ENTREPRENEURIAL CULTURE IN CANADA**

Entrepreneurs are the driving force behind the new businesses that bring innovations to market, launch novel industries and create high-paying jobs. To highlight Canada's vibrant entrepreneurial culture, Economic Action Plan 2013 proposes to create new awards that celebrate the achievements, mentorship, risk-taking and resilience of Canadian entrepreneurs. It also provides \$18 million over two years to the Canadian Youth Business Foundation in support of Canada's young entrepreneurs.



## **HELPING SMALL AND MEDIUM-SIZED BUSINESSES**

Canada's innovative small and medium-sized businesses play an important role by transforming new discoveries into advanced products and technologies, bridging the gap between research and the marketplace.

Economic Action Plan 2013 provides \$20 million for a new pilot program to be delivered through the National Research Council's Industrial Research Assistance Program that will enable hundreds of small and medium-sized enterprises to commercialize their products and move them to market more quickly and effectively. Businesses will be able to tap into research and business development services at universities, colleges and other non-profit research institutions of their choice.

## **SUPPORTING SMALL BUSINESSES**

Recognizing the essential role small businesses play in creating jobs, Economic Action Plan 2013 expands and extends the temporary Hiring Credit for Small Business for one year. This temporary credit would be available to an estimated 560,000 employers, allowing these small businesses to reinvest approximately \$225 million in job creation in 2013.

Economic Action Plan 2013 also proposes to increase the Lifetime Capital Gains Exemption to \$800,000 in 2014 and index the new limit to inflation.



Find out more

**ActionPlan.gc.ca**

1 800 0-Canada (1-800-622-6232)  
1-800-926-9105 (TTY)

CANADA'S ECONOMIC

**ACTION  
PLAN**

**#eap13**



Ce document est également offert en français.

Budget measures are subject to parliamentary approval.