

NEWS RELEASE

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For Immediate Release

B.C. Budget Sets the Foundation for Future Growth

Victoria, February 18, 2014 – The Investment Industry Association of Canada (IIAC) recognizes the difficult domestic and international economic conditions the province has been forced to navigate over the past five years. The IIAC commends the government of British Columbia for managing its public finances prudently in the period following the 2008 financial crash and extended weak recovery. Tax-supported debt relative to the underlying economy has been held well in check, topping out at 18.5% this fiscal year. Responsible fiscal actions will pay off this year, with the province recording a small surplus of \$175 million, and modest surpluses projected over the next three years.

This sound fiscal performance stands in contrast to that of the other large Canadian provinces. British Columbia will retain its envied AAA credit rating, ensuring debt-carrying costs stay manageable. For example, the province now pays 4 cents of every dollar of revenue for debt servicing, compared with 9.3 cents per revenue dollar paid by Ontario. The province would have paid an additional \$2.2 billion for debt servicing, monies not available for health care and education, if the province had Ontario's debt-servicing costs.

Success in achieving budget balance and a falling debt burden, together with steady reductions in spending from 6.0% to 2.5% during the recent economic downturn, and holding the line on taxes, signals to domestic and foreign investors that the competitive business climate will remain in place in B.C. This will instill investor confidence and draw job-creating investment to the province.

The IIAC concludes: B.C., with its abundant resources, skilled work force and evolving opportunities in LNG production, has a bright economic future.

The IIAC – Representing Canada's Investment Professionals

The Investment Industry Association of Canada (IIAC) is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of our 160 IIROC-regulated investment dealer Member firms in the Canadian securities industry. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets.

For more information, please visit www.iiac.ca.

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