



June 29, 2020

## **UDI-ER Brief – GOA – Alberta's Recovery Plan**

### **• Overview**

- On Monday, June 29<sup>th</sup>, the Government of Alberta (GOA) released [Alberta's Recovery Plan](#) – a strategy focused on stimulating the province's economy and creating jobs.
- The plan includes increased spending on infrastructure by approximately \$10 billion for various projects along with reducing the business tax rate to 8% as of July 1, 2020.
- Alberta's current official unemployment rate is 15% - but compared to historic average levels of labour force participation, economists estimate that the real effective unemployment rate may be closer to 25%.
- More details on the plan will continue to be released in the coming days/weeks. Additionally, the Minister of Finance will be tabling a detailed update on the province's financial situation later this summer.

### **• Details of the Plan**

- \$10 billion in infrastructure spending:
  - The government is attempting to spur job creation and stimulate the economy by spending \$10 billion on various infrastructure projects throughout the province. This is the largest infrastructure build in Alberta's history.
- Reduction of the business tax rate:
  - The government will reduce Alberta's general business tax rate from 10% to 8% on July 1, 2020 - 1.5 years sooner than originally planned. Alberta will now have the lowest rate in Canada and a lower rate than almost all the U.S. states.
- Invest Alberta:
  - The government will create Invest Alberta - a dedicated investment promotion agency to lead the province's investment attraction strategy in a new direction.

- Innovation Employment Grant:
  - The Innovation Employment Grant is being created essentially as an incentive for new start-ups to locate to Alberta and grow their businesses in the province.
- Alberta Enterprise Corporation (AEC):
  - The government will make an additional investment of \$175 million into the Alberta Enterprise Corporation (AEC), which plays a crucial role in supporting technology start-ups in need of capital.
- Changes to the Temporary Foreign Worker Program & permanent resident nominations:
  - The government is implementing significant limits to the Temporary Foreign Worker Program and reducing the number of permanent resident nominations through the Alberta Immigrant Nominee Program from 6,250 to no more than 4,000.
- Relaunch grant for the hospitality industry:
  - With a focus on stimulating the hospitality sector, the government is offering a one-time relaunch grant of up to \$5,000 for businesses that had to close or were substantially curtailed as a result of public health orders.
- Funding for municipalities:
  - Doubling the funding for the Strategic Transportation Infrastructure Program (STIP) to fund bridge improvements, upgrades to roads and community airports and other initiatives.
  - An additional \$150 million is being spent on water infrastructure grants through the Alberta Municipal Water/Wastewater Partnership (AMWWP).
  - Providing \$500 million in further funding for municipalities (with an assumption that the federal government will match this amount).