

January 27, 2009

Alberta Chambers of Commerce responds to federal budget

The Alberta Chambers of Commerce (ACC) responded positively to Finance Minister Jim Flaherty's announcement that his government will invest heavily in infrastructure and skills training over the next two years.

"The budget is a measured approach to try to kick-start the economy and it should yield results with some much-needed infrastructure dollars," said Ken Kobly, ACC's president and CEO.

Kobly is particularly pleased the federal government will expedite shovel-ready projects. He notes, however, that provinces and municipalities may have difficulty meeting the cost-sharing requirements.

Enhanced funding for retraining, Aboriginal employment initiatives and the Targeted Initiative for Older Workers is viewed as a positive investment for Alberta, as is the plan to develop a national foreign credentials framework.

"Any measures that retrain Canadians to participate in regions where the economy is strong are positive," said Kobly.

Kobly expects the personal and corporate tax measures to have minimal implications, and ACC had been hoping to hear the government announce that it would rescind its decision to phase out the accelerated capital cost allowance for oilsands projects. That it didn't is a disappointment.

Although the federal government expects to run a \$34-billion deficit this year, Kobly notes it does have a plan to return to a surplus situation in four years.

"Our fear had been that deficit spending would become embedded but it appears the government has a plan to ensure the deficits won't be structural," he said.

One caution ACC offers is that the 2009 budget and the anticipated deficits could sow the seeds spawning an inflationary cycle.

- 30 -

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