



NEWS RELEASE

www.iiac.ca

For Immediate Release

BC Balances its Books Again and Sets the Stage for Continued Strong Growth

Victoria, BC, February 16, 2016 – The BC government is set to once again balance its budget in fiscal 2016-2017, a difficult and challenging year for all regions of the country. This marks the fourth consecutive year of budget balance, demonstrating an ongoing commitment to fiscal discipline unmatched by other governments. Moreover, the province's *Budget and Fiscal Plan* projects budget surpluses through to fiscal 2018-2019.

In the current fiscal year, the debt-to-GDP ratio falls to 17.4%, less than half the corresponding debt-to-GDP ratio in Ontario (at 40.2%) and one-third the ratio in Quebec (at 55%). The AAA credit rating for the province is assured. BC is the only province in the country with an AAA rating bestowed by the two large global credit rating agencies, Moody's and S&P. This top rating is the key measure to attract international capital to the province. A weak dollar adds an incentive for international companies to invest in BC.

Strong fiscal performance, the envy of every province and region in the country, is underpinned by relatively strong growth. Real GDP is forecast to increase 2.5%, one percentage point above the national average. This relatively strong performance reflects a successful shift in economic activity from the depressed resource sector to increased reliance on the services sector, particularly high-tech, biotech and tourism.

The BC government deserves credit for effective fiscal management and for holding the line on spending throughout the difficult years following the 2007-2008 financial crisis. These strong fiscal results provide scope for further tax relief and incentives to encourage business startup and growth, particularly in the service sector. These results also give business confidence in the government's ongoing commitment to tax competitiveness. The budget provides tax relief to the mining industry (flow-through tax credits and an exploration tax credit) and an increase in the Small Business Venture Capital Tax Credit. The BC Securities Commission, overseen by the Finance Ministry, must continue to review and reform regulations to revive the venture markets, and ensure survival of the local investment dealer community and small business financing eco-system.

BC recorded standout economic performance in the past year. The success in boosting investment and output in the services sector can be attributed to several factors, important among them steady, sound fiscal management that has strengthened the provincial business climate. Future growth is forecast to continue at a solid pace, and economic prospects are not just dependent on large-scale resource development.

About the IIAC

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 [144 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.

- 30 -

For media inquiries, please contact:

Michael Gotzamanis, Manager of Communications
The Investment Industry Association of Canada (IIAC)
416.687.5475 – office direct
416.320.6920 – mobile
mgotzamanis@iiac.ca