



## **Statement: Response to Federal Fall Economic Statement 2020**

Today's Fall Economic Statement signaled the federal government's intention to focus first and foremost on helping Canadians through the pandemic as many parts of the country, including Alberta, struggle with a second wave. The Business Council of Alberta is pleased to see measures to help Canadian companies survive the current COVID pandemic and enable more Canadians to participate in the workforce—both key aspects of Canadian prosperity.

Today's update provided encouraging commitments on several items for Alberta companies and employers. The expansion and extension of the Canada Emergency Wage Subsidy (CEWS) is welcome as the program has been significantly used by Alberta companies. Tens of thousands of Alberta jobs and families currently depend on CEWS.

While there were limited details, we applaud a focus on Canada's airline and tourism sector for further and targeted support. The rent subsidy program adjustments are welcome news for companies to be able to receive this support directly.

The update also announced further details on important measures for enhanced child care funding to low- and middle-income Canadians, which is critical to enabling more Canadians to participate in the workforce. Long-awaited changes to the Fiscal Stabilization Fund are also applauded to help address significant fluctuations in provincial budgets.

The federal government also announced that, once the immediate crisis has passed and vaccines are widely available, it will turn its attention to an ambitious three-year stimulus spending plan, estimated at between \$70 billion and \$100 billion. Details on that plan are expected in the coming months. We encourage the federal government to work with industry and other stakeholders on how the funds should be most effectively deployed. In this, it is crucial that Canada's natural resource sector be included as a partner in both lowering carbon emissions and generating economic recovery—both of which will require significant strategic investment and enabling policy.

The announcements made in this fiscal update have driven the federal deficit up to \$381 billion, which is by far the largest budget shortfall in our country's history. Going forward, establishing fiscal guardrails is essential, as Canada cannot spend without limit or without consequence. We need to establish practical fiscal anchors that help ensure our long-term financial sustainability and to ensure that future spending and stimulus measures are strategic and focused.