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**2 March 2018**

**PRESS RELEASE**

**Yukon Chamber of Commerce Has Mixed Thoughts on the New Federal Budget**

Whitehorse – Tuesday the Federal Government presented its 2018 – 2019 budget, which generates a mixed response from the Yukon Chamber of Commerce regarding the impact on the Yukon and Northern business community.

The Yukon shares the perspective of the Canadian Chamber of Commerce that the budget as a whole does not have a lot of content beneficial to business. The economists of the Canadian Chamber of Commerce are concerned that the five year average assumptions used for the budget: annual economic growth of 1.6%, long term interest rates of 2.5% and 6% unemployment, are unreasonably optimistic. Furthermore, projected deficit spending through 2023 is of significant concern, and leave little in the way of reserves were Canada to experience an economic slowdown as a result of external factors (cancellation of NAFTA or other US-driven changes), and / or a recession during this period.

As well, we see little in the way of tax changes that encourage economic growth, or regulatory compliance cost reductions that would positively impact businesses.

On the plus side, clarity appears to be emerging regarding small business taxes with the government grandfathering past passive income investments, and establishing a \$50,000 threshold for passive investment income allowed, going forward.

There is a focus on First Nations investment, with \$5 billion over five years to close the education and labour market gaps for Indigenous Peoples. By working to close these gaps, it is projected that Canada's gross domestic product could gain \$36 billion by 2031. Yukon Chamber Chair Stanley Noel stated that "In the Yukon, First Nations are already leading business owners and developers. With new commitments from Canada such as the negotiations fund repayment forgiveness, Yukon First Nations are poised to have additional investment funds, further helping the Yukon grow and prosper".

Chamber President Peter Turner added, "for Yukon and other northern territories, we are pleased with the fact that Ottawa has heard the voice of the Yukon and other northern Chambers of Commerce, who have long urged the extension of funding commitments for the Canadian Northern Economic Development Agency (CanNor) beyond only 3 years. It would appear that the Federal Government is now making at least 5-year CanNor funding commitments, which will go a long way to allowing northern proponents to undertake more multi-year economic growth programs."

Incorporated in 1985, the Yukon Chamber of Commerce is the collective voice of Yukon's business community, working to create a climate conducive to a strong private-sector economy by providing leadership and representation on issues and projects affecting business. The Chamber works with over 750 Yukon businesses, through either direct or Community Chamber membership, as well as the five Community Chambers of Dawson City, Silver Trail, St. Elias Region, Watson Lake and Whitehorse.

- 30 -

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