

Canada's Senior Finance Executives React to 2010 Federal Budget

Encouraged by renewed focus on spending control yet concerned by burgeoning deficit

Toronto, ON March 5, 2010 – With the impact of the economic recovery widely predicted to increasingly take hold in the second half of 2010, it is appropriate that the government has turned its attention to reducing the deficit. This will ensure that Canada maintains its strong global economic leadership and enhances Canadian productivity and overall competitiveness, according to Financial Executives International Canada (FEI Canada), the association for Canada's senior financial leaders.

"While we applaud the government's move to start curbing the burgeoning deficit, we are concerned with the lack of specificity on how the deficit is going to be reversed, said Michael Conway, chief executive and national president, FEI Canada. "It is critical that Canada continue to maintain good fiscal management that will help to ensure our ability to withstand future downturns."

The budget-to-budget doubling of the government's projected five-year deficit, to a whopping \$157 billion, emphasizes the urgency of identifying specifics of the government's deficit reduction program. FEI Canada anxiously awaits the government's detailed blueprint for executing the three-point plan for returning to budget balance.

Mr. Conway went on to say, "Now that the government has confirmed it will wind down the extraordinary stimulus spending that was necessary to help Canada out of the recession, it is time for free market forces to once again guide our economy, allowing the government to focus on rebalancing Canada's books."

FEI Canada is pleased that the government has committed to developing a Digital Economy Strategy. To be most effective, this strategy must support entrepreneurs in building Canada's knowledge economy which contributes to job creation.

The planned implementation of certain recommendations of the Competition Policy Review Panel signals a clear focus on improving Canada's competitiveness and productivity. FEI Canada has long been a supporter of these initiatives and specifically the implementation of a system of national securities regulation. Its members are pleased to see a timetable for concrete progress on this initiative.

Senior financial executives are pleased that the government has confirmed it will maintain its schedule of corporate tax reductions and its intention to introduce measures to reduce the administrative and compliance burdens of the tax and tariff system, including their commitment to consider consolidated tax reporting for corporate groups. These measures support an efficient and globally competitive business environment.

"In a competitive world beset by economic turmoil, Canada must foster a business environment that encourages investment and capital accumulation to ensure economic growth and increased opportunities for future generations," Mr. Conway concluded.

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About Financial Executives International Canada (FEI Canada)

FEI Canada is the all-industry professional membership association for senior financial executives. With 11 chapters across Canada and 2,000 members, FEI Canada provides professional development, thought leadership, and advocacy services to its members. The association membership, which consists of Chief Financial Officers, Audit Committee Directors, and senior executives in the Finance, Controller, Treasury, and Taxation functions, represents a significant number of Canada's leading and most influential corporations. The Toronto Chapter is the association's largest with more than 700 members. For further information, please visit www.feicanada.org.

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