

Economic Incentives for Small Business

Mr. Speaker, many small businesses in the Northwest Territories are now experiencing the impacts of the economic downturn and commercial credit crunch.

As a Government, we recognize that one of the roles that we must fill in an economic downturn is to take steps to encourage and assist the business sector to maintain employment levels and expenditures so as to sustain economic activity levels.

I am pleased today to advise Members of this House that the Department of Industry, Tourism, and Investment and the Northwest Territories Business Development and Investment Corporation have introduced new initiatives to assist Northwest Territories small businesses while encouraging investments and expenditures in our economy.

The sector support initiative under the department's Support for Entrepreneurs and Economic Development program provides an interest incentive of up to \$15,000 per year for a maximum of two years for businesses in designated sectors that borrow money to establish or expand. Given the economic challenges that Northwest Territories businesses face, I have designated all sectors as being eligible for this assistance for the current year.

The Business Development and Investment Corporation has also launched some new lending initiatives including Variable Interest Rate Financing; a Working Capital Guarantee Program; Winter/Summer Re-Supply Financing; and BDIC Seasonal Production Financing. Each of these initiatives is designed to bring greater flexibility in tailoring business credit to meet the needs of northern businesses.

Mr. Speaker, in addition to these programs, I am very pleased to announce today that the Business Development and Investment Corporation will offer to all borrowers an interest rate renewal option to renew their loans at the current base rate of prime plus two percent, subject to some conditions.

This is another important measure that will assist our Northern business community during challenging economic times.

We have stated, as an Assembly, that we are committed to developing a diversified economy that provides all communities and regions with opportunities and choices.

Mr. Speaker, I would like to thank the members of the Standing Committee on Economic Development and Infrastructure for their suggestions and ongoing support. These new “tools” are designed to enable us to better support small businesses in all of our communities and regions.

I encourage all small businesses to take advantage of the programs and services that are in place to help them manage through the challenging times and position themselves for the future.

Thank you, Mr. Speaker.