

REPORT ON

FEDERAL BUDGET 2024



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Introduction:

The Federal Budget 2024, unveiled by the Minister of Finance, represents a pivotal moment in Canada's economic trajectory. It outlines a series of ambitious measures aimed at fostering economic recovery, promoting social welfare, and driving inclusive growth. The Canadian Hindu Chamber of Commerce (CHCC) had the privilege of being represented by President Kushagr Dutt Sharma, who was invited to the embargoed reading of the budget on the 2nd of April, 2024. President Sharma engaged with Department of Finance officials during this session, gaining valuable insights into the government's economic strategies.

Key Takeaways for CHCC Members:

While the budget spans over 400 pages and touches on a myriad of topics, the CHCC has focused on extracting sections most applicable to its members. However, it's essential to recognize that various other provisions may impact businesses and individuals in different ways.

Outreach to the Ministry:

Recognizing the complexity of the budget and its potential implications, the CHCC emphasizes its commitment to facilitating communication between its members and government authorities. Should any CHCC members have questions or concerns regarding aspects of the budget not covered in this report, the CHCC will reach out to the Ministry to seek clarification or updated information. Ensuring members have access to accurate and timely information is a priority for the CHCC.

1. Social Safety:

The budget prioritizes social welfare initiatives designed to enhance the quality of life for Canadians. Notable highlights include:

- Launching a \$1 billion Child Care Expansion Loan Program.
- Delivery of the Canadian Dental Care Plan.
- Delivering \$200 billion over ten years to strengthen universal public health care.
- Launching the new National Pharmacare Plan with \$1.5 billion over five years.

2. Economic Growth:

The budget lays emphasis on strengthening Canada's economic competitiveness through innovation and investment. Key measures include:

- Significant investment in targeted AI support of over \$2.4 billion.
- Modernization of the Scientific Research & Experimental Development tax incentives with \$600 million over four years.

3. Business Growth Strategies:

The budget outlines several strategies aimed at fostering business growth and innovation, including:

- Introducing an Accelerated Capital Cost Allowance for new purpose-built rental projects, facilitating increased cash flow for homebuilders. This measure aims to expedite reinvestment into new projects, job creation, and the construction of more apartments, addressing the housing shortage.

- Investing in Infrastructure to stimulate community growth and support housing development.

Initiatives such as the Canada Housing Infrastructure Fund and the Canada Infrastructure Bank's Housing Initiative, alongside a significant \$57.3 billion investment in infrastructure projects, will bolster housing construction efforts from 2023-24 to 2028-29.

- Implementing an Accelerated Capital Cost Allowance for innovation-enabling assets like computers and data network infrastructure. By incentivizing businesses to invest in productivity-enhancing technologies, this measure aims to boost cash flow, job creation, and innovation within businesses.
- Introducing the new Canadian Entrepreneurs' Incentive to alleviate tax burdens for entrepreneurs, enabling them to reap the rewards of their hard work while fostering entrepreneurship and business growth.
- Encouraging Canadian Pension Funds to Invest in Canada through a dedicated working group led by Stephen Poloz, former Governor of the Bank of Canada. This initiative seeks to enhance Canadians' pension savings, drive innovation, and stimulate economic growth, particularly in digital infrastructure, AI, and physical infrastructure, including housing development on public lands. Additionally, the removal of the 30 per cent rule for domestic investments aims to further incentivize investment in Canadian ventures.

4. Housing and Infrastructure:

The budget addresses the critical issue of housing affordability and infrastructure development with several initiatives, including:

- Extending the Canada-U.S. Energy Transformation Task Force for an additional year to bolster critical mineral and nuclear energy supply chain integration.
- Scaling-Up Modular Housing to build homes year-round, aiming to solve Canada's housing crisis.
- Encouraging Canadian Pension Funds to Invest in Canada to drive economic growth and innovation.
- Launching a bold strategy to unlock 3.87 million new homes by 2031, with support for 1.2 million net new homes.
- Building more student housing by relaxing eligibility conditions for GST removal on new student residences.

5. Small Business Policies:

The budget introduces various measures to support small businesses, including:

- The Canada Carbon Rebate for Small Businesses to return proceeds from the price on pollution to eligible businesses.
- Investment in Futurpreneur Canada to support young entrepreneurs.

- Lifetime Capital Gains Exemption Increase and Canadian Entrepreneurs' Incentive to stimulate entrepreneurship.
- Investment in Canadian Start-ups to increase access to venture capital.

6. Government Procurement and Tax Measures:

The budget aims to boost government procurement from small- and medium-sized businesses and introduces tax measures such as increasing taxes on capital gains for the wealthiest individuals and corporations.

7. Addressing lack of targeted measures to the Hindu community and Promoting Religious Tolerance:

While Budget 2024 takes significant steps toward fostering inclusivity and combatting hate in Canada, there remains a need for targeted measures for the Hindu community and further promote religious tolerance across the country. The Canadian Hindu Chamber of Commerce, recognizes the importance of advocating for policies and initiatives that promote understanding and respect for Hindu communities and their cultural heritage.

We encourage the government to consider specific measures for the Hindu community and ensuring that Canadian Hindus feel valued and protected. By raising awareness about the challenges faced by Hindu communities and promoting dialogue on issues related to religious tolerance, we can work towards building a more inclusive society where individuals of all faiths can thrive.

As advocates for diversity and inclusion, we stand ready to collaborate with the government and other stakeholders to develop effective strategies for addressing Hinduphobia and promoting religious harmony in Canada. Together, we can create a more just and equitable society where every individual feels respected and valued, regardless of their religious or cultural background. The CHCC underscores the significant contributions of the Hindu community to Canada's economy and society and emphasizes the importance of equitable treatment and representation in government policies and initiatives.

Conclusion:

The Federal Budget 2024 presents a comprehensive roadmap for economic recovery and growth, with a strong emphasis on social welfare, innovation, business expansion, and housing affordability. CHCC members stand to benefit from the various initiatives outlined in the budget, which aim to create a more inclusive and prosperous economy for all Canadians.

The deficit of the \$39.8 Billion is very concerning and CHCC hopes this will be reduced in the future.

CHCC expresses deep concern over the lack of specific measures for the Hindu community in the budget.

For detailed analysis and assistance in navigating the implications of the budget for your business, please feel free to contact the Canadian Hindu Chamber of Commerce.

Disclaimer: This report is prepared based on publicly available information and is intended for informational purposes only. CHCC recommends consulting with financial and legal experts for personalized advice.