QUEBEC TO FUND ITS CSERIES STAKE VIA ANNUAL BORROWING PROGRAM

News / Finance

The **Quebec** government said on Monday its $1 billion investment in a partnership with Bombardier Inc that is aimed at completing the company's **CSeries** jet program will be financed through the government's annual **borrowing program.**

Bombardier's CSeries passenger jet program is already years late and billions of dollars over budget. In October, the government in Bombardier's home province Quebec said it would invest $1 billion in the CSeries program in return for a near 50 percent stake in the struggling project.

In October, Quebec said that the investment would come from its Economic Development Fund and that it would be managed by Investissement Québec - one the province's investment vehicles.

Quebec's economic development minister Jacques Daoust told Reuters on Monday that the pool of capital within Investissement Québec is not sufficient to cover the entire investment and that the province's investment in the joint venture will be funded by tapping the market.

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The province has also indicated it would urge the federal government to also make some form of investment in the CSeries.

Daoust said that "there is room in the venture for federal funding."

Canada's Prime Minister Justin Trudeau has said Bombardier must make a "strong business case," in order to win any federal investment.

"I also required a good business case," Daoust said, adding that abandoning the CSeries, whose initial aircraft variant is slated to be certified by the end of this year, would be like giving up a 42-kilometre marathon after 40 kilometers.

Bombardier's narrow-body line of CSeries are set to compete against Boeing Co's 737 aircraft and Airbus Group's A319 and A320 jets. Bombardier has so far received 243 firm orders for the 110-130-seat narrowbody jets, but it is still short of its target of 300 firm orders by the time the plane enters service next year.

17 NOVEMBER 2015

SOURCE: REUTERS
ARTICLE LINK:
https://mfa.50skyshades.com/news/finance/quebec-to-fund-its-cseries-stake-via-annual-borrowing-program

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