

## **Québec Economic Plan – March 2016**

### **Supporting a Changing Economy**

**Québec, March 17, 2016** – Québec must be able to seize the opportunities afforded by a changing economy in which innovation, environmental protection and the digital sector are becoming increasingly prevalent. To that end, the Québec Economic Plan proposes measures to assist businesses through the changes and incentivize them to increase their investment and capitalize on the transition to a cleaner, lower-carbon economy.

“To be more competitive, businesses must be more innovative, more open to new technologies and more productive. This must drive all sectors of activity in all of Québec’s regions, and this reality is reflected in our economic plan,” Minister of Finance Carlos Leitão said.

Against this backdrop, the government is pursuing initiatives totalling nearly \$850 million over the next five years to support manufacturing businesses in their innovation process, such as:

- the use of clean power produced in Québec to encourage investment in the manufacturing and natural resources processing sectors (\$539 million);
- implementation of a tax cut for innovative Québec businesses to support the marketing of their innovations (\$135 million);
- the introduction of the RénoVert refundable tax credit to promote environmentally friendly renovation (\$174 million).

#### **A new digital strategy**

In addition, the government will allocate \$162 million over five years to implementation of the Québec digital strategy. More specifically, the Economic Plan provides for:

- additional funding to fund the digital strategy’s first initiatives (\$78.5 million);
- improvement of the tax credit for the integration of information technologies in Québec SMBs (\$33.5 million);
- support for large digital transformation projects (\$49.9 million).

“The use of digital technology by businesses helps increase productivity, foster innovation and create jobs. Québec must position itself to capitalize on opportunities created by these new technologies and continuously adapt to emerging global trends,” Mr. Leitão said.

### **Encouraging innovative business start-ups and growth**

The Québec Economic Plan also provides \$65 million in additional support to fund three technology seed funds: the Fonds AmorChem II, the Fonds InnovExport and a clean technology seed fund. Taking into account the leverage effect with private investor funds, \$125 million will be available to finance Québec's innovative technology companies.

### **Supporting key sectors of the Québec economy**

The government also intends to strengthen its support of the key sectors of the Québec economy. The Québec Economic Plan includes additional initiatives totalling more than \$600 million over the next five years to support innovation in fields of activity that contribute to job and wealth creation in all regions of Québec. Targeted sectors include the aerospace industry, life sciences, the forestry industry, tourism, the environment, the agri-food industry, culture and the financial sector.

### **\$250 million in support for the forestry sector**

To ensure the forestry industry is better equipped to capitalize on future business opportunities, the Québec Economic Plan contains initiatives totalling \$230 million designed to:

- foster the competitiveness and development of the forestry industry;
- increase the contribution of private woodlots to the industry's supply.

"The forestry sector plays an important role in the Québec economy and particularly in regional economies. It accounts for 2% of GDP, exports approximately \$9 billion of its production and provides nearly 60 000 direct jobs. That is why we must take steps to ensure it remains competitive," the Minister stated.

### **Plan Nord and Maritime Strategy**

The government will also continue with the development of the Plan Nord and the Maritime Strategy, two promising initiatives for regional economies in Québec. The Société du Plan Nord will have an envelope of \$450 million.

The government will invest \$620 million in mine site remediation in various regions, particularly Abitibi-Témiscamingue, Côte-Nord and Northern Québec. This initiative will generate substantial economic spinoffs, while improving environmental conditions at the sites targeted.

The Québec Economic Plan adds nearly \$10 million over five years to the amounts already allocated to the Maritime Strategy for, in particular:

- maintenance of the *Coriolis II* oceanographic research vessel (\$6.2 million);
- construction of a temporary boardwalk in Percé in summer 2016 and a study to find a permanent solution (\$400 000).

“Québec has a diversified economy characterized by leading-edge expertise in numerous activity sectors. We need to capitalize on these sectors and give them the means to innovate and thereby contribute to our prosperity,” Mr. Leitão concluded.

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