

## **The Québec Economic Plan – March 2017**

### **A Forward-Looking Economy for All Regions of Québec**

**Québec, March 28, 2017.** – The March 2017 Québec Economic Plan will stimulate the economy in all spheres of activity and in all regions through, in particular, business innovation and investment. The new initiatives announced today will help to position Québec as one of the most innovative and enterprising economies, open to foreign markets and able to attract the best talent.

#### **Over \$830 million to stimulate research and innovation**

To stimulate research and innovation in several cutting-edge activity sectors, the government is announcing additional initiatives totalling over \$830 million by 2021-2022, in particular:

- \$305 million to encourage innovation and the next generation of scientists;
- \$180 million to encourage research and innovation in higher education institutions;
- \$118 million to implement the life sciences strategy;
- \$100 million to create an artificial intelligence super-cluster;
- \$46 million to stimulate innovation in the forest sector.

#### **\$165 million to encourage business investment**

The Québec Economic plan also proposes measures to encourage businesses to invest in modernizing their operations, in order to boost their productivity and develop new production capacities and thus increase their presence on international markets. Additional measures totalling \$165 million over five years will make it possible to:

- introduce an additional capital cost allowance of 35% to support investment and thus improve business productivity;
- extend the tax holiday for large investment projects until December 31, 2020.

These initiatives are in addition to important measures already in place to encourage business investment, including a rebate on electricity to foster investment in manufacturing and natural resource processing and a reduction in the tax burden on corporations.

#### **\$1.2 billion to foster economic development in all regions of Québec**

To further stimulate the development of all regions, the government is stepping up its efforts by investing close to \$1.2 billion to develop all of its talents and strengths. Therefore, provision is being made to invest:

- \$522 million to support the regions in taking charge of their own economic development;
- \$231 million to protect the environment, wildlife, and our natural resources;
- \$168 million to support growth in the agri-food and alcoholic beverages sectors;
- \$123 million to bolster the role of tourism as a vector of economic development;
- \$100 million to support new initiatives under the Maritime Strategy and the Plan Nord.

### **Extension of the RénoVert program to March 31, 2018**

To encourage Québec homeowners to renovate their homes in an eco-friendly way, the government is extending the RénoVert tax credit for one year. Individuals will thus have until March 31, 2018, to enter into an agreement with a recognized contractor and must pay all renovation expenses before January 1, 2019.

### **Tax assistance to protect the environment**

In addition, the March 2017 Québec Economic Plan provides for a refundable tax credit over five years to bring residential waste water systems (septic tanks) up to standard. Taxpayers will be entitled to assistance corresponding to 20% of eligible expenses that exceed \$2 500, up to a maximum of \$5 500 for principal and secondary residences.

### **An additional \$18 million to support the economy of the Îles-de-la-Madeleine**

The economic development of the Îles-de-la-Madeleine is particularly challenging due to the region's distance from major urban centres and the accessibility problems stemming from its insular character. In light of this, the government has recognized the special status of the Îles-de-la-Madeleine and has pledged to gear its actions to the islands' particular characteristics and needs, in keeping with the measures already taken, particularly through the Maritime Strategy.

To pursue its efforts to diversify and energize the economy of the Îles-de-la-Madeleine, the Québec Economic Plan provides for:

- greater tax assistance for inhabitants of the Îles-de-la-Madeleine;
- enhancement of the additional deduction for transportation costs and extension of this deduction to all manufacturing SMEs of the Îles-de-la-Madeleine and certain other remote regions.

### **Quotations:**

"It is essential to support research and innovation and foster investment in order to support our businesses in their development and continue our economic growth."

"A boom is currently underway in the artificial intelligence sector. We confirm Québec's place in this cutting-edge sector and we salute the international recognition of its know-how."

"Québec's future also depends on the economic development of all our regions. Thanks to the clarifications made today with regard to the Fonds d'appui au rayonnement des régions, we confirm our support for the economic development of the regions."

*Carlos Leitão, Minister of Finance of Québec*

### **Highlights:**

- investments of more than \$830 million over five years to stimulate research and innovation;
- investments of \$165 million to encourage business investment;
- investments of \$1.2 billion to foster economic development in all regions of Québec;
- creation of the Fonds d'appui au rayonnement des régions, with an envelope of \$310 million over five years;
- recognition of Québec's national capital status and Montréal's metropolis status.

**Related link:**

March 2017 Québec Economic Plan:

[http://www.budget.finances.gouv.qc.ca/budget/2017-2018/en/documents/EconomicPlan\\_March2017.pdf](http://www.budget.finances.gouv.qc.ca/budget/2017-2018/en/documents/EconomicPlan_March2017.pdf)

– 30 –

**Source:**

Audrey Cloutier  
Press Relations Officer  
Office of the Minister of Finance  
Phone: 418 643-5270

