



Budget 2019-2020

Increasing Québec's Economic Potential and Giving New Impetus to Wealth Creation

Québec, March 21, 2019. – Today, Québec is headed by an economic Premier who wants to give new impetus to wealth creation by acting on several fronts to increase the potential of Québec's economy and thereby narrow the wealth gap with our neighbours. To that end, Budget 2019-2020 provides investments totalling \$3.7 billion within five years to, among other things, increase the labour pool, raise investment and exports by Québec businesses and spur innovation and entrepreneurship.

\$1.7 billion to increase labour market participation

Québec is currently experiencing a shortage of workers due to, among other reasons, its aging population and beneficial economic situation. In this context, the government is taking action to bolster labour market participation by experienced workers and immigrants.

To leverage the experience of our workers, the age of eligibility for the tax credit for career extension is being lowered to 60. In addition, businesses will be entitled to a reduction in payroll taxes for workers aged 60 and over in order to foster the retention of experienced workers.

A total of \$730 million will be invested over the next five years to foster better labour market integration of immigrants throughout Québec.

In addition, the Minister of Labour, Employment and Social Solidarity launched a “kick-start” initiative to determine businesses' exact needs and help them recruit employees.

Acting now for business investment and growth

The government is also taking action to spur business investment and growth. In the wake of the review of Investissement Québec's role, the details of which will be released by the Minister of Economy and Innovation in the coming months, the government corporation's capitalization is being raised to \$5 billion to enable it to use its own equity to increase its transactions with businesses, particularly loans and equity participation.

In addition, the government is making \$1 billion in funding available to support the development of strategic Québec businesses and safeguard the presence of head offices in Québec.

Efforts will also be made to reduce the time it takes to obtain environmental authorization for investment projects. Additional resources have been allocated to the Ministère de l'Environnement et de la Lutte contre les changements climatiques and the Ministère des Forêts, de la Faune et des Parcs for that purpose.

These actions are in addition to the accelerated depreciation measures announced in the fall update to encourage investment, which will benefit 90 000 businesses.

Furthermore, a number of municipalities in Québec contain sites with strong economic development potential that are underdeveloped because of the significant work required to upgrade them. To spur innovation and create the jobs of tomorrow, the budget provides \$320 million in funding over five years to decontaminate strategically located sites. Of this amount, \$100 million will be earmarked for site decontamination in Montréal East and \$50 million, for site decontamination in the city of Québec.

In addition, considering that Québec has positioned itself as a world leader in artificial intelligence, Budget 2019-2020 provides \$329 million in funding to speed up the adoption of cutting-edge artificial intelligence technologies by Québec businesses.

Quotation:

“We intend to prove the economic growth forecasts wrong, as we are firmly convinced that Québec can do more and can do better to close the wealth gap with our neighbours. It is an ambitious goal and we will achieve it by stimulating private investment, increasing workforce availability and bolstering productivity. Increasing wealth and reducing our debt will allow us to provide better services to Quebecers, continue easing their tax burden and improve the business environment in Québec. This will in turn give us greater financial autonomy within Canada.”

Eric Girard, Québec Minister of Finance

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Full details of Budget 2019-2020:

http://www.budget.finances.gouv.qc.ca/budget/2019-2020/index_en.asp

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