

Budget 2021-2022

Measures totalling \$4 billion to accelerate economic growth and the transition to the new Québec economy

Québec, March 25, 2021. – The government is maintaining its objectives of creating wealth and increasing Québec's economic potential. In addition to planning for major investments in education and higher education, Budget 2021-2022 proposes initiatives totalling \$4.0 billion over the next five years to spur business investment and boost productivity in all of Québec's regions, with the goal of accelerating growth and the transition to the new Québec economy.

Continuing to support businesses affected by the pandemic

Although the Québec economy kick-started faster than expected, some sectors, such as accommodation and food services, information, culture and recreation have not recovered. The government will continue to support these sectors as long as required by the public health situation. In this regard, additional investments of \$193 million over two years will make it possible to extend the Concerted Temporary Action Program for Businesses (PACTE), the Emergency Assistance Program for Small and Medium-Sized Businesses (PAUPME) and the tax credit in respect of employer contributions to the Health Services Fund for employees on paid leave, and to provide a new easing of the way hours paid are calculated for the small business deduction.

Increasing productivity and spurring business investment

Investments of nearly \$2.2 billion over the next five years are also planned to boost productivity and spur business investment, including close to \$1.3 billion to connect all Quebecers to high-speed Internet. In addition, to encourage businesses to adopt new technologies and raise their productivity, the government is temporarily increasing the investment and innovation tax credit (C3i) and bringing the income tax rate for Québec SMBs down to the same level as Ontario.

Creating wealth through innovation

The government will create an environment conducive to creating wealth and developing new technologies. To that end, investments of \$218 million are planned to support innovative projects, invest in infrastructure and research centres and support innovation in strategic spheres such as the battery sector and cybersecurity.

Supporting the requalification of workers and getting them back into the labour market

The pandemic had a major impact on the labour market. Some sectors are facing a major shortage of workers, while others have too many. In this context, major efforts are needed to support the requalification of workers and get them back into the labour market. Additional investments of \$404 million over the next five years will make it possible, in particular, to meet the needs for workers in information technology, increase the labour market participation rate by boosting the graduation rate and promoting the integration of immigrants into the labour market.

Promoting economic development in all regions of Québec

In order to promote the economic development of Québec's regions, the government is providing more than \$523 million over six years in Budget 2021-2022, to support and revive the tourism sector, modernize regional infrastructure and implement an action plan for local and regional development. The government also plans to support airports and regional air carriers and increase the assistance to intercity bus carriers.

Building our economy in a sustainable way

In the wake of the 2030 Plan for a Green Economy launched in November 2020, with an envelope of \$6.7 billion, the government is continuing its efforts to meet sustainable development objectives aimed at maintaining the integrity of the environment, ensuring social equity and creating an innovative and prosperous economy. Also, investments of nearly \$137 million are planned over the next five years to improve water management, implement support measures for a sustainable recovery, introduce innovative solutions to meet the challenges of sustainable growth and promote economic development through responsible use of natural resources.

Promoting culture, heritage and the French language

The cultural sector has been hard hit by the pandemic. To support and contribute to its recovery, Budget 2021-2022 is providing investments of \$392 million over the next five years to promote culture, Québec heritage and the French language. An amount of \$147 million will be used to enhance and extend the Cultural Sector Economic Recovery Plan while investments of nearly \$104 million are planned to support the defence and promotion of French, Québec's official and common language.

Quotations:

"The post-pandemic recovery brings many possibilities that Québec must seize to increase its long-term economic potential. In Budget 2021-2022, the government is acting on several fronts to promote the transition to the new economy by helping companies adapt their business model and innovate and by helping workers requalify and enter the labour market.

Eric Girard, Québec's Minister of Finance

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All the details on Budget 2021-2022: http://www.budget.finances.gouv.qc.ca/budget/2021-2022/index_en.asp.

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