

**WE'RE ALL
INVESTED**

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2020

UPDATE IN BRIEF





\$1.8B in new initiatives



\$287M
to support
Quebecers and
our economy



\$1.5B
to restart the
economy

An additional \$287M to support
Quebecers and our economy



\$100M
more to address
psychological distress

- Improved access to specialized mental health services
- Enhanced community support
- Faster responses to requests for assistance

\$50M

to ensure safe subsidized
childcare services

\$57M

to adapt educational settings and
foster distance learning

\$10M

to support vulnerable population groups



An additional
\$1.5B

**Concrete actions
to restart the economy**



\$459M

to help get Quebecers back
into the labour market



\$477M

to drive economic growth



\$547M

to ensure a greener recovery and
promote Québec production and buying locally

**\$459M over two years to help get
Quebecers back into the labour market**

Support workforce training and requalification in strategic sectors:

- Health
- Construction
- Information technology and film

Support vocational and college training



\$477M
to drive economic growth

- Encourage investment
- Support research and innovation
- Support economic development in the regions

**\$547M to ensure a greener recovery and
promote Québec production and buying locally**



\$300M
to enhance the Plan for a Green Economy



Increase food self-sufficiency

- Implement a buy-local strategy
- Promote food grown and processed in Québec
- Support the growth of the greenhouse industry

Develop local supply chains

SINCE MARCH, THE GOVERNMENT HAS INVESTED OVER \$12.7B TO TACKLE THE PUBLIC HEALTH CRISIS AND SUPPORT THE ECONOMY

\$5.0B

to strengthen
our health care
system

\$5.9B

to support
Quebecers and
our economy

\$1.8B

to restart the
economy



Over
\$5.0B
since March

**To strengthen
our health care system**



**\$1.9B to acknowledge the extra efforts
of health care workers**



**\$2.2B to provide the necessary supplies and
protective equipment**



**\$1.0B to increase screening and
test processing capacity, among other things**



\$5.9B
since March

**Support Quebecers and
our economy**

\$1.9B to support Quebecers



\$81M
to help childcare services and
vulnerable population groups



\$752M
to support students and
school staff

- Enhanced student financial assistance
- Increased direct support for college and university students
- Schools that are better adapted to the current circumstances and to distance learning

Accelerate infrastructure investments



**Nearly \$3B more
this year**

A bill to accelerate
promising infrastructure
projects

\$3.9B to mitigate the economic impact of the pandemic



\$125M
this year to provide additional support to hard-hit businesses

 **\$65M**
for the tourism sector

 **\$50M**
for the cultural sector

Extension of the tax credit in respect of employer contributions to the Health Services Fund for employees on paid leave

\$2.3B

to support municipal services

- Specific assistance for public transit bodies
- Direct financial assistance for municipalities



AN UNPRECEDENTED RECESSION



For 2020 as a whole, global real GDP is projected to shrink by 4.6%.

- In comparison, it fell by 0.1% during the 2008 financial crisis.
- Québec has not been spared: a 6.0% decline in real GDP is forecast for 2020.

Most monthly economic indicators have experienced a significant rebound since May, confirming that the recovery of economic activities is already underway in Québec.

ECONOMIC GROWTH IN QUÉBEC

(real GDP, annual percentage change)

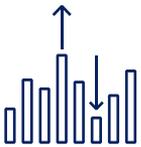
■ June 2020 snapshot ■ November 2020 update



IMPACT ON PUBLIC FINANCES



Québec was in a strong position when the crisis started and was able to act quickly. However, the consequences of the pandemic on the economy and public finances are significant.



A structural deficit of \$5.5 billion to \$7 billion must be offset in order to balance the budget

Reducing the debt burden remains a priority

The path back to a balanced budget will be mapped out in accordance with certain principles, namely:

- a commitment by the government not to increase the tax burden;
- respecting Quebecers' ability to pay;
- increasing Québec's economic potential;
- continuing the debt reduction efforts;
- increasing federal health transfers.

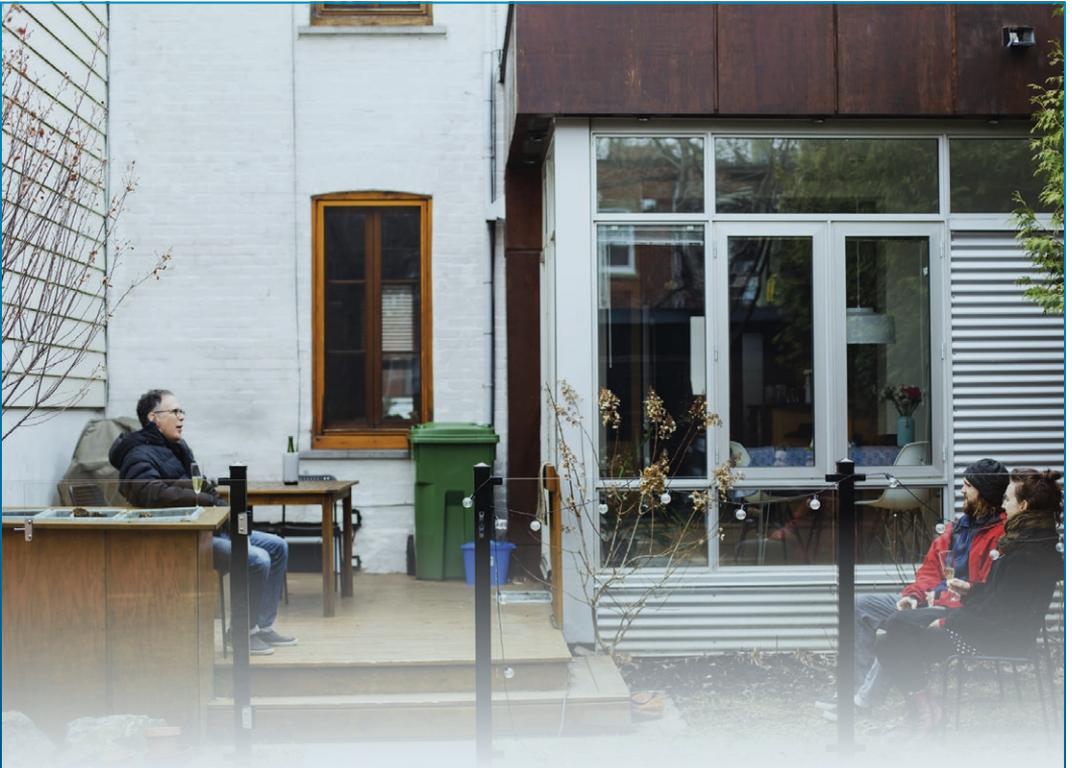
THE BUDGETARY OUTLOOK WILL GRADUALLY IMPROVE

SUMMARY FINANCIAL FRAMEWORK – NOVEMBER 2020

(millions of dollars)

	2019-2020	2020-2021	2021-2022	2022-2023
Revenue				
Own-source revenue	91 744	88 437	94 477	98 709
Federal transfers	25 228	30 296	26 639	25 772
Total revenues	116 972	118 733	121 116	124 481
Expenditure				
Portfolio expenditure	-105 621	-119 507	-114 576	-117 959
Debt service	-7 676	-7 573	-8 806	-9 303
Total expenditure	-113 297	-127 080	-123 382	-127 262
Estimated losses on the CSeries investment	-1 037	–	–	–
Provision for economic risks and other support and recovery measures	–	-4 000	-3 000	-1 000
SURPLUS (DEFICIT)	2 638	-12 347	-5 266	-3 781
BALANCED BUDGET ACT				
Deposits of dedicated revenues in the Generations Fund	-2 606	-2 653	-2 984	-3 219
BUDGETARY BALANCE BEFORE USE OF THE STABILIZATION RESERVE	32	-15 000	-8 250	-7 000
Use of the stabilization reserve	–	12 009	–	–
BUDGETARY BALANCE⁽¹⁾	32	-2 991	-8 250	-7 000

(1) Budgetary balance within the meaning of the Balanced Budget Act, after use of the stabilization reserve.



**A strong and
swift response
to a historic crisis**

We're all invested



www.finances.gouv.qc.ca/update

