

# Update

on Québec's Economic and  
Financial Situation

**IN BRIEF**

Fall 2018

# Putting money back in the pockets of families and seniors:

**\$1.7 billion over five years**



## A more generous family allowance



**423 000 families**  
will benefit from  
the measure

Increase of \$500 in the maximum amount granted for the second and third children as of January 2019

A gain of up to \$1 000 for families with three or more children

**\$500  
more for**  
a family with  
two children



**\$1 000  
more for**  
a family with  
three or more children



# Towards elimination of the additional contribution



As of 2019, freeze on the additional contribution for subsidized childcare at the same amount as in 2018

**Over 140 000 families with young children will benefit**

# Introduction of the senior assistance amount for low-income seniors aged 70 or over

As of 2018, the assistance will be up to \$200 per senior or \$400 for a senior couple.

Over **570 000 seniors** will benefit from this new measure



# Ensuring an environment conducive to business investment:

## \$1.6-billion reduction in investment costs over five years

Following the initiatives announced by the federal government, measures are being introduced to encourage businesses to invest more.

- Increase to 100% in the depreciation rate\*
- Introduction of enhanced capital cost allowance to foster development of all businesses
- Introduction of a permanent additional capital cost allowance of 30% for investments\*

\* In respect of computer hardware, manufacturing and processing equipment, clean energy generation equipment and intellectual property



### Extension and broadening of electricity discount programs

- Extension of the deadline for applying for the programs to December 31, 2019
- Establishment of a new program for large businesses served by off-grid systems

**90 000 businesses**  
will benefit annually  
from these tax  
measures to spur  
investment



# Continuing efforts to fight climate change



The funding will foster the acquisition of over **3 350 more electric vehicles**

## Additional funding of nearly **\$21 million in 2018-2019** to encourage the acquisition of new or used electric vehicles

The funding will cover applications for rebates on the acquisition of electric vehicles up until March 31, 2019.



The funding will also foster the acquisition of **1 200 more home charging stations**

# Accelerating debt repayment: \$10 billion by spring 2019



Use of \$8 billion from the Generations Fund by spring 2019 to repay borrowings on financial markets

Taking into account the \$2-billion repayment that was already made, \$10 billion will have been used to pay down the debt.

This acceleration in debt repayment will generate additional interest savings of \$332 million over five years.

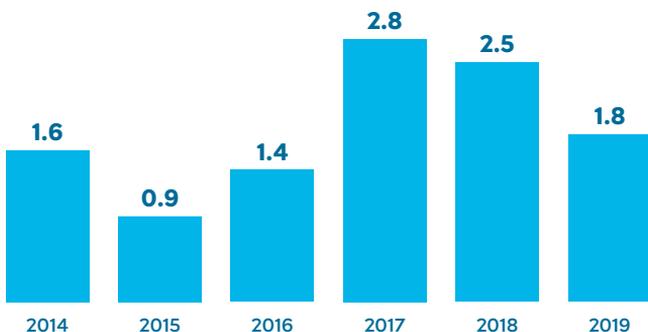
Over five years, it will be possible to devote a total of \$1.4 billion to public services due to the savings resulting from debt repayment.



## Favourable economic conditions in Québec

### ECONOMIC GROWTH IN QUÉBEC

(real GDP, percentage change)



Over the coming years, household consumption and business investment will continue to drive economic growth.

Sources: Institut de la statistique du Québec, Statistics Canada and ministère des Finances du Québec, December 2018.

# Maintenance of a balanced budget

- A balanced budget is forecast for 2018-2019 and subsequent years.
- The objective of reducing the gross debt to 45% of GDP will be achieved in 2020-2021, five years earlier than planned.

## CONSOLIDATED FINANCIAL FRAMEWORK, 2017-2018 to 2022-2023

(millions of dollars)

|  | 2017-2018       | 2018-2019       | 2019-2020       | 2020-2021       | 2021-2022       | 2022-2023       |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Own-source revenue                                     | 85 919          | 88 471          | 89 748          | 92 707          | 95 850          | 99 182          |
| Federal transfers                                      | 22 485          | 23 999          | 25 215          | 25 514          | 25 562          | 26 212          |
| <b>Consolidated revenue</b>                            | <b>108 404</b>  | <b>112 470</b>  | <b>114 963</b>  | <b>118 221</b>  | <b>121 412</b>  | <b>125 394</b>  |
| Mission expenditures                                   | -94 249         | -98 837         | -103 143        | -105 789        | -108 286        | -111 418        |
| Debt service   | -9 240          | -9 132          | -9 221          | -9 495          | -9 673          | -9 981          |
| <b>Consolidated expenditure</b>                        | <b>-103 489</b> | <b>-107 969</b> | <b>-112 364</b> | <b>-115 284</b> | <b>-117 959</b> | <b>-121 399</b> |
| Contingency reserve                                    | —               | —               | -100            | -100            | -100            | -100            |
| <b>SURPLUS</b>   | <b>4 915</b>    | <b>4 501</b>    | <b>2 499</b>    | <b>2 837</b>    | <b>3 353</b>    | <b>3 895</b>    |
| <b>BALANCED BUDGET ACT</b>                             |                 |                 |                 |                 |                 |                 |
| Deposits of dedicated revenues in the Generations Fund | -2 293          | -2 851          | -2 499          | -2 687          | -2 953          | -3 245          |
| <b>BUDGETARY BALANCE (1)</b>                           | <b>2 622</b>    | <b>1 650</b>    | <b>—</b>        | <b>150</b>      | <b>400</b>      | <b>650</b>      |

(1) Budgetary balance within the meaning of the *Balanced Budget Act*.

Taking action now  
to give all Quebecers  
more means

[www.finances.gouv.qc.ca/update](http://www.finances.gouv.qc.ca/update)