

FOR IMMEDIATE RELEASE

Update on Québec's Economic and Financial Situation

The Québec government announces that it will give an additional \$3.3 billion back to Quebecers within five years

Québec, November 7, 2019 – Québec's strong economic and financial situation, as confirmed today by the Minister of Finance Eric Girard, allows the government to take a major step for the benefit of Quebecers by accelerating its actions to give them money back more quickly.

An additional \$857 million will be invested starting this year to accelerate the implementation of key commitments made to Quebecers. As part of the *Update on Québec's Economic and Financial Situation*, the government is announcing:

- the full enhancement of the family allowance as of next January, two years earlier than expected;
 - Nearly 679 000 families will receive on average an additional \$779 per year.
- the elimination of the additional contribution for childcare and the return to a single reduced rate for subsidized childcare services starting this year, three years earlier than expected;
 - This means that 140 000 families will no longer have to pay \$1 100 on average.
- a significant reduction, starting next spring, in Québec's healthcare institution parking fees.
 - The first two hours will be free of charge and the maximum rate will be set at an amount varying between \$7 to \$10 per day depending on the region.

In addition, the government is acting on a request from the Québec Ombudsperson by granting social assistance recipients who have not filed an income tax return the basic amount under the QST component of the solidarity tax credit by June 2020.

In the economic and financial update, the government highlighted the fact that it introduced, last June, a second level for the supplement for handicapped children requiring exceptional care, which will allow 3 000 families to receive an additional \$652 per month.

Initiatives to meet specific needs

Initiatives totalling more than \$1.4 billion over five years are also planned to meet specific needs, including:

- establishing Partnership 2020-2024: Towards stronger municipalities and regions;
- implementing the support plan for print media companies announced on last October 2;
- modernizing the taxi industry;
- extending the electricity discount programs.

Québec's economy is performing remarkably well

Québec's economy is performing remarkably well. In 2019, GDP growth will reach 2.4%, up 0.6 percentage point compared to the forecasts in the budget of last March, and will outstrip that of Canada for the second year in a row.

This strong economic performance, combined with responsible management of public finances and the initiatives announced today, points to a surplus of \$1.4 billion for fiscal 2019-2020.

The government intends to use this surplus to fight climate change, deal with a potential economic slowdown and reduce the debt.

The objective of reducing the debt burden will be achieved this year

The objective of reducing the debt burden to 45% of GDP will be achieved in the current fiscal year, six years ahead of schedule. In concrete terms, reducing the debt burden contributes to maintaining a climate of trust that is conducive to investment and economic growth.

Quotation:

"The Update on Québec's Economic and Financial Situation shows that Québec is doing very well. The robust economic growth in Québec allows us to reduce the debt burden and to step up the implementation of the government's commitments. Today, we are completing the implementation of several measures that will benefit Quebecers. We are giving money back to Quebecers more quickly."

Eric Girard, Minister of Finance

Highlights:

- Over the next five years, the Québec government will give back an additional \$3.3 billion to Quebecers.
- On the whole, considering all the actions implemented by the government during its first year, more than \$8 billion will be given back to Quebecers by 2023-2024.
- In concrete terms, for a couple with two children attending a subsidized childcare service and a family income of \$100 000, the measures announced since the election will generate a gain of nearly \$2 800 per year starting in 2020.
- The enhancement of the family allowance ensures that, from now on, Québec families will receive the same amount for each child, regardless of that child's rank in the family.
- The elimination of the additional contribution for subsidized childcare services will allow thousands of Québec families to keep the significant amounts of money they had set aside to pay a substantial bill when filing their next income tax return.
- A calculator has been posted on the Ministère des Finances du Québec website to allow parents to calculate the amounts they will save as a result of the measures announced in this economic update.

Related links:

Update on Québec's Economic and Financial Situation:

<http://www.finances.gouv.qc.ca/update>

Calculate your gains resulting from the measures announced in the economic update: <http://www.budget.finances.gouv.qc.ca/Budget/outils/familles-en.asp>

– 30 –

Source: Fanny Beaudry-Campeau
Press Relations Officer
Office of the Minister of Finance
Phone: 418 576-2786