

FOR IMMEDIATE RELEASE

## **The Minister of Finance publishes the *Pre-Election Report on the State of Québec's Public Finances***

**Québec City, August 15, 2022** – As stipulated in the *Act respecting the Ministère des Finances*, the Minister of Finance today published the *Pre-Election Report on the State of Québec's Public Finances – August 2022*. Rigour and caution underpin the report, which the Auditor General of Québec has analyzed. It presents an overall picture of Québec's economic and financial situation to enlighten Quebecers in the run-up to the October 3, 2022 election.

The *Pre-Election Report on the State of Québec's Public Finances – August 2022* contains four key observations.

- The Québec economy revived remarkably in 2021 and growth in economic activity will continue despite the risks, which include Russia's invasion of Ukraine, the ongoing pandemic, and high inflation.
- The additional own-source revenue resulting from the favourable revision of economic indicators will make it possible to finance the entire cost of renewing existing programs.
- The financial framework includes rising payments to the Generations Fund over the forecasting horizon, stable, predictable funding for the government's missions, and government decisions adopted since Budget 2022-2023.
- Although the government is not shielded from the uncertainties that could affect its financial framework, it does not foresee economic slowdowns of the magnitude of those resulting from a recession in the short term. However, should economic slowdowns occur, the provisions in the financial framework will be adequate to deal with them.

### **The Auditor General of Québec confirms the plausibility of the forecasts**

Having examined the pre-electoral report, the Auditor General of Québec has concluded that the economic and budgetary assumptions and forecasts pertaining to the financial framework and the debt presented in the pre-electoral report for the next three years (2022-2023, 2023-2024 and 2024-2025) are plausible.

### **A prudent financial framework**

The financial framework is based on economic forecasts that adequately account for economic risk. It anticipates average annual improvements totalling \$2.3 billion over the next five years. Moreover, it includes a forecast of government expenditure that considers the cost of the public services announced, which is established according to growth in the cost of renewing existing programs.

Given current uncertainty, the financial framework includes a provision for economic risks and other support and recovery measures of \$10 billion. Excluding this provision, the budgetary balance after deposits of dedicated revenues in the Generations Fund is achieved over the entire horizon of the financial framework.

**Debt reduction targets are being met**

The *Act to reduce the debt and establish the Generations Fund* stipulates that, for fiscal 2025-2026, the gross debt must not exceed 45% of GDP while the debt representing accumulated deficits must not exceed 17% of GDP. The two objectives are currently expected to be met. As of March 31, 2026, the gross-debt-to-GDP ratio is expected to stand at 37.7% and the debt representing accumulated deficits-to-GDP ratio is expected to stand at 15.4%.

**Quotation:**

“Today we are presenting an accurate, prudent, responsible overview of Québec’s economic and financial situation that reflects the latest information available and the context of uncertainty that is affecting the global economy. We have used a balanced approach that combines sound management of public finances and stable, predictable funding for the government’s chief missions. The financial framework presented in this report provides a transparent, verified foundation on which all the parties can elaborate their electoral platforms.”

*Eric Girard, Minister of Finance*

**Related link:**

To obtain additional information on the *Pre-Election Report on the State of Québec’s Public Finances – August 2022* please visit [www.finances.gouv.qc.ca](http://www.finances.gouv.qc.ca)

– 30 –

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