

BUDGET 2025-2026

FOR A STRONG QUÉBEC

BUDGET IN BRIEF

March 2025



For a strong Québec

Budget 2025-2026 is presented in a period of turbulence that casts a shadow over our economy and public finances.

We are preparing Québec to face the challenges posed by changes in its trade and diplomatic relations with the U.S. administration.

Québec has many assets on which we build a strong economy that will deliver quality public services while maintaining sound public finances.

We are taking action to help our businesses by focusing on their capacity to innovate and on the contribution of our regions. We are also continuing our efforts to improve our health care and education systems, to support Quebecers and to promote Québec culture.

Lastly, we are presenting the plan that will enable Québec to achieve a balanced budget in 2029-2030, after payments to the Generations Fund.

With this budget, we are choosing a modern Québec, open to the world and focused on the future. We are choosing a strong Québec!

Eric Girard

Minister of Finance and Minister Responsible for
Relations with English-Speaking Quebecers

Nearly \$12.3B over five years for:



**Stimulating
wealth creation**

\$5.4B



Supporting Quebecers

\$6.8B

**Efforts to improve the tax
system representing nearly \$3B
over five years**



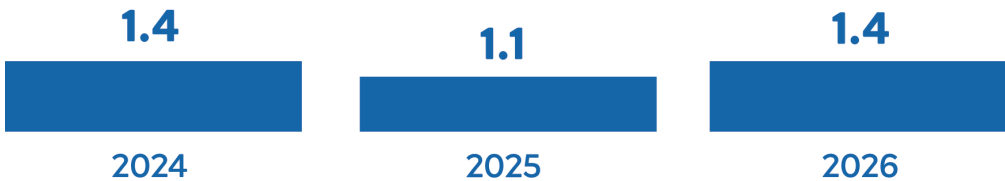
**The 2025-2035 Québec
Infrastructure Plan (QIP) has
been increased to \$164B, an
increase of \$11B**

Québec's economic situation

Real GDP growth in Québec will stand at 1.1% in 2025 and 1.4% in 2026

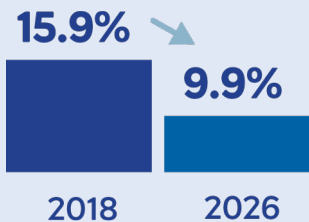
Economic growth will be held back by the uncertainty surrounding tariffs

Economic growth in Québec
(real GDP, percentage change)



Sources: Institut de la statistique du Québec, Statistics Canada and Ministère des Finances du Québec.

Québec is well positioned to weather these turbulent times



The wealth gap with Ontario has narrowed significantly in recent years

Québec's household purchasing power per capita has improved faster than in Canada since 2018

Purchasing power growth from 2018 to 2023



Note: Measured by household disposable income in real terms, per capita.

\$5.4B for stimulating wealth creation

\$4.1B for supporting and revitalizing Québec's economy

- **Providing transitional assistance to businesses affected by U.S. tariffs**
 - Providing financial assistance in the form of loans representing liquidity of \$1.6B
- **Supporting the completion of investment projects**
 - Extending accelerated depreciation measures
 - Promoting the completion of business projects
 - Continuing the Offensive formation en construction
- **Fostering market diversification**
 - Helping to realize export projects
 - Defending Québec's interests and creating wealth by supporting our network of offices abroad



**Making it easier
for consumers to find
Québec products**

Continuing funding of the
organization Les Produits du Québec



\$604M for increasing our capacity for innovation

- **Stimulating innovation through an updated tax assistance system**
 - Simplifying tax assistance for innovation to maximize its impact on businesses

Introducing the tax credit for research, innovation and commercialization (CRIC), which replaces eight tax measures

- **Boosting innovation in strategic sectors**
 - Renewing the Québec Life Sciences Strategy
 - Supporting corporate research and innovation in priority sectors



Supporting the development of the
Technum Québec innovation zone, in
Bromont

- **Modernizing public services for greater efficiency**
- **Helping SMBs with strong potential**



Propelling innovative young
businesses with strong growth
potential

\$759M for encouraging regional contributions to wealth creation

- **Revitalizing regional economies**
 - Continuing with initiatives for better connectivity
- **Leveraging our critical and strategic minerals**
 - Adopting a new Québec Plan for the Development of Critical and Strategic Minerals for the 2025-2030 period
- **Supporting the forestry sector**
 - Diversifying the forest products industry and fostering innovation
- **Continuing to support the tourism industry**
 - Supporting festivals and tourist events



- **Fostering the development of the bio-food sector**
 - Continuing the 2020-2030 Sustainable Agriculture Plan
 - Implementing the 2025-2035 bio-food policy, with a budget of more than \$1B over five years



\$6.8B for supporting Quebecers

\$3.9B for improving the delivery of health care and social services

- Improving access to care and services
 - Funding the supply of pharmaceutical treatments in hospitals
 - Training more doctors



- Strengthening social services for vulnerable individuals



Meeting the growing needs in youth protection

- Ensuring quality living environments for seniors
 - Perpetuating funding to harmonize public and private CHSLDs
- Prioritizing health prevention
 - Extending vaccination to vulnerable clientele



\$1.1B for encouraging the education and development of young people

- Fostering educational success
- Consolidating support for young people and students
- Promoting participation in recreation and sports
 - Developing and maintaining recreational, sports and outdoor infrastructure
- Supporting accessible childcare services
 - Converting 1 000 non-subsidized childcare spaces



\$550M for promoting the well-being of vulnerable individuals

- Improving retirement pensions for workers who have suffered an employment injury
- Supporting access to housing
- Providing targeted assistance to people in need
 - Promoting employment integration



\$717M for showcasing Québec's culture and identity

- Promoting Québec's culture and heritage
 - Increasing funding for the Conseil des arts et des lettres du Québec
- Promoting Québec's identity



Continuing to support cultural businesses through SODEC

\$636M for supporting communities

- Ensuring a fair and safe society
 - Implementing the Québec strategy to combat crime
- Bolstering sustainable development and the vitality of the territory
- Strengthening efforts to adapt to climate change



Efforts to improve the tax system

Freeing up amounts of nearly \$3.0B over five years

Optimizing tax assistance for businesses

- Targeting higher value added activities in the IT sector
- Refocusing the tax credit relating to resources on critical and strategic minerals



Simplifying the tax system

- Harmonizing the tax rate on insurance premiums with that of the Québec sales tax (QST)
- Adjusting the flow-through share regime



Updating the tax system

- Adapting tax assistance to new economic and social realities
- Strengthening the fairness of the tax system
- Eliminating inefficient or little-used tax expenditures

Fostering the funding of public services

- Ending indexation of the eligibility threshold for reduced employer contributions to the Health Services Fund
- Ensuring the sustainability of funding for transportation infrastructure and services

Québec's financial situation

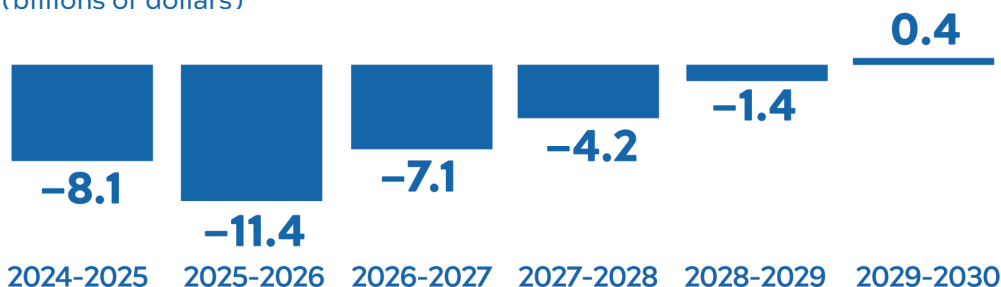
Despite the climate of uncertainty, the government is reiterating its commitment to sound financial management of public finances

- The government is presenting a plan to return to a balanced budget within five years, with concrete action to reduce the deficit
- The financial framework includes a contingency reserve of \$8.5B over five years

The accounting deficit, that is, before deposits of dedicated revenues in the Generations Fund, will stand at \$11.4B in 2025-2026, or 1.8% of GDP

Changes to the accounting balance

(billions of dollars)



Sources: Institut de la statistique du Québec, Statistics Canada and Ministère des Finances du Québec.

The deficit under the *Balanced Budget Act*, that is, after deposits of dedicated revenues in the Generations Fund, will stand at \$13.6B, or 2.2% of GDP, in 2025-2026

As at March 31, 2025, the net debt burden will stand at 38.7% of GDP

- Lower than it was before the pandemic
- Increase until 2027-2028 due to, in particular, the rise in public infrastructure investments, which will support economic growth in an uncertain context
- Gradual reduction as of 2028-2029 and new target to reduce the burden to 32.5% of GDP by 2037-2038

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