

THE ECONOMIC PLAN IN BRIEF

March 2017



AN UNPRECEDENTED \$3.4-BILLION PLAN FOR EDUCATIONAL SUCCESS



EDUCATION AND FAMILIES

It is essential to invest early in the educational success of our youth

An additional allocation of close to \$130 million to early childhood in order to:

- ▶ support educational intervention among young children
- ▶ facilitate children's transition to school
- ▶ support community organizations that offer activities to families
- ▶ develop services geared to the needs of children with disabilities

A plan for perseverance and educational success

Additional funding of over \$1.8 billion for schools in order to accompany young people and help them achieve success by:

- ▶ enabling them to get off to a good start in kindergarten and first grade
- ▶ giving a boost to elementary schools in order to better support the implementation of response plans for students experiencing difficulties
- ▶ supporting parents in order to prevent learning disabilities
- ▶ enhancing support for students in high school, vocational training and adult education programs
- ▶ supporting initiatives designed to boost literacy and francization

1 500 additional staff for student services starting in September 2017, 7 200 within the next five years

MEETING THE FUTURE NEEDS OF QUÉBEC



HIGHER EDUCATION

Quality advanced training to move Québec forward

Nearly \$1.5 billion to better prepare young people for the future in order to:

- ▶ improve the graduation rate and academic success through, among other things, the hiring of more professors in universities
- ▶ offer appropriate support to students with special needs
- ▶ promote attraction of international students
- ▶ encourage partnerships between institutions, consensus building and a regional presence



Investing in quality educational and
sports infrastructure



WORKFORCE TRAINING

Québec must develop a workforce that meets the needs of the market

Nearly \$290 million will be used to:

- ▶ promote trades that are in demand and encourage young people to train for those trades
- ▶ support labour market integration for immigrants
 - promote recognition of prior learning and skills
 - increase support for francization efforts in the workplace
 - support the hiring of immigrant workers
- ▶ support continuing education and skills development through better access to:
 - part-time vocational and technical training
 - continuing education and refresher training
- ▶ assist businesses with the management of their labour force
 - help businesses hire, integrate and retain workers
 - promote better labour market integration for women



Young people are the future of Québec

- ▶ To enable young people to develop their strengths, an additional investment of \$7.5 million is being allocated to the promotion of student engagement as part of Forces AVENIR



HEALTH

Access to quality health care is a priority

**Additional resources to meet
Quebecers' needs**

INCREASED AND STABLE FUNDING

- ▶ to reduce wait times in hospitals
- ▶ to facilitate access to surgery and diagnostic tests
- ▶ to train a larger number of specialized nurse practitioners
- ▶ to hire more health care practitioners in CHSLDs and for home care
- ▶ to support people with an autism spectrum disorder

**Close to \$3 billion more for health over
two years**

A FOCUS ON HEALTH PREVENTION

- ▶ Healthy lifestyles at school and at home
- ▶ A suicide prevention strategy

**Breakfasts will be served in CPEs and fruit
and vegetable snacks will be offered to young
people in schools in disadvantaged areas**

DEVELOPING SUSTAINABLE MOBILITY



Confirmed support for three major public transit projects

Réseau électrique métropolitain (REM)

- ▶ Improvement of commuting flow by
 - offering connections across the entire system
 - linking downtown Montréal, the South Shore, the West Island, the North Shore and Pierre-Elliott-Trudeau International Airport



Montréal métro blue line

- ▶ Improved access to the network in the northeastern sector of Montréal

Québec-Lévis bus rapid transit (BRT)

- ▶ A tool for densification and urban renewal
 - geared to the objectives of sustainable mobility
 - with structural impacts on the area served



Sustainable transportation: the way of the future

Increased funding for public transit throughout Québec:

- ▶ support for the creation of the Autorité régionale de transport métropolitain
- ▶ \$333 million to further support public transit bodies in their development projects in order to
 - increase support for regional public transit
 - enhance support for paratransit

Electricity for transportation of the future

Additional support for transportation electrification:

- ▶ \$70 million more over two years to offer rebates of up to \$8 000 for the purchase of an electric vehicle
- ▶ Acquisition of close to an additional 10 000 new electric vehicles by June 30, 2018
- ▶ Pilot project promoting the acquisition of fully electric used vehicles

The Écocamionnage program to improve energy efficiency and reduce greenhouse gas emissions in the freight transportation sector



BOLSTERING ECONOMIC DEVELOPMENT



A forward-looking economy

RESEARCH AND INNOVATION

Over \$830 million will be used to stimulate research and innovation, including:

- ▶ \$305 million to encourage innovation and the next generation of scientists
- ▶ \$180 million to encourage research and innovation in higher education institutions
- ▶ \$100 million to create an artificial intelligence super-cluster
- ▶ \$117.5 million to implement the life sciences strategy

ENCOURAGING BUSINESS INVESTMENT

- ▶ extension of the tax holiday for large investment projects
- ▶ introduction of an additional capital cost allowance of 35% to support the modernization of businesses and thus increase their productivity

The electricity rate reduction for fostering investment projects is a success: additional investments of \$800 million

ENTREPRENEURSHIP: POWERHOUSE OF THE FUTURE

More than \$440 million for entrepreneurship and financing for businesses in order to:

- ▶ support the new entrepreneurship action plan
- ▶ develop entrepreneurship among young people
- ▶ promote the start-up and growth of innovative businesses

ON BEHALF OF REGIONAL ECONOMIC DEVELOPMENT, OVER \$520 MILLION WILL BE INVESTED TO

- ▶ create the Fonds d'appui au rayonnement des régions
- ▶ recognize Québec's national capital status and Montréal's metropolis status

Every region of Québec must develop all of its talents and strengths

Making tourism a vector of economic development by:

- ▶ supporting major tourism projects
- ▶ increasing support for festivals and events
- ▶ injecting \$100 million in Sépaq parks
- ▶ fostering access to tourist attractions for persons with a mobility impairment

Nearly \$160 million for stimulating investment in the agri-food sector in order to:

- ▶ help agricultural producers update their buildings and equipment
- ▶ support innovative agriculture and the food processing industry
- ▶ promote reduced pesticide use
- ▶ expand the program for draining and liming farmland to other regions
- ▶ promote greenhouse construction

The forest sector will obtain \$46 million to:

- ▶ enhance the Programme Innovation Bois
- ▶ support bodies involved in innovation in the forest sector
- ▶ create a platform for developing composite panels and engineered wood products





The resources of today will serve the generations of tomorrow

To protect the environment and renewable resources, Québec is making investments in order to:

- ▶ prevent risks associated with coastal erosion
- ▶ promote the replacement of outdated residential septic tanks in the regions and the protection of lakes and rivers
- ▶ offer more support for the caribou management plan and reinvest in wildlife protection
- ▶ foster the renewal of piscicultural and forest resources

**Extension of the RénoVert tax credit to
March 31, 2018**

Recognizing the insular character of the Îles-de-la-Madeleine

- ▶ Greater tax assistance for inhabitants of the Îles-de-la-Madeleine
- ▶ Enhancement and extension of the additional deduction for the transportation costs of all manufacturing SMEs of the Îles-de-la-Madeleine

The Maritime Strategy: developing the St. Lawrence River

Funding is being provided in order to:

- ▶ create the Centre d'expertise en gestion des risques d'incidents maritimes in the Îles-de-la-Madeleine
- ▶ preserve Lac Saint-Pierre
- ▶ support the development of commercial fishing and aquaculture

The Plan Nord: capitalizing on our natural resources

New initiatives are making it possible to, in particular:

- ▶ build the Institut nordique du Québec
- ▶ improve the telecommunications network in the Basse-Côte-Nord region
- ▶ install greenhouses in the North for the benefit of local and Aboriginal communities

The visibility of Québec

\$113 million for cultural development in order to:

- ▶ support the print media so that it can provide diversified regional, local and community information
- ▶ enhance the tax credit for Québec film and television production
- ▶ provide additional support to museums
- ▶ increase support for Québec's music sector

Additional support of \$100 million to strengthen Québec's international action

QUEBECERS WILL BENEFIT FROM A PERMANENT TAX REDUCTION OF MORE THAN \$1 BILLION A YEAR



A reduction of more than \$500 in the tax burden on a couple with two equal work incomes of \$45 000, taking into account:



-  the elimination of the health contribution
-  the general tax reduction

Illustration of the reduction in the tax burden for a couple with two equal work incomes of \$45 000

	2016	2017	2018
Couple in which each person paid a health contribution of \$200			
Gradual elimination of the planned health contribution	50	400	400
Refund of the health contribution paid in 2016	350	–	–
General tax reduction	–	110	110
TOTAL	400	510	510

Helping those in need

To combat poverty and social exclusion, more than \$300 million will be allocated in order to, among other things:

- ▶ invest in the construction and renovation of 3 000 social housing units
- ▶ encourage the social involvement of vulnerable youth from 16 to 29 years of age
- ▶ combat homelessness

Aboriginal communities will receive \$195 million:

- ▶ \$135 million to support their economic, social and community development
- ▶ \$60 million for the government's Aboriginal Social Development Action Plan

Governmental action plan to counter elder abuse 2017-2022, aimed at:

- ▶ hiring and retaining community workers who support seniors in vulnerable situations
- ▶ enhancing the services offered by the Aide Abus Aînés helpline
- ▶ taking action to combat elder abuse and isolation by organizing friendship visits to elderly people



Additional investment of \$80 million over five years in the Support Program for Community Organizations to ensure the health and welfare of the most vulnerable people

An additional \$82 million for:

- ▶ taking action on gender equality
- ▶ fighting bullying
- ▶ ensuring better access to justice and compensation for crime victims (IVAC)

THE ECONOMY IS ACCELERATING AND CREATING JOBS

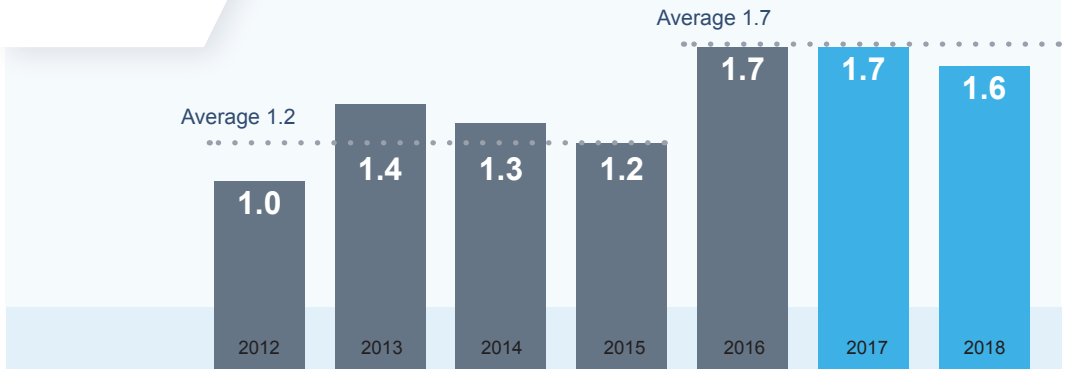


Sound management of public finances fosters economic growth and job creation

Economic growth

The economy is growing faster. In 2016, the economic growth rate stood at 1.7%, the highest rate since 2011.

(percentage change)

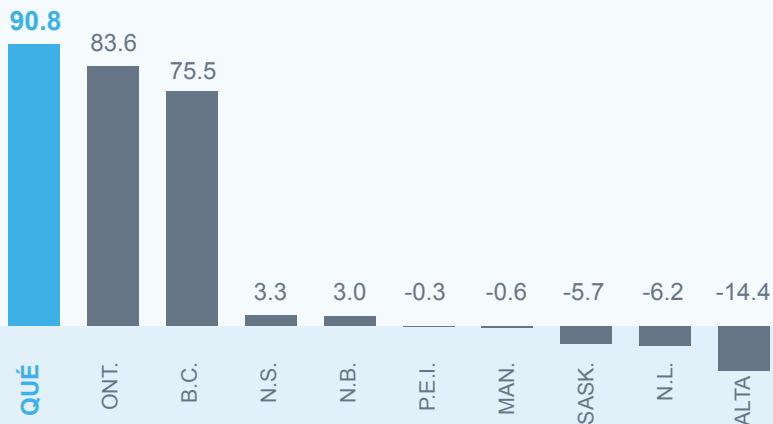


The disposable income of Québec households increased by 4.5% in 2016.

Job creation

The strongest job creation in Canada: from January to December 2016, 90 800 mostly full-time jobs were created in Québec

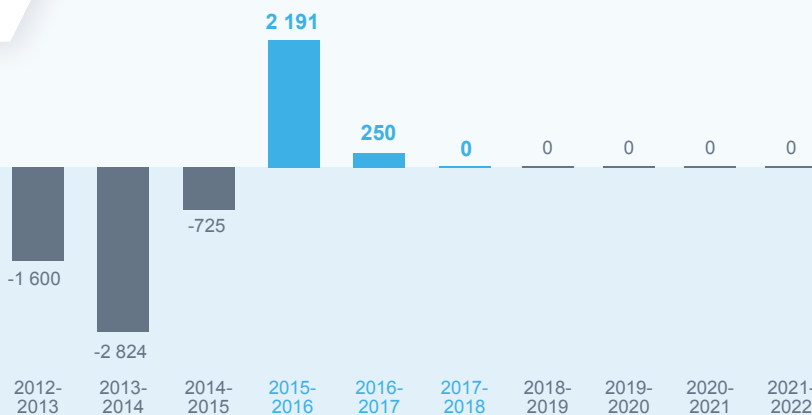
(thousands)



Balanced budget

2017-2018: a balanced budget for the third year in a row

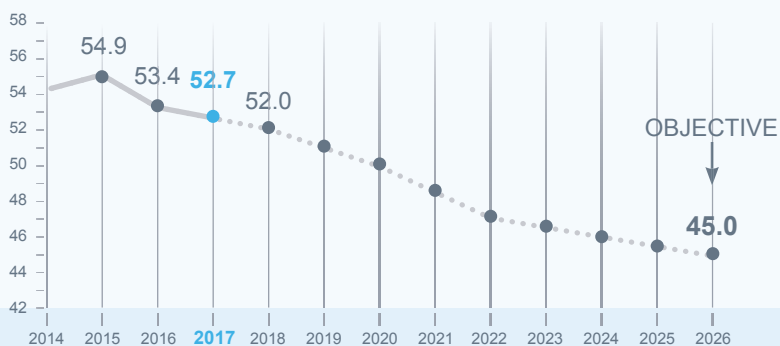
Budgetary balance (millions of dollars)



Debt reduction

The debt burden is declining

Gross debt as at March 31 (percentage of GDP)



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