QUEBEC BUDGET 2025-2026

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The 2025-2026 Quebec Budget, presented by Finance Minister Éric Girard, highlights a deficit increase from the previous year. Minister Girard acknowledged that the deficit is "obviously too high" but emphasized it reflects current economic uncertainties and the need to support Quebec's economy.

Budget Assumptions and Economic Context:

- The budget assumes U.S. tariffs will average 10% and remain in place for about two years.
- A $2.0 billion contingency reserve fund is allocated for 2025-2026 and 2026-2027 to address potential economic uncertainties.

Deficit and Economic Outlook:

- The 2025-2026 budget projects a record deficit of $13.6 billion, up from $10.4 billion in 2024-2025.
- The deficit represents 2.2% of Quebec's GDP.
- Real GDP growth is projected at 1.1% for 2025, down from the previous forecast of 1.5%.

Key Investments and Measures:

- $12.3 billion in new investments over five years to stimulate wealth creation and support Quebecers.
- $5.4 billion allocated over five years to stimulate wealth creation, including support for businesses affected by U.S. tariffs.
- $4.1 billion dedicated to supporting and revitalizing Quebec's economy, including transitional assistance for businesses affected by U.S. tariffs.
- The Quebec Infrastructure Plan (QIP) for 2025-2035 increased by 7% to $164 billion.

Fiscal Management:

- The government aims to return to a balanced budget by 2029-2030.
- A public expenditure review identified $3.0 billion in savings across various departments and bodies.

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