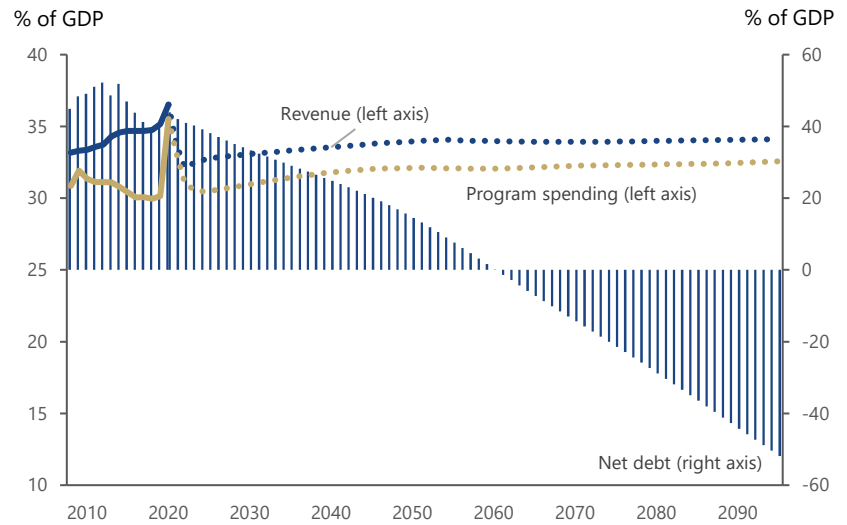


# Quebec

- Quebec’s population growth is projected to be somewhat slower than the national average, while the long-term effect of an ageing population occurs at a somewhat slower pace in Quebec than the national average.
- We project that Quebec will have slower-than-average real GDP growth mainly because of lower labour productivity growth compared to the national average. Our assumptions for provincial labour productivity growth are based on historical trends from 1982 to 2019.
- Quebec’s stable medium-term fiscal outlook contributes, in part, to ensuring fiscal sustainability. Provincial revenues exceed program spending throughout our projections.
- Health care costs are Quebec’s key long-term fiscal pressure. Quebec currently spends more on health care (as a share of the provincial economy) than the national average. Thus, despite relatively modest population ageing pressures, provincial health spending grows faster than the Canadian average in our long-term projection.



- Federal transfer revenues are projected to remain relatively stable in our projection (as a share of the provincial economy), with modest increases to Equalization entitlements relative to the current year.
- **Current fiscal policy is sustainable over the long term.** Permanent tax decreases or spending increases amounting to 1.1 per cent of GDP (\$5.1 billion in current dollars, growing in line with GDP thereafter) would be possible, while stabilizing government net debt (as a share of the economy) in the long term.

		Quebec			vs. national average		
	2025	2050	2075	2025	2050	2075	
<b>Demographics (%)</b>							
Population growth	0.5	0.4	0.6	-0.5	-0.2	-0.1	
Senior dependency ratio	36.1	43.1	43.5	4.5	3.7	-0.4	
<b>Economics (%)</b>							
Real GDP growth	0.6	1.2	1.4	-0.8	-0.4	-0.3	
Employment growth	0.2	0.3	0.5	-0.6	-0.2	-0.1	
Labour productivity growth	0.6	0.9	0.9	-0.2	-0.2	-0.2	
Nominal GDP growth	2.8	3.2	3.4	-0.8	-0.4	-0.4	
Effective interest rate	3.2	3.7	3.7	0.1	0.0	0.0	
<b>Fiscal (% of GDP)</b>							
Revenue	32.8	34.0	33.9	8.1	9.8	10.1	
Program spending	30.5	32.1	32.3	6.4	7.4	7.5	
Primary balance	2.3	1.8	1.6	1.7	2.4	2.6	
Debt interest charges	2.3	1.1	-0.5	0.7	-0.7	-2.9	
Net debt	38.1	14.5	-21.5	7.5	-28.8	-87.5	