

QUÉBEC: AN OUTSTANDING PLACE TO LIVE AND DO BUSINESS





TOPICS COVERED

- 5 Reasons to Choose Québec

- Overview of Québec

- Quality of Life

- Education and Health Systems

- Advantages of Investing in Québec



5 REASONS TO CHOOSE QUÉBEC...

1. A vast and welcoming territory;

2. An exceptional quality of life for you and your family;

3. One of the world's best education system for your children;

4. A free and democratic society;

5. An open, dynamic economy offering numerous business opportunities.



OVERVIEW OF QUÉBEC

GEOGRAPHIC LOCATION

- Québec is located in the north-eastern section of North America.
- Its largest city, Montréal, is located close to major urban centres such as New York, Boston, Philadelphia, Toronto, Detroit and Chicago.
- The St. Lawrence, one of the most important rivers in the world, links the Great Lakes with the Atlantic Ocean.

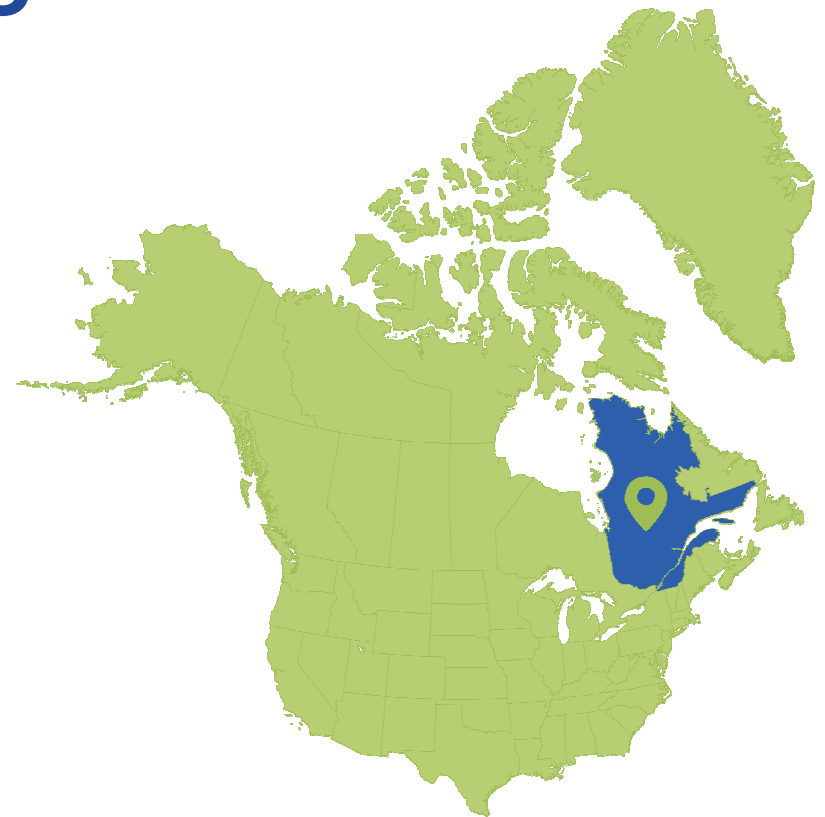




OVERVIEW OF QUÉBEC

QUÉBEC'S LAND MASS

- Québec is the largest of the 10 Canadian provinces (1.7 million km²).
- Its surface area is equal to that of Iran and is three times that of France.
- Abundance of natural resources.
- More than a million lakes and thousands of rivers.
- Half of its surface area is covered with forests.
- It has a wealth of underground mineral resources.





OVERVIEW OF QUÉBEC

CLIMATE

- The climate is moderate in the south where the majority of the population lives.

Four very different seasons

- **Spring:** the snow melts, the temperature starts to rise;
- **Summer:** a hot period, ideal for outdoor activities;
- **Autumn:** the temperature starts to fall, the leaves change colour, nature changes as winter approaches;
- **Winter:** the coldest period, conducive to winter sports.





OVERVIEW OF QUÉBEC

POPULATION AND ITS CHARACTERISTICS

- Québec has **8.5 million inhabitants** and is the second most populous province in Canada;
- Its population is comparable to that of Switzerland and Austria;
- The capital of Québec is Québec City;
- Close to **50%** of the population lives in the Montréal area;
- **13.7%** of Quebecers are natives of another country.





OVERVIEW OF QUÉBEC

FRENCH-SPEAKING SOCIETY

- French is the official language, the language of the State and the usual language of work, education, communications, business and commerce.
- **77.1%** of the population speaks French at home, **7.4%** English, 13.2% another language and **2.3%** two or more languages.





OVERVIEW OF QUÉBEC

COMMON VALUES

- Québec is a free and democratic society;

- The State is secular;

- It is a pluralistic society;

- A society based on the rule of law;

- A society in which men and women are equal.

QUALITY OF LIFE

QUÉBEC

A Location Known
for Its Quality of Life





MANY REASONS EXPLAIN WHY QUÉBEC IS A PLACE TO HAVE A GOOD LIFE

- Very advantageous cost of living

- A safe environment

- A rich and varied culture

- Many facilities for recreation and sports

- A unique culinary tradition in North America



INTER-CITY INDEXES OF CONSUMER PRICE LEVELS

Moyenne des villes combinées = 100

Octobre 2018

City	Index ¹	Price differential compared to Montréal (%)
Montréal	93	-
Calgary	101	8.6
Ottawa	102	9.7
Vancouver	104	11.8
Toronto	109	17.2

¹ This table shows consumer price differentials prevailing for a selection of commodities and services at the specified point in time. Prices include sales taxes.



AFFORDABLE HOUSING

Metropolitan area	Average Selling Price of Residential Transactions (\$) – 2019 ¹	Average Monthly Rent (\$) - 2019 ²
Gatineau	271,000	835
Québec City	280,000	855
Montréal	413,500	835
Calgary	438,800	1,300
Ottawa	442,000	1,370
Toronto	854,600	1,540
Vancouver	928,000	1,715

¹ Average selling price for existing housing sold through Multiple Listing Service (MLS) or Centris for Québec. Forecasts as of September 12th, 2019.

² Two bedroom apartment

Source: Canadian Mortgage and Housing Corporation (CMHC), Housing Market Outlook, October 24th 2019.



COMPARISON OF TWO-STOREY SINGLE FAMILY HOME PRICES

City	Median Selling Price (\$) – 2019
Québec	358,563
Montréal	742,200
Toronto	1,308,641
Vancouver	2,128,690



COMPARISON OF CONDOMINIUM APARTMENT PRICES

Ville	Prix de vente médian (\$) – 2019
Québec	240 448
Montréal	409 181
Toronto	618 391
Vancouver	739 057



QUÉBEC: A SAFE ENVIRONMENT

- The homicide rate in Québec is about 5 times lower than in the United States.
- Montréal and Québec City are among the safest urban centres in Canada.
- Homicides per 100,000 inhabitants by metropolitan area (2018):
 - **Québec City : 0.37**
 - **Montréal: 1.11**
 - Vancouver : 1.66
 - Toronto: 2.26
 - Edmonton: 2.60

Sources : Statistics Canada, table 35-10-0177-01 and United Nations Office on Drugs and Crime (UNODC)

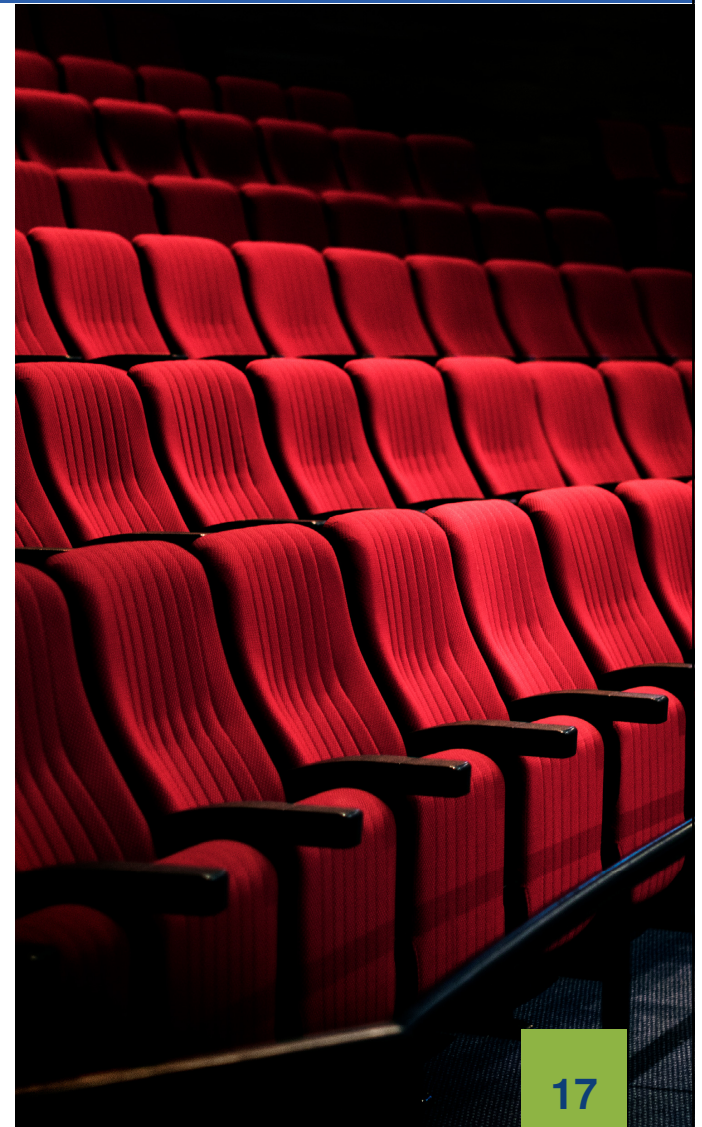




A RICH AND VARIED CULTURE

Internationally acclaimed artists:

- Céline Dion
- Cirque du Soleil
- Orchestre symphonique de Montréal (OSM)
- Denis Villeneuve, Philippe Falardeau, Jean-Marc Vallée and Xavier Dolan are filmmakers who work with the greatest international stars.





A RICH AND DIVERSIFIED CULTURE

Festivals make public places come alive year-round:

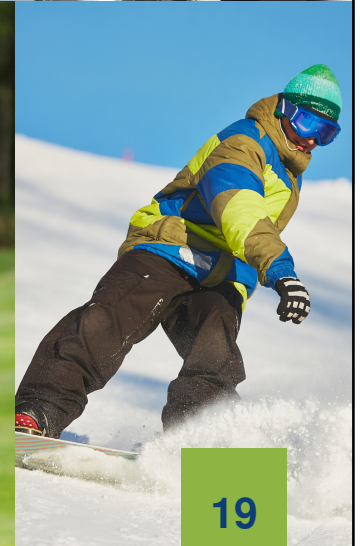
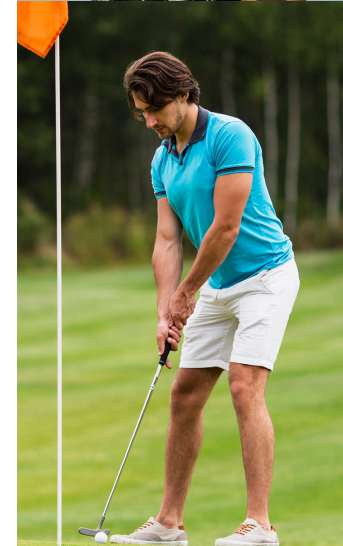
- Montréal International Jazz Festival
- Québec City Summer Festival
- FrancoFolies de Montréal
- Just for Laughs Festival
- Nuits d'Afrique
- Mondial des Cultures de Drummondville
- Montréal en lumière
- Québec Winter Carnival





RECREATION AND SPORTS FOR EVERYONE

- 300 golf courses, including many located near large cities;
- 12,000 km of bicycle paths in the cities and countryside;
- 70 ski resorts;
- 4 world-class casinos;
- More than 33,000 km of marked snowmobile trails;
- 27 national parks;
- Discover Québec's attractions with QuébecOriginal (www.quebecoriginal.com).

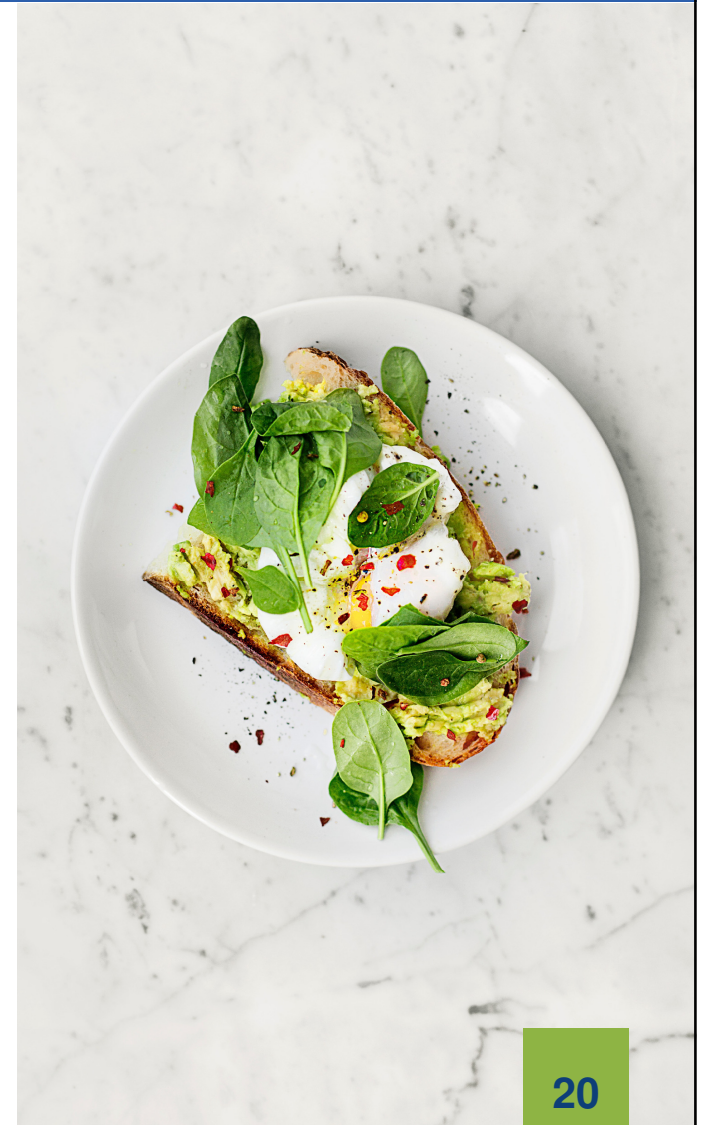




CUISINE BASED ON A WAY OF LIFE!

- Whether you're interested in gourmet food, world cuisine or simply eating well on the run, the culinary arts are particularly important in Québec.
- "Toqué! is a gem that single-handedly raised the gastronomic expectations of the entire city. A meal here is obligatory for anyone who admires superb food, dazzlingly presented."

(The New York Times review of one of the best restaurants in Montréal.)



EDUCATION





EDUCATION: A MAJOR PRIORITY

- Quebec devotes **6.3%** of its GDP on education;
- That rate is higher than the average for OECD countries (**5.1%**);
- The unemployment rate of university graduates is low, i.e., **3.8%** (in 2018).





EDUCATION IN QUÉBEC

Network of institutions that are

- Public and private
- French-language and English-language

Four levels of education

- Elementary (including preschool)
- Secondary
- College
- University

School attendance is compulsory from age 6

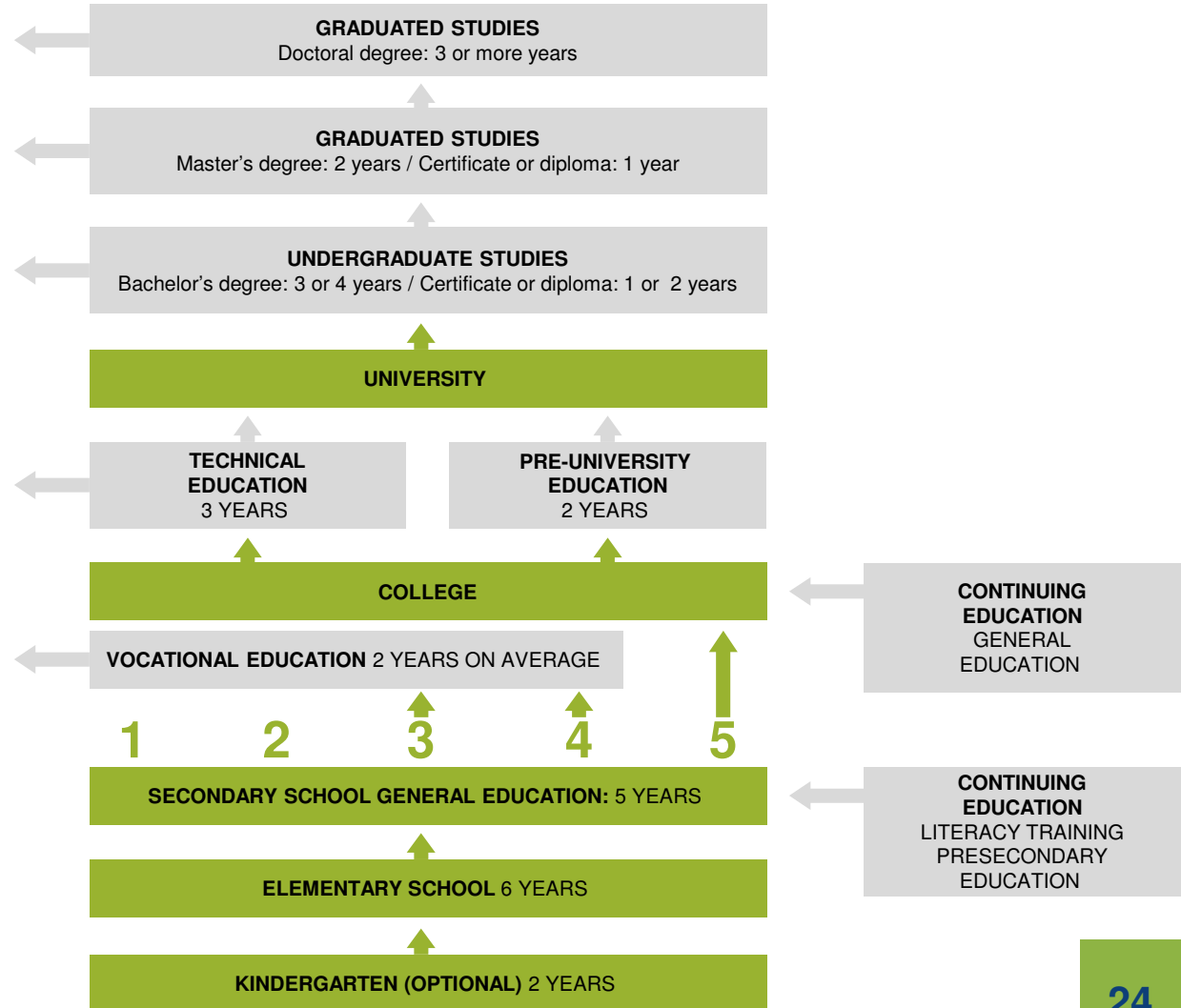
The public system is free at the elementary, secondary and college levels



EDUCATION SYSTEM



LABOUR MARKET



Source: Ministère de l'Éducation, du Loisir et du Sport and Ministère de l'Immigration et des Communautés culturelles, *Studying in Québec*, 2008.



LANGUAGE OF EDUCATION

- The children of immigrants who choose public school, must attend a French-language school until the end of their secondary studies.
- At the college and university levels, students may attend a French-language or English-language institution.





WELL-ESTABLISHED NETWORK OF UNIVERSITIES

List of university establishments in Québec

French-language	Université de Montréal
	Université Laval
	Université de Sherbrooke
	Université du Québec and its 10 establishments
	HEC Montréal
	École Polytechnique de Montréal
English-language	McGill University
	Concordia University
	Bishop's University



WORLD-RENOWNED UNIVERSITIES

- **McGill:** 35th best university in the world (QS World University Rankings 2020)
- **HEC Montréal:** 11th best EMBA in the world. (CEO Magazine, 2017)
- **Université de Montréal:** 34th best university worldwide in computer science (Times Higher Education World University Rankings 2019)
- **Montréal, the best university city in the Americas and sixth in the world** (*QS Best Student Cities in the World 2019 Ranking*)





COST OF TUITION IN QUÉBEC –AMONG THE LOWEST IN CANADA

Tuition Fees for Undergraduate Students¹

Comparison of Tuition Fees in Québec and elsewhere in Canada

Business Administration Program (2019-2020)

University	Residents (\$/year)	Foreign Students (\$/year)
HEC Montréal (Québec)	3,972	28,065
McGill University (Québec)	4,650	51,820
University of British Columbia	9,214	51,851
University of Toronto	15,245	61,181

¹ Tuition and other required fees
Sources : Universities web sites

HEALTH SYSTEM





HEALTH

- The life expectancy rate of Quebecers ranks among **THE HIGHEST IN THE WORLD** (Institut de la statistique du Québec);
- **NEW HOSPITAL CENTRES**, such as the CHUM (Centre hospitalier de l'Université de Montréal) and the MUHC (the McGill University Health Centre), with advanced technologies and highly qualified medical personnel.





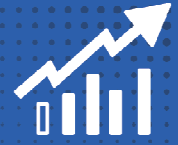
A UNIVERSAL SYSTEM ADMINISTERED BY THE STATE

- Free medical and hospital services
- Newcomers are generally entitled to health insurance after a three-month waiting period;
- Drug insurance for all residents (public or private plan);
- Public insurance plan for workers in the event of an occupational accident or industrial disease;
- Public automobile insurance plan that protects all Québec residents : in the event of injuries sustained in an automobile accident anywhere in the world, regardless of who is at fault.

ADVANTAGES OF INVESTING IN QUÉBEC

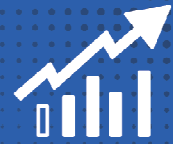
A Modern, Innovative
and Diversified
Economy...





A WORLD-CLASS ECONOMY

- Gross domestic product (GDP) of **\$439 billion (2018)**, representing **20%** of the Canadian economy;
- Good standard of living with a GDP per capita of **\$52,384 in 2018**;
- Focused on the services sector, which accounts for **72%** of GDP;
- Manufacturing accounting for **90%** of exports of goods and **58%** of R & D spending;
- Hydroelectric grid among the most reliable in the world;
- Qualified, well-educated and multilingual workforce.



KEY SECTORS OF QUÉBEC'S ECONOMY

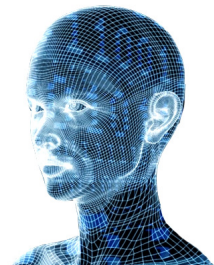
Aerospace

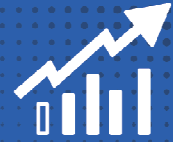
- Montréal is considered one of the major world centres for aeronautics, on the same level as Seattle and Toulouse.
- The city is home to large prime contractors such as Bombardier Aerospace, Bell Helicopter Textron, CAE, Pratt & Whitney Canada.



Information Technologies and Multimedia

- CGI Group, Dassault Systèmes, IBM and Fujitsu chose to locate operations in Québec as well as Ubisoft, one of the world's leading designers and publishers of video games.
- Montréal is a major global hub for artificial intelligence research (Google, Microsoft, Facebook...)





KEY SECTORS OF QUÉBEC'S ECONOMY (cont' d)

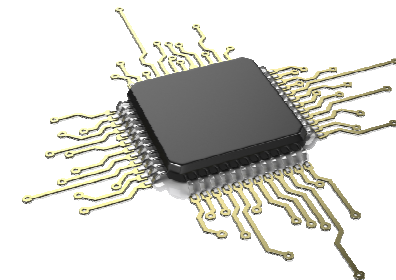
Telecommunications

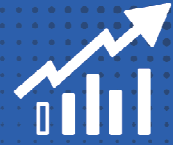
- Dynamic industry based on innovation.
- Québec boasts a number of large corporations, including:
Bell Enterprises, Rogers, Cogeco, Telus, Vidéotron, Ericsson (research centre in Montréal).



Microelectronics

- Growing industry with approximately one hundred companies active in a variety of fields: semiconductors, designing circuits, manufacturing and assembling electronic components.
- Industry-leading companies including:
IBM (assembling and testing chips), Matrox (imaging solutions), Teledyne Dalsa (semiconductors manufacturing).



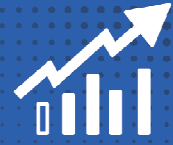


KEY SECTORS OF QUÉBEC'S ECONOMY (cont' d)

Life Sciences

- Québec is a major North American centre for pharmaceutical products manufacturing, medical technologies, biotechnologies and research.
- Major international discoveries such as 3TC/Epivir, the first effective treatment for HIV and SINGULAIR, used for the treatment of chronic asthma.
- Many world leaders have operations in Québec, including Merck, GlaxoSmithKline, Galderma, Pfizer, etc.





KEY SECTORS OF QUÉBEC'S ECONOMY (cont' d)

Ground Transportation Equipment

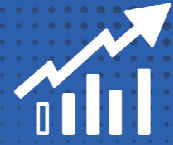
- This sector includes **620 businesses** that employ more than **32,000 people**.
- Presence of world leaders, such as Bombardier Transportation, Bombardier Recreational Products, Nova Bus, Paccar, Prévost Car.
- Several research centres in transportation electrification.



Agri-food

- High-quality raw materials and exports of products all over the world (**\$8.6 billion** in 2018).
- Presence of multinationals like Barry Callebaut, Danone, Frito Lay, Kraft, Parmalat and Saputo.

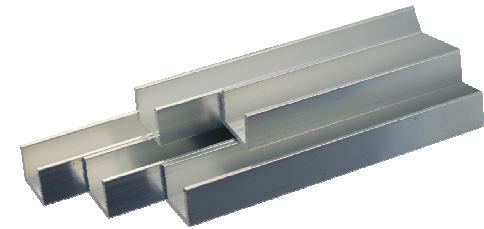




KEY SECTORS OF QUÉBEC'S ECONOMY (cont' d)

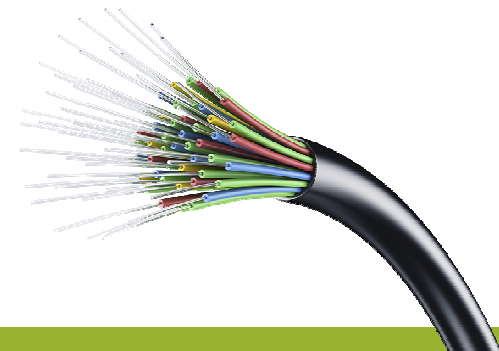
Metallurgy

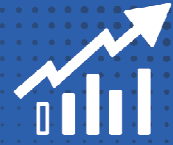
- Aluminum, steel and cast iron, copper, zinc and ferroalloys are the main metals processed in Quebec.
- Québec is the world's fourth-largest producer of primary aluminum.
- Presence of multinational companies : Alcoa, Aluminerie Alouette, ArcelorMittal, GlencoreXstrata, Rio Tinto Aluminium.



Optics-Photonics

- Many centres of expertise like the National Optics Institute (INO).
- World leaders such as EXFO, ABB, TeraXion and MPB Communications chose to locate operations in Québec.

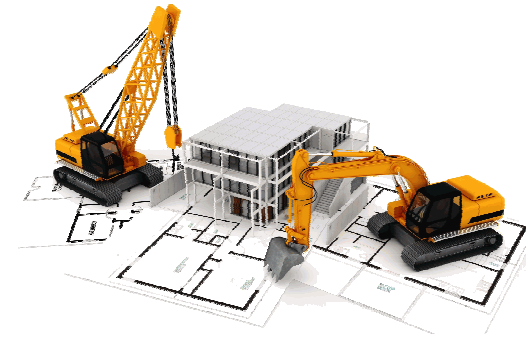




KEY SECTORS OF QUÉBEC'S ECONOMY (cont' d)

Construction

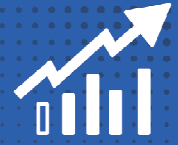
- **\$48 billion** in capital investments in 2018.
- Internationally renowned engineering consulting firms, several research centres and recognized expertise in the construction of hydroelectric dams.



Tourism

- In 2018, **35 million** tourists visited Québec, of which **4 million** came from foreign countries.
- Spending of **\$10.4 billion**, of which **\$3.8 billion** by international tourists.
- Quebec is the second most visited province in Canada.



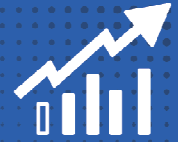


KEY SECTORS OF QUÉBEC'S ECONOMY (cont' d)

Environment

- Québec has very high standards of environmental protection and has made sustainable development a model for its industries.
- Vast expertise in the processing of pollutant releases, and the production of renewable energies such as hydroelectricity and wind energy.
- A leader in the field of new clean technologies.





ABUNDANCE OF NATURAL RESOURCES

Mining Resources

- Québec is an important producer of iron, zinc, nickel, silver, gold and copper.
- International companies: Goldcorp (gold), Tata Steel (iron), Jilin Jien Nickel Industry (nickel).

Forest Resources

- Québec : 20% of Canada's forests and 2% of the world's forests.
- Québec accounts for more than half of Canadian newsprint production and Canada is the world's largest producer.

Water Resources

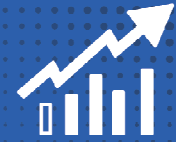
- One of the largest reserves of fresh water on earth.
- Production of electricity sold at rates among the lowest in North America.



AN ECONOMY OPEN TO FOREIGN MARKETS

Destination of international
exports of goods in 2018

Country	Value (\$ millions)	Share of total exports (%)
United States	64,264	69.7
China	3,609	3.9
Mexico	2,090	2.3
France	1,640	1.8
Germany	1,590	1.7
Japan	1,587	1.7
Netherlands	1,464	1.6
United Kingdom	1,215	1.3
South Korea	1,173	1.3
Switzerland	1,127	1.2
Other countries	12,452	13.5
Total	92,210	100.0



AN ECONOMY OPEN TO FOREIGN MARKETS

Main products exported from
Québec in 2018

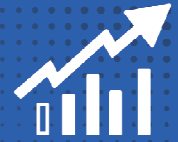
Products	Value (\$ millions)	Share of total exports (%)
Airplanes and other aircraft	7,678.9	8.3
Raw aluminum	6,633.4	7.2
Turbojets and turbopropellers	5,132.3	5.6
Iron ore and concentrates	2,983.3	3.2
Refined petroleum oil	2,562.6	2.8
Trucks for the transport of goods	1,785.8	1.9
Lumber	1,662.1	1.8
Newsprint	1,504.5	1.6
Copper wires	1,430.3	1.5
Refined copper and copper alloys	1,424.1	1.5
Other products	59,413.0	64.4
Total	92,210.3	100.0



AN ECONOMY OPEN TO FOREIGN MARKETS

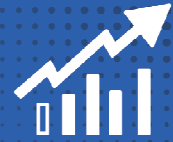
Origin of international imports
of goods in 2018

Country	Value (\$ millions)	Share of total imports (%)
United States	38,110	37.0
China	12,570	12.2
Mexico	4,974	4.8
Germany	4,692	4.6
United Kingdom	3,441	3.3
Brazil	3,245	3.2
France	3,165	3.1
Italy	2,833	2.8
Japan	2,539	2.5
Netherlands	2,385	2.3
Other countries	24,945	24.2
Total	102,899	100.0



A LEADING-EDGE TRANSPORTATION NETWORK

- Québec has three international airports (Montréal-Trudeau, Montréal-Mirabel and Québec City) and 82 regional airports.
- Landing charges at Montréal-Mirabel airport for all-cargo flights are, on average, **75% to 85%** lower than in New York, Boston or Toronto.
- The Montréal port is the largest container port in all of eastern Canada and operates non-stop all year long.
- Competitive trucking rates and efficient cross-border traffic.
- A rail system linking all regions of Canada and the United States.

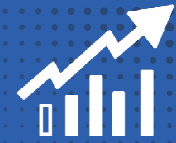


FOR COMPANIES: OPERATING COSTS¹ AMONG THE MOST ADVANTAGEOUS

- Affordable labor costs
- Electricity rates among the world's lowest
- Reasonably priced rents
- Competitive tax rates
- Montréal takes top spot as most cost-competitive city among North American metropolises
- Québec City region ranks 1st worldwide among metropolitan areas of comparable size in mature markets

¹ Annual operating costs include labor, facility leasing, transportation, utilities, cost of capital as well as taxes and income taxes

Source: KPMG's Guide to International Business Location Costs, 2016 Edition



SPACE LEASING IS CHEAPER

Space Rental Cost
(\$ per square metre/year) – 2019

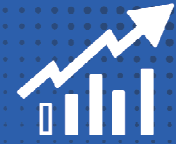
Metropolitan area	Industrial Building ¹	Office ²
Montréal	66.84	258.23
Toronto	92.25	374.26
Vancouver	139.28	478.89

¹ Average net rental cost, excluding property taxes and operation costs.

² Average net rental cost of a class A building in downtown.

Source : CBRE, *Quarterly Statistics*, Q3 2019





TAX RATES AMONG THE LOWEST IN CANADA

Comparison of Corporate Tax Rates – 2019

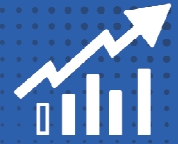
Effective Tax Rate¹ (%)

Ontario	26.5
Québec	26.6
Alberta	27.0
British Columbia	27.0
New Brunswick	29.0
Nova Scotia	31.0

¹ Combined tax rate of the federal government (15%) and that of the province.

Source: Investissement Québec and Raymond Chabot Grant Thornton, 2019



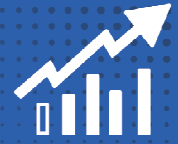


BUSINESS OPPORTUNITIES FOR IMMIGRANTS

Taking Over a Québec Business

- New entrepreneurs are not enough to replace business owners who are retiring;
- There are businesses to take over in various sectors of the economy;
- A good opportunity for business immigrants to seize an interesting challenge without having to start from scratch.





FOR YOUR BUSINESS PROJECTS, INVESTISSEMENT QUÉBEC CAN HELP YOU:

- With financing programs;
- Benefit from competitive fiscal incentives;
- Acquire sound industry intelligence;
- Forge productive strategic alliances with local and international partners;
- Find the ideal site that suits your exact needs.





WHAT QUÉBEC OFFERS YOU—FOR YOUR FAMILY AND YOUR BUSINESS PROJECTS:

- An exceptional quality of life that combines North American efficiency with European charm
- A safe place to raise a family
- Affordable housing, an education system with high standards and free universal health care
- Prime access to a vast North American free trade zone
- Low operating costs for businesses
- Educated and talented labour
- An innovative economy with a growing high-technology sector
- Government support for your business projects

**THANK YOU FOR
YOUR ATTENTION!**



JANUARY 2020
www.investquebec.com

