FOR FULL employment

PLQ

Principles of the Economic Plan
of the Québec Liberal Party

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Québec
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MESSAGE FROM THE PREMIER

During the 2008 election campaign, we pledged to sustain our economy in the midst of one of the biggest financial and economic crises in modern history. More specifically, we committed to:

- Support employment and the purchasing power of Québecers;
- Support our businesses during the credit crisis;
- Protect our public finances.

We presented a plan for weathering the crisis, Québecers trusted us and we delivered. We came through the financial and economic crisis in better shape than our principal partners.

- There have never been so many Québecers at work;
- Our companies are in a growth mode and investing.
- We will achieve a balanced budget next year.

Québec today is in a position of strength.

These results did not just happen. We responded immediately to the urgency of situation. But we also looked beyond the crisis to prepare for recovery and assure the economic future of Québec.

As a result we have:

- Relaunched the major hydroelectric projects;
- Invested heavily to upgrade our infrastructure;
- Conducted a major offensive in training with the Employment Pact;
- Stimulated investment, innovation, research and entrepreneurship;
- Launched the biggest project of our generation, the Plan Nord.

Our goal is ambitious. Our plan is for Québec to achieve nothing less than full employment.

Québec has regained its economic impetus. And today we are in an excellent position to secure our economic future.

To do so, the Québec Liberal Party puts forward the principle features of its Economic Plan. Our goal is ambitious. Our plan is for Québec to achieve nothing less than full employment.

We want all Québecers to participate in Québec's economic momentum and be able to achieve their own ambitions.

We have everything it takes to succeed. We have the talent. We have the knowledge. We have abundant natural resources.

Our Economic Plan will open new economic territory.

We will showcase the vast territory encompassed by the Plan Nord, one of the largest sustainable development projects in the world.

Our Economic Plan will also open new horizons.

We will strengthen our ties with our trading partners, especially with the Old World, thanks to the economic partnership agreement between Canada and the European Union. And we will develop our relations with emerging countries.

Our Economic Plan will involve all our major levers of economic development to accelerate job creation in all regions.

The choice before Québecers is clear.

Québec can assert itself on the economic front. We can be an example of sustainable development. We can extend our talents to all four corners of the world. We can secure our economic future by seizing the opportunities available to us. This is what we propose.

Québec can also take the path laid out by our opponents. This is a path leading to division and another referendum. It is the path to withdrawal and missed opportunities.

I ask you to renew your confidence in our team. Together we will build a modern economy that will create jobs, respect the environment, and be open to the world.



Jean Charest

THE OPPORTUNITIES FOR QUÉBEC

Québec is in a strong position to assert itself on the international economic scene.

We have all that is needed to seize the opportunities that lie ahead.

There is a new world taking shape before our eyes.

- The economic activity is shifting to emerging markets such as China, India, Brazil, and Russia. The demand from emerging markets for natural resources is creating new opportunities for Québec.
- A new environmental consciousness is accelerating our move towards a low-carbon economy. Québec is already a leader in clean energy and the fight against climate change.
- Technological innovations are multiplying at great speed and giving birth to new industries. Québec is poised to be a leader in environmental technology, electrical transportation, information technology, and life sciences.

The Economic Plan of the Québec Liberal Party will allow Québec to takes its place on this new world stage. This is a visionary plan that pools all our major levers of economic development to seize the opportunities facing us and embarks decisively on the road to full employment.

Our economic plan

1.

THE CREATION OF 250,000 JOBS

The creation of 250,000 jobs and reduction of unemployment to 6% between now and 2017. We will achieve full employment.

2.

THE OPENING OF NEW TERRITORIES

The opening of new territories with the deployment of the Plan Nord, one of the largest sustainable development projects in the world and one that will allow us to showcase the full potential of economic and social development relating to our natural resources.

3.

ECONOMIC DEVELOPMENT

The application of our major levers of economic development to create jobs in all our regions.

4.

NEW ECONOMIC OPPORTUNITIES

The creation of new economic opportunities by expanding alliances and cooperative agreements, especially with emerging countries and Europe.

5.

BALANCED BUDGETS

Further strengthening of our public finances by a return to balanced budgets and reduction of the debt burden.

This Economic Plan is building the foundations of a bigger Québec that is more aware of its strengths and the richness of its resources and more responsible for their preservation.

This is a major offensive that will boost Québec among the best performing economies and create benefits for present and future generations.

01

ACHIEVE FULL EMPLOYMENT

Québec has made remarkable progress in terms of employment.

- More than 400,000 jobs have been created since 2003. There has never been so many Québecers with jobs;
- The unemployment rate in Québec is now comparable to that of Ontario and Canada and is lower than in the U.S., a first in over 30 years.

We are setting an ambitious goal: within the next term in government, we want to see full employment in Québec. We aim to create 250,000 jobs and lower the unemployment rate to 6% between now and 2017. This corresponds to an average creation of 50,000 jobs annually.

To reach this target, we must encourage greater participation in the labour market representing all our talents. We must also ensure a better match-up between training and work skills and the needs of employers.

This is the only way to avoid a shortage of skilled labour which would slow down the economic momentum in Québec. This is a major challenge. According to a study by Emploi Québec[1], a third of jobs created between now and 2020 will require a vocational training (secondary) or technical training (college). And nearly 40% of the new jobs will require a university education.

Emploi Québec does not foresee a general shortage of labour by 2020. However, certain professions, sectors, and regions could suffer more than others from a lack of qualified workers. We must act now to avoid dealing with sectoral or regional shortages.

In particular, we must encourage greater participation in the labour market by experienced workers, youth, women and immigrants.

OUR ACTION PLAN

During this election campaign, we will propose measures to create full employment in Québec. These will focus on the following principles:

1. We will improve the linkage between training and the needs of the labour market;
2. We will encourage the growth of our knowledge economy and our universities by means of adequate funding;
3. We will encourage greater participation in the labour market for all, both men and women;
4. We will foster balance between work and family.

[1] Emploi Québec, Le marché du travail au Québec, Perspective à long terme 2011-2020, septembre 2011.

02

PROMOTE OUR NATURAL RESOURCES

Québec has abundant natural resources.

They represent one of our main drivers of job creation and economic development, especially for our regions.

Québec has the great advantage of developing its natural resources for the benefit of present and future generations.

This is why the Government launched the Plan Nord, one of the largest construction projects for sustainable development in the world. The Plan Nord promotes our natural resources for the benefit of all Québecers, while respecting the environment and ecosystems.

The Plan Nord will unfold over a period of 25 years. It will generate investments of over $80 billion and will create or maintain 20,000 jobs on average each year across Québec.

The Plan Nord allows us to respond to, and benefit from, the strong global demand for natural resources.

The development potential of our natural resources is enormous.

- Québec is the world's fourth largest producer of hydroelectricity. And our growth potential is significant.
- Only 20% of Québec's mining potential has been identified. Québec can become wealthy by developing its mining potential.

To increase the economic benefits of the Plan Nord, the Government has:

- increased the fees charged mining companies, which are now 28% above the Canadian average;
- allocated a budget of $1.2 billion to Investissement Québec to acquire positions in future projects;
- planed a financial contribution from the mining industry for development of northern infrastructure.

Government by the Québec Liberal Party will assure deployment of the Plan Nord.

OUR ACTION PLAN

In order to ensure that natural resources are more than ever a source of wealth and job creation for Québec, we will propose, during this election campaign, the following measures:

1. We will allow Québecers and Québec businesses to participate fully in the deployment of the Plan Nord;
2. We will enhance the potential of our forests.

03

PUT ALL LEVERS OF ECONOMIC DEVELOPMENT TO THE TASK

Québec will use all its levers of economic development in order to achieve full employment.

Particular attention will be paid to the manufacturing sector, which faces a high Canadian dollar and stiff competition from emerging countries.

Like other Western economies, the manufacturing sector in Québec is impacted by the rapid rise of the emerging countries, which have become formidable competitors.

These countries divert foreign investment as many manufacturers set up production facilities within their borders. Because of their low labour costs, emerging countries also gain share of the export markets.

This has led to a decline of manufacturing in major developed countries.

In Québec, the manufacturing sector has also had to contend with the strong Canadian dollar which has reached parity with the American dollar. It still fared better than elsewhere in Canada or the United States and represents slightly more than 15% of our GDP.

Since the economic recovery, moreover, Québec's manufacturing sector has shown encouraging signs. As a result, investments made by manufacturing firms in Québec were up 54.7% in 2011.

The presence of a strong manufacturing sector is critical to our economic prosperity. Jobs in the manufacturing sector on average are better paid than in other sectors of the economy.

OUR ACTION PLAN

A Liberal government will implement measures to accelerate the creation of more jobs and support our levers of economic development in all regions of Québec. Among other things, we will propose to Québecers the following:

1. We will provide support for an innovative manufacturing sector;
2. We will encourage Québec ownership of companies;
3. We will focus on the industries of the future related to environmental technologies and our niches of excellence;
4. We will make tourism a lever for economic development in all regions;
5. We will focus on innovation and the export of Québec-grown food products;
6. We will enhance the influence of our metropolis and our nation's capital;
7. We will ensure that our culture becomes more a tool for economic development, particularly in regions of Québec.

04

POSITION OURSELVES IN THE NEW WORLD ORDER

Québec's economy is open to the world and depends on foreign markets to ensure economic prosperity.

Exports represent 45% of our Gross Domestic Product. Québec's economic development depends on establishing a presence on the world stage.

Economic activity is shifting to emerging markets. Brazil, Russia, India, and China (BRIC) have become the main engine of the world's economy; 75% of global economic growth is coming from emerging countries. The heated economies of China and India alone account for 50% of global economic growth.

By 2020, China will become the world's largest economy, pushing the U.S. into second place. No fewer than one billion consumers in the BRIC countries will join the middle class during this period.

This new global context has many implications for Québec.

- Québec must diversify its exports geographically in order to reduce a trade dependence on the United States, which accounts for 68% of our international exports.
- Thanks to the leadership of Québec, Canada must now conclude negotiations for a major economic partnership with Europe to improve our access to a market of 500 million consumers.
- Québec has to develop its trade links with emerging countries in order to seize opportunities arising from their strong economic growth. Only 6.3% of our exports currently go to the BRIC countries.

The Economic Plan of the Québec Liberal Party will allow Québec to position itself on this new world economic stage and seize the business opportunities that lie ahead.

OUR ACTION PLAN

We propose a new initiative to increase our exports and, in doing so, create more jobs at home.

Opening up new economic horizons

The Liberal government has increased the number of agreements and alliances in recent years to open up new economic opportunities. Agreements put in place by the government include:

- A France-Québec agreement on worker mobility by recognizing professional qualifications.
- An agreement on worker mobility within the Canadian federation.
- A Québec-Ontario Trade and Cooperation agreement.
- Agreements with New Brunswick regarding procurement and worker mobility.
- A long-term agreement with the State of Vermont on the sale of Québec hydro-electricity.

Moreover, under the leadership of Prime Minister Jean Charest, the Québec government has been the key to opening negotiations leading to a new economic partnership between Canada and the European Union.

05

HEALTHY PUBLIC FINANCES GIVE US CONTROL OF OUR DESTINY

The financial and economic crisis of 2008, which spread across the world with lightning speed, clearly demonstrated the need for sound management of public finances if we are to reduce the impact of economic shocks and protect the jobs of Québecers.

That's what we provided – and what we will again provide in times of economic crisis.

By managing with foresight and tightly controlling budgetary expenditures, we protected our public finances during the global recession without compromising the fundamental tasks of the state, particularly in the fields of health and education.

We maintained payments to the Fonds des générations during the crisis to reduce the debt burden. We also dedicated new revenue sources, including additional hydro fees and a portion of mining, gas, and oil royalties.

Our budget deficit for fiscal year 2012-2013 represents 0.4% of GDP, compared to 8.5% for the U.S. and more than 7% for the G-7 countries. Our plan to restore fiscal balance includes the elimination of the deficit as of 2013-2014, three years before Ontario.

Responsible management of public finances, our plan to restore fiscal balance and our determination to reduce the debt burden have been recognized by the rating agencies which have reaffirmed Québec's credit rating.

Government by the Québec Liberal Party will stay the course on achieving a balanced budget and will continue its efforts to reduce the weight of Québec's public debt.

OUR ACTION PLAN

To ensure a legacy of healthy public finances for our children and grandchildren, we will undertake the following:

1. We will stay the course on the return to a balanced budget in 2013-2014 and will maintain this balanced state in subsequent years, while continuing to deliver the services of the state;
2. We will accelerate reduction of debt burden.

CONCLUSION

Throughout its history, the Québec Liberal Party has demonstrated its expertise and leadership in ensuring Québec's economic development and the creation of jobs. Our Economic Plan continues in this tradition by inviting Québecers to launch a major offensive to achieve full employment.

Our plan is ambitious, as it must be to meet the aspirations of present and future generations.

A government formed by the Québec Liberal Party will open up new economic territory with the Plan Nord. It will open new horizons by strengthening our economic ties with our key partners and by developing new alliances, including those with emerging countries where economic power continues to gather.

This plan is the absolute opposite of the isolationism advocated by our opponents. This plan opens us to the world. Québec has all the strengths and talents needed to assert itself in the new world order that is emerging.

The Québec that we want to build:

- is a just and equitable society that allows everyone to realize their ambitions;
- is a leader in sustainable development, renewable energy and the fight against climate change and is reducing its dependence on carbon;
- is an innovative society which will lead in the development of new niche industries related to environmental technologies;
- is a society which, through the Plan Nord, is ensuring the prosperity of present and future generations;
- and is a society which, through sound management of public finances, is giving present and future generations the freedom of choice.

Together we can achieve our ambitions. And we will.

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