

Québec (Canada)

December 2024

1. Introduction



Québec is a province in eastern Canada with an estimated population of 8,848,020 (2023). Its territory spans 1,667,441 km². Québec and the province of Ontario make up central Canada. Québec is the largest of Canada's 10 provinces in area, and the second largest in population size. The province is bordered by the Hudson Strait and Ungava Bay to the north; Newfoundland, Labrador, and New Brunswick to the east; Ontario, James Bay, and Hudson Bay to the west; and Maine, Hampshire, Vermont, and New York to the south. Like other Canadian provinces, Québec is a constitutional monarchy and parliamentary democracy, with Manon Jeannotte as the Lieutenant Governor (head of state) since January 2024 and François Legault as the Premier (head of government). Québec City, a UNESCO world heritage centre, is the provincial capital, while Montréal is the province's major metropolis. (Source: Government of Québec, 2024).

Table 1: General and economic information

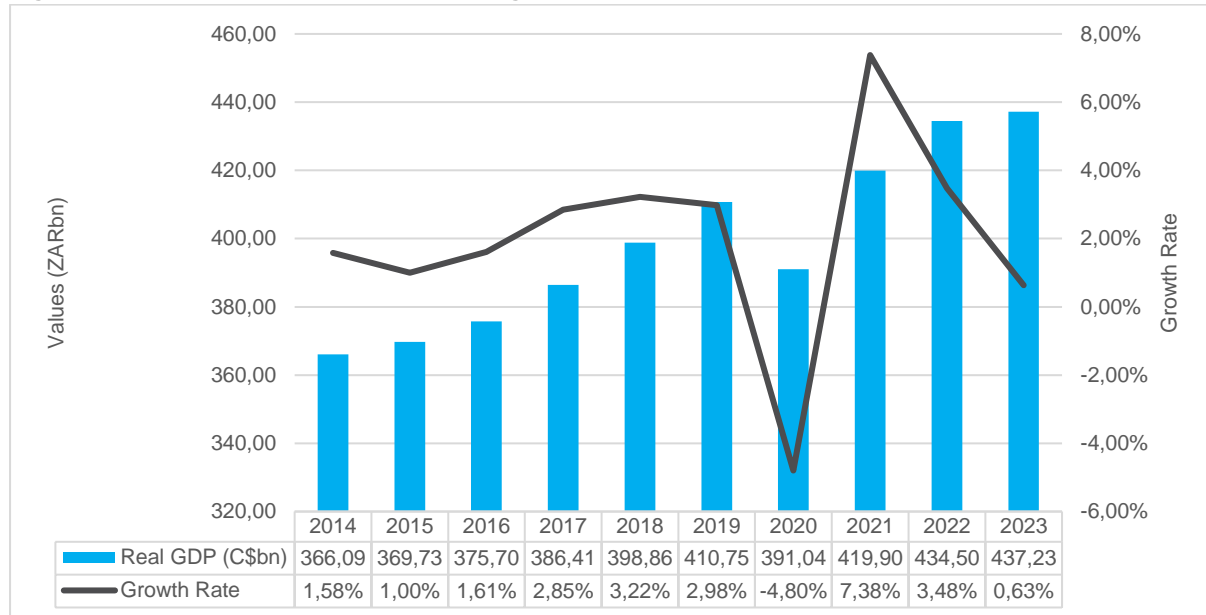
INDICATOR	
Lieutenant Governor	Manon Jeannotte
Premier	François Legault
Capital	Québec City
Population estimates (2023 provisional data)	8,848,020
Area	1,667,441 km ²
Real GDP (2023)	C\$437.27 billion
Real GDP growth rate (2023)	0.63%
GDP per capita (2023)	C\$49,415.68
Unemployment rate (Oct 2024)	5.7%
Total global exports (2023)	C\$116.01 billion
Total global imports (2023)	C\$104.18 billion

Source: Statistics Canada, 2024; Statistical Institute of Québec, 2024; Government of Québec, 2024. 12.02
Note: GDP per capita is per author calculations; with formula (Real GDP/Population) used.

2. Economic Overview

Figure 1 presents Québec's gross domestic product (GDP) in real terms between 2014 and 2023. In 2023, Québec's real GDP increased by 0.63% y-o-y, from C\$434.50bn in 2022 to C\$437.23bn in 2023. The province ranked second in Canada with regard to the size of GDP.

Figure 1: Québec's real GDP and economic growth, 2014–2023



Source: Statistics Canada. Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000)

Highlights of Québec's key industries are provided below (Investissement Québec, 2023):

Aerospace: Québec ranks among the world's best in the aerospace industry. It is home to major international companies such as Bell Helicopter Textron, Bombardier Aerospace, CAE, Pratt & Whitney Canada, including equipment manufacturers and network of suppliers and subcontractors. Some 50% of the Canadian aerospace production comes from Québec, which was responsible for sales of C\$15.3 billion in 2018. Most (80%) of what is produced in Québec is exported, with the aerospace industry ranking top among Québec's manufacturing exports.

Agri-food: The agri-food industry is a major contributor to Québec's economy. In 2017, Québec's agricultural sector exported goods valued at C\$8.8 billion from 2,400 businesses which employed 70,000 workers. The province's main agricultural products are dairy products and meats, which accounted for almost 42% of total shipments.

Aluminium: Québec's aluminium industry has existed for more than a century. With an annual production of 3.2 million metric tons, Canada is the fourth-largest producer of primary aluminium in the world. Nearly 90% of Canadian aluminium is produced in Québec. The sector is the second largest sector in Québec after aerospace. With an export value of C\$7.1 billion, the aluminium industry represents 10% of the province's export market and 5% of all manufacturing shipments. The aluminium produced in Québec is the greenest in the world as more than 97% of all the energy produced in Québec is renewable and almost entirely hydroelectric.

Mining: Québec is vast: its total area is 1.7 million km², of which only 1% is currently mined and 5% is covered by mining rights. Approximately one fifth of Canada's mining output comes from Québec. In addition, Québec is one of the few producers of niobium, titanium dioxide, cobalt, and platinum in the world. The province is also Canada's biggest producer of iron concentrate and zinc, and its second largest producer of gold. In addition, Its subsurface has immense potential for the extraction of materials like graphite, lithium, diamonds, rare earths, and tantalum.

Multimedia: Québec has spawned pioneers like Softimage and Autodesk, in addition to independents like Behaviour, Frima Studio and Sarbakan. Several industry leaders, including Ubisoft, Electronic Arts, Square Enix (Eidos), Activision (Beenox) and Warner, have propelled the industry's growth. Montréal is the world's fifth-largest video game centre, after Tokyo, London, San Francisco, and Austin.

Life sciences: Québec is a major North American centre for the life sciences industry with more than 450 companies engaged in basic research, manufacturing, biotechnology, contract research and medical technology.

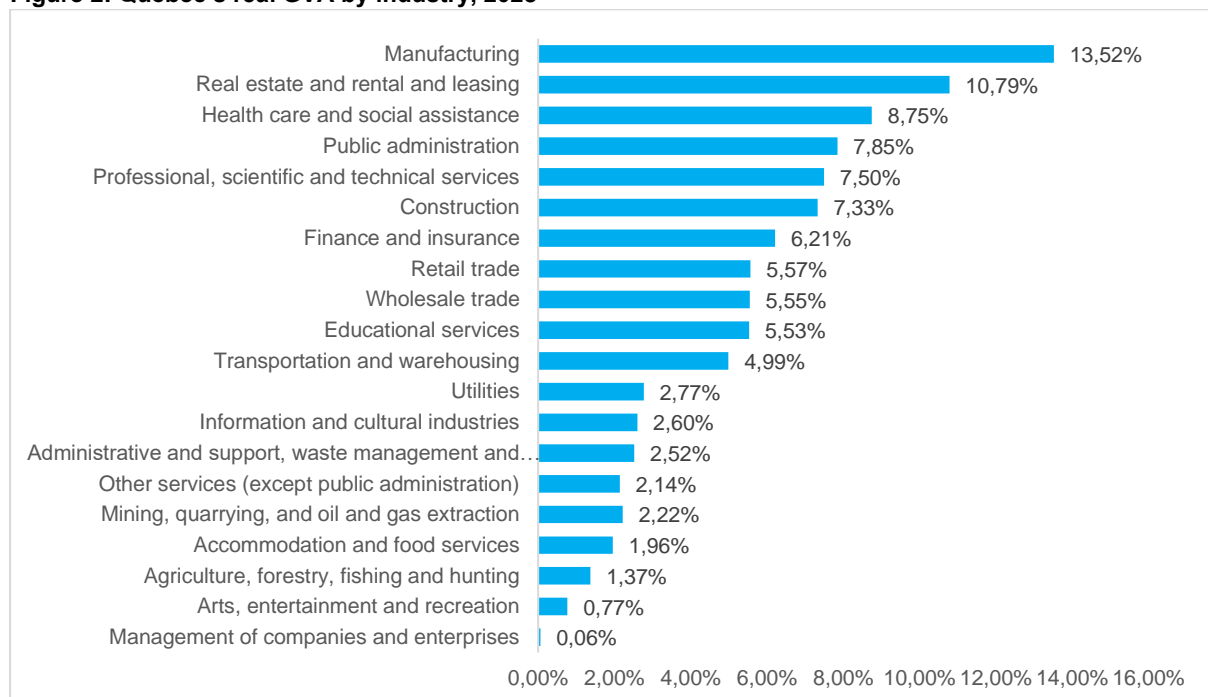
They employ over 25,400 skilled workers. International companies such as Pfizer, Sanofi and Merck have chosen Québec as the site for their Canadian headquarters.

Information and Communication Technologies (ICT): The Québec ICT industry has 7,500 companies, employing 210,000 workers. Nearly half of the workers are employed by ICT-centred businesses in fields like software development, microelectronics, multimedia, optics-photonics, consulting services, telecommunications, cloud computing services and artificial intelligence. As a major player in North America’s ICT industry and a neighbour to the United States, Québec has access to an enormous market with close to 500 million consumers. Montréal has become known as a global hub for artificial intelligence (AI) research and its AI ecosystem is thriving.

Land transport: The land transportation industry in Québec comprises some 620 companies with over 32,000 workers, innovation research centres and many global leaders in transportation like Bombardier Recreational Products and Nova Bus. Ground transportation companies in Québec operate in a wide variety of fields, including commercial vehicles, recreational and specialty vehicles, automobiles, rail transportation and electric mobility.

As shown in Figure 2, manufacturing was Québec’s top performing sector in terms of contribution (13.52%) to gross value added (GVA) in 2023. In second and third positions were real estate, and rental and leasing (with a contribution of 10.79%); and health care and social assistance (8.75%).

Figure 2: Québec’s real GVA by industry, 2023



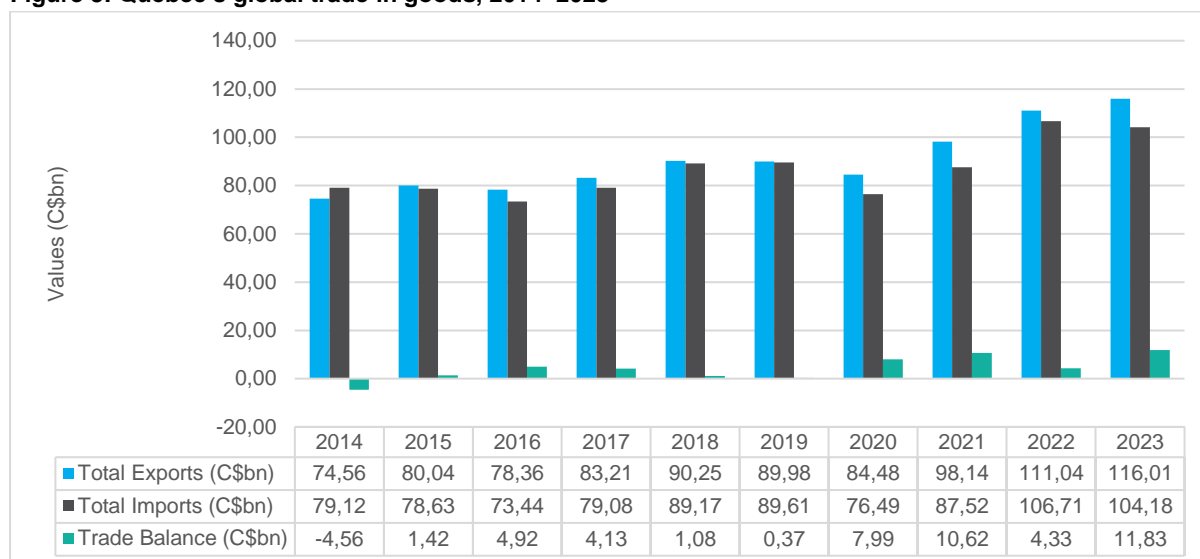
Source: Statistics Canada, 2024. Gross domestic product (GDP) at basic prices, by industry, provinces and territories, percentage share c 1 2 3 4

3. Trade

3.1 Québec's Global Trade in Goods

Figure 3 presents Québec's global trade in goods between 2014 and 2023. In 2023, the province's global exports increased by 4.48% y-o-y to a value of C\$116.01bn from C\$111.04bn earned in 2022. On the other hand, imports decreased by 2.3% y-o-y to a value of C\$104.18bn from a cost of C\$106.71bn incurred in 2022. The province's trade balance remained in surplus at a value of C\$11.83bn in 2023, up from C\$4.33bn in 2022.

Figure 3: Québec's global trade in goods, 2014–2023



Source: Statistics Canada. Canadian international merchandise trade by province and country, and by product sections, customs-based, annual (x 1,000)

Key trade markets

In terms of key export markets, as shown in Table 2, the United States was Québec's top export market in 2023, with Québec's exports to the United States reaching a value of C\$87.21bn. This was equivalent to 75.17% of all export receipts earned by the province in that year. China followed in second place, with exports reaching a total value of C\$4.07bn (representing a share of 3.51%), while France placed third with exports to this nation reaching a total value of C\$1.90bn (1.64%). South Africa was Québec's 49th largest destination market for exports in 2023, with goods to the value of C\$0.11bn (or C\$108.07m) exported to the country in that year.

The United States was also the leading source market for Québec's imports, at a cost C\$34.26bn, in 2023. This was equivalent to 32.88% of all import costs incurred by the province in 2023. China followed in second place with imports reaching a total cost of C\$12.11bn (11.62%). Germany was the third largest import source market, with imports from the country valued at C\$5.60bn (5.38%) in 2023. South Africa was Québec's 34th largest import source market in 2023, at a cost of C\$0.39bn (or C\$393.62m).

Table 2: Québec – top goods trade markets, 2023

DESTINATION MARKETS				SOURCE MARKETS			
RANK	COUNTRY	VALUES (C\$bn)	% SHARE, 2023	RANK	COUNTRY	VALUES (C\$bn)	% SHARE, 2023
1	United States	87.21	75.17%	1	United States	34.26	32.88%
2	China	4.07	3.51%	2	China	12.11	11.62%
3	France	1.90	1.64%	3	Germany	5.60	5.38%
4	Mexico	1.88	1.62%	4	Italy	4.37	4.19%
5	Japan	1.73	1.49%	5	France	3.9	3.74%
6	Germany	1.4	1.20%	6	Brazil	3.4	3.26%
7	United Kingdom	1.32	1.14%	7	United Kingdom	3.13	3.00%
8	Netherlands	1.18	1.02%	8	Mexico	2.94	2.82%

9	South Korea	1.01	0.87%	9	Taiwan	1.77	1.70%
10	Switzerland	1	0.86%	10	Canada 6 7	1.76	1.69%
49	South Africa	0.11	0.09%	34	South Africa	0.39	0.37%
TOTAL EXPORTS		116.01	100.00%	TOTAL IMPORTS		104.18	100.00%

Source: Statistics Canada. Canadian international merchandise trade by province and country, and by product sections, customs-based, annual (x 1,000)

Key trade products

Table 3 shows that aircraft was Québec's dominant export category to the world in 2023. Valued at C\$6.78bn, this was equivalent to 5.84% of all export receipts earned by the province in 2023. Aluminium unwrought (not alloyed) placed second at a value of C\$5.46bn (4.70%), followed by iron ores and concentrates, at a value of C\$4.27bn (3.68%).

Crude petroleum oils dominated Québec's imports in 2023 which at a cost of C\$4.71bn was equivalent to 4.53% of all import costs incurred by the Canadian province in 2023. Parts of turbo-jets or turbo-propellers placed second at a cost of C\$3.87bn (or 3.71%), while parts of aeroplanes, helicopters or unmanned aircraft placed third at a cost of C\$3.45bn (or 3.31%).

Table 3: Québec's top global export and import products, 2023

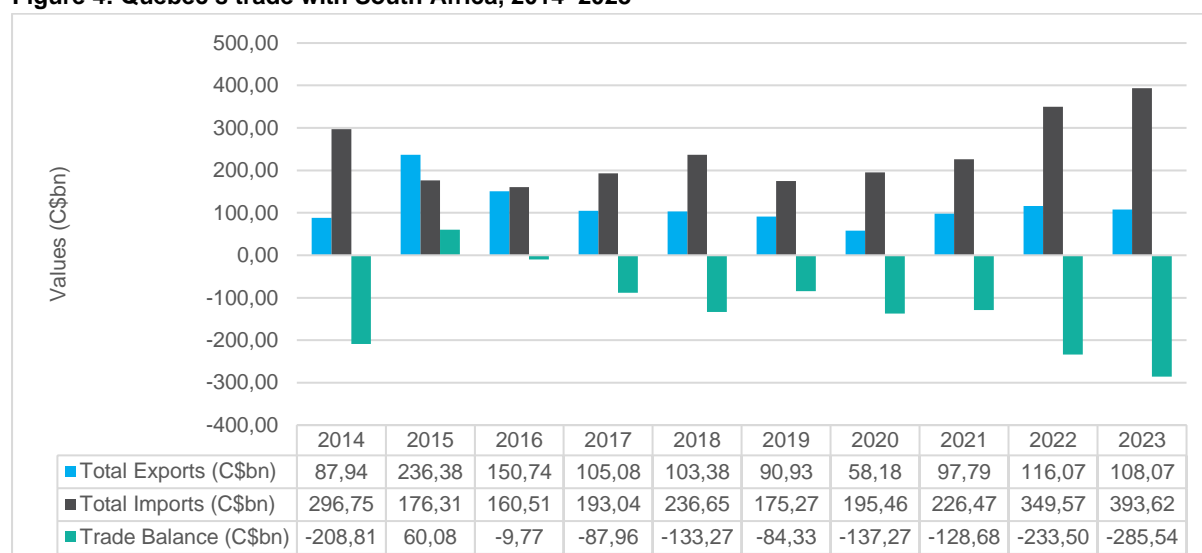
EXPORT PRODUCTS, 2023				IMPORT PRODUCTS, 2023			
Rank	Product (HS6)	Value (C\$bn)	% Share, 2023	Rank	Product (HS6)	Value (C\$bn)	% Share, 2023
1	8802.40 - Aircraft	6.78	5.84%	1	2709.00 - Petroleum oils and oils, crude	4.71	4.53%
2	7601.10 - Aluminium unwrought, not alloyed	5.46	4.70%	2	8411.91 - Parts of turbo-jets or turbo-propellers	3.87	3.71%
3	2601.11 - Iron ores and concentrates	4.27	3.68%	3	8807.30 - Aeroplanes, helicopters parts	3.45	3.31%
4	2710.19 Oils	3.71	3.20%	4	2710.19 - Oils	2.81	2.70%
5	7601.20 - Aluminium unwrought, alloyed	3.7	3.19%	5	2710.12 - Light oils and preparations	2.81	2.70%
6	7108.12 - Gold	3.17	2.74%	6	2818.20 - Aluminium oxide, other than artificial corundum	1.98	1.90%
7	8411.12 - Turbo-jets	2.63	2.26%	7	3004.90 - Medicaments	1.78	1.71%
8	7408.11 - Wire of refined copper	2	1.72%	8	7106.91 - Silver, in unwrought forms	1.65	1.58%
9	8802.30 - Aircraft	1.73	1.49%	9	7402.00 - Copper unrefined	1.59	1.52%
10	7403.11 - Copper cathodes and sections of cathodes unwrought	1.42	1.22%	10	9999.99 - Postal services and courier	1.40	1.35%
TOTAL EXPORTS		116.01	100.00%	TOTAL IMPORTS		104.18	100.00%

Source: Statistics Canada. Canadian International Merchandise Trade Web Application

3.2 Québec's Trade with South Africa

Québec is generally a net importer in respect of its trade with South Africa, as can be seen in Figure 4. In 2023, the Canadian province exported goods to the value of C\$108.07m to South Africa, while its imports from South Africa amounted to a cost of C\$393.62m. Québec's exports to South Africa decreased by 6.89% y-o-y from 2022 to 2023, whereas imports increased by 12.60% y-o-y over the same period. Québec's exports to South Africa grew at an average annual rate of 6.36% over the period 2019–2023, while imports increased at a faster average annual rate of 13.68%. The net effect was a widening of the shortfall in the province's goods trade with South Africa, from a value of -C\$208.81m in 2014 to -C\$285.54m by 2023.

Figure 4: Québec's trade with South Africa, 2014–2023



Source: Statistics Canada. Canadian international merchandise trade by province and country, and by product sections, customs-based, annual (x 1,000)

Helicopters was Québec's dominant export to South Africa in 2023. At a value of C\$11.39m, this was equivalent to 10.54% of all export receipts earned by the province from trade with South Africa in 2023. Ferro-niobium placed second at a value of C\$8.89m (8.23%), followed by repairs at C\$6.89m (6.38%). These figures can be observed in Table 4.

Nickel ores and concentrates dominated Québec's imports from South Africa in 2023, at a cost of C\$69.64m. This was equivalent to 17.69% of all import costs incurred by the province from trade with South Africa in 2023. Oranges place second at a cost of C\$24.23m (6.16%), while imports of vanadium oxides and hydroxides were in third position at a cost of C\$23.28m (5.91%).

Table 4: Québec's top exports to and imports from South Africa, 2023

QUÉBEC'S EXPORTS TO SOUTH AFRICA, 2023				QUÉBEC'S IMPORTS FROM SOUTH AFRICA, 2023			
RANK	PRODUCT (HS6)	VALUE (C\$m)	% SHARE	RANK	PRODUCT (HS6)	VALUE (C\$m)	% SHARE
1	8802.11 - Helicopters	11.39	10.54%	1	2604.00 - Nickel ores and concentrates	69.64	17.69%
2	7202.93 - Ferro-niobium	8.89	8.23%	2	0805.10 - Oranges, fresh or dried	24.23	6.16%
3	9802.00 - Repairs	6.89	6.38%	3	2825.30 - Vanadium oxides and hydroxides	23.28	5.91%
4	8411.81 - Gas turbines	4.73	4.37%	4	0806.10 - Grapes	17.43	4.43%
5	3302.10 - Mixt of odoriferous substance	4.53	4.19%	5	0805.50 - Lemons and limes	16.16	4.11%
6	2620.99 - Ash and residues, containing metals or metallic compounds	3.65	3.37%	6	2204.21 - Grape wines	16.20	4.12%
7	8431.43 - Parts, of boring or sinking machinery	3.59	3.32%	7	8704.10 - Dump trucks designed for off-highway use	14.74	3.74%

8	2829.11 - Sodium chlorate	3.41	3.16%	8	7318.15 - Screws and bolts	14.58	3.71%
9	8531.90 - Parts of electric sound or visual signalling apparatus	3.04	2.82%	9	8474.90 - Parts of sorting/screening/mixing/crushing	11.28	2.86%
10	8471.50 - Process units	2.68	2.48%	10	7210.49 - Flat rolled products	11.09	2.82%
	TOTAL EXPORTS	108.07	100.00%		TOTAL IMPORTS	393.62	100.00%

Source: Statistics Canada. Canadian International Merchandise Trade Web Application

4. Foreign Direct Investment

4.1 Foreign Direct Investment from Québec in South Africa

Between January 2003 and October 2024, South Africa benefited from a total of 11 greenfield foreign direct investment (FDI) projects from Québec. These projects brought about a capital investment of ZAR1,951.25m and created 326 jobs. The transport, manufacturing and business services sectors were the recipients of most of the FDI projects during the period under review, which is shown in Table 5.

Table 5: FDI projects from Québec in South Africa, January 2003–October 2024

DATE	INVESTING COMPANY	DESTINATION PROVINCE	SECTOR	BUSINESS ACTIVITY	CAPEX (ZARm)	JOBS
Sep 2021	Globe-Cann	KwaZulu-Natal	Pharmaceuticals	Sales, Marketing & Support	93.57	34
Jul 2019	AtkinsRealis (SNC Lavalin)	Mpumalanga	Business services	Business Services	426.45	13
Sep 2017	WSP Group	Gauteng	Business services	Business Services	426.45	13
Aug 2016	Bombardier Transportation	Gauteng	Non-automotive transport OEM	Headquarters	134.99	100
Jul 2013	Bombardier Aerospace	Gauteng	Aerospace	Sales, Marketing & Support	88.97	20
Jul 2013	Bombardier Aerospace	Gauteng	Aerospace	Logistics, Distribution & Transportation	257.71	54
Jul 2009	Forensic Technology WAI Inc	Gauteng	Space & defence	Sales, Marketing & Support	121.19	38
Feb 2009	Nexus Metissis	Not Specified	Business services	Business Services	104.31	15
Jan 2009	Objectif Lune Inc	Not Specified	Software & IT services	Sales, Marketing & Support	88.97	9
Nov 2005	BPR	Gauteng	Business services	Business Services	104.31	15
Aug 2003	Fasken Martineau	Gauteng	Business services	Business Services	104.31	15
TOTAL					1951.25	326

Source: fDi Markets, a service from The Financial Times 2024. All Rights Reserved.

4.2 FDI from South Africa in Québec

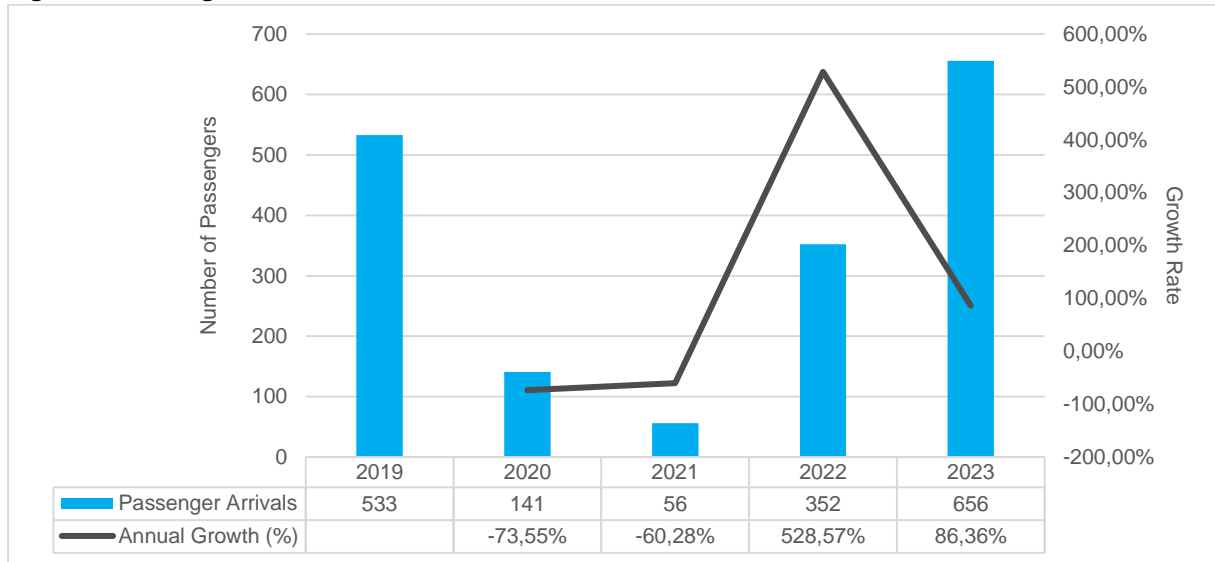
According to FDI Intelligence, there is no record of outward FDI from South Africa to Québec between January 2003 and October 2024.

5. Tourism

5.1 Passenger Arrivals from Québec in South Africa

Figure 5 reflects the number of passengers from Québec arriving in South Africa during the period 2019 to 2023. In 2023, a total of 656 tourists arrived from Québec in South Africa, an increase of 86.36% y-o-y when compared to the same period in 2022.

Figure 5: Passenger arrivals from Québec in South Africa, 2019–2023

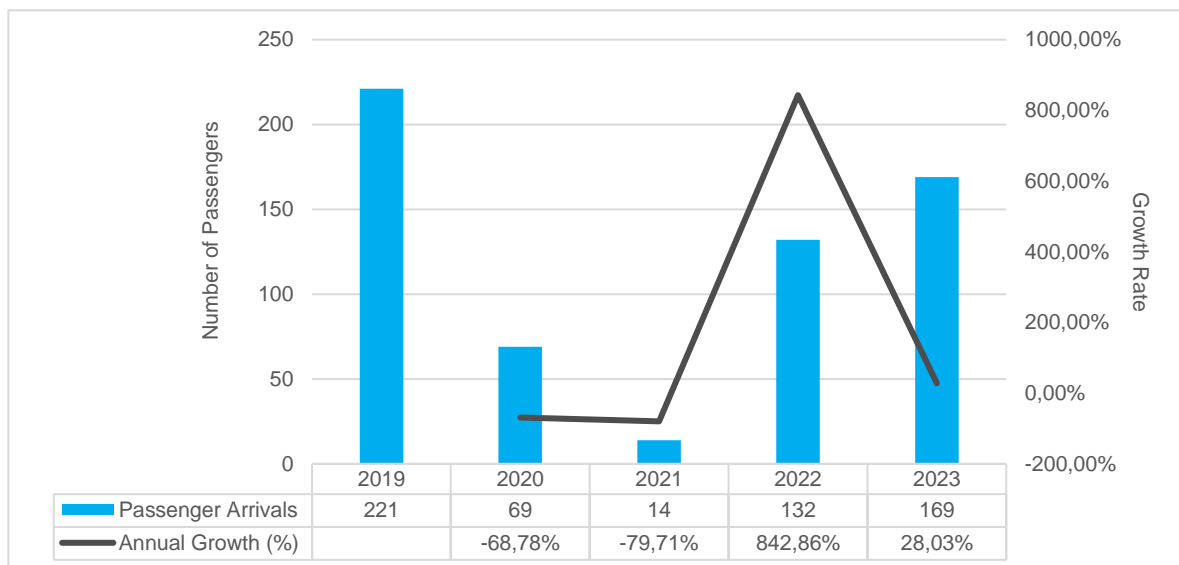


Source: OAG Traffic Analyser

5.2 Passenger Arrivals from Montréal through Cape Town International Airport

Figure 6 presents the number of passenger arrivals from Montreal in Québec into Cape Town via Cape Town International Airport (CTIA) from 2019 to 2023. In 2023, the CTIA welcomed 169 passengers from Québec, representing a 28.03% y-o-y growth compared to the 132 passenger arrivals in 2022.

Figure 6: Passenger arrivals from Québec through CTIA, 2019–2023



Source: OAG Traffic Analyser

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