



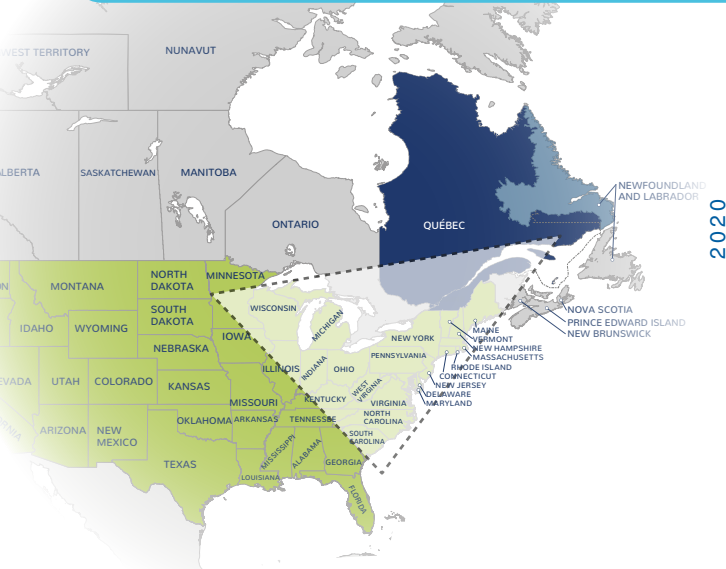
PATHWAY TO ECONOMIC GROWTH: INCREASED ACTION ON THE U.S. MARKET

United States Strategy Summary

PRIORITY TERRITORIES

Québec's action in the United States is targeted on a territorial and sectoral basis. The priority territories are shown below geographically, both in the strategic perimeter (New England, Mid-Atlantic and Midwest) and the new development focus (South and West).

QUÉBEC'S STRATEGIC PERIMETER IN NORTH AMERICA



STRATEGIC PERIMETER

NEW ENGLAND, MID-ATLANTIC AND MIDWEST

CA \$39.8 billion

66.2% of Québec exports to the United States

QUÉBEC AND ONTARIO

58% of Canada's GDP / 53% of Canada's total exports to the United States

ENERGY AND ENVIRONMENT

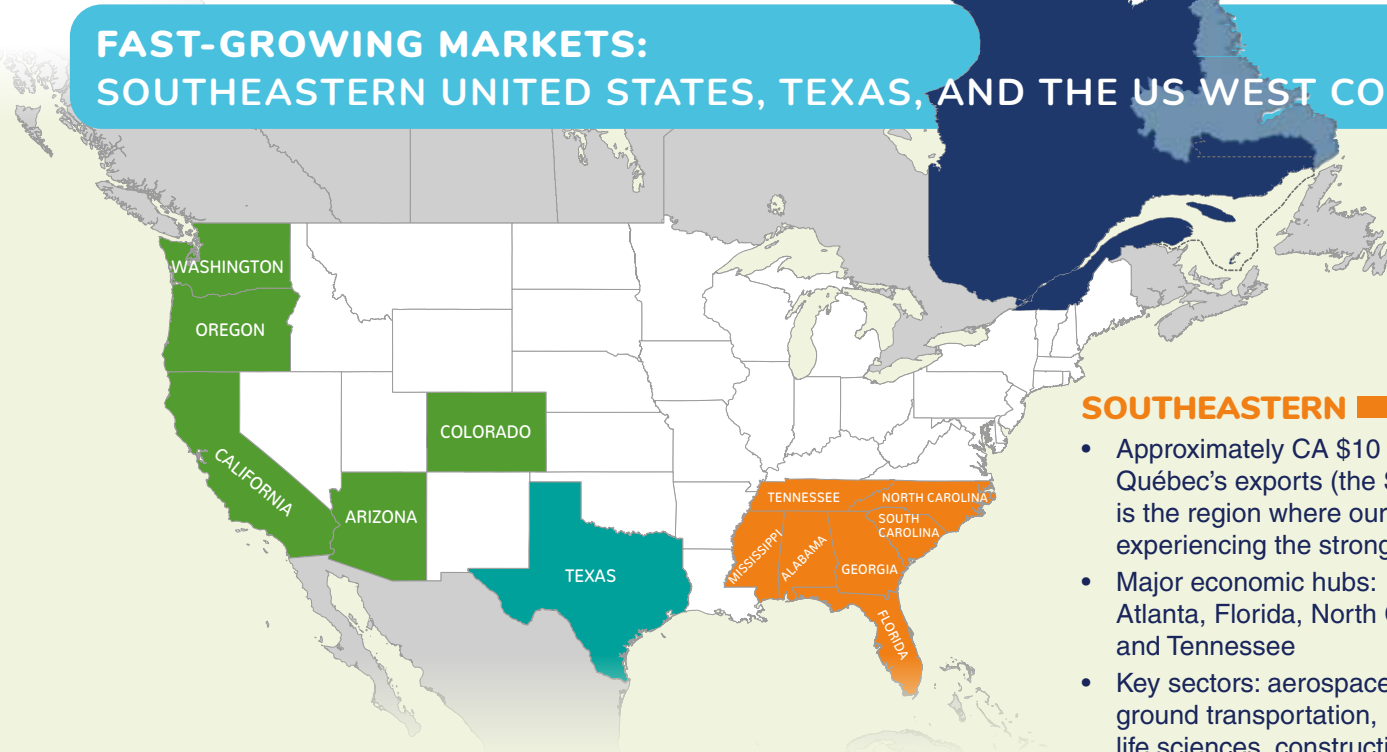
Hydroelectric exports: 22.5 terawatt-hour (without Ontario)

27.5 terawatt-hour (including Ontario)

2020

FAST-GROWING MARKETS:

SOUTHEASTERN UNITED STATES, TEXAS, AND THE US WEST COAST



SOUTHEASTERN

- Approximately CA \$10 billion of Québec's exports (the Southeast is the region where our exports are experiencing the strongest growth)
- Major economic hubs: Atlanta, Florida, North Carolina, and Tennessee
- Key sectors: aerospace, ground transportation, life sciences, construction

WEST COAST

- World leader in innovation commercialization, life sciences, and artificial intelligence
- 5 of the 20th largest cities and 5 of the 7th biggest companies in the United States
- California: world's 5th largest economy
- Key sectors: aeronautics, IT and creative industries, green technologies and sustainable mobility

TEXAS

- Québec's n.1 commercial partner in the United States: 2nd GDP in the U.S.
- Major economic hubs: Houston, Dallas, Austin
- Key sectors: aerospace, energy, biomedical, IT and artificial intelligence, creative industries

“WE BUILD TOGETHER. WE INNOVATE TOGETHER”

- Québec–U.S. trade: **70% of our exports and 51% of Québec’s total international trade**¹
- **Total Québec–U.S. trade: C\$90 B / US\$67.1 B**
- **Québec–U.S. exports: C\$60.1 B / US\$44.8 B**
- **Québec–U.S. imports: C\$29.9 B / US\$22.3 B**
- **Strategic market for our major manufacturing value chains**
- **Thanks to the free trade agreements (FTA, NAFTA, CUSMA), trade between Québec and the United States has grown by 225% since 1988.** This represents a **245% increase in our exports** and a **190% increase in U.S. investments** in Québec.
- **Extent of U.S. investments in Québec: \$1,518.6 M in 2020 / \$2,094.8 M in 2019.**
- **698 U.S. subsidiaries in Québec responsible for 228,000 jobs.**

EXPORTS – main sectors in 2020

- **Aluminum: C\$5.6 B / US\$4.2 B**
- **Aerospace: C\$5.6 B / US\$4.2 B**
- **Pulp and paper: C\$4.5 B / US\$3.4 B**
- **Computers and electronics: C\$1.9 B / US\$1.4 B**
- **COVID-19-related products: C\$1.8 B / US\$1.3 B**
- **Lumber: C\$1.6 B / US\$1.2 B**
- **Steel: C\$797.5 M / US\$594.5 M**

¹ This section is based on 2020 data.

OTHER SECTORS OF COLLABORATION

ENERGY

- **23.33 TWh of electricity exported to the United States in 2020**, with major projects planned (e.g. New England Clean Energy Connect, Champlain Hudson Power Express).
- Several Québec companies are capitalizing on business opportunities in the U.S. energy market (e.g. Boralex, Innergex, Marmen, AddÉnergie).

TRANSPORTATION AND LOGISTICS

- **St. Lawrence–Great Lakes Trade Corridor:** In 2017, cargoes transported on the corridor reached a **value of \$100.5 billion**. This represents 328,543 jobs and **\$59.3 billion injected into the North American economy**. In 2020, the US accounted for **nearly 11% of cargo transported by ship** between the Port of Montréal and overseas and domestic destinations.
- **Sustainable mobility:** the American market offers great opportunities for Québec’s leading companies in this sector (e.g. Nova Bus, Lion, Effenco).

ENVIRONMENT AND GREEN ECONOMY

- Québec-California: **largest carbon market in North America**, which allowed for **C\$4.5 B invested in the Green Fund between 2013 and 2020**.
- Along with its Great Lakes partners, **Québec contributes to the sustainable management of approximately 20% of the world’s freshwater reserves**.

AGRI-FOOD

- **Main destination for Québec’s bio-food exports, with 69% destined to the US market.**
- Pork (29% of total international exports), fruits and vegetables (71%), grain products (97%) and beverages (96%) are the main products exported south of the border.

TOURISM

- A key culture, innovation, and tourism partner for Québec: in 2018, **tourists from the United States spent \$1.7 B** in Québec, which accounted for **45% of all spending by international tourists in Québec** that year.

\$23M

FOR QUÉBEC'S ACTION IN THE UNITED STATES, INCLUDING AN ADDITIONAL \$2M FOR THE STRENGTHENING OF OUR ECONOMIC AND PUBLIC DIPLOMACY



ECONOMIC DIPLOMACY

- **Market diversification:** seize new business opportunities in remote, high-potential regions.
- **Post-COVID North American economic recovery:** emerge from the crisis together and stand out from global competition.
- **Public procurement:** take advantage of business opportunities for Québec companies in the infrastructure and public transit sectors at the U.S. national, state, and municipal levels.
- **Sectoral approach:** pool the expertise of the Ministère des Relations internationales et de la Francophonie, Investissement Québec International and our network of Québec offices abroad to target business opportunities in our cutting-edge sectors.
- **Transpacific approach:** take advantage of the presence of large Asian groups in Silicon Valley. Our government offices in California, Singapore, Tokyo, and Seoul are mobilizing to jointly develop new business opportunities, especially in the fields of investment, innovation, and venture capital.
- **Deploy a development strategy targeting the U.S. market,** especially through accelerator and incubator programs.
- **More resources in the network to boost our economic diplomatic force.**



PUBLIC DIPLOMACY

- **Sectoral blitzes:** promote our sectors of excellence.
- **Public diplomacy campaign:** defend our interests on major commercial and sectoral issues. For example: tariffs on steel and aluminum, energy exports, Buy America measures, etc.
- **Climate diplomacy:** promote Québec's expertise in this area with respect to fighting climate change, decarbonizing the economy, and creating business opportunities.
- **Special projects:** mobilize Québec diasporas in the U.S.; enter into collaborative agreements with states and institutions south of the border; increase our network of allies on the ground and reach out to elected officials as well as American civil society.
- **More resources in the network to boost our public diplomatic force.**

