



# Budget 2026–2027

## Gouvernement du Québec

Highlights for Quebec’s aerospace sector

The Quebec budget announced on March 18, 2026, recognizes the crucial importance of the aerospace sector to the growth of Quebec’s economy, according to Aéro Montréal.

By focusing on future-oriented sectors and innovation to support Quebec’s economic development over the coming years—and by explicitly integrating the aerospace industry as well as the defence and security sectors—this budget underscores the essential nature of supporting our ecosystem in the years ahead.

Funding allocated over the next five years for the promotion and enhancement of engineering disciplines will help address some of the workforce challenges associated with the growth of Quebec’s aerospace industry.

In addition, by continuing to fund Quebec’s innovation zones, including Espace Aéro, the government is ensuring that Quebec strengthens its role as an aerospace innovation leader, particularly in terms of autonomy and decarbonization.

Despite these encouraging measures, Aéro Montréal notes that the growth challenges the industry will face in the coming years—particularly with respect to workforce availability and support for Quebec companies seeking to enter the defence market—remain significant. Aéro Montréal will also assess the impacts of the substantial reductions in support for research and innovation organizations on the ecosystem.

The importance given to aerospace in this budget supports our recommendation to rapidly adopt a new version of the Quebec Aerospace Strategy, which expires this year, so that all Quebec government departments give the aerospace industry attention commensurate with its economic importance.

*“Quebec’s aerospace industry remains at the heart of Quebec’s economic development, particularly in this period of economic and geopolitical instability. The measures announced today make it possible to seize certain economic opportunities. We will continue to work closely with the Government of Quebec to build on these efforts, swiftly adopt a new version of the Quebec Aerospace Strategy, and thus maximize the industry’s economic potential for all of Quebec.”* — Mélanie Lussier, President and CEO, Aéro Montréal

## Summary of key elements relevant for the aerospace:

### Funding for Strategic Sectors and Innovation

- △ **\$410.1 million** to support the implementation of investment projects in future-oriented sectors, **including the aerospace industry and the defence and security sector**;
- △ **\$283 million** to improve Quebec's economic competitiveness through innovation;
- △ Maintenance of the Investment and Innovation Tax Credit (C3i), which provides fully refundable tax assistance to support the acquisition of productive assets, and of the tax holiday for major investment projects, which supports investment projects valued at over \$100 million;
- △ **\$375 million over five years** to continue supporting economic projects in high-potential sectors, notably the defence sector and innovative manufacturing;
- △ **Major reduction** (from \$224 million to \$159.4 million) in support for research and innovation organizations (all sectors, including aerospace).

### Industrial Clusters and Innovation Zones

- △ **\$45.8 million over four years** to continue developing innovation zones in Quebec;
- △ **\$4 million over five years** to support the financing of industrial clusters.

### Higher Education

- △ **\$150 million over five years** to continue promoting and enhancing engineering disciplines and information technologies.

### Related Economic Sectors

- △ **\$24.5 million over three years** to encourage the adoption of artificial intelligence and quantum technologies, particularly in the defence and aerospace sectors;
- △ **An additional \$1 billion** to position Quebec as a leader in the production and processing of critical and strategic minerals, with an emphasis on strategic industries, including aerospace and defence;
- △ **An additional \$1 billion** to promote Quebec ownership of strategic companies through the Quebec Business Growth Fund.

## Excerpts from the Budget document relevant to these elements:

### Supporting business adaptation to the new economic context – Page B. 7

- ✦ In the current global economic context, marked by both trade uncertainty and accelerated technological transformation, Quebec businesses must adapt to seize the opportunities created by this new reality.
- ✦ To do so, **in addition to its strong innovative manufacturing industry**, Quebec can rely on high-potential strategic sectors, including mining, **aerospace**, artificial intelligence, quantum computing, optics-photonics, life sciences, and cybersecurity.
- ✦ Quebec is well positioned to **become a key player in the security and defence markets**, as well as in the critical and strategic minerals sector, which could have a major and lasting economic impact. To support business adaptation to this new context, the government plans, as part of the 2026–2027 budget, **\$693.1 million over five years**, including:
  - **\$410,1 million** to support investment projects in future-oriented sectors;
  - \$283,0 million to improve Quebec’s economic competitiveness through innovation.

### Stimulating business investment (p. B.11)

- ✦ The government must ensure support for investments that will redefine Quebec’s economy by promoting high value-added activities, increased productivity, and market diversification.
- ✦ To accelerate the realization of investment projects and increase business productivity, the government plans, as part of the 2026–2027 budget, **\$375 million over five years** to continue supporting economic projects in high-potential sectors, **notably the defence sector and innovative manufacturing**.

## Cluster funding (p. B.35)

Quebec regions benefit from strong industries that generate significant economic spinoffs. To support regional business growth and increase their contribution to Quebec's economy, the government plans, as part of the 2026–2027 budget, interventions totaling **\$10.0 million**, including:

- **\$6.0 million over three years** to maintain support for centres of excellence, which contribute to regional development based on sectoral expertise, industrial networks, and strategic projects;
- **\$4.0 million over five years** to support the financing of industrial clusters, which foster dynamic ecosystems and enhance SME competitiveness.

## Continuing the development of Innovation Zones in Quebec – (p.B.26)

- △ In 2019, the government announced the creation of innovation zones, an initiative that mobilized and brought together multiple stakeholders.
- △ Projects carried out within these zones help support innovation ecosystems in future-oriented sectors and advanced technologies.
- △ **To continue developing innovation zones in Quebec, the government plans, as part of the 2026–2027 budget, \$45.8 million over four years.**

## Continuing the promotion and enhancement of engineering and information technology disciplines (p. C.29)

- △ Workforce needs in engineering and information technology sectors are strongly felt in the labour market. Since 2021, the government has made significant investments to increase workforce capacity, which will ultimately allow for the hiring of 500 additional professors in these two strategic fields.
- △ The government wishes to continue supporting the addition of graduates to the labour market. These graduates **will support the development of cutting-edge expertise in strategic sectors for Quebec's development, such as defence, artificial intelligence, cybersecurity, and critical and strategic minerals.**
- △ Maintaining faculty in engineering and information sciences ensures high-quality education for larger cohorts. As part of the 2026–2027 budget, **the government plans \$150.0 million over five years** to continue promoting and enhancing engineering disciplines and information technologies.

## An additional \$1 Billion to make Quebec a leader in the production and processing of critical and strategic minerals (p. B.12)

- ✧ Critical and strategic minerals (CSMs) are essential to powering future-oriented sectors, including defence, renewable energy, aerospace, telecommunications, and quantum computing.
- ✧ To promote the development and processing of CSMs in Quebec, the government announces, as part of the 2026–2027 budget, the creation of the **Critical and Strategic Minerals Fund (CSMF)**, with capitalization of **\$2.5 billion**.
- ✧ The new fund will include investments already made by the Natural Resources and Energy Capital Fund, which are largely in CSMs, along with **\$1.0 billion in new capital**.
- ✧ It will support intervention methods tailored to CSM development, including long-term supply agreements. The CSMF will help secure CSM supply chains, promote value-added processing in Quebec, and strengthen Quebec's position as a key player in global critical supply chains. Legislative amendments will be made for this purpose.

## An additional \$1 Billion to promote Quebec ownership of strategic companies – (p. B.12)

- ✧ The current economic context is marked by a significant increase in the number of Quebec entrepreneurs planning to retire in the coming years and a heightened risk of business sales to foreign interests.
- ✧ The Quebec Business Growth Fund (QBGF) is a central lever for promoting the development of strategic Quebec companies and maintaining head offices in Quebec, notably through business succession.
- ✧ It will invest in **Quebec companies in future-oriented sectors** to accelerate their growth and foster the emergence of new world-class players. To strengthen its intervention capacity, the government announces, as part of the 2026–2027 budget:
  - An increase in the capitalization of the QBGF to **\$2 billion**;
  - A revision of its investment policy to allow greater flexibility, including equity investments granting strategic rights such as veto power over key decisions, board representation, or rights of first refusal.

## Encouraging the adoption of AI and quantum technologies – (p. B.27)

- ✧ Quebec stands out for its world-renowned ecosystem in artificial intelligence and quantum technologies. To fully leverage this advantage, **Quebec companies must**

**intensify the integration of these technologies in future-oriented sectors such as defence, aerospace, and energy.**

- ▲ To encourage the adoption of AI and quantum technologies and strengthen Quebec's comparative advantages, the government plans, as part of the 2026–2027 budget, **\$24.5 million over three years**, including:
  - **A call for projects under the Innovation program to stimulate adoption of these cutting-edge technologies in priority sectors;**
  - Support for sector organizations, including PINQ<sup>2</sup>, Calcul Québec, the Institut quantique, IVADO, and QV Studio.

## Ensuring a business environment conducive to industrial project development – (p. B.15)

- ▲ To ensure a business environment conducive to industrial project development, the government plans, as part of the 2026–2027 budget, **\$35.1 million**, including:
  - **\$11.9 million** over five years to accelerate economic project implementation;
  - **\$18.5 million** over four years to develop infrastructure to host industrial projects;
  - **\$4.7 million** over two years to further support Indigenous community participation in environmental consultations.