

PRESS RELEASE: PROVINCIAL BUDGET 2025-2026

Propelling Quebec through innovation

Quebec, March 25, 2025 – Montréal InVivo was present in Quebec City during the presentation of the Quebec Government's 2025-2026 budget. In an economic context marked by tariff threats and recession risks, the Ministry of Finance unveiled a budget focused on economic stability while preserving essential services in health and education. The government reiterated its commitment to a rigorous management of public finances and presented a plan to achieve a balanced budget by 2029-2030. Additionally, significant financial support was allocated to innovation, a strategic lever to propel Quebec in the years to come.

A Focus on the Life Sciences Sector

The Quebec Life Sciences Strategy (SQSV) is crucial for the life sciences and health technologies ecosystem. The first version from 2017-2022 received a budget of \$205M over five years, with an additional \$151M midway. In comparison, the budget allocated for its renewal is \$54M over three years, marking a significant decrease. Despite this reduction, it is a recognition from the government of the life sciences and health technologies sector. It is important to highlight the impact of the 2022-2025 edition, which generated over \$3 billion in private investments, led to the emergence of the RNA therapeutics industry, and increased the presence of Quebec companies in both local and international supply chains.

At this stage, the extension of the SQSV is structured around five strategic intervention axes, focusing on our recognized strengths such as talent and innovation. It also emphasizes attracting and realizing investment projects while addressing a major weakness: the commercialization of our innovations. This remains a key barrier to our competitiveness against major international life sciences and health technologies hubs.

Simplification of R&D Tax Credits

The decline in R&D spending by companies in Quebec is in contrast to trends observed in other jurisdictions such as Ontario. To reverse this situation, the government is maintaining the DICI (Incentive Deduction for the Commercialization of Innovations) and introducing a new tax credit, CRIC (Research, Innovation, and Commercialization Credit). This will abolish 8 existing tax measures, consolidating them into a single measure with enhanced and more flexible eligibility conditions. This will provide an additional \$271.5M in financial support over five years. In short, the CRIC will be fully refundable and will support R&D and pre-commercialization activities for innovation projects carried out in Quebec. This could be a promising new measure for attracting talent and R&D centers from the United States.

Other Investments to Watch

The budget also includes other interesting measures for our sector such as:

- \$1.5B over five years to offset the rising costs of pharmaceutical treatments;
- \$268.7M over five years for health prevention;
 - \$243.7M for expanding vaccination among vulnerable populations;
 - \$15M for the implementation of the national integrated health prevention strategy;
 - \$10M for the deployment of spinal muscular atrophy screening;
- \$1.5M over five years to reduce barriers and delays in accessing data for research purposes;
- \$37.5M over five years to train more doctors;
- \$15M over three years to support research and innovation in businesses in priority sectors including life sciences and health technologies.

The 2025-2026 budget of the Quebec government demonstrates a clear commitment to innovation, even in a difficult economic context. While some measures, such as funding for the Quebec Life Sciences Strategy, experience a notable reduction, the financial support for research and the commercialization of innovations constitutes an essential response to current challenges. The introduction of the CRIC tax credit, as well as other strategic investments in health, research, and training, reflects the government's desire to strengthen the life sciences and health sector, which is crucial for Quebec's economic future. Although challenges remain, the initiatives proposed in this budget offer a promising outlook for innovation and Quebec's competitiveness on the international stage.

About Montréal InVivo

Montréal InVivo, the life sciences and health technologies cluster of Greater Montreal, brings together nearly 600 organizations, including 150 research centers, 80 world-class company subsidiaries, and more than 40,000 professionals. First in Canada for the number of research centers, this ecosystem includes four universities. As a non-profit organization, Montréal InVivo fosters economic development with the support of the Ministry of Economy and Innovation (MEIE), the Secretariat for the Metropolitan Region, the Montreal Metropolitan Community (CMM), Economic Development Canada for Quebec's regions (DEC), and private and institutional sector partners.

CONTACTS

Stéphanie Doyle

Chief Executive Officer

Sdoyle@montreal-invivo.com

Julie Fiol

Communications and marketing manager

Jfiol@montreal-invivo.com