



Economic Vision

September 2026

The economy by the numbers

Change compared to the previous month

Consumer price index



3.1%

Quebec - August 2026



3.0%

Canada - August 2026



Unemployment rate



5.6%

Quebec - August 2026



6.4%

Canada - August 2026



Monthly variation of GDP at basic price



-0.1%

Quebec - May 2026



0.3%

Canada - May 2026



Prime rate



2.25%

September 2026



Exchange rate



1.3898

U.S. dollars - August 2026



Insolvency in Quebec



+7%

Consumer insolvency in Quebec

Q2 2026



-8%

Business insolvency in Quebec



Our expert's remarks



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During the second quarter of 2026, 660 business insolvency files were opened in Quebec, which represents a decrease of 8% compared to 2025. This drop does not align with the stability observed elsewhere in Canada, but it should be interpreted with caution, since it was observed before the tariff war between Canada and the United States intensified. Quebec is still the province with the highest risk of exposure to U.S. tariffs and certain estimates suggest that upwards of 18,000 jobs could be impacted. The uncertainty caused by this context could also intensify the financial pressures on SMEs. With regard to consumer insolvency, 8,701 individuals filed proceedings, which translates to an increase of 7% since the beginning of the year and reflects the gradual financial undermining of Quebec households.

In an economic landscape dominated by uncertainty related to international trade and geopolitical tensions, Quebec's economy is facing challenging market conditions. With provincial elections on the horizon, challenges linked to competitiveness, productivity and economic resilience play a key role in public debate. As a result, business leaders must deal with changing market conditions while adopting an agile approach.

What should you monitor?

Trade war

On August 22, the U.S. levied new tariffs on hundreds of Canadian products. The list of products in question included several consumer goods such as cosmetics, furniture, clothing, milk products and alcohol. These new measures impacted products that had been previously exempt under the Canada-United States-Mexico Agreement (CUSMA). Since this surtax could hamper the competitiveness of businesses, Canada responded by applying additional Canadian tariffs on American products. Retaliatory tariffs ranging from 15% to 50% were imposed on several products by the Canadian government. The total value of these measures aimed at products imported from the U.S. is CAN\$27.6 billion. The government also announced [new measures to support Canadian businesses and workers impacted by American tariffs](#). Upcoming press releases may report new assistance measures and programs which are worth considering, so monitoring the latest government announcements and initiatives is important.

Election campaign

The provincial election campaign kicked off during the week of August 24, and voting day is set for October 5. The cost of living and trade tensions with the U.S. are among the main priorities for citizens. Therefore, political parties will have to try to meet the expectations of electors while also dealing with public finances under pressure. SME leaders should pay attention to this event, since the next government's economic directions could influence support programs for businesses, regulations and public investments.

Gasoline prices

Relief from the federal excise tax on gas, which was announced against a backdrop of soaring gas prices resulting from U.S. strikes in the Middle East, was slated to end on September 7. However, since the geopolitical situation remains unstable and gas prices continue to fluctuate, the government decided to temporarily extend this tax rate reduction to reduce the cost of living for Canadians and ease the financial burden on commercial truckers and organizations in the food, agriculture, housing, construction and delivery sectors in particular.

Sources: Le Journal de Montréal, Radio-Canada, La Presse, Le Devoir, Government of Canada.

Assistance programs for businesses:
[Discover all the available resources.](#)

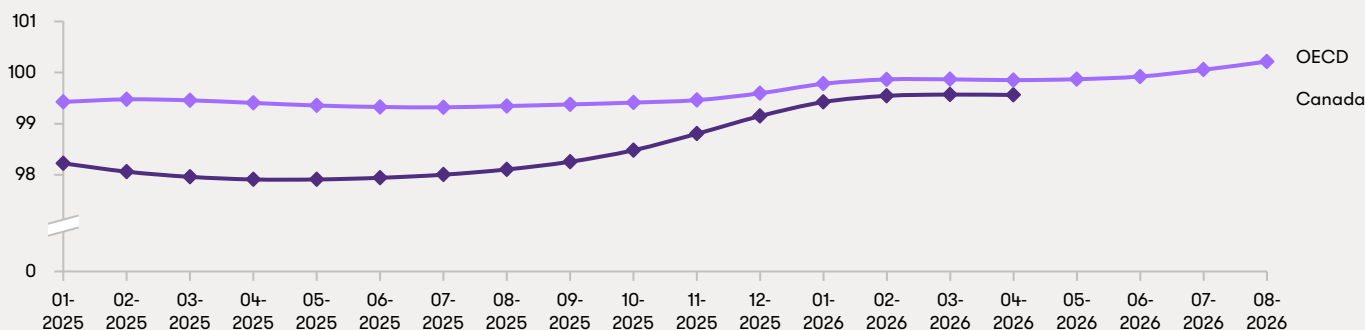
Changes in the Canadian and OECD Business Confidence Indexes

Business owners remain pessimistic regarding their future performance

A Business Confidence Index is a standardized indicator that measures business outlooks related to the trajectory of their activities. These indexes are created based on surveys conducted within the manufacturing sector that focus on production, orders and inventories of finished goods. These indexes allow stakeholders to anticipate economic trends from the perspective of businesses.

An index lower than 100 reflects a level of pessimism regarding the future performance of businesses. Since January 2025, the Canadian Business Confidence Index has remained below the OECD member index. However, in 2026, the index rate was higher than the 2025 rate, which demonstrates increased confidence among business leaders regarding their short-term perspectives.

Business Confidence Indexes



How can you boost your company's liquidity?

Liquidity is an essential ingredient of an organization's financial health. It allows leaders to not only support their ongoing activities, but also seize growth opportunities and better navigate unforeseen events. However, where expenses increase, taking action to improve your cash position may be necessary.

Leaders can choose from among several tools. For example, amounts owing by clients could be recovered more quickly, certain assets could be sold, inventories could be optimized and more favourable payment terms could be negotiated with suppliers. Each of these measures could contribute to freeing up cashflow, but their effectiveness depends on the unique situation of each organization.

You should bear in mind that there is no failsafe solution. A stricter credit policy could speed up cash inflow while simultaneously impacting sales. Reducing inventory could free up funds, but also hinder the ability to quickly meet demand. Similarly, delaying certain payments could improve your cashflow, but also impact your relationships with suppliers.

By highlighting the benefits, limits and risks associated with each option, we can offer tangible insights to help business leaders make informed decisions and determine which strategies are best suited to their business context.



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Ready to take the next step?
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Labour: how can you retain the best employees in your organization?

Attracting the best talent is not an easy task and neither is employee retention. In the context of a labour shortage, increased competition among employers and changing expectations among workers, organizations must look beyond recruiting and focus on sustainable strategies to retain and mobilize their teams, since employees are currently seeking much more than a competitive salary.

One of the key findings is the importance of reviewing your organizational culture to ensure it aligns with the expectations of different generations that are active in the job market. Millennial and Generation Z employees in particular value flexibility, collaboration, recognition, innovation and psychological wellbeing. A strong and consistent work culture can contribute to strengthening a feeling of belonging and making your company an employer of choice.

Consistent leadership, effective communication channels, and genuine and ongoing recognition programs coupled with professional development opportunities can promote employee engagement. Workforce planning, knowledge transfer, skills development and career management are also strategies that you can adopt to retain key talent.

Essentially, attention should be paid to the overall package offered to employees. Organizations could benefit from looking beyond compensation and highlighting the range of benefits that contribute to the employee experience. When you combine a motivating work culture with tailored management practices and a distinctive value proposal, you can increase your chances of retaining your best talent and supporting your business's long-term growth.



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For more information,
read our article.



Our economist's conclusion

Quebec's economy is experiencing a transition period characterized by weaker economic activity and an uncertain international commercial context. The inflation rate has remained moderate and a drop in the number of business insolvency files is an encouraging sign with regard to the financial health of economic players.

However, the introduction of new tariffs could curb growth by pushing up costs for businesses while simultaneously reducing their competitiveness and increasing uncertainty around investment decisions. In this context, organizations must demonstrate agility and caution in order to maintain their performance, strengthen their resilience and seize growth opportunities in a constantly evolving economic environment.

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