



The Economic Vision

March 2025

The economy by the numbers

	Change compared to the previous month
2.0% Consumer price index in Quebec (February 2025)	▲
5.3% Unemployment rate in Quebec (February 2025)	▼
6.6% Unemployment rate in Canada (February 2025)	=
- 0.5% Monthly variation of Quebec's GDP at basic prices (November 2024)	▼
- 0.2% Monthly variation of Canada's GDP at basic prices (November 2024)	▼
2.75% Prime rate (March 2025)	▼

Insolvency in Quebec

2023 vs 2024

+ 12.1% Consumer insolvency in Quebec	▲
+ 23.2% Business insolvency in Quebec	▲

Top 5

Sectors most affected by insolvency in Quebec

- 1 Retail trade
- 2 Tourism, accommodation and food services
- 3 Construction
- 4 Transportation and warehousing
- 5 Manufacturing

Inflation, which peaked in 2022, is still dropping and is now at 2% in Quebec. This decrease is due in part to prudent monetary policy measures and to a moderate improvement in economic activities, which allows prices to stabilize and household purchasing power to improve. The recent 0.25% cut in the **prime rate** will also give both organizations and consumers some breathing room. They can now benefit from more favourable financing terms, which, in turn, should encourage economic growth given the current uncertainty.

What should you monitor at this time?

Prime rate: The Bank of Canada seems to be planning to continue decreasing the prime rate to stimulate the economy. However, the implementation of protectionist policies by the United States could ultimately impact the prime rate.

Technological advances: The growth in AI, automation and digitization technologies creates significant opportunities to increase efficiency and stimulate innovation.

Reduction in immigration targets: The decrease in immigration targets will lead to a labour supply decline, which will make it harder for companies to recruit.

Household debt: High levels of indebtedness will continue to put pressure on Canadian household budgets, despite the falling interest rates.

Depreciation of the Canadian dollar: The Canadian dollar significantly depreciated against the U.S. dollar in 2024. It currently trades under 70 U.S. cents and could depreciate even more due to the economic context.

Customs Tariffs: Trade dynamics with the United States are evolving rapidly and remain a major strategic issue. To closely follow the latest news and discover essential resources for businesses, we invite you to explore our special report designed for this purpose.

[Read our article on tariffs](#)

International

Revealing figures from Grant Thornton's International Business Report (IBR)

Principal constraints for Canadian businesses

Canada vs global

1	Availability of skilled workers	+8%
2	Regulations and administrative requirements	+9
3	Energy costs	+ 3%
4	Competition	+6%
5	Supply chains	+11%
6	Labour costs	+4%
7	Economic uncertainty	=
8	Cybersecurity, digital risks	+4%

On average, Canadian companies are **5.6% more concerned** by these principal constraints than other companies across the globe. This difference is especially true when it comes to supply chains, availability of skilled workers and regulations and administrative requirements. This is a sign that economic and logistics challenges are significantly greater in Canada and require more robust adaptation and innovation strategies to remain competitive on the global market.

Top 5 – Investment intentions of Canadian businesses in 2025

Canada vs global

1	Information technology (69%)	=
2	Employee skills (64%)	+3%
3	Brand development (61%)	=
4	Research and development (60%)	- 1%
5	Sustainable initiatives (58%)	-2%

Canadian companies intend to invest more than the global average in their employees' skills, an efficient strategy to mitigate the skilled labour shortage. This phenomenon could be explained in part by tighter immigration rules, which will decrease the use of foreign workers in the coming months.

Although investment intentions in sustainable initiatives have jumped by 17% compared to Q1 2024, Canada still **lags by 2%** behind the global average. This shows a significant awareness and willingness on the part of companies, but the late adoption of ESG-related standards and regulations, a lack of adapted tools and an increasingly complex set of requirements regarding ESG information have all been obstacles on management's path to action.

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Tips from our experts on increasing productivity in 2025



Yannick Bourassa-Milot
Recovery and Reorganization



Financial forecasts, budget management and sensitivity analyses are essential tools that allow companies to navigate an uncertain economic environment.



Clara Demers
Human Resource Consulting



It is more critical than ever to pay attention to the human side of things, a key element in transforming human resource management, and to position yourself as an employer of choice by implementing efficient procedures, regardless of the size of your business.



Mathieu Gauthier
Financial Advisory



Choose the right financial partners, diversify your partners based on their strengths, consult a financial advisor and focus on optimizing the company's current operations before revenue growth.



Jonathan Perrier
Management Consulting



Focus on what works and organize your business around the profitable elements. Take a step back and optimize processes and tools to improve decision making.

Browse Grant Thornton's press releases to find out more about national and global trends.

Discover



Our economist's conclusion

Quebec companies are faced with a complex and unpredictable environment and have to demonstrate resilience and exceptional adaptability to remain competitive in the coming months.

Their commitment to innovation, investment in professional development programs and the adoption of new technologies will give them an advantage when it comes to overcoming current challenges. Companies could also seize new growth opportunities by leveraging the variety and depth of expertise of local talent while diversifying their markets. Lastly, focusing on sustainable practices and an ability to quickly respond to market changes will give organizations a clear strategic advantage and allow them to successfully navigate a constantly evolving economic context.

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