



The Economic Vision

June 2025

The economy by the numbers

	Change compared to the previous month
2.2% Consumer price index in Quebec (April 2025)	▲
6.0% Unemployment rate in Quebec (April 2025)	▲
6.9% Unemployment rate in Canada (April 2025)	▲
-0.5% Monthly variation of Quebec's GDP at basic prices (February 2025)	▼
0.1% Monthly variation of Canada's GDP at basic prices (March 2025)	▲
2.75% Prime rate (June 2025)	=

Insolvency in Quebec

Q1 2025 vs. Q1 2024

+ 2.9% Consumer insolvency in Quebec	▲
- 35.9% Business insolvency in Quebec	▼

Our expert's remarks



Yannick Bourassa-Milot
Recovery and Reorganization



After a record high in Q1 2024, the number of business insolvency cases dropped in Q1 2025. The increase we experienced in 2024 was related to the repayment deadline for COVID-19-related assistance programs, which forced some businesses to initiate insolvency proceedings, due to an inability to repay their debts.

The economies of both Canada and Quebec are going through a transition period defined by trade tensions, ongoing uncertainty and mixed signals regarding growth.

In this context, businesses must deal with complex dynamics: consumer caution, investor reluctance and monetary policy adjustments.

Although some sectors show signs of slowing down, others hint at strategic opportunities, particularly in terms of consolidation or repositioning. More than ever, vigilance and agility are required to navigate an environment where traditional reference points are constantly shifting.

What should you monitor at this time?

Economic slowdown: The trade war with the United States could slow down the Canadian and global economies, due to a projected recession and rising operating costs.

Climate of uncertainty: The fluctuating economic situation drives businesses to rethink or suspend investments, especially in the manufacturing and wholesale sectors.

Inflation and interest rates: Tariffs have not yet caused prices to rise, but the Bank of Canada is hesitant to lower its prime rate.

Consumer confidence: The trade war is impacting the morale of Canadian consumers, who are cutting back on spending due to concerns about their jobs and financial health.

Vacant positions: The job markets in Quebec and in Canada are showing signs of weakness, including a slight increase in the unemployment rate and fewer than 120,000 vacant positions in Quebec.

Governmental assistance measures: In response to this period of uncertainty, the provincial and federal governments have implemented assistance programs for businesses, which support various objectives such as liquidity needs and productivity investments.

**Assistance Programs for Businesses:
Discover all the available resources**

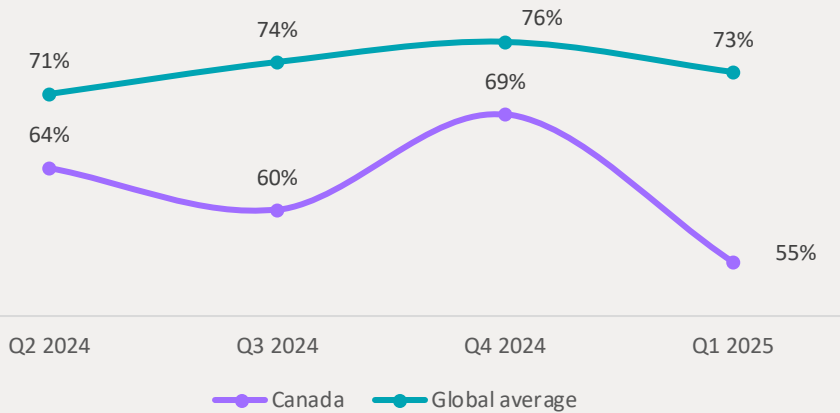
Sources:

Statistics Canada
Institut de la statistique du Québec
Office of the Superintendent of Bankruptcy
Bank of Canada

International

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

A declining level of optimism among Canadian businesses



Since the trade tensions with the United States began, there has been a decline in corporate optimism worldwide. This trend is even more pronounced in Canada, which posted a sharp decline compared to the previous quarter (-14%).

While several economies appear to be adapting to an uncertain environment, Canadian companies, which are more exposed to fluctuations in North American relations, are showing signs of caution.

Top 5 – Investment intentions of Canadian businesses in the next 12 months

- 1 Information technology (61%)
- 2 Research and development (46%)
- 3 Brand development (46%)
- 4 Employee skills (44%)
- 5 Sustainable initiatives (40%)

Canadian companies' investment intentions are well below the global average (-14%). However, they maintain a resolutely forward-looking perspective, especially by prioritizing targeted investments in innovation, technology and sustainability.

This demonstrates Canadian businesses' willingness to adapt to economic change while assuming greater social responsibility. This strategic refocusing suggests a more selective but still ambitious approach to the challenges ahead.

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[Learn more](#)

Tips from our experts on navigating periods of uncertainty



Maxine Tétreault-Robert
Business Transformation Consulting



Take advantage of this economic climate to optimize your business processes. Automating certain operations can improve your efficiency, reduce costs and enhance your ability to adapt.



Vincent Cartier
Risk Management Consulting



Assessing the potential impact on your supply chains, exports, sales and revenue is essential. A thorough analysis will enable you to better anticipate risks and make informed decisions.



Marie-Pierre Pelletier
Taxation – Transfer Pricing



Take the time to review the structure of your cross-border operations. A well-thought-out reorganization could help you address the challenges posed by the global economic environment.



Eugène Gilbert
Management Consulting



Finally, stay focused on your company's profitability. Evaluate your strategic and operational options to maintain or even improve your financial performance despite the current uncertainties.

Make strategic decisions now to maintain a clear vision and look to the future with confidence.

**Productivity and tariffs:
Read our special section on this subject**



Our economist's conclusion

The current economic context is clouded by uncertainty and the trade tensions with the United States only exacerbate this instability. In Quebec, this results in a wait-and-see attitude, with Quebec businesses experiencing the increased pressure of higher costs and the repercussions of sluggish demand and declining consumer confidence.

However, this transition period can also pave the way for opportunities, such as acquisitions, reorganizations or productivity improvements, especially with the help of government assistance measures. Navigation through this complex environment requires flexibility, vision and adaptability.



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