

ECONOMIC BENEFITS

GENERATED BY
QUÉBEC'S MINING INDUSTRY



Study completed by
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By
EcoTec Consultants
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TABLE OF CONTENTS

Preface.	4
Executive summary	5
Introduction.	10
I – Data collection	11
II – Economic benefits generated by mineral extraction and exploration activities	13
III – Economic benefits generated by investment expenditures . . .	29
IV – Total economic benefits	41
Conclusion.	54





PREFACE

It is a well-known fact that mining generates substantial economic benefits for Québec. But how much exactly? And which regions benefit the most? To answer these questions, the Québec Mining Association commissioned the economic study presented here.

With the 45,000 jobs it supports, around \$6 billion of expenditure in Québec and \$1 billion paid to the government, the mining industry clearly makes a significant contribution to Québec's social and economic development. The mining companies that operate in Québec are proud of their achievements and of the genuine partnerships they have formed with their host communities.

This study shows, first, that the major urban areas also share in the benefits generated by the mining industry and, second, that despite a downturn in recent years, the benefits remain substantial. Billions of dollars are invested and spent here by companies that are careful to develop Québec's mineral potential in a responsible way.

The economic data presented in the study highlight the extent of the benefits generated in Québec and the fact that, in addition to the mining taxes paid to the government, a significant amount in itself, many other forms of expenditure and payments help enrich Québec and its population.



Josée Méthot, Eng., M.B.A.
President and Chief Executive Officer
Québec Mining Association

EXECUTIVE SUMMARY

This study results from a survey of the member mining companies of the Québec Mining Association (QMA), concerning their expenditures in 2014. This data, combined with data from another survey of employment and wages, was used to calculate the economic benefits generated by the mining industry in Québec. The response rate for the two surveys was approximately 97%.

The job figures for each region show direct jobs (mining company employees) based on the workers' permanent place of residence rather than their place of employment. In other words, the jobs are counted in the region where the employment income is probably spent. The indirect benefits for Québec as a whole were estimated using the Input-Output simulation model of the Institut de la statistique du Québec (ISQ). Models developed by EcoTec Consultants were used to break down the indirect benefits by administrative region, and were also applied to (1) calculate the induced benefits and break them down by region and (2) calculate the indirect and induced benefits in other provinces.

Table 1 shows the number of mining industry suppliers in Québec, by administrative region, and outside Québec. It is important to note that since many suppliers are connected with both extraction and exploration expenditures and mine investment, some names appears in both the first two columns. The third column shows the total number of suppliers, without this duplication.

The total number of mining industry suppliers in Québec is estimated at 4,101, or roughly three quarters (74.6%) of the total number of suppliers. The remainder, or 1,393 suppliers, are established in the rest of Canada or in other countries. The largest group of suppliers, 1,411 or over one quarter (25.7%) of the total, are located in the Abitibi-Témiscamingue region, which is not surprising given the importance and long history of the mining industry in this region of Québec. The Island of Montréal¹ comes second, with 741 suppliers (13.5%), followed by the Saguenay-Lac-Saint-Jean region, close to Québec's three main mining regions, with 478 suppliers (8.7%) and the Montérégie region with 331 (6.0%). This shows that the benefits of the mining industry are felt well beyond the boundaries of the mining regions.

¹ In the rest of the report, the Island of Montréal will be referred to simply as Montréal.



TABLE 1

Number of mining industry
suppliers in Québec, 2014

Region	Extraction and exploration	Investment	Total	Percentage
Bas-Saint-Laurent	25	19	33	0.6%
Saguenay-Lac-Saint-Jean	354	320	478	8.7%
Capitale-Nationale	231	136	284	5.2%
Mauricie	45	29	56	1.0%
Estrie	33	21	42	0.8%
Montréal	638	330	741	13.5%
Outaouais	13	8	19	0.3%
Abitibi-Témiscamingue	1 156	801	1 411	25.7%
Côte-Nord	112	48	127	2.3%
Nord-du-Québec	46	36	76	1.4%
Gaspésie-Îles-de-la-Madeleine	54	9	57	1.0%
Chaudière-Appalaches	58	33	81	1.5%
Laval	114	64	148	2.7%
Lanaudière	39	30	60	1.1%
Laurentides	82	45	104	1.9%
Montérégie	261	153	331	6.0%
Centre-du-Québec	41	25	53	1.0%
Total Québec	3 302	2 107	4 101	74.6%
Outside Québec	1 218	447	1 393	25.4%
Total	4 520	2 554	5 494	100.0%

Source: Survey of QMA members

Total extraction and exploration expenditures by mining companies in Québec is estimated at \$4.6 billion for 2014, including wages and benefits for workers and all other expenditures on goods and services. Once investment expenditures of \$2.2 billion is added, total mining industry expenditures in Québec was \$6.8 billion in 2014.

The benefits generated by this expenditures are estimated at 58,337 person-years, including 45,563 in Québec, or \$9.2 billion in gross domestic product (GDP), including \$7.7 billion in Québec. Three "resource" regions benefitted in particular from mining industry activities in 2014: Abitibi- Témiscamingue, Côte-Nord and Nord-du-Québec. In the Abitibi-Témiscamingue region alone, the mining industry generated 15,552 person-years of employment and \$2.6 billion in GDP (Table 2), accounting for 20.8% of the total number of jobs in the region and 34.2% of the regional GDP.

TABLE 2

Benefits generated by total mining company expenditures,
2014, person-years and \$ million

Region	Jobs	Percentage of total region	Gross domestic product	Percentage of total region
Bas-Saint-Laurent	1 275	1.5%	\$115.3	1.6%
Saguenay-Lac-Saint-Jean	2 681	2.1%	\$310.9	2.8%
Capitale-Nationale	2 603	0.7%	\$242.3	0.6%
Mauricie	582	0.5%	\$54.4	0.6%
Estrie	532	0.3%	\$51.3	0.4%
Montréal	4 352	0.5%	\$484.2	0.4%
Outaouais	195	0.1%	\$21.8	0.2%
Abitibi-Témiscamingue	15 552	20.8%	\$2 637.1	34.2%
Côte-Nord	4 023	11.3%*	\$1 350.7	16.8%
Nord-du-Québec	1 511		\$854.8	22.5%
Gaspésie-Îles-de-la-Madeleine	372	1.0%	\$48.3	1.6%
Chaudière-Appalaches	1 151	0.5%	\$111.5	0.6%
Laval	1 646	0.7%	\$141.3	0.9%
Lanaudière	651	0.3%	\$64.8	0.5%
Laurentides	1 082	0.4%	\$114.9	0.6%
Montréal	6 716	0.9%	\$994.1	1.8%
Centre-du-Québec	639	0.6%	\$60.9	0.6%
Total Québec	45 563	1.1%	\$7 658.8	2.1%
Rest of Canada	12 774	---	\$1 506.9	---
Total Canada	58 337	---	\$9 165.7	---

Source: Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants.

* This percentage is valid for two regions combined: Côte-Nord and Nord-du-Québec.

Jobs in the Côte-Nord (4,023) and Nord-du-Québec (1,511) regions represented around 11.3% of all jobs in the two regions in 2014. The GDP generated in the Nord-du-Québec region (\$854.8 million) represented 22.5% of the regional GDP, and the GDP generated in the Côte-Nord region (\$1.3 billion) represented 16.8% of the regional GDP. Other regions that benefitted in particular from mining industry activities were Montérégie (6,716 person-years), Montréal (4,352 person-years), Saguenay-Lac-Saint-Jean (2,681 person-years) and the Capitale-Nationale région (2,603 person-years).

The fiscal and parafiscal revenue generated in 2014 is estimated at \$1.5 billion (Table 3): \$1.0 billion for the Québec government (69.3%) and \$450.4 million for the federal government (30.7%). The largest source of revenue for the Québec government was parafiscal revenue (\$418.0 million), followed by personal income tax (\$301.6 million), Québec sales tax and other indirect taxes (\$177.3 million) and mining royalties (\$121.1 million).

TABLE 3

Fiscal and parafiscal revenue generated by mining industry expenditures in Québec, 2014, \$ million

Revenue source	Extraction and exploration	Investment	Total
Québec government			
Personal income tax	\$233.3	\$68.3	\$301.6
QST and other indirect taxes	\$128.6	\$48.7	\$177.3
Mining royalties*	\$121.1	\$0.0	\$121.1
Parafiscal	\$287.9	\$130.2	\$418.0
Total Québec government	\$770.9	\$247.2	\$1 018.1
Government of Canada**			
Personal income tax	\$220.5	\$71.3	\$291.8
GST and other indirect taxes	\$60.5	\$28.5	\$89.0
Parafiscal***	\$46.2	\$23.3	\$69.5
Total Government of Canada	\$327.2	\$123.1	\$450.4
Total****	\$1 098.1	\$370.3	\$1 468.5

Sources: Ministère de l'Énergie et des Ressources naturelles (MERN), Institut de la statistique du Québec and EcoTec Consultants

* Mining royalties paid according to the MERN.

** Government of Canada revenue calculated for all Canada.

*** Federal parafiscal revenue calculated for Québec only.

**** Excluding amounts paid to government by mining companies in the form of corporate income tax.

CONCLUSION

Five key elements should be noted:

1. In 2014, mining industry expenditures in Québec amounted to \$6.8 billion, including \$4.6 billion for mineral extraction and exploration.
2. QMA member companies involved in mineral extraction made a major contribution to the economy of several Québec regions, especially in the province's "resource" regions. The mining industry plays a significant role in the economy of the Abitibi-Témiscamingue, Côte-Nord and Nord-du-Québec regions, where it accounts for a significant percentage of jobs and GDP in the regional economy.
3. Mining industry activities in Québec generated benefits in several regions outside the three "resource" regions where most mines are located. Over 16,300 person-years of employment were generated in four regions: Montérégie, Montréal, Saguenay-Lac-Saint-Jean and Capitale-Nationale.
4. Over 4,100 Québec-based enterprises were mining industry suppliers in 2014. This supply network covers all regions of Québec, but is especially important in the Abitibi-Témiscamingue region which has over one quarter of all suppliers. It is also significant in several other regions, including Montréal and Saguenay-Lac-Saint-Jean.
5. Mining activities generated considerable fiscal and parafiscal revenues in 2014 for the two main levels of government amount to over \$1.5 billion, including \$1.0 billion for the Québec government alone.

»» **THE BENEFITS OF
THE MINING INDUSTRY
EXTEND WELL BEYOND
THE MINING REGIONS**

INTRODUCTION

The mining industry is a key economic player in Québec. It is both dynamic and constantly evolving. To find out more about the economic benefits generated by the mining industry, the Québec Mining Association commissioned a two-phase study. The first phase was conducted in 2015 and focused on jobs, wages and social benefits in Québec's mining industry. The second phase was completed in 2016, and gathered information on mining company expenditures in Québec on the goods and services used in mineral exploration and extraction activities, along with investment expenditures.

For both phases, a questionnaire was developed with an interview guide and sent to all QMA members. The data collected during the two phases of the study is presented in this document, and was used to calculate, by region, the economic benefits generated by Québec's mining industry.

The report is split into four sections:

- ▶ Section One presents the methods used to gather data from QMA members.
- ▶ Section Two presents the economic benefits in Québec resulting from mineral exploration and extraction expenditures by QMA members.
- ▶ Section Three presents the economic benefits in Québec resulting from investment expenditures by QMA members.
- ▶ Section Four presents the aggregate economic benefits in Québec resulting from total expenditures by QMA members.

I – DATA COLLECTION

This study uses data gathered from member mining companies of the Québec Mining Association (QMA). The data was collected in two phases. The first phase, from February to April 2015, was about employment, wages and hours worked.

The second phase (February to April, 2016), focused on operating, exploration and investment expenditures by mining companies in 2014. Table I-1 lists the 24 companies that participated in the data collections efforts for the study and their extraction or development site or sites. A questionnaire was used to facilitate data entry for the two phases. The questionnaire for the second phase contained four parts: operating expenditures, mineral exploration expenditures, investment expenditures by mining companies, and total sales. The response rate for both phases was around 97%.



TABLE I-1

QMA member companies that participated in the study,
with operating and development sites

Name of company	Name of site
ArcelorMittal Mining Canada G.P.	Fire Lake mine
	Mont-Wright mining complex
Canadian Royalties Inc.	Nunavik Nickel Project
Glencore	Horne Smelter
	Matagami Mine
	Raglan Mine
Goldcorp	Éléonore
Graymont Inc.	Bedford plant
	Marbleton plant
Hecla Mining Company	Casa Berardi mine
IAMGOLD Corporation	Westwood mine
Integra Gold Corp.	Lamaque project
K+S Windsor Salt Ltd.	Seleine Mines
Canadian Malartic G.P.	Canadian Malartic mine
Agnico Eagle Mines Ltd.	Goldex mine
	Lapa mine
	LaRonde mine
Richmont Mines Inc.	Beaufor Mine
New Millenium Iron Corporation	Head office and Côte-Nord office
Niobec, a Magris Resources Company	Niobec mine
Nyrstar	Langlois mine
Oceanic Iron Ore	
Omya Canada Inc.	St-Armand plant
Osisko Gold Royalties	
Métanor Resources Inc.	Barry
	Lac Bachelor mine
Rio Tinto Fer et Titane	Lac Tio Mine
	Sorel Plant
Stornoway Diamonds Corporation	Renard
Tata Steel Minerals Canada Limited	Head office
CMAC-THYSSEN Mining Group	
Les entreprises de construction de Québec ltée	

II – ECONOMIC BENEFITS GENERATED BY MINERAL EXTRACTION AND EXPLORATION ACTIVITIES

Mineral extraction and exploration expenditures by mining companies in Québec is shown in Table II-1.² Payroll expenditures, comprising gross wages and benefits, is broken down by administrative region based on the region of residence of mining company employees. Other expenditures are broken down by region based on the supplier's billing address.



Mining company expenditures for extraction and exploration in 2014 amounted to \$4.6 billion. Of this total, \$3.8 billion was spent in Québec (81.8%) and \$0.8 billion in other Canadian provinces or other countries (18.2%). Expenditures were divided into two main components: (1) payroll expenditures of \$1.44 billion, including \$1.43 billion in Québec and \$10.7 million in the other provinces and (2) other expenditures of \$3.2 billion, including \$2.35 billion in Québec and \$0.8 billion spent directly outside Québec. It is important to note that exploration expenditures amounted to only \$55.5 million in 2014. The amounts spent in Québec were concentrated in four regions, accounting for 66.9% of the total. Two "resource" regions were in this group: Abitibi-Témiscamingue, which dominated the other regions with 29.1% of expenditures, and Côte-Nord with 12.1%. The two other regions were Montréal (17.7%) and Montérégie (8.0%).

² The expenditures shown in Table II-1 does not include mining companies' gross income (pre-tax and pre-amortization) which was essentially estimated based on guidance from the ISQ to obtain as full a picture as possible of the industry's contribution to the Québec economy. When this gross income (estimated at around \$3.0 billion) is added to mining company expenditures, the total is \$7.5 billion for 2014.

TABLE II-1

Mining company extraction and exploration expenditures, 2014, \$ million

Region	Payroll *	Other expenditures	Total expenditures	Percentage
Bas-Saint-Laurent	\$26.2	\$29.6	\$55.9	1.2%
Saguenay-Lac-Saint-Jean	\$81.8	\$75.3	\$157.1	3.4%
Capitale-Nationale	\$37.1	\$76.1	\$113.3	2.4%
Mauricie	\$16.1	\$20.5	\$36.5	0.8%
Estrie	\$16.9	\$29.3	\$46.2	1.0%
Montréal	\$34.9	\$782.5	\$817.4	17.7%
Outaouais	\$2.9	\$3.4	\$6.3	0.1%
Abitibi-Témiscamingue	\$580.1	\$767.0	\$1 347.1	29.1%
Côte-Nord	\$336.6	\$228.9	\$560.9	12.1%
Nord-du-Québec	\$91.0	\$6.0	\$97.0	2.1%
Gaspésie-Îles-de-la-Madeleine	\$18.5	**	\$23.2	0.5%
Chaudière-Appalaches	\$18.1	\$16.4	\$34.6	0.7%
Laval	\$3.8	\$19.2	\$23.0	0.5%
Lanaudière	\$9.9	\$13.0	\$22.9	0.5%
Laurentides	\$12.4	\$35.0	\$47.4	1.0%
Montréal	\$129.9	\$241.7	\$371.7	8.0%
Centre-du-Québec	\$11.8	\$8.9	\$20.7	0.4%
Total Québec	\$1 428.2	\$2 353.0	\$3 781.2	81.8%
Outside Québec	\$10.7	\$833.2	\$843.8	\$18.2%
Total	\$1 438.8	\$3 186.1	\$4 625.0	100.0%

Sources: Survey of QMA members, ISQ and EcoTec Consultants

* Payroll = gross wages plus social benefits

**Confidential data. Figures added to the Côte-Nord region.

Table II-2 breaks down mining industry suppliers in Québec for extraction and exploration activities. A special effort was made to eliminate as much duplication as possible between the lists provided by the various mining companies. Steps were also taken to obtain a number of suppliers that was as realistic as possible. For example:

- ▶ only incorporated suppliers with a corporate name were listed; the names of individuals with no indication of incorporation (such as "Inc.") were removed from the list;
- ▶ social organizations, charities, sports teams and events that received contributions from mining companies were removed from the list since they are not suppliers for the companies' activities;
- ▶ government agencies that charge a contribution (Québec and Canada revenue agencies, natural resources departments and all other government bodies) were not counted as suppliers;
- ▶ all enterprises acting under the same corporate name (such as Canadian Tire or Tim Hortons) were grouped together and counted only once to avoid an excessive number of suppliers.



The number of suppliers used by mining companies for extraction and exploration activities in Québec is estimated at 4,520. Of this number, 3,302 are suppliers in Québec (73.1%) and 1,218 (26.9%) are suppliers based in the rest of Canada and other countries. The largest group of suppliers is in the Abitibi-Témiscamingue region, with 1,156 or over one quarter (25.6%) of all suppliers. Montréal comes second with 638 suppliers (14.1%), followed by Saguenay-Lac-Saint-Jean (354 - 7.8%) and Montérégie (261 - 5.8%).

TABLE II-2

Number of suppliers for mining company extraction
and exploration expenditures, 2014, \$ million

Region	Number	Percentage
Bas-Saint-Laurent	25	0.6%
Saguenay-Lac-Saint-Jean	354	7.8%
Capitale-Nationale	231	5.1%
Mauricie	45	1.0%
Estrie	33	0.7%
Montréal	638	14.1%
Outaouais	13	0.3%
Abitibi-Témiscamingue	1 156	25.6%
Côte-Nord	112	2.5%
Nord-du-Québec	46	1.0%
Gaspésie-Iles-de-la-Madeleine	54	1.2%
Chaudière-Appalaches	58	1.3%
Laval	114	2.5%
Lanaudière	39	0.9%
Laurentides	82	1.8%
Montérégie	261	5.8%
Centre-du-Québec	41	0.9%
Total Québec	3 302	73.1%
Outside Québec	1 218	26.9%
Total	4 520	100.0%

Source: Survey of QMA members

Table II-3 shows estimates of the number of jobs supported in each Québec region and in the rest of Canada. The data on direct jobs by region was provided by the mining companies and shows employees permanent place of residence rather than their place of work. In other words, the jobs are counted in the region where the employment income is probably spent. The indirect jobs for Québec as a whole were estimated using the Input-Output model of the Institut de la statistique du Québec (ISQ). Models developed by EcoTec Consultants were used to break down the indirect jobs by administrative region, and were also applied to (1) calculate the induced jobs and break them down by region and (2) calculate the indirect and induced jobs in other provinces.



Extraction and exploration activities by mining companies active in Québec supported a total of 29,769 person-years of employment in Québec in 2014. A further 7,194 person-years were supported in the rest of Canada, making a national estimated total of 36,964. This means that 80.5% of the jobs were in Québec and 19.5% in the other provinces. The jobs in Québec were concentrated in four regions that together accounted for 59.7% of employment. The group included two "resource" regions, Abitibi-Témiscamingue, which dominated the other regions with 11,268 person-years (30.5%), and Côte-Nord with 3,754 person-years (10.2%). Montérégie was the industrialized region with the most jobs, at 4,392 person-years (11.9%), followed by Montréal in fourth position with 2,619 person-years (7.1%).

TABLE II-3

Jobs supported by the extraction and exploration expenditures of mining companies, 2014, person-years

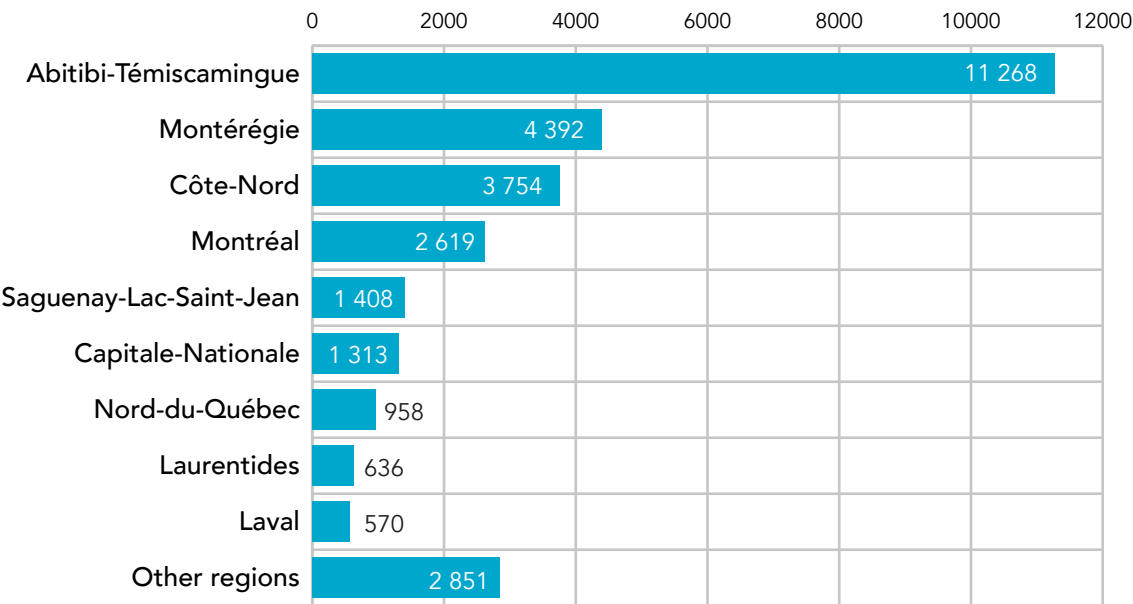
Region	Direct	Indirect	Induced	Total	Percentage
Bas-Saint-Laurent	186	151	162	499	1.4%
Saguenay-Lac-Saint-Jean	665	450	293	1 408	3.8%
Capitale-Nationale	330	594	388	1 313	3.6%
Mauricie	156	124	108	388	1.0%
Estrie	160	96	106	363	1.0%
Montréal	278	2 026	315	2 619	7.1%
Outaouais	33	41	58	131	0.4%
Abitibi-Témiscamingue	4 926	4 382	1 960	11 268	30.5%
Côte-Nord	2 410	689	655	3 754	10.2%
Nord-du-Québec	795	35	128	958	2.6%
Gaspésie-Îles-de-la-Madeleine	224	30	75	329	0.9%
Chaudière-Appalaches	140	186	178	503	1.4%
Laval	53	352	165	570	1.5%
Lanaudière	89	152	107	349	0.9%
Laurentides	100	348	187	636	1.7%
Montérégie	1 675	1 939	778	4 392	11.9%
Centre-du-Québec	129	73	87	289	0.8%
Total Québec	12 349	11 669	5 751	29 769	80.5%
Reste of Canada	155	4 687	2 352	7 194	19.5%
Total Canada	12 504	16 356	8 103	36 964	100.0%

Sources : Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants.

Figures II-1 and II-2 and Map II-1 provide a clearer illustration of the distribution of jobs by administrative region in Québec.

FIGURE II-1

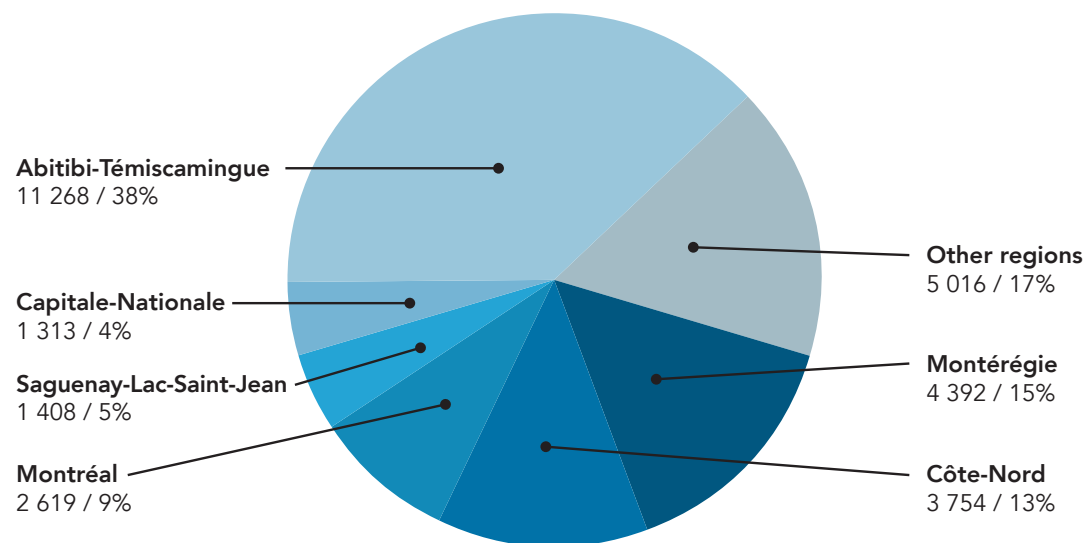
Jobs by region supported by extraction and exploration expenditures, 2014, person-years



Source: Table II-3

FIGURE II-2

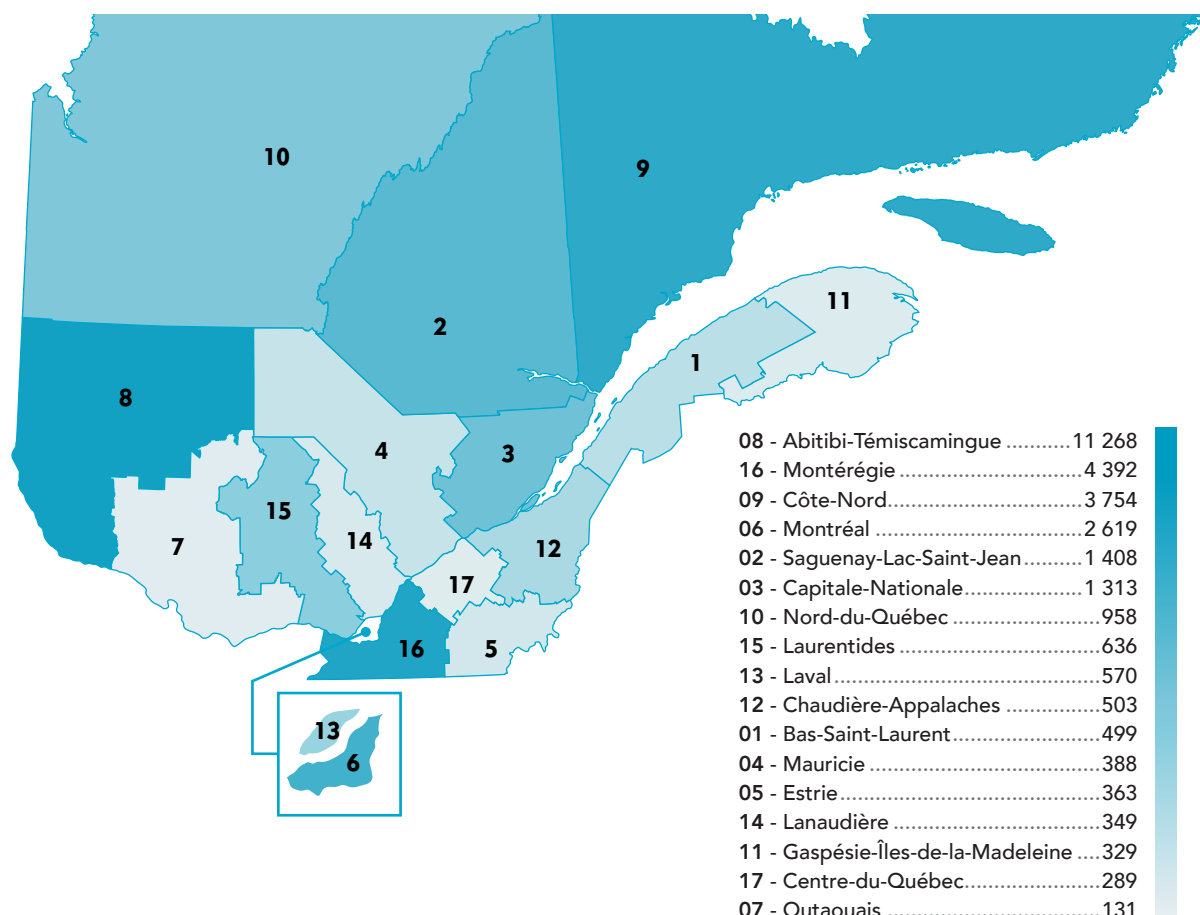
Jobs by region supported by extraction and exploration expenditures, 2014, person-years



Source: Table II-3

MAP II-1

Total jobs by region supported by extraction and exploration expenditures, 2014



Source: Table II-3

Table II-4 shows the estimated gross domestic product (GDP) generated, for each Québec region and for the rest of Canada. GDP is the contribution to economic activity measured on an added-value basis. It is made up of wages, salaries, and the remuneration of other production factors (for example, pre-tax and pre-amortization company income). GDP also includes indirect taxes, net of subsidies.

The sum of all these components gives the added value, which is used to estimate the net contribution of an industry to Québec's economy.

Data on direct GDP by region was (1) provided by mining companies for wages in the region of residence of their employees and (2) estimated with assistance from the Institut de la statistique du Québec (ISQ) for other gross income, including amortization charges and the net pre-tax operating income of mining companies. It is important to note that this gross income was essentially estimated based on ISQ guidance to ensure that the overview of the direct GDP generated by the mining industry in Québec was as complete as possible. Gross income is estimated to amount to \$3.0 billion for the province as a whole, and is estimated and broken down by production location.

Indirect GDP for the province of Québec as a whole is estimated using the ISQ Input-Output model. The models of EcoTec Consultants were used to break down indirect GDP by administrative region, and also to (1) calculate induced GDP and break it down by region and (2) calculate indirect and induced GDP for the other provinces.



Extraction and exploration activities by mining companies active in Québec in 2014 generated a gross domestic product (GDP) estimated at \$6.2 billion for Québec as a whole and \$0.9 billion in the other provinces, making an estimated total for Canada of \$7.1 billion. Therefore, 87.2% of the GDP was generated in Québec and 12.8% in the other Canadian provinces. The GDP in Québec was concentrated in four regions that make up 72.6% of the total, including three "resource" regions: Abitibi-Témiscamingue, the leader with \$2.2 billion (31.5%), Côte-Nord with \$1.3 billion (18.6%), and Nord-du-Québec with \$0.81 billion (11.4%). Montérégie ranks fourth with \$0.79 billion (11.1%).

TABLE II-4

Gross domestic product generated by mining company
extraction and exploration activities, 2014, \$ million

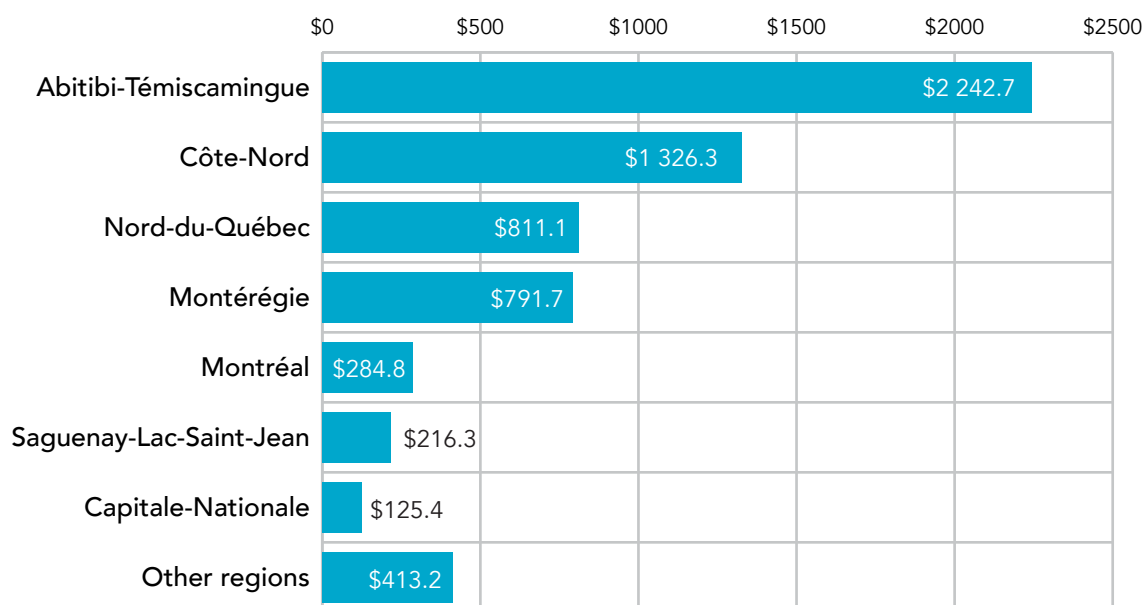
Region	Direct	Indirect	Induced	Total	Percentage
Bas-Saint-Laurent	\$21.2	\$12.4	\$17.0	\$50.6	0.7%
Saguenay-Lac-Saint-Jean	\$147.7	\$35.9	\$32.6	\$216.3	3.0%
Capitale-Nationale	\$31.2	\$54.0	\$40.3	\$125.4	1.8%
Mauricie	\$13.4	\$10.5	\$11.2	\$35.1	0.5%
Estrie	\$13.6	\$8.7	\$11.4	\$33.7	0.5%
Montréal	\$34.3	\$215.4	\$35.1	\$284.8	4.0%
Outaouais	\$2.5	\$6.1	\$5.8	\$14.4	0.2%
Abitibi-Témiscamingue	\$1 629.3	\$391.8	\$221.7	\$2 242.7	31.5%
Côte-Nord	\$1 191.6	\$56.0	\$78.6	\$1 326.3	18.6%
Nord-du-Québec	\$792.0	\$2.9	\$16.2	\$811.1	11.4%
Gaspésie-Îles-de-la-Madeleine	\$33.9	\$2.2	\$7.9	\$44.0	0.6%
Chaudière-Appalaches	\$14.8	\$17.2	\$18.0	\$50.0	0.7%
Laval	\$3.1	\$33.4	\$16.1	\$52.6	0.7%
Lanaudière	\$8.2	\$17.3	\$11.0	\$36.4	0.5%
Laurentides	\$10.4	\$40.3	\$19.3	\$70.1	1.0%
Montréal	\$497.6	\$209.5	\$84.6	\$791.7	11.1%
Centre-du-Québec	\$9.8	\$7.5	\$9.0	\$26.3	0.4%
Total Québec	\$4 454.7	\$1 121.2	\$635.7	\$6 211.6	87.2%
Reste of Canada	\$11.0	\$625.0	\$273.9	\$909.9	12.8%
Total Canada	\$4 465.7	\$1 746.2	\$909.6	\$7 121.5	100.0%

Sources : Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants

Figures II-3 and II-4 and Map II-2 provide a clearer illustration of the breakdown, by Québec administrative region, of the GDP generated by mining company extraction and exploration activities.

FIGURE II-3

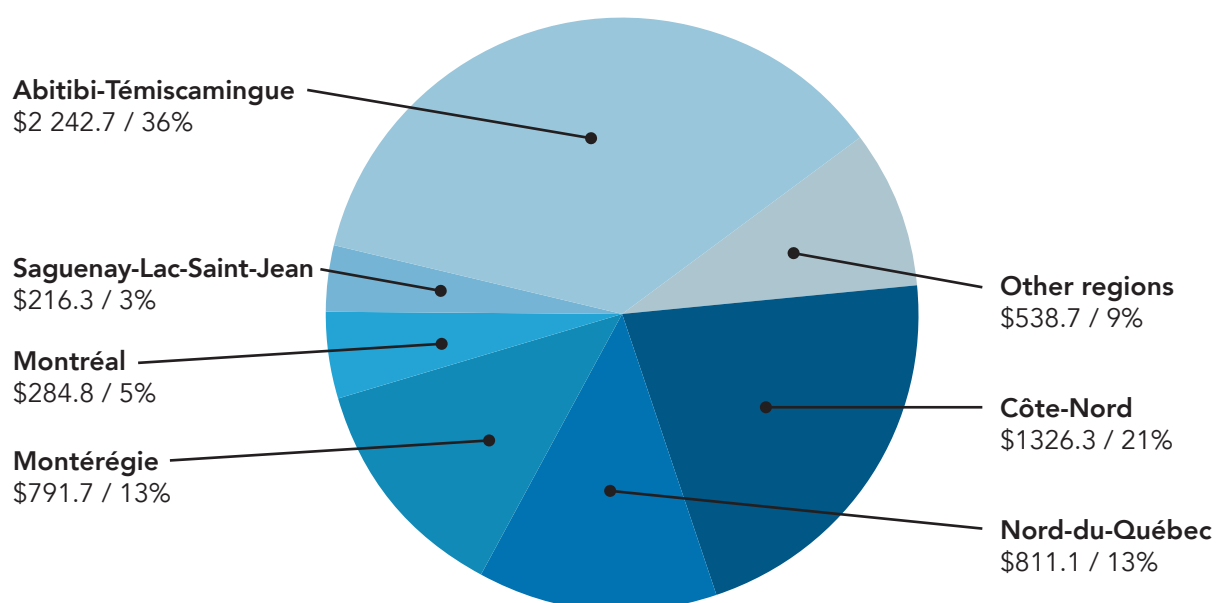
Gross domestic product, by administrative region, generated by extraction and exploration expenditures, 2014, \$ million



Source: Table II-4

FIGURE II-4

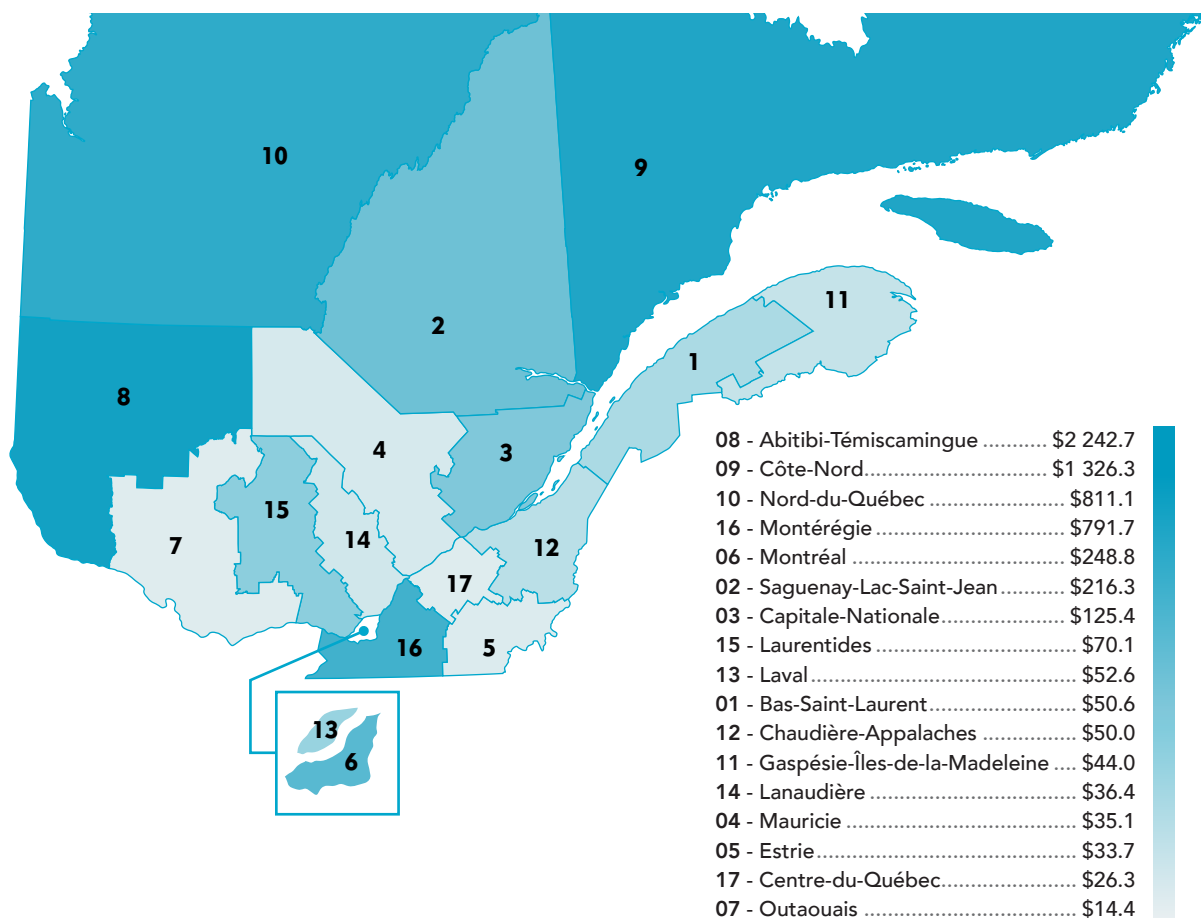
Gross domestic product, by administrative region, generated by extraction and exploration expenditures, 2014, \$ million



Source: Table II-4

MAP II-2

Gross domestic product, by administrative region, generated by extraction and exploration expenditures, 2014



Source: Table II-4

The importance of the contribution made by the mining industry to Québec's various regions is easier to understand when the statistics on economic benefits are compared to the total economy in each region in 2014. Table II-5 shows the impact of the benefits generated by the extraction and exploration activities of mining companies on the economy in Québec's regions.



The extraction and exploration activities of the mining industry had a major impact on the economy of three "resource" regions in 2014. In the Abitibi-Témiscamingue region, mining industry jobs represented 15.1% of total employment in the region (annual average for 2014). In addition, work income (wages and salaries and income of unincorporated enterprises) represented 19.4% of the regional total. Last, the GDP generated by mining companies represented 29.2% of total GDP in the region in 2014. The benefits are also substantial for the economy in the Côte-Nord and Nord-du-Québec regions. Mining industry jobs represented 9.6% of the annual average job total in both regions in 2014. Employment income represented 12.1% of the regional total in the Côte-Nord region and 8.5% in the Nord-du-Québec region. Last, the GDP generated represented 21.4% of total GDP in the Nord-du-Québec region and 16.5% in the Côte-Nord region.

TABLE II-5

Impact of benefits from extraction and exploration expenditures in regional economies, 2014, percentage

Region	Jobs	Work income	GDP
Bas-Saint-Laurent	0.6%	0.9%	0.7%
Saguenay-Lac-Saint-Jean	1.1%	1.5%	2.0%
Capitale-Nationale	0.3%	0.4%	0.3%
Mauricie	0.3%	0.4%	0.4%
Estrie	0.2%	0.3%	0.3%
Montréal	0.3%	0.3%	0.2%
Outaouais	0.1%	0.1%	0.1%
Abitibi-Témiscamingue	15.1%	19.4%	29.2%
Côte-Nord	9.6% *	12.1%	16.5%
Nord-du-Québec		8.5%	21.4%
Gaspésie-Îles-de-la-Madeleine	0.9%	1,2%	1.5%
Chaudière-Appalaches	0.2%	0.3%	0.3%
Laval	0.3%	0.3%	0.4%
Lanaudière	0.1%	0.2%	0.3%
Laurentides	0.2%	0.3%	0.3%
Montérégie	0.6%	0.6%	1.5%
Centre-du-Québec	0.3%	0.3%	0.3%
Total Québec	0.7%	1.0%	1.7%

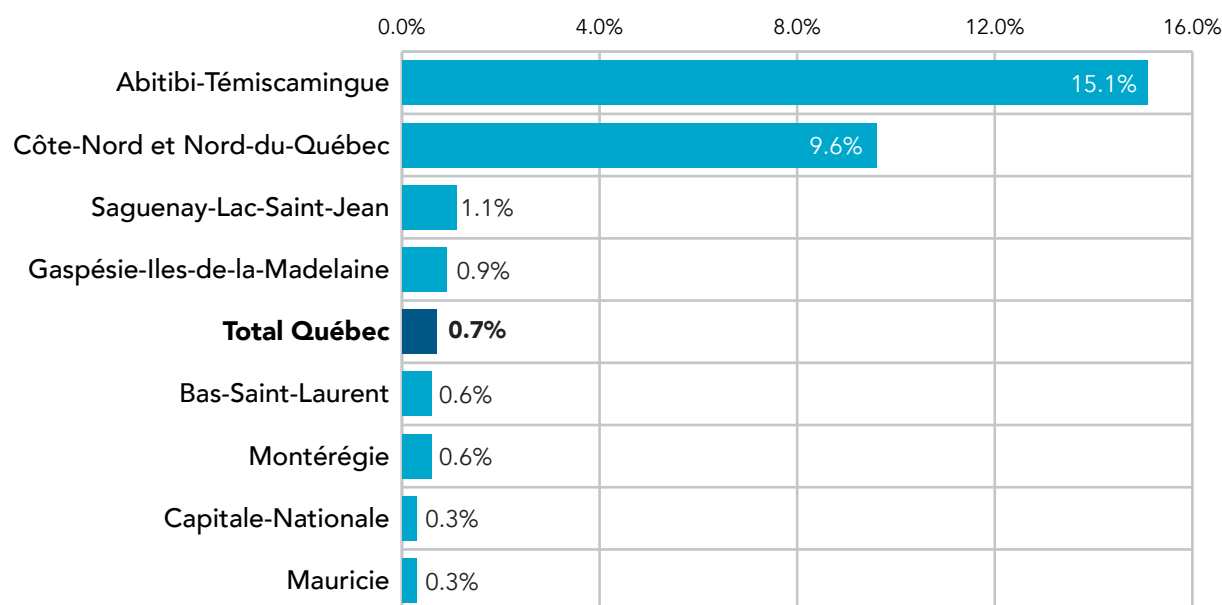
Sources: Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants

* This percentage is valid for two regions combined: Côte-Nord and Nord-du-Québec.

Figure II-5 provides a clearer illustration of the percentage of jobs supported by mining company extraction and exploration activities in Québec, by administrative region, and shows the particular importance of mining industry activities in three regions: Abitibi-Témiscamingue, Côte-Nord and Nord-du-Québec.

FIGURE II-5

Percentage of total employment represented by jobs supported by extraction and exploration expenditures, selected regions ($\geq 0.3\%$), 2014



Source: Table II-5

Table II-6 estimates the fiscal³ and parafiscal revenue derived by the Québec government and federal government from the extraction and exploration activities of mining companies in Québec. Direct⁴ and indirect fiscal revenue was calculated using the ISQ Input-Output model. Induced fiscal and parafiscal revenue was estimated using models from EcoTec Consultants.



The extraction and exploration activities of mining companies active in Québec in 2014 generated estimated revenues of \$770.9 million for the Québec government and \$327.2 million for the federal government, making a total of over one billion dollars (\$1.1 billion). This means that 70.2% of the revenue was collected by the Québec government and 29.8% by the federal government. Parafiscal revenue was the largest source of revenue for the Québec government at \$287.9 million, followed by personal income tax (\$233.3 million), QST and other indirect taxes (\$128.6 million) and mining royalties (\$121.1 million). The largest source of revenue for the Government of Canada was personal income tax, at \$220.5 million.

³ These fiscal revenue streams do not include corporate income tax.

⁴ The mining royalties (in direct benefits) collected by the Québec government are taken from a publication of the Ministère de l'Énergie et des Ressources naturelles du Québec and are not estimates.

TABLE II-6

Fiscal revenue generated by the extraction and exploration activities of mining companies in Québec, 2014, \$ million

Revenue source	Direct	Indirect	Induced	Total
Québec government				
Personal income tax	\$157.8	\$56.3	\$19.2	\$233.3
QST and other indirect taxes	\$0.0	\$35.4	\$93.2	\$128.6
Mining taxes*	\$121.1	\$0.0	\$0.0	\$121.1
Total Québec government	\$278.9	\$91.6	\$112.4	\$483.0
Government of Canada**				
Personal income tax	\$122.8	\$68.3	\$29.4	\$220.5
GST and other indirect taxes	\$0.1	\$15.1	\$45.4	\$60.5
Total Government of Canada	\$122.9	\$83.4	\$74.7	\$281.1
Parafiscal revenue				
Québec government	\$163.3	\$91.4	\$33.2	\$287.9
Government of Canada***	\$22.0	\$16.7	\$7.5	\$46.2
Total	\$185.3	\$108.1	\$40.6	\$334.0
Total with parafiscal revenue				
Québec government	\$442.2	\$183.1	\$145.6	\$770.9
Government of Canada***	\$144.9	\$100.1	\$82.2	\$327.2
Total****	\$587.1	\$283.2	\$227.8	\$1 098.1

Sources: Ministère de l'Énergie et des Ressources naturelles, Institut de la statistique du Québec and EcoTec Consultants

* Shows mining royalties paid according to the MERN.

** Revenue for the federal government from all of Canada.

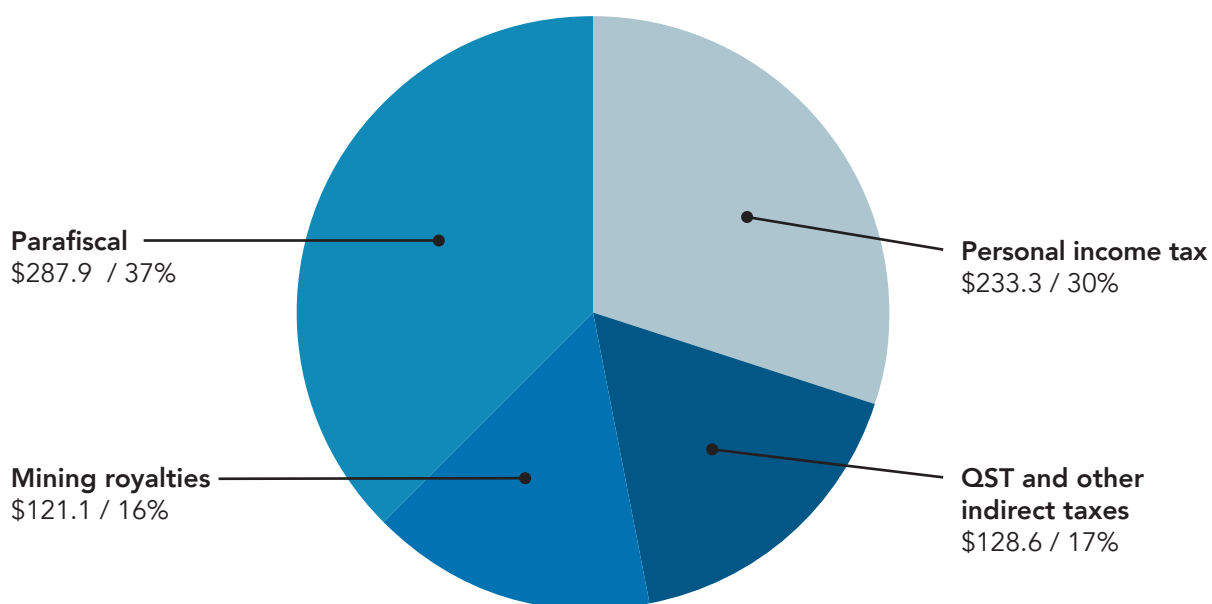
*** Federal parafiscal revenue calculated for Québec only.

**** Excluding amounts paid to government by mining companies in the form of corporate income tax.

Figures II-6 and II-7 provide a clearer illustration of the impact of various streams of fiscal and parafiscal revenue for the Québec government and the Government of Canada.

FIGURE II-6

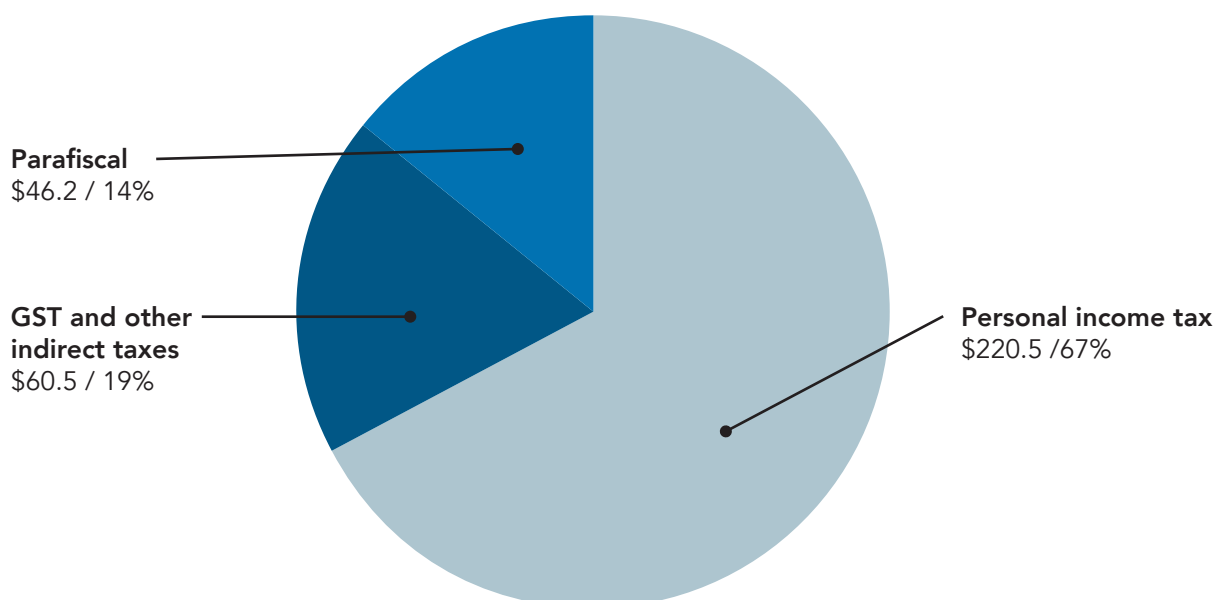
Fiscal and parafiscal revenue streams generated by extraction and exploration expenditures, Québec government, 2014, \$ million



Source: Table II-6

FIGURE II-7

Fiscal and parafiscal revenue streams generated by extraction and exploration expenditures, Government of Canada, 2014, \$ million



Source: Table II-6

III –

ECONOMIC BENEFITS GENERATED BY INVESTMENT EXPENDITURES

Table III-1 shows investment expenditures in 2014 by mining companies in Québec. It is important to note that these amounts relate to invoices paid in 2014 (as was the case for extraction and exploration expenditures in the previous part). The amounts paid have been broken down by the supplier's place of business (the place where payment was sent).

Care must be taken when comparing this data with other sources of data concerning the investment expenditures generated by the mining industry in Québec:

- ▶ The usual sources of data on investment expenditures break down expenditures by geographic project location. However, this information does not say much about a region like Nord-du-Québec, for example, where a large majority of suppliers working on a mining project are located in various regions of Québec. The regional economic benefits depend largely on where the money is spent (the supplier's place of business and the region where its employees live) and not on where the project is located.
- ▶ Public announcements of investment projects often mention the overall amount of expenditures on a given project. However, projects are often completed over several years and the exact temporal dimension is unknown until the various phases of a major investment project are actually implemented.
- ▶ It is possible that some investment expenditures may have been classified by the mining companies that responded to the questionnaire as operating expenditures based on the concept of "sustaining capital", in other words investment expenditures essentially devoted to replacing equipment already used for production and not intended to increase production capacity.



Investment expenditures in Québec amounted to \$2.2 billion in 2014, of which 93.8% was spent in Québec (\$2.05 billion). The remainder (\$134.7 million) was spent on purchases made directly in the other Canadian provinces and other countries. Expenditures in Québec was concentrated in two regions that together represented 57.2% of mining company expenditures: Abitibi-Témiscamingue, with \$703.7 million (32.2% of expenditures) and Montréal with \$545.7 million (25.0%). Saguenay-Lac-Saint-Jean followed far behind in third place with \$140.1 million (6.4%), and then the Capitale-Nationale region with \$115.3 million (5.3%).

TABLE III-1

Investment expenditures by mining
companies in Québec, 2014, \$ million

Region	Total	Percentage
Bas-Saint-Laurent	\$80.4	3.7%
Saguenay-Lac-Saint-Jean	\$140.1	6.4%
Capitale-Nationale	\$115.3	5.3%
Mauricie	\$11.4	0.5%
Estrie	\$7.6	0.3%
Montréal	\$545.7	25.0%
Outaouais	\$0.2	0.0%
Abitibi-Témiscamingue	\$703.7	32.2%
Côte-Nord	\$58.6	2.7%
Nord-du-Québec	\$85.3	3.9%
Gaspésie-Îles-de-la-Madeleine	\$0.3	0.0%
Chaudière-Appalaches	\$75.8	3.5%
Laval	\$18.8	0.9%
Lanaudière	\$10.2	0.5%
Laurentides	\$19.3	0.9%
Montréal	\$100.4	4.6%
Centre-du-Québec	\$74.4	3.4%
Total Québec	\$2 047.5	93.8%
Outside Québec	\$134.7	6.2%
Total	\$2 182.2	100.0%

Source: Survey of QMA members

The number of suppliers, by administrative region of place of business, for investment expenditures by mining companies in Québec is shown in Table III-2.



The number of suppliers for investment expenditures by mining companies in Québec is estimated at 2,554. Of this number, 2,107 are suppliers in Québec (82.5%) and 447 (17.5%) have their place of business outside Québec. The Abitibi-Témiscamingue region has the largest number of suppliers (801), representing 31.4% of all industry suppliers. Montréal ranks second, with 330 suppliers (12.9%), followed by the Saguenay-Lac-Saint-Jean region with 320 (12.5%).

TABLE III-2

Number of suppliers for investment expenditures
by mining companies in Québec, 2014, \$ million

Region	Number	Percentage
Bas-Saint-Laurent	19	0.7%
Saguenay-Lac-Saint-Jean	320	12.5%
Capitale-Nationale	136	5.3%
Mauricie	29	1.1%
Estrie	21	0.8%
Montréal	330	12.9%
Outaouais	8	0.3%
Abitibi-Témiscamingue	801	31.4%
Côte-Nord	48	1.9%
Nord-du-Québec	36	1.4%
Gaspésie-Îles-de-la-Madeleine	9	0.4%
Chaudière-Appalaches	33	1.3%
Laval	64	2.5%
Lanaudière	30	1.2%
Laurentides	45	1.8%
Montérégie	153	6.0%
Centre-du-Québec	25	1.0%
Total Québec	2 107	82.5%
Outside Québec	447	17.5%
Total	2 554	100.0%

Source: Survey of QMA members

Investment expenditures in 2014 supported a large number of jobs in Québec and in the rest of Canada, as shown by the data in Table III-3.



In 2014, investment expenditures by mining companies in Québec supported a total number of jobs estimated at 21,373 person-years. Of this total, 15,794 (73.9%) were in Québec and 5,580 (26.1%) were outside the province. The jobs in Québec were scattered throughout the province with a particular concentration in the Abitibi-Témiscamingue region, with 4,283 person-years (20.0% of the total) and the Montérégie region, with 2,324 person-years (10.9%).

TABLE III-3

Jobs supported by investment expenditures
by mining companies, 2014, person-years

Region	Direct	Indirect	Induced	Total	Percentage
Bas-Saint-Laurent	393	219	165	776	3.6%
Saguenay-Lac-Saint-Jean	775	288	210	1 273	6.0%
Capitale-Nationale	541	424	325	1 290	6.0%
Mauricie	65	63	67	195	0.9%
Estrie	51	56	62	170	0.8%
Montréal	793	726	214	1 733	8.1%
Outaouais	8	23	32	64	0.3%
Abitibi-Témiscamingue	2 287	1 241	756	4 283	20.0%
Côte-Nord	142	70	57	269	1.3%
Nord-du-Québec	344	136	73	553	2.6%
Gaspésie-Îles-de-la-Madeleine	1	12	29	42	0.2%
Chaudière-Appalaches	272	217	158	648	3.0%
Laval	592	306	178	1 076	5.0%
Lanaudière	127	95	80	302	1.4%
Laurentides	175	146	126	447	2.1%
Montérégie	1 261	642	421	2 324	10.9%
Centre-du-Québec	155	115	79	349	1.6%
Total Québec	7 981	4 778	3 034	15 794	73.9%
Rest of Canada	1 935	2 029	1 615	5 580	26.1%
Total Canada	9 917	6 807	4 649	21 373	100.0%

Sources: Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants

Figures III-1 and III-2 and Map III-1 illustrate the distribution of jobs by administrative region in Québec.

Jobs by region supported by investment expenditures,
2014, person-years

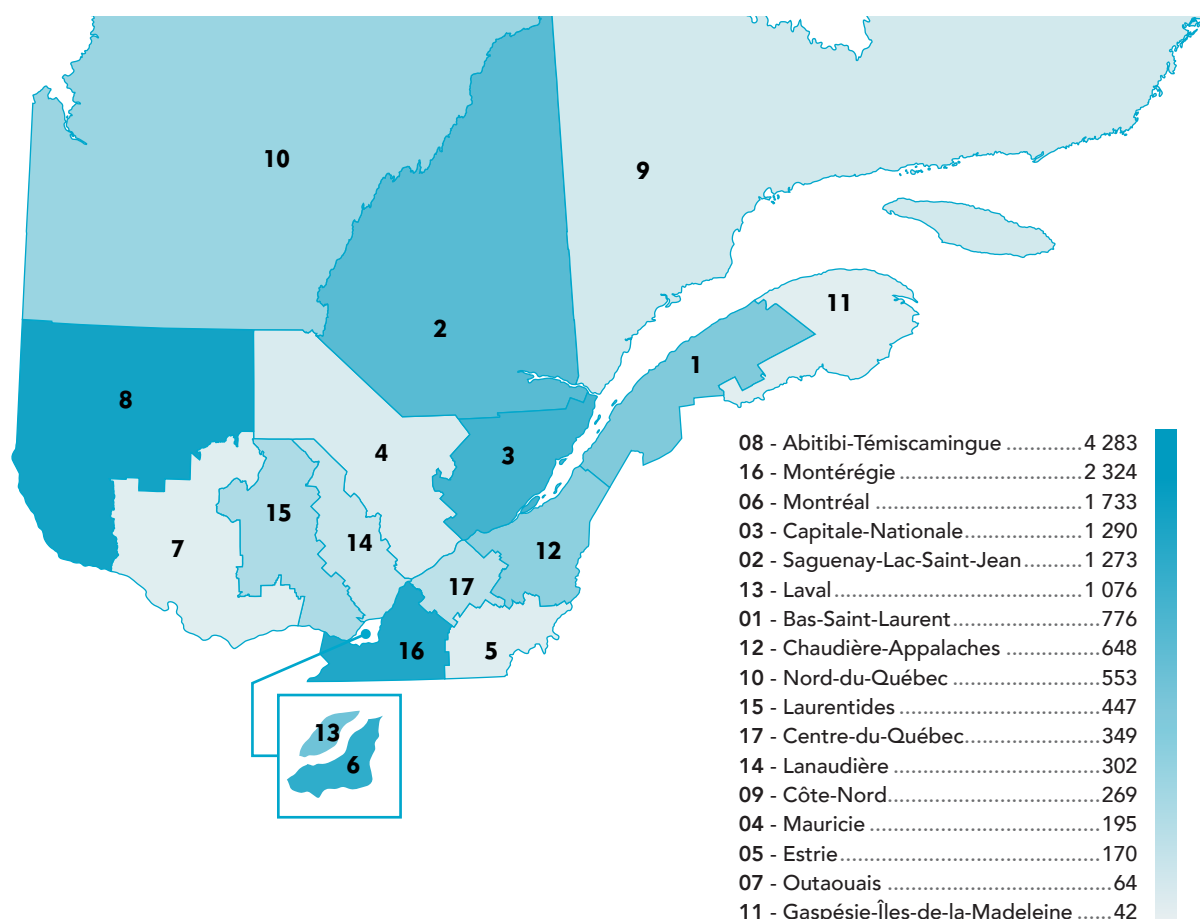


Jobs by region supported by investment expenditures,
2014, person-years



MAP III-1

Total number of jobs by region supported
by investment expenditures, 2014



Source: Table III-3

Table III-4 shows the distribution of gross domestic product (GDP) generated throughout Québec by the investment expenditures of mining companies.



Investment by the mining company in 2014 generated a gross domestic product (GDP) estimated at \$1.4 billion throughout Québec (70.8% of the total) and \$0.6 billion (29.2%) in the other provinces for an estimated total of \$2.0 billion. The GDP in Québec was concentrated in three regions that together represent 39.0% of the total: the Abitibi-Témiscamingue region ranks first with \$394.4 million (19.3%), followed by the Montréal region with \$202.4 million (9.9%) and Saguenay-Lac-Saint-Jean with \$199.4 million (9.8%).

TABLE III-4

Gross domestic product generated by the investment expenditures of mining companies, 2014, \$ million

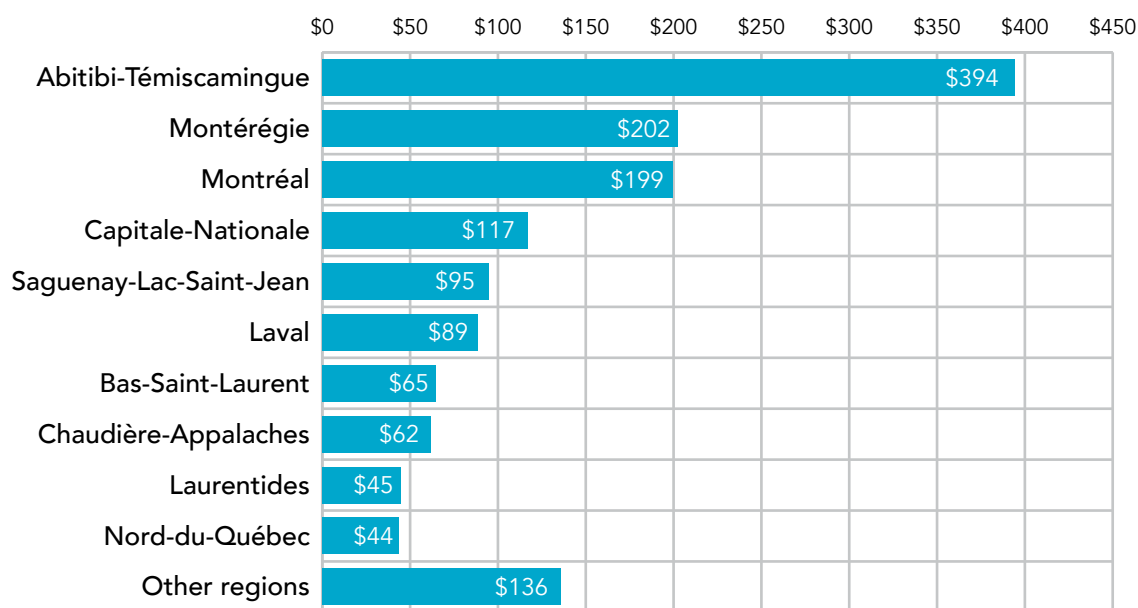
Region	Direct	Indirect	Induced	Total	Percentage
Bas-Saint-Laurent	\$29.0	\$18.8	\$16.9	\$64.7	3.2%
Saguenay-Lac-Saint-Jean	\$45.3	\$27.6	\$21.7	\$94.5	4.6%
Capitale-Nationale	\$43.2	\$40.8	\$32.9	\$116.9	5.7%
Mauricie	\$6.7	\$6.1	\$6.6	\$19.4	0.9%
Estrie	\$5.2	\$5.9	\$6.4	\$17.5	0.9%
Montréal	\$107.3	\$70.3	\$21.9	\$199.4	9.8%
Outaouais	\$1.3	\$2.9	\$3.2	\$7.4	0.4%
Abitibi-Témiscamingue	\$204.3	\$111.1	\$79.0	\$394.4	19.3%
Côte-Nord	\$12.4	\$6.2	\$5.9	\$24.5	1.2%
Nord-du-Québec	\$25.6	\$10.6	\$7.5	\$43.8	2.1%
Gaspésie-Îles-de-la-Madeleine	\$0.3	\$1.3	\$2.8	\$4.3	0.2%
Chaudière-Appalaches	\$24.5	\$20.8	\$16.2	\$61.5	3.0%
Laval	\$45.1	\$25.0	\$18.6	\$88.7	4.3%
Lanaudière	\$11.1	\$9.3	\$8.0	\$28.4	1.4%
Laurentides	\$17.3	\$14.8	\$12.8	\$44.8	2.2%
Montérégie	\$101.0	\$56.8	\$44.7	\$202.4	9.9%
Centre-du-Québec	\$15.7	\$10.8	\$8.1	\$34.6	1.7%
Total Québec	\$695.1	\$438.8	\$313.3	\$1 447.2	70.8%
Rest of Canada	\$193.2	\$215.6	\$188.2	\$597.0	29.2%
Total Canada	\$888.3	\$654.4	\$501.5	\$2 044.2	100.0%

Sources : Institut de la statistique du Québec and EcoTec Consultants

Figures III-3 and III-4 and Map III-2 illustrate the distribution of the gross domestic product generated by the investment expenditures of mining companies, by administrative region in Québec.

FIGURE III-3

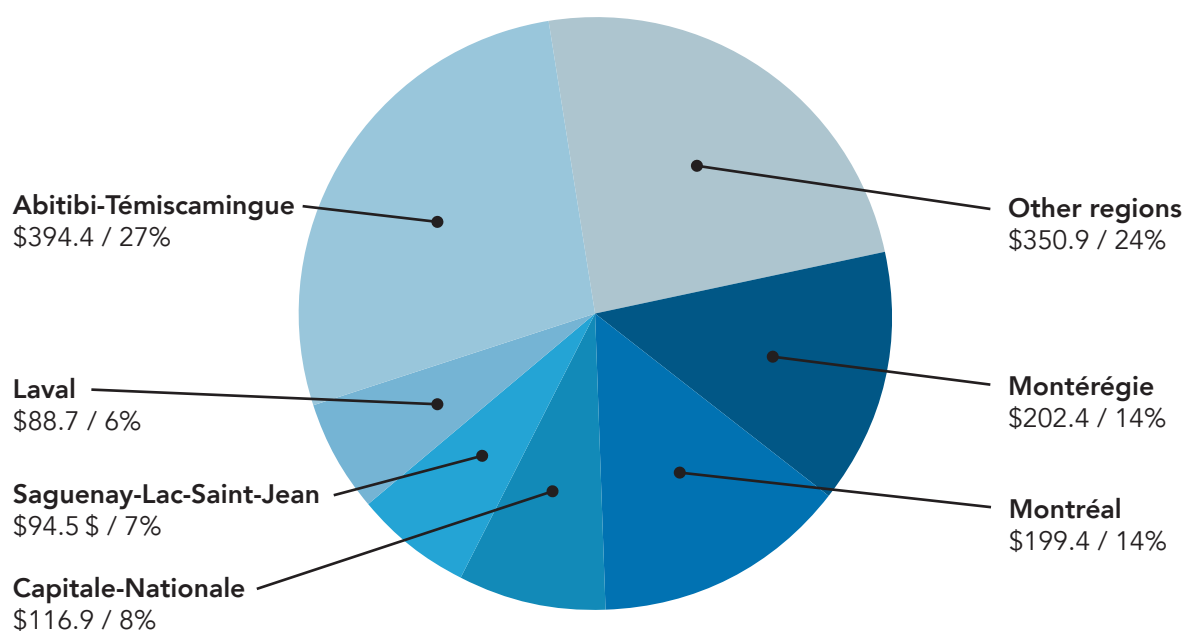
Total gross domestic product by region generated
by investment expenditures, 2014, \$ million



Source: Table III-4

FIGURE III-4

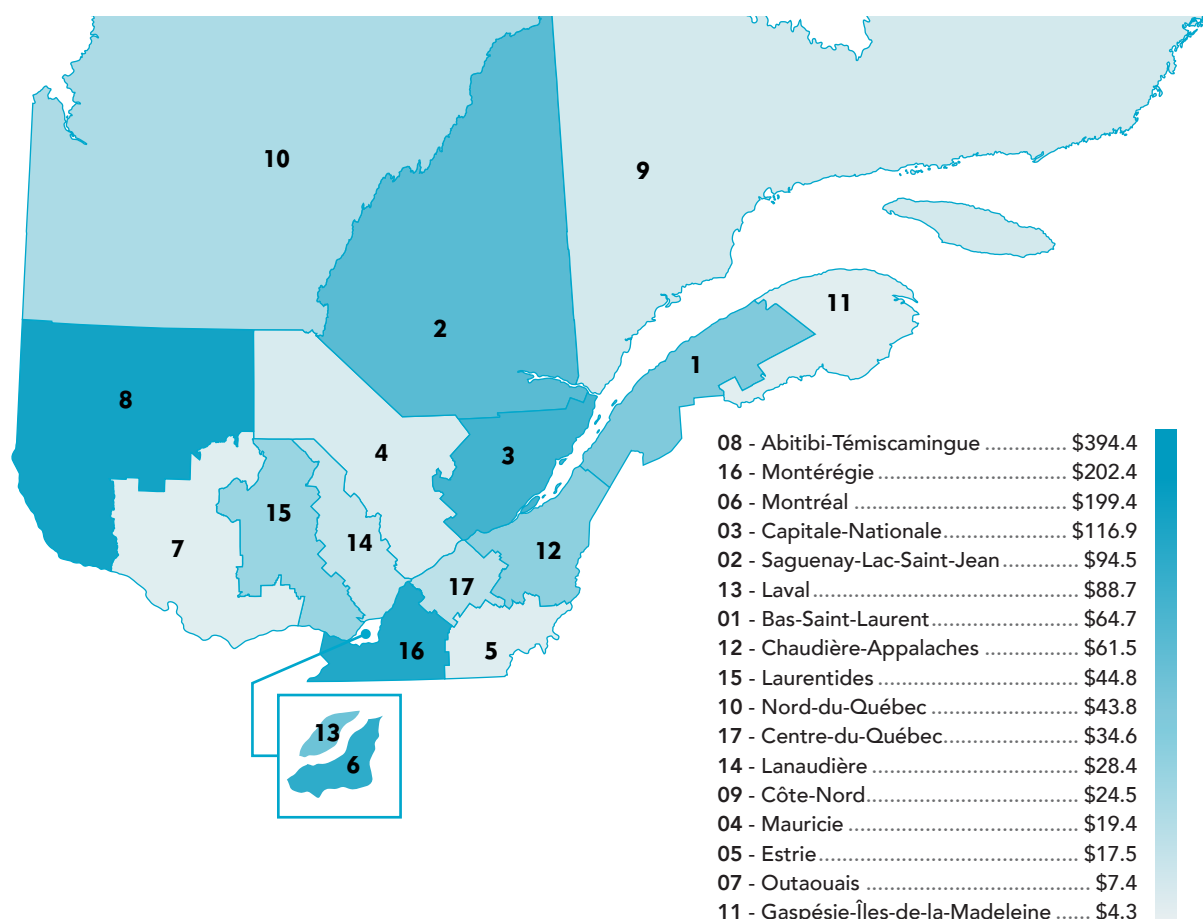
Total gross domestic product by region generated
by investment expenditures, 2014, \$ million



Source: Table III-4

MAP III-2

Total gross domestic product total by region generated by investment expenditures, 2014, \$ million



Source: Table III-4

Table III-5 adds perspective to the economic benefits generated by the investment expenditures of mining companies in Québec for 2014 by comparing them to the official regional statistics for the same year.



Two "resource" regions, Abitibi-Témiscamingue and Nord-du-Québec, benefitted in particular from investment expenditures by the mining industry in 2014. In the Abitibi-Témiscamingue region, the jobs supported by the mining industry represented 5.7% of total employment in the region, 5.4% of employment income and 5.0% of the regional GDP. The benefits were also relatively substantial for the economy in the Nord-du-Québec region: the jobs supported were equivalent to 1.7% of the combined jobs in the Nord-du-Québec and Côte-Nord regions. The employment income generated represented 2.7% of the regional total for the Nord-du-Québec region, and the GDP generated represented 1.1% of the regional GDP.

TABLE III-5

Benefits from investment expenditures in the economy
of the regions, 2014, percentage

Region	Jobs	Net wages and mixed income	GDP
Bas-Saint-Laurent	0.9%	0.9%	0.9%
Saguenay-Lac-Saint-Jean	1.0%	0.8%	0.8%
Capitale-Nationale	0.3%	0.3%	0.3%
Mauricie	0.2%	0.2%	0.2%
Estrie	0,1%	0.1%	0.1%
Montréal	0.2%	0.2%	0.2%
Outaouais	0.0%	0.0%	0.1%
Abitibi-Témiscamingue	5.7%	5.4%	5.0%
Côte-Nord	1.7% *	0.5%	0.3%
Nord-du-Québec		2.7%	1.1%
Gaspésie-Îles-de-la-Madeleine	0.1%	0.1%	0.1%
Chaudière-Appalaches	0.3%	0.3%	0.4%
Laval	0.5%	0.5%	0.6%
Lanaudière	0.1%	0.1%	0.2%
Laurentides	0.2%	0.2%	0.2%
Montérégie	0.3%	0.3%	0.4%
Centre-du-Québec	0.3%	0.4%	0.4%
Total Québec	0.4%	0.4%	0.4%

Sources: Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants

* This percentage is valid for two regions combined: Côte-Nord and Nord-du-Québec.

The fiscal and parafiscal revenue for the two levels of government generated by investment expenditures by the mining industry in Québec is shown in Table III-6.



Investment expenditures by Québec's mining industry in 2014 generated fiscal and parafiscal revenue estimated at \$247.2 million for the Québec government (66.8% of the total) and \$123.1 million for the federal government (33.2%), making an estimated total of \$370.3 million. The largest source of revenue for the Québec government was parafiscal revenue at \$130.2 million, followed by personal income tax (\$68.3 million), and Québec sales tax and other indirect taxes (\$48.7 million). The largest source of revenue for the Government of Canada was personal income tax (\$71.3 million), followed by GST and other indirect taxes (\$28.5 million) and parafiscal revenue in Québec (\$23.3 million).

TABLE III-6

Fiscal revenue generated by investment expenditures
by mining companies, 2014, \$ million

Source of revenue	Direct	Indirect	Induced	Total
Québec government				
Personal income tax	\$38.1	\$20.1	\$10.1	\$68.3
QST and other indirect taxes	\$0.1	\$11.6	\$37.0	\$48.7
Total Québec government	\$38.2	\$31.7	\$47.1	\$117.0
Government of Canada *				
Personal income tax	\$30.7	\$23.5	\$17.0	\$71.3
GST and other indirect taxes	\$1.8	\$5.6	\$21.1	\$28.5
Total Government of Canada	\$32.5	\$29.2	\$38.1	\$99.8
Parafiscal revenue				
Québec government	\$79.0	\$34.1	\$17.1	\$130.2
Government of Canada **	\$12.5	\$7.0	\$3.8	\$23.3
Total	\$91.5	\$41.1	\$20.9	\$153.5
Total with parafiscal revenue				
Québec government	\$117.2	\$65.8	\$64.2	\$247.2
Government of Canada **	\$45.0	36.2	\$41.9	\$123.1
Total ***	\$162.2	\$102.0	\$106.1	\$370.3

Sources: Ministère de l'Énergie et des Ressources naturelles, Institut de la statistique du Québec and EcoTec Consultants

* Government of Canada revenue for all of Canada.

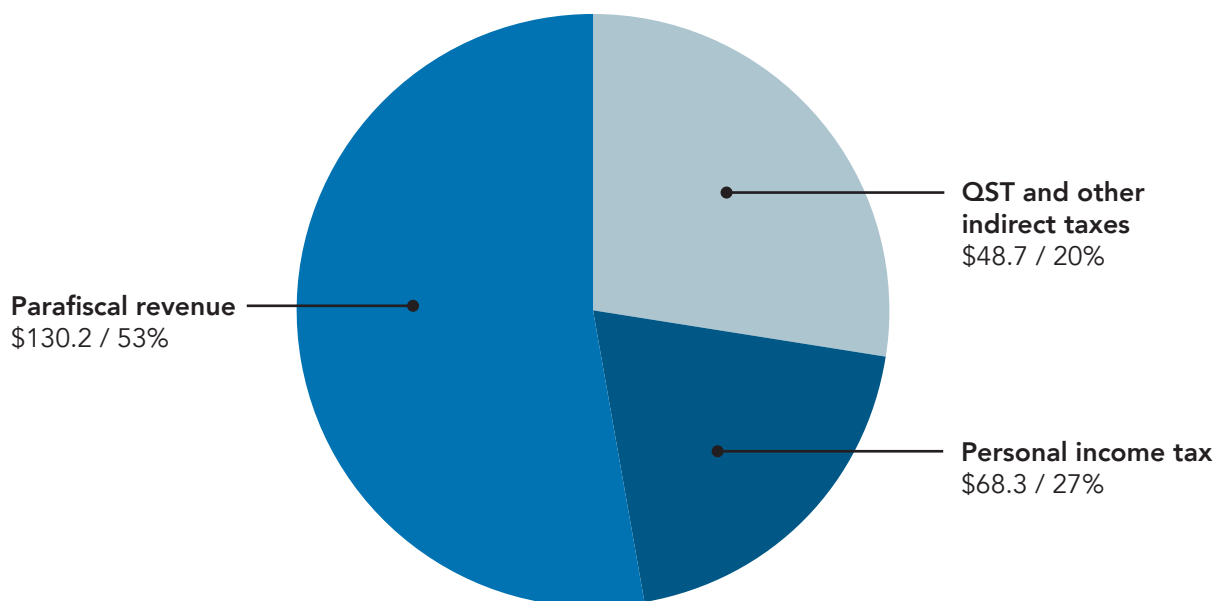
** Federal parafiscal revenue calculated for Québec only.

*** Excluding amounts paid to government by mining companies in the form of corporate income tax.

Figures III-6 and III-7 illustrate the importance of the sources of fiscal and parafiscal revenue for the Québec government and the federal government.

FIGURE III-6

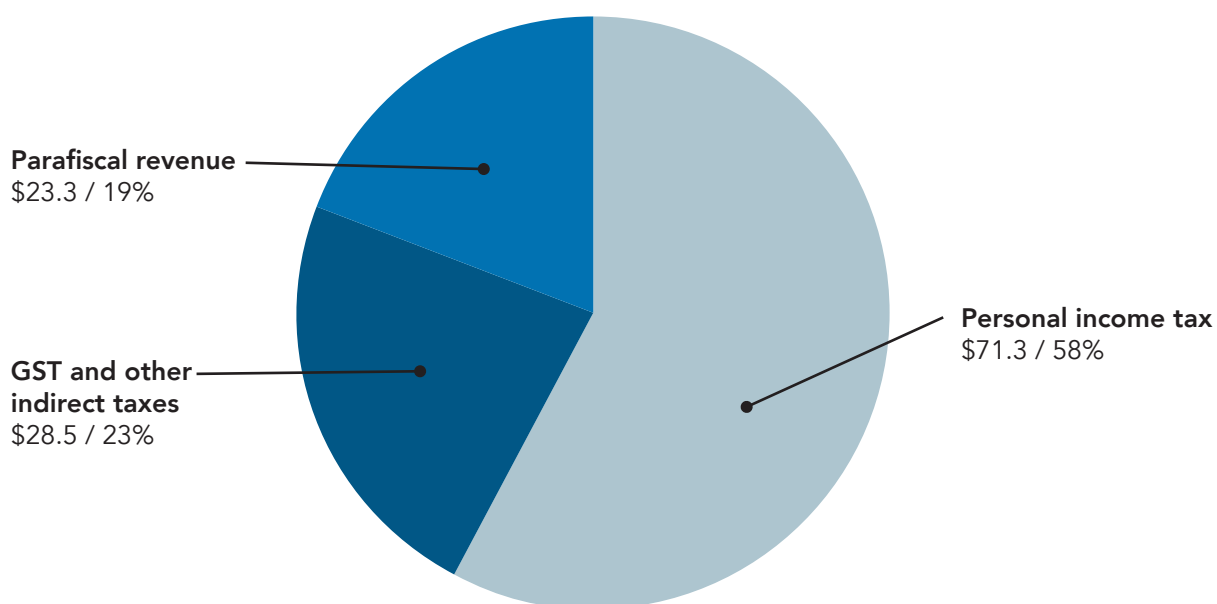
Sources of fiscal revenue and parafiscal revenue generated by investment expenditures, Québec government 2014, \$ million



Source: Table III-6

FIGURE III-7

Sources of fiscal revenue and parafiscal revenue generated by investment expenditures, Government of Canada 2014, \$ million



Source: Table III-6

IV – TOTAL ECONOMIC BENEFITS

Total expenditures by the mining industry for extraction and exploration activities and for investment in Québec are shown in Table IV-1.



The total expenditures generated by the mining industry in Québec amounted to \$6.8 billion in 2014, including \$5.8 billion in the province (85.6%) and \$0.9 billion (14.4%) outside Québec. In Québec, expenditures were concentrated in two regions where the industry is especially active and three regions where numerous suppliers are located. Expenditures amounted to an estimated \$2.05 billion in the Abitibi-Témiscamingue region (30.1% of the total); \$1.4 billion in Montréal (20.0%); \$0.6 billion in the Côte-Nord region (9.1%); \$0.5 billion in the Montérégie region (6.9%) and \$0.3 billion in the Saguenay-Lac-Saint-Jean region (4.4%). These five regions together accounted for \$4.8 billion in expenditures, or 70.6% of total expenditures for 2014.



TABLE IV-1

Total expenditures by mining companies in Québec, 2014, \$ million

Region	Total	Percentage
Bas-Saint-Laurent	\$136.2	2.0%
Saguenay-Lac-Saint-Jean	\$297.2	4.4%
Capitale-Nationale	\$228.6	3.4%
Mauricie	\$47.9	0.7%
Estrie	\$53.8	0.8%
Montréal	\$1 363.1	20.0%
Outaouais	\$6.6	0.1%
Abitibi-Témiscamingue	\$2 050.9	30.1%
Côte-Nord	\$619.5	9.1%
Nord-du-Québec	\$182.2	2.7%
Gaspésie-Îles-de-la-Madeleine *	\$23.5	0.3%
Chaudière-Appalaches	\$110.4	1.6%
Laval	\$41.8	0.6%
Lanaudière	\$33.1	0.5%
Laurentides	\$66.8	1.0%
Montérégie	\$472.1	6.9%
Centre-du-Québec	\$95.2	1.4%
Total Québec	\$5 828.7	85.6%
Outside Québec	\$978.5	14.4%
Total	\$6 807.2	100.0%

Source: Survey of QMA members.

*Operating expenditures for the Gaspésie-Îles-de-la-Madeleine region, other than expenditures on wages and social benefits, are included in the data for the Côte-Nord region.

Table IV-2 shows the number of single suppliers for all expenditures by mining companies in Québec. The number of suppliers in the table is smaller than the total for the two preceding tables (II-2 and III-2) because several suppliers are included in both lists, as suppliers for both extraction and exploration activities and for investment expenditures. Table IV-2 removes this duplication and counts the suppliers from the preceding tables only once.



The total number of mining industry suppliers is estimated at 4,101 in Québec and 1,393 outside the province, for a total of 5,494. The suppliers in Québec make up around three quarters (74.6%) of the total. Most of the suppliers (1,411) are located in the Abitibi-Témiscamingue region, representing over one quarter (25.7%) of all suppliers. Montréal ranks second with 741 (13.5%), followed by the Saguenay-Lac-Saint-Jean region with 478 (8.7%) and the Montérégie region with 331 (6.0%).

TABLE IV-2

Number of suppliers for total expenditures
by mining companies, 2014

Region	Number	Percentage
Bas-Saint-Laurent	33	0.6%
Saguenay-Lac-Saint-Jean	478	8.7%
Capitale-Nationale	284	5.2%
Mauricie	56	1.0%
Estrie	42	0.8%
Montréal	741	13.5%
Outaouais	19	0.3%
Abitibi-Témiscamingue	1 411	25.7%
Côte-Nord	127	2.3%
Nord-du-Québec	76	1.4%
Gaspésie-Îles-de-la-Madeleine	57	1.0%
Chaudière-Appalaches	81	1.5%
Laval	148	2.7%
Lanaudière	60	1.1%
Laurentides	104	1.9%
Montérégie	331	6.0%
Centre-du-Québec	53	1.0%
Total Québec	4 101	74.6%
Outside Québec	1 393	25.4%
Total	5 494	100.0%

Source: Survey of QMA members

The jobs supported by the total expenditures of the mining industry in Québec are presented in Table IV-3. The data represents the total of the jobs presented in the preceding tables (II-3 and III-3).



The total expenditures of the mining companies present in Québec supported an estimated total of 58,337 person-years of employment in 2014. Of this total, 45,563 were in Québec (78.1%) and 12,774 (21.9%) in the rest of Canada. The jobs in Québec were concentrated in four regions, together representing 52.6% of the total. Two "resource" regions are in this group: Abitibi-Témiscamingue, which dominates the other regions with 15,552 person-years (26.7%) and Côte-Nord, with 4,023 (6.9%). Montérégie is the industrialized region with the most jobs, with 6,716 person-years (11.5%), followed by Montréal with 4,352 person-years (7.5%).

TABLE IV-3

Jobs supported by total mining company expenditures,
2014, person-years

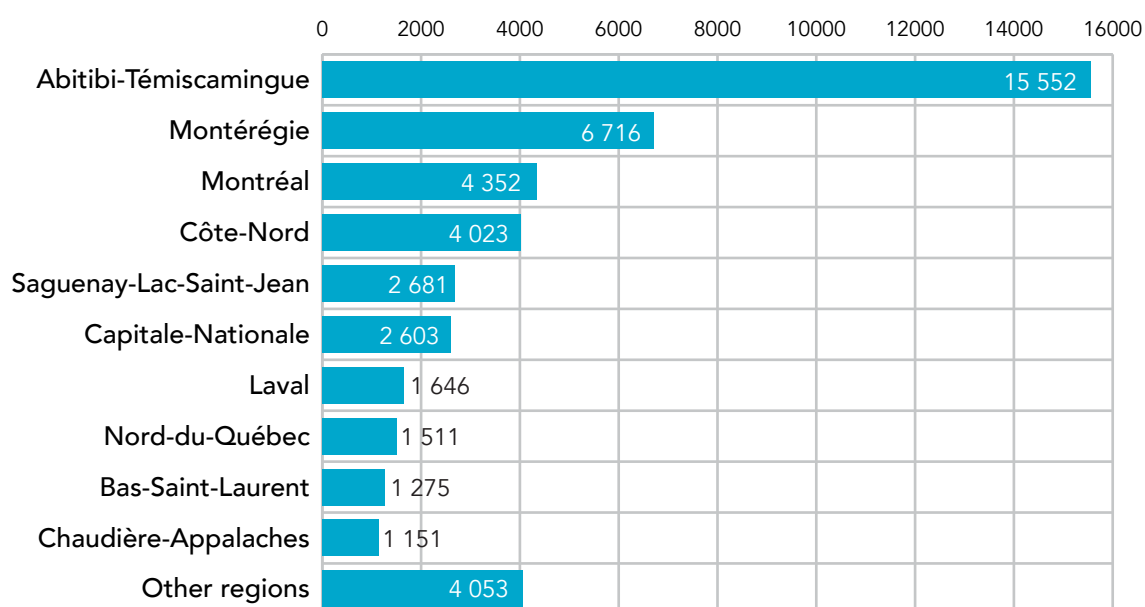
Region	Direct	Indirect	Induced	Total	Percentage
Bas-Saint-Laurent	579	370	326	1 275	2.2%
Saguenay-Lac-Saint-Jean	1 440	738	503	2 681	4.6%
Capitale-Nationale	871	1 019	713	2 603	4.5%
Mauricie	221	187	175	582	1.0%
Estrie	211	153	169	532	0.9%
Montréal	1 071	2 752	529	4 352	7.5%
Outaouais	41	64	90	195	0.3%
Abitibi-Témiscamingue	7 213	5 623	2 716	15 552	26.7%
Côte-Nord	2 552	759	712	4 023	6.9%
Nord-du-Québec	1 139	171	201	1 511	2.6%
Gaspésie-Îles-de-la-Madeleine	225	42	104	372	0.6%
Chaudière-Appalaches	412	403	336	1 151	2.0%
Laval	645	658	343	1 646	2.8%
Lanaudière	216	247	188	651	1.1%
Laurentides	275	494	313	1 082	1.9%
Montérégie	2 936	2 581	1 199	6 716	11.5%
Centre-du-Québec	284	188	167	639	1.1%
Total Québec	20 330	16 447	8 785	45 563	78.1%
Rest of Canada	2 091	6 716	3 967	12 774	21.9%
Total Canada	22 421	23 163	12 752	58 337	100.0%

Sources: Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants

Figures IV-1 and IV-2 and Map IV-1 provide a clearer illustration of the distribution of the jobs supported by mining industry expenditures in 2014, by administrative region in Québec.

FIGURE IV-1

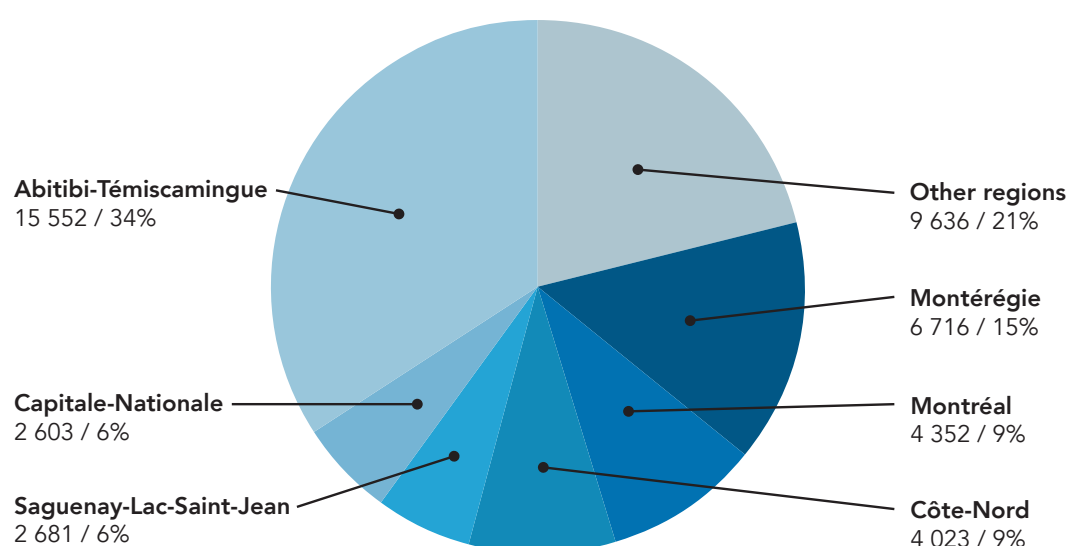
Jobs supported by total expenditures in each region,
2014, person-years



Source: Table IV-3

FIGURE IV-2

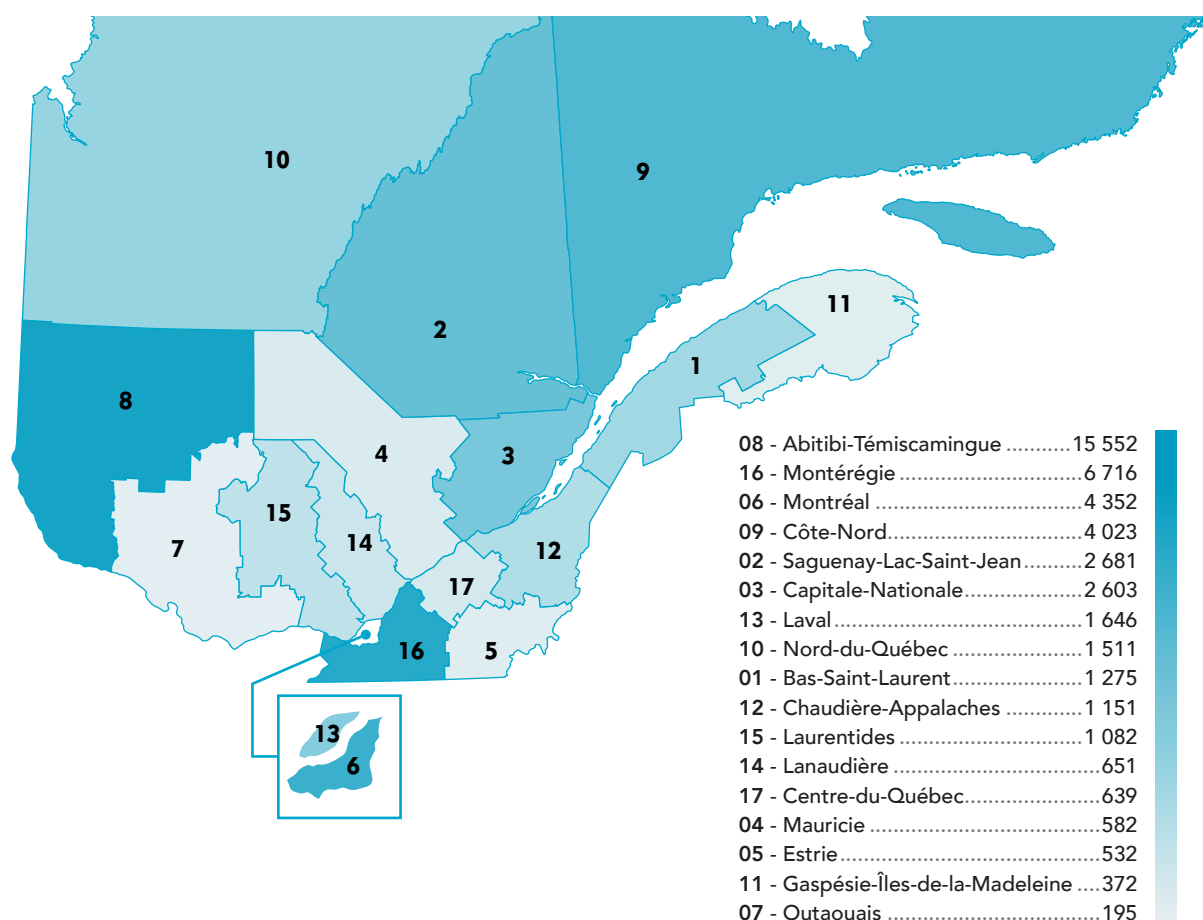
Jobs supported by total expenditures in each region,
2014, person-years



Source: Table IV-3

MAP IV-1

Total jobs in each region supported by total expenditures, 2014



Source: Table IV-3

Table IV-4 shows the importance of the total expenditures generated by the mining industry in Québec for creating added value.



The total expenditures of the mining industry in 2014 generated a gross domestic product (GDP) estimated at \$9.2 billion for Canada, with \$7.7 billion in Québec (83.6%). The GDP in Québec was concentrated in three regions, together representing 54.3% of the total: the Abitibi-Témiscamingue region ranked first with \$2.6 billion (28.8%), followed by the Côte-Nord region with \$1.35 billion (14.7%) and the Montérégie region with \$1.0 billion (10.8%).

TABLE IV-4

Gross domestic product generated by the total expenditures
of mining companies, 2014, \$ million

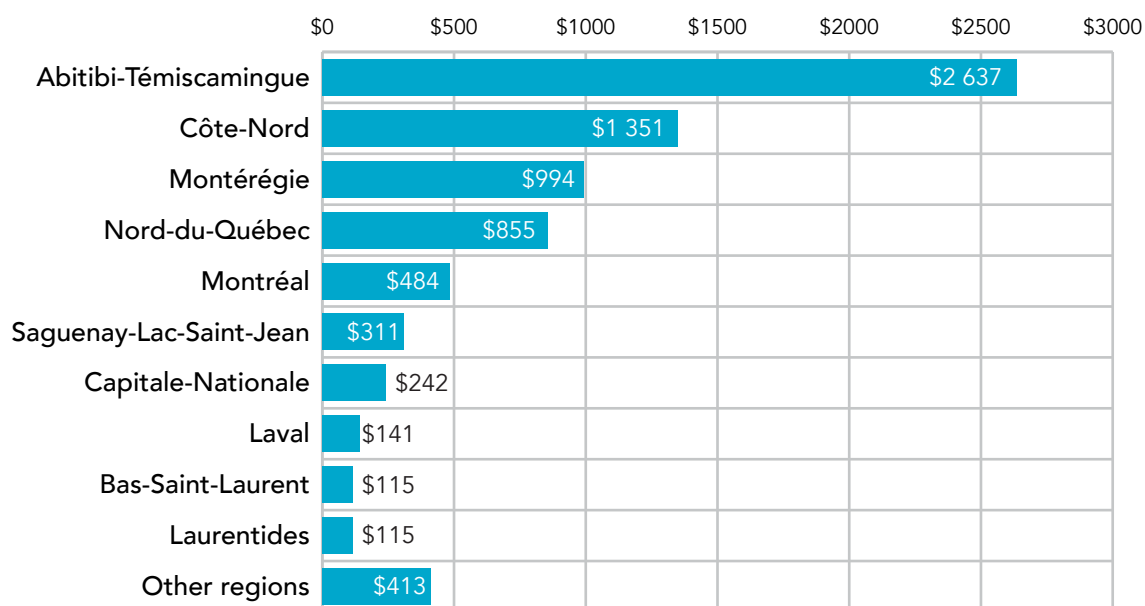
Region	Direct	Indirect	Induced	Total	Percentage
Bas-Saint-Laurent	\$50.2	\$31.2	\$33.9	\$115.3	1.3%
Saguenay-Lac-Saint-Jean	\$193.0	\$63.5	\$54.4	\$310.9	3.4%
Capitale-Nationale	\$74.4	\$94.8	\$73.1	\$242.3	2.6%
Mauricie	\$20.1	\$16.5	\$17.8	\$54.4	0.6%
Estrie	\$18.7	\$14.7	\$17.9	\$51.3	0.6%
Montréal	\$141.6	\$285.7	\$57.0	\$484.2	5.3%
Outaouais	\$3.8	\$9.0	\$9.0	\$21.8	0.2%
Abitibi-Témiscamingue	\$1 833.6	\$502.9	\$300.7	\$2 637.1	28.8%
Côte-Nord	\$1 204.0	\$62.2	\$84.5	\$1 350.7	14.7%
Nord-du-Québec	\$817.6	\$13.5	\$23.7	\$854.8	9.3%
Gaspésie-Îles-de-la-Madeleine	\$34.1	\$3.5	\$10.7	\$48.3	0.5%
Chaudière-Appalaches	\$39.3	\$38.0	\$34.1	\$111.5	1.2%
Laval	\$48.3	\$58.4	\$34.7	\$141.3	1.5%
Lanaudière	\$19.3	\$26.5	\$19.0	\$64.8	0.7%
Laurentides	\$27.7	\$55.1	\$32.1	\$114.9	1.3%
Montréal	\$598.6	\$266.3	\$129.3	\$994.1	10.8%
Centre-du-Québec	\$25.5	\$18.3	\$17.1	\$60.9	0.7%
Total Québec	\$5 149.8	\$1 560.0	\$949.0	\$7 658.8	83.6%
Rest of Canada	\$204.2	\$840.6	\$462.1	\$1 506.9	16.4%
Total Canada	\$5 354.0	\$2 400.6	\$1 411.1	\$9 165.7	100.0%

Sources : Institut de la statistique du Québec and EcoTec Consultants

Figures IV-3 and IV-4 and Map IV-2 provide a good illustration of the distribution of the GDP generated by mining company expenditures in Québec in 2014 in Québec's administrative regions.

FIGURE IV-3

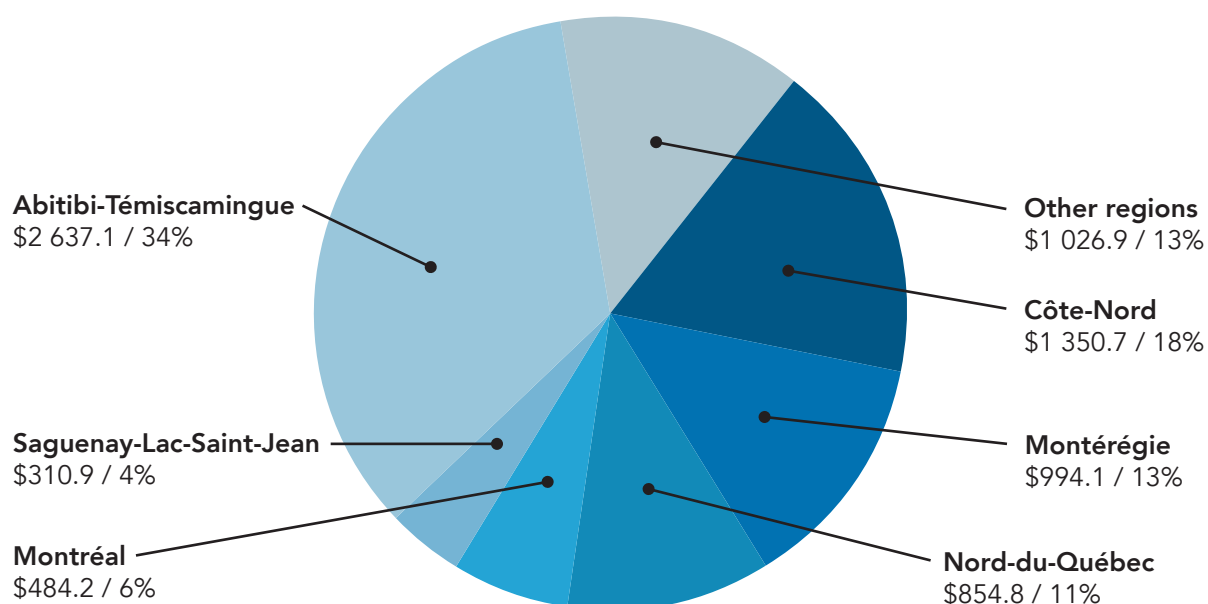
Gross domestic product by region generated
by total expenditures, 2014, \$ million



Source: Table IV-3

FIGURE IV-4

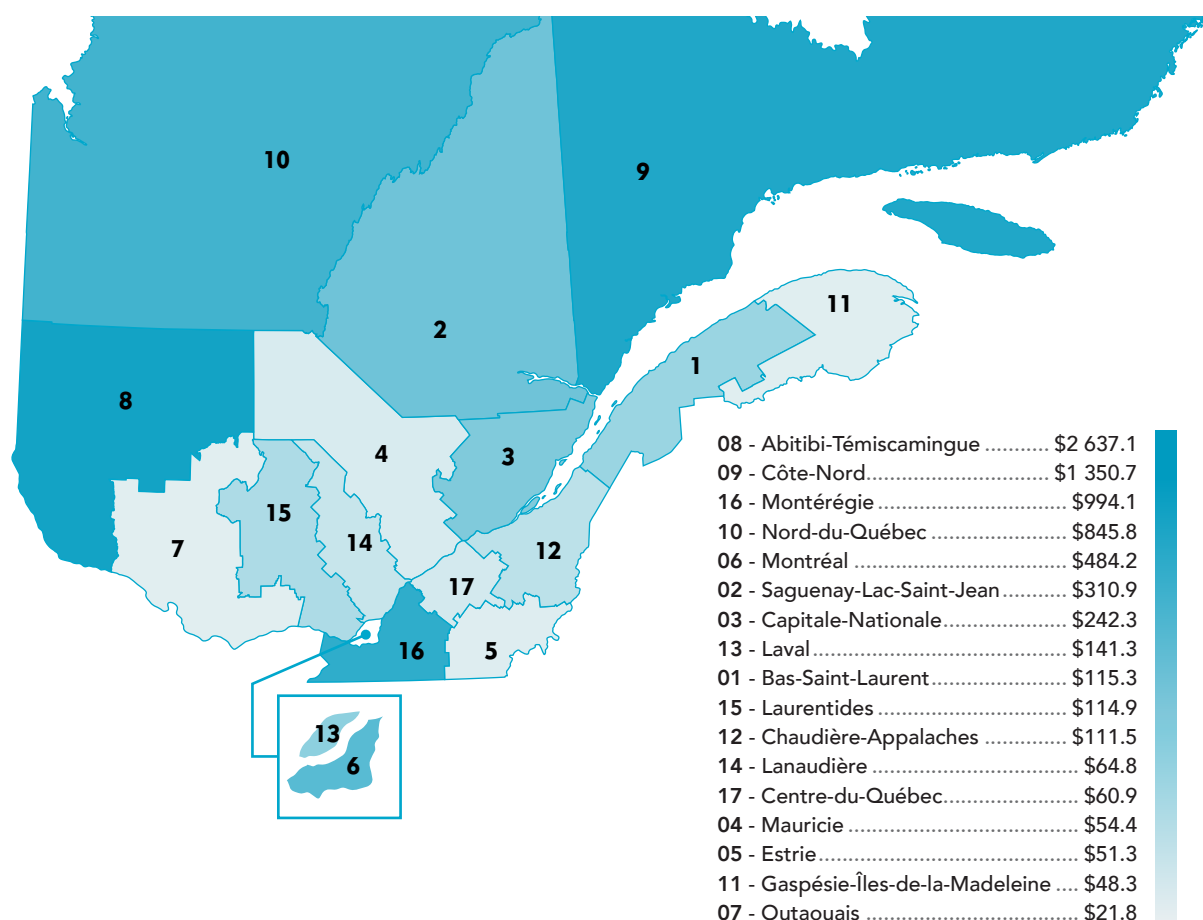
Gross domestic product by region generated
by total expenditures, 2014, \$ million



Source: Table IV-3

MAP IV-2

Gross domestic product by region generated by total expenditures, 2014



Source: Table IV-3

Table IV-5 clearly shows the importance of the mining industry for several "resource" regions in Québec.



In the Abitibi-Témiscamingue region, the jobs supported by the mining industry represented 20.8% of total employment in the region, 24.8% of employment income and 34.2% of regional GDP in 2014. The benefits are also substantial for the economy in the Côte-Nord and Nord-du-Québec regions. Jobs made up 11.3% of the average annual total number of jobs in the two regions in 2014. Employment income amounted to 12.6% of the regional total in the Côte-Nord region and 11.2% in the Nord-du-Québec region. Last, the GDP generated represented around 22.5% of GDP in the Nord-du-Québec region and 16.8% of GDP in the Côte-Nord region.

TABLE IV-5

Importance of benefits generated by total expenditures by mining companies in Québec in the economy of the regions, 2014, percentage

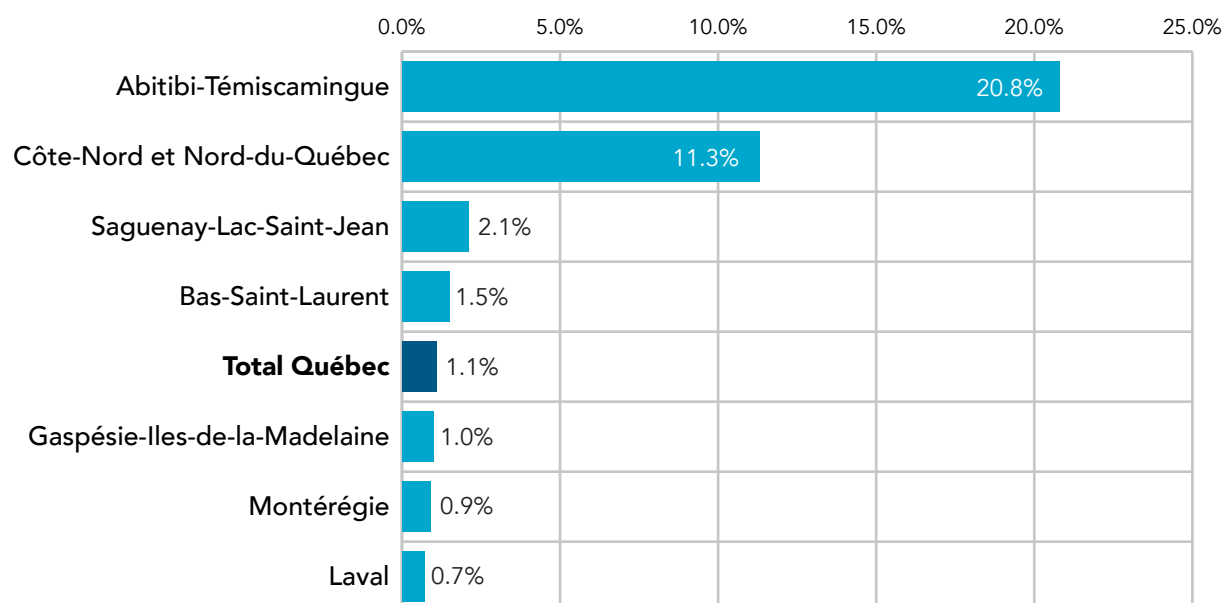
Region	Employment	Employment income	GDP
Bas-Saint-Laurent	1.5%	1.8%	1.6%
Saguenay-Lac-Saint-Jean	2.1%	2.4%	2.8%
Capitale-Nationale	0.7%	0.7%	0.6%
Mauricie	0.5%	0.6%	0.6%
Estrie	0.3%	0.5%	0.4%
Montréal	0.5%	0.5%	0.4%
Outaouais	0.1%	0.1%	0.2%
Abitibi-Témiscamingue	20.8%	24.8%	34.2%
Côte-Nord	11.3% *	12.6%	16.8%
Nord-du-Québec		11.2%	22.5%
Gaspésie-Îles-de-la-Madeleine	1.0%	1.3%	1.6%
Chaudière-Appalaches	0.5%	0.6%	0.6%
Laval	0.7%	0.7%	0.9%
Lanaudière	0.3%	0.3%	0.5%
Laurentides	0.4%	0.4%	0.6%
Montérégie	0.9%	0.9%	1.8%
Centre-du-Québec	0.6%	0.7%	0.6%
Total Québec	1.1%	1.4%	2.1%

Sources: Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants

* This percentage is valid for two regions combined: Côte-Nord and Nord-du-Québec.

FIGURE IV-5

Percentage of total employment represented by jobs supported by the total expenditures of mining companies, selected regions ($\geq 0.7\%$), 2014



Source: Table IV-5

Jobs provide a reasonably accurate measurement of the importance of an economic activity for the labour market, while GDP represents the contribution to added value. Fiscal and parafiscal revenue, in Table IV-6, represents the monetary benefits for the two levels of government from mining company activities in Québec in 2014.



Total expenditures by the mining industry in Québec generated fiscal and parafiscal revenue estimated at \$1.5 billion, including over one billion dollars (\$1.02 billion) for the Québec government and \$450.4 million for the federal government, in other words 69.3% of revenue for the Québec government and 31.7% by the Government of Canada. The largest source of revenue for the Québec government was parafiscal revenue at \$418.0 million, followed by personal income tax (\$301.6 million), QST and other indirect taxes (\$177.3 million) and mining royalties (\$121.1 million). The largest source of revenue for the federal government was personal income tax (\$291.8 million), followed by GST and other indirect taxes (\$89.0 million) and parafiscal revenue in Québec (\$69.5 million).

TABLE IV-6

Fiscal revenue generated by total mining
company expenditures, 2014, \$ million

Source of revenue	Direct	Indirect	Induced	Total
Québec government				
Personal income tax	\$195.9	\$76.4	\$29.3	\$301.6
QST and other indirect taxes	\$0.1	\$47.0	\$130.3	\$177.3
Mining taxes*	\$121.1	\$0.0	\$0.0	\$121.1
Total Québec government	317.1	\$123.3	\$159.6	\$600.1
Government of Canada**				
Personal income tax	\$153.5	\$91.9	\$46.4	\$291.8
GST and other indirect taxes	\$1.9	\$20.7	\$66.4	\$89.0
Total Government of Canada	\$155.4	\$112.6	\$112.8	\$380.9
Parafiscal revenue				
Québec government	\$242.3	\$125.5	\$50.2	\$418.0
Government of Canada***	\$34.5	\$23.7	\$11.3	\$69.5
Total	\$276.8	\$149.3	\$61.5	\$487.6
Total with parafiscal revenue				
Québec government	\$559.4	\$248.9	\$209.8	\$1 018.1
Government of Canada***	\$189.9	\$136.3	\$124.1	\$450.4
Total****	\$749.4	\$385.2	\$333.9	\$1 468.5

Sources: Ministère de l'Énergie et des Ressources naturelles, Institut de la statistique du Québec and EcoTec Consultants

* Represents mining royalties paid according to the MERN.

** Government of Canada revenue for all of Canada.

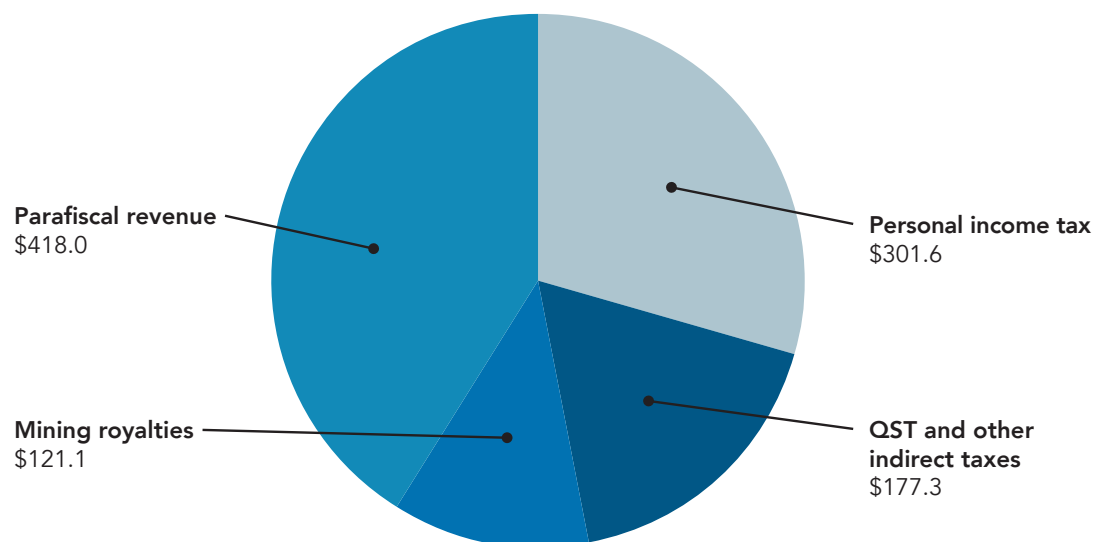
*** Federal parafiscal revenue calculated for Québec only.

**** Excluding amounts paid to government by mining companies in the form of corporate income tax.

Figures IV-6 and IV-7 illustrate the breakdown of revenue by various fiscal and parafiscal sources for the Québec government and the federal government.

FIGURE IV-6

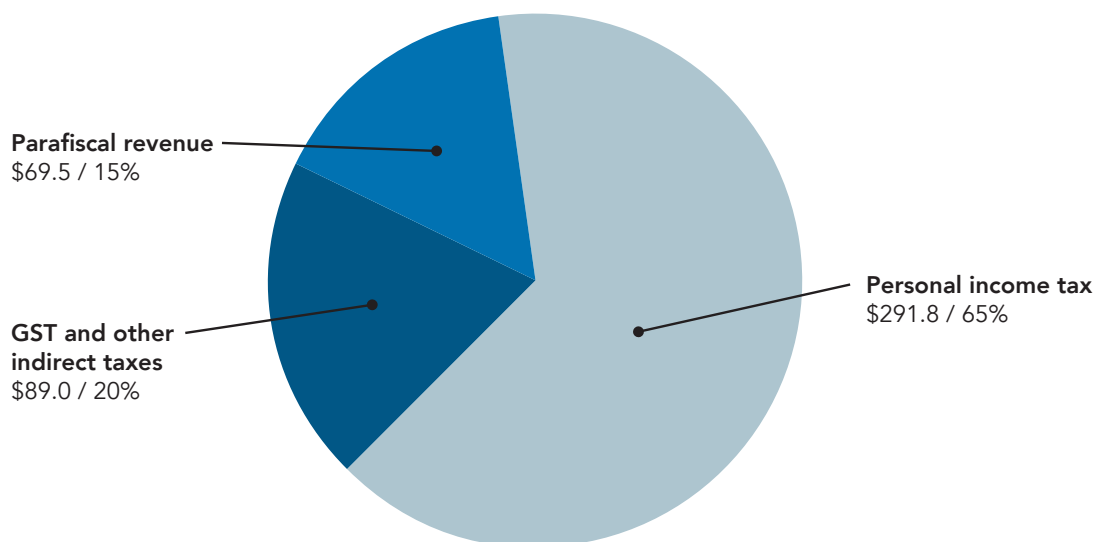
Sources of fiscal revenue and parafiscal revenue generated by total mining company expenditures, Québec government, 2014, \$ million



Source: Table IV-6

FIGURE IV-7

Sources of fiscal revenue and parafiscal revenue generated by total mining company expenditures, Government of Canada, 2014, \$ million



Source: Table IV-6

CONCLUSION

Five key elements should be highlighted:

1. In 2014, mining industry expenditures in Québec amounted to \$6.8 billion, including \$4.6 billion for mineral extraction and exploration. This expenditures generated over 45,560 person-years of employment and \$7.7 billion in GDP across Québec.
2. Mining companies make a major contribution to the economy of several Québec regions, especially in the province's "resource" regions. The mining industry plays a significant role in the economy in the Abitibi-Témiscamingue, Côte-Nord and Nord-du-Québec regions, where it accounts for a substantial percentage of jobs and GDP in the regional economy. In the Abitibi-Témiscamingue region, jobs represented over 20% of total jobs in the region. In the Côte-Nord and Nord-du-Québec regions, the combined total of 5,534 person-years of employment for the two regions together represented 11.3% of jobs in those regions (Table C-1).

TABLE C-1

Importance of the mining industry by region,
2014, person-years

Region	Jobs	Percentage of jobs in the region
Abitibi-Témiscamingue	15 552	20.8%
Côte-Nord	4 023	11.3% *
Nord-du-Québec	1 511	
Saguenay-Lac-Saint-Jean	2 681	2.1%
Bas-Saint-Laurent	1 275	1.5%
Gaspésie-Îles-de-la-Madeleine	372	1.0%
Montréal	6 716	0.9%
Reste of Québec	13 434	0.5%
Total Québec	45 563	1.1%

Sources: Survey of QMA members, Institut de la statistique du Québec and EcoTec Consultants

* This percentage is valid for two regions combined: Côte-Nord and Nord-du-Québec.

3. Mining industry activities in Québec generated benefits in several regions of Québec outside the three regions where most mines are located. Over 16,300 person-years of employment were generated in four regions: Montérégie, Montréal, Saguenay-Lac-Saint-Jean and Capitale-Nationale.
4. Over 4,100 business based in Québec were mining industry suppliers in 2014. This supplier network extends across all Québec regions, and is particularly important in the Abitibi-Témiscamingue region where over one quarter of all industry suppliers are located. It is also important in several other regions including Montréal, Saguenay-Lac-Saint-Jean and Montérégie.
5. Mining activities generated substantial fiscal and parafiscal revenue in 2014 for both levels of government, over \$1.5 billion, including more than \$1.0 billion for the Québec government.



