



ST. LAWRENCE
ECONOMIC
DEVELOPMENT
COUNCIL

INTERVIEW OF THE MONTH

NADINE GIRAULT

**MINISTER OF INTERNATIONAL RELATIONS AND LA FRANCOPHONIE
MINISTER OF IMMIGRATION, FRANCIZATION AND INTEGRATION**



Before entering politics, Nadine Girault worked in the competitive field of Information Technology/electronics sales. She then worked for the Montréal Urban Community's police department, where she developed a unique proactive training concept for its 2,500 officers and commanders.

Over the course of the following 15 years, Ms. Girault held leadership positions at a number of major financial institutions, where she earned a reputation as an agent of change skilled at instilling a culture of performance by aiming for high standards, while remaining focused on customer needs. She also worked as a leadership, marketing and business development consultant.

Nadine Girault holds a BBA with a major in finance and marketing from HEC Montréal. She was awarded a Silver Medal in 2002 for her MBA in financial services from Université du Québec in Montréal.

Ms. Girault is very involved in her community and was an active member of numerous committees and boards of directors for various organizations, including Investissement Québec, Fonds de solidarité FTQ, École supérieure de ballet du Québec, Fondation de l'Hôpital Jean-Talon, the Hôpital Maisonneuve-Rosemont Foundation, 24h Tremblant and Association des femmes en finance du Québec.

Nadine Girault was elected MNA for Bertrand on October 1, 2018, and was appointed Minister of International Relations and La Francophonie on October 18, 2018, and Minister of Immigration, Francization and Integration on June 22, 2020.



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Question 1: Ms. Girault, in 2019, you launched Québec's International Vision, "Québec: proud and doing business around the world!". You must have been far from suspecting that, a few months later, international relations, primarily the global economic environment, would change so drastically.

How do you see Québec's position internationally, since the beginning of this pandemic?

Answer 1: Good question! Last November I did, in fact, launch Québec's International Vision, "Québec: proud and doing business around the world!" and I feel like it was 10 years ago already. However, world perception of Québec has not necessarily changed very much. In early January, we experienced the crisis through the quarantining of Wuhan, which isolated 60 million people and closed down numerous manufacturing industries. At that time, we got a glimpse of what would hit us, without imagining that we would be affected for so long. What remained unaffected, however, was our image on the world scene.

I often come back to Québec's assets. Québec is a choice gateway for investors from all over the world. Our transport infrastructures are well integrated, modern and efficient, enabling us to quickly ship goods arriving by land, rail, sea or air. This key transport structure is very well connected in Québec and we are fortunate to have a very innovative logistics sector. Our geographic location is also advantageous, thanks to the presence of the St. Lawrence River, a unique entryway that links Québec to the markets of the Great Lakes, American Midwest and rest of the world...with their 135 million potential consumers. The Great Lakes and American

Midwest regions represent 30% of Québec's economic activity and 50% of Canada's trade. This means that a great deal of trade transits through Québec. Together with the Great Lakes states and Ontario, we constitute the world's third largest economic space...quite impressive! We also have significant natural resources and high-quality human resources. And, the city of Montréal is recognized as a global innovation hub. So, we represent a very rich, diverse ecosystem.

Where information and communications technologies are concerned, Québec has 90 000 experts working in more than 5 000 organizations. To date, these are very real assets, despite the COVID-19 situation.

Montréal too is the envy of many countries the world over. Operating a business in or around Montréal costs far less compared to other large Canadian and US greater metropolitan areas. I am referring to a 27% cost advantage on average in the technology sector. The average wages of direct jobs in investment projects, notably those carried out in collaboration with Montréal International, were 75% higher than in the Québec private sector. Foreign affiliates located in Québec account for 15% of jobs and, in 2018, represented 15% of our GDP, reflecting our attractiveness! And, of course, there's the outstanding quality of life and cost of living that Québec offers: everyone likes working and living in Québec...all key points to consider.

To conclude, when we think of coming out of the current crisis, I believe we need to remember that everything I have just mentioned will remain unchanged. Québec's place internationally will stay the same in terms of our many assets. What is important is to determine how we will continue and carry on in this global space.



Question 2: In the context of Québec's International Vision, you intended to take advantage of the many free trade agreements Québec is a party to as well as the goal of increasing our export markets and our investments abroad.

In your opinion, does the current situation impact the goals you had set for yourself in the context of Québec's economic recovery?

Answer 2: Let me begin by briefly outlining the world situation. We know that we will experience the worst recession since the Great Depression of 1929. This will not necessarily be an actual world crisis but rather a social crisis since we are dealing with the real economy. People cannot go to work, companies are experiencing supply shortages, consumer spending on goods and services has been postponed and even cancelled... In short, household confidence has been shaken by the pandemic and will continue to be shaken for some time.

The GDP of advanced countries is expected to decline 6.1% in 2020, with a possible upturn, not as high, of 4.5% in 2021. We also know that China and India will remain economic powerhouses at the international level, recovering their pre-pandemic growth. We can already see that activity is picking up quickly. The World Trade Organization (WTO) foresees a worst-case scenario of -32% and a best-case scenario of -13%. So, yes, there will be a real drop in economic exchanges.

Looking at the situation in Québec and the Canadian economy, a downturn of close to 6% is forecast for this year, along with gradual economic recovery. In recent months, we have seen that Québec is striving

for manufacturing autonomy in certain strategic sectors, for example, medications, food and medical equipment. This is an incentive-based approach not a protectionist agenda. In Québec, we continue to support free trade. Goods and services exports abroad represent \$130 billion; we will definitely maintain our international presence.

Free trade agreements will enable us to diversify our markets, one of the goals of Québec's International Vision, which we continue to pursue. We wish to increase our exports and the COVID-19 crisis has highlighted the importance of diversifying geographic import markets and decreasing the risk of supply chain breakdowns in order to eventually increase foreign investments and encourage people to come to live in Québec.

At this unique time, we must ensure the recovery of our export manufacturing businesses and reclaim our place in world supply chains (market shares) so as to benefit from the business opportunities the crisis will have created. Québec delegations abroad are working hard to do so as rigorously as possible.

Another important element of Québec's International Vision seeks to attract top talents. Clearly, we must consider the new high unemployment rate due to the current pandemic context, but we must continue working to attract qualified candidates. Our efforts are ongoing to ensure that we are not faced with human resources shortages in several key sectors.

We must also remember to promote Québec



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innovation, one of the government's spearheads and our main calling card. Work still remains to be done with regard to certain manufacturers, especially in terms of modernizing our value chains so we can be proud of promoting this calling card abroad.

Another key goal is to make our educational institutions accessible worldwide. Clearly, this is currently more difficult, with borders being closed. However, I am regularly in touch with many consuls general, ambassadors and members of government abroad and all wish to begin educational programs again and continue to offer distance courses to foreign students and their Québec counterparts.

The last goal is the fight against climate change. One thing this crisis has made us realize is the importance of keeping the environment in mind and central to all other current issues. The Governor of New York State, Andrew Cuomo, has reiterated that he maintains his willingness to increase the supply of hydropower from Québec.

So, we must take all of these elements into account and work on them differently, remembering that the goals of Québec's International Vision remain and that nothing has really changed.

Question 3: In business, it is often said that in every hardship lies an opportunity.

When the historic COVID-19 crisis is over, what, in your opinion, will the main issues be and what opportunities will be available to Québec business people and maritime industry actors?

Answer 3: I would say that, in crisis situations like this one, we learn important lessons. Economic integration with our partners is essential. The importance of the logistics chain is highlighted. Marine industry actors face the same issues as the great majority of Québec business people, be they maintaining operations in a pandemic context or applying hygiene measures. The situation is a huge headache for most businesses. The economic slowdown in Europe and Asia especially affects requests for goods transport, in particular by sea, and this impact is expected to make itself felt until the fall. So, the economic impacts are very real for all maritime sector actors and we fear that they will continue...we need only think of the international cruise season, which has been completely cancelled this year.

One of the main issues for maritime actors is the survival of their sectors' businesses, which need a constant influx of work, especially SMBs. So, yes, the manufacturing sector will regain strength and the main export fields will gradually become active again...and we will see a positive impact on the maritime sector.

In the early weeks of the pandemic, we set up a working group composed of delegates and the office of the Deputy Minister of Economic Affairs to watch for business opportunities and growth potential. This group helped us draw certain conclusions. We will have to keep the new economic situation in mind and take advantage of the new business opportunities that arise.

Finally, we will have to use this opportunity to



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strengthen our strategic niches, especially with our US partners, in order to maintain our competitiveness vis-à-vis international manufacturing competitors and develop a marine service supply on the St. Lawrence. I know that, as the person in charge of the Maritime Strategy, Ms. Rouleau is working actively to optimize the entire transport logistics chain, from the seller to the customer's hands.

Question 4: When we talk about our neighbour to the south, it is difficult to avoid the issue that this is an election year in the United States and that, currently, heading the country is a president whose leadership is somewhat "unusual". Considering that the US is our principal trading partner, how do we see the coming years and our exchanges with the US, should Mr. Trump be re-elected and in terms of protectionism?

Answer 4: Yes, the US is our principal economic and trading partner, representing trade of more than \$106 billion (2019). One thing that will not change is the existence of the border between our two countries and the Québec government is continuing its very close collaboration with the representatives elected democratically by the American people, including its president and his administration. Personally, I spend a great deal of time directly contacting these representatives and maintaining these important ties with our neighbours at various echelons of government. With its system of checks and balances, the US political system has numerous levers of decision-making and influence. Québec uses these

democratic levers advantageously. We hope to use our teams directly in the field to support our Québec businesses and implement market strategies, while defending Québec's interests. We target our actions by calling on US political and economic actors and have a number of allies in the US, who have Québec's reality at heart.

Question 5: To conclude, you know that many SODES members are active on the St. Lawrence / Great Lakes axis, also called the St. Lawrence / Great Lakes trade corridor. This trade corridor offers strategic multimodal infrastructures, which, among other things, position Québec advantageously in terms of inter-regional trade and trade with the rest of Canada and the United States.

Given that, more than ever, the government wishes to have its suppliers of essential needs close by, how do you see putting this strategic economic axis to good use?

Answer 5: COVID-19 has shown maritime and logistics operations' resilience and essential role in supplying goods. Activities were not interrupted during the crisis, thanks, among other things, to the provisioning we had.

A number of businesses could implement repatriation and value chain production strategies, but what helps us is that, on the periphery of the Great Lakes, there are a great many businesses and contracting authorities. This will offer interesting prospects for Québec businesses since the territory includes numerous key head offices, among other



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things. The entire St. Lawrence maritime corridor maritime offers Québec exporters reliable, safe, low-cost transport solutions.

Europe will also need the United States in order to relaunch its economy and we are a gateway to the US. The Great Lakes / St. Lawrence Seaway network truly offers a wonderful opportunity to position ourselves as a transitional market. Our European and US teams are already developing sectorial and continental action plans to be able to acquire and develop the best synergies and quality services for businesses.

The government also wants to focus on innovation and facilitate businesses' integration into the value chains. It wants to make the St. Lawrence an intelligent maritime corridor by using artificial intelligence and automating current operations, among others. We are currently working with partners in two key forums: the Conference of Great Lakes and St. Lawrence Governors and Premiers, which has already set up a working group devoted specifically to intelligent navigation, and the Conference with Martine Hébert in Chicago, which is already working hard on this strategic project. We want to continue moving forward on all of these initiatives.

These networks are very important for us and it is to our advantage to be better known on European and US markets. Our fluidity, security and multimodality, which are common here in our various ports, are all points that we would do well to make known and highlight on European and US markets.