

# Location Spotlight – Quebec City, Canada

June 2022: Complimentary Abstract / Table of Contents



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# This report provides perspectives on key aspects of the global sourcing market in Quebec City, Canada

Location Spotlight – Quebec City, Canada

## Quebec City | at a glance



Attractive location offering sizable entry-level and employed talent pool to achieve sustainable and scaled operations; 12-14% cost advantage over Toronto

**KEY FACTOIDS**

- 18,000-22,000 annual tertiary graduates
- Annual operating cost savings: 30-35%
- Annual salary savings: 12-14%

Current overview	Key drivers	Key challenges
<ul style="list-style-type: none"> <li>Primarily leveraged by enterprises for supporting IT ADM, IT infrastructure, and digital services through their GBS centers; increasingly leveraged for complex workstreams such as artificial intelligence and cybersecurity</li> <li>Primarily serves European and North American countries</li> <li>Low evidence for non-voice BP services and voice-BP services</li> <li>Offers similar and overlapping time zone (+/- 2 hours) proximity to major delivery locations in the US</li> </ul>	<ul style="list-style-type: none"> <li>Offers a sizable IT and business/finance graduate pool owing to presence of multiple business schools and universities, further enhanced by strong industry-academia collaboration</li> <li>Superior infrastructure facilities with strong rail, road, and air connectivity with a focus on further improvement, and a strong telecom and internet connectivity throughout the region</li> <li>Offers an attractive cost arbitrage of 30-35% over Dallas, US, and 12-14% over Toronto, Canada</li> </ul>	<ul style="list-style-type: none"> <li>There are some macroeconomic household and company debt concerns</li> <li>Some concerns for scaled delivery languages due to relatively low proficiency in multiple languages (vis-à-vis Toronto, Vancouver, etc.)</li> </ul>



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Location Spotlight – Quebec City, Canada

## Quebec City | risk profile (page 1 of 2)

Strong geopolitical and macroeconomic environment, with sound infrastructure makes it an attractive location for global delivery services

Parameters	Everest Group rating	Comments
Geopolitical	Highly favorable	<ul style="list-style-type: none"> <li>Canada offers stable political environment and has a constitutional monarchy with a parliamentary system of government</li> <li>Canada holds 5th rank among 167 countries in the Democracy Index 2020 compiled by the Economist Intelligence Unit (EIU); this ranking has been stable throughout the years and the regime is considered a full democracy</li> <li>Canada ranks 13th among 180 countries in the Corruption Perception Index 2021, making it one of the least corrupt country</li> <li>Canada has a political stability index rating of 1.11 in 2020 with -2.5 as weakest and +2.5 as strongest</li> </ul>
Macroeconomic	Favorable, some concerns	<ul style="list-style-type: none"> <li>Canada's GDP contracted by 5.3% in 2020 as a result of the impact of the global COVID-19 crisis; however, the GDP rebounded by 5.6% in 2021</li> <li>Though Canada's public debt is among the lowest of the advanced economies, it's household and company debt is relatively high, amounting to over 100% of the GDP</li> <li>Quebec is one of the biggest contributor to the economy of Canada, representing ~20% of the total GDP of Canada</li> <li>Standard &amp; Poor rated Canada as AAA with a stable outlook, owing to a stable geopolitical, financial, and macroeconomic environment</li> </ul>
Infrastructure	Favorable, some concerns	<ul style="list-style-type: none"> <li>Although Canada provides excellent road and air connectivity within the country and with multiple international destinations, the rail network penetration is still low as compared to other developed countries</li> <li>Quebec City's Jean Lesage international airport offers multiple direct and indirect flight connections to leading business destinations in the US and Europe</li> <li>Canada is overall ranked 14th out of 141 countries in the Global Competitiveness Index (compiled by World Economic Forum) and is ranked 28th for its infrastructure quality                             <ul style="list-style-type: none"> <li>There are some additional concerns related to the quality of electricity supply and efficiency of public transportation</li> </ul> </li> <li>The government of Quebec plans to invest US\$5.3 billion in and around Quebec City on multiple infrastructure projects such as road, marine, rail, and airport infrastructure</li> </ul>

Source: Everest Group (2022); EIU; Transparency International; WRR; WEF; interviews with market participants

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■ Published
 ■ Planned
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Reports title	Release date
2021 Wrapped, Unwrapping 2022	January 2022
Location Spotlight – Ahmedabad	March 2022
Location Spotlight – Malaga, Spain	March 2022
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<b>Location Spotlight – Quebec City, Canada</b>	<b>June 2022</b>
Location Spotlight – Peru	Q3 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies   Key Trends Shaping the Landscape	Q3 2022
Location Spotlight – Fukuoka, Japan	Q3 2022

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