



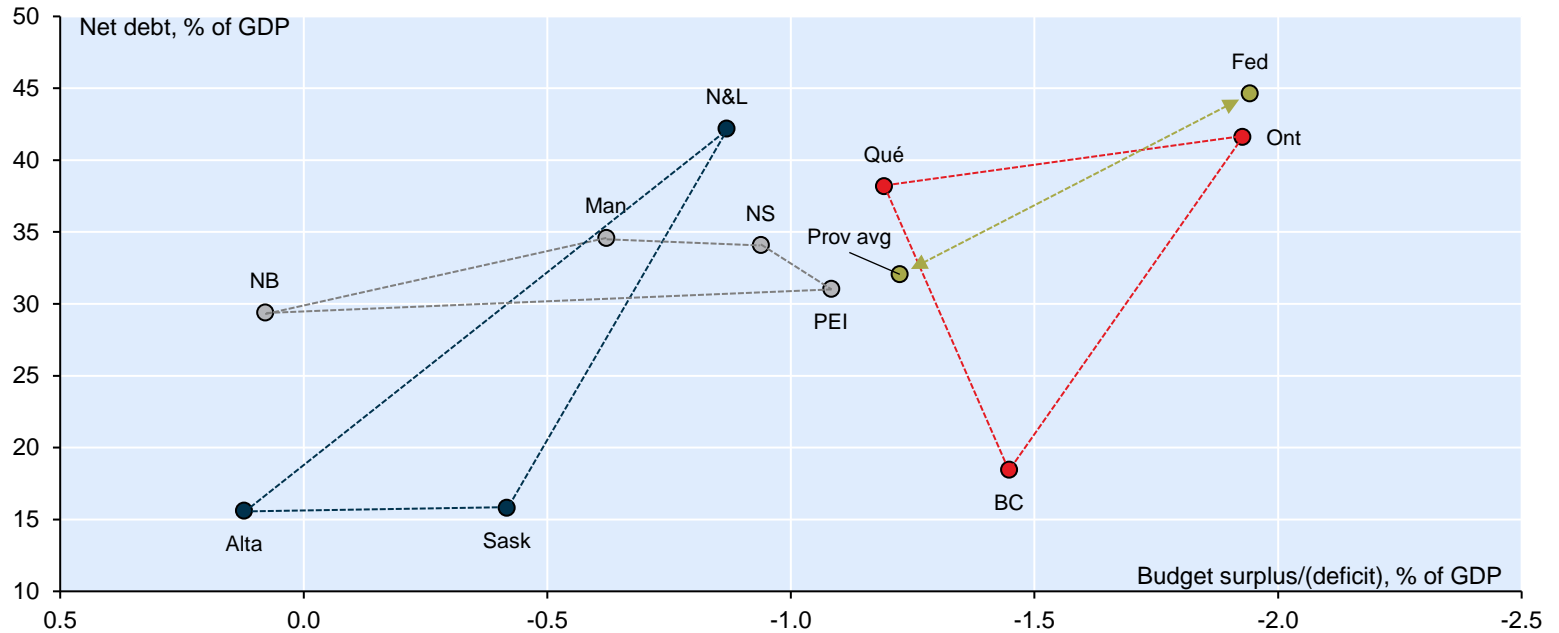
A Canadian budgetary snapshot

By Warren Lovely

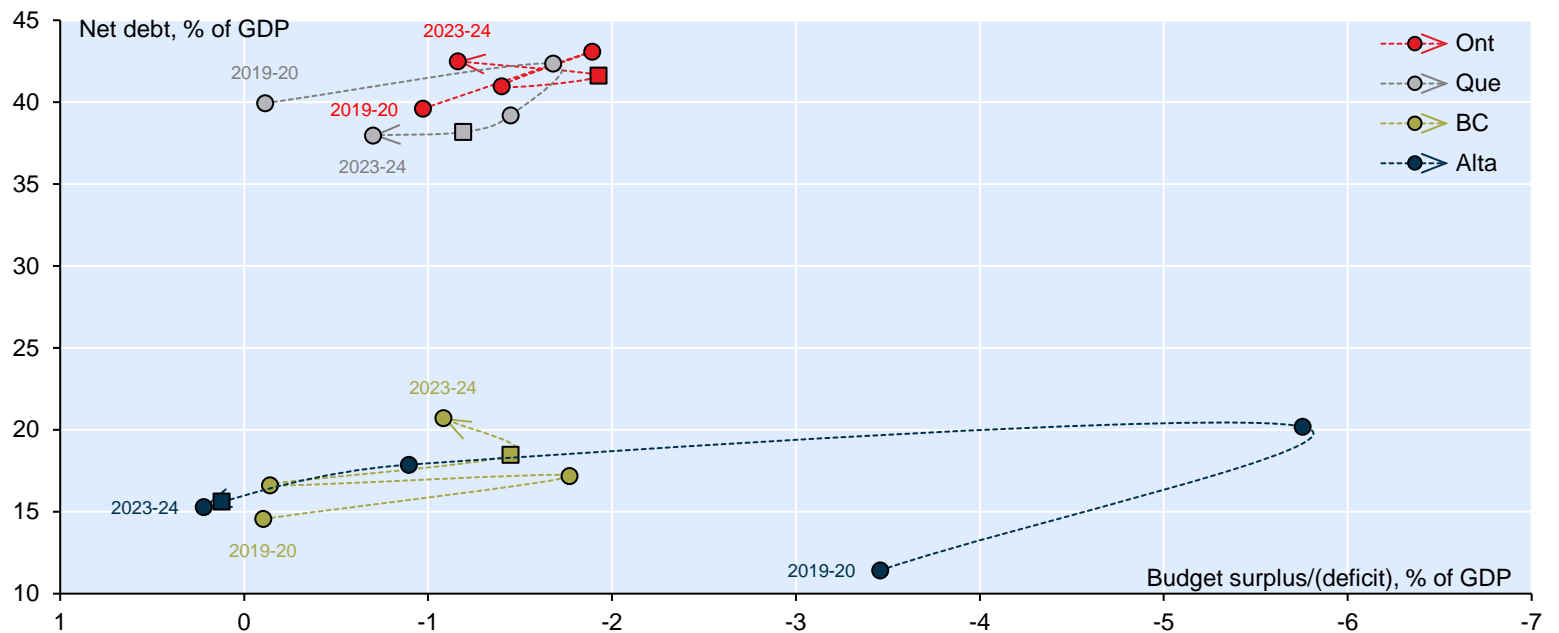
An admission: We're not particularly active users of social media platforms. But we get the concept behind Snapchat, Instagram and others. Post a picture, add a few remarks and watch followers react. Easy enough. So channeling our inner Millennial, here are two quick images and a handful of words to give a sense of where things stand for Canadian government finances. The top chart is a fiscal snapshot, rather snapshot, plotting budget deficits/surpluses on the horizontal axis against debt burdens on the vertical axis. In terms of groupings, we've opted to connect/contrast: (a) the three most populous provinces (Ont, Que, BC); (b) the three most oil-intensive names (Alta, Sask, N&L); (c) the remaining four provinces; (d) the weighted provincial average vs. the federal government. The second, lower chart reveals the relative movement/evolution of budget balances and debt burdens in each of the four big provinces over a five year period. This gives a sense of the full fiscal arc currently playing out, since each of the four are on a somewhat unique journey. Reaction from followers now welcome.

Charts 1-2: Provincial budget balances & debt burdens... where things stand (top) and how the journey has looked (bottom)

Canadian government budget balances (horizontal) & net debt burdens (vertical): All 10 provinces + federal government for 2022-23 fiscal year



Evolution of budget balances (horizontal) & net debt burdens (vertical): 4 largest provinces, covering 5Y period from 2019-20 to 2023-24



Source: NBF, prov gov'ts | Note: Budget balance & net debt levels based on official government projections, including latest guidance from 2022 budgets; official projections in some cases include notable prudence; budget balances & debt scaled to nominal GDP, using NBF's latest projections (which can differ from budget planning assumptions for provincial/national GDP); for bottom chart, dotted lines highlight 5Y fiscal journey starting in 2019-20 to 2023-24, with the current fiscal year (2022-23) shown as a 'box'



Economics and Strategy

Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist
stefane.marion@nbc.ca

Kyle Dahms

Economist
kyle.dahms@nbc.ca

Alexandra Ducharme

Economist
alexandra.ducharme@nbc.ca

Matthieu Arseneau

Deputy Chief Economist
matthieu.arseneau@nbc.ca

Daren King

Economist
daren.king@nbc.ca

Angelo Katsoras

Geopolitical Analyst
angelo.katsoras@nbc.ca

Jocelyn Paquet

Economist
jocelyn.paquet@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

Chief Rates and Public Sector Strategist
warren.lovely@nbc.ca

Taylor Schleich

Rates Strategist
taylor.schleich@nbc.ca

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