



# PROVINCE OF SASKATCHEWAN

(CANADA)

## 2017-18 BUDGET

(Financial Highlights of 2017-18 BUDGET)

March 22, 2017

*"Our plan is clear; return the budget to balance in three years. We are meeting the challenge by controlling and reducing spending, modernizing and expanding the tax base, and ensuring the economy remains strong."*

**Honourable Kevin Doherty**  
**Minister of Finance**

### GOVERNMENT OF SASKATCHEWAN

Budget

For the Year Ended March 31

	<i>(millions of dollars)</i>		
	Budget 2017-18	Forecast 2016-17	Budget 2016-17
<b>Revenue</b>			
Taxation	7,286.6	6,339.0	6,860.9
Non-renewable resources	1,406.4	1,279.0	1,484.9
Other own-source revenue	1,964.9	2,117.2	2,088.9
Transfers from the federal government	2,453.5	3,190.9	2,504.8
Net income from government business enterprises	1,053.7	768.3	1,084.4
<b>Total Revenue</b>	<b>14,165.1</b>	<b>13,694.4</b>	<b>14,023.9</b>
<b>Expense</b>			
Agriculture	800.5	1,105.3	780.3
Community development	700.6	577.2	580.6
Debt charges <sup>1</sup>	380.9	295.8	297.2
Economic development	246.0	239.1	250.2
Education <sup>1</sup>	3,643.3	3,729.0	3,688.4
Environment and natural resources	247.9	240.6	237.0
Health <sup>1</sup>	5,627.4	5,668.9	5,588.1
Protection of persons and property	643.7	678.2	640.3
Social services and assistance	1,356.7	1,297.9	1,243.9
Transportation	567.4	565.7	565.2
Other <sup>1</sup>	585.4	585.2	586.9
<b>Total Expense</b>	<b>14,799.8</b>	<b>14,982.9</b>	<b>14,458.1</b>
<b>Adjustments</b>			
Human resources compensation measures	250.0	-	-
Contingency	(300.0)	-	-
<b>Deficit <sup>1</sup></b>	<b>(684.7)</b>	<b>(1,288.5)</b>	<b>(434.2)</b>

Totals may not add due to rounding.

<sup>1</sup> Before adjustment to account for pensions on an accrual basis.

	2017	2018
Can. Real GDP Growth (%)	1.9	2.0
U.S. Real GDP Growth (%)	2.3	2.3
Can. Dollar (U.S. cents)	74.70	75.70
WTI Oil (US\$/barrel)	55.00	60.00
Potash (US\$/KCl tonne)	175.74	178.24

Sources: Ministry of Finance and Ministry of the Economy

**Saskatchewan's real GDP is forecast to grow by 0.8 per cent in 2017 and 2.0 per cent in 2018**

	2017	2018
Real GDP Growth (%)	0.8	2.0
Nominal GDP Growth (%)	4.9	5.7
CPI Growth (%)	1.6	1.8
Employment Growth (000s)	1.2	4.9
Unemployment Rate (%)	6.2	6.0
Retail Sales Growth (%)	2.7	3.2

Source: Ministry of Finance

Recent results indicate the economy is strengthening:

- Total employment increased by 1,900 in the first two months of 2017.
- International exports increased by 15.6 per cent in January 2017.
- Non-residential capital investment is estimated to grow by 3.4 per cent in 2017.
- Private sector forecasters, on average, expect Saskatchewan's real GDP to grow by 1.7 per cent in 2017.

## The 2017-18 Budget continues to fund high priority infrastructure investments

### Schedule of Public Debt

As at March 31

(millions of dollars)	Budget 2017-18	Forecast 2016-17	Budget 2016-17
General Revenue Fund (GRF)			
- Operating	5,750.0	5,400.0	4,100.0
- Saskatchewan Builds Capital Plan	2,755.6	1,685.8	1,685.8
Other Government Service Organizations	556.9	594.8	603.9
Government Service Organization Debt	9,062.5	7,680.6	6,389.7
Government Business Enterprise Debt	9,137.5	8,398.6	8,383.2
Public Debt	18,200.0	16,079.2	14,772.9

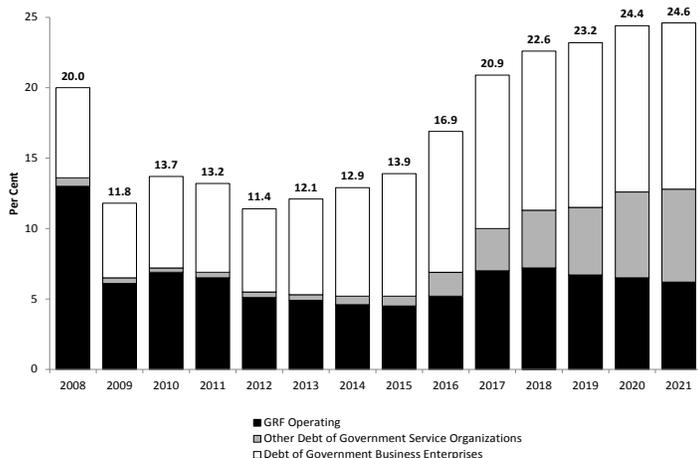
### Medium-Term Financial Outlook

(millions of dollars)	2017-18	2018-19	2019-20	2020-21
Revenue	14,165	14,694	15,237	15,708
Expense	14,800	14,948	15,172	15,475
Adjustments				
HR Compensation Measures	250	250	250	250
Contingency	(300)	(300)	(300)	(300)
Surplus (Deficit)*	(685)	(304)	15	183

\* Before adjustment to account for pension costs on an accrual basis.

### Operating debt as percentage of GDP remains below 2008 levels throughout forecast period

Public Debt as a % of GDP as at March 31

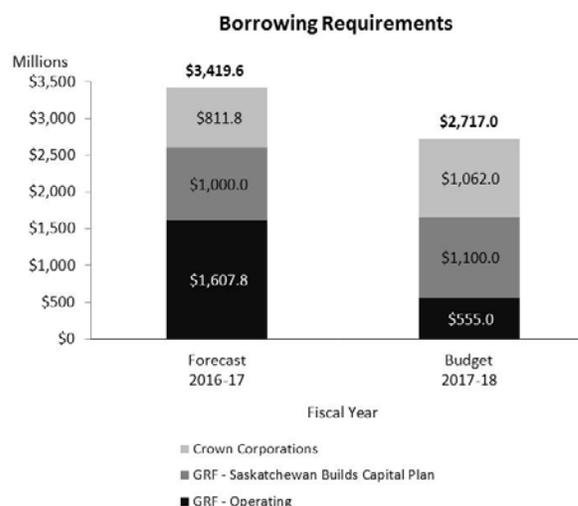


## The Canadian domestic public market is the primary source for borrowing

### Borrowing Sources

(millions of dollars)	Forecast 2016-17	Budget 2017-18
Canadian Debentures	3,200.0	2,500.0
International	-	-
Promissory Notes	130.8	183.0
Canada Pension Plan	88.8	34.0
<b>Total</b>	<b>3,419.6</b>	<b>2,717.0</b>

### 2017-18 borrowing requirements primarily to fund infrastructure assets and refinance debt



### Credit Ratings of the Province

Moody's Investors Service      Aaa  
 Standard & Poor's              AA+\*  
 Dominion Bond Rating Service   AA

\* negative outlook

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Additional budget information can be found at: [www.saskatchewan.sk.ca/budget](http://www.saskatchewan.sk.ca/budget)