Provincial Monitor

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An update on provincial economic and fiscal matters **Fall 2016**

Still Waters Run Deep

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Canada's regional economic landscape continues to vary greatly, with tremendous churning below a relatively calm national surface. Canadian real GDP is likely to expand at a modest 1.2% clip this year, and accelerate to 2.0% in 2017. While growth at the national level looks subdued but relatively undramatic, conditions at the provincial level range from strong 3% growth to outright recession. Also notable is the fact that the regional economic growth leaders of the past decade have receded to the back of the pack, while past laggards move into a leadership role.

The bad news first. Real GDP in **Alberta** is expected to contract 2.3% this year after a deep 4.0% decline in 2015, alongside deeper cutbacks in energy-sector capex, and wildfire-related production losses. Private-sector employment is down 6% from peak levels, the jobless rate has hit a two-decade high, eclipsing even that during the Great Recession, and real estate values are falling. A return to the robust 4%-to-5% growth clip seen prior to the oil price shock is unlikely in the near term. **Saskatchewan** is also feeling the impact, and the economy is expected to expand just 0.5% this year after a 1.4% contraction in 2015. This is a stark reversal from the near-4% average pace over the prior five years. **Newfoundland & Labrador** will likely see GDP contract 2% again this year as fiscal restraint remains heavy and some major investment projects reach completion.

The good news is that economic growth continues in Canada's other seven provinces, accounting for more than three-quarters of national output. **British Columbia** is projected to lead the pack again this year with 3.0% real GDP growth, more than twice the national average. This would continue a run of stable and solid growth averaging 2.8% over the past seven years. The province's resource base is much more diverse (natural gas, base metals, forestry and little direct exposure to oil), housing has been roaring, while the combination of sturdy U.S. demand and a weaker

Canada

Population:	36,049,000
Area:	9,984,670 km²
GDP/Capita:	$55,400
Capital:	Ottawa
Party in Power:	Liberals
Prime Minister:	Rt. Hon. Justin Trudeau
Finance Minister:	Hon. Bill Morneau

Legislative Seats:	
Liberals	182
Conservatives	97
NDP	44
Bloc Québecois	10
Green	1
Ind/Vacant	4

Fiscal Summary

FY16/17

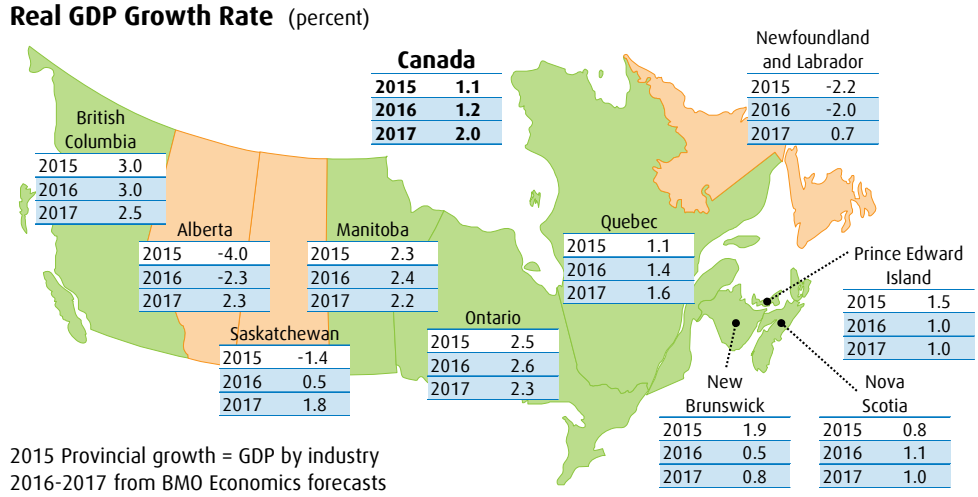
	Budget Balance [1] ($ mlns)	% of GDP	Gross Financing Requirements [2] ($ blns)
BC	1,940	0.8	3.4
AB	(10,889)	(3.5)	15.8
SK	(434)	(0.6)	2.0
MB	(911)	(1.3)	7.4
ON	(4,306)	(0.5)	24.4
QC	2,028	0.5	16.0
NB	(342)	(1.0)	2.0
NS	129	0.3	0.8
PE	(10)	(0.2)	0.0
NL	(1,830)	(6.2)	3.7
Total	**(14,624)**	**(0.7)**	**75.5**

	S&P	Moody's	DBRS
BC	AAA	Aaa	AA (high)
AB	AA[4]	Aa1[4]	AA (high)
SK	AA+[4]	Aa1[4]	AA
MB	AA	Aa2	A (high)
ON	A+	Aa2	AA (low)
QC	A+[3]	Aa2	A (high)
NB	A+	Aa2	A (high)
NS	A+	Aa2	A (high)
PE	A	Aa2	A (low)
NL	A[4]	Aa3[4]	A (low)

Source: Provinces, BMO Capital Markets, S&P, Moody's, DBRS ( ) = deficit
[1] QC before Generations Fund transfers
[2] Incl. Crown corporations
[3] pos. outlook [4] neg. outlook

Provincial GDP

Real GDP Growth Rate (percent)



2015 Provincial growth = GDP by industry
2016-2017 from BMO Economics forecasts

Canadian dollar are a net positive for exports and tourism. That said, B.C. is Canada's largest trading partner with Asia, and a more protracted slowdown in China would likely hit this province the hardest.

Central Canada is also facing some of the most favourable economic conditions in years, benefiting from low oil prices, a weak loonie and sturdy U.S. demand. **Ontario** real GDP is expected to grow 2.6% this year before fading slightly to a still-solid 2.3% pace in 2017. Notably, this year's performance would leave the three-year average matching the strongest in 14 years. The manufacturing sector is still mixed, with cyclical tailwinds offset by longer-term secular decline. The auto sector, for example, is running near full capacity, but marginal new investment that would drive stronger GDP growth is increasingly flowing to lower-cost jurisdictions in the Southern U.S. and Mexico. That said, the economy in the Greater Toronto Area—more diverse exposure to professional services, health care and education—is humming. Growth in **Quebec** is expected to pick up to 1.4%, supported by newfound fiscal stability and a warming labour market, but still weighed down by stiffer demographic headwinds than those in Ontario. **Manitoba's** diverse economy should expand by 2.4% in 2016, consistent with the average of the past five years.

Finally, Atlantic Canada will remain relatively subdued, in part due to demographic challenges and fiscal restraint. But most of the region is expected to improve from the very sluggish pace of recent years, and slower activity in Alberta should cool the exodus of younger workers. That trend already appears to be turning, with net outward migration from **Nova Scotia** effectively ceasing in recent quarters. Nova Scotia is poised to lead the group at 1.1% this year, as work is underway on a number of major capital projects. **New Brunswick** and **PEI** continue to face tough demographics, but a weaker loonie should provide a boost—look for 0.5% and 1.0% growth, respectively, in these provinces this year.

Government Finances: Borrowing Binge Continues

The fiscal landscape continues to evolve very much in line with broader economic trends. The oil-producing provinces are expected to run a combined deficit of more than 3% of GDP in FY16/17, while the non-oil producers are nearly balanced as a group—Ontario's deficit is still likely to offset surpluses in B.C. and Quebec. By FY17/18, the non-oil-producers will be back in balance overall, while deficits in the oil producers will persist at a still-wide 2.5% of GDP, barring a stronger-than-expected recovery in oil prices. And, Alberta and Newfoundland & Labrador are facing deficits at least through 2021, while six of the other eight provinces are expected to balance the books in 2017. Total **provincial borrowing requirements** are pegged at $75.5 billion for FY16/17, which is roughly 60% funded to date. Indeed, while the combined provincial deficit is pegged at $14.6 billion for FY16/17, net debt is poised to increase by roughly $34 billion. In other words, provinces are borrowing twice as much as their deficits alone, with many funding capital expenditures in excess of operating shortfalls. As a share of GDP, provincial net debt will edge up to just under 31%, the highest on record since at least the late-1980s and pushing close to federal levels for the first time. Newfoundland & Labrador, Alberta and Saskatchewan (the oil producers) will see the biggest increases this year, while Quebec and B.C. are poised to see the most meaningful improvements.

British Columbia

- **Housing market moderating; labour market strong**
- **Fiscal position stands out positively among provincial peers**

Economic growth in British Columbia is on pace to lead the country again this year, with real GDP expected to rise a strong 3.0%, in-line with the pace recorded in 2015. If that forecast holds, it would mark the strongest three-year average growth rate for the province since 2007. While the housing market and consumer spending trends are driving growth, sturdy U.S. demand and a weaker Canadian dollar should offset the slowdown in China and uncertainty in the mining sector.

The **housing market** is front and centre in B.C., particularly in Vancouver where home prices have ballooned more than 30% in the past year. However, developments in recent months suggest that the hottest period might be past for price growth in the city. Seasonally-adjusted sales have weakened from their early-2015 high, normalizing the market balance from extremely tight levels. Also, the 15% transfer tax applied to non-resident buyers of residential real estate in the Greater Vancouver area has worked to soften sales even further, particularly at the high end of the market. On the supply side, housing starts have broken out of the stable range seen across the province since 2010, led by a record (back to 1990) number of multi-unit buildings. Some budding signs of speculation recently, plus this coming wave of condo supply, could be a risk to watch in the year or two ahead.

While the province has little direct exposure to oil, natural gas and non-energy **mining investment** has downshifted notably, and continues a multi-year period of retrenchment. Development in the LNG sector remains uncertain given low prices and global supply conditions—any economic benefits are still years away. **Non-energy exports** continue to grow at a solid clip, with forestry benefiting from a weaker currency and solid U.S. housing starts. A protracted slowdown in China, however, remains one area of risk given that the province now exports roughly equal dollar amounts to Asia and the United States. Domestically, the **labour market** is strong, with employment up nearly more than 3% y/y, the strongest in Canada, and interprovincial migration has turned positive again. The jobless rate is now the lowest in Canada for the first time on record, and retail sales are reflecting those solid fundamentals.

The **Province of British Columbia revised its surplus estimate** for FY16/17 to $1.9 bln from the $264 mln forecasted in the spring budget. That weighs in at 0.8% of GDP, and further cements the Province as the most solid credit on the Canadian landscape (not coincidentally, the last remaining province rated AAA by both Moody's and S&P). The revenue forecast was revised up by $1.5 bln alongside solid economic growth, which we expect will lead the country again this year. Modest surpluses extend over the three-year fiscal plan, and net debt continues to grind down as a share of GDP, toward 16% by FY18/19. All told, British Columbia is **a rare bright spot on the provincial fiscal landscape** right now, with a balanced budget and a low and declining debt burden.

British Columbia

Population:	4,707,000
Percent of Canada:	13.1
Rank by Population:	3rd
Area:	944,735 km²
GDP/Capita:	$52,300
Capital:	Victoria
Party in Power:	Liberals
Premier:	Hon. Christy Clark
Finance Minister:	Hon. Michael de Jong

Legislative Seats:

Liberals	48
NDP	35
Independent	2

Next election May 9, 2017

Economic Outlook

British Columbia	15	16f	17f
Real GDP (% chng)	3.0	3.0	2.5
Employment (% chng)	1.3	3.0	1.5
Jobless Rate (%)	6.2	5.9	5.6
Housing Starts (000s)	31.5	42.5	39.5
Cons. Prices (% chng)	1.1	2.0	2.1

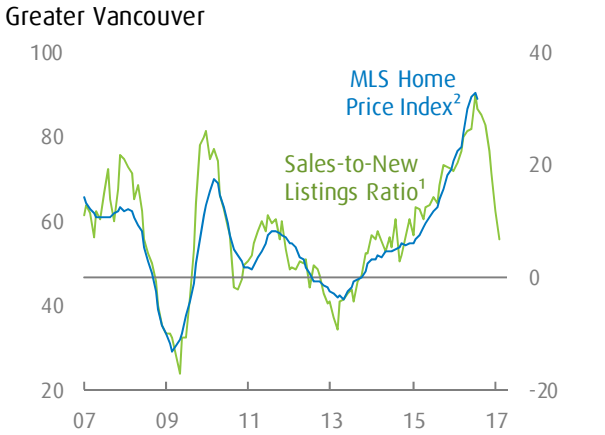
f = forecast [1] 2015 = GDP by industry

British Columbia's Fiscal Situation

($ mlns)	FY15/16	FY16/17f
Revenues	47,606	50,543
Expenditures	46,876	48,252
Forecast Allowance	--	(350)
Budget Balance	730	1,940
(% of GDP)	0.3	0.8
Net Debt	39,635	39,905
(% of GDP)	16.2	15.7
Debt Service	2,786	2,538
(% of revenue)	5.7	5.4
Resource Revenues	2,571	2,504
(% of total)	5.4	5.0
Natural Gas (C$/GJ)	1.31	0.94

( ) = deficit As of Q1 fiscal update

Demand: Vancouver Rolling Over



[1] (percent : advanced 6 months : lhs) [2] (y/y % chng : rhs)

Alberta

- **Economy stuck in recession; real estate correction underway**
- **Deep and persistent deficits cost AAA credit rating**

The fallout from lower oil prices has **Alberta's economy still grappling with recession**. Real GDP is expected to contract another 2.3% this year after a 4.0% decline in 2015, with the weakness exacerbated by lost oil production during the Fort McMurray wildfire. That leaves the province at the back of the pack in terms of relative economic performance, a stark change from years of rampant outperformance. By next year, the economy should return to growth, but remain historically subdued at just above 2%, assuming a gradual upward grind in oil prices.

The **energy sector** directly accounts for roughly 26% of Alberta GDP, 6% of employment and almost two-thirds of private non-housing capital spending. As a result, the drop in prices and deep capex retrenchment cut heavily from provincial growth. The May wildfire also temporarily cut production by more than 1 million barrels per day, which is estimated to reduce real GDP growth by roughly half a percentage point this year. Looking a few years down the road, the current investment downturn will likely lead to a flatter production profile and, barring a significant supply shock, we don't believe oil prices will return to levels that will spur another investment boom. The energy-sector downturn has spilled over into real estate. The **housing market** is in the midst of a correction, with benchmark prices in Calgary down 5% from peak levels, though the market balance appears to have stabilized. **Commercial vacancy rates** have also surged, reaching 20% in Calgary's downtown office segment, and cap rates are rising alongside a glut of supply and weaker demand prospects. The **labour market** has weakened considerably as well, with the unemployment rate jumping above 8% for the first time since the early-1990s. Tellingly, the province's jobless rate topped the national average for the first time in 27 years. Private-sector employment fell more than 6% peak-to-trough, including a near-20% decline in the resource sector, but this has been cushioned by a burst in public-sector hiring. Still, **interprovincial migration** flows to the province have softened dramatically from their 2013 high, and the province is now seeing outflows as relative economic prospects improve in other regions of the country.

The **Province of Alberta is projecting a $10.9 billion deficit** for FY16/17 as WTI oil prices are expected to average $45 and stimulus spending remains a priority, while the wildfire carves a net $500 million from the bottom line. Notably, that would be the largest deficit in the Province's history in dollar terms, and as a share of GDP (3.5%) it is closing in on those seen during the worst of the early-1990s, but still less than half of those in the mid-to-late 1980s. The deficit remains large at $10.1 billion in FY17/18 before persisting at a still-meaty $8.4 billion in FY18/19—that's despite an expected recovery in WTI to $64, and more than $2.4 billion in new carbon tax revenue. Indeed, Alberta evidently now views balancing its budget as a low priority, and the Province's credit rating has suffered as a result.

Alberta

Population: 4,232,000
Percent of Canada: 11.7
Rank by Population: 4th
Area: 661,848 km²
GDP/Capita: $79,500
Capital: Edmonton
Party in Power: New Democrats
Premier: Hon. Rachel Notley
Finance Minister: Hon. Joe Ceci

Legislative Seats:	
NDP	54
Wildrose	22
PC	9
Alberta Liberal	1
Alberta Party	1

Majority Government Since May 2015

Economic Outlook

Alberta	15e	16f	17f
Real GDP[1] (% chng)	-4.0	-2.3	2.3
Employment (% chng)	1.2	-1.9	-0.2
Jobless Rate (%)	6.0	8.0	8.2
Housing Starts (000s)	37.5	25.0	27.5
Cons. Prices (% chng)	1.2	1.2	1.6

f = forecast [1] 2015 = GDP by industry

Alberta's Fiscal Situation

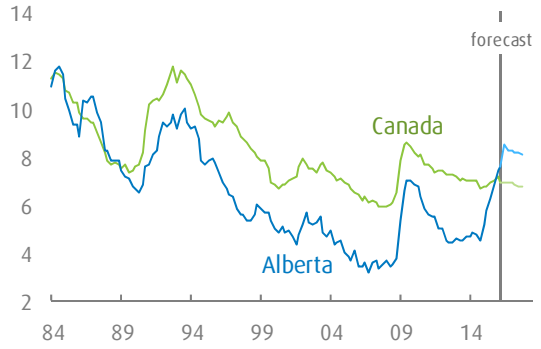
($ mlns)	FY15/16	FY16/17f
Total Revenue	42,500	42,143
Total Expenses	48,942	53,032[1]
Budget Balance	(6,442)	(10,889)
(% of GDP)	(2.0)	(3.5)
Net Debt (Assets)	(3,881)	10,575
(% of GDP)	(1.2)	3.4
Resource Revenues	2,789	2,108
(% of total)	6.6	5.0
Oil (US$/bbl)	45.00	45.00
WCS (C$/bbl)	40.86	40.20
Natural Gas (C$/GJ)	2.21	1.90

( ) = deficit As of Q1 update
[1] incl $700 mln risk adjustment

Jobless Rate Tops National Average

(percent : s.a.)

Unemployment Rate



Saskatchewan

- **Oil sector under pressure; glut of supply weighing on housing market**
- **Fiscal policy stays the course post-election**

Saskatchewan's economy has been held back by the slide in oil prices, but to a much lesser extent than in neighbouring Alberta. Real GDP is expected to advance a modest 0.5% this year, reversing part of the 1.4% decline in 2015. That two-year period of negative growth is a stark change for the province which saw real GDP growth average just under 4% per year between 2010 and 2014, one of the strongest on the economic landscape. Looking ahead, growth should improve closer to 2% by 2017, but the rip-roaring pace of prior years will not likely be repeated.

The **oil sector** is expected to retrench this year amid a much weaker price environment, with the Province expecting a 5% decline in production in the FY16/17 period. Note that oil and gas directly accounts for roughly 15% of Saskatchewan's GDP—well below Alberta, but still significant. Other resource sectors are mixed, with **potash** production rising at a steady clip but prices depressed. The farm sector, however, is having a strong year in terms of crop production, but low prices globally are weighing on incomes.

The **labour market** remains weak, with employment little-changed from three years ago—the province has not seen the same steep job losses as in Alberta, but hiring has clearly stagnated. That has lifted the jobless rate above 6% for the first time since the late-1990s, and stalled wage growth.

Population growth remains historically elevated at 1.4% y/y, but growth has softened over the past two years after peaking at around 2%—the province is again losing migrants to other regions. For the **housing market**, the slowdown in employment and population growth comes at a time when a glut of new supply still needs to get absorbed. In Regina and Saskatoon, for example, there are still a near-record number of completed but unoccupied units overhanging these two cities. In the resale market, the months' supply of homes for sale has risen to the highest in at least 13 years. As a result, prices are in the midst of a slow downward grind, with Regina's benchmark down from peak levels four years ago, though momentum has firmed in recent months.

The **Province of Saskatchewan is projecting a $434 million deficit** on a summary basis for FY16/17, or a manageable 0.6% of GDP. That's slightly better than the $591 million reported in the post-budget public accounts for FY15/16. The Province continues to aim for a balanced budget in FY17/18 alongside a modest recovery in oil prices, and will run small surpluses through the forecast horizon. While operating spending will be well contained this coming fiscal year, capital expenditures remain hefty at $1.8 billion—that doesn't impact the operating balance, but will continue to add to the Province's (still comparatively favourable) debt load. There were few major new policy measures in this year's budget after the Saskatchewan Party was elected to another majority mandate.

Saskatchewan

Population: 1,143,000
Percent of Canada: 3.2
Rank by Population: 6th
Area: 651,036 km²
GDP/Capita: $68,500
Capital: Regina
Party in Power: Saskatchewan Party
Premier: Hon. Brad Wall
Finance Minister: Hon. Kevin Doherty

Legislative Seats:

Sask. Party	50
NDP	10
Ind	1

Majority government since: April, 2016

Economic Outlook

Saskatchewan	15	16f	17f
Real GDP[1] (% chng)	-1.4	0.5	1.8
Employment (% chng)	0.6	-0.9	0.3
Jobless Rate (%)	5.0	6.1	6.2
Housing Starts (000s)	5.2	4.2	4.0
Cons. Prices (% chng)	1.6	1.3	1.8

f = forecast [1] 2015 = GDP by industry

Saskatchewan's Fiscal Situation

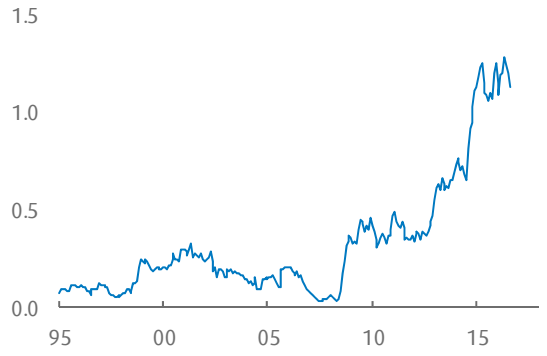
(C$ mlns)	FY15/16	FY16/17
Revenues	14,426	14,024
Expenditures	15,017	14,458
Summary Balance	(591)	(434)
(% of GDP)	(0.8)	(0.6)
Net Debt [1]	7,899	9,133
(% of GDP)	6.7	8.7
Debt Service	515	297
(% of revenue)	3.6	2.1
Resource Revenues	1,836	1,484
(% of total)	12.7	10.6
Oil (US$/bbl)	45.0	44.9
Potash (US$)	275	207

( ) = deficit As of FY16/17 budget
[1] core government

Housing Inventories Elevated

Regina and Saskatoon (000s units)

Completed but Unabsorbed Housing Units



Manitoba

- **Stable growth continues; oil-patch weakness felt in labour market**
- **Deficits persist pending medium-term fiscal plan**

Manitoba's diverse economy continues to grow at a remarkably steady pace, with real GDP expected to rise 2.4% this year, up slightly from the 2.3% pace recorded in 2015. If our forecast holds accurate, it will be seven straight years where growth has run in the tight 2.3%-to-3.0% range—no other province can claim this degree of stability. Manitoba continues to benefit from a mild amount of energy-sector exposure, a diverse manufacturing base and sturdy service sector.

Output in the **agriculture sector** has swung significantly in recent years, but 2016 has shaped up to be a solid year. Crop prices, however, remain depressed globally and will likely weigh on farm incomes. Meantime, while **oil production** has risen fourfold since the start of the 2000s, the sector directly makes up little more than 2% of real GDP in the province. The bigger impact will likely be felt on the incomes of those previously commuting into Alberta's oil patch.

Manufacturing output has had a solid run since 2010 despite dipping last year, and should continue to benefit from the combination of a weaker Canadian dollar and still-solid U.S. demand. That said, the early cyclical rebound appears to be fading into a flatter longer-term trajectory, with manufacturing shipments little changed from year-ago levels through the first half of 2016. The transportation-sector has been strong in recent years, with orders rolling in from various municipalities (public transit) and U.S. cities with improved fiscal backdrops and higher state spending.

The **labour market** is soft, but holding up better than its peers in Saskatchewan and Alberta. Employment was little-changed from year-ago levels through the first eight months of the year, as declines in manufacturing and transportation offset gains in construction and professional services. The jobless rate has moved above its long-standing narrow 5%-to-5.5% range, sitting above 6% for the first time in 20 years—but that's still comfortably below the national average. Population growth continues to run at a firm 1.5% pace, still supportive of **housing demand**. Housing starts, however, have steadily weakened after hitting the highest level since the late-1980s in 2013. With resale inventories elevated by historical standards, and keeping price growth in check, a lower rate of new supply is welcome.

The **Province of Manitoba is projecting a $911 million summary budget deficit** in FY16/17, very slightly improved from the $1.0 billion gap expected for FY15/16. That weighs in at 1.3% of GDP, making it the largest shortfall outside of Alberta and Newfoundland and Labrador this fiscal year. In the absence of a medium-term fiscal plan, and therefore no balanced budget timeframe, the Finance Minister said that the government has "a target of achieving this within our second term"—so, in other words, as long as eight years from now. As a result, net debt continues to drift higher, rising to just under 34% of GDP this fiscal year, the highest since at least the late-1980s.

Manitoba

Population: 1,304,000
Percent of Canada: 3.6
Rank by Population: 5th
Area: 647,797 km²
GDP/Capita: $51,100
Capital: Winnipeg
Party in Power: Progressive Conservatives
Premier: Hon. Brian Pallister
Finance Minister: Hon. Cameron Friesen

Legislative Seats:

PC	40
NDP	14
Liberal	3

Majority government since April, 2016

Economic Outlook

Manitoba	15	16f	17f
Real GDP[1] (% chng)	2.3	2.4	2.2
Employment (% chng)	1.5	-0.2	0.8
Jobless Rate (%)	5.6	6.1	5.9
Housing Starts (000s)	5.6	4.8	5.0
Cons. Prices (% chng)	1.2	1.4	1.9

f = forecast [1] 2015 = GDP by industry

Manitoba's Fiscal Situation

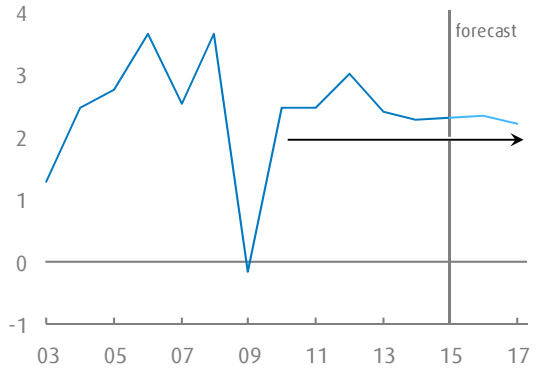
(C$ mlns)	FY15/16	FY16/17e
Revenues	14,769	15,230
Expenditures	15,780	16,291
In-year Adjustments	—	150
Budget Balance	(1,011)	(911)
(% of GDP)	(1.5)	(1.3)
Net Debt	21,303	23,149
(% of GDP)	32.4	33.9
Debt Service	830	874
(% of revenue)	5.6	5.7

( ) = deficit As of FY16/17 budget

Stable Growth Continues

Manitoba (y/y % chng)

Real GDP



2015 = GDP by industry

Ontario

- **Economic growth consistently outperforming; housing market hot**
- **Budget nearly balanced; net debt poised to start falling**

Ontario's economy is one of Canada's growth leaders, expected to outperform the national average for a third straight year in 2016. This is a noteworthy change after a decade of underperformance through 2013. Real GDP is on track to expand 2.6% this year, and a still-solid 2.3% in 2017. Firm U.S. demand, a weaker currency, low oil prices and a strong housing market are all at work. Indeed, the macroeconomic backdrop might be as good as it gets in Ontario—keep in mind that trend economic growth in the province is now likely around the 1.5%-to-1.7% range.

The combination of stronger U.S. demand, a weaker loonie and lower oil prices is supporting **exports and manufacturing**. Real exports have risen above previous record levels seen before the recession in 2007, and the real trade balance is steadily improving, adding to economic growth. However, longer-term issues remain, as relatively high labour costs continue to pose challenges for the auto sector versus Mexico and the Southern U.S. High electricity rates are another challenge. Indeed, while manufacturing output rebounded strongly earlier in the recovery, growth has softened in the past two years as firms have filled up production capacity, but have been shy to deploy new capital investment and hiring. Manufacturing employment, for example, remains near record lows.

More broadly, Ontario's **labour market** is performing well, with employment up a solid 1% y/y in through August, boosted by strong gains in construction and professional services. The jobless rate is now trending below the national rate for the first time since 2006. The **housing market** continues to perform well around much of the province, led by still-strong conditions in Toronto, where resale prices are setting record highs. Deteriorating affordability and scarce detached-market supply is causing some of the strength to migrate out to regions such as Hamilton, Niagara and Kitchener-Waterloo. Indeed, with provincial intensification policy firmly in place, new supply remains almost entirely in the form of condos and townhouses, a trend that is butting up against strong demographically-driven detached-home demand. One concern is that long-standing strong fundamentals are now being overrun by foreign investment and budding speculative activity.

The **Province of Ontario is projecting a $4.3 billion deficit** in FY16/17, versus $5.7 billion now expected for FY15/16. That would mark a third straight year of deficit reduction, and weighs in at a manageable 0.5% of GDP. The Province continues to target FY17/18 for a balanced budget. The cap-and-trade program is expected to raise $1.9 billion in revenue by FY17/18, which has allowed the Province to let spending drift higher. The smaller deficit will allow net debt to hold steady as a share of GDP, at 39.6%, while FY17/18 would mark the first decline in the debt-to-GDP ratio in a decade. But, recall, this comes against about as good an economic climate as policymakers can expect.

Ontario

Population: 13,874,000
Percent of Canada: 38.5
Rank by Population: 1st
Area: 1,076,395 km²
GDP/Capita: $54,500
Capital: Toronto
Party in Power: Liberals
Premier: Hon. Kathleen Wynne
Finance Minister: Hon. Charles Sousa

Legislative Seats:	
Liberals	57
PC	28
NDP	20
Vacant	2

Next Election: October 2018

Economic Outlook

Ontario	15	16f	17f
Real GDP[1] (% chng)	2.5	2.6	2.3
Employment (% chng)	0.7	1.0	0.8
Jobless Rate (%)	6.8	6.6	6.4
Housing Starts (000s)	68.8	74.5	68.0
Cons. Prices (% chng)	1.2	1.7	1.6

f = forecast [1] 2015 = GDP by industry

Ontario's Fiscal Situation

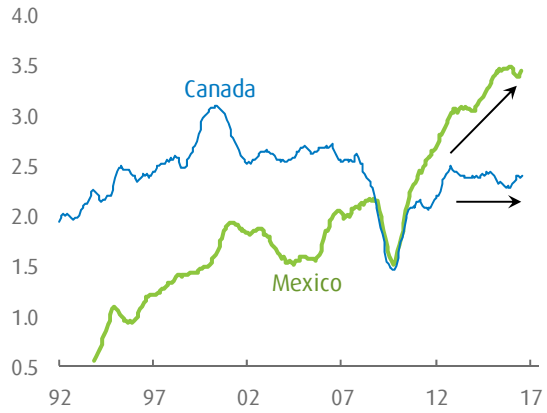
($ mlns)	FY15/16e	FY16/17f
Revenues	126,547	130,589
Expenditures	132,083	133,895
Reserve Allowance	150	1,000
Budget Balance	(5,686)	(4,306)
(% of GDP)	(0.7)	(0.5)
Net Debt	296,109	308,315
(% of GDP)	39.4	39.2
Debt Service	11,200	11,756
(% of revenue)	8.9	9.0

( ) = deficit As of FY16/17 budget

Auto Investment Heading South

(mlns of units : 12-mnth m.s.)

Car and Truck Production



Quebec

- **Growth stable but subdued; business investment and demographics weigh**
- **Budget balanced and net debt ratio starting to decline**

Quebec's economy is growing at a subdued but steady pace, helped by sturdy U.S. demand and improved business confidence. Real GDP will likely grow 1.4% this year, up from a 1.1% pace in 2015, both close to the national average. Net exports will benefit from stronger sales to the U.S. and the pass-through of past weakness in the Canadian dollar. The fiscal landscape has stabilized, which should support business confidence and investment. Demographic headwinds, however, will keep trend growth in the province below the national average in the years ahead.

Export momentum is picking up, with net export volumes improving in four straight quarters through 2016Q1. **Business investment**, however, remains sluggish, with nonresidential and M&E investment weakening steadily over the past two years. While this could gradually improve if confidence responds to a balanced budget and a signalled period of tax reduction, it remains a key drag on the provincial economy. The **housing market** remains subdued, but momentum has improved modestly. Sales across the province were up 6% y/y in the first eight months of the year and housing starts are steady around the 40k annualized mark. There is still ample supply keeping prices in check, with more than 12 months' worth on the resale market, but that has been grinding down over the past year.

The **labour market** performance has been respectable, with employment up a decent 0.8% from year-ago levels through August—gains in the private sector have led as public-sector employment holds stable. The jobless rate has fallen to 7%, the lowest level in just over a decade and, notably, below that in Alberta for the first time in 30 years. Still, demographic headwinds continue to weigh on Quebec's economy, with population growth grinding down to a 0.6% y/y pace in recent quarters, well below Ontario (1%) and Western Canada (1.3% overall).

The **Province of Quebec is projecting a second-straight balanced budget** in FY16/17, and is set to loosen the purse strings somewhat after a period of stiff restraint. Before transfers to the Generations Fund (for debt reduction), the surplus is pegged at $2.0 billion (0.5% of GDP), following $1.4 billion in FY15/16 and a small positive balance on this basis in FY14/15. Notably, net debt is again expected to edge down as a share of GDP, to 48.4%, after peaking at nearly 51% in FY12/13, and is expected to continue gradually falling to 42% by FY20/21. This year's budget allowed for spending growth to pick up modestly, and took another step toward tax relief, starting the gradual elimination of the health contribution tax a year earlier than previously planned, and introducing a one-year 'green' renovation tax credit of 20% on eligible renovations, worth up to $10,000. Despite swirling provincial credit challenges and big deficits for many (including Ottawa), Quebec is now quietly running surpluses and gradually chipping away at its debt burden—one of the better news stories on the provincial fiscal landscape.

Quebec

Population: 8,295,000
Percent of Canada: 23.1
Rank by Population: 2nd
Area: 1,543,056 km²
GDP/Capita: $45,700
Capital: Quebec City
Party in Power: Liberals
Premier: Hon. Philippe Couillard
Finance Minister: Hon. Carlos Leitao

Legislative Seats:	
Liberals	70
PQ	28
CAQ	20
Independent	3
Vacant	4

Majority government since April 2014

Economic Outlook

Quebec	15	16f	17f
Real GDP[1] (% chng)	1.1	1.4	1.6
Employment (% chng)	1.0	0.3	0.6
Jobless Rate (%)	7.7	7.2	7.0
Housing Starts (000s)	36.8	37.5	38.5
Cons. Prices (% chng)	1.1	0.8	1.8

f = forecast [1] 2015 = GDP by industry

Quebec's Fiscal Situation

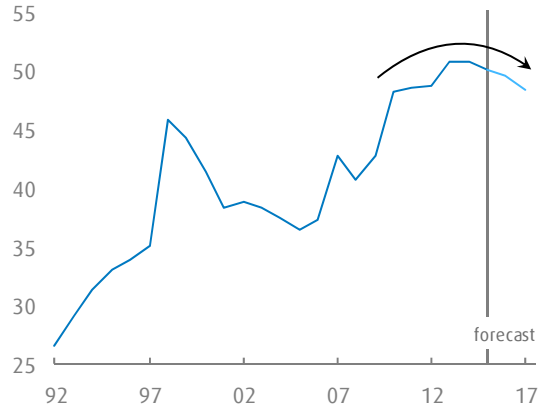
(C$ mlns)	FY15/16e	FY16/17f
Revenues	99,420	102,566
Expenditures	97,689	100,138
Contingencies	300	400
Budget Balance[1]	1,431	2,028
(% of GDP)	0.4	0.5
Generations Fund	1,431	2,028
Net Debt	187,098	188,564
(% of GDP)	49.6	48.4
Debt Service	10,055	10,418
(% of revenue)	10.1	10.2

( ) = deficit As of FY16/17 budget
[1] Before Generations Fund transfers

Net Debt Ratio Starting to Fall

Quebec (% of GDP)

Net Debt



New Brunswick

- **Labour market remains challenged; capital investment softening**
- **Fiscal challenge persists; tax burden on the rise**

Economic growth remains subdued in New Brunswick, with real GDP expected to expand 0.5% in 2016, after a strong 1.9% growth print last year on the back of manufacturing and some primary industries. While exports should remain supported by the lagged impact of a weaker loonie, the fiscal environment remains challenging and some private-sector capital spending projects are winding down.

After providing a strong buffer during the recession, **capital spending** has been in retrenchment recently, despite a brief return to growth in 2015. StatsCan's survey of public and private investment intentions points to a 7% decline this year, as projects are wound down in the forestry and refining sectors. Meantime, challenges remain in the potash sector with Potash Corp. indefinitely suspending operations at its Picadilly mine. Forestry exports, however, are getting a boost from the U.S. housing recovery (housing starts south of the border now consistently topping the 1 million annualized mark), and should remain well supported by the weak loonie—the forestry sector was one driver of the strong growth reading in 2015.

Overall **labour market** trends remain soft despite a recent jump in employment. Smoothing out the volatility, employment in the province is unchanged from where it stood four years ago, and private-sector employment is at the same level it was 12 years ago. The unemployment rate has risen to around 10%, now consistently among the highest in Canada. **Demographics** remain a major challenge, as the province continues to see net outward migration and an ageing population left behind, even as flows to Alberta slow in the wake of the oil price collapse. Interestingly, population growth has turned positive in recent quarters after four years of outright decline—a jump in international immigration has spurred the increase.

The **Province of New Brunswick is projecting a $342 million deficit** for FY16/17, or fully 1.0% of GDP. That follows a FY15/16 shortfall expected at $466 million, and comes despite a host of tax increases. The current fiscal year maintains an $80 million contingency reserve. Looking ahead, the Province expects to balance the budget in FY20/21, leaving net debt to jump toward 40% of GDP this coming fiscal year. In a nutshell, the Province is leaning on tax hikes and some public-sector restraint measures to support spending growth in other areas, leading to a drawn-out pace of deficit reduction. Among new tax measures introduced this year was a 2 ppt increase in the Harmonized Sales Tax, to 15%, effective July 1st—that will raise $300 million, offset by $100 million in expanded credits for lower-income earners. The general corporate income tax rate rose by 2 ppts, to 14%. The top marginal income tax rate, however, was lowered to 20.3% on incomes above $150,000. Without this change, the top combined federal-provincial rate would have ballooned to 58.8% this year due to changes at the federal level—instead it will now sit at 53.3%. That is roughly in-line with Quebec and Ontario, and 0.7 ppts lower than Nova Scotia.

New Brunswick

Population: 754,700
Percent of Canada: 2.1
Rank by Population: 8th
Area: 72,908 km²
GDP/Capita: $43,900
Capital: Fredericton
Party in Power: Liberals
Premier: Hon. Brian Gallant
Finance Minister: Hon. Cathy Rogers

Legislative Seats:

Liberals	26
PC	22
Green Party	1

Next election: September 2018

Economic Outlook

New Brunswick	15	16f	17f
Real GDP[1] (% chng)	1.9	0.5	0.8
Employment (% chng)	-0.4	-0.9	0.3
Jobless Rate (%)	9.8	9.9	9.8
Housing Starts (000s)	1.9	1.9	2.0
Cons. Prices (% chng)	0.5	2.0	1.3

f = forecast [1] 2015 = GDP by industry

New Brunswick's Fiscal Situation

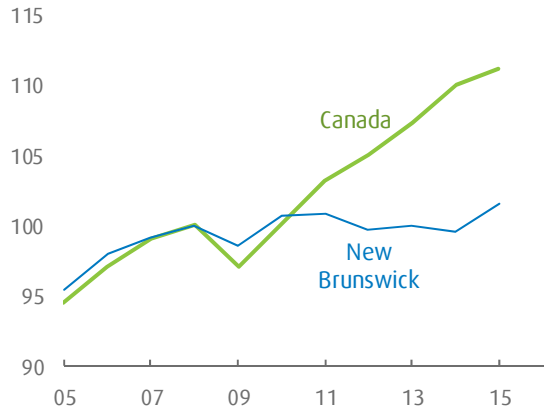
(C$ mlns)	FY15/16e	FY16/17f
Revenues	8,296	8,725
Expenditures	8,662	8,988
Budget Balance	(466)	(342)
(% of GDP)	(1.4)	(1.0)
Net Debt	12,990	13,462
(% of GDP)	39.2	39.9
Debt Service	685	700
(% of revenue)	8.3	8.0

( ) = deficit As of Q1 fiscal update

Economy Stagnates

(2008 = 100)

Real Gross Domestic Product



Nova Scotia

- **Construction activity supportive; cyclical forces boosting population growth**
- **Fiscal situation positive and stable versus Atlantic peers**

Economic growth looks to improve in Nova Scotia this year, with real GDP expected to grow 1.1%, up from a 0.8% pace in 2015. While still sluggish, that would be tops in Atlantic Canada, and mark the best pace in six years. Sturdy U.S. demand and domestic construction activity will support growth in the near term, but some longer-term challenges still remain in the province.

The Halifax Shipyard is now busy with the $25 billion contract to build combat ships for the Royal Canadian Navy (through 2030) now well underway. Other **projects** such as the Nova Centre and Maritime Link are also supporting growth. Indeed, StatsCan's survey of **capital spending** intentions point to strong 17% growth this year after five years of retrenchment. **Exports** also continue to edge higher, up a solid 7% in the 12 months through July. Residential construction activity, however, remains subdued with housing starts bouncing around the 3k annualized level amid soft demographic demand.

Indeed, the **demographic drain** is among the largest challenges in the province in the years ahead. In the meantime, Nova Scotia is seeing a spurt in population growth, to 0.5% y/y in Q2, the strongest clip in 23 years. This follows four years of outright declines, and has come amid a stall in outward migration flows to Alberta as that province grapples with recession, as well as a jump in international immigration. Still, this strength is likely short-term and cyclical in nature, masking a longer-term trend that will see aging demographics act as a persistent headwind, keeping trend economic growth down below 1%.

The **labour market** continues to underperform, with employment down from year-ago levels through August, and private-sector employment down about 6% from peak levels in 2012. With the participation rate also falling (even for prime-age workers), the unemployment rate has held steady at just above 8%. One question that remains is: With a cyclical pickup in labour force growth expected to continue through 2017, will Nova Scotia be able to churn out enough jobs to support it?

The **Province of Nova Scotia is projecting a $129 million surplus** in FY16/17 (0.3% of GDP), which would mark the first balanced budget in six years. The current-year surplus includes a one-time revenue boost from federal and municipal funding sources related to development of the Halifax Convention Centre, but stripping that out still leaves a thin $17.1 million surplus. Looking ahead, the Province is projecting small surpluses through FY19/20, a notable deviation from the trend of bigger deficits for longer at both the provincial (for some) and federal levels recently. If this plan sticks, net debt will continue to gradually fall as a share of GDP this year and beyond after peaking at 38.5% FY14/15—it is pegged at 37.8% this fiscal year. This year's budget largely stayed the course, bringing few new major policy initiatives to the table.

Nova Scotia

Population:	945,800
Percent of Canada:	2.6
Rank by Population:	7th
Area:	55,284 km²
GDP/Capita:	$42,300
Capital:	Halifax
Party in Power:	Liberals
Premier:	Hon. Stephen McNeil
Finance Minister:	Hon. Randy Delorey

Legislative Seats:	
Liberals	34
PC	10
NDP	6
Independent	1

Majority government since October 2013

Economic Outlook

Nova Scotia	15	16f	17f
Real GDP[1] (% chng)	0.8	1.1	1.0
Employment (% chng)	0.1	-0.2	0.6
Jobless Rate (%)	8.6	8.5	8.3
Housing Starts (000s)	3.9	3.3	3.5
Cons. Prices (% chng)	0.4	1.5	1.4

f = forecast [1] 2015 = GDP by industry

Nova Scotia's Fiscal Situation

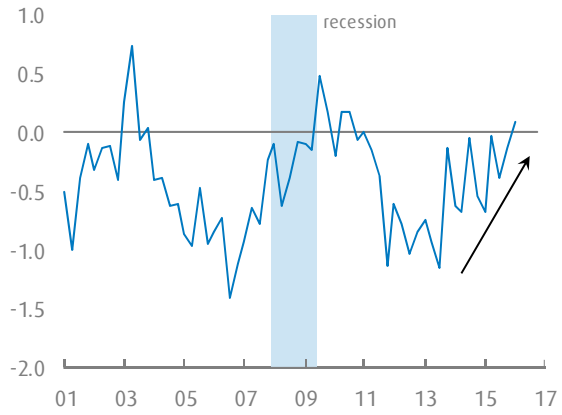
(C$ mlns)	FY15/16	FY16/17f
Revenues	9,546	9,951
Expenditures	9,942	10,218
GBEs & Adjustments	385	396
Budget Balance	(11)	129
(% of GDP)	(0.0)	0.3
Net Debt	15,114	15,189
(% of GDP)	37.8	37.1
Debt Service	855	837
(% of revenue)	9.0	8.4

( ) = deficit As of Q1 fiscal update

Returning from the Oil Patch

Nova Scotia (mlns of people : s.a.)

Net Interprovincial Migration



Prince Edward Island

- **Weaker loonie should support tourism; export growth solid**
- **HST increase to help balance budget by FY17/18**

The PEI economy continues to grow at a moderate pace, with real GDP growth expected to moderate slightly to 1.0% this year. Sturdy U.S. economic growth and the lagged impact of a weaker Canadian dollar should continue to help offset ongoing public-sector restraint.

Exports are rising at a strong clip, up 7% y/y in the 12 months through July, led by gains in farm, fish and food products, and transportation equipment. With U.S. demand expected to remain firm and the Canadian dollar weaker, trade and tourism should be a positive for the province through 2017.

Public-sector restraint is likely to remain a drag on growth in the year ahead. After peaking last fiscal year, public-sector capital spending is expected to fall gradually over the next four years—transportation infrastructure spending in particular will be cut sharply this fiscal year. On the operating side of the budget, the Province is maintaining a firm grip on spending.

Meantime, **population growth** has slowed from the torrid pace (by PEI's standards) seen earlier in the expansion. International immigration has picked up recently, but net interprovincial migration remains a drag, with roughly 1,000 people leaving in the past year. That combination has pulled population growth down to half the rate seen at the height in 2010-11, to 0.8% y/y—still solid and not as weak as some of its Atlantic Canada peers, which have been stuck with outright declines.

The **labour market** remains challenged, with employment falling a steep 2% y/y through August. Significant public-sector employment declines have come alongside ongoing spending restraint, offsetting a solid gain in the private sector. The unemployment rate continues to trend in the 10%-to-11% range, still changing hands with New Brunswick as the second highest in Canada.

The **Province of Prince Edward Island is projecting a $9.6 million deficit** in FY16/17 (a modest 0.2% of GDP), a meaningful improvement from $27.7 million estimated for FY15/16. The FY15/16 balance is tracking just under $8 million worse than expected at this time last year, fully reflecting upward revisions to program spending. The Province is expecting to return to a small surplus in FY17/18, ending a 10-year string of deficits. The swing in the budget balance is partly the result of a 1 ppt increase in the HST, to 15%, as of October 1st. That will bring sales tax rates in all four Atlantic provinces (as well as Quebec) together at 15%. Offsetting the increase somewhat will be increases in the sales tax credit and a higher Basic Personal Income Tax exemption. Importantly, net debt continues to fall as a share of GDP, and the ratio will remain the lowest east of Manitoba when this fiscal year wraps up.

Prince Edward Island

Population:	146,900
Percent of Canada:	0.4
Rank by Population:	10th
Area:	5,660 km²
GDP/Capita:	$42,300
Capital:	Charlottetown
Party in Power:	Liberals
Premier:	Hon. Wade MacLauchlan
Finance Minister:	Hon. Allen Roach

Legislative Seats:	
Liberal	18
PC	8
Green	1

Majority Government Since May 2015

Economic Outlook

Prince Edward Island	15	16f	17f
Real GDP[1] (% chng)	1.5	1.0	1.0
Employment (% chng)	-1.1	-2.3	0.0
Jobless Rate (%)	10.4	10.6	10.4
Housing Starts (000s)	0.5	0.5	0.5
Cons. Prices (% chng)	-0.6	1.9	1.3

f = forecast [1] 2015 = GDP by industry

P.E.I.'s Fiscal Situation

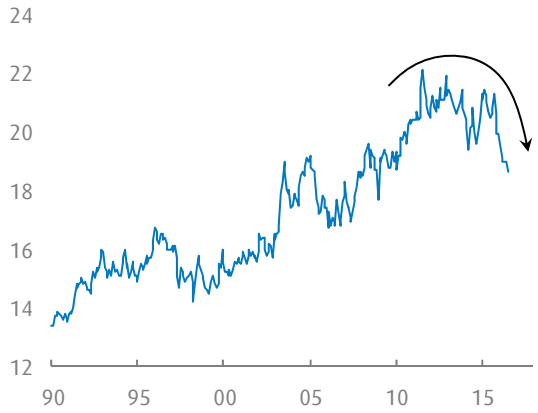
(C$ mlns)	FY15/16e	FY16/17f
Revenues	1,655	1,710
Expenditures	1,685	1,720
Budget Balance	(27.7)	(9.6)
(% of GDP)	(0.4)	(0.2)
Net Debt	2,183	2,202
(% of GDP)	35.2	34.6
Debt Service	128	127
(% of revenue)	7.7	7.4

( ) = deficit As of FY16/17 Budget

Public-Sector Retrenchment

Prince Edward Island (000s : s.a.)

Employment — Public Sector



Newfoundland & Labrador

- **Economy contracting alongside lower oil output**
- **Severe restraint in FY16/17 budget to help offset collapse in oil revenues**

Newfoundland & Labrador continues to struggle amid the slide in oil prices and fading near-term production and investment. Real GDP is expected to contract 2.0% this year—among the weakest performances in Canada—after a 2.2% decline in 2015. Longer term prospects are less dire, however, based on our forecast for WTI oil grinding back toward $60 by the end of 2017, which should support longer-term development of the offshore sector and ease the strain on government finances.

Newfoundland & Labrador's **oil sector** makes up roughly 22% of provincial GDP and more than 7% of employment—both shares are just slightly smaller than in Alberta. As a result, the slide in oil prices has hit incomes hard in the province. Production also continues to drift down after peaking in 2007, at least until the pipeline is filled with new output, such as Hebron in late-2017. In the meantime, oil production is fading and private-sector capex continues to retrench.

Employment was down 1% y/y through August, and has been gradually declining since early 2013. That has left the unemployment rate at the highest level in the country around 13%. **Retail sales** growth has slowed to a halt, a stark change from more than 4% growth before oil prices plunged. Average **home prices** are now down from a year ago.

The **Province of Newfoundland & Labrador is dealing with a serious fiscal challenge**, projecting a $1.8 billion deficit (more than 6% of GDP) in FY16/17 as the slide in oil prices has taken a major chunk out of royalty revenues. The Province is leaning on a stiff and broad-based dose of tax measures of roughly $650 million this fiscal year, rising to nearly $1 billion per year, and a gradual increase in oil prices to bring the budget into balance by FY21/22—cumulative deficits over that period will run at $4 billion. Spending restraint will also be prominent through the forecast horizon, after a firm jump this fiscal year.

Among new tax measures introduced this year is a 2 percentage point increase in the HST to 15%, as of July 1st (that brings it in-line with the rest of Atlantic Canada and Quebec). Personal income tax rates are raised across the board this year and again in 2017. A temporary deficit-reduction levy (phase-out starts in 2018) will be in place for everyone with income above $50,000. For example, someone earning $50,000 will pay $100 per year; someone earning $100,000 will pay $700 per year. The corporate tax rate also increased by 1 percentage point to 15%. The stiff and broad-based nature of the tax increases, along with a reasonable oil price forecast, at least gives investors a more credible fiscal plan to go along with a more than $3 billion borrowing requirement. For the province itself, tax measures will likely bite into economic growth in the two years ahead, but Newfoundland & Labrador still remains competitive versus its Quebec and Atlantic Canada peers on most taxation metrics—and at the end of the day, there probably wasn't a whole lot of choice in the matter.

Newfoundland & Labrador

Population:	528,300
Percent of Canada:	1.5
Rank by Population:	9th
Area:	405,720 km²
GDP/Capita:	$57,000
Capital:	St. John's
Party in Power:	Liberals
Premier:	Hon. Dwight Ball
Finance Minister:	Hon. Cathy Bennett

Legislative Seats:	
Liberal	30
PC	7
NDP	2
Independent	1

Majority government since November, 2015

Economic Outlook

Newfoundland & Labrador	15	16f	17f
Real GDP[1] (% chng)	-2.2	-2.0	0.7
Employment (% chng)	-1.0	-0.7	0.4
Jobless Rate (%)	12.9	12.8	12.3
Housing Starts (000s)	1.8	1.6	1.5
Cons. Prices (% chng)	0.4	2.5	1.6

f = forecast [1] 2015 = GDP by industry

Nfld. & Lab.'s Fiscal Situation

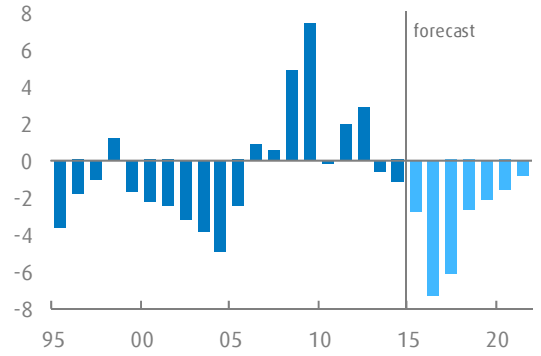
(C$ mlns)	FY15/16e	FY16/17f
Revenues	5,894	6,776
Expenditures	8,094	8,481
Risk Adjustment	—	125
Budget Balance	(2,200)	(1,830)
(% of GDP)	(7.3)	(6.2)
Net Debt	12,436	14,662
(% of GDP)	41.3	49.5
Debt Service	818	982
(% of revenue)	13.9	14.5
Offshore Royalties	499	502
(% of total)	8.5	7.4
Oil (Brent : US$/bbl)	47.5	40.0

( ) = deficit As of FY16/17 budget

Deep Deficits Despite Tax Increases

Newfoundland & Labrador (% of GDP)

Budget Balance



Provincial Economic Summary

	BC	Alberta	Sask.	Manitoba	Ontario	Quebec	NB	NS	PEI	NL	Canada
Real GDP Growth (chain-weighted : year/year % change)											
2015 [1]	3.0	-4.0	-1.4	2.3	2.5	1.1	1.9	0.8	1.5	-2.2	1.1
2016 f	3.0	-2.3	0.5	2.4	2.6	1.4	0.5	1.1	1.0	-2.0	1.2
2017 f	2.5	2.3	1.8	2.2	2.3	1.6	0.8	1.0	1.0	0.7	2.0
Employment Growth (year/year % change)											
2015	1.3	1.2	0.6	1.5	0.7	1.0	-0.4	0.1	-1.1	-1.0	0.9
2016 f	3.0	-1.9	-0.9	-0.2	1.0	0.3	-0.9	-0.2	-2.3	-0.7	0.5
2017 f	1.5	-0.2	0.3	0.8	0.8	0.6	0.3	0.6	0.0	0.4	0.7
Unemployment Rate (percent)											
2015	6.2	6.0	5.0	5.6	6.8	7.7	9.8	8.6	10.4	12.9	6.9
2016 f	5.9	8.0	6.1	6.1	6.6	7.2	9.9	8.5	10.6	12.8	7.0
2017 f	5.5	8.2	6.2	5.9	6.4	7.0	9.8	8.3	10.4	12.3	6.9
Housing Starts (thousands)											
2015	31.5	37.5	5.2	5.6	68.8	36.8	1.9	3.9	0.5	1.8	193.6
2016 f	42.5	25.0	4.2	4.8	74.5	37.5	1.9	3.3	0.5	1.6	194.5
2017 f	39.5	27.5	4.0	5.0	68.0	38.5	2.0	3.5	0.5	1.5	190.0
Consumer Prices (year/year % change)											
2015	1.1	1.2	1.6	1.2	1.2	1.1	0.5	0.4	-0.6	0.4	1.1
2016 f	2.0	1.2	1.3	1.4	1.7	0.8	2.0	1.5	1.9	2.5	1.5
2017 f	2.1	1.6	1.8	1.9	1.6	1.8	1.3	1.4	1.3	1.6	1.7

[1] 2015 provincial GDP by industry f = forecast

Provincial Economic Indicators

(3-month m.a. : year/year % change)

	BC	Alberta	Sask.	Manitoba	Ontario	Quebec	NB	NS	PEI	NL	Canada
Retail Sales											
May 16	6.2	-1.6	-0.1	5.8	4.8	4.0	5.0	4.6	7.6	3.5	3.7
Jun 16	6.2	-1.5	1.0	5.8	4.2	4.3	4.9	1.6	5.9	2.7	3.5
Jul 16	5.9	-2.9	1.2	4.2	3.5	4.3	1.5	0.5	5.2	0.4	2.8
Manufacturing Shipments											
May 16	3.4	-12.0	-3.3	1.0	4.7	-4.1	-9.7	4.4	3.6	-17.4	-0.3
Jun 16	2.3	-9.9	-1.7	0.4	5.1	-3.3	-7.4	6.6	0.2	-20.7	0.3
Jul 16	2.1	-11.1	-2.5	-3.8	1.9	-4.0	-9.3	4.3	0.4	-22.5	-1.9
Exports											
May 16	-0.4	-25.4	-26.8	1.3	7.7	-2.4	-15.9	6.7	2.1	-21.1	-4.9
Jun 16	-2.7	-22.3	-24.6	1.5	4.7	-5.1	-16.9	2.2	-6.1	-19.4	-6.0
Jul 16	-0.2	-22.5	-22.8	1.4	-0.7	-6.0	-16.1	-1.0	-4.1	-6.0	-7.9
Employment Growth											
Jun 16	3.6	-2.1	-1.3	-0.2	1.1	0.3	-0.6	0.3	-1.8	0.7	0.7
Jul 16	3.2	-2.2	-0.7	0.3	0.8	0.5	0.5	-0.4	-1.4	0.2	0.5
Aug 16	3.3	-2.2	-0.6	0.1	0.6	0.6	0.8	-0.5	-1.7	-1.1	0.5

History of Canadian Fiscal Balances

($ millions)	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16e	16/17f
BC	2,972	3,982	2,746	73	(1,812)	(247)	(1,850)	(1,168)	327	1,683	730	1,940
Alberta	8,551	8,510	4,581	(931)	(476)	(2,262)	(114)	(3,099)	(302)	1,115	(6,442)	(10,889)
Sask.	679	574	1,873	2,968	(409)	(13)	(105)	37	589	62	(591)	(434)
Manitoba	394	485	558	449	(185)	(181)	(1,001)	(560)	(522)	(452)	(1,011)	(911)
Ontario	298	2,269	600	(6,409)	(19,262)	(14,011)	(12,969)	(9,220)	(10,453)	(10,315)	(5,686)	(4,306)
Quebec	37	1,993	1,650	(1,258)	(2,940)	(2,390)	(1,788)	(2,515)	(1,703)	136	1,431	2,028
NB	225	277	241	(152)	(696)	(617)	(245)	(508)	(600)	(389)	(466)	(342)
NS	239	182	419	26	(269)	585	(259)	(304)	(677)	(144)	(11)	129
PEI	1	24	(4)	(31)	(74)	(63)	(84)	(80)	(46)	(20)	(28)	(10)
NL	199	154	1,421	2,350	(33)	594	974	(195)	(389)	(924)	(2,200)	(1,830)
Provinces	13,595	18,450	14,085	(2,915)	(26,156)	(18,605)	(17,441)	(17,612)	(13,776)	(9,248)	(14,273)	(14,624)
Federal	13,218	13,752	9,597	(5,755)	(55,598)	(33,372)	(26,279)	(18,415)	(5,150)	1,911	(5,400)	(29,400)
Total	26,813	32,202	23,682	(8,670)	(81,754)	(51,977)	(43,720)	(36,027)	(18,926)	(7,337)	(19,673)	(44,024)
(% of GDP)												
BC	1.7	2.1	1.4	0.0	(0.9)	(0.1)	(0.9)	(0.5)	0.1	0.7	0.3	0.8
Alberta	3.8	3.5	1.8	(0.3)	(0.2)	(0.8)	(0.0)	(1.0)	(0.1)	0.3	(2.0)	(3.5)
Sask.	1.5	1.2	3.6	4.4	(0.7)	(0.0)	(0.1)	0.0	0.7	0.1	(0.8)	(0.6)
Manitoba	0.9	1.0	1.1	0.9	(0.4)	(0.3)	(1.8)	(0.9)	(0.8)	(0.7)	(1.5)	(1.3)
Ontario	0.1	0.4	0.1	(1.1)	(3.2)	(2.2)	(2.0)	(1.4)	(1.5)	(1.4)	(0.7)	(0.5)
Quebec	0.0	0.7	0.5	(0.4)	(0.9)	(0.7)	(0.5)	(0.7)	(0.5)	0.0	0.4	0.5
NB	0.9	1.0	0.9	(0.5)	(2.4)	(2.0)	(0.8)	(1.6)	(1.9)	(1.2)	(1.4)	(1.0)
NS	0.7	0.6	1.2	0.1	(0.8)	1.6	(0.7)	(0.8)	(1.8)	(0.4)	(0.0)	0.3
PEI	0.0	0.5	(0.1)	(0.7)	(1.5)	(1.2)	(1.5)	(1.4)	(0.8)	(0.3)	(0.4)	(0.2)
NL	0.9	0.6	4.9	7.4	(0.1)	2.0	2.9	(0.6)	(1.1)	(2.8)	(7.3)	(6.2)
Provinces	1.0	1.2	0.9	(0.2)	(1.7)	(1.1)	(1.0)	(1.0)	(0.7)	(0.5)	(0.7)	(0.7)
Federal	0.9	0.9	0.6	(0.3)	(3.5)	(2.0)	(1.5)	(1.0)	(0.3)	0.1	(0.3)	(1.5)
Total	1.9	2.2	1.5	(0.5)	(5.2)	(3.1)	(2.5)	(2.0)	(1.0)	(0.4)	(1.0)	(2.2)

( ) = deficit e = estimate f = forecast

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