

*"Budget 2018-19 controls spending, decreases reliance on volatile resource revenue and ensures the economy remains strong while following a plan to return to balance in 2019-20."*

**Honourable Donna Harpauer, Minister of Finance**

**GOVERNMENT OF SASKATCHEWAN**

*Budget*

*For the Year Ended March 31*

	<i>(millions of dollars)</i>		
	Budget 2018-19	Forecast 2017-18	Budget 2017-18
<b>Revenue</b>			
Taxation	7,214.9	6,796.3	7,286.6
Non-renewable resources	1,482.1	1,419.7	1,406.4
Net income from government business enterprises	1,078.0	1,186.5	1,053.7
Other own-source revenue	2,006.5	2,098.2	1,964.9
Transfers from the federal government	2,462.0	2,442.3	2,453.5
<b>Total Revenue</b>	<b>14,243.5</b>	<b>13,943.0</b>	<b>14,165.1</b>
<b>Expense</b>			
Agriculture	770.9	545.4	800.5
Community development	642.6	663.6	700.6
Debt charges <sup>1</sup>	654.6	603.3	605.7
Economic development	230.2	236.7	246.0
Education <sup>1</sup>	3,263.3	3,449.4	3,531.0
Environment and natural resources	251.7	259.6	247.9
Health	5,765.3	5,730.0	5,627.4
Other <sup>1</sup>	439.7	443.5	484.2
Protection of persons and property	689.9	680.6	643.7
Social services and assistance	1,381.3	1,381.0	1,356.7
Transportation	519.3	544.9	567.4
<b>Total Expense</b>	<b>14,608.8</b>	<b>14,538.0</b>	<b>14,811.1</b>
<b>Adjustments</b>			
Human resources compensation measures	-	-	250.0
Contingency	-	-	(300.0)
<b>Deficit</b>	<b>(365.3)</b>	<b>(595.0)</b>	<b>(696.0)</b>

<sup>1</sup> This schedule is presented on a basis consistent with the Summary Financial Statements, including presentation of pension costs on an accrual basis. For consistency with this presentation, the 2017-18 Budget is restated. The adjustment to restate previously published budget amounts is detailed in the Government of Saskatchewan 2017-18 Third Quarter Financial Report.

**Saskatchewan's real GDP is forecast to grow by 1.3 per cent in 2018 and 2.5 per cent in 2019**

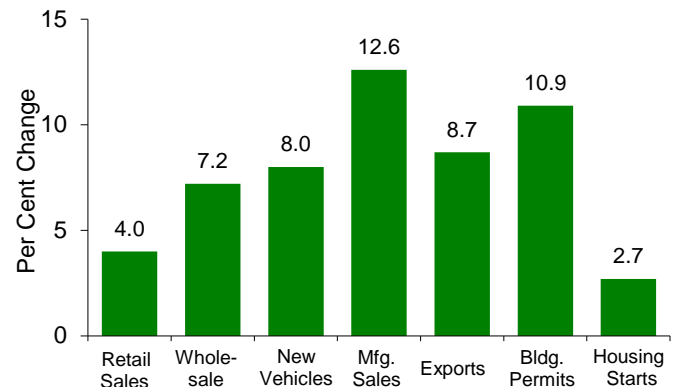
	2018	2019
Real GDP Growth (%)	1.3	2.5
Nominal GDP Growth (%)	4.0	4.3
CPI Growth (%)	2.3	1.8
Employment Growth (000s)	2.5	4.6
Unemployment Rate (%)	6.1	5.9
Retail Sales Growth (%)	2.7	2.5

Source: Ministry of Finance

**Medium-Term Financial Outlook**

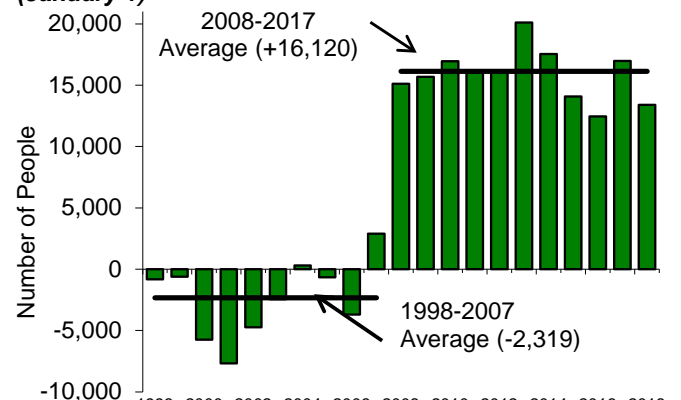
(millions of dollars)	2018-19	2019-20	2020-21	2021-22
Revenue	14,244	14,761	15,114	15,518
Expense	14,609	14,755	15,006	15,306
<b>Surplus (Deficit)</b>	<b>(365)</b>	<b>6</b>	<b>108</b>	<b>212</b>

**SASKATCHEWAN KEY ECONOMIC INDICATORS (2017 over 2016)**



Source: Statistics Canada

**SASKATCHEWAN POPULATION GROWTH (January 1)**



Source: Statistics Canada

**Many economic indicators suggest that Saskatchewan's economy is strengthening:**

- Population reached 1,169,752 as of January 1, 2018, an increase of 13,410 from January 1, 2017.
- Manufacturing sales grew by 12.6 per cent and new motor vehicles sales were up by 8.0 per cent in 2017, the fourth-highest percentage increases among provinces.
- Oil production and value of sales were up by 5.4 per cent and 33.9 per cent in 2017, respectively.
- Potash production and value of sales were up by 13.1 per cent and 13.9 per cent in 2017, respectively.

## 2018-19 Budget assumes moderate increases in resource prices and production

	2018-19 Budget	2017-18 Forecast	2017-18 Budget
WTI Oil Price (US\$/barrel)	58.18	52.60	56.25
Light-Heavy Differential (% of WTI)	22.1	17.3	19.5
Well-head Oil Price (C\$/barrel) <sup>1</sup>	54.36	51.62	55.30
Oil Production (million barrels)	177.7	177.0	163.8
Potash Price (mine netback, US\$/KCI tonne) <sup>2</sup>	191	183	176
Potash Price (mine netback, C\$/K <sub>2</sub> O tonne) <sup>2</sup>	399	388	386
Potash Sales (million K <sub>2</sub> O tonnes) <sup>2</sup>	12.6	12.2	11.8
Canadian Dollar (US cents)	78.34	77.82	74.95

<sup>1</sup> The average price per barrel of Saskatchewan light, medium and heavy oil.

<sup>2</sup> Ministry of Finance calculations derived from calendar-year forecasts.

## Sensitivities to Budget Assumptions

	Change	Net Impact (\$M)
Oil Price (WTI US\$/barrel)	\$1	16
Exchange Rate (USD/CAD)	1 cent	21
Potash Prices (US\$/KCI tonne)	\$10	35

## Schedule of Public Debt

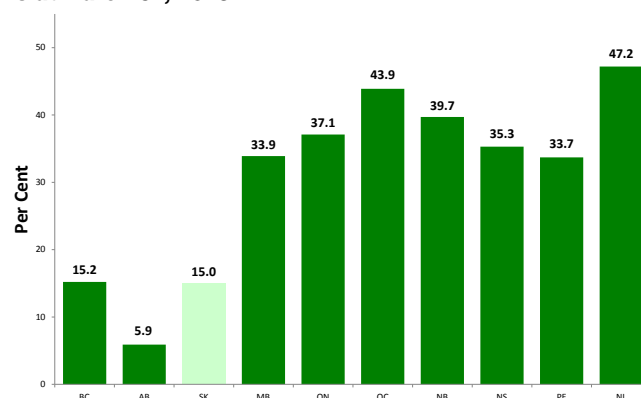
(millions of dollars)	Budget 2018-19	Forecast 2017-18	Budget 2017-18
General Revenue Fund (GRF)			
- Operating	6,150.0	5,750.0	5,750.0
- Saskatchewan Builds Capital Plan	4,193.8	2,751.7	2,755.6
Other Government Service Organizations	431.3	526.1	556.9
Government Service Organization Debt	10,775.1	9,027.8	9,062.5
Government Business Enterprise Debt	9,259.8	8,724.0	9,137.5
Public Debt	20,034.9	17,751.8	18,200.0

## Saskatchewan Credit Ratings

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

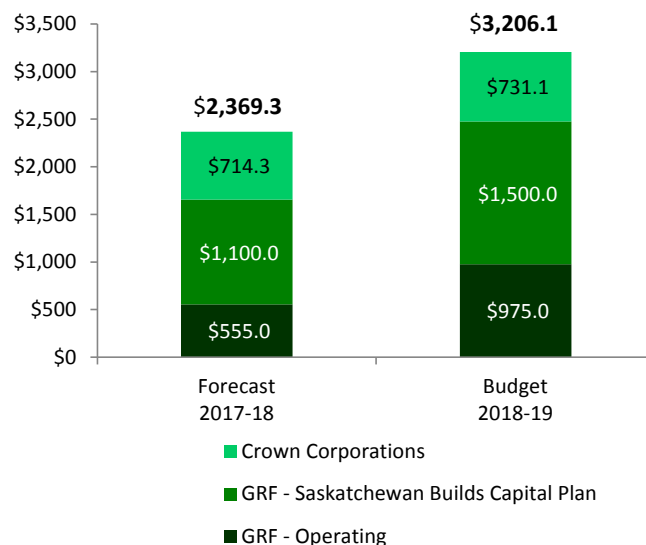
## Net debt to GDP compares favorably to other provinces

### NET DEBT AS A % OF GDP As at March 31, 2018



## 2018-19 borrowing program is driven by infrastructure investments and refinancing

### BORROWING REQUIREMENTS (Millions)



### Borrowing Sources

(millions of dollars)	Forecast 2017-18	Budget 2018-19
Canadian Debentures	1,950.0	2,750.0
Promissory Notes	385.3	438.1
Canada Pension Plan	34.0	18.0
<b>Total</b>	<b>2,369.3</b>	<b>3,206.1</b>

For additional copies or information please contact:

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

Investor Relations Website: <http://www.saskatchewan.ca/government/budget-planning-and-reporting/investor-relations>