



PROVINCE OF SASKATCHEWAN

(CANADA)

2016-17 MID-YEAR FINANCIAL UPDATE

November 22, 2016

Government of Saskatchewan Budget Update - Mid-Year for the year ended March 31

	Budget 2016-17	Mid-Year Projection	Change
Revenue			
Taxation	6,860.9	6,460.9	(400.0)
Non-Renewable Resources	1,484.9	1,305.3	(179.6)
Other Own-Source Revenue ¹	2,088.9	2,246.9	158.0
Transfers from the Federal Government	2,504.8	2,826.3	321.5
Net Income from Government Business Enterprises ¹	1,084.4	862.9	(221.5)
Total Revenue	14,023.9	13,702.3	(321.6)
Expense			
Agriculture	780.3	873.4	93.1
Community development	580.6	575.0	(5.6)
Debt charges ²	297.2	292.4	(4.8)
Economic development	250.2	243.9	(6.3)
Education ²	3,688.4	3,728.9	40.5
Environment and natural resources	237.0	237.7	0.7
Health ²	5,588.1	5,676.2	88.1
Protection of persons and property	640.3	679.7	39.4
Social services and assistance	1,243.9	1,305.2	61.3
Transportation	565.2	553.9	(11.3)
Other ²	586.9	577.1	(9.8)
Total Expense²	14,458.1	14,743.4	285.3
(Deficit)/Surplus^{1,2}	(434.2)	(1,041.1)	(606.9)
Net WCB Earnings Distribution adjustment	-	235.5	235.5
(Deficit)/Surplus (excluding WCB adjustment)	(434.2)	(805.6)	(371.4)

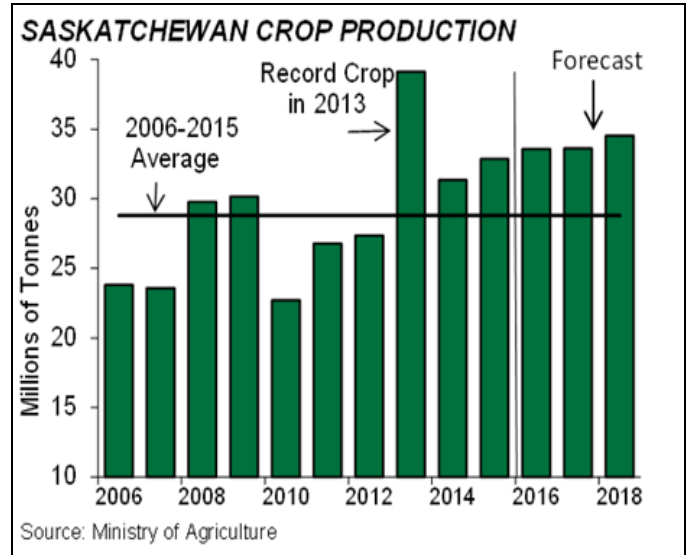
¹ Including the net impact of the Workers' Compensation Board distribution to employers announced on June 29, 2016.

² Before adjustment to account for pensions on an accrual basis.

Key economic indicators update

- Between July 1, 2015 and July 1, 2016, Saskatchewan's population increased by 18,369 to 1,150,632;
- Third-lowest unemployment rate in Canada;
- Second-largest crop production in the Province's history; and,
- Second-highest percentage increase in investment in non-residential building construction.

Second-largest crop production in the Province's history in 2016



Saskatchewan forecast at a glance

% Change Unless Noted Otherwise	2016	2017	2018
Real GDP	-0.6	1.6	2.3
Nominal GDP	-4.0	5.6	5.3
CPI	1.3	2.1	1.8
Employment Growth (000s)	-4.4	3.1	4.1
Unemployment Rate (%)	6.2	6.1	6.0
Retail Sales	1.0	3.0	2.7

Key economic assumptions for 2016

	Actual 2015	Budget	Mid- Year
Can. Real GDP Growth (%)	0.9	1.9	1.3
U.S. Real GDP Growth (%)	2.6	2.1	1.6
Can. Dollar (US cents)	78.30	74.00	76.00
Short-term Interest Rate (%)	0.50	0.46	0.50
10-year Government of Canada Bond (%)	1.53	1.73	1.15

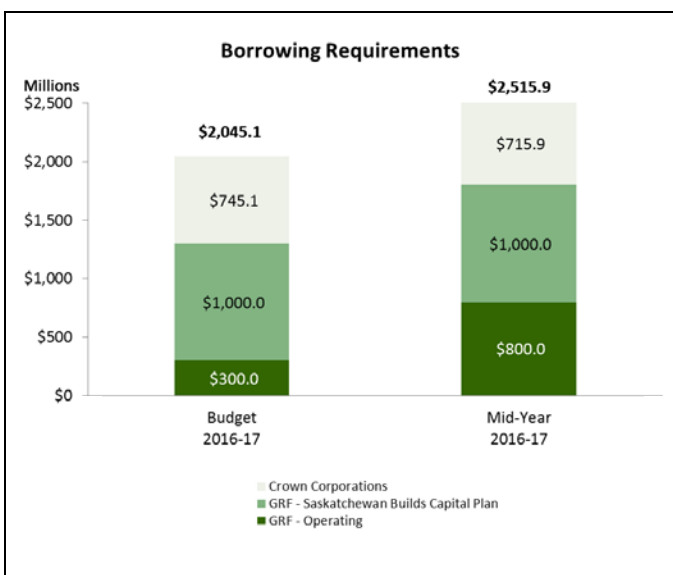
Public Debt up \$447.7M

Schedule of Public Debt

As at March 31

(millions of dollars)	Budget 2016-17	Mid-Year Projection	Change
General Revenue Fund (GRF)			
- Operating	4,100.0	4,600.0	500.0
- Saskatchewan Builds Capital Plan	1,685.8	1,685.8	-
Other Government Service Organizations	603.9	592.9	(11.0)
Government Service Organization Debt	6,389.7	6,878.7	489.0
Government Business Enterprise Debt	8,383.2	8,341.9	(41.3)
Public Debt	14,772.9	15,220.6	447.7

Borrowing requirements up \$470.8M



Credit Ratings of the Province

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

*negative outlook

2016-17 non-renewable resources forecast assumptions

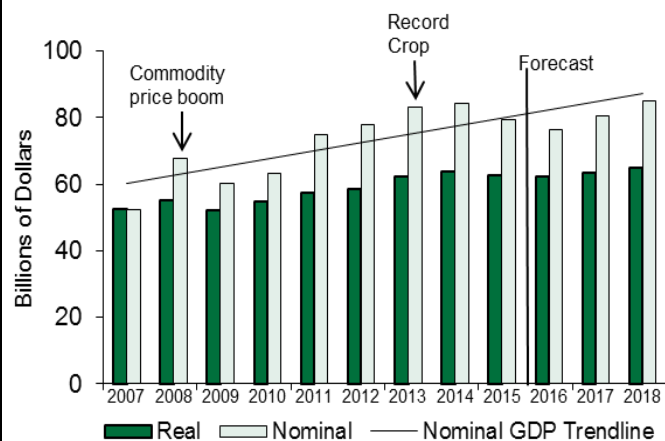
	Budget 2016-17	Mid-Year Projection	Change
Oil:			
WTI Oil Price (US\$/barrel)	44.88	48.63	3.75
Light-Heavy Differential (% of WTI)	21.5	20.6	(0.9)
Well-head Oil Price (C\$/barrel) ¹	41.51	45.23	3.72
Oil Production (million barrels)	162.0	163.2	1.2
Potash:			
Potash Price (mine netback, US\$/KCl tonne) ²	207	178	(29)
Potash Price (mine netback, C\$/K ₂ O tonne) ²	454	383	(71)
Potash Sales (million K ₂ O tonnes) ²	11.3	11.4	0.1
Uranium:			
Uranium Price (C\$/Kg) ²	131	120	(11)

¹ The average price per barrel of Saskatchewan light, medium and heavy oil.

² Ministry of Finance calculations derived from calendar-year forecasts.

Saskatchewan's economy is expected to improve in 2017 and 2018

SASKATCHEWAN REAL AND NOMINAL GDP



Source: Ministry of Finance, Statistics Canada

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