

# 2024-25 Mid-Year Highlights

- The Saskatchewan economy remains strong, but inconsistent weather during the growing season negatively impacted the province's crops and the mid-year financial position.
- At mid-year, Saskatchewan is forecasting a deficit of \$743.5 million for 2024-25. This is up \$470.4 million from budget.
- Total revenue is forecast to increase by \$275.1 million, or 1.4 per cent, higher than budget. The largest areas of growth are in the Other Own-Source and Taxation revenue themes.
- Expense is forecast to be up \$745.4 million, or 3.7 per cent, from budget to provide programs and services for the people of Saskatchewan. The increase is primarily due to a forecasted \$385 million increase in crop insurance claims.
- Saskatchewan's economy continues to perform well. Population and employment growth remain strong, while the province also has the second-fastest growing economy in the country in 2023, as measured by growth in real GDP at 2.3 per cent.

## 2024-25 BUDGET UPDATE - MID-YEAR

(millions of dollars)

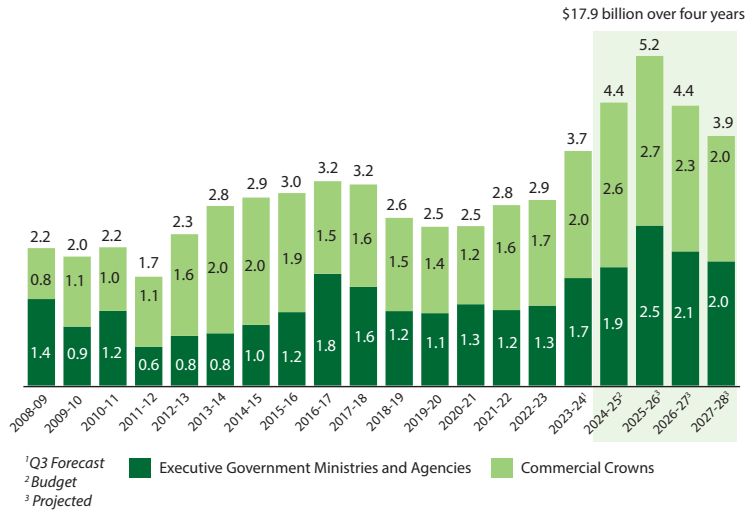
|                                    | Budget          | First Quarter   | Mid-Year        | Mid-Year Change From |                |
|------------------------------------|-----------------|-----------------|-----------------|----------------------|----------------|
|                                    |                 |                 |                 | Budget               | First Quarter  |
| <b>Revenue</b>                     |                 |                 |                 |                      |                |
| Taxation                           | 9,723.3         | 9,723.3         | <b>9,856.2</b>  | 133.0                | 133.0          |
| Non-Renewable Resources            | 2,686.3         | 2,672.3         | <b>2,584.1</b>  | (102.2)              | (88.1)         |
| Net Income from GBEs*              | 657.0           | 652.1           | <b>632.7</b>    | (24.3)               | (19.5)         |
| Other Own-Source                   | 3,015.6         | 3,140.3         | <b>3,251.1</b>  | 235.5                | 110.8          |
| Federal Transfers                  | 3,779.7         | 3,765.8         | <b>3,812.8</b>  | 33.1                 | 47.0           |
| <b>Total Revenue</b>               | <b>19,861.9</b> | <b>19,953.8</b> | <b>20,137.0</b> | <b>275.1</b>         | <b>183.2</b>   |
| <b>Expense</b>                     |                 |                 |                 |                      |                |
| Agriculture                        | 1,531.5         | 1,531.5         | <b>1,916.5</b>  | 385.0                | 385.0          |
| Community Development              | 904.8           | 904.8           | <b>892.3</b>    | (12.6)               | (12.6)         |
| Economic Development               | 329.7           | 329.7           | <b>336.7</b>    | 7.0                  | 7.0            |
| Education                          | 4,414.5         | 4,414.5         | <b>4,414.5</b>  | -                    | -              |
| Environment and Natural Resources  | 373.6           | 373.6           | <b>380.2</b>    | 6.6                  | 6.6            |
| Financing Charges                  | 911.5           | 950.2           | <b>950.2</b>    | 38.7                 | -              |
| General Government                 | 581.4           | 715.3           | <b>674.1</b>    | 92.7                 | (41.1)         |
| Health                             | 7,639.8         | 7,639.8         | <b>7,739.8</b>  | 100.0                | 100.0          |
| Protection of Persons and Property | 1,004.9         | 1,004.9         | <b>1,132.9</b>  | 128.0                | 128.0          |
| Social Services and Assistance     | 1,764.9         | 1,764.9         | <b>1,764.9</b>  | -                    | -              |
| Transportation                     | 678.3           | 678.3           | <b>678.3</b>    | -                    | -              |
| <b>Total Expense</b>               | <b>20,135.1</b> | <b>20,307.6</b> | <b>20,880.5</b> | <b>745.5</b>         | <b>572.9</b>   |
| <b>Surplus (Deficit)</b>           | <b>(273.2)</b>  | <b>(353.8)</b>  | <b>(743.5)</b>  | <b>(470.4)</b>       | <b>(389.8)</b> |

Numbers may not add due to rounding.

\*Government Business Enterprises

## Saskatchewan Capital Plan 2008-09 to 2027-28

billions of dollars



## Key Fiscal-Year Non-Renewable Resource Forecast Assumptions

|  | 2024-25 |               |          |
|--|---------|---------------|----------|
|  | Budget  | First Quarter | Mid-Year |
| WTI Oil Price (US\$/barrel)                        | 77.00   | 81.00         | 76.50    |
| Light-Heavy Differential (% of WTI)                | 14.5    | 12.4          | 12.3     |
| Well-head Oil Price (C\$/barrel) <sup>1</sup>      | 81.64   | 87.36         | 82.43    |
| Oil Production (million barrels)                   | 166.7   | 169.1         | 166.1    |
| Potash Price (netback, US\$/KCl tonne)             | 268     | 241           | 234      |
| Potash Price (netback, C\$/K <sub>2</sub> O tonne) | 590     | 531           | 518      |
| Potash Sales (million KCl tonnes)                  | 24.9    | 24.7          | 24.8     |
| Uranium Price (C\$ per kgs)                        | 153     | 166           | 166      |
| Uranium Sales (millions kgs)                       | 16.3    | 16.5          | 16.5     |
| Canadian Dollar (US cents)                         | 74.36   | 74.49         | 73.49    |

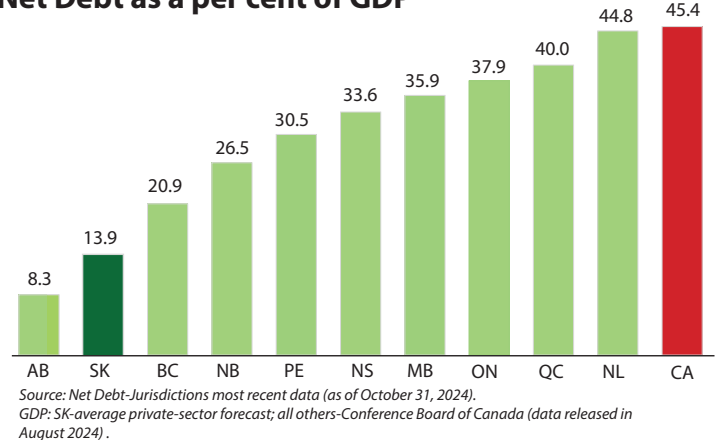
<sup>1</sup> The average price per barrel of Saskatchewan light, medium and heavy oil.

## Gross Debt (as at March 31)

millions of dollars

|  | Budget          | First Quarter   | Mid-Year        |
|--|-----------------|-----------------|-----------------|
| General Revenue Fund (GRF)             |                 |                 |                 |
| - Operating                            | 7,463.9         | 7,463.9         | 7,463.9         |
| - Saskatchewan Capital Plan            | 13,371.1        | 13,371.1        | 13,371.1        |
| Other Government Service Organizations | 228.1           | 224.6           | 225.0           |
| <b>Taxpayer-Supported Debt</b>         | <b>21,063.1</b> | <b>21,059.6</b> | <b>21,060.0</b> |
| Government Business Enterprises        | 13,749.4        | 14,153.7        | 14,141.0        |
| <b>Self-Supporting Debt</b>            | <b>13,749.4</b> | <b>14,153.7</b> | <b>14,141.0</b> |
| <b>Total</b>                           | <b>34,812.5</b> | <b>35,213.3</b> | <b>35,201.0</b> |

## Net Debt as a per cent of GDP



## Second Highest Credit Rating in Canada

|                           |          |
|---------------------------|----------|
| Moody's Investors Service | Aa1      |
| S&P Global Ratings        | AA       |
| Morningstar DBRS          | AA (low) |

## Private-Sector Forecast at a Glance

(per cent change unless otherwise noted)

|                          | Actual 2023 | Mid-Year |      |
|--------------------------|-------------|----------|------|
|                          |             | 2024     | 2025 |
| Real GDP                 | 2.3         | 1.4      | 1.7  |
| Nominal GDP              | (4.8)       | 3.7      | 3.4  |
| CPI                      | 3.9         | 1.5      | 1.9  |
| Employment Growth (000s) | 10.7        | 12.4     | 9.1  |
| Unemployment Rate (%)    | 4.8         | 5.5      | 5.6  |

Sources: Statistics Canada (2023); Average private sector forecast (2024-2025) at mid-year as of October 21, 2024 and at budget as of January 12, 2024.

## Economic Strengths

- Saskatchewan's economy is strong with record-setting labour market performance, solid export volumes and strong investment growth including:
  - significant population growth of more than 30,000 people in the province as of July 2024 (year-over-year);
  - strong employment growth of 14,800 more jobs in 2024, compared to 2023 (year-to-date as of October 2024) and the third-lowest unemployment rate in Canada at 5.5 per cent (year-to-date as of October 2024);
  - expanding consumer spending with retail sales up 3.0 per cent and new motor vehicle sales up 20.3 per cent (year-to-date as of August 2024);
  - third-lowest unemployment rate in Canada at 5.5 per cent (year-to-date as of October 2024); and
  - total exports of more than \$33 billion in 2024, and on pace to have the third-highest annual total exports in provincial history (year-to-date as of September 2024).