



PROVINCE OF SASKATCHEWAN

(CANADA)

2018-19 MID-YEAR FINANCIAL UPDATE

November 29, 2018

BUDGET UPDATE - MID-YEAR

(millions of dollars)

	Budget	Mid-Year Projection	Mid-Year Change From Budget
Revenue			
Taxation	7,214.9	7,159.8	(55.1)
Non-renewable resources	1,482.1	1,591.5	109.4
Net Income from government business enterprises	1,078.0	1,116.8	38.8
Other own-source revenue	2,006.5	2,012.7	6.2
Transfers from the federal government	2,462.0	2,500.8	38.8
Total Revenue	14,243.5	14,381.6	138.1
Expense			
Agriculture	770.9	770.9	-
Community development	642.6	634.8	(7.8)
Debt charges	654.6	644.0	(10.6)
Economic development	230.2	230.2	-
Education	3,263.3	3,329.2	65.9
Environment and natural resources	251.7	271.9	20.2
Health	5,765.3	5,785.3	20.0
Other	439.7	439.7	-
Protection of persons and property	689.9	700.3	10.4
Social services and assistance	1,381.3	1,404.3	23.0
Transportation	519.3	519.3	-
Total Expense	14,608.8	14,729.9	121.1
Deficit	(365.3)	(348.3)	17.0

The economic outlook remains on track with modest improvement in 2018

- Saskatchewan's economy posted strong real GDP growth of 2.2 per cent in 2017.
- Saskatchewan's population reached a new high of 1,162,062 on July 1, 2018, an increase of 11,280 persons.
- Total crop production is estimated to be 34.9 million tonnes in 2018, the third-highest level in history.
- Manufacturing sales and international goods exports have gone up by 12.0 per cent and 11.7 per cent, respectively.
- Wholesale trade was up by 1.9 per cent while retail sales were up by 0.8 per cent.

2018-19 non-renewable resources forecast assumptions

	Budget 2018-19	Mid-Year Projection	Change
Oil:			
WTI Oil Price (US\$/barrel)	58.18	65.23	7.05
Light-Heavy Differential (% of WTI)	22.1	31.7	9.6
Well-head Oil Price (C\$/barrel) ¹	54.36	56.37	2.01
Oil Production (million barrels)	177.7	179.2	1.5
Potash:			
Potash Price (mine netback, US\$/KCl tonne) ²	191	210	19
Potash Price (mine netback, C\$/K ₂ O tonne) ²	399	442	43
Potash Sales (million K ₂ O tonnes) ²	12.6	13.1	0.5
Uranium:			
Uranium Price (C\$/Kg) ²	112	111	(1)

¹ The average price per barrel of Saskatchewan light, medium and heavy oil.
² Ministry of Finance calculations derived from calendar-year forecasts.

Saskatchewan forecast at a glance

% Change Unless Noted Otherwise	2018	2019	2020
Real GDP	0.7	1.2	2.3
Nominal GDP	4.3	2.4	4.1
CPI	2.3	2.1	2.2
Employment Growth (000s)	0.6	2.4	5.0
Unemployment Rate (%)	6.4	6.5	6.4
Retail Sales	1.0	1.6	2.9

Key economic assumptions for 2018

	Actual 2017	Budget 2018	Mid- Year
Can. real GDP growth (%)	3.0	2.1	2.0
U.S. real GDP growth (%)	2.2	2.7	2.9
Short-term Interest Rate (%)	0.70	1.42	1.41
10-year Government of Canada Bond (%)	1.72	2.61	2.38
Can. Dollar (US cents)	77.10	78.40	77.50

Public Debt down \$251.6M

SCHEDULE OF PUBLIC DEBT

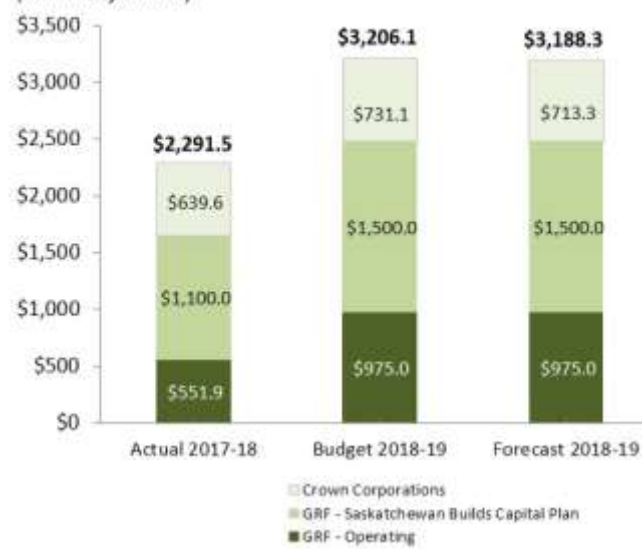
(as at March 31)

(millions of dollars)	Budget 2018-19	Mid-Year Projection	Change
General Revenue Fund (GRF)			
- Operating	6,150.0	6,150.0	-
- Saskatchewan Builds Capital Plan	4,193.8	4,193.8	-
Other Government Service Organizations	431.3	401.4	(29.9)
Government Service Organization Debt	10,775.1	10,745.2	(29.9)
Government Business Enterprise Debt	9,259.8	9,038.1	(221.7)
Public Debt	20,034.9	19,783.3	(251.6)

Borrowing requirements down \$17.8M

BORROWING REQUIREMENTS

(millions of dollars)



BORROWING SOURCES

(millions of dollars)	Actual 2017-18	Budget 2018-19	Mid-Year Projection
Canadian Debentures	1,950.0	2,750.0	3,050.0
Promissory Notes	307.5	438.1	120.3
Canada Pension Plan	34.0	18.0	18.0
Total	2,291.5	3,206.1	3,188.3

Net Debt down \$394.0M

SCHEDULE OF NET DEBT

(as at March 31)

(millions of dollars)	Budget 2018-19	Mid-Year Projection	Change
Deficit	365.3	348.3	(17.0)
Acquisition of government service organization capital assets	1,118.0	1,202.5	84.5
Amortization of government service organization capital assets ¹	(610.1)	(585.4)	24.7
Increase in Net Debt	873.2	965.4	92.2
Net debt, beginning of year	11,774.6	11,288.4 ²	(486.2)
Net Debt, End of Year	12,647.8	12,253.8	(394.0)

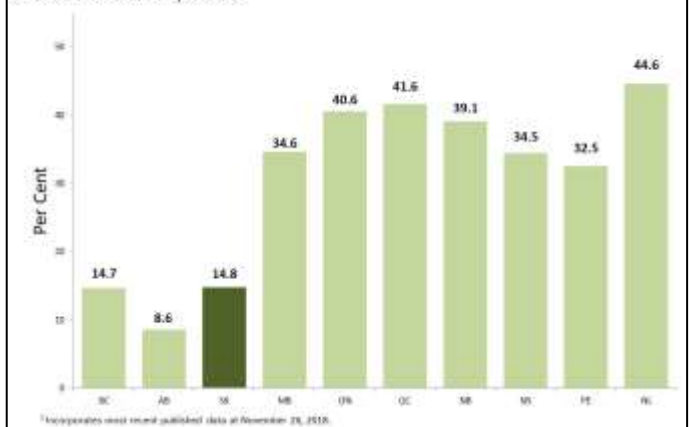
¹ Includes disposals and adjustments.

² Net debt as at March 31, 2018, as reported in the 2017-18 Summary Financial Statements.

Net Debt to GDP compares favorably to other provinces

NET DEBT AS A % OF GDP

As at March 31, 2019¹



¹ Incorporates most recent published data as of November 28, 2018.

Credit Ratings of the Province

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

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More Budget information at: www.saskatchewan.ca/finance