

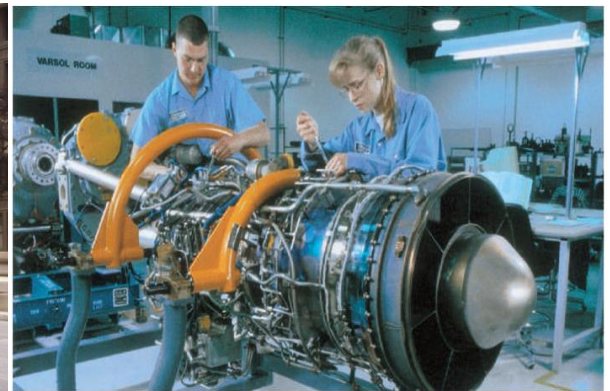


Economic and Fiscal Update

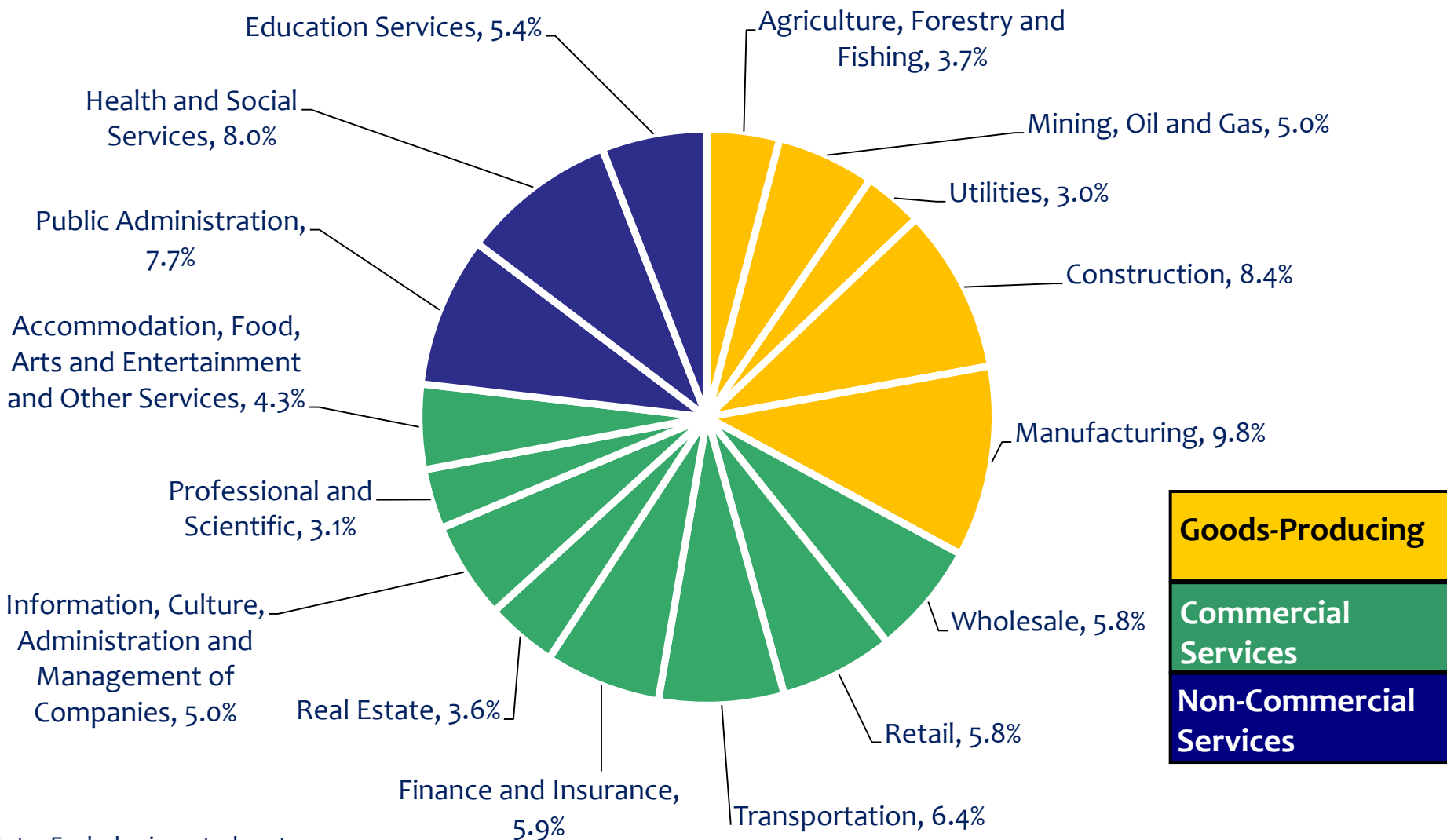
- One of ten Canadian provinces (fifth-largest in population)
- Centrally located in North America with a comprehensive transportation and communication network
- Total Area 650,000 km² (almost three times the area of the U.K.)
- Population: 1.32 million, the second-fastest growing province in 2015 and 2016
- Capital: Winnipeg, Pop. 811,900
- Extensive natural resources (minerals, forests, fertile soil, freshwater lakes)
- Sound credit rating: Moody's: Aa2 (stable) and S&P: AA- (Neg)



- The Manitoba economy has a relatively well-balanced industrial base with a majority of medium-sized industries each contributing over 5% to total value-added output
- The range in contribution from the smallest to the largest industry is the narrowest among provinces: many similar sized sectors
- Manitoba is the most stable economy among provinces with steadiest growth in:
 - Real GDP
 - Employment
 - Labour income
 - International merchandise exports
 - Manufacturing sales



GDP By Industry Shares, 2016



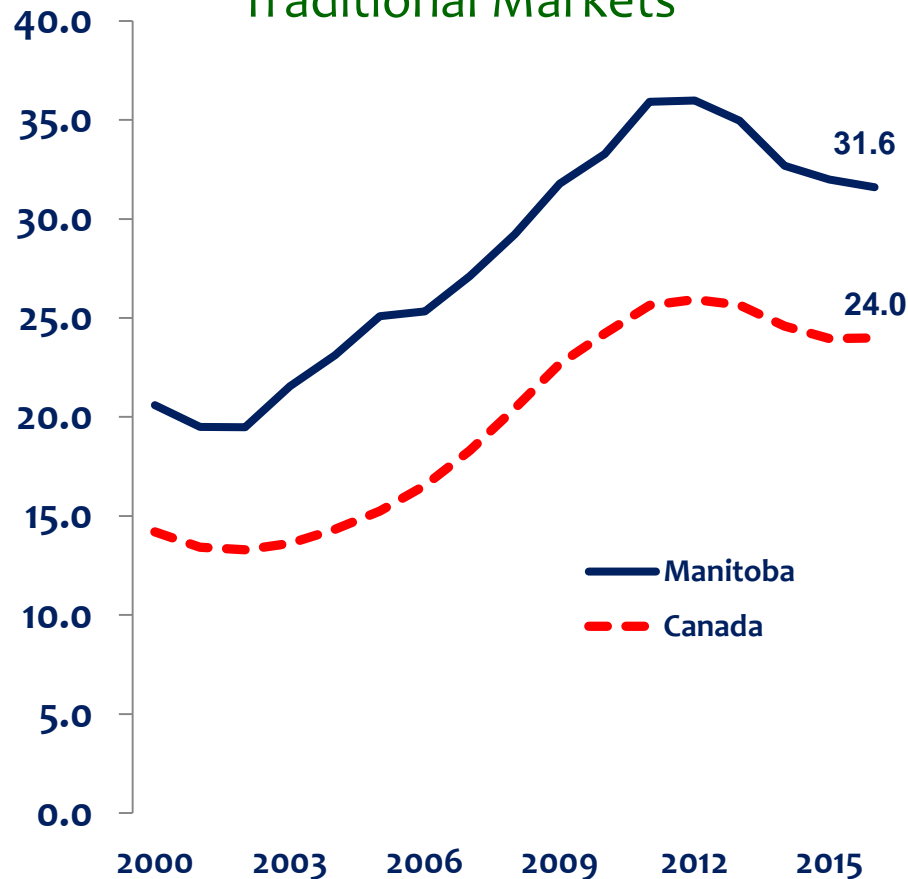
| |
|-------------------------|
| Goods-Producing |
| Commercial Services |
| Non-Commercial Services |

Note: Excludes imputed rent



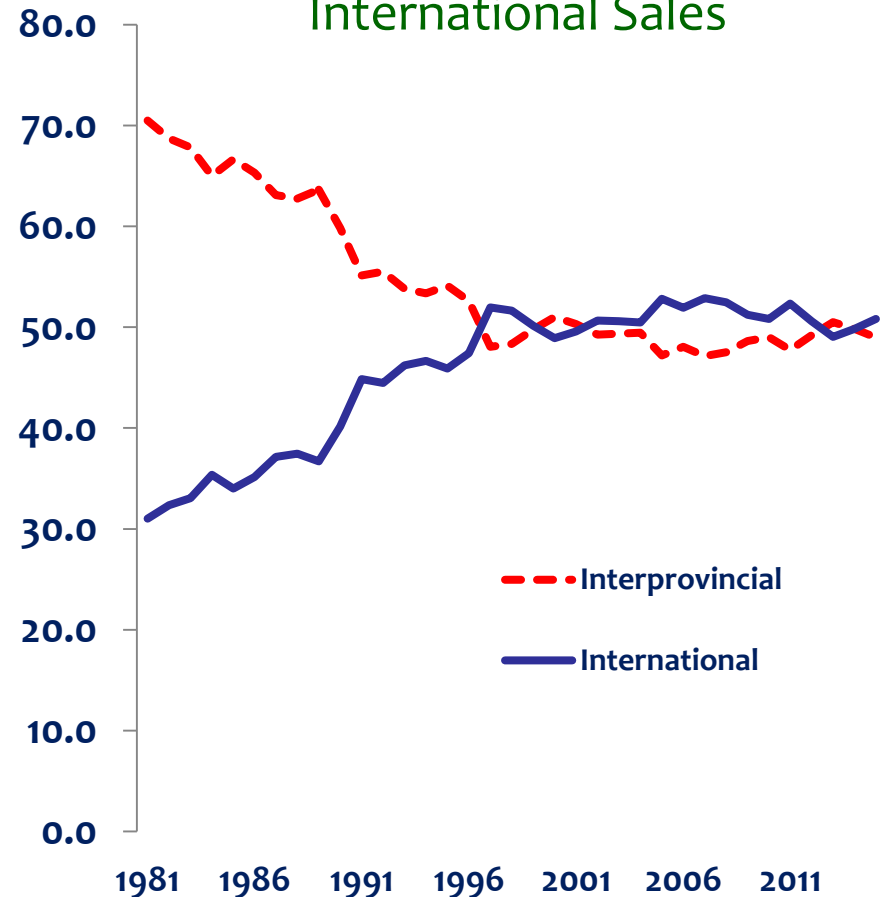
Share of Exports to Non-U.S. Markets,
2000 – 2016 (Per Cent)

Expanding into Non-Traditional Markets



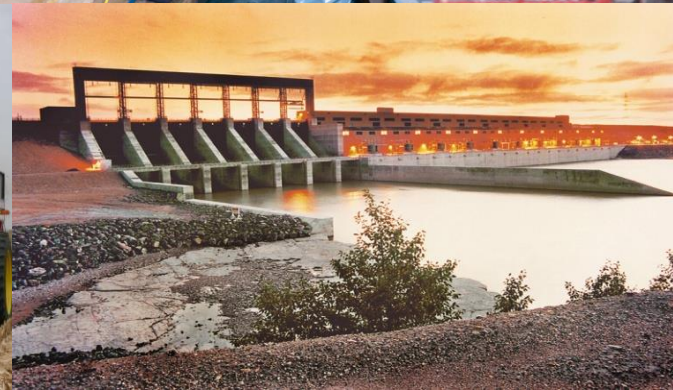
Manitoba's Share of Interprovincial
and International Exports, 1981 – 2015
(Per Cent)

Balancing Domestic and International Sales



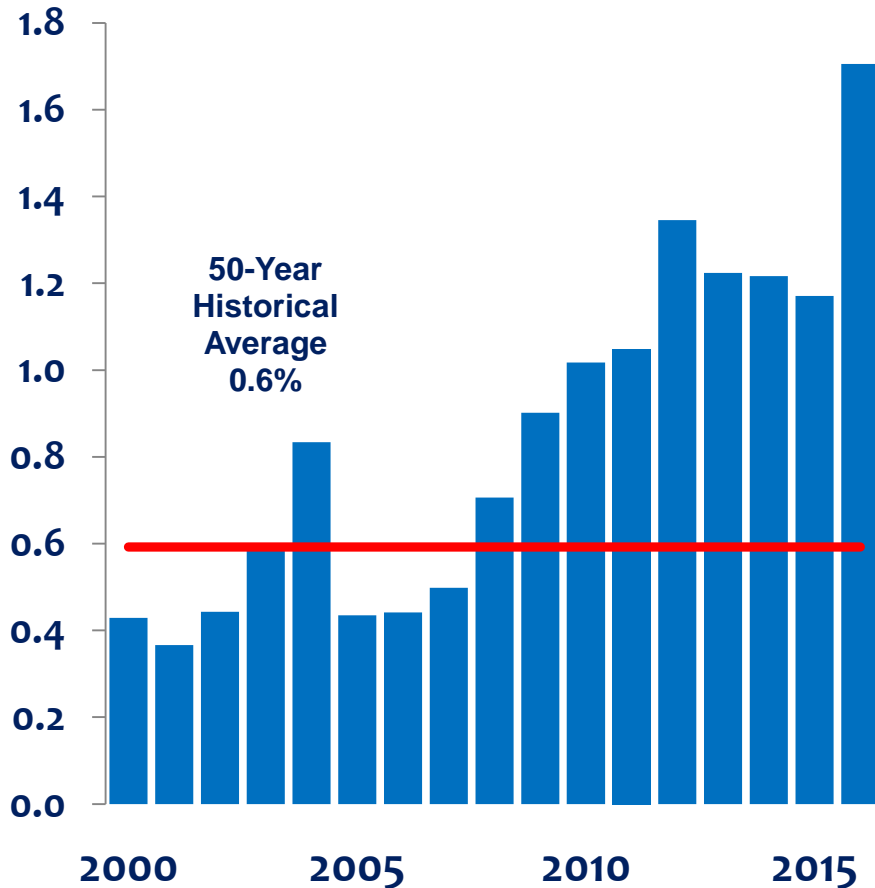
Manitoba's Broad Export Base

- Grains, Oilseeds and Livestock
- Aerospace Components and Service
- Transit and Inter-City Buses
- Processed Food Products
- Machinery and Equipment
- Mining and Oil Extraction
- Electricity (Mostly Hydro)
- Industrial Chemicals
- Pharmaceuticals



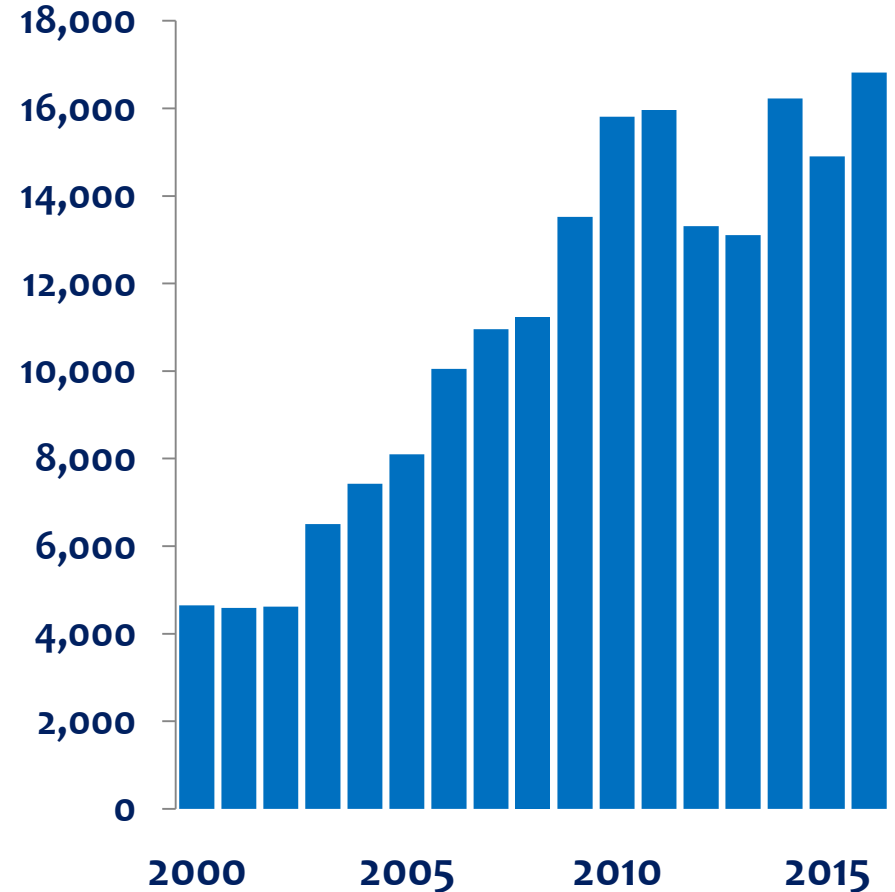
Annual Population Growth, 2000 – 2016
(Per Cent)

Manitoba Exceeded Canada's Population Growth in each of the Last Six Years



International Immigration, 2000 – 2016 (Persons)

Recruiting International Skilled Workers



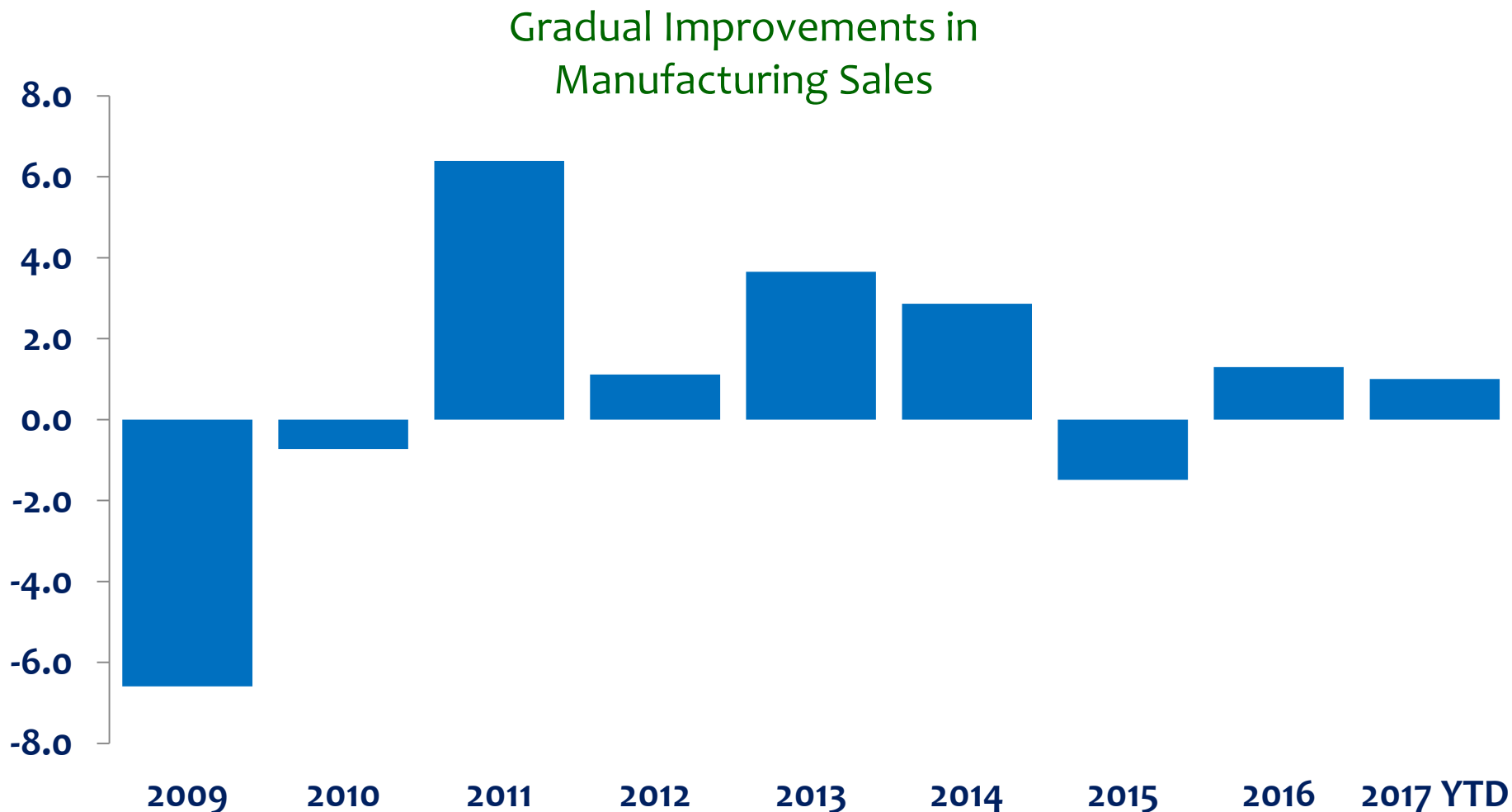
Unemployment Rate, 2016 (Per Cent)

Among the Lowest Unemployment Rates and Among the Highest Labour Force Participation Rates in Canada



Manufacturing Sales, 2009 – 2017 Year-to-Date

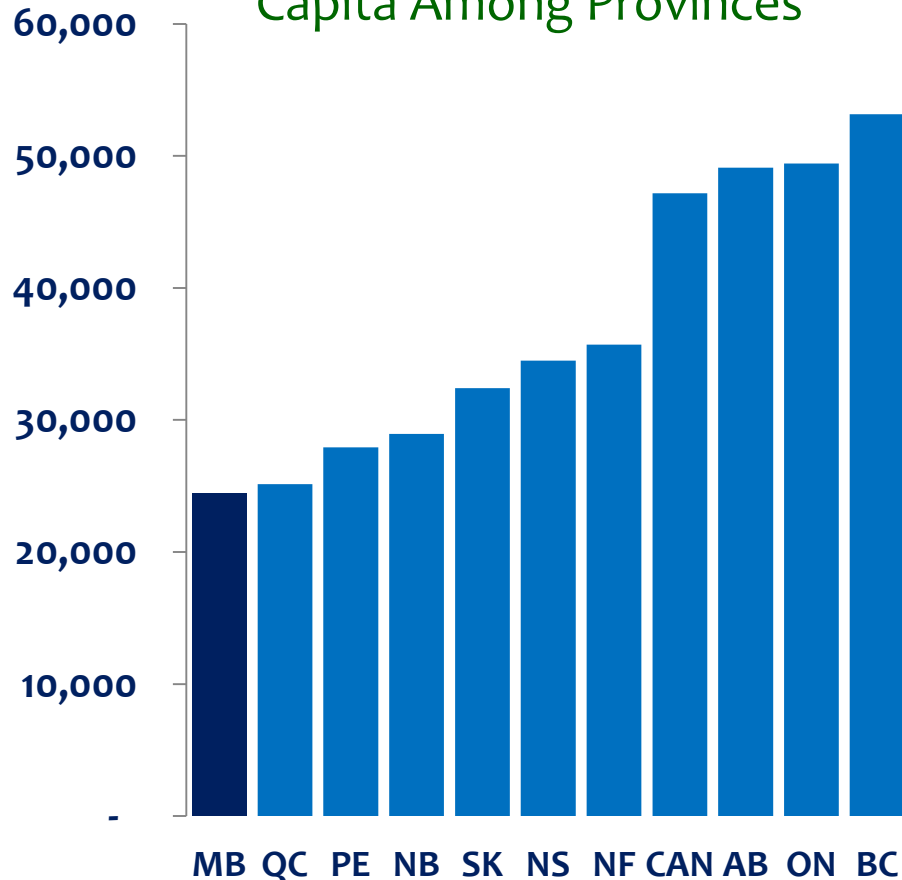
(Annual Growth in Per Cent)



Household Debt Per Capita, 2016

(In Dollars)

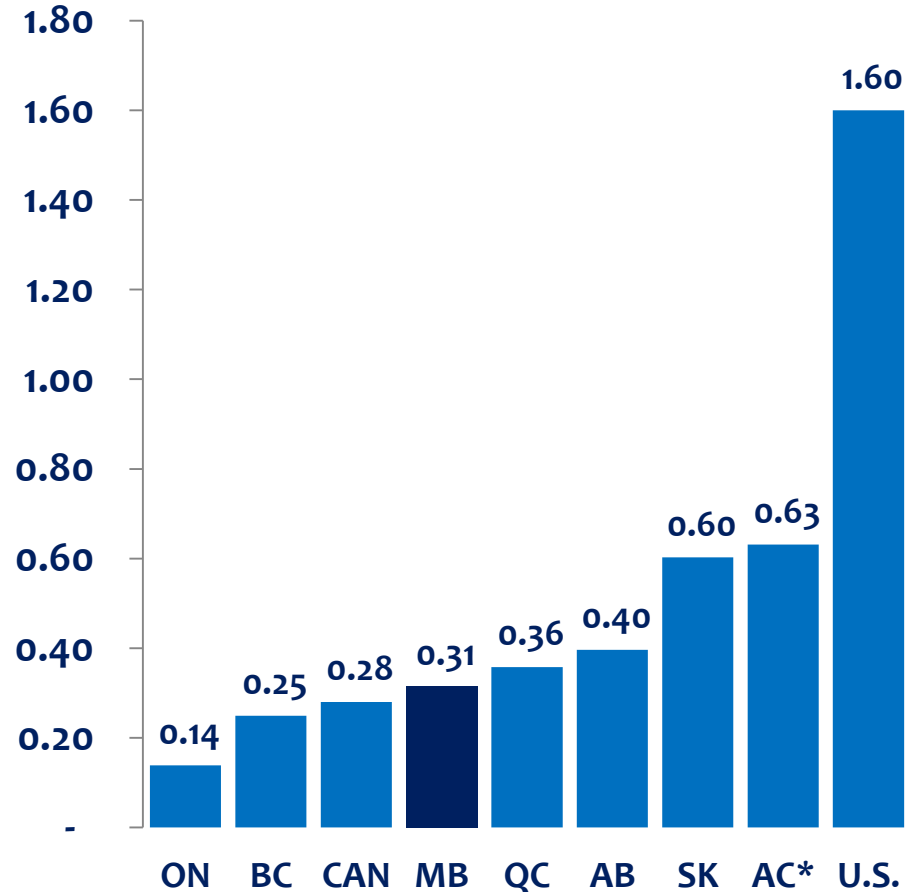
Lowest Household Debt per Capita Among Provinces



Mortgage Arrears: Delinquency Rate

(90+ days) 2016 (Per Cent)

Stable Mortgage Financing

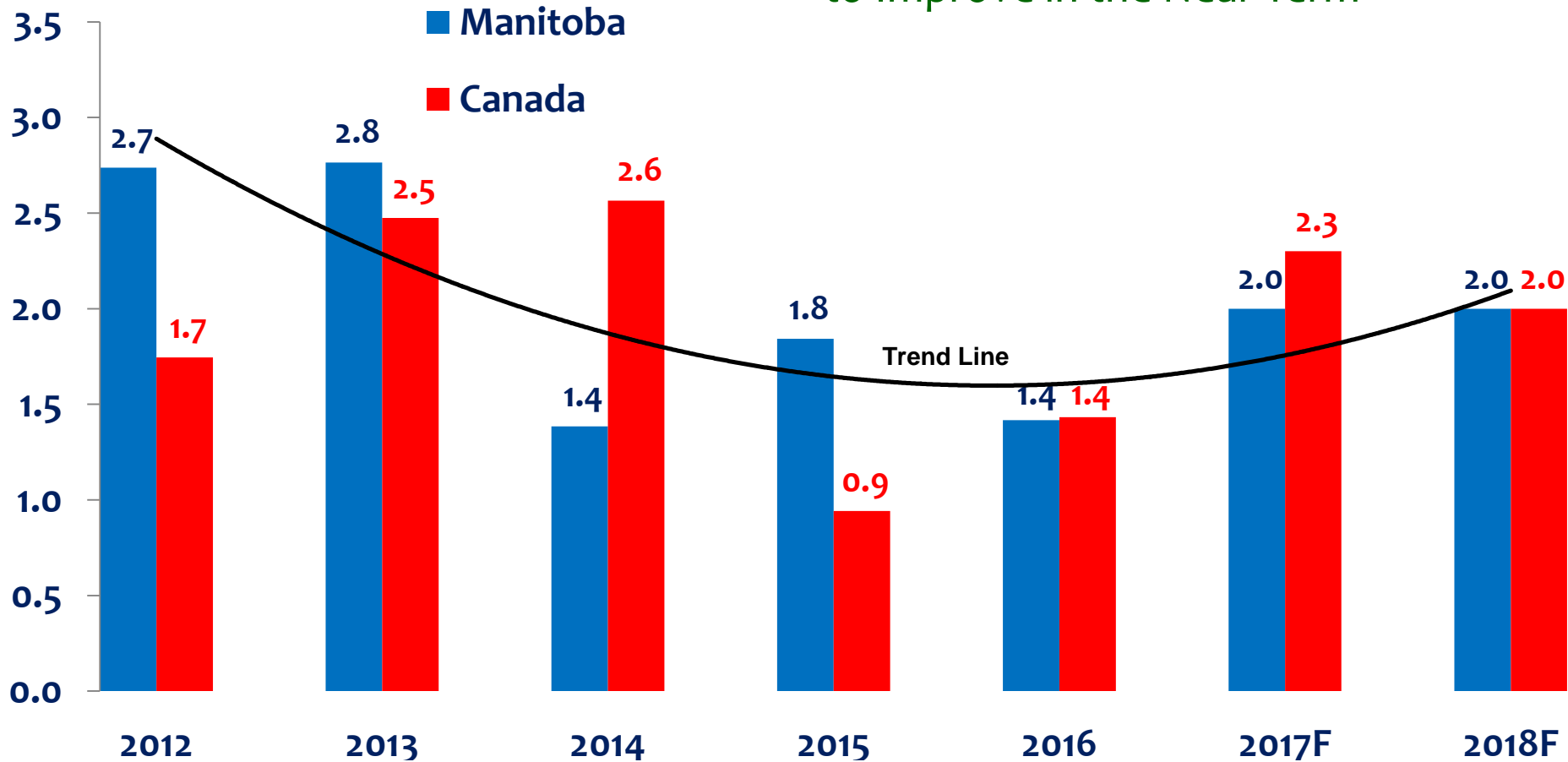


* – Atlantic Canada

Sources: Bank of Canada, Canadian Bankers Association and Federal Reserve of New York

Real GDP Growth, 2012 – 2018F (Per Cent)

Growth Moderated in Canada and Manitoba Due to Low Commodity Prices, but Expected to Improve in the Near Term



Manitoba Finance Survey of Economic Forecasts

| | 2017f | | 2018f | |
|-----------------------------|----------|--------|----------|--------|
| | Manitoba | Canada | Manitoba | Canada |
| Percent Growth Unless Noted | | | | |
| Real GDP | 2.0 | 2.3 | 2.0 | 2.0 |
| Nominal GDP | 3.9 | 4.6 | 3.9 | 3.9 |
| Employment | 0.8 | 1.3 | 0.8 | 0.9 |
| Unemployment Rate (%) | 6.0 | 6.7 | 5.9 | 6.6 |
| Consumer Prices | 1.9 | 2.1 | 2.1 | 2.0 |

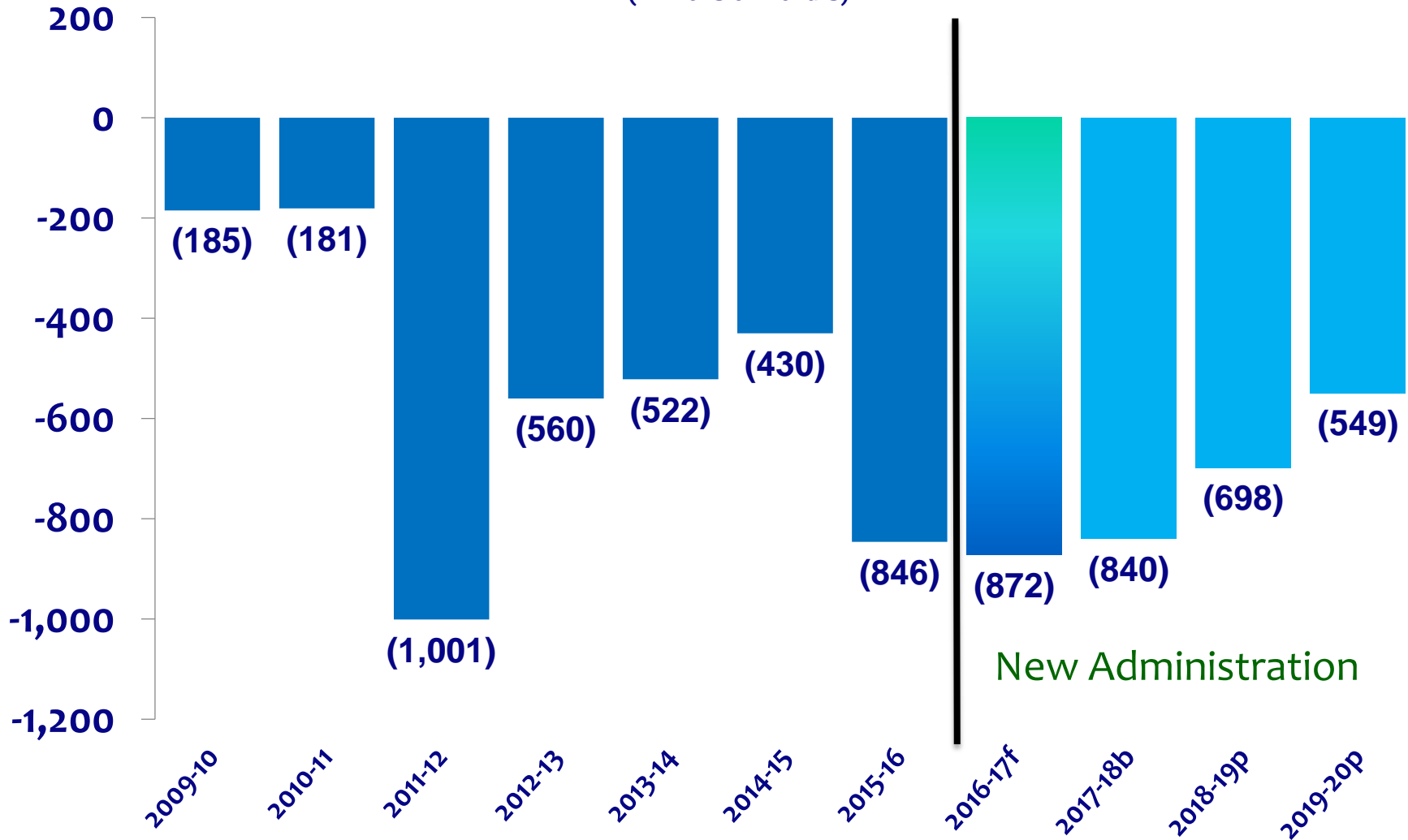
Budget 2017: Responsible Recovery

- Restoring credit ratings, meeting budget targets, stabilizing net debt to GDP and sustainable investment in strategic infrastructure

Foundation for Strong Fiscal Fundamentals

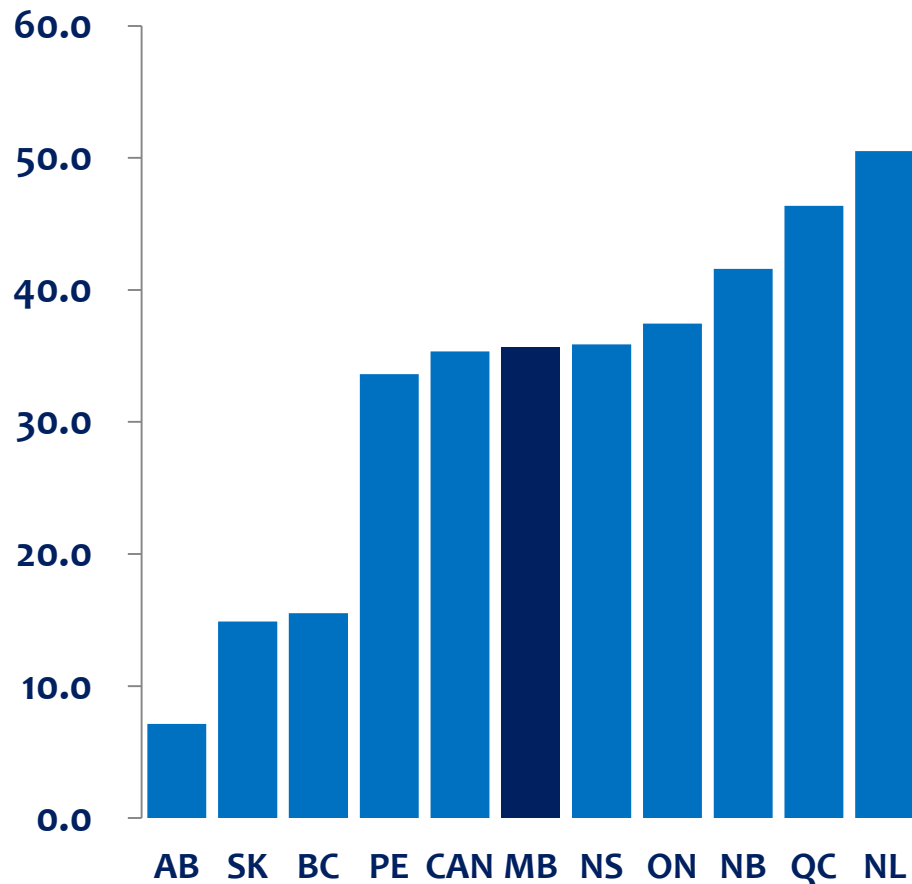
- Fiscal Performance Review of core government departments
- Review of all tax credits
- New legislation:
 - The Fiscal Responsibility and Taxpayer Protection Act
 - The Public Service Sustainability Act
 - The Health Sector Bargaining Unit Review Act
 - The Red Tape Reduction and Government Efficiency Act

Annual Surplus (Deficit) 2009-10 to 2019-2020p (Millions of Dollars)



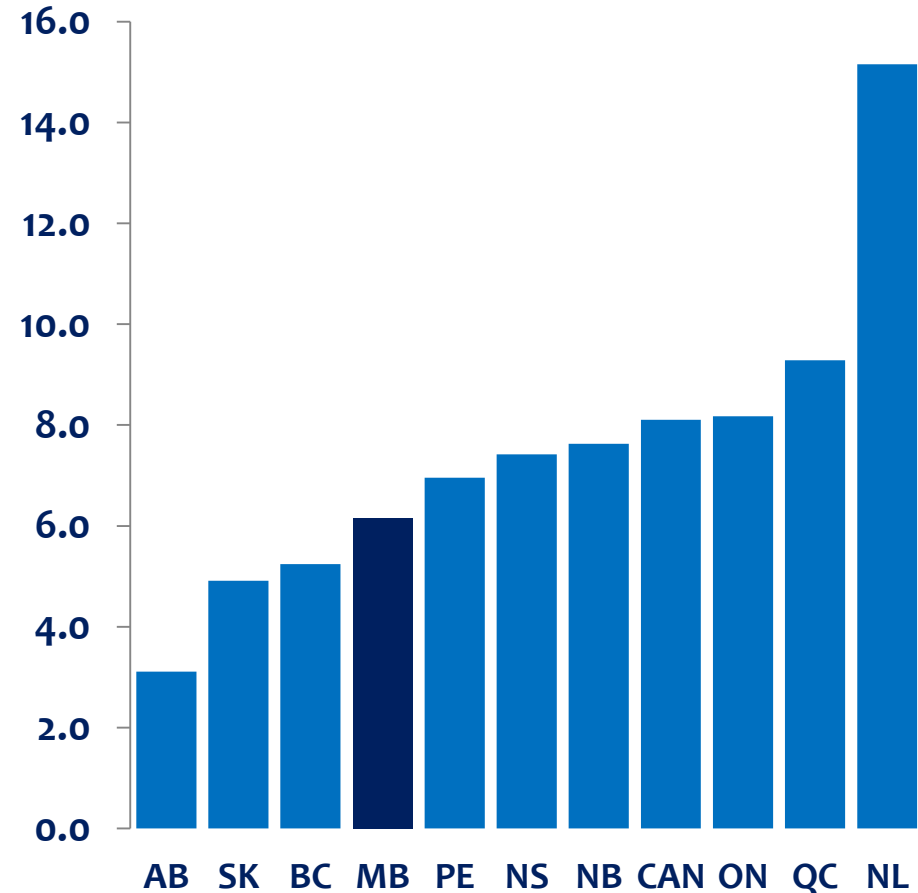
Net Debt to GDP Ratio, 2017 - 2018B
(Per Cent)

Average Among Provincial Peers

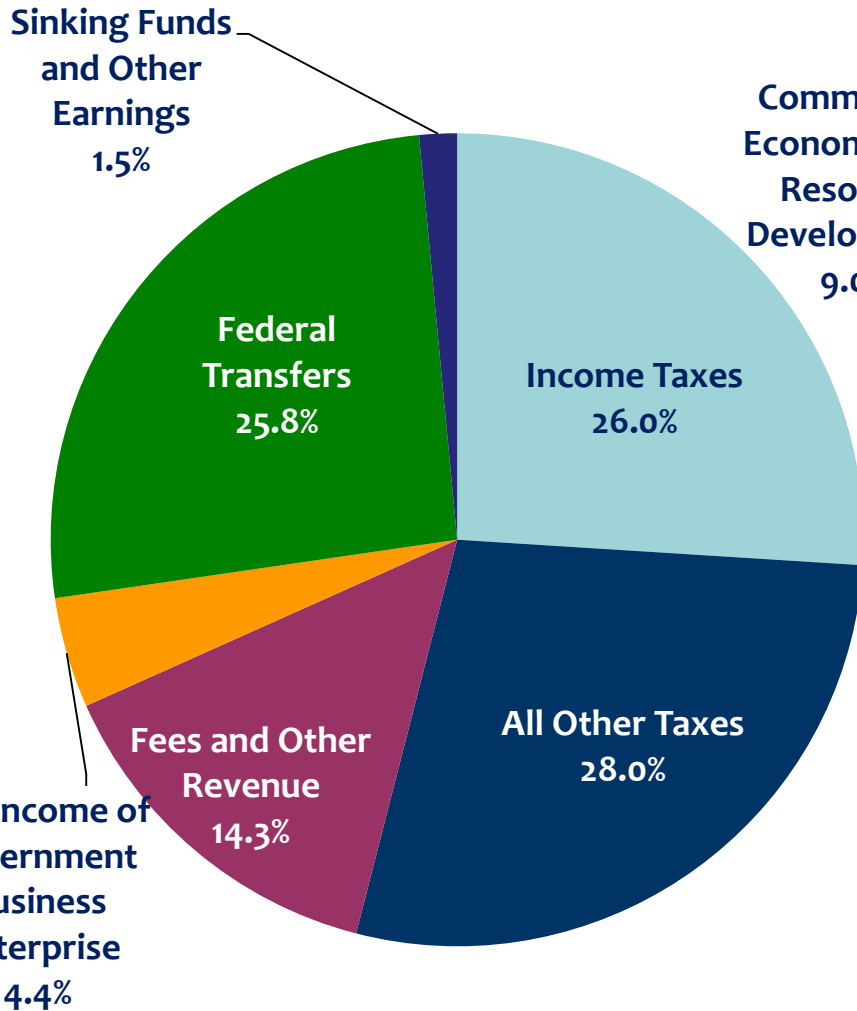


Interest on Debt to Revenue, 2017 - 2018B
(Cent/Revenue)

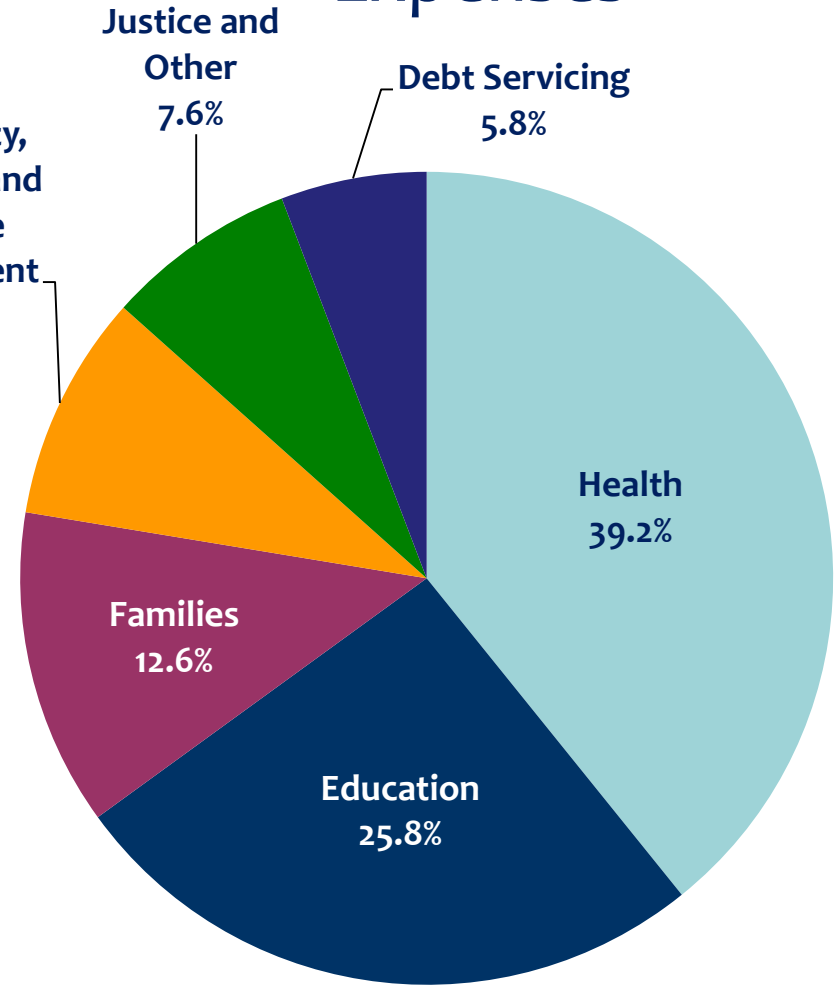
Below Average Among Provincial Peers



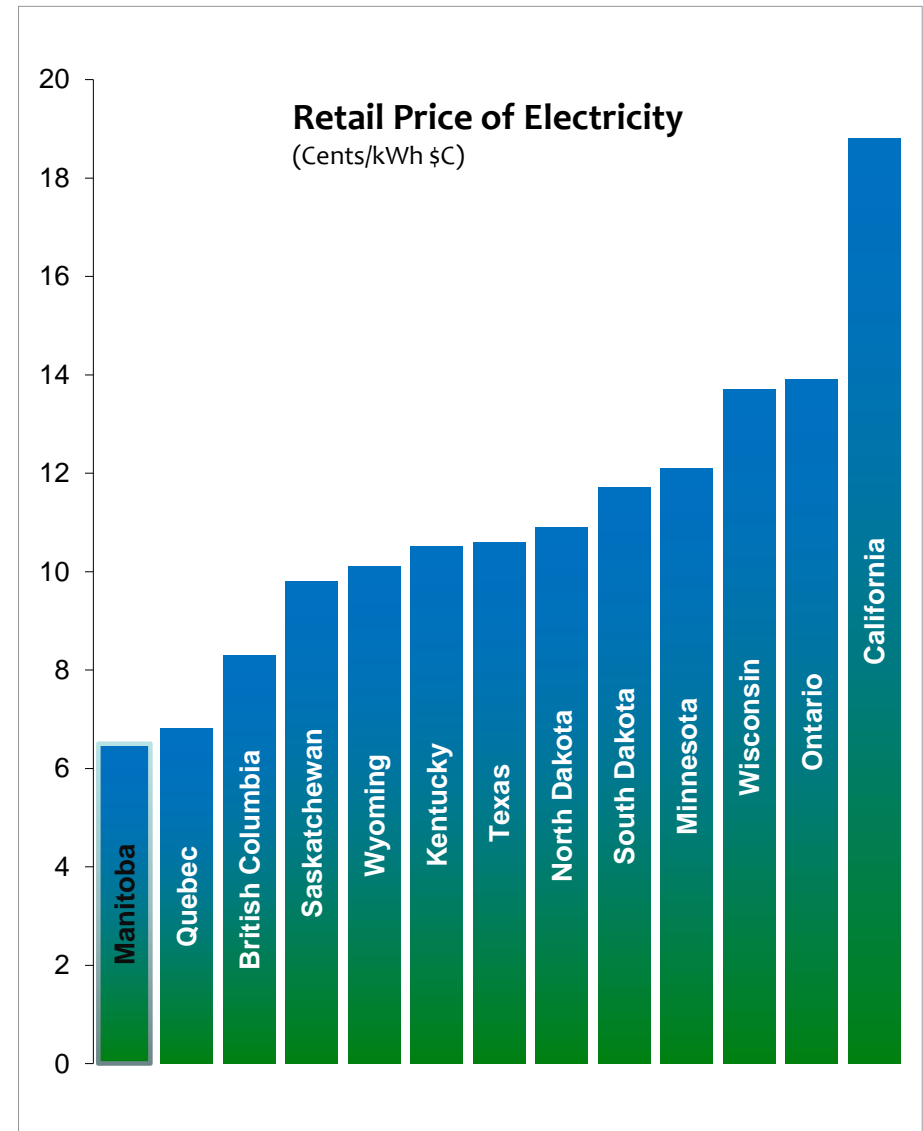
Revenues



Expenses



- 97.5% of electricity generation is hydro, 2.3% is wind and 0.2% is thermal.
- Roughly 1/4 of the electricity generated is exported outside of Manitoba (U.S., Canada).
- Manitoba Hydro's current generation capacity is 5,680 MW, with an additional 4,400 MW more of potential generation identified.



- Manitoba Hydro is currently investing in both a major generation project and transmission project.



Keeyask

Hydro Generating Station Project

Design Capacity:

695 MW

Anticipated Completion:

2021/22

Anticipated Cost: **\$8.7B**



Bipole III

Transmission Line Project

Design Capacity:

1,364 km

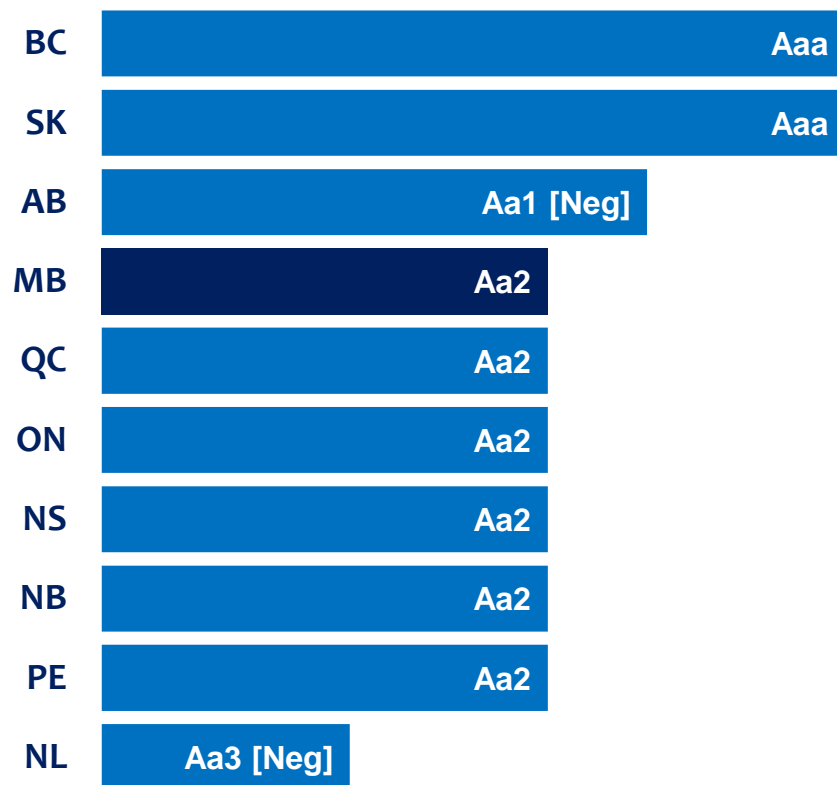
Anticipated Completion:

2018/19

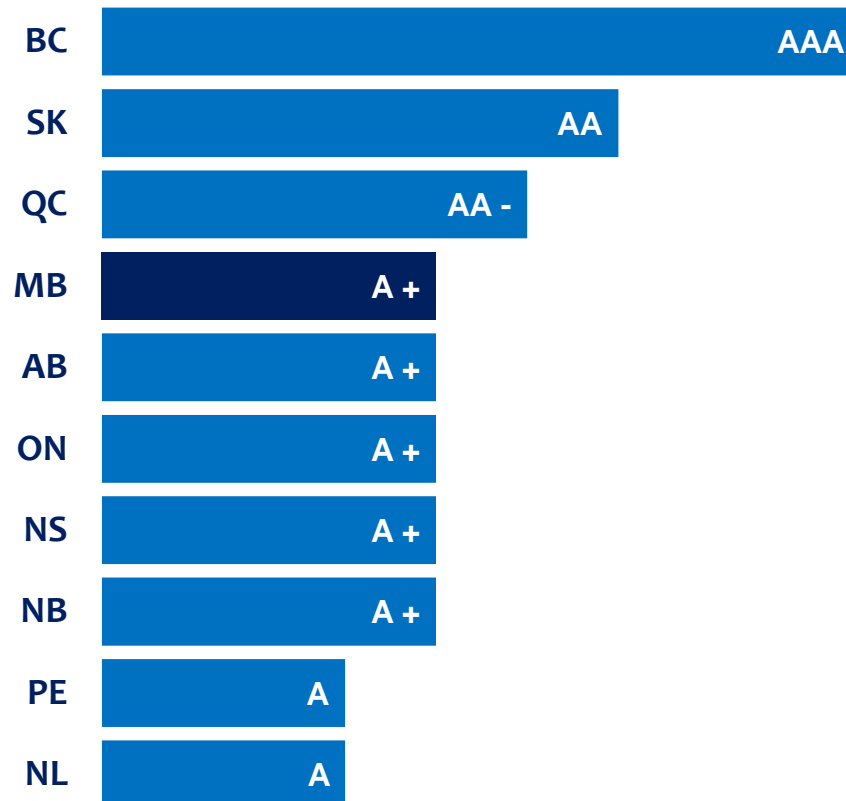
Anticipated Cost: **\$5.0B**

- Manitoba’s credit rating remains strong given elevated global economic uncertainty.
- Manitoba’s credit rating is generally the highest among non-resource rich provincial economies.

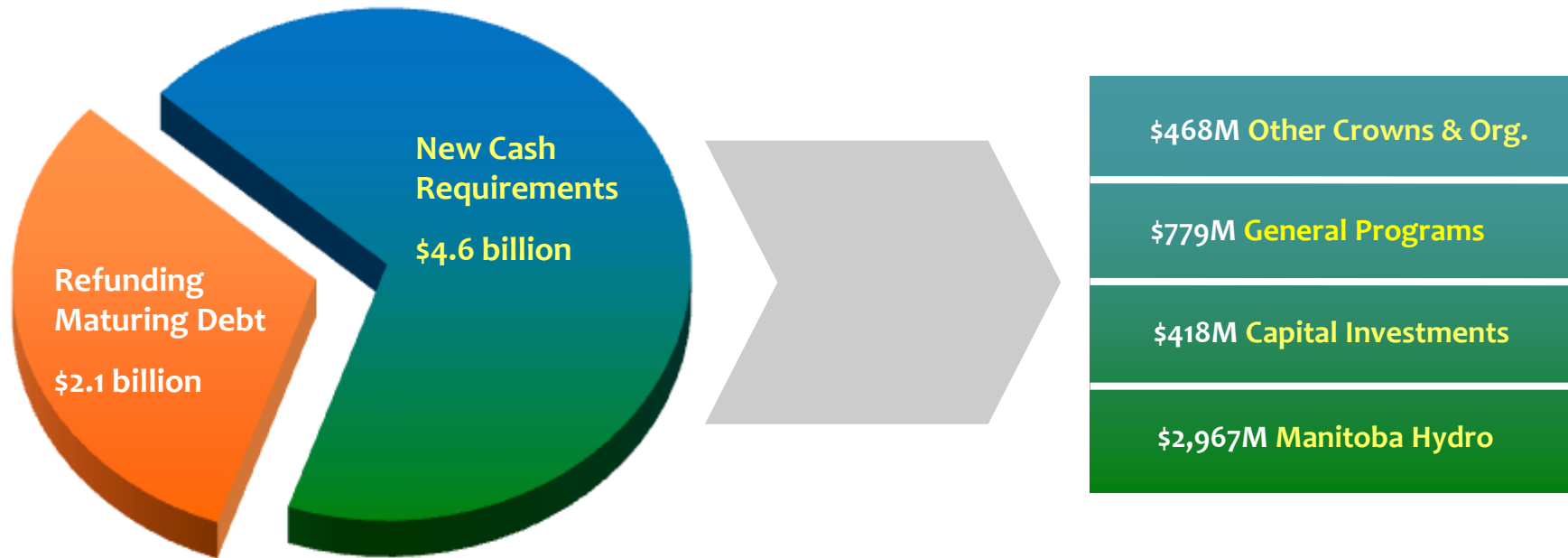
Moody’s Credit Ratings



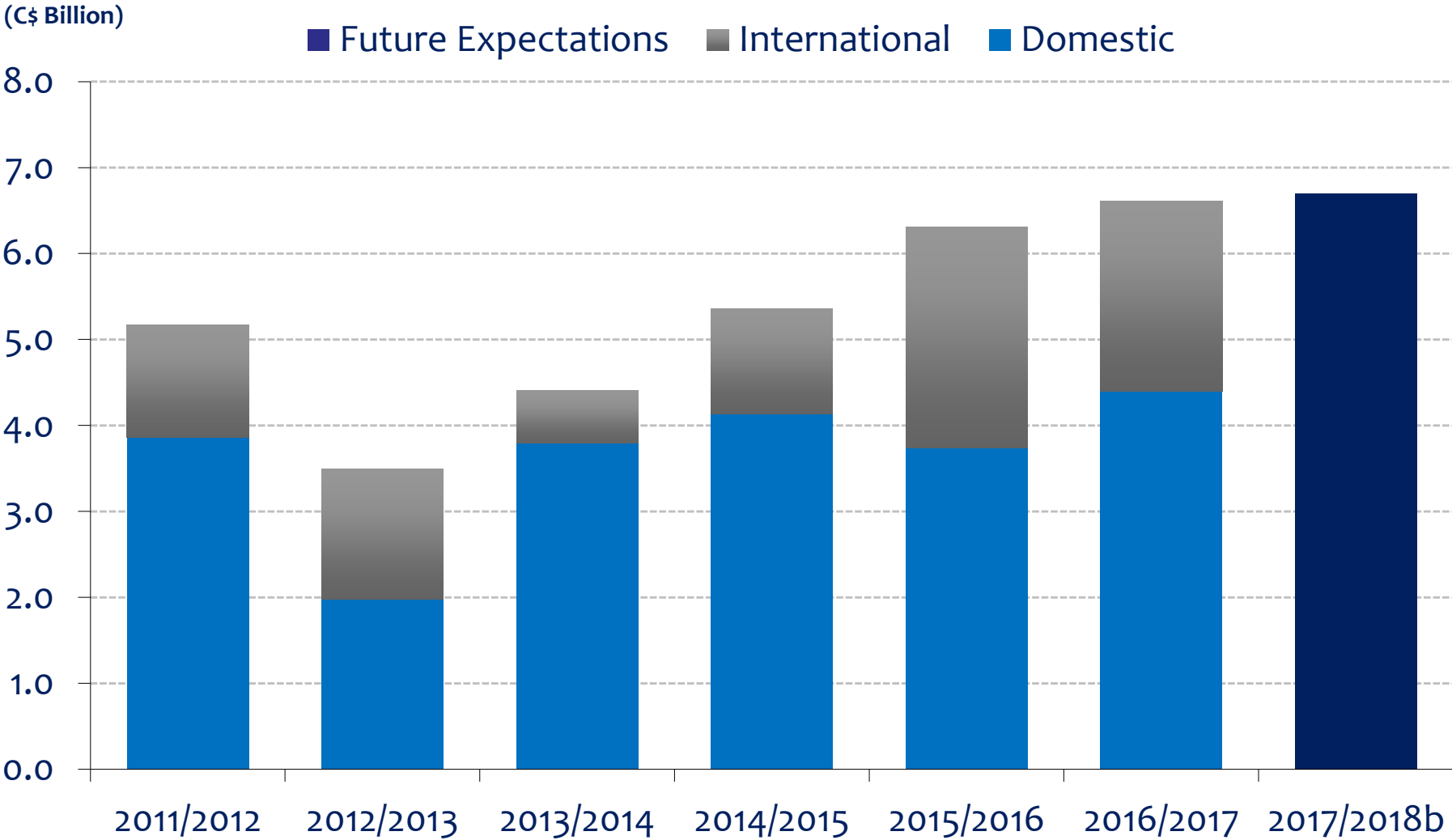
S&P Credit Ratings

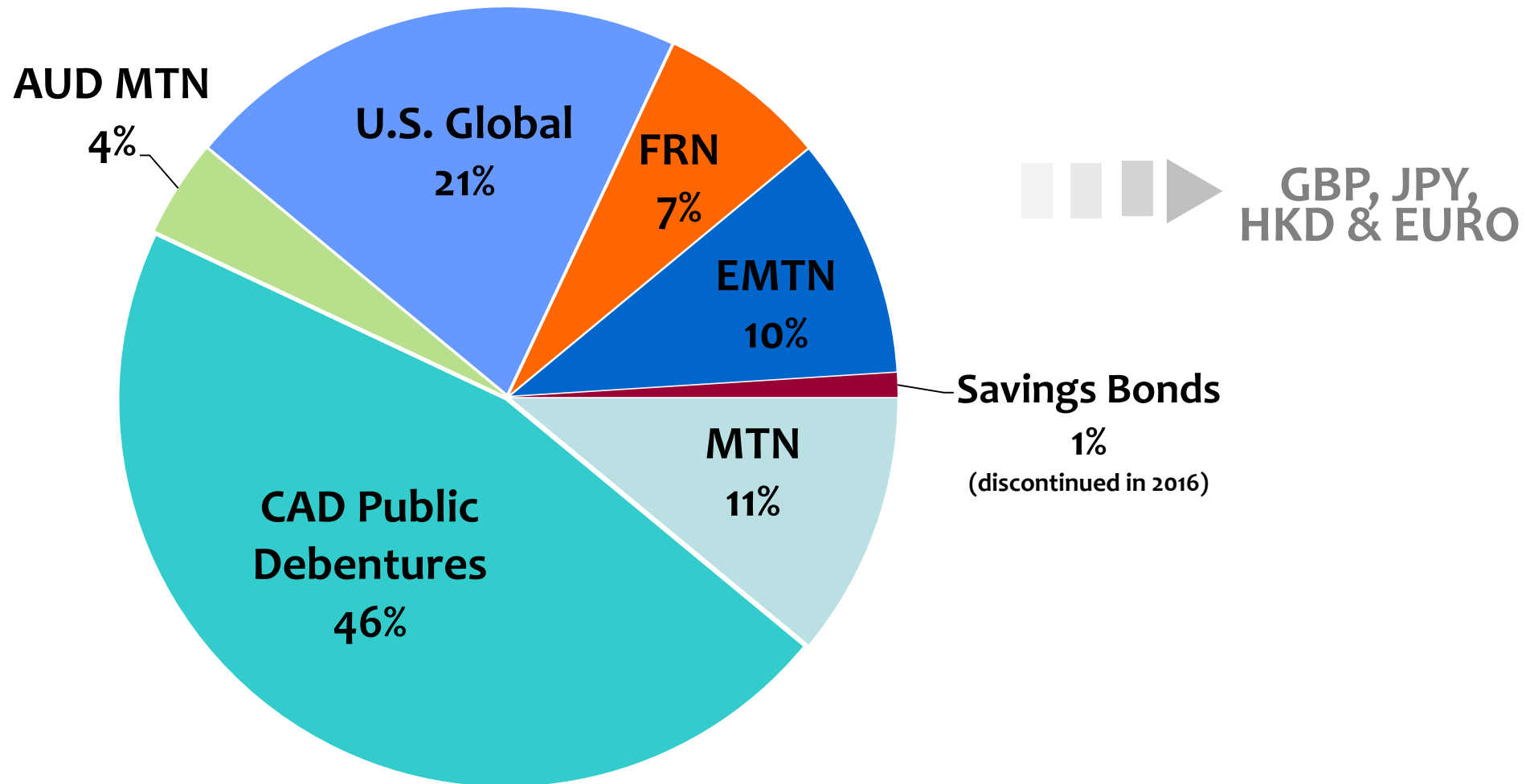


C\$6.7 billion

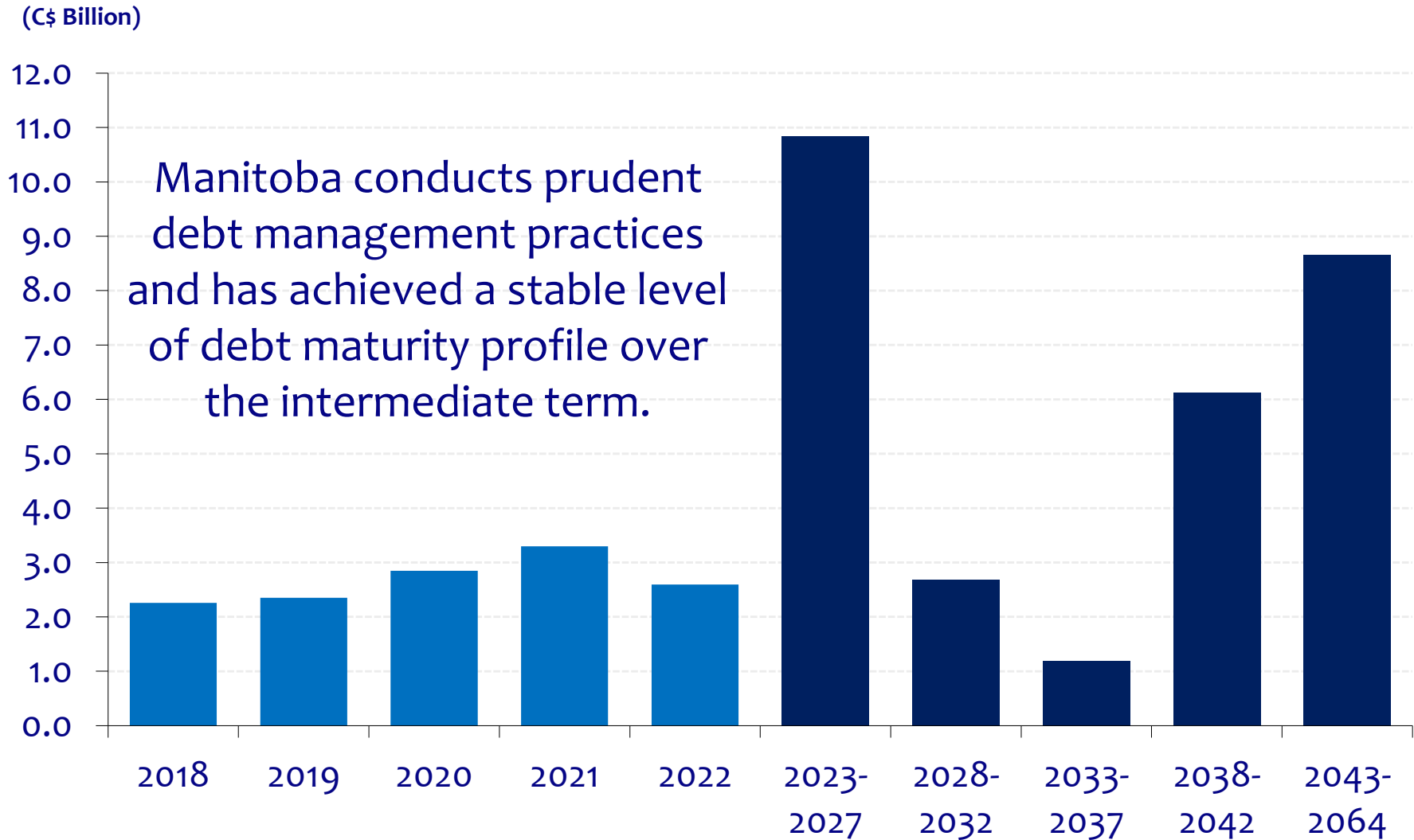


- Budget 2017 was tabled on April 11, 2017.
- Expected borrowing requirements for fiscal year 2017/18 are C\$6.7 billion.
- Planned funding through both domestic and international capital markets.
- To date, we have funded \$4.14 billion, 62% of our needs for fiscal 2017/2018.



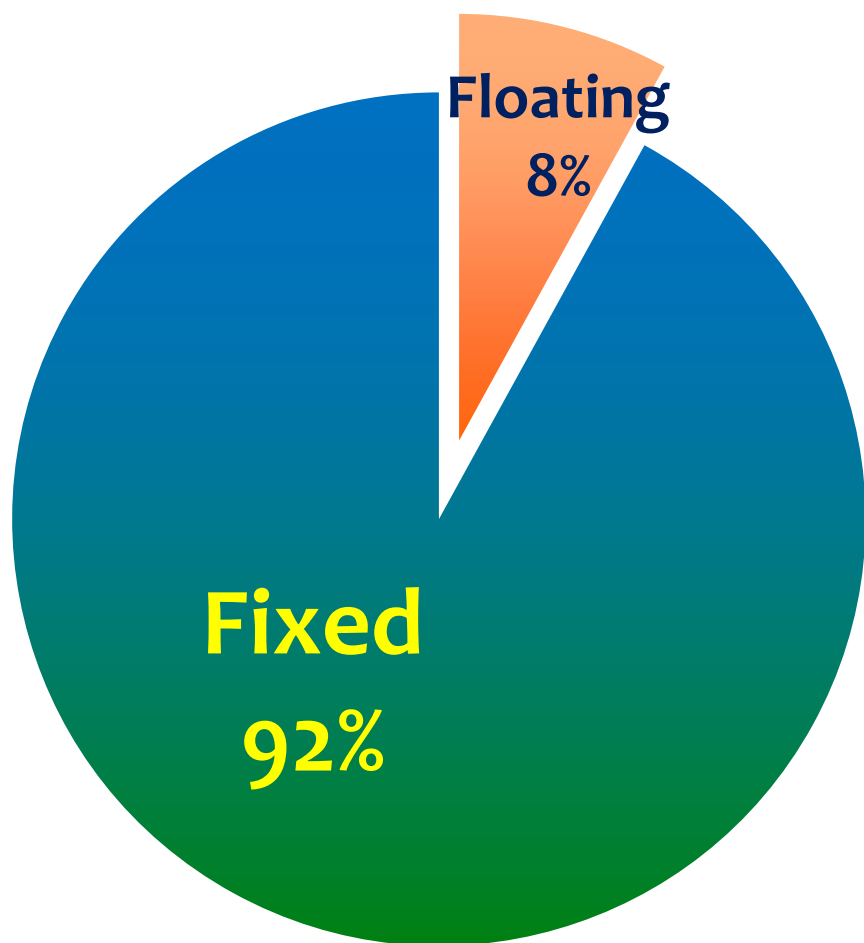


Debt Maturity Profile

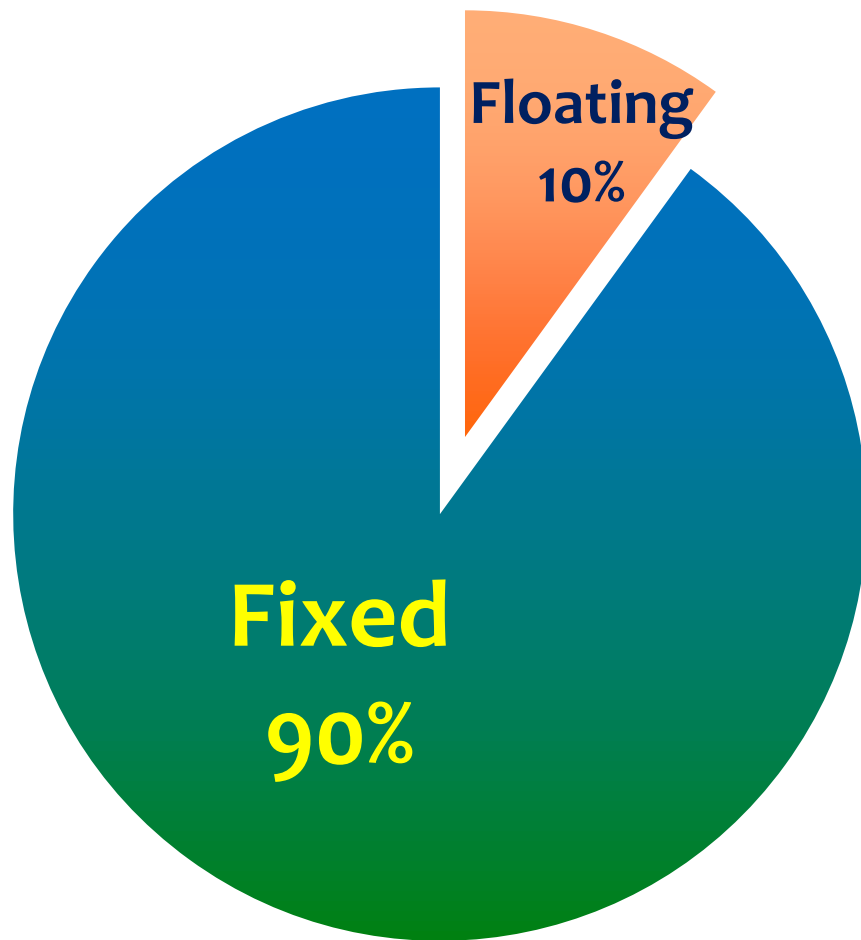


As of July 27, 2017. Excludes short-term debt and other liabilities, and the incremental impact of future financing. Net of sinking fund maturities.

March 31, 2016



March 31, 2017f



Thank you!

Regularly updated Economic and
Financial Reports are available on the
internet at:

www.gov.mb.ca/finance

