



# Economic and Fiscal Update



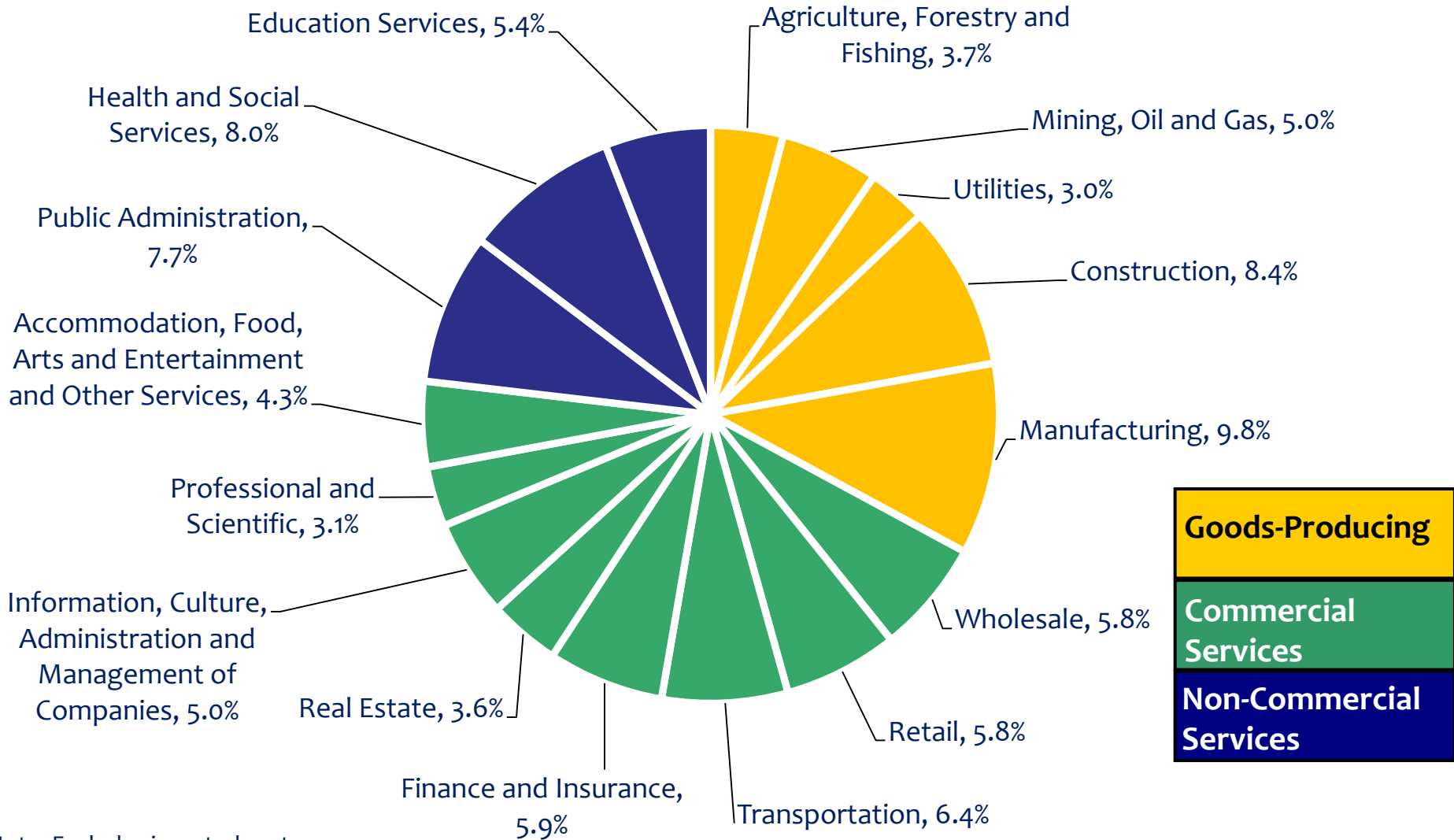
- One of ten Canadian provinces (fifth-largest in population)
- Centrally located in North America with a comprehensive transportation and communication network
- Total Area 650,000 km<sup>2</sup> (about 4.5 times the area of New York)
- Population: 1.32 million, the second-fastest growing province in 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: A+ (stable)



- 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



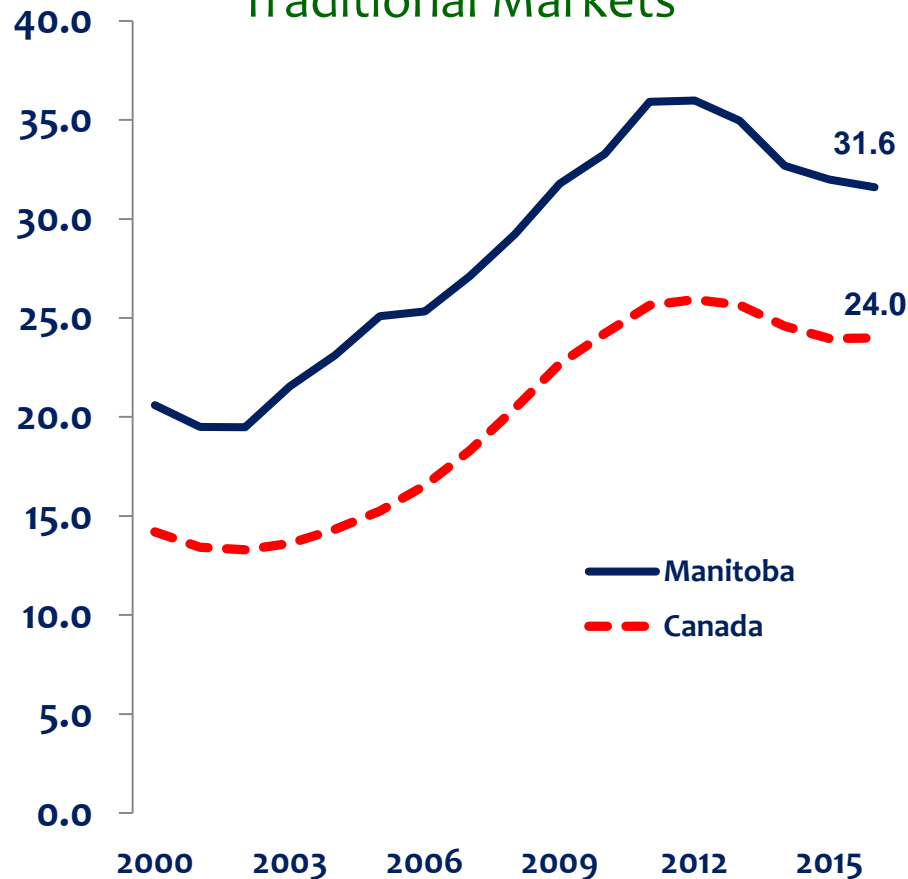
Goods-Producing
Commercial Services
Non-Commercial Services

Note: Excludes imputed rent



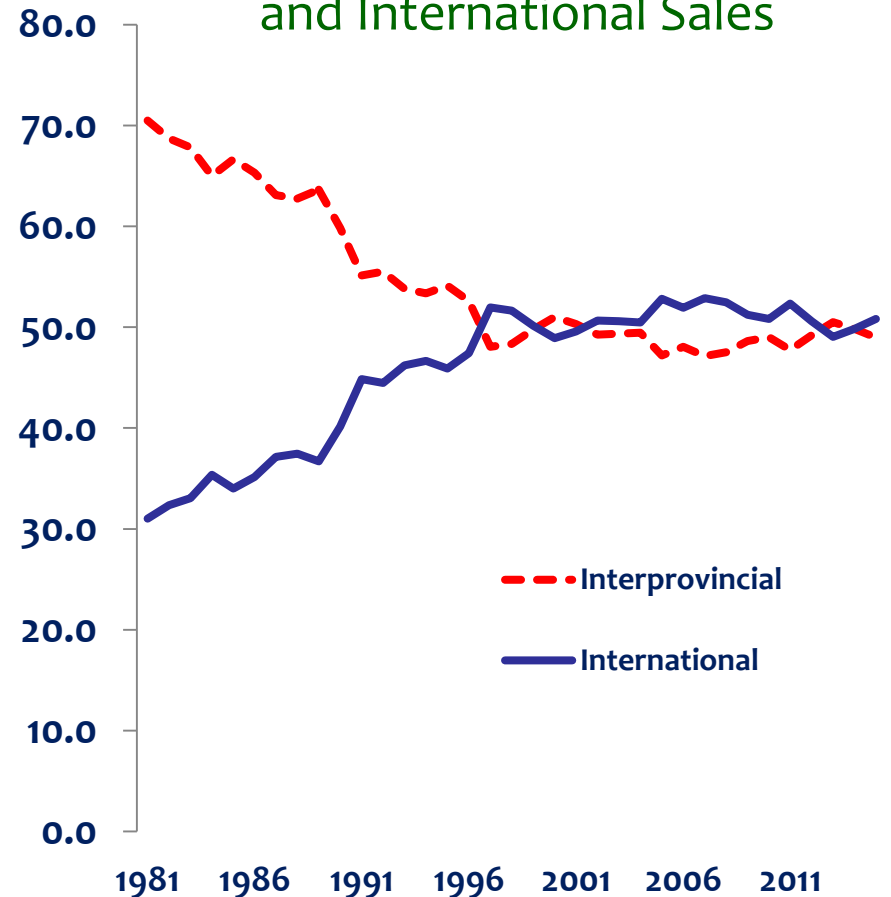
Share of Exports to Non-U.S. Markets, 2000 – 2016 (Per Cent)

Expanding into Non-Traditional Markets



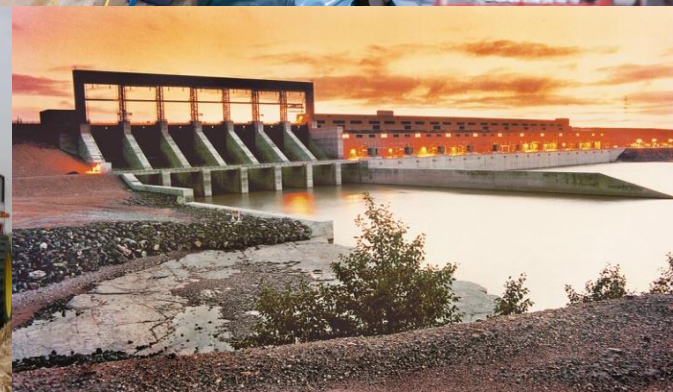
Manitoba's Share of Interprovincial and International Exports, 1981 – 2015 (Per Cent)

A Balance in Domestic and International Sales



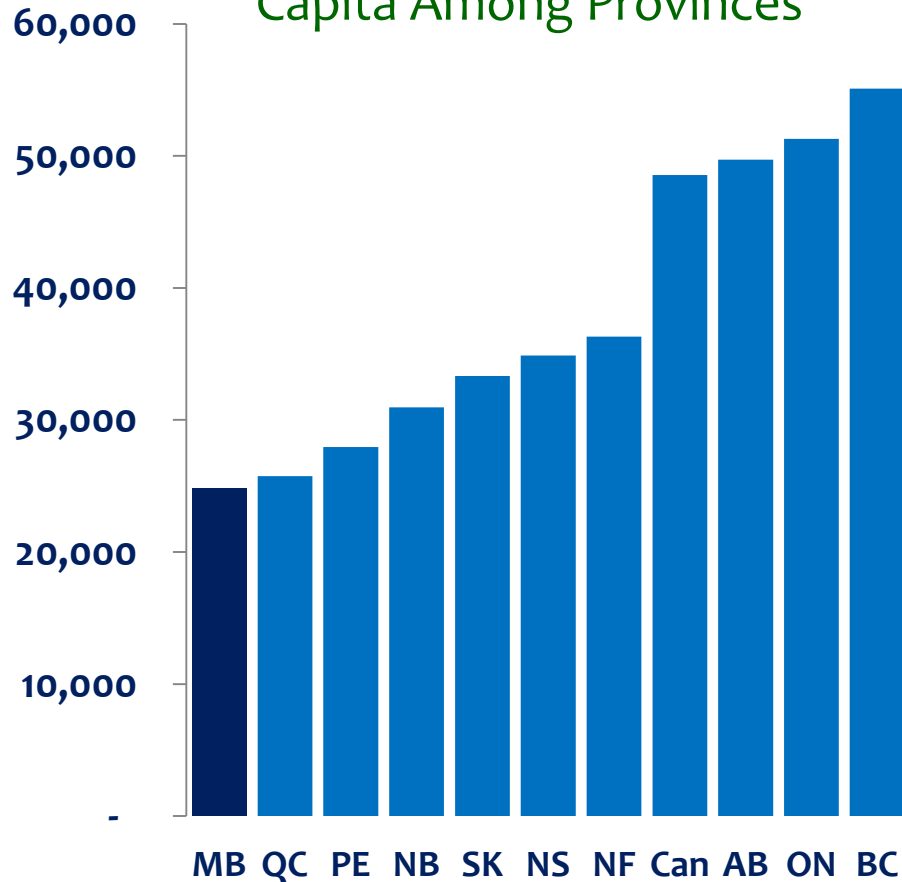
# Manitoba's Broad Export Base

- 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



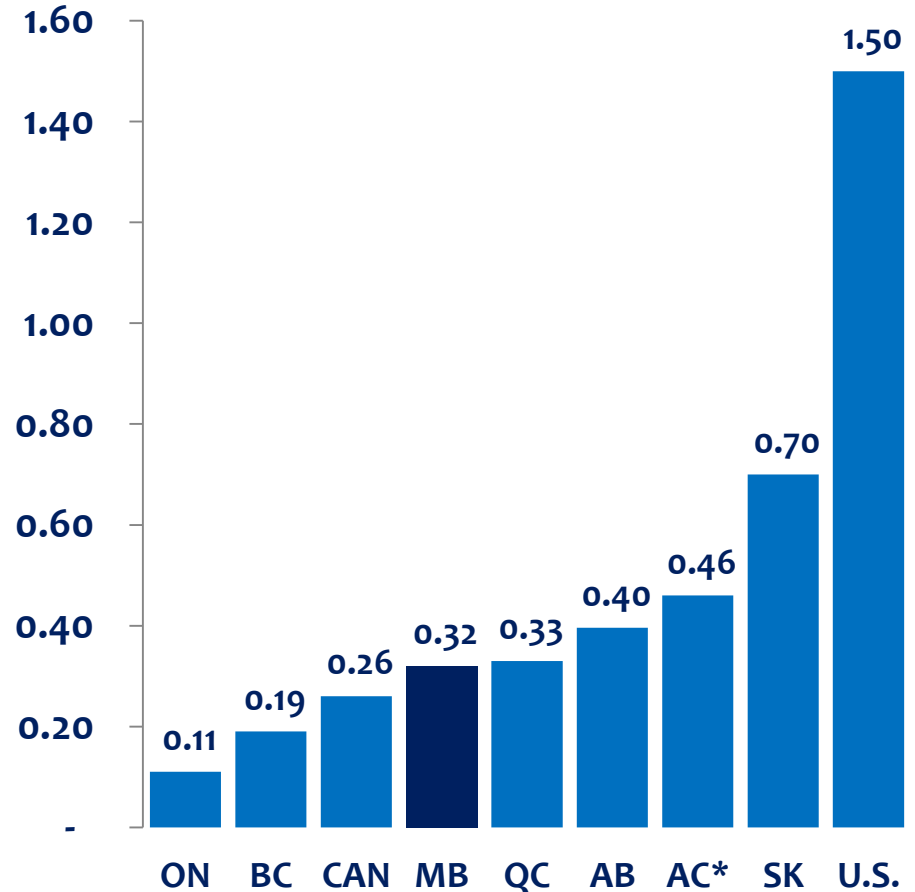
**Household Debt Per Capita, 2017 Year-To-Date**  
(In Dollars)

Lowest Household Debt per Capita Among Provinces



**Mortgage Arrears: Delinquency Rate (90+ days) 2017 Year-To-Date** (Per Cent)

Stable Mortgage Financing



\* – Atlantic Canada

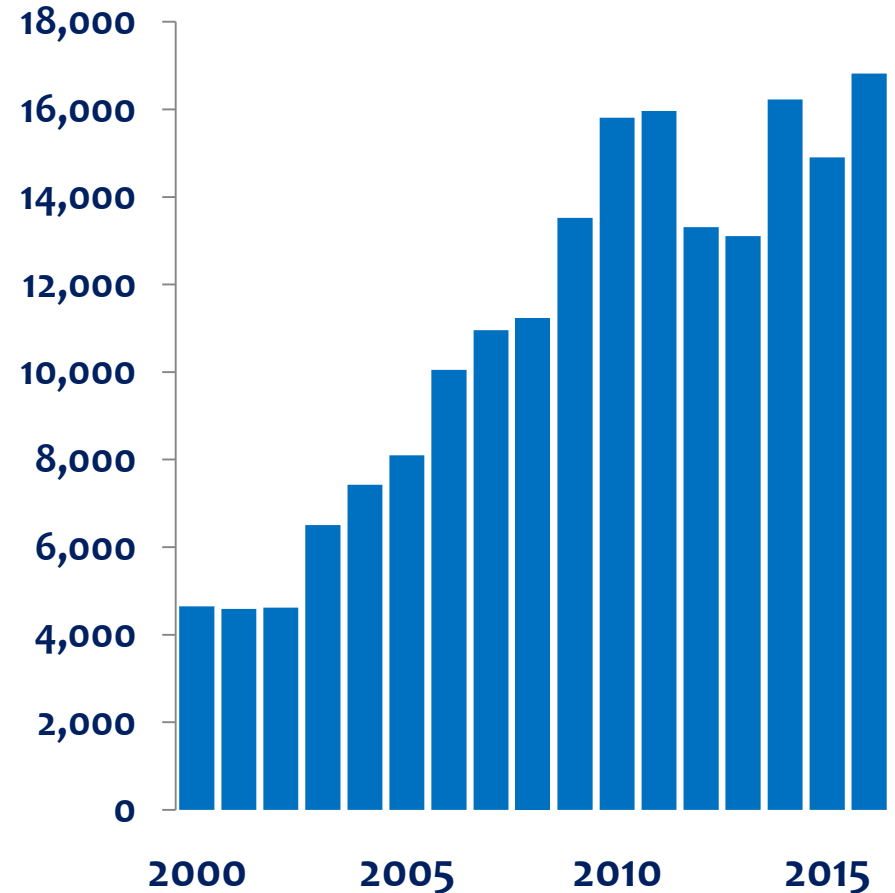
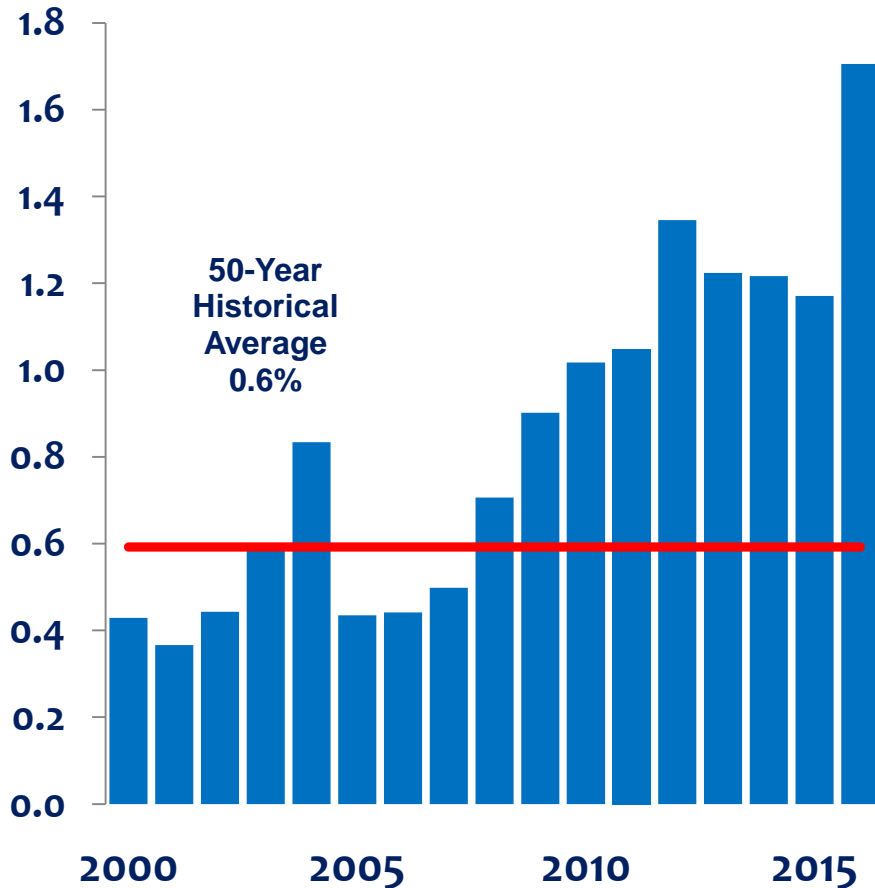
Sources: Bank of Canada, Canadian Bankers Association and Federal Reserve of New York

**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



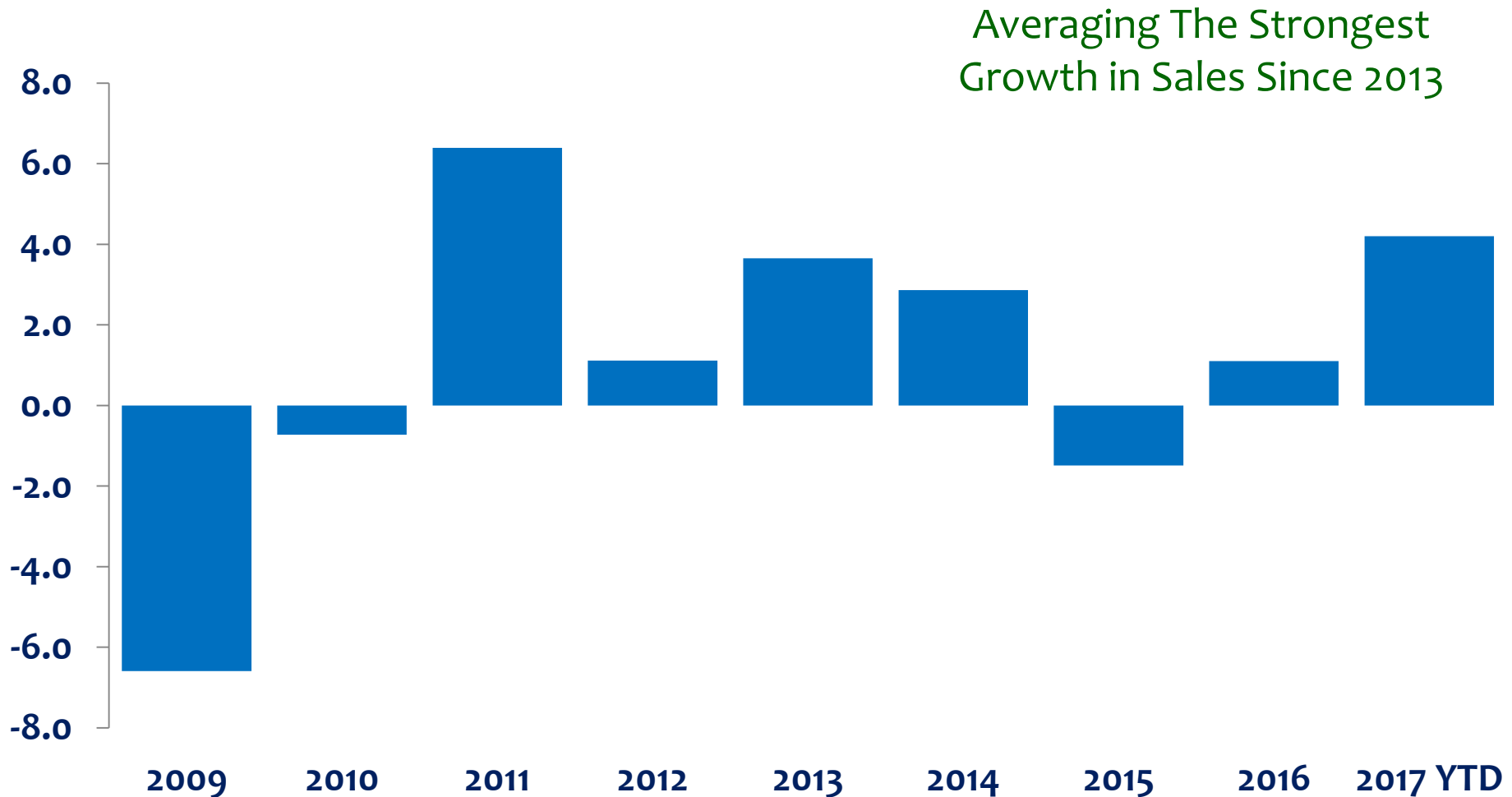


## Unemployment Rate, 2017 Year-To-Date (Per Cent)

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



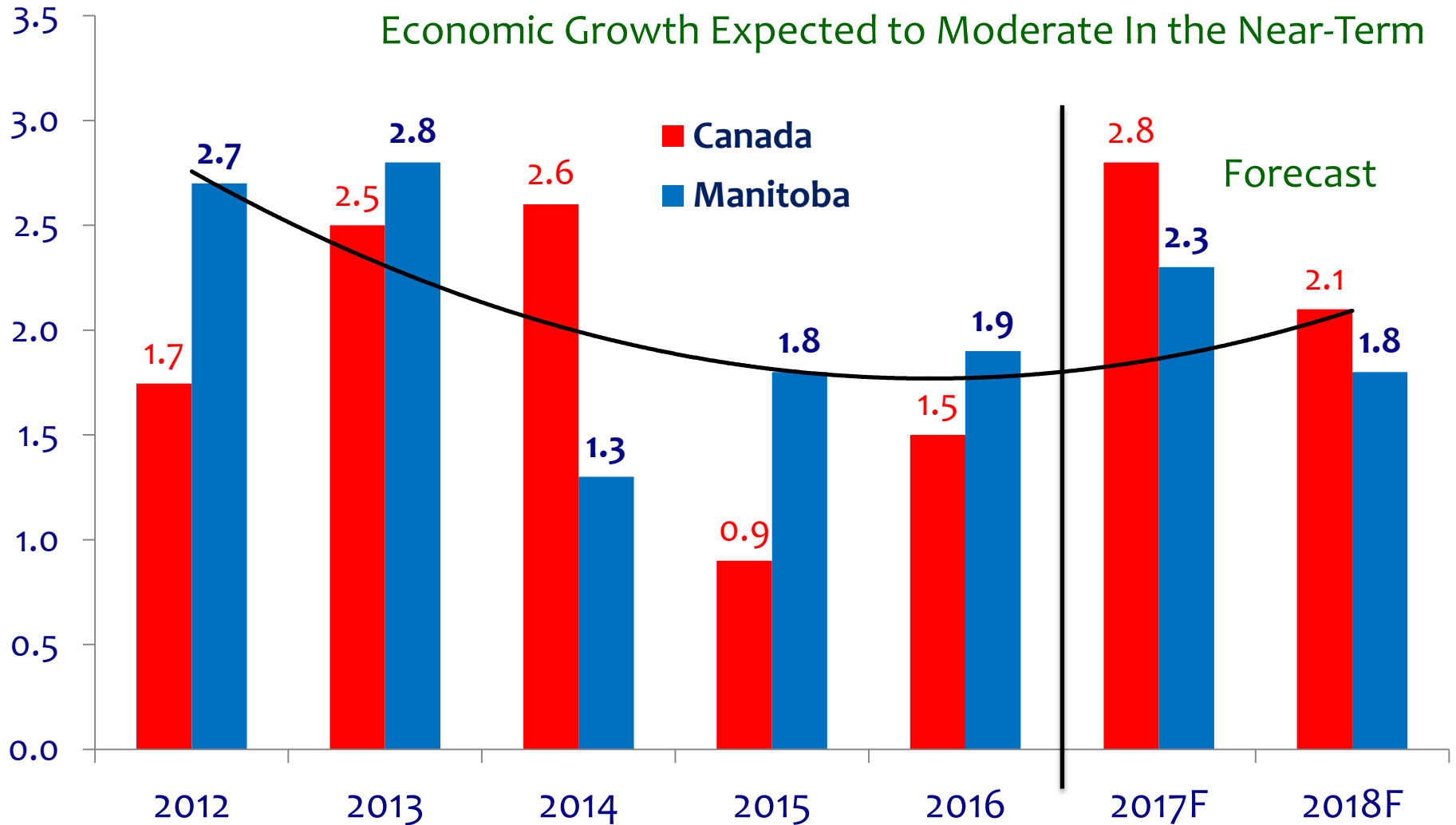
## Manufacturing Sales, 2009 – 2017 Year-to-Date (Annual Growth in Per Cent)



## Real GDP Growth, 2012 – 2018F

(Per Cent)

Economic Growth Expected to Moderate In the Near-Term



## Manitoba Finance Survey of Economic Forecasts (As at September 2017)

	2017f		2018f	
	Manitoba	Canada	Manitoba	Canada
Percent Growth Unless Noted				
Real GDP	2.3	2.8	1.8	2.1
Nominal GDP	4.6	5.5	3.6	4.1
Employment	1.4	1.6	0.8	1.0
Unemployment Rate (%)	5.4	6.5	5.4	6.3
Consumer Prices	1.7	1.8	2.1	2.0

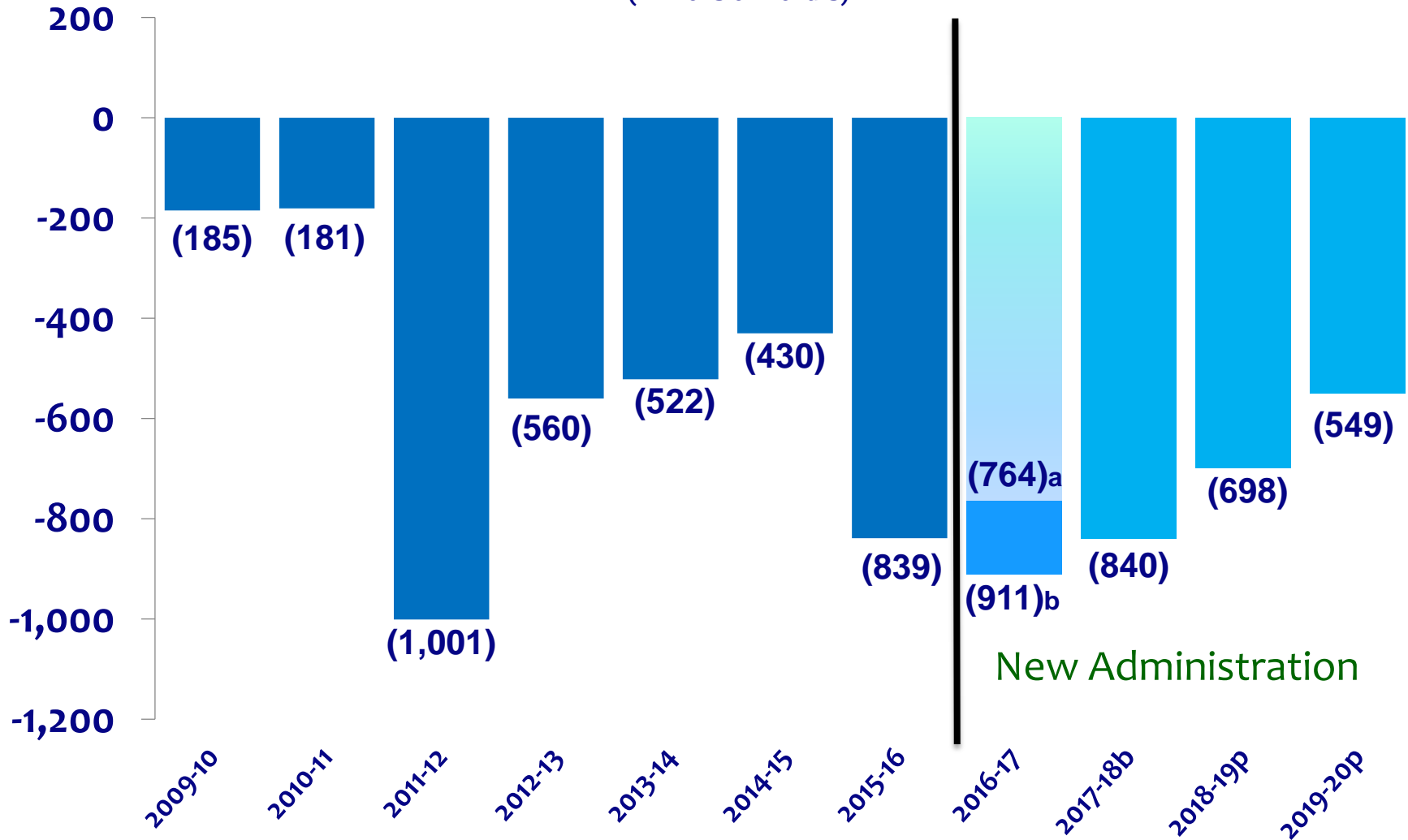
## Budget 2017: Responsible Recovery

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

## Foundation for Strong Fiscal Fundamentals

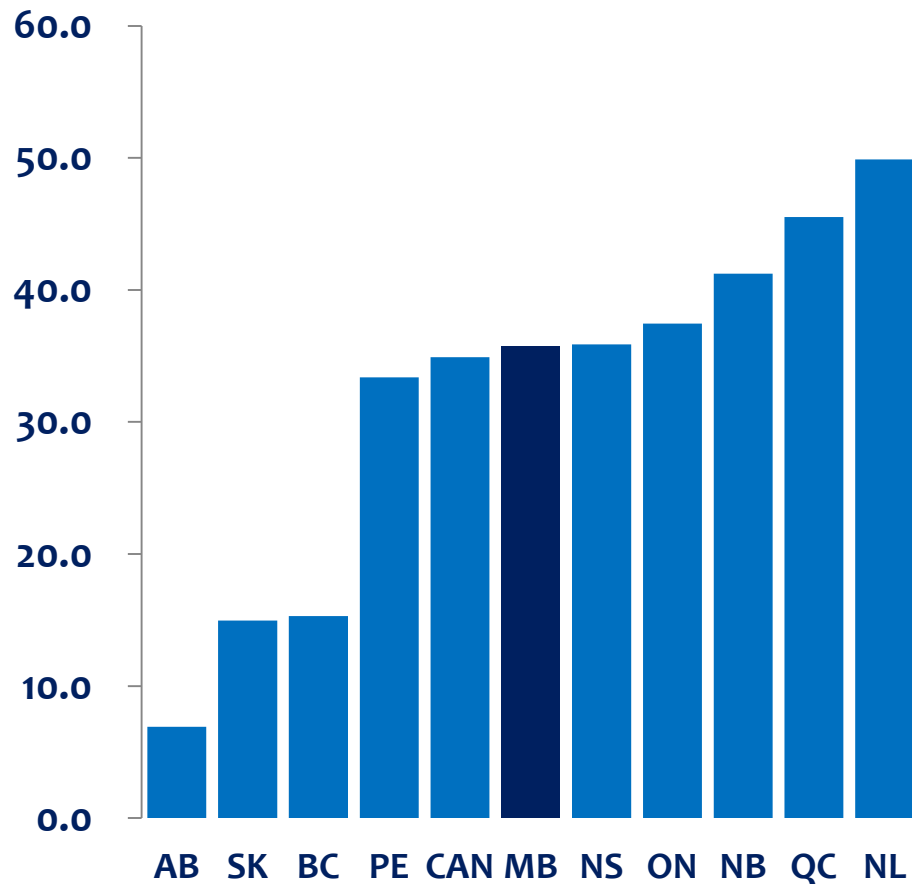
- Fiscal Performance Review of core government departments
- Review of all tax credits
- New legislation:
  - The Fiscal Responsibility and Taxpayer Protection Act
  - The Public Service Sustainability Act
  - The Health Sector Bargaining Unit Review Act
  - The Red Tape Reduction and Government Efficiency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

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



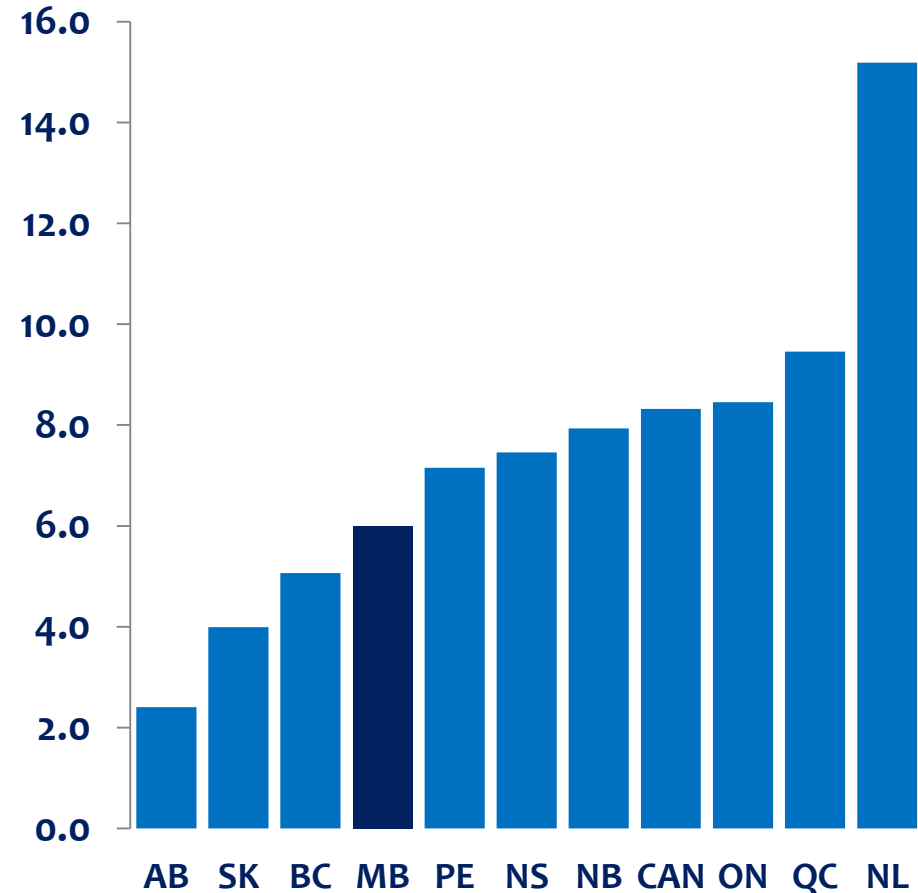
**Net Debt to GDP Ratio, 2017 - 2018B**  
(Per Cent)

Average Among Provincial Peers

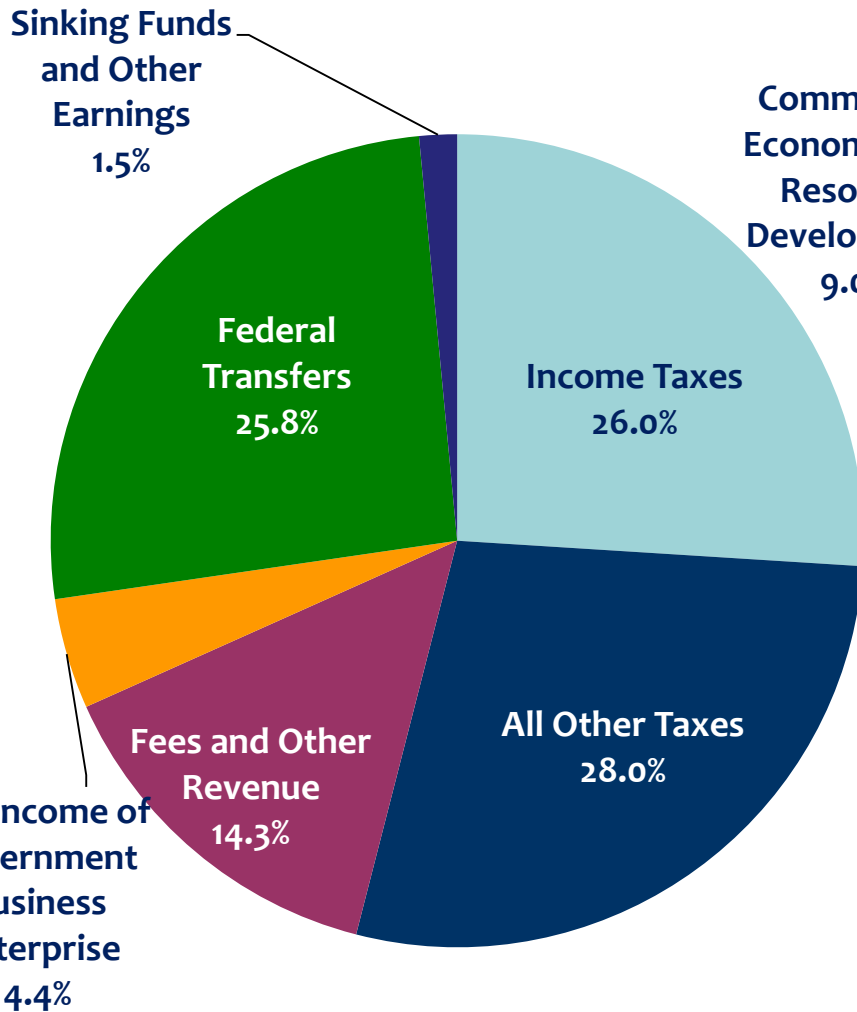


**Interest on Debt to Revenue, 2017 - 2018B**  
(Cent/Revenue)

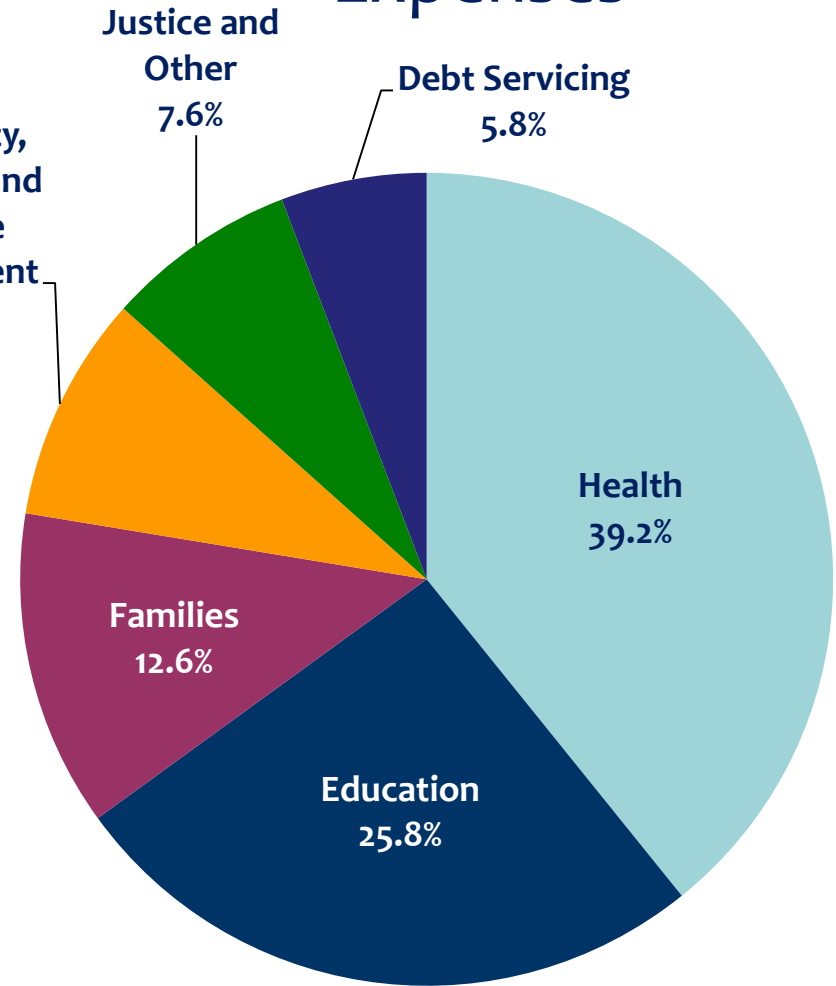
Below Average Among Provincial Peers



## Revenues

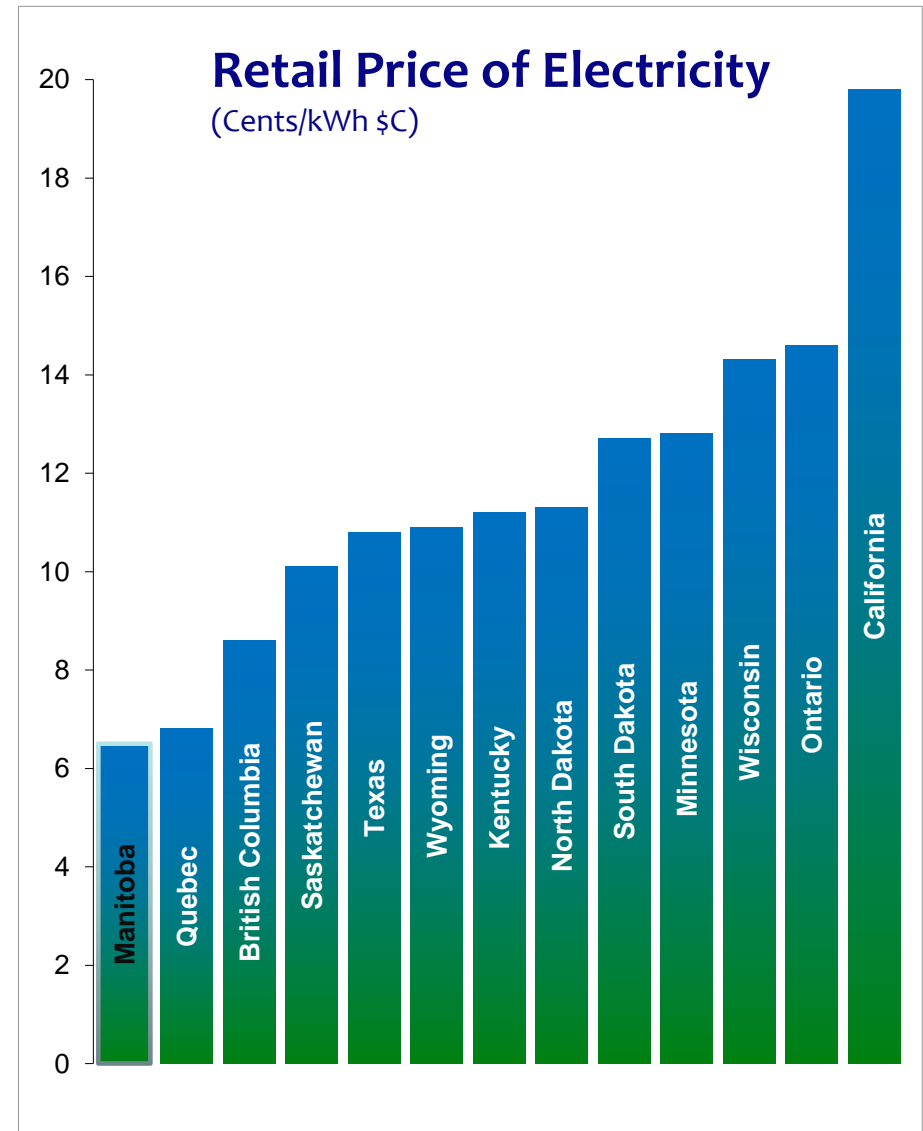


## Expenses





- 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:

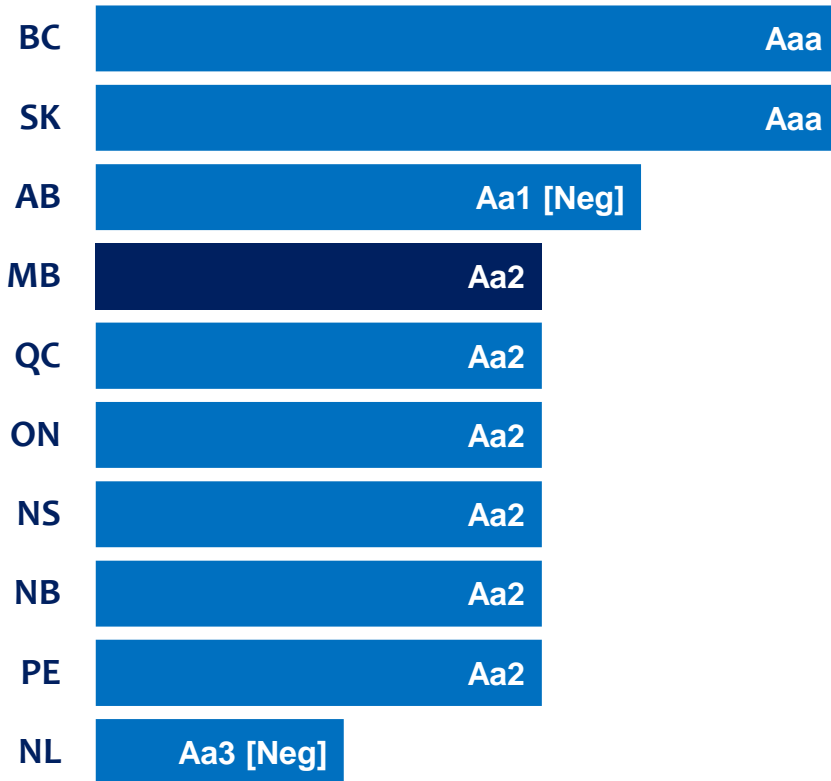
1,364 km

Anticipated Completion:  
2018/19

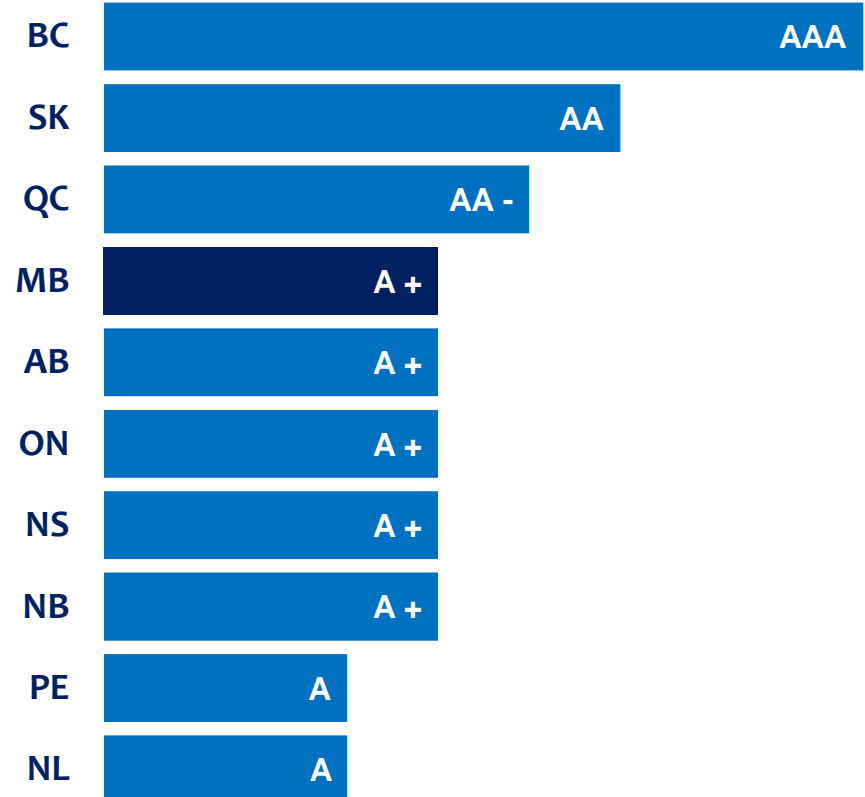
Anticipated Cost: \$5.0B

- 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.

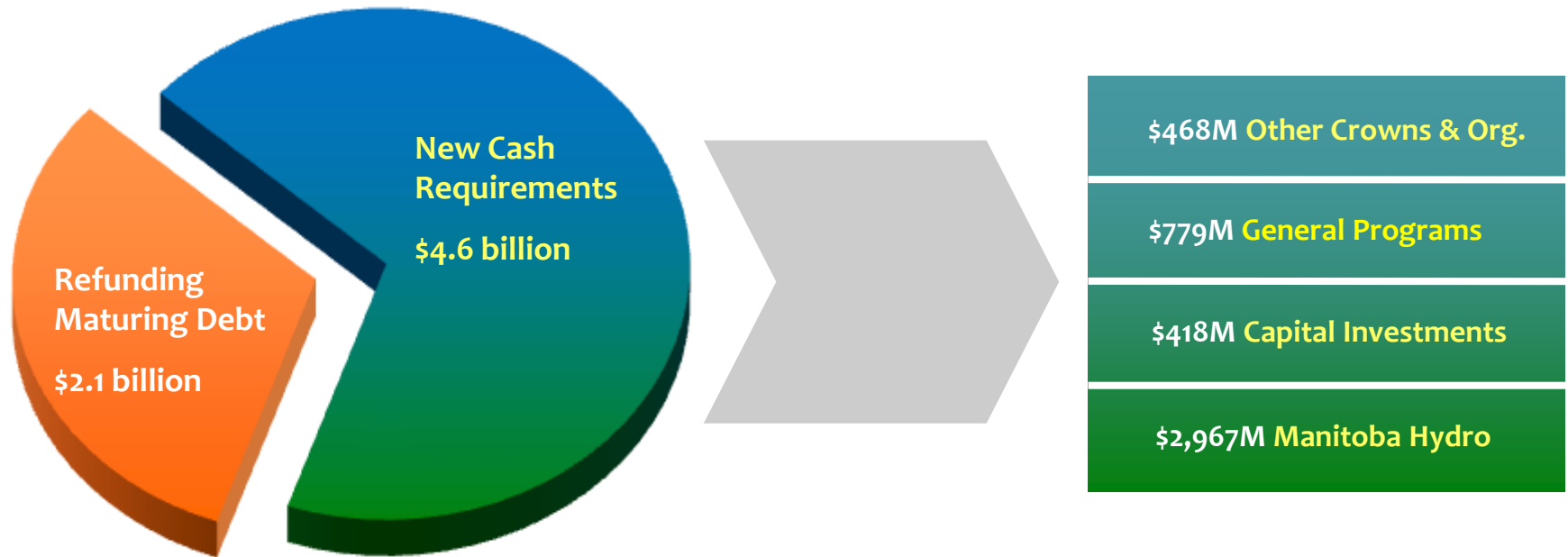
## Moody’s Credit Ratings



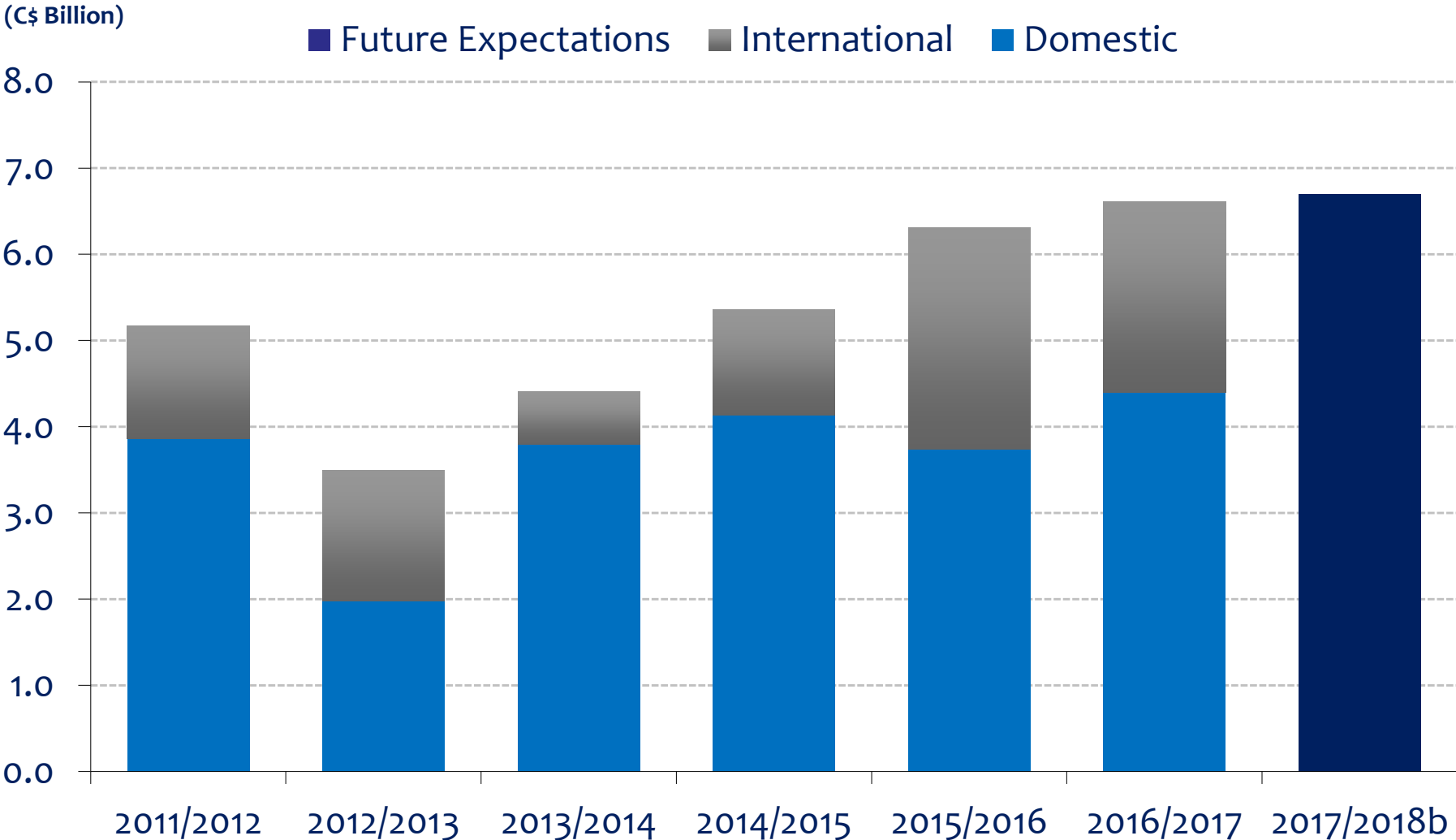
## S&P Credit Ratings

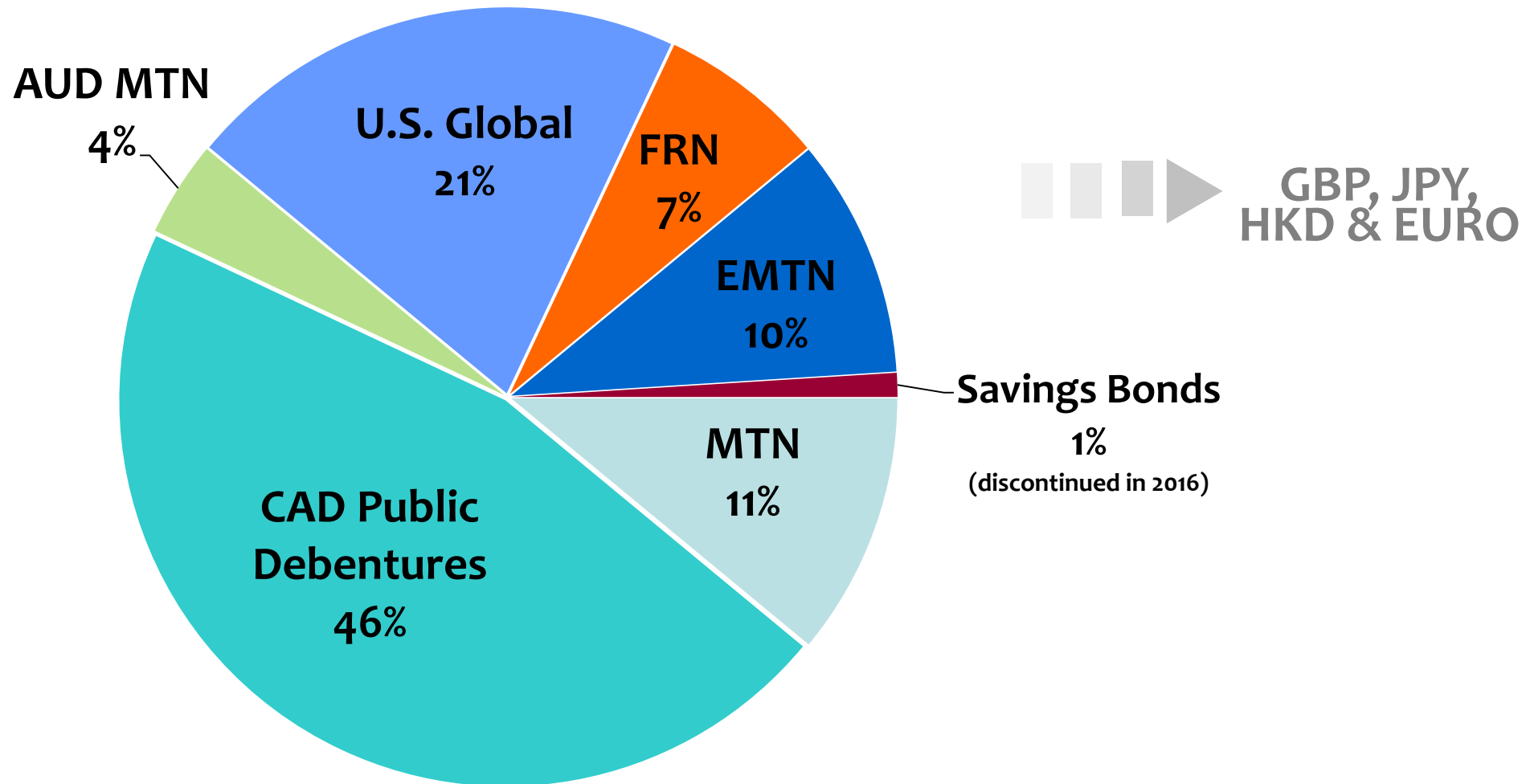


## C\$6.7 billion

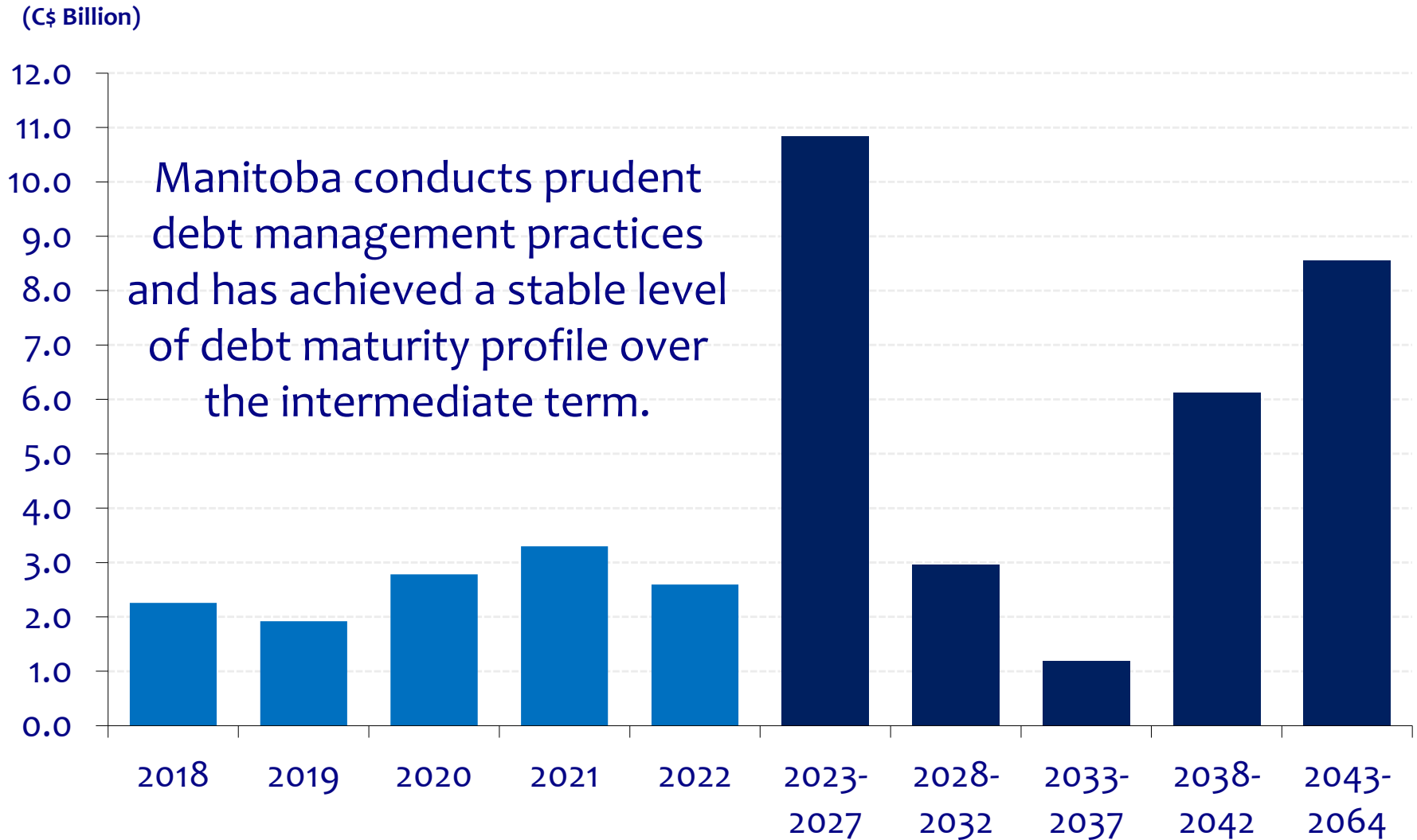


- Budget 2017 was tabled on April 11, 2017.
- Expected borrowing requirements for fiscal year 2017/18 are C\$6.7 billion.
- Planned funding through both domestic and international capital markets.
- To date, we have funded \$4.5 billion, 67% of our needs for fiscal 2017/2018.



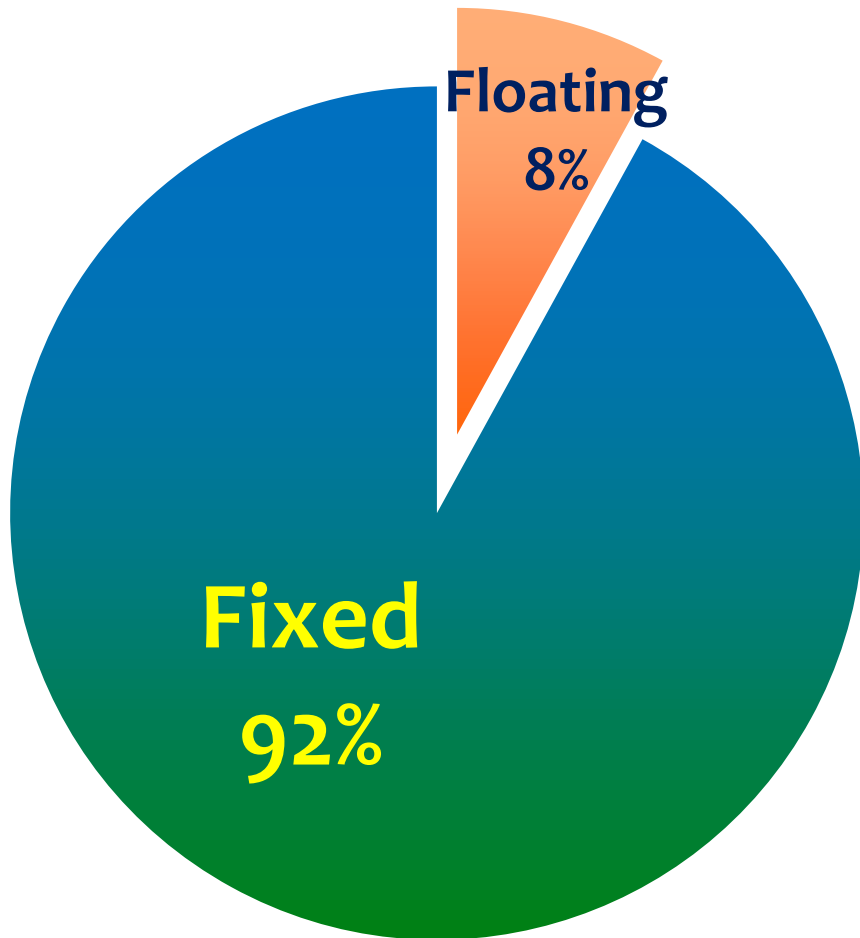


# Debt Maturity Profile

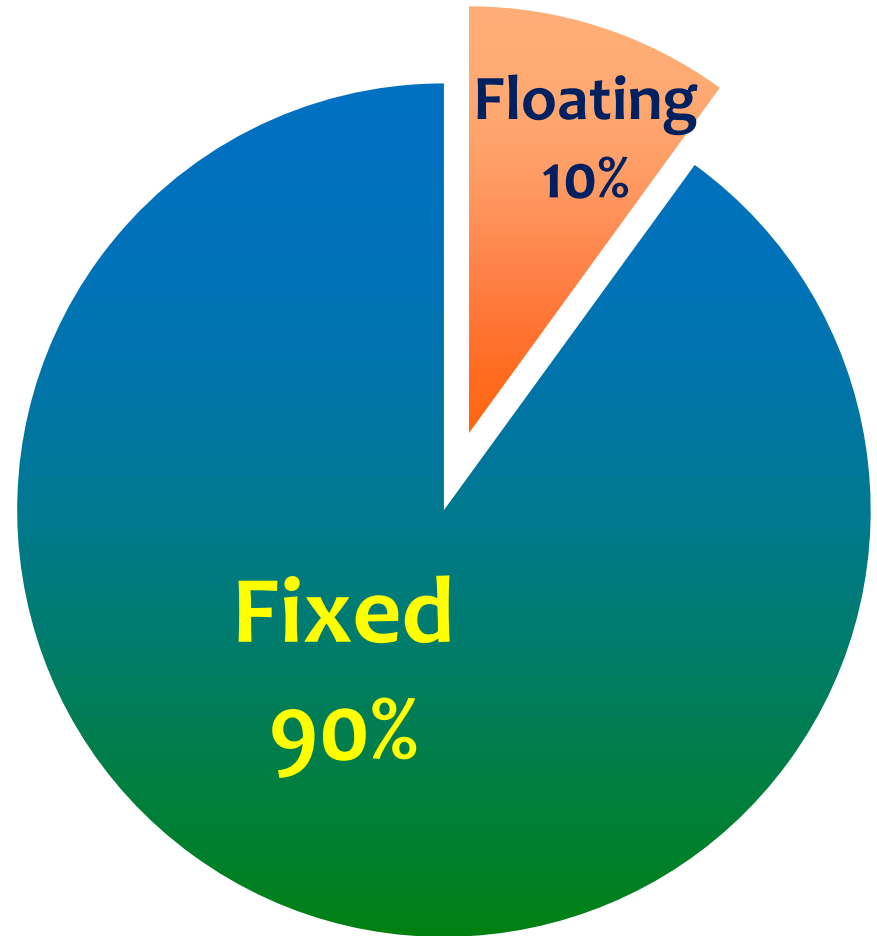


As of September 15, 2017. Excludes short-term debt and other liabilities, and the incremental impact of future financing. Net of sinking fund maturities.

## March 31, 2016



## March 31, 2017





# *Thank you!*

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Financial Reports are available on the  
internet at:

[www.gov.mb.ca/finance](http://www.gov.mb.ca/finance)

