



# Province of Manitoba

---

## Economic, Fiscal, and Borrowing Overview

Manitoba Finance

Toronto, Montreal, New York – April 2025

Manitoba.ca



# Budget 2025 Highlights



**BUILDING ONE  
MANITOBA**

- Rebuilding Health Care
- Lowering Costs for Manitobans
- Growing our Economy
- Healthier Families and Safer Communities
- A Government that Works for You
- Protecting Manitobans from Tariffs

# Budget 2025 - Building One Manitoba

- **Rebuilding Health Care**

- New funding to recruit and retain front line workers
- Building new personal care homes, ER's and new Health Care Centre of Excellence

- **Lowering Costs for Manitobans**

- Permanent gas tax relief with a 10% reduction and continuing the EV rebate program
- Expanding \$10-a-day childcare to include non-school days plus \$30 million in permanent funding for the Universal School Food Program

- **Growing our Economy**

- **Port of Churchill** investment and strengthening rail lines to the North; building a **new Gold Mine** in the north
- Investments to upgrade Hydro infrastructure and new generation of **wind power** in partnership with Indigenous Nations

- **Healthier Families and Safer Communities**

- Investment in more housing units and public safety initiatives
- Building 11 new schools over the next three years

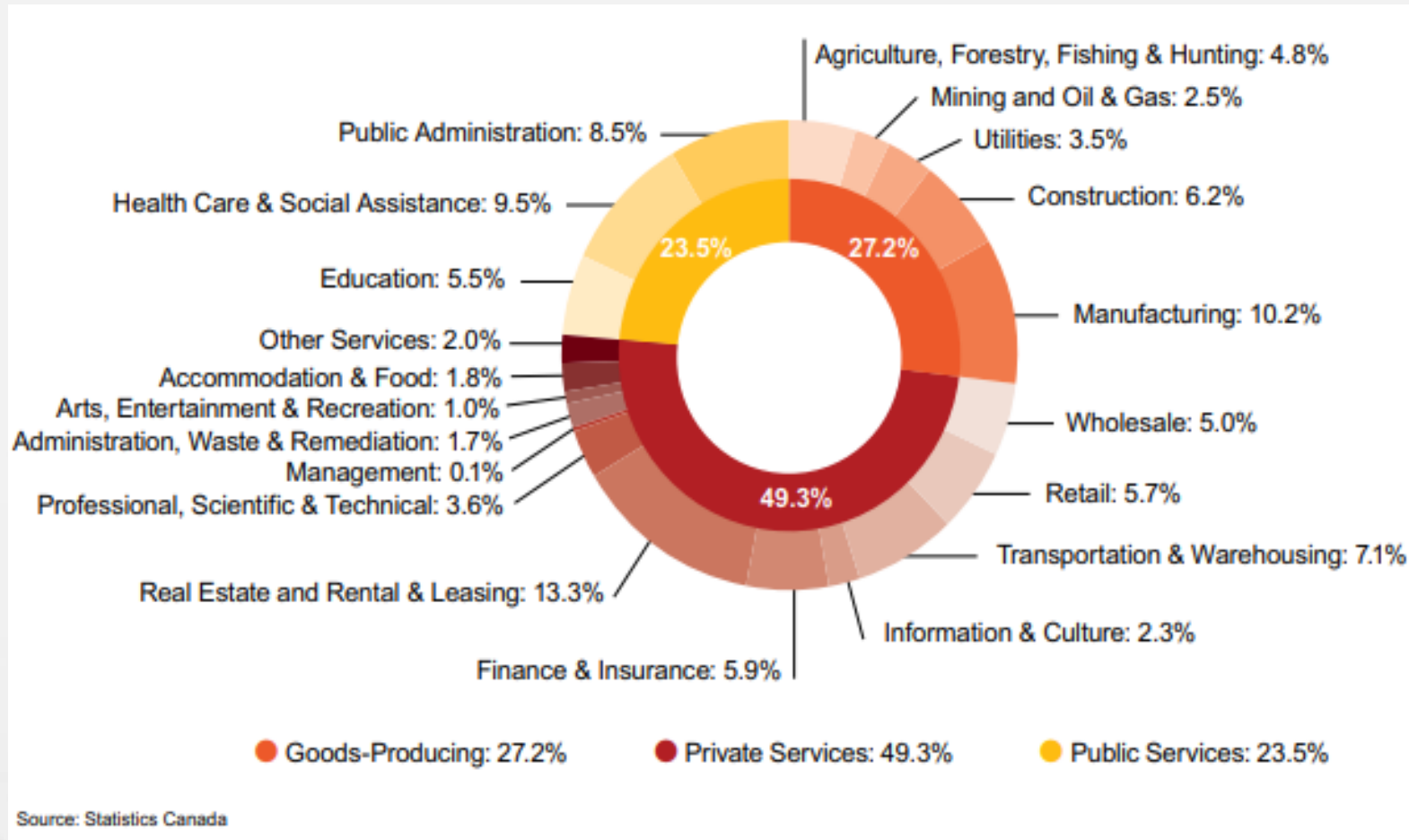
- **Protecting Manitobans from Tariffs**

- Tax deferrals for businesses plus targeted support to help businesses pivot to new markets
- New funding to post-secondary institutions to support retraining for Manitoba workers



# Diversified Economy

Composition of Manitoba's Real GDP, 2023

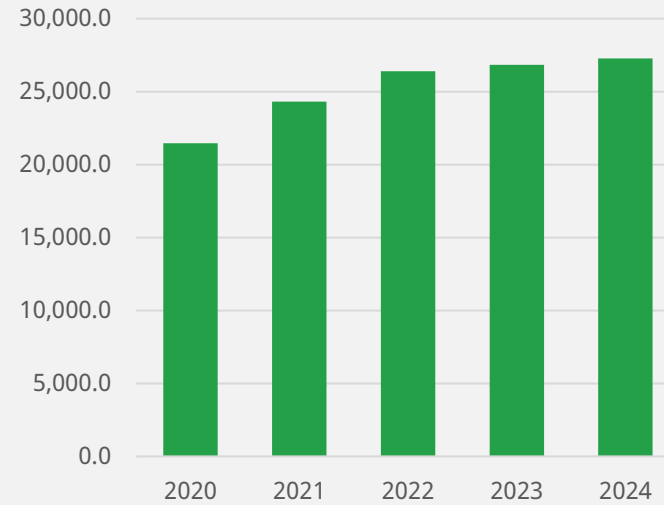


- Broad economic base and a balance mix of sectors play a significant role in driving the province's economic performance.
- Manitoba has one of the most diversified economies in Canada, which helps cushion it from sector specific downturns.
- Strong manufacturing base, particularly in food processing, transportation equipment and machinery.
- Agriculture is a significant part of the economy. Manitoba is a leading producer of crops like canola, wheat, and soybeans, with strong livestock and food processing industries.

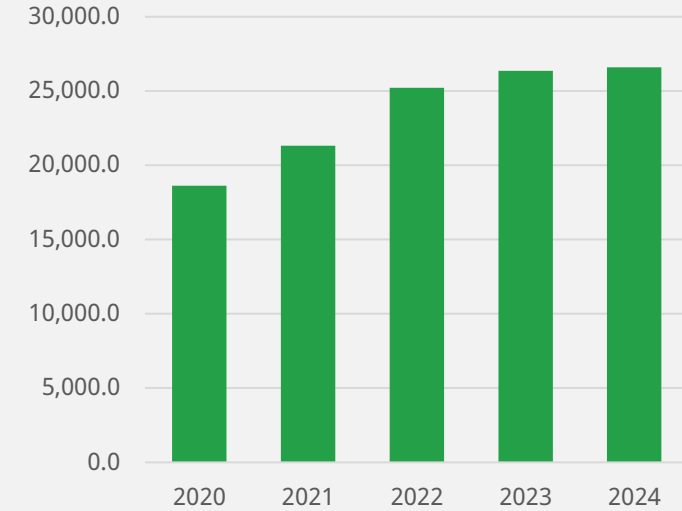
# Manitoba's Economic Performance in 2024

- Retail and manufacturing sales remain steady at record levels, following a surge in the previous two years
- Farm cash receipts, while still at elevated levels, experienced a decrease in 2024 driven by lower prices for canola and wheat
- Manitoba exported about \$21 billion worth of goods in 2024. Exports to United States and China, Manitoba's two largest trading partners, decreased while exports to Japan, third largest trading partner, increased.

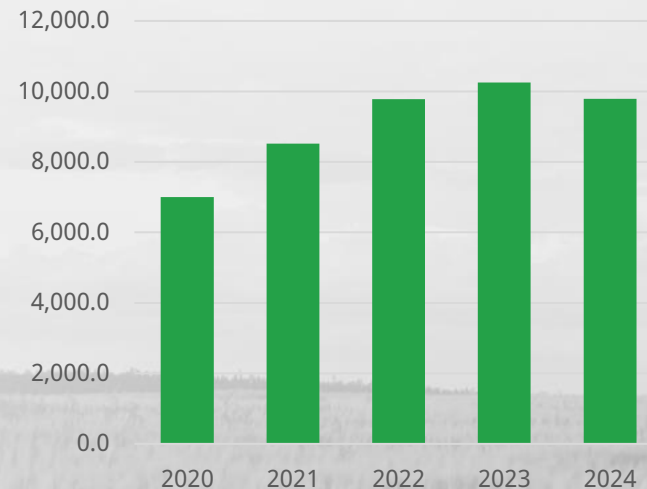
Retail Sales (\$B)



Manufacturing Sales (\$B)



Farm Cash Receipts (\$B)



Exports (\$B)



# Economic Outlook

	2025F	2026F
Gross Domestic Product		
Real	1.7	1.7
Nominal	3.6	3.4
Consumer Price Index	2.0	1.9
Employment	1.7	1.2
Unemployment Rate (%)	5.8	5.5
Population	1.3	1.2

per cent change unless otherwise noted

Source: Manitoba Finance Survey of Economic Forecasts

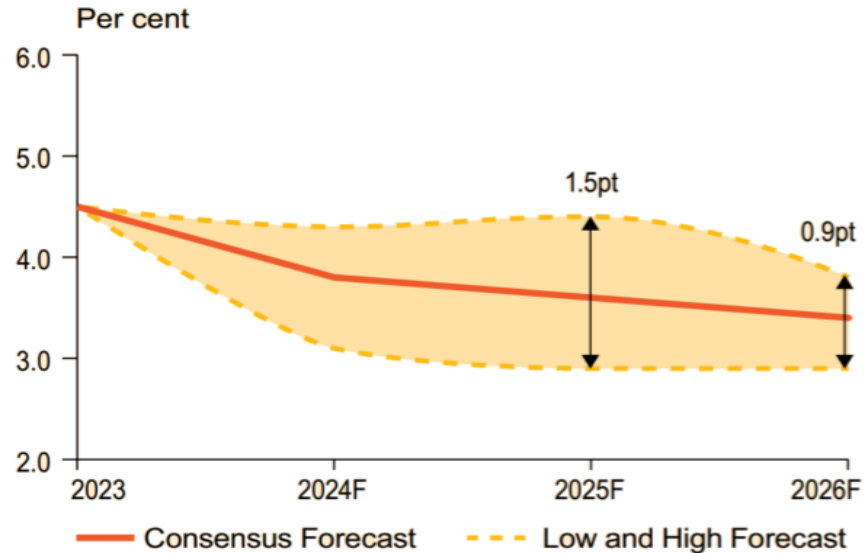
Updated: January 20, 2025

F – forecast

- Private Sector forecasts **real GDP** to expand by 1.7% in 2025 and 2026, an increase from 1.1% in 2024.
- **Nominal GDP** is projected to grow 3.6% in 2025 and 3.4% in 2026, following an increase of 3.8% in 2024.
- **Consumer Price Index** is expected to rise by 2.0% in 2025 and 1.9% in 2026, following an increase in 2024 of .
- **Unemployment rate** expected to increase slightly in 2025 to 5.8% and declining to 5.5% in 2026.
- Economic **outlook** is contingent on the evolution of tariffs.

# Economic Uncertainty

**Range of Nominal GDP Growth Forecasts, 2023-2026, Manitoba**



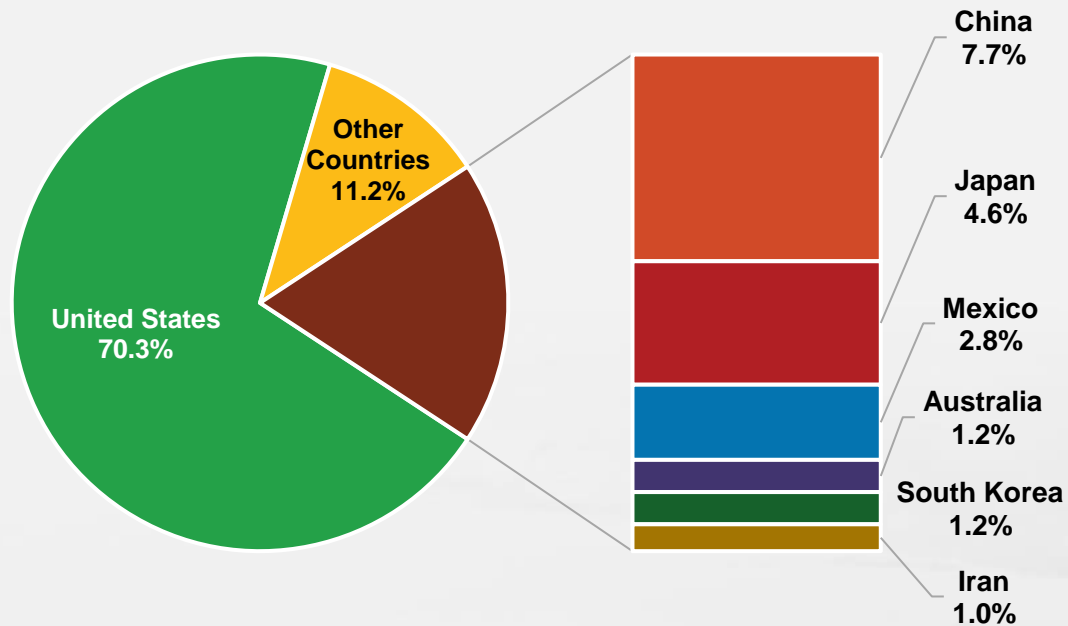
Source: Manitoba Finance Survey of Economic Forecasts  
F – Forecast

- Economic outlook is based on a **consensus forecast** from private-sector economists.
- Manitoba, like the rest of the world, continues to face **elevated uncertainty** related to many external factors.
- A **range of GDP growth** forecast arise from uncertainty driven mainly by the U.S - Canada -China Trade relations.
- Other factors that give rise to uncertainty includes the **inflation outlook, supply chain disruptions, and geopolitical tensions** .
- Manitoba Bureau of Statistics estimates that the tariffs imposed by the US on Canada, along with Canada's retaliatory tariffs on \$59.8 billion worth of selected products will have the following impact on Manitoba's economy in the first year:
  - a 10.8% drop in international trade,
  - ~ 9,000 jobs impacted (potentially lost or displaced), and
  - a real GDP decrease of 1.6%.

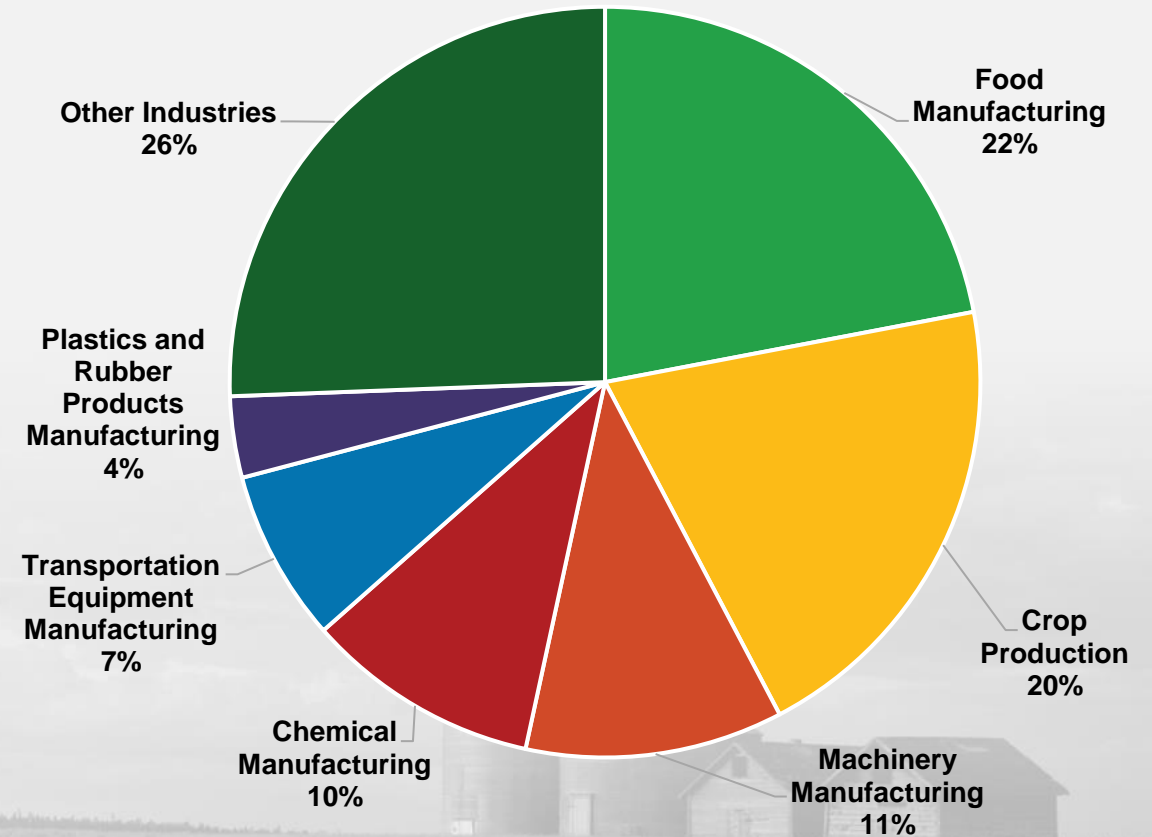
2025F	Base case Real GDP	Latest GDP Forecast Growth	Tariff Impact
BoC Scenario 2 forecast for Canada	1.8%	0.8%	1.0%
MBS, using the AoF as baseline forecast for MB	1.7%	0.5%	1.2%

# Trade - Exports

Manitoba domestic exports by selected countries, share (%)



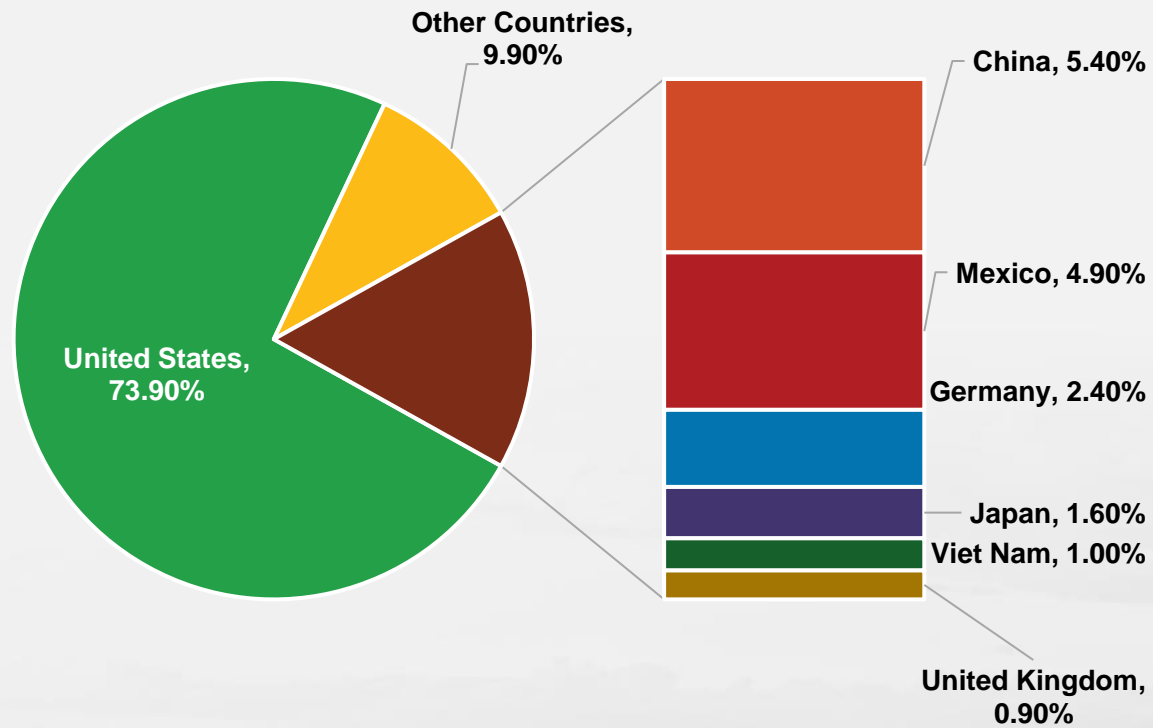
Manitoba domestic exports by industry, share (%)



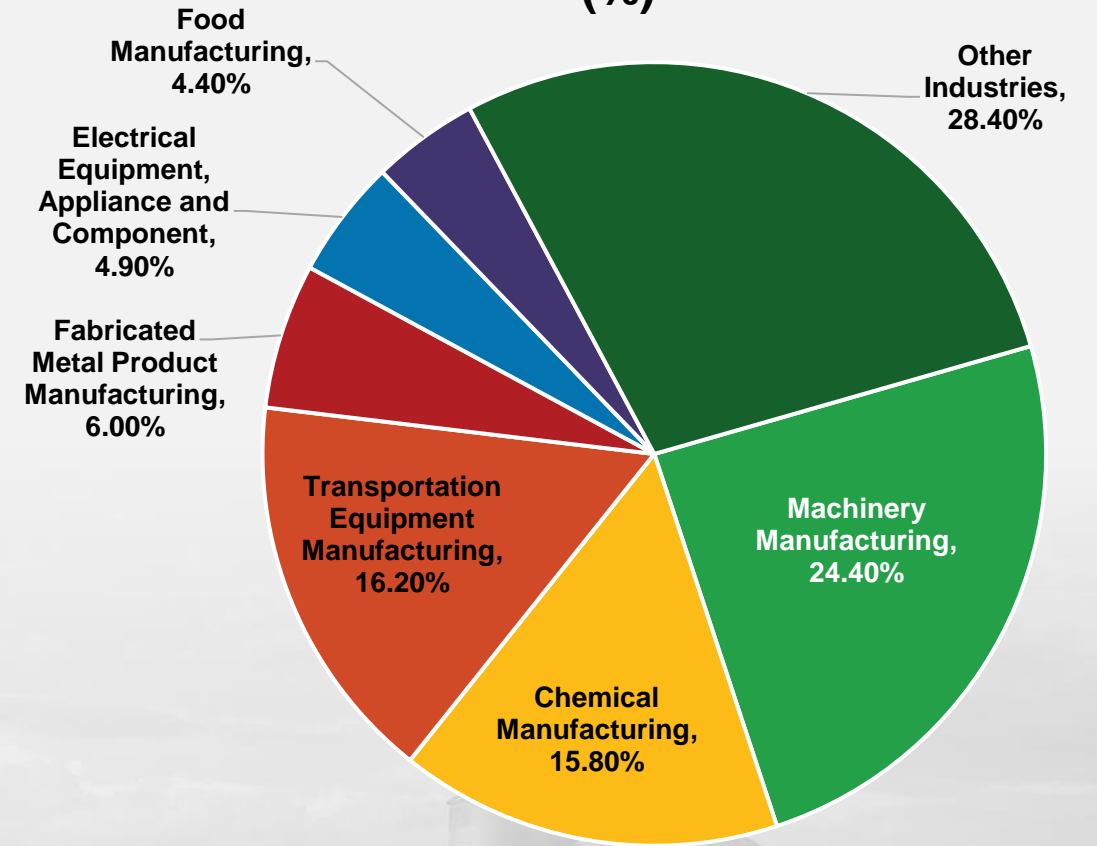


# Trade - Imports

Manitoba imports by selected country, share (%)



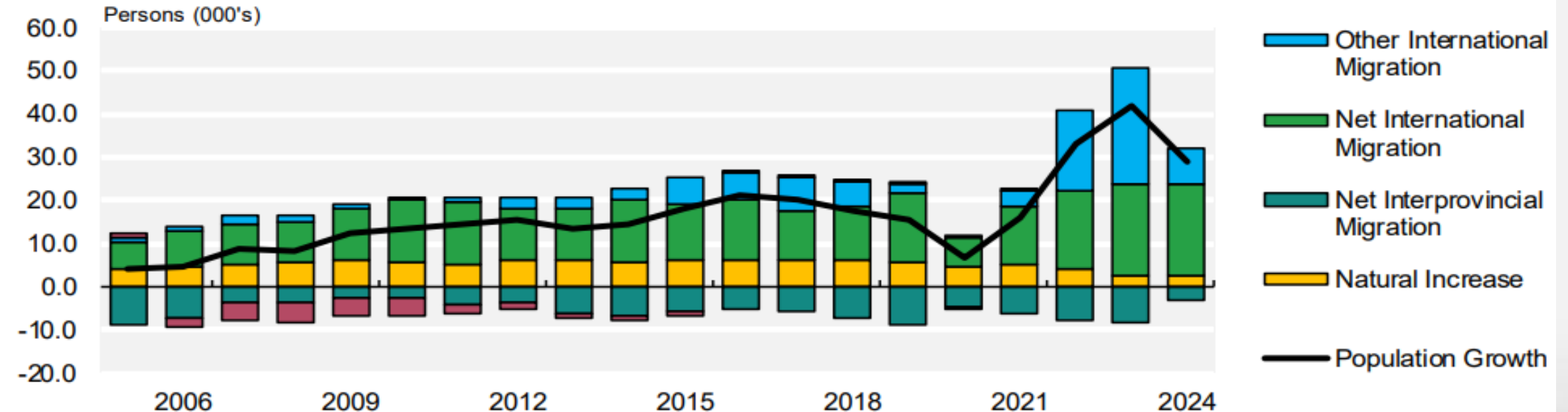
Manitoba imports by industry, share (%)



# Demographics & Labour

## Twelve-month Growth, Component Contributions

Jan 1 to Dec 31



Source: Statistics Canada, Tables 17-10-0009-01, 17-10-0020-01, 17-10-0040-01 and 17-10-0059-01

- Labour force remained strong in 2024 at 3.1%, attributed to continued high population growth.
- Unemployment rate in 2024, second lowest in Canada
- Manitoba's growth rate is third highest in modern times, fueled by strong net international and other international inflows.
- The Province has a relatively young population, with a medium age of 37.3 years, the lowest among the provinces.

# Fiscal Forecast

	2025/26 Budget	2024/25 Forecast*	2024/25 Budget
	(Millions of Dollars)		
Revenue	25,056	23,267	23,337
Expenses	25,850	24,506	24,133
Operating Surplus (Deficit)	(794)	(1,239)	(796)
Summary Net Debt	36,500	34,472	35,421
Net Debt to GDP	36.9%	36.1%	38.5%

- Revenues projected to increase \$1,719 billion from previous year's budget
- Expenditures projected to increase \$1,717 billion from previous year's budget
- Net debt to GDP is projected to be 36.9%, an improvement from previous year's budget

# 2024/25 Third Quarter Forecast

	<b>\$70M (-0.3%) Revenue</b>		<b>\$373M (+1.5%) Expenses</b>		<b>\$443M Deficit</b>
---	----------------------------------	--	------------------------------------	---	-----------------------

- Decrease from Budget reflects deterioration of the Manitoba Hydro forecast, a decrease in revenue from federal cost shared agreements, partially offset by an increase in fees and other revenue.

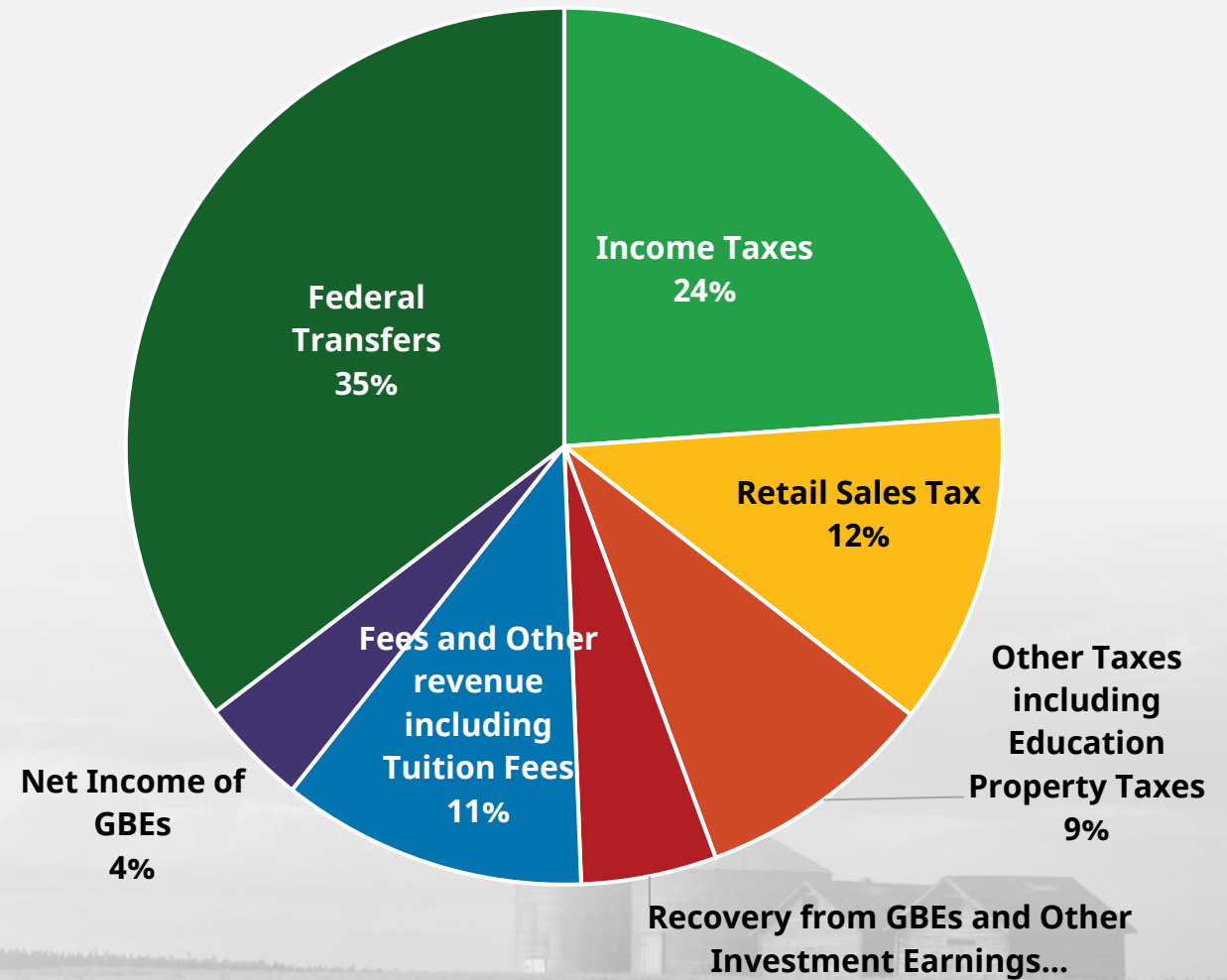
- Increase from Budget primarily driven by net increases in Manitoba Health, Seniors and Long-Term Care partially offset by net under expenditures in other departments.

- Although the deficit forecast has increased from budget, it does represent an improvement of \$70M from the Q2 forecast and an improvement of \$732M from the prior year result.

# 2025/26 Revenue

- Revenue is projected to increase **\$1.7B** or **7.4%** from Budget 2024 including:
  - \$446M increase in income tax revenue with a \$292M increase in Individual Income Tax revenue and a \$154M increase in Corporation Income Tax revenue
  - \$639M or 7.7% increase in federal transfers mainly reflecting an increase in Equalization

**Total Revenue: \$25,256**  
(before \$200M Revenue Contingency)

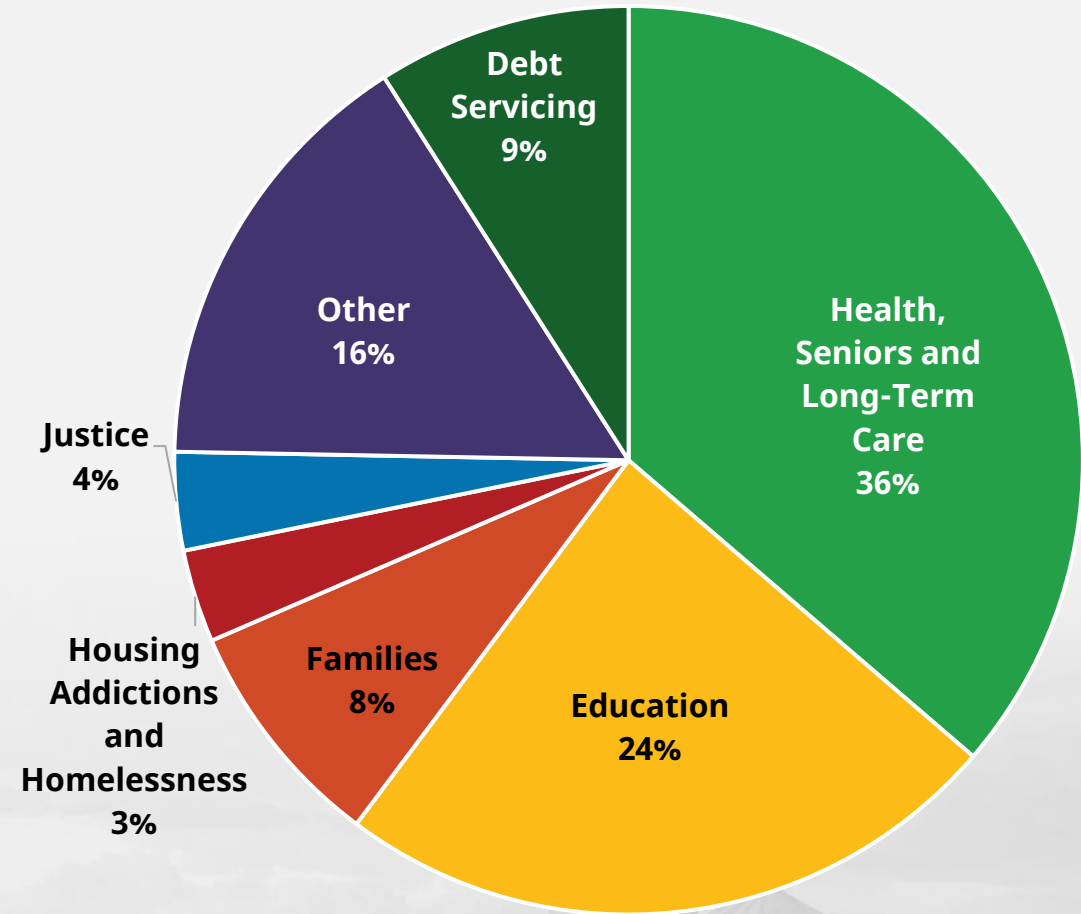




# 2025/26 Expenses

- Expenses are projected to increase **\$1.7B** or **7.1%** from Budget 2024 including:
  - \$1.2B increase in Health, Seniors and Long-Term Care with 66 per cent of that increase going directly to staff on the frontlines
  - \$247M increase in Education and Early Childhood Learning reflecting increased operating costs for schools

Total Expenses: \$25,850



# Medium Term Fiscal Outlook

- The fiscal outlook is driven by the current economic and demographic projections.
- Reflecting stable economic forecast and prudent financial management, the medium-term plan shows improving fiscal conditions.
- The deficit for 2025/26 fiscal year is estimated at \$794 million. This is projected to progressively improve over the medium term, with a surplus of \$10 million in 2027/28.

	Actual	Forecast	Budget	Medium-Term	
	2023/24	2024/25F	2025/26B	2026/27P	2027/28P
Millions of Dollars					
<b>Total Revenue</b>	<b>21,792</b>	<b>23,367</b>	<b>25,256</b>	<b>26,128</b>	<b>26,982</b>
Expenses					
Programs Spending	21,607	22,173	23,513	23,973	24,444
Debt Servicing Costs	2,156	2,333	2,337	2,432	2,478
<b>Total Expenses</b>	<b>23,763</b>	<b>24,506</b>	<b>25,850</b>	<b>26,405</b>	<b>26,922</b>
Surplus (Deficit) before Contingency	(1,971)	(1,139)	(594)	(277)	60
Revenue Contingency		(100)	(200)	(50)	(50)
<b>Operating Surplus (Deficit)</b>	<b>(1,971)</b>	<b>(1,239)</b>	<b>(794)</b>	<b>(327)</b>	<b>10</b>
Net Debt as Per Cent of GDP	35.7%	36.1%	36.9%	37.1%	36.8%

F - Forecast, B - Budget, P - Projections

Source: Provincial budget and annual report documents, Manitoba Finance

- The U.S. and Chinese tariffs impact may impact the forecasts

# Initial Tariff Response

**Budget 2025 is focused on *Building One Manitoba* – Making the economy more productive, resilient, and diversified.**

Taking steps to address economic and fiscal pressure created by unwarranted U.S. and Chinese tariffs:

- Boosting the economy with a record \$3.7 billion Strategic Infrastructure Plan, the largest in Manitoba's history
- Investing over \$140 million for Business Risk Management programming for farmers and producers
- Increasing loans and guarantees provision by nearly \$380 million
- Doubling the revenue contingency to \$200 million
- Investing \$50 million in Strategic Economic Initiatives Fund
- Improving the investment climate by reducing the Payroll Tax and investing in training to increase skilled trades professionals needed to power Manitoba's advancing businesses
- Providing tax deferrals to support businesses facing uncertainty about keeping staff
- Collaborating with other governments in Canada to increase domestic procurement
- Supporting Manitoba businesses by promoting the *Support Manitoba. Buy Local.* campaign and helping small businesses diversify their sales beyond the U.S.
- Funding over \$36 million over two years for the Port of Churchill to shorten access to international markets

# Tariff Levels as of April 2, 2025

## US Tariffs on Canada

Tariff Action	Tariff Rate Applicable to Canada
<b>IEPPA Fentanyl Tariffs</b>	
- Potash and Energy Products including Critical Minerals	- non-CUSMA compliant: 10%
- Other Products~	- non-CUSMA compliant: 25%
<b>232 Steel &amp; Aluminum</b>	
- Steel & Aluminum	25%
- Steel & Aluminum Derivatives	- Steel and Aluminum content only: 25%
<b>232 Automotive Tariffs</b>	
- Vehicles: CUSMA-originating	- non-US content: 25%
- Vehicles: non-CUSMA-originating	25%
- Auto Parts	- non-CUSMA compliant: 25%
<b>Potential 232 Sectoral Tariffs</b>	
- Copper	TBD
- Pharmaceuticals	TBD
- Semiconductors	TBD
- Lumber Articles	TBD

## Canada Tariffs on US

Tariff Action	Tariff Rate Applicable to United States
IEPPA Fentanyl Tariffs	
- Potash and Energy Products including Critical Minerals	25%
- Other Products~	
232 Steel & Aluminum Total	
- Steel & Aluminum	25%
- Steel & Aluminum Derivatives	N/A
232 Automotive Tariffs Total	
- Vehicles: CUSMA-originating	- non-CA/MX content:25%
- Vehicles: non-CUSMA-originating	25%
- Auto Parts	N/A
Potential 232 Sectoral Tariffs	
- Copper	TBD
- Pharmaceuticals	TBD
- Semiconductors	TBD
- Lumber Articles	TBD

# Sustained Tariff Response

**In response to sustained tariffs**, the government will seek \$500 million of supplemental expenditure authority and \$125 million of loan authority from the legislature and deliver "Tariff Budget 2025" that will include:

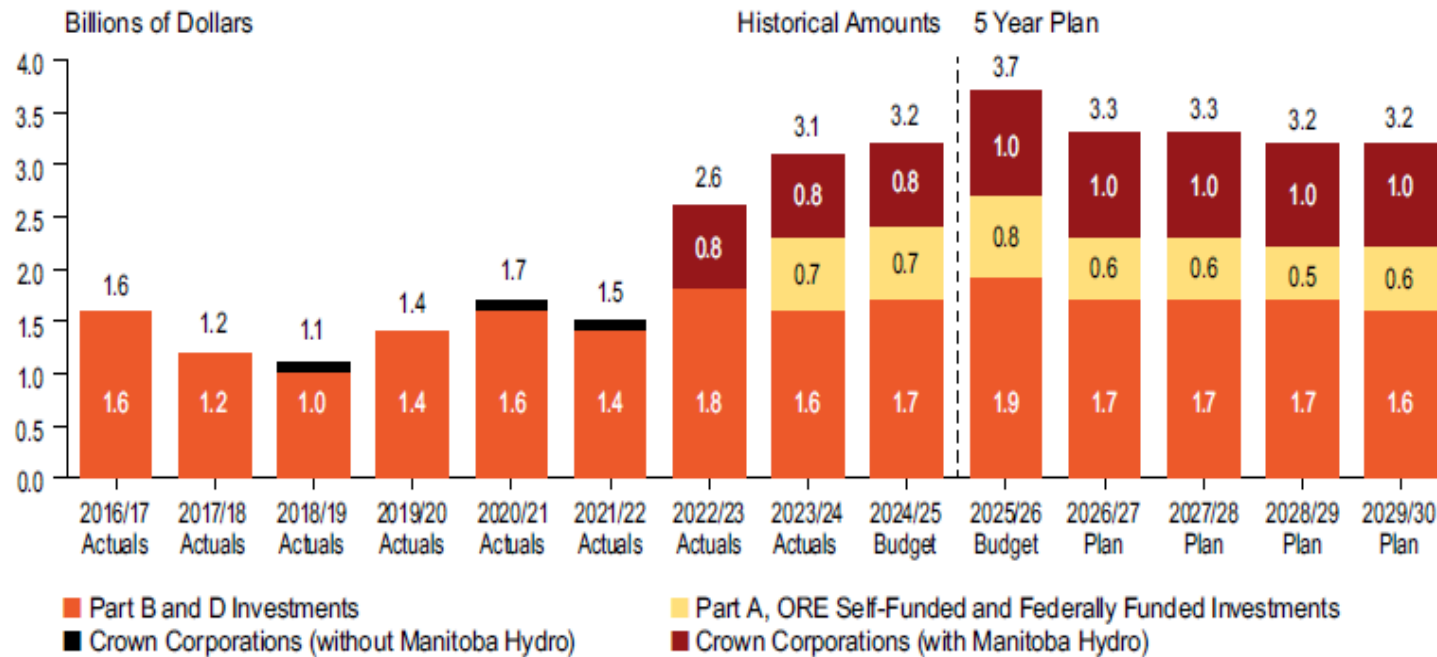
- \$500 million of additional **Expenditure Authority**:
  - \$100 million for targeted business support programs for tariff exposed Manitoba businesses
  - \$100 million in Manitoba's agriculture supports
  - \$50 million for Post-Secondary Institutions to run weekend/night classes to accommodate re-training workers who lost jobs due to tariff impacts
  - \$10 million for additional student aid grants
  - \$100 million to respond to increased demands on government programs and services
  - Additional expenditure authority is reserved to address emerging challenges
- \$125 million of additional **Loan Authority**:
  - \$100 million for loan authority to Manitoba Development Corporation to support businesses that will invest in Manitoba
  - \$25 million for additional student loans
- **Other Measures**:
  - Manitoba will accelerate environmental, mine and quarry rehabilitation to further stimulate economic activity
  - The revenue contingency will be further increased to \$600 million
- **With added revenue and expense contingency, total tariff response plan is over a \$1 billion**



# Five Year Capital Investment Plan

**Total investment of over \$16.7 billion in Strategic Infrastructure is planned over five years**

## Capital Infrastructure Investment Plan



Source: PublicAccounts, Summary Operating and Capital plans

- It is estimated that Investment in Strategic Infrastructure in 2025/26 of \$3.7B will:
  - Create over 17,800 jobs
  - Increase wages and salaries in Manitoba by \$1.3 billion
  - Lift nominal GDP by \$2.3 billion
- Increased investments are focused on Education, Childcare, Transportation, Parks, MB Hydro and Climate resiliency.
- Strategic infrastructure investments for future years are planned to be kept steady. The level of investment is constrained to keep Manitoba's debt financed capital expenditures within fiscally sustainable levels.

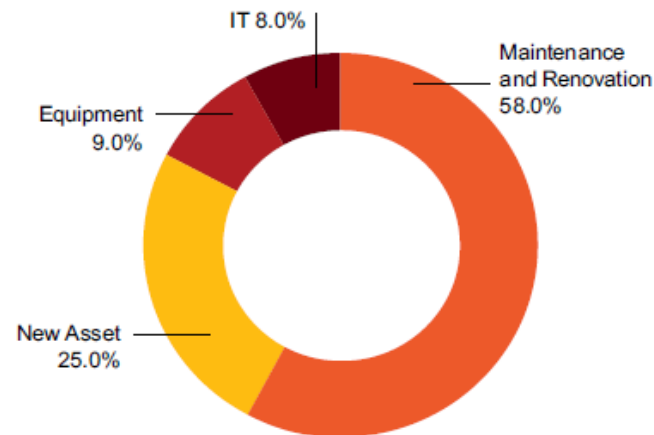
# Capital Planning

## ‘Whole of Government’ approach for better Debt Management

- **Readiness of projects** - Matching capital authority with project status and industry supply capacity
- **Improving flexibility in planning** by moving lapsing capital authority into alternative government priority projects quickly.
- **Balancing Needs** - Asset maintenance/renewal with new asset requirements
- **Assessing program delivery costs** - Operating cost to staff and fund the facilities

2025/26 Capital Infrastructure Investments

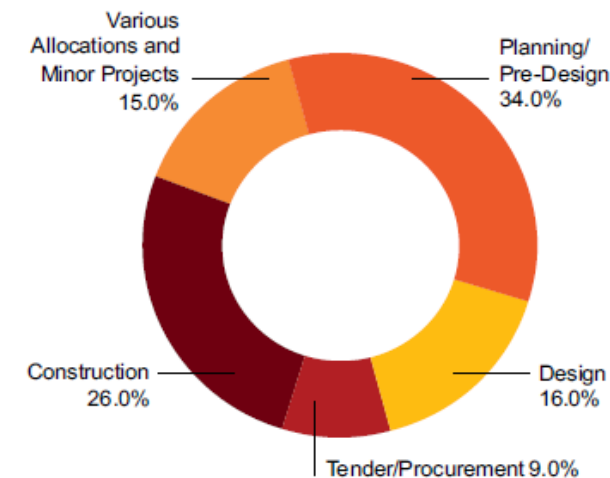
Per Cent



Source: Operating and capital plans

2025/26 Part B and D Capital Investments

Per Cent



Source: Operating and capital plans

Capital expenditure increases focused on priority areas including:

**Education** – Over \$20 million additional funds allocated to deliver four of 11 new schools: Devonshire Park, Brandon Southwest, Prairie Pointe and Meadowlands and an additional \$14 million increase for infrastructure renewal projects in public schools.

**Transportation and Infrastructure** – \$55 million increase for infrastructure and transportation projects.

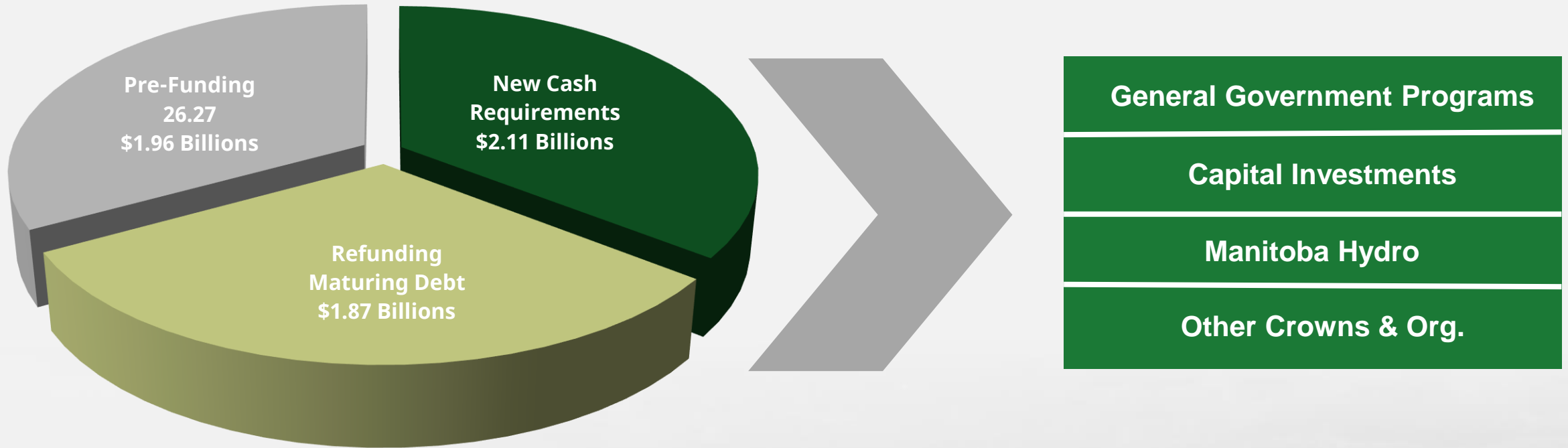
**Emergency Preparedness** – Over \$81 million for replacing wildfire fighting infrastructure such as water bombers and creating a new fire base at the Thompson airport.

**Public Service Delivery** – \$11.5 million increase including funding for capital maintenance and renewal of government-owned infrastructure.

**Health** – \$25 million increase to the base budget for a total of \$550 million invested in health facilities and personal care homes.

Additional funding for Post-Secondary Institutions, Parks infrastructure, and Manitoba Liquor and Lotteries for asset maintenance and renewal.

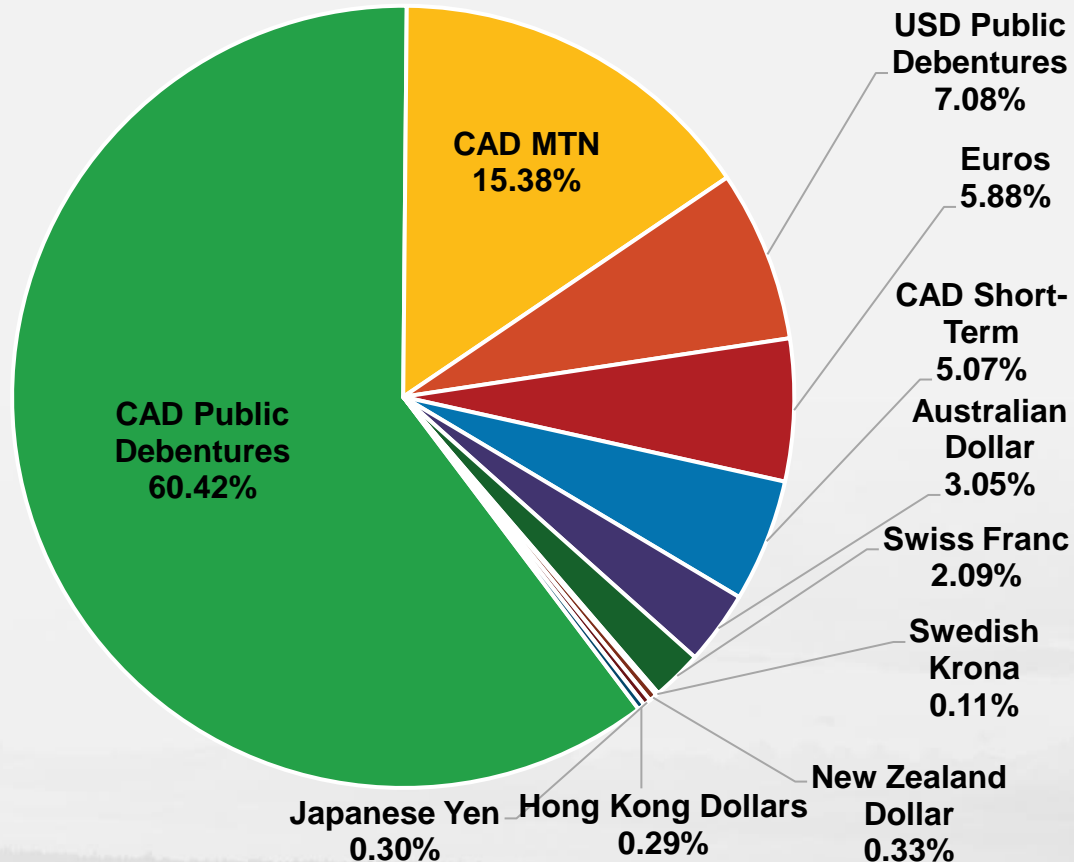
# 2025/26 Borrowing Requirements



- ✓ Borrowing requirements for 25.26 (including pre-funding) are expected to be \$5.9 billion
- ✓ Manitoba will continue to maintain a strong liquidity position
- ✓ Planned funding through both domestic and international capital markets

# Funding Overview

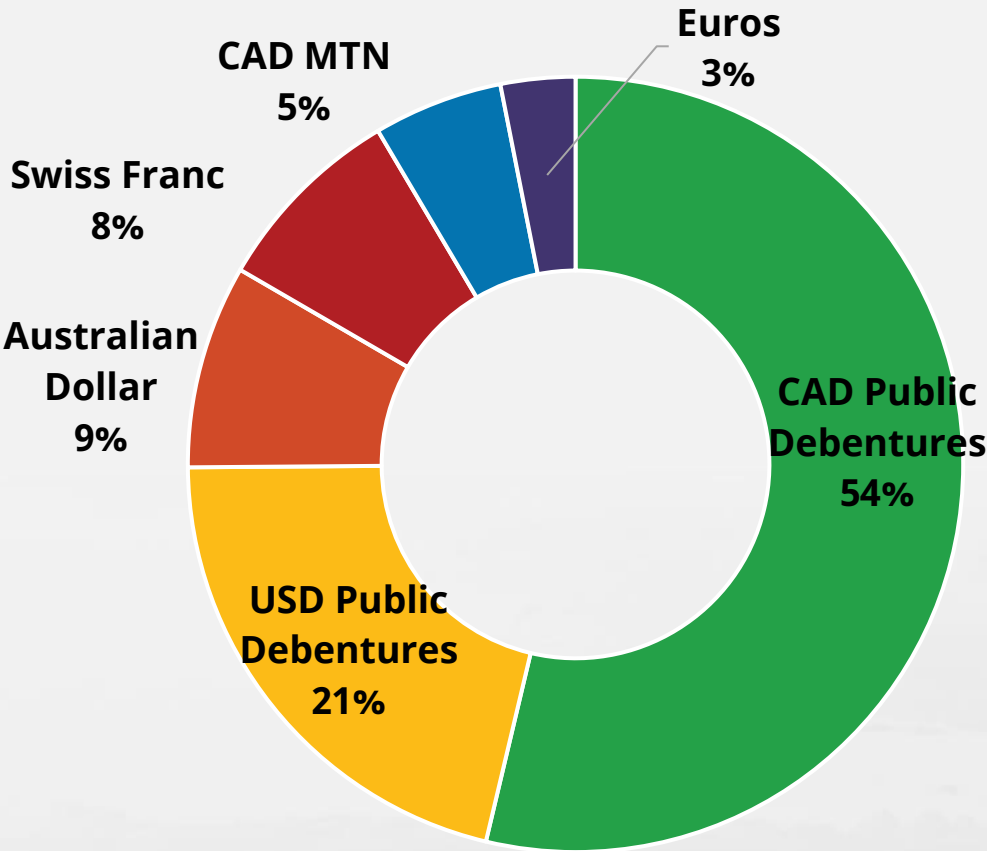
Borrowing Outstanding by Source



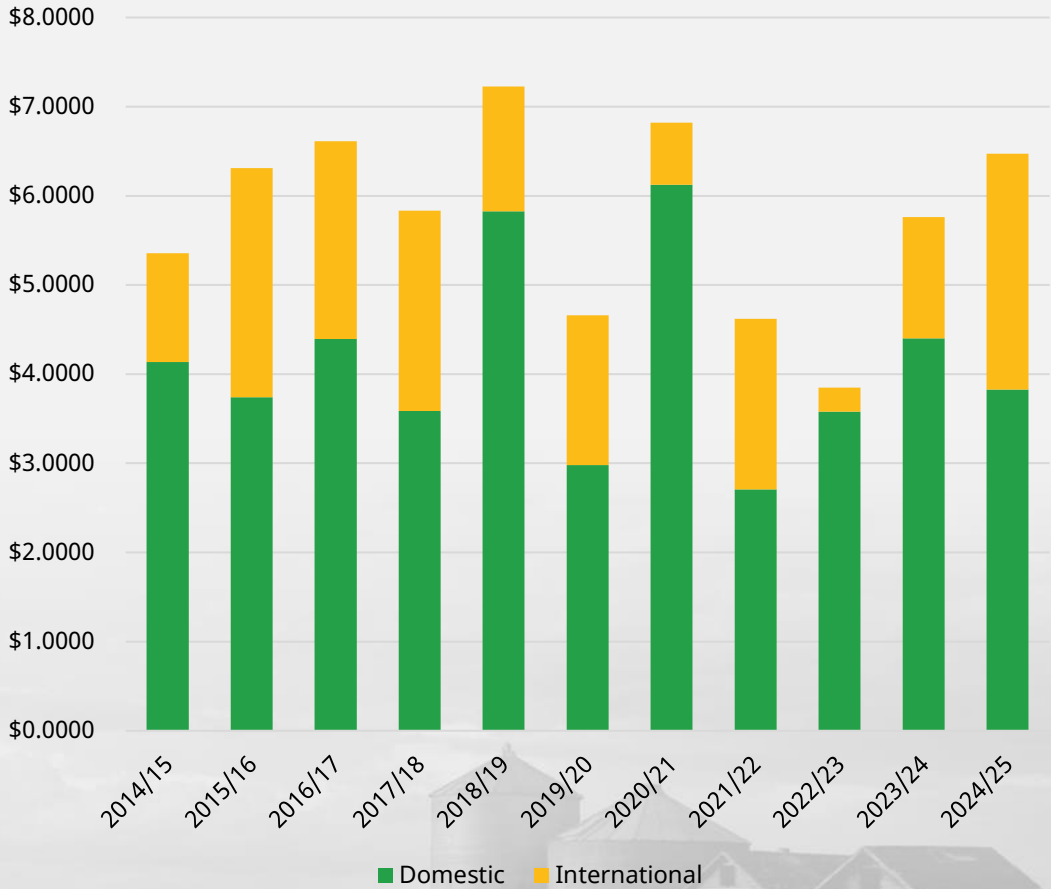
- **Short-Term Borrowing Program:**
  - **Treasury Bill Program**
    - \$200 million, 91-day auction weekly
  - **Promissory Note Program**
- **Long-Term Borrowing Program:**
  - **Domestic Borrowing:**
    - 10yr & 30yr Benchmarks
    - Medium Term Notes (MTN's)
  - **International Borrowing:**
    - US Dollars SEC Registered
    - EMTN Programme
    - Australian Medium-Term Notes

# Funding by Source

2024/25 Funding by Currency, share (%)

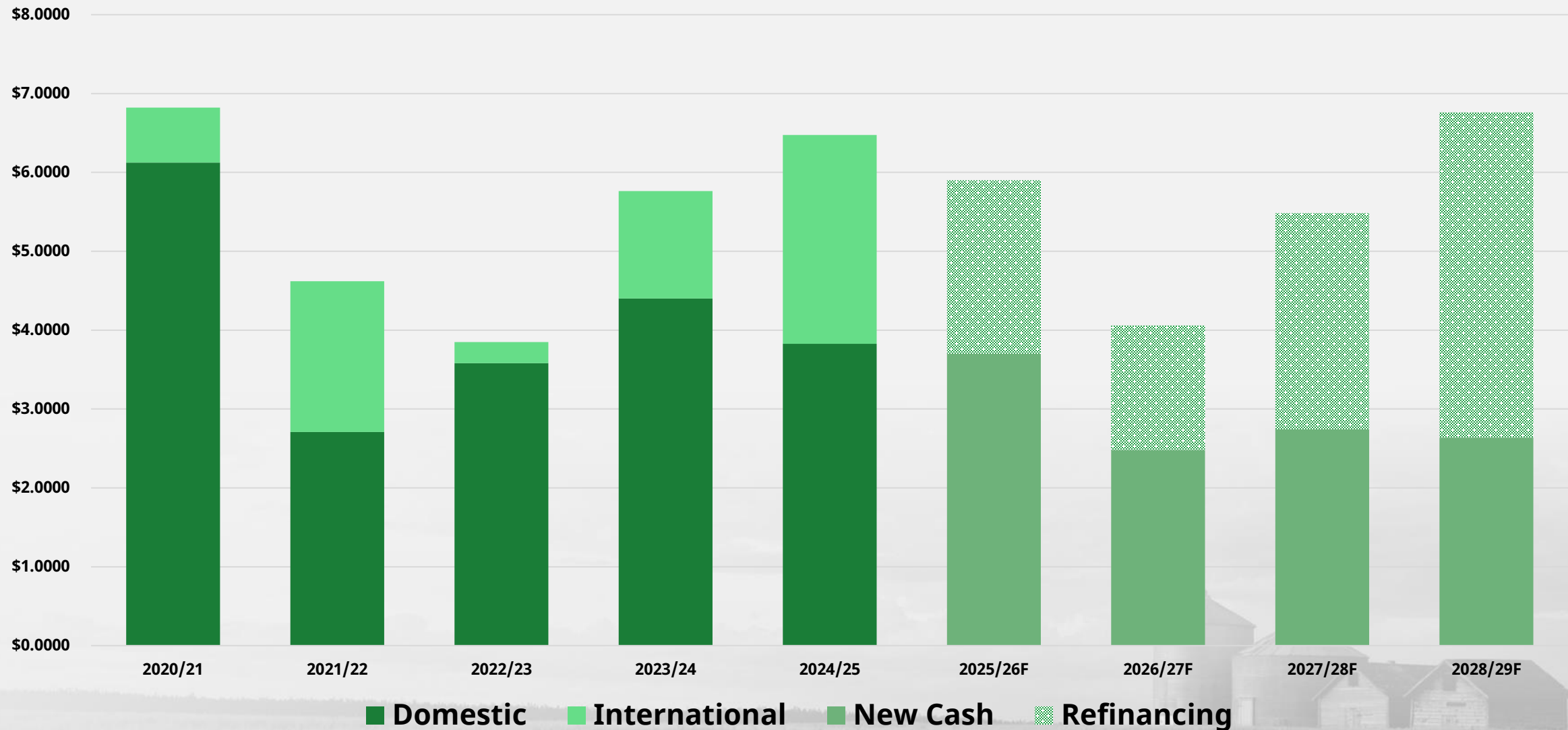


Historical Funding, CAD billions





# Medium-Term Borrowing Forecast



# Contact Info

## Websites:

Treasury Division Website: <https://www.gov.mb.ca/finance/treasury/index.html>

- SEC Registration Statement
- EMTN Prospectus
- Current Investor Presentation

Manitoba Bureau of Statistics: <https://www.gov.mb.ca/mbs/>

## Contacts: Treasury Division

Nicoleta Oprea  
Assistant Deputy Minister  
204-945-6443  
[nicoleta.oprea@manitoba.ca](mailto:nicoleta.oprea@manitoba.ca)

Justin Jones  
Director of Capital Markets  
204-945-6608  
[justin.jones@manitoba.ca](mailto:justin.jones@manitoba.ca)

### Disclosure Statement

*This presentation was compiled by the Manitoba Department of Finance, Treasury Division and Treasury Board Secretariat. The information in this presentation is for general information purposes only and does not constitute an offer to sell or a solicitation of offers to purchase securities. Certain forward looking information or forward looking statements have been included in this presentation for such general information purposes. These statements are based on the Province of Manitoba's current estimates or projections which the Province believes are reasonable. Such statements are not guarantees of future performance, and accordingly, you should not place undue reliance on them. Forward looking information or statements involve known and unknown risks, uncertainties and other factors which could cause the state of the Province's economy to differ materially from the forecasts and economic outlook expressed or implied by any forward looking information or statements. Forward looking information or statements speak only as of the date they are made. Manitoba undertakes no obligation to update any forward looking information or statements to reflect new information, future events or otherwise, except as may be required under applicable law. While the information in this presentation, when posted or released, was believed to be reliable as of its date, no warranty is made as to the accuracy or completeness of this document or the information it contains as of any other date than the date it was posted or released.*