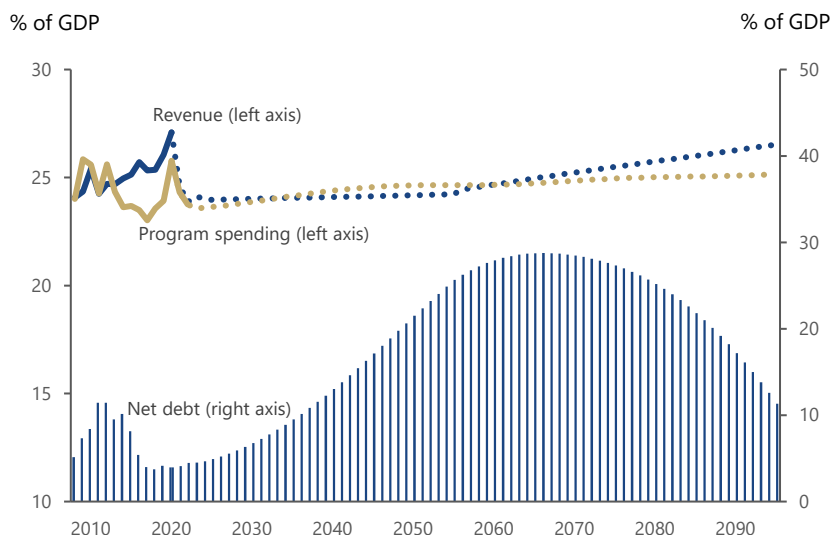


# British Columbia

- British Columbia’s long-term outlook for total population growth and population ageing is in-line with the national average.
- We project that British Columbia will have slower-than-average real GDP growth mainly because of lower labour productivity growth compared to the national average. Our assumptions for provincial labour productivity growth are based on historical trends from 1982 to 2019.
- British Columbia currently spends less on health care (as a share of the provincial economy) than any other province. Thus, even once accounting for the long-term cost pressures of population ageing, the province’s health care costs are projected to remain below the current outlays of some other provinces (as a share of the provincial economy).
- Because of relatively slower economic growth, we project that British Columbia will begin to receive Equalization entitlements beginning in 2056, with payments rising as a share of the provincial economy in later years.



- British Columbia currently holds less debt than all other provinces (as a share of the economy) and is assumed to have lower long-run debt interest rates than most other provinces. These factors both positively contribute to the province’s sustainability prospects.
- Current fiscal policy is not sustainable over the long term.** Modest, permanent tax increases or spending reductions amounting to 0.1 per cent of GDP (\$0.3 billion in current dollars, growing in line with GDP thereafter) would be required to stabilize government net debt (as a share of the economy) in the long term.

|                            | British Columbia |      |      | vs. national average |       |       |
|----------------------------|------------------|------|------|----------------------|-------|-------|
|                            | 2025             | 2050 | 2075 | 2025                 | 2050  | 2075  |
| <b>Demographics (%)</b>    |                  |      |      |                      |       |       |
| Population growth          | 1.0              | 0.6  | 0.7  | 0.0                  | 0.0   | -0.1  |
| Senior dependency ratio    | 33.5             | 42.5 | 47.7 | 1.9                  | 3.1   | 3.8   |
| <b>Economics (%)</b>       |                  |      |      |                      |       |       |
| Real GDP growth            | 1.0              | 1.2  | 1.3  | -0.5                 | -0.5  | -0.5  |
| Employment growth          | 0.7              | 0.5  | 0.6  | -0.1                 | -0.1  | -0.1  |
| Labour productivity growth | 0.4              | 0.7  | 0.7  | -0.4                 | -0.4  | -0.4  |
| Nominal GDP growth         | 3.1              | 3.2  | 3.3  | -0.5                 | -0.5  | -0.5  |
| Effective interest rate    | 3.0              | 3.7  | 3.7  | 0.0                  | 0.0   | -0.1  |
| <b>Fiscal (% of GDP)</b>   |                  |      |      |                      |       |       |
| Revenue                    | 24.0             | 24.2 | 25.5 | -0.7                 | 0.0   | 1.7   |
| Program spending           | 23.6             | 24.6 | 25.0 | -0.4                 | -0.1  | 0.1   |
| Primary balance            | 0.3              | -0.5 | 0.5  | -0.3                 | 0.1   | 1.6   |
| Debt interest charges      | 0.7              | 1.0  | 1.1  | -0.8                 | -0.8  | -1.3  |
| Net debt                   | 4.9              | 21.5 | 27.3 | -25.7                | -21.8 | -38.7 |