



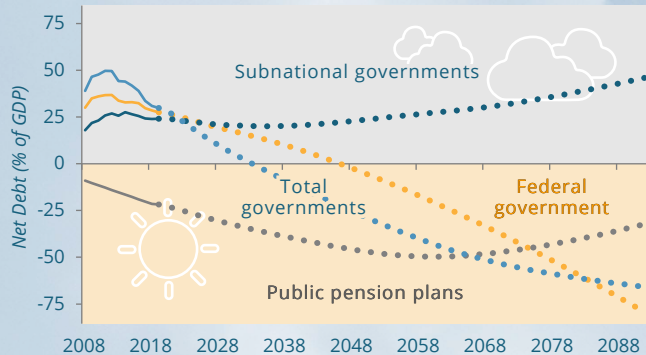
# FISCAL FORECAST FOR CANADA

Assessment of the long-term financial sustainability of the current fiscal policy of the federal government, subnational governments and public pension plans

## FISCAL GAP

Changes in **revenues and program spending** required to stabilize the government's **net debt-to-GDP ratio** over the long term

## LONG-TERM FORECAST



### POSITIVE FISCAL GAP

Permanent changes in revenues and/or program spending required to stabilize debt-to-GDP ratio

### NEGATIVE FISCAL GAP

Room available to increase spending or reduce taxes while maintaining financial sustainability



### FEDERAL GOVERNMENT

The federal government **will eliminate its net debt** and shift into a net asset position



### PUBLIC PENSION PLANS

The net asset-to-GDP positions will remain **close to their initial values**



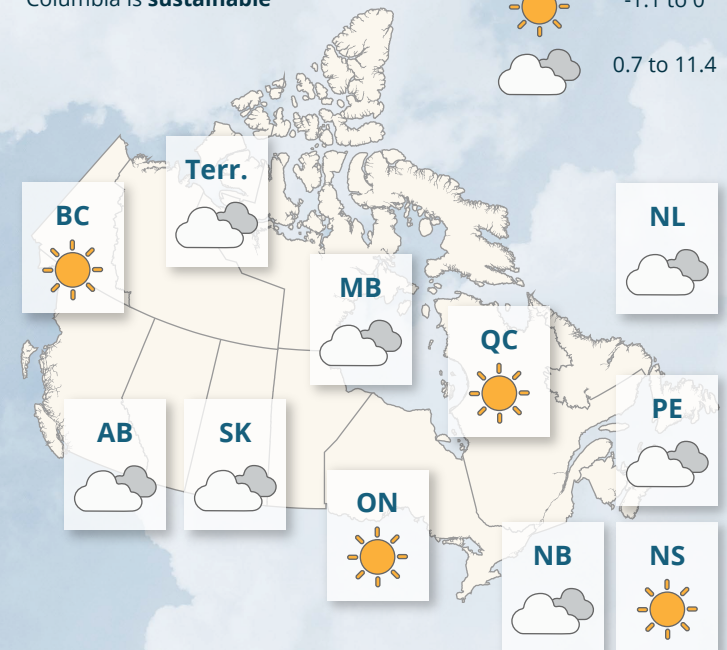
### SUBNATIONAL GOVERNMENTS

Policy actions are required in **most provinces** to stabilize net debt-to-GDP ratio

## SUSTAINABILITY BY SUBNATIONAL GOVERNMENT

Fiscal policy in Quebec, Nova Scotia, Ontario and British Columbia is **sustainable**

*Fiscal gap (% of GDP)*



**Biggest contributors** to subnational fiscal gap are Manitoba, Saskatchewan and Alberta.

Fiscal policy in remaining provinces and territories is **not sustainable**