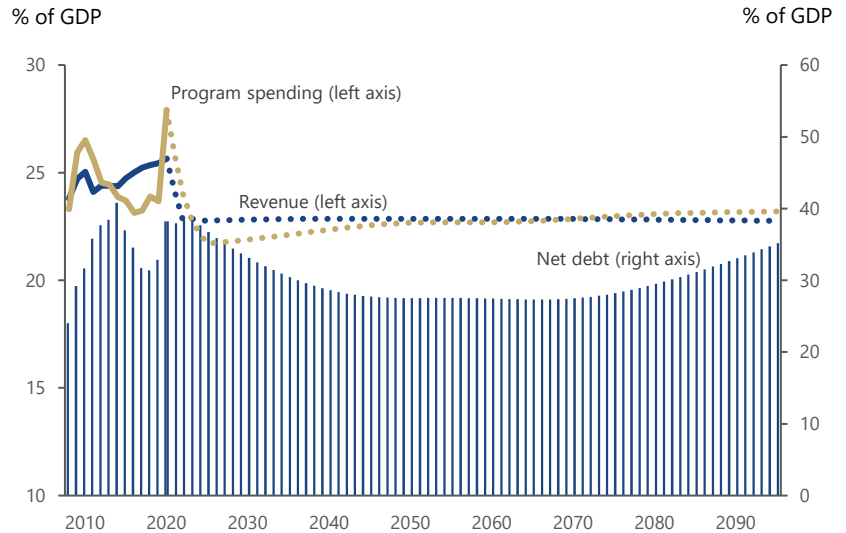


Ontario

- Ontario's long-term outlook for population growth and population ageing is in-line with the national average.
- We project that Ontario will have labour productivity and real GDP growth near the national average. Our assumptions for provincial labour productivity are based on historical trends from 1982 to 2019.
- PBO projects that Ontario will have lower long-run effective interest rates than most other provinces, contributing to a comparatively favourable differential between interest rates and economic growth, helping its sustainability prospects.
- Ontario currently spends less on health care (as a share of the provincial economy) than the national average. Thus, even once accounting for the cost pressures of population ageing, the province's health care costs are projected to remain below those of some other provinces' current health costs (as a share of the provincial economy).



- **Current fiscal policy is sustainable over the long term.** Modest, permanent tax decreases or spending increases amounting to less than 0.1 per cent of GDP (\$0.2 billion in current dollars, growing in line with GDP thereafter) would be possible, while stabilizing government net debt (as a share of the economy) in the long term.

	Ontario			vs. national average		
	2025	2050	2075	2025	2050	2075
Demographics (%)						
Population growth	1.1	0.6	0.6	0.1	-0.1	-0.1
Senior dependency ratio	30.4	39.2	45.3	-1.2	-0.2	1.4
Economics (%)						
Real GDP growth	1.6	1.7	1.7	0.2	0.0	0.0
Employment growth	0.9	0.5	0.6	0.1	-0.1	-0.1
Labour productivity growth	0.9	1.2	1.2	0.1	0.1	0.1
Nominal GDP growth	3.8	3.7	3.8	0.2	0.0	0.0
Effective interest rate	3.0	3.7	3.7	0.0	0.0	0.0
Fiscal (% of GDP)						
Revenue	22.8	22.9	22.8	-1.9	-1.3	-1.0
Program spending	21.7	22.7	23.0	-2.3	-2.1	-1.8
Primary balance	1.1	0.2	-0.1	0.4	0.7	0.9
Debt interest charges	1.5	1.2	1.1	0.0	-0.7	-1.4
Net debt	36.7	27.5	28.2	6.1	-15.8	-37.8