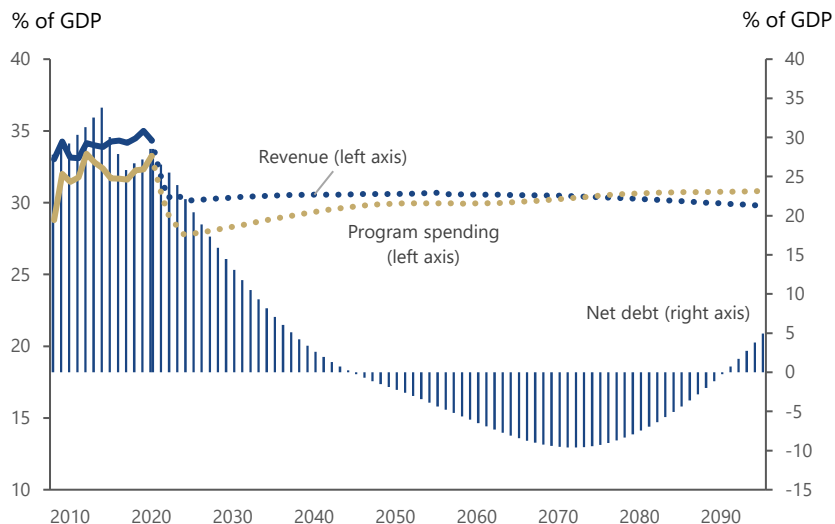


Nova Scotia

- Nova Scotia is projected to experience greater long-term population ageing than most provinces because of relatively low projections for provincial fertility and net migration rates.
- Low population growth combined with low labour productivity growth mean our projection for Nova Scotia's real GDP growth is below the national average. Our assumptions for provincial labour productivity growth are based on historical trends from 1982 to 2019.
- Health care costs are Nova Scotia's key long-term fiscal pressure. Because Nova Scotia currently spends more on health care (as a share of the provincial economy) than any other province and its population is projected to age more than the Canadian average, provincial health spending grows faster than the Canadian average.
- Nova Scotia's medium-term fiscal plans contribute, in part, to a strong long-term fiscal outlook. The provincial government is forecasting a return to budget surpluses. We assume this fiscal posture carries into the long term.



- Despite significant long-term fiscal challenges, the projection for Nova Scotia demonstrates that current policy decisions can have significant cumulative impacts over the long term and underlines the benefits of early policy actions.
- **Current fiscal policy is sustainable over the long term.** Modest, permanent tax decreases or spending increases amounting to 0.2 per cent of GDP (\$0.1 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.

	Nova Scotia			vs. national average		
	2025	2050	2075	2025	2050	2075
Demographics (%)						
Population growth	0.3	-0.2	0.0	-0.7	-0.9	-0.8
Senior dependency ratio	39.2	49.4	55.6	7.5	10.0	11.7
Economics (%)						
Real GDP growth	0.5	0.6	0.9	-1.0	-1.0	-0.9
Employment growth	-0.1	-0.4	-0.1	-0.9	-0.9	-0.8
Labour productivity growth	0.7	1.0	1.0	-0.1	-0.1	-0.1
Nominal GDP growth	2.6	2.6	2.9	-1.0	-1.0	-0.9
Effective interest rate	3.2	3.7	3.7	0.2	0.0	0.0
Fiscal (% of GDP)						
Revenue	30.2	30.6	30.4	5.5	6.4	6.6
Program spending	27.8	29.9	30.5	3.8	5.2	5.7
Primary balance	2.3	0.7	-0.1	1.7	1.2	0.9
Debt interest charges	1.2	0.3	-0.2	-0.3	-1.6	-2.6
Net debt	20.5	-2.3	-9.3	-10.2	-45.6	-75.3