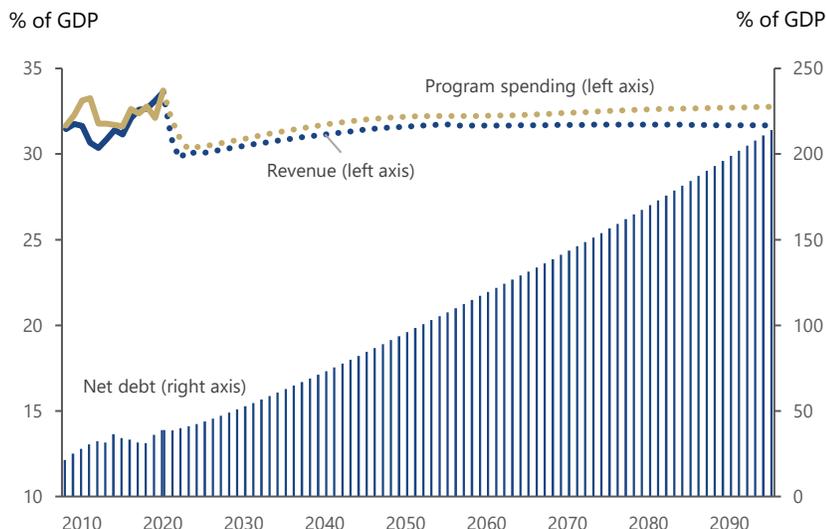


New Brunswick

- New Brunswick is projected to experience greater population ageing pressures than most provinces because of relatively low projected provincial fertility and net migration rates.
- Projected decreases in the working-age population and the employment rate will gradually reduce the size of the province's employed labour force and slow the province's per capita GDP growth well below the national average.
- Rising health care costs due to population ageing are a key long-term fiscal pressure. Because we project that New Brunswick's population will be older than the Canadian average, provincial health spending (as a share of the economy) grows faster than the Canadian average.
- Federal transfers help to alleviate some of the province's long-term fiscal pressures. Over our long-term projection, federal transfers comprise a larger share of the economy in New Brunswick than any other province.



- Because the province is projected to achieve relatively low economic growth compared to other Equalization-receiving provinces, New Brunswick's Equalization entitlements rise in comparison to other recipients (as a share of each provincial economy).
- **Current fiscal policy is not sustainable over the long term.** Permanent tax increases or spending reductions amounting to 1.6 per cent of GDP (\$0.6 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.

	2025	New Brunswick		vs. national average		
		2050	2075	2025	2050	2075
Demographics (%)						
Population growth	0.3	-0.3	0.0	-0.7	-0.9	-0.8
Senior dependency ratio	41.0	53.1	56.3	9.4	13.7	12.4
Economics (%)						
Real GDP growth	0.3	0.5	0.8	-1.1	-1.1	-1.0
Employment growth	-0.1	-0.3	-0.1	-0.9	-0.9	-0.8
Labour productivity growth	0.6	0.9	0.9	-0.2	-0.2	-0.2
Nominal GDP growth	2.4	2.6	2.8	-1.2	-1.1	-1.0
Effective interest rate	3.0	3.8	3.9	0.0	0.1	0.1
Fiscal (% of GDP)						
Revenue	30.1	31.6	31.7	5.4	7.4	7.9
Program spending	30.5	32.2	32.5	6.4	7.4	7.7
Primary balance	-0.4	-0.6	-0.8	-1.0	0.0	0.2
Debt interest charges	2.1	4.1	6.1	0.6	2.3	3.6
Net debt	43.8	96.1	156.6	13.2	52.7	90.6