

FISCAL PULSE

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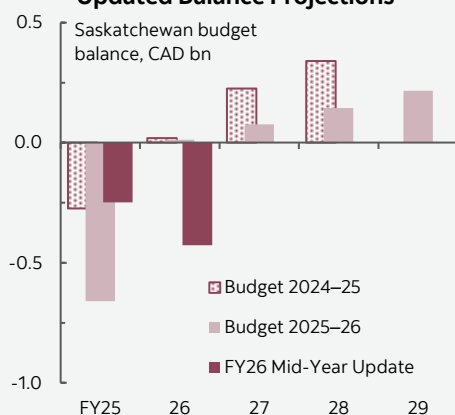
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Chart 1

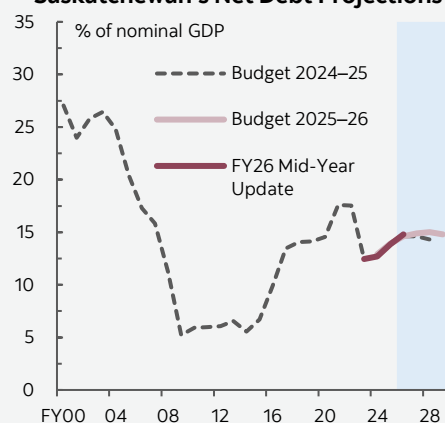
Updated Balance Projections



Sources: Scotiabank Economics, Saskatchewan Finance.

Chart 2

Saskatchewan's Net Debt Projections



Sources: Scotiabank Economics, Finance Canada, SK Finance.

Saskatchewan: 2025-26 Mid-Year Fiscal Update

HIGHER SPENDING OUTPACES HIGHER REVENUES, RESULTING IN SMALL DEFICIT

- **Saskatchewan released its mid-year economic and fiscal update, with a projected FY26 budget balance of \$-427 mn (-0.4% of GDP), compared to \$+12 mn (+0.0%) in the Budget.** No new policy measures were announced.
- **Projected spending is up \$521 mn compared to the Budget forecast.** Higher-than-expected spending on wildfires and healthcare has led overall projected expenses higher, despite lower planned spending by the agriculture department related to crop insurance. Overall, expenses are projected to be 2.2% higher than the previous fiscal year.
- **Projected revenues are up \$81.6 mn.** Tax and resource royalties are lower, reflecting the downward revision to 2024 GDP and lower oil prices. Income from government enterprises is \$192 mn lower, driven by the removal of the carbon tax from provincial electricity bills. Providing a partial offset is higher federal transfers, reflecting cost-sharing for the wildfire expenses. Overall, revenues are projected to be 1.4% higher year-over-year.
- **FY26 net debt as a share of GDP has increased to a projected 14.8%, from 14.6% at the time of the Budget.** This reflects the higher deficit for this year, in addition to the higher starting point due to the downward revision to 2024 nominal GDP. Despite the projected increase, Saskatchewan's public debt burden remains substantially lower than most other provinces.
- **The Saskatchewan economy has remained resilient.** Despite the tariffs and uncertainty, the Saskatchewan economy has continued to lead the country in many economic indicators, including a 2% increase in employment since the tariffs were announced. We expect Saskatchewan to continue to grow faster than the national average, which should support an improvement to the budget next year, as long as expense growth can continue to be limited.

Updated Fiscal Forecast

\$ millions except where noted

	FY25		FY26	
	Mar.'25	Final	Mar.'25	Nov.'25
Total Revenue	20,408	20,856	21,056	21,138
Non-Renewable Resources	2,503	2,574	2,699	2,606
Other Own-Source	14,187	14,490	14,420	14,322
Federal Transfers	3,719	3,792	3,937	4,210
Total Spending	21,069	21,105	21,044	21,565
Program Spending	20,121	20,154	19,985	20,498
Agriculture	1,771	1,763	1,598	1,395
Health	8,022	8,010	8,005	8,255
Education	4,455	4,375	4,428	4,451
Social Services	1,820	1,807	1,842	1,842
Other	4,053	4,200	4,113	4,555
Debt Service	948	951	1,059	1,068
% of Revenue	4.6	4.6	5.0	5.1
Budget Balance	-661	-249	12	-427
% of GDP	-0.6	-0.2	0.0	-0.4
Net Debt	15,988	15,627	17,327	17,457
% of GDP	14.0	13.8	14.6	14.8

Sources: Scotiabank Economics, Saskatchewan Finance.

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