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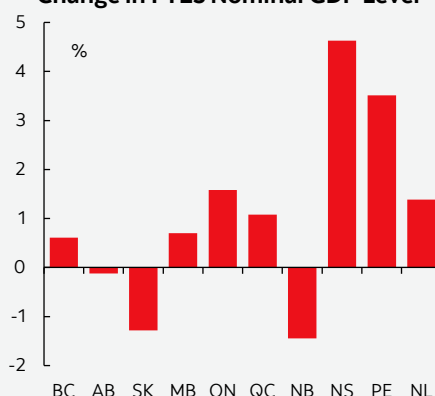
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Chart 1

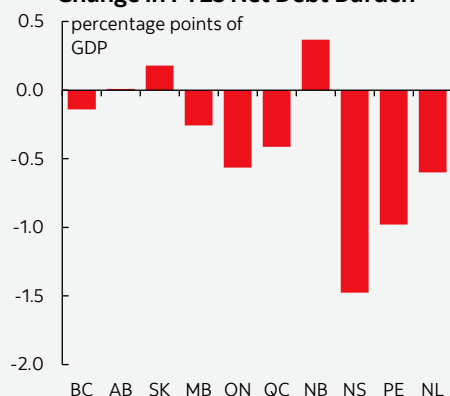
Change in FY25 Nominal GDP Level



Sources: Scotiabank Economics, Statistics Canada, provincial government documents.

Chart 2

Change in FY25 Net Debt Burden



Sources: Scotiabank Economics, Statistics Canada, provincial government documents.

2024 Provincial Growth and FY25 Debt Burdens

PROVINCIAL GDP REVISIONS REDUCE DEBT BURDENS FOR MOST PROVINCES

- Statistics Canada has released the 2024 provincial economic accounts, and also revised its 2022 and 2023 provincial growth estimates. Prince Edward Island is estimated to have achieved the strongest real GDP growth rate among provinces in 2024, at a robust 3.8%, compared to 3.6% in the estimates of provincial growth by industry released earlier this year. For the last three years as a whole, Saskatchewan led with growth of 16.9%.
- The net effect of the revisions points to higher real GDP levels in all provinces in 2024 (table 1), and to national GDP figures likely being revised higher for all three years later this month.
- Nominal GDP also came in higher than previously expected for most provinces, especially Nova Scotia and Prince Edward Island, which saw increases of over 3% (chart 1) compared to the 2024 levels assumed in their 2025 Budgets and 2024–25 Public Accounts.
- However, a higher GDP deflator than previously estimated or expected in some provinces meant that not all saw a boost to 2024 nominal GDP levels. After double-digit GDP inflation in Saskatchewan and New Brunswick in 2021 and 2022, fueled in part by higher commodity prices, these provinces have seen negative or only modestly positive GDP inflation in 2023 and 2024. In Saskatchewan's case, this led to negative or flat nominal GDP growth in 2023 and 2024, despite strong real GDP growth of around 3% in both years.
- Revised nominal GDP levels impact the calculations of provincial net debt as a share of GDP, which is a key metric for debt burdens and sustainability. For the provinces that saw increases to their nominal GDP levels, their debt burdens are now somewhat lower than they previously estimated. Nova Scotia and Prince Edward Island saw the largest reductions to their estimated debt burdens, by a full percentage point of GDP or more (chart 2).
- Nominal GDP is also a key variable for provincial revenue forecasts, and therefore higher nominal GDP could lead to these provinces boosting their revenue forecasts going forward.
- New Brunswick and Saskatchewan saw *increases* to their estimated debt burdens, though these provinces continue to have lower debt burdens than most of their provincial peers (table 2).

Table 1: Canada - 2021-2024 Real GDP Growth (%)

	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL
New	8.9	11.8	16.9	9.6	8.6	7.1	7.0	11.0	12.4	-1.4
Previous	7.7	11.3	13.5	7.1	7.2	5.4	5.5	8.4	10.6	-2.2
Change	1.2	0.4	3.4	2.5	1.4	1.7	1.5	2.6	1.8	0.8

Sources: Scotiabank Economics, Statistics Canada, provincial government documents.

Table 2: Canada - FY25 Net Debt as a Share of GDP (%)

	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL
New	23.1	7.2	13.8	36.7	35.7	38.3	25.4	31.9	27.8	43.7
Previous	23.2	7.2	13.7	36.9	36.2	38.7	25.0	33.4	28.8	44.3
Change	-0.1	0.0	0.2	-0.3	-0.6	-0.4	0.4	-1.5	-1.0	-0.6

Sources: Scotiabank Economics, Statistics Canada, provincial government documents.

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