



# PROVINCE OF SASKATCHEWAN

(CANADA)

## 2005-06 BUDGET

(Financial Highlights of 2005-06 BUDGET, March 23, 2005)

March 23, 2005

**General Revenue Fund in surplus for 12<sup>th</sup> consecutive year**

**Government debt is essentially unchanged in fiscal year 2006**

### Summary Statement of Surplus (Deficit)

(\$ Millions)

	Estimated 2005-06	Forecast 2004-05	Estimated 2004-05
<b>Treasury Board Organizations</b>			
<b>GRF<sup>1</sup></b>			
Revenue	\$ 7,006.8	\$ 7,713.9	\$ 6,590.5
Operating Expenditure	6,563.7	6,481.1	6,147.5
<b>GRF Operating Surplus</b>	<b>\$ 443.1</b>	<b>\$ 1,232.8</b>	<b>\$ 443.0</b>
Servicing the Public Debt	(588.0)	(590.0)	(614.0)
FSF <sup>2</sup> Transfer	145.0	(353.5)	171.1
<b>GRF Surplus (Deficit)</b>	<b>\$ 0.1</b>	<b>\$ 289.3</b>	<b>\$ 0.1</b>
FSF Transfer	(145.0)	353.5	(171.1)
Other TBO <sup>3</sup> Net			
Income (Loss) net of			
dividends to GRF	(159.4)	(87.1)	(164.6)
Surplus (Deficit) of all TBO	\$ (304.3)	\$ 555.7	\$ (335.6)
<b>Crown Management Board Organizations</b>			
<b>CMBO<sup>4</sup> Net</b>			
Income (Loss) net			
of dividends to GRF	89.9	43.4	56.5
Surplus (Deficit) <sup>5</sup>	\$ (214.4)	\$ 599.1	\$ (279.1)
Surplus (Deficit) of			
Not-for-Profit Insurance			
Organizations	\$ 41.3	\$ 123.4	\$ (17.7)
<b>Summary Surplus (Deficit)</b>	<b>\$ (173.1)</b>	<b>\$ 722.5</b>	<b>\$ (296.8)</b>

1 General Revenue Fund

2 Fiscal Stabilization Fund

3 Treasury Board Organizations

4 Crown Management Board Organizations

5 Prior to Not-for-Profit Insurance Organizations

### Debt of the Province as at March 31

(\$ Millions)

	Estimated 2006	Forecast 2005	Actual 2004
<b>Crown Corporation Debt</b>			
Gross Debt	\$ 4,024.4	\$ 3,844.7	\$ 3,823.3
Sinking Funds	(267.7)	(239.0)	(211.1)
	\$ 3,756.7	\$ 3,605.7	\$ 3,612.2
Guaranteed Debt	0.5	0.5	5.8
<b>Crown Corporation Debt</b>	<b>\$ 3,757.2</b>	<b>\$ 3,606.2</b>	<b>\$ 3,618.0</b>
<b>Government Debt</b>			
Gross Debt	\$ 8,369.1	\$ 8,290.2	\$ 8,768.1
Sinking Funds	(787.1)	(710.4)	(736.4)
	\$ 7,582.0	\$ 7,579.8	\$ 8,031.7
Guaranteed Debt	72.7	71.1	107.6
<b>Government Debt</b>	<b>\$ 7,654.7</b>	<b>\$ 7,650.9</b>	<b>\$ 8,139.3</b>
<b>Total GRF Debt</b>	<b>\$ 11,411.9</b>	<b>\$ 11,257.1</b>	<b>\$ 11,757.3</b>
Other Debt*	421.2	465.8	456.0
<b>Summary</b>			
<b>Statement of Debt</b>	<b>\$ 11,833.1</b>	<b>\$ 11,722.9</b>	<b>\$ 12,213.3</b>

\* Some Crown corporations and other organizations have obligations to other entities, either by borrowing directly or by guaranteeing the debt of others. The General Revenue Fund is not responsible for this other debt.

**Significant financial improvements in 2004-05 have resulted in lower debt levels throughout the forecast period**

### Credit Ratings of the Province

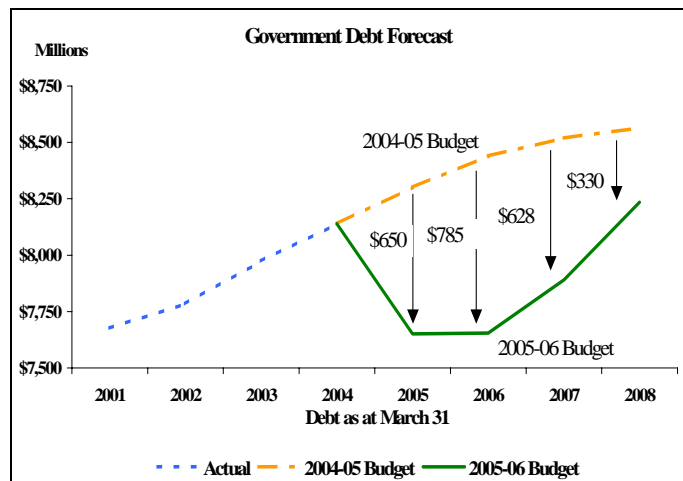
Standard & Poor's	AA-
Moody's Investors Service	AA3
Dominion Bond Rating Service	A*

\* with positive outlook

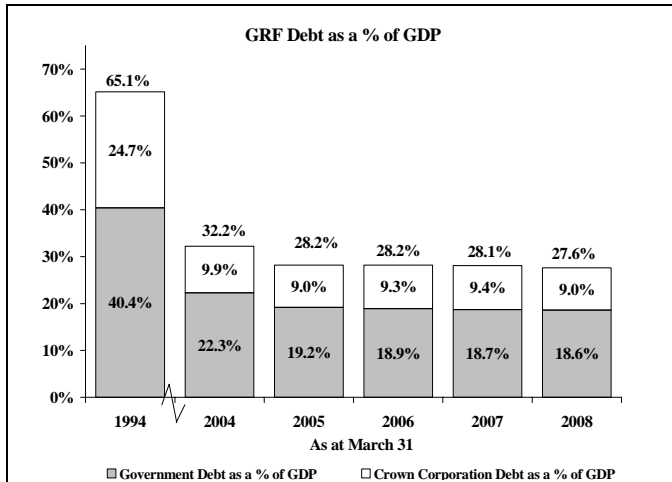
### Saskatchewan Credit Spreads (basis points)

Term	BAs	LIBOR
3 year	+6	-3
5 year	+9	-1
10 year	+8	-1
30 year	+5	-7

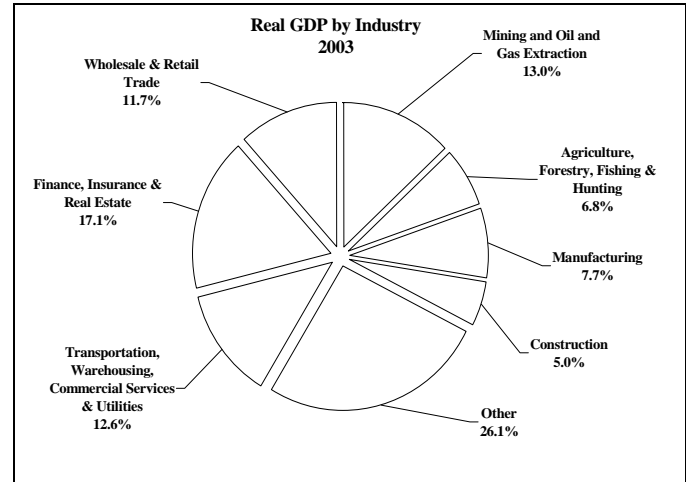
As at March 16, 2005



## Government debt stable as a percentage of GDP

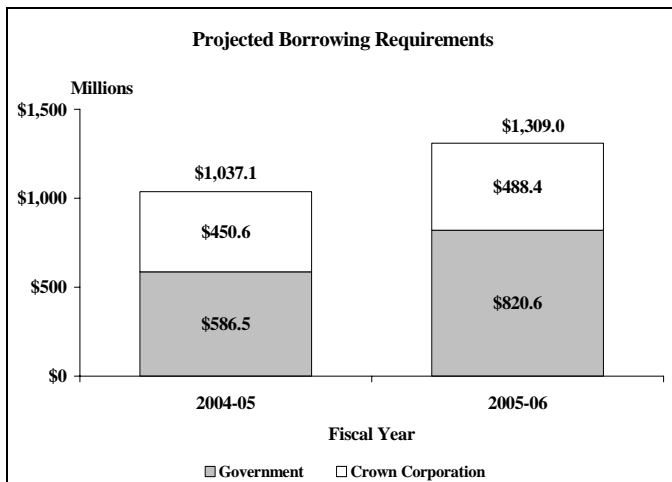


## Natural resources is the largest goods-producing sector of the economy



Source: Statistics Canada, Chained Index

## Borrowing requirements are primarily for government debt



## Crop production above average in 2004; non-farm economy strong – led by mining and manufacturing industries

- Crop production increased to 26.2 million tonnes in 2004, an increase of 20.1 per cent over 2003 and 10.7 per cent above the 10-year average. However, the quality of the crop was well below the 10-year average.
- Employment grew by 4,500 jobs in 2004.
- Unemployment rate was 5.3 per cent, second lowest among the Canadian provinces.
- The value of manufacturing shipments increased by 22.4 per cent in 2004, the strongest growth among provinces.
- Residential housing starts increased by 14.0 per cent in 2004.
- Retail sales increased by 4.2 per cent.
- Total international exports rose by 18.1 per cent, the strongest growth in Canada.
- Potash production and sales up 11.6 per cent and 32.8 per cent, respectively.
- Sales of crude oil and natural gas up 19.9 per cent and 4.2 per cent, respectively, through the first 11 months of 2004.

## Canadian domestic public market primary source for borrowing

Borrowing Sources	Actual 2004-05	Estimated 2005-06
	(\$ Millions)	
International	\$ 0.0	\$ 200.0
Canadian Debentures	850.0	820.0
Canadian MTNs	113.5	100.0
Promissory Notes	50.6	40.0
Canada Pension Plan	0.0	49.0
Sask. Savings Bonds	23.0	100.0
<b>Total</b>	<b>\$1,037.1</b>	<b>\$1,309.0</b>

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