



**ONE FUTURE.
ONE PEOPLE.
ONE MANITOBA.**

Manitoba's Economic, Fiscal and
Borrowing Update

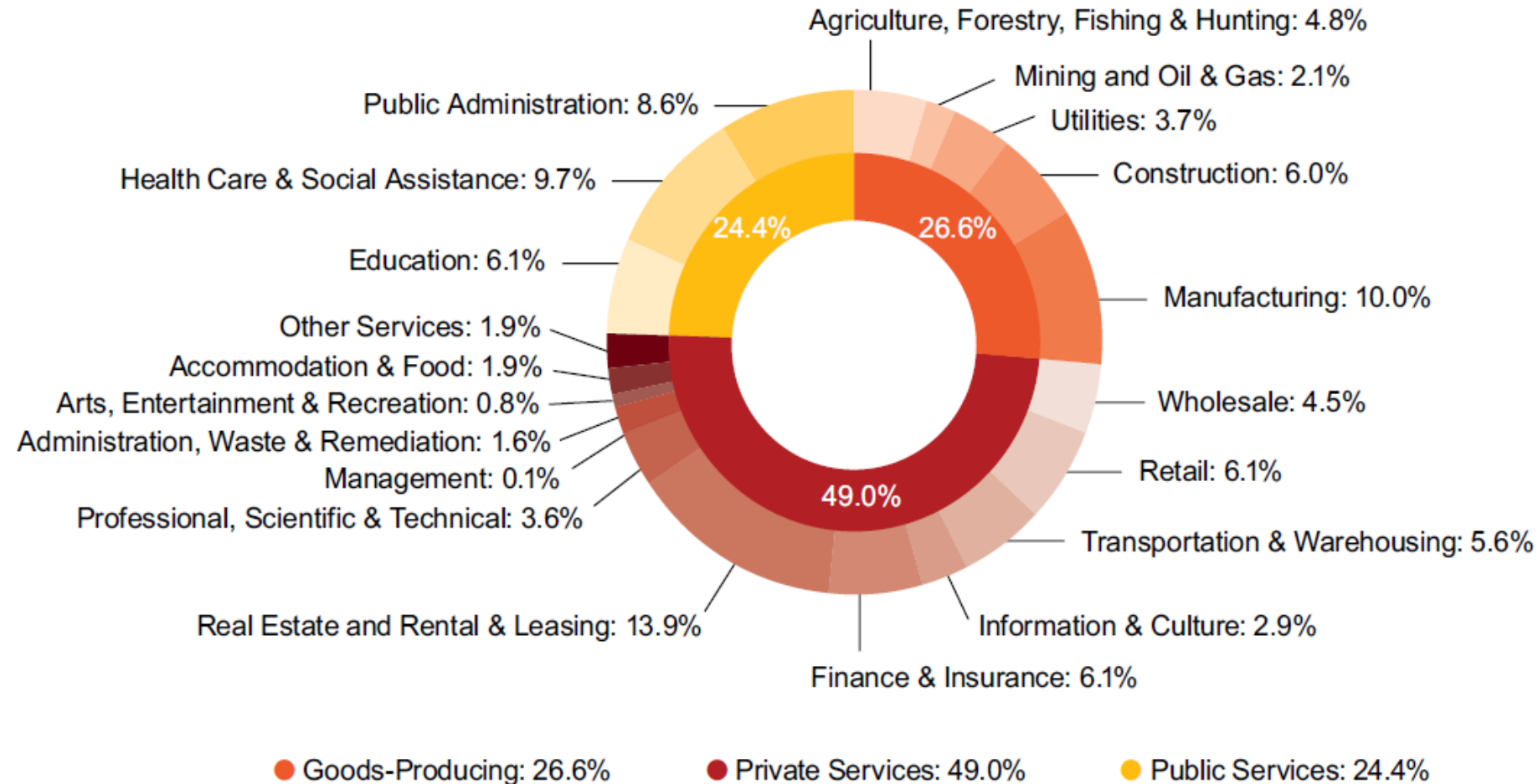
Toronto, Montreal, April 2024

manitoba.ca/BUDGET2024

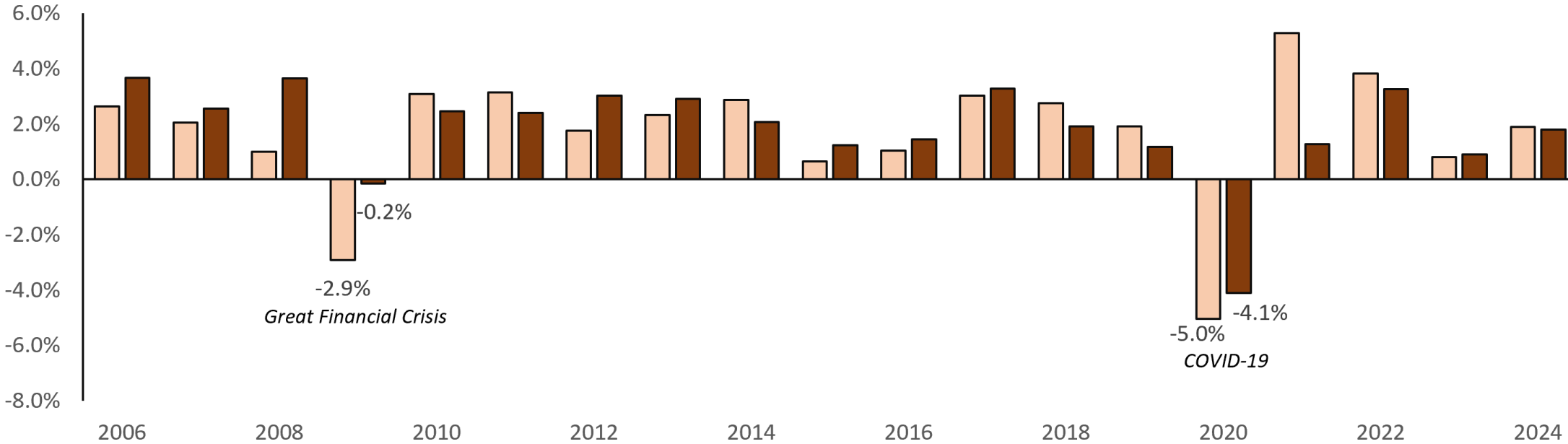


- Growing province with a **stable**, diversified economy
- Highly **diversified** with major presence in manufacturing, construction, finance and insurance, transportation and warehousing, agriculture
- **Balanced export market**: 48.5% international, 51.5% inter provincial
- **Broader foreign markets**: increasing exposure to growing global markets
 - 28% of exports going to non-U.S. markets (Canada 23%)
- Growth in **capital investment**
- Strong **demographic and labour market** fundamentals
- Various indicators of net worth point to a **healthy household balance sheet**

Composition of Gross Domestic Product by Industry, Manitoba, 2022



Real GDP Growth, Annual, Manitoba & Canada



2006-2022: Statistics Canada

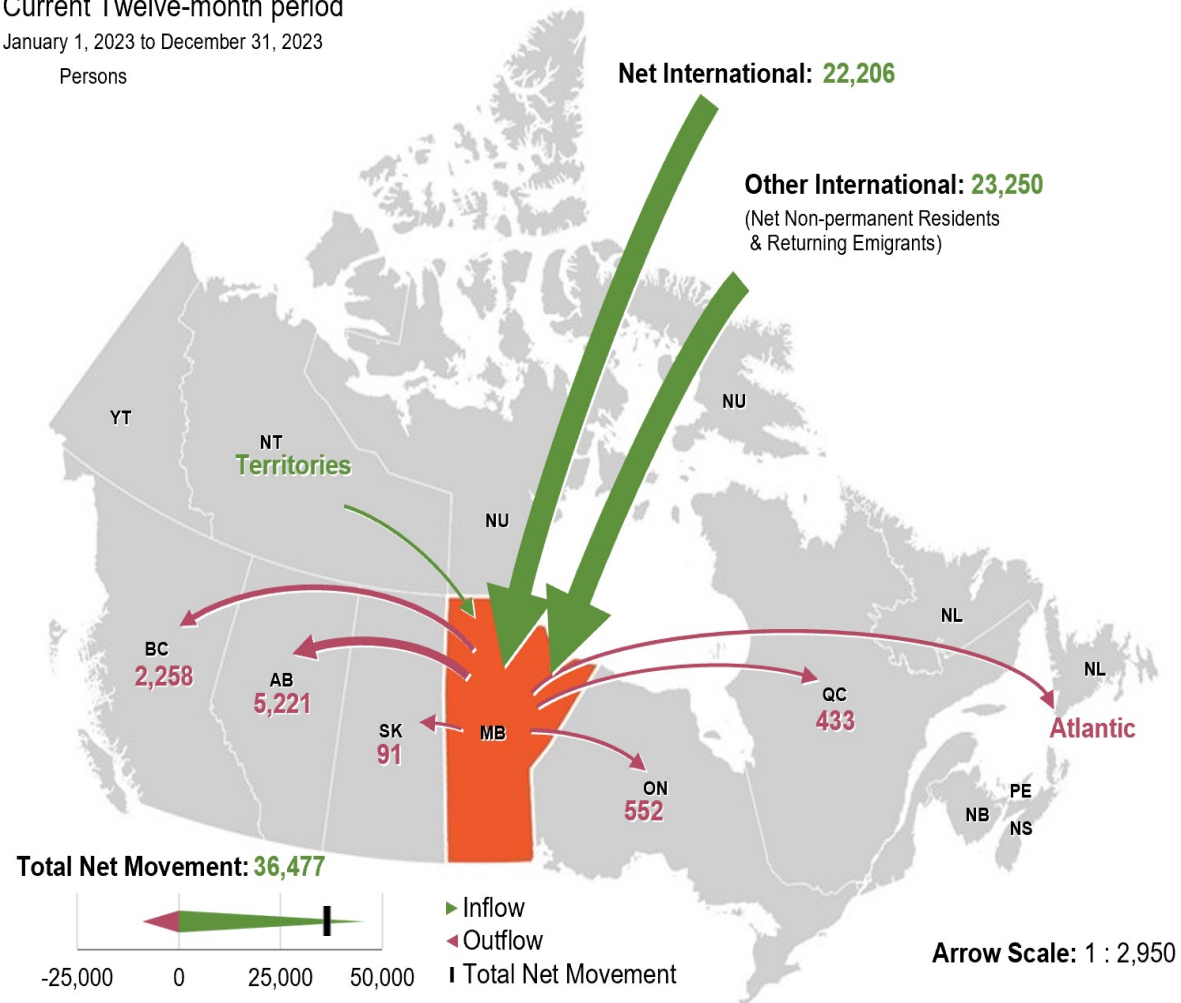
2023-2024: Manitoba Finance Survey of Economic Forecast

□ Canada ■ Manitoba

Manitoba's economy fares better under global economic downturns

Demographics and Labour

Current Twelve-month period
January 1, 2023 to December 31, 2023
Persons



Source: Statistics Canada, Tables 17-10-0040-01 and 17-10-0045-01

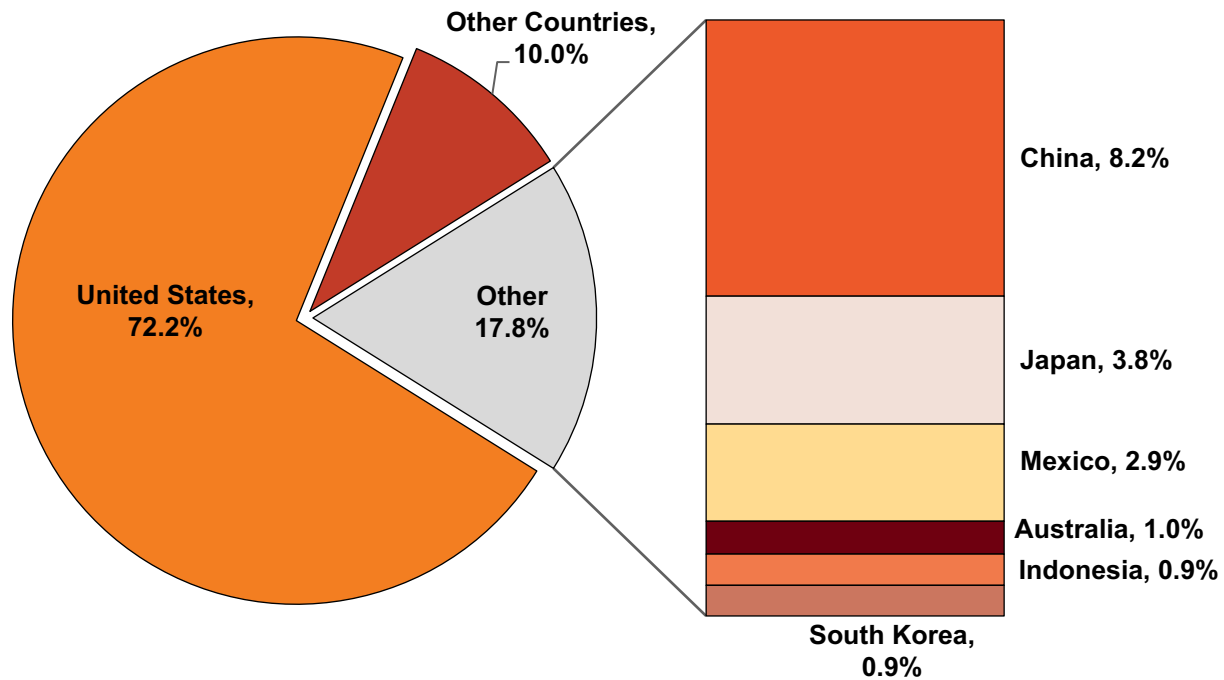
- Immigration is an economic driver that can be used to fill labour market needs that cannot be filled domestically
- Labour shortages have been identified in Manitoba, across sectors, and within businesses of all sizes
- Manitoba has the highest potential labour market entrants (aged 15 to 24) vs. potential retirees (aged 55 to 64). For every Manitoban aged 55 to 64, there are 1.16 individuals aged 15 to 24. Manitoba is replacing all our potential retiree with new entrants

The Manitoba Provincial Nominee Program (MPNP) is critical to supporting Manitoba's employers, communities and regional labour markets

To enhance skills and to retain workers, Manitoba is making significant investments in advanced education. These investments are supporting the labour market over the longer-term

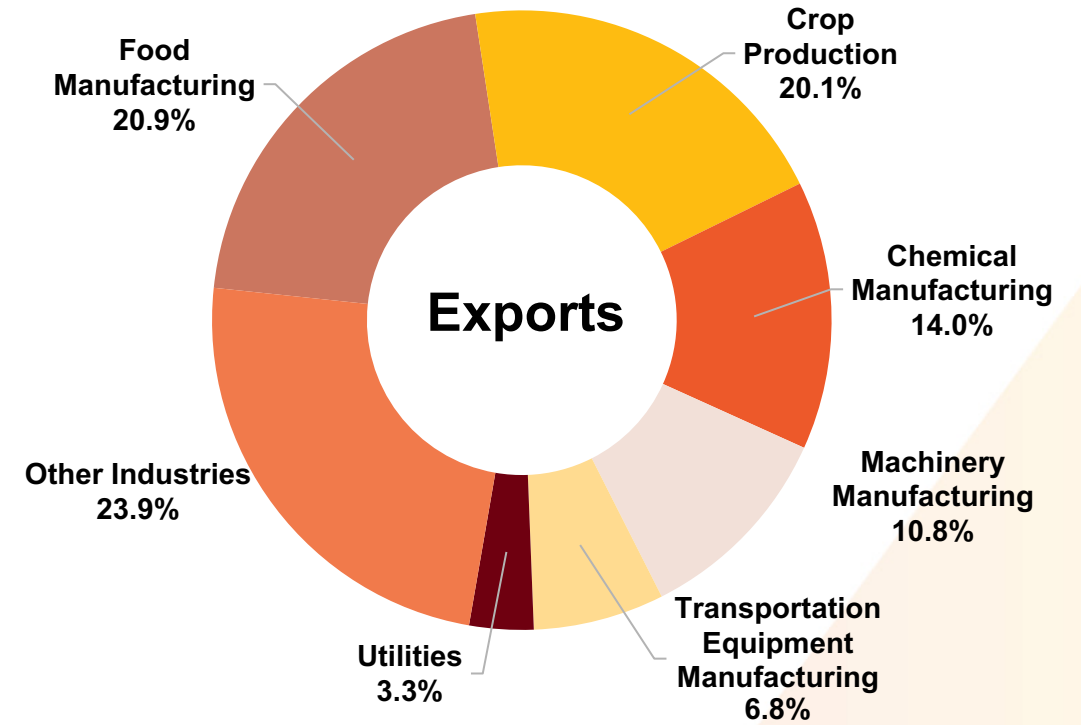
Manitoba exports by selected countries, share (%)

January to December 2023



Manitoba exports by industry, share (%)

January to December 2023



Manitoba Economic Indicators, 2023 Growth

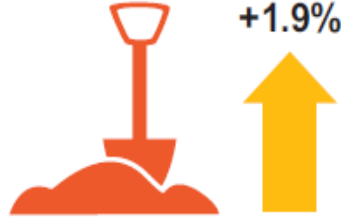
Avg. Weekly Earnings
2023



Employment
2023



Building Permits
2023



Housing Starts
2023



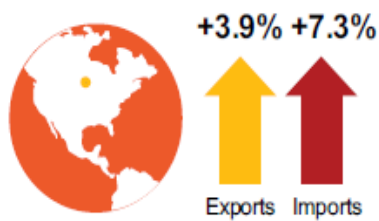
Population
2023



CPI
2023



International Trade
2023



Farm Cash Receipts
2023



Manufacturing Sales
2023



Retail Sales
2023



	2024F	2025F
Gross Domestic Product		
Real	0.6	1.9
Nominal	2.9	3.1
Consumer Price Index	2.5	1.9
Employment	1.2	1.5
Unemployment Rate (%)	5.7	5.7
Population	2.6	2.0

Per cent change unless otherwise noted

Source: Manitoba Finance Survey of Economic Forecasts

- Private sector forecasts **real GDP** to expand by 0.6% in 2024 and 1.9% in 2025
- **Nominal GDP** is projected to grow 2.9% in 2024 and 3.1% in 2025
- **Consumer Price Index** inflation is expected to be 2.5% in 2024 and decrease to 1.9% in 2025
- Employment growth expected to moderate in 2024 to 1.2% and increase to 1.5% in 2025
- **Unemployment rate** expected to rise slightly to 5.7% in 2024 and remain at that level in 2025

■ **Rebuilding Health Care**

- Targeted investments in health care, including a plan to hire 1,000 new health care workers
- Increase bed capacity and reduce ER wait times, increase critical care capacity
- Access to cutting-edge cancer drugs, companion testing to better match cancer drugs with specific oncology patients
- Provide more direct hours of care for seniors in personal care homes, implement the new Safe and Healthy at Home program

■ **Growing the Economy**

- Capital investments in highways, other transportation and water-related infrastructure
- Funding to increase the number of apprenticeship training seats to help grow our skilled labour force

■ **Lowering Costs for Families**

- Extending the gas tax cut
- Rebate for new electric vehicles (EVs) and plug-in hybrids and rebate for used EVs and plug-in hybrids

■ **Healthier Families and Safer Communities**

- Doubling the pre-natal benefits
- Capital investments for construction, expansion and improvements in school properties
- Funding to establish a supervised consumption site, addiction treatment beds, and support harm reduction services

SUMMARY BUDGET

For the Fiscal Year Ending March 31

	2024/25 Budget	2023/24 Forecast*	2023/24 Budget
	(Millions of Dollars)		
Revenue	23,337	21,476	22,377
Expense	24,133	23,473	22,740
Operating Surplus (Deficit)	(796)	(1,997)	(363)
Summary Net Debt	35,421	33,514	31,057
Net Debt to GDP	38.5%	37.5%	34.6%

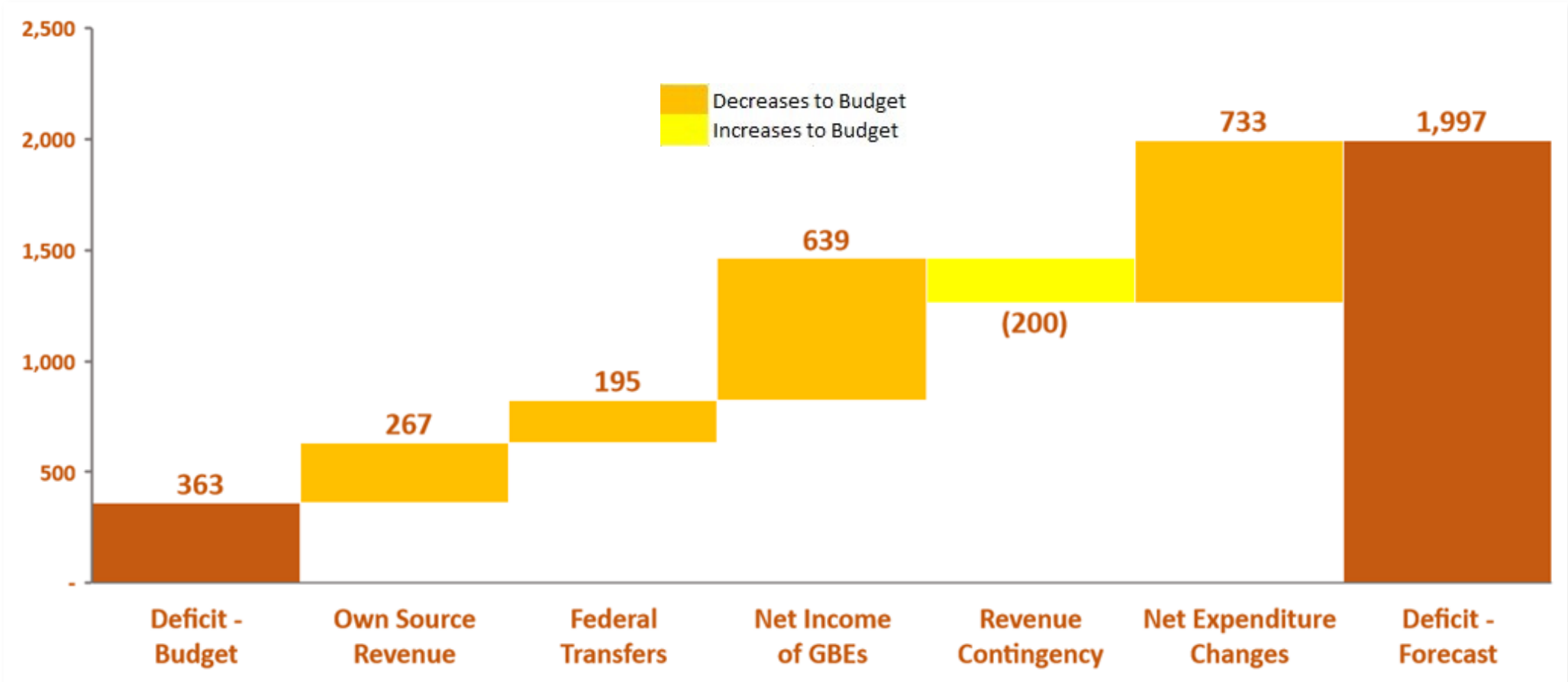
*As reported in the Third Quarter Fiscal Report on March 22, 2024

Budget 2024 forecasts a deficit of \$796 million for the fiscal year 2024/25

- Revenue growth is projected at \$960 M, or 4.3% *(vs Budget 2023)*
- Expenditures are projected to increase \$1,393 M, or 6.1% *(vs Budget 2023)*

Changes from Budget 2023

Millions of Dollars

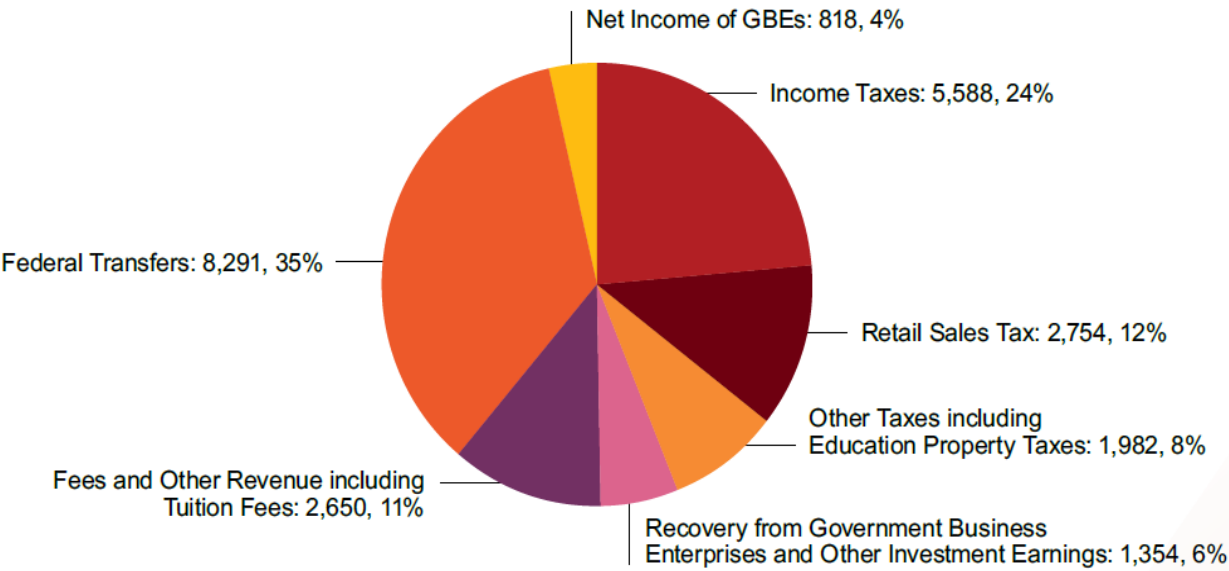


2024/25 Revenue & Expense



Revenue, 2024/25

Millions of Dollars and Per Cent

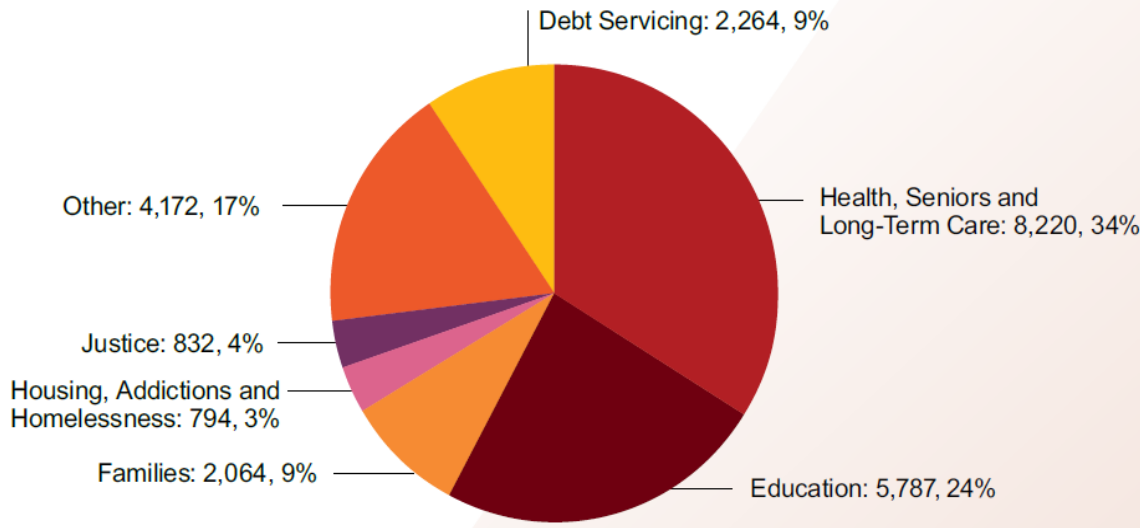


Total Revenue: \$23,437

Note: a revenue contingency of \$100-million used for fiscal planning reduces the projection to \$23,337

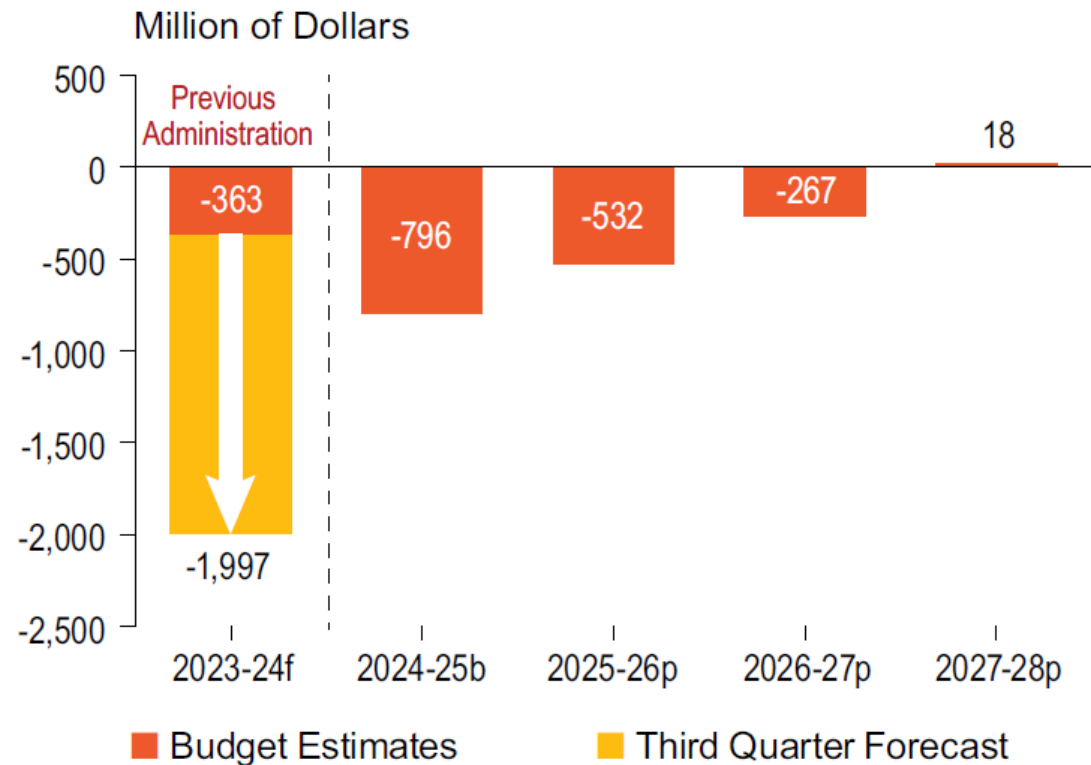
Expense, 2024/25

Millions of Dollars and Per Cent



Total Expenses: \$24,133

Manitoba Summary Operating Surplus (Deficit)

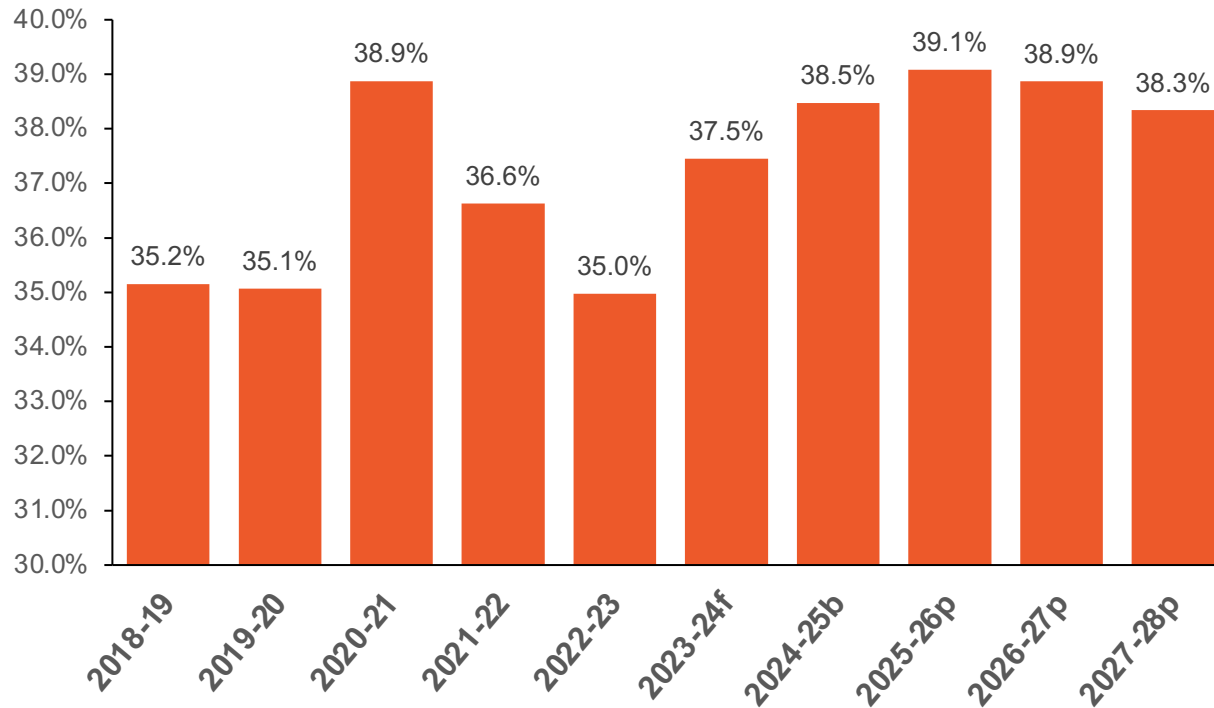


Sources: Manitoba Finance
f - Forecast b - Budget p - Projections

- Budget 2024 re-bases expenditures in health, providing a reasonable foundation for a credible path to balance for the government's single largest expenditures
- Forecasts for revenues and expenditures being approached prudently
- With inflation and interest rates expected to decline from current high levels, the economy is forecast to strengthen lifting revenue back to trend levels

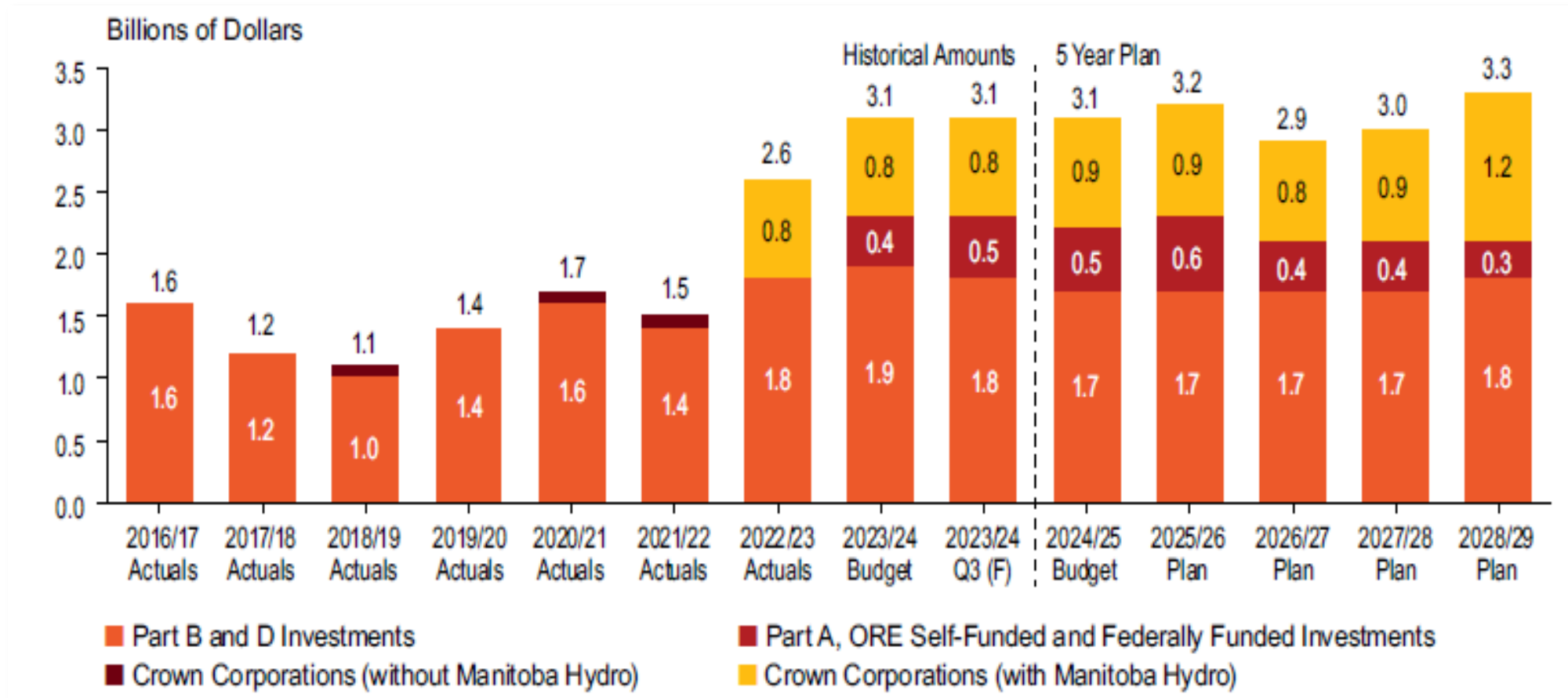
Plan shows an improving fiscal situation from a \$532-million deficit in 2025/26 to a \$18-million surplus in 2027/28

Net Debt-to-GDP Ratio



- Net Debt-to-GDP Ratio is expected to follow a downward trajectory after a peak in 2025/26
- Increasing demand for universally provided government services expected to impact the net debt ratio over the next two years
- Over the medium-term, several factors are expected to generate a downward trend in the net debt ratio

Annual Capital Infrastructure Investments

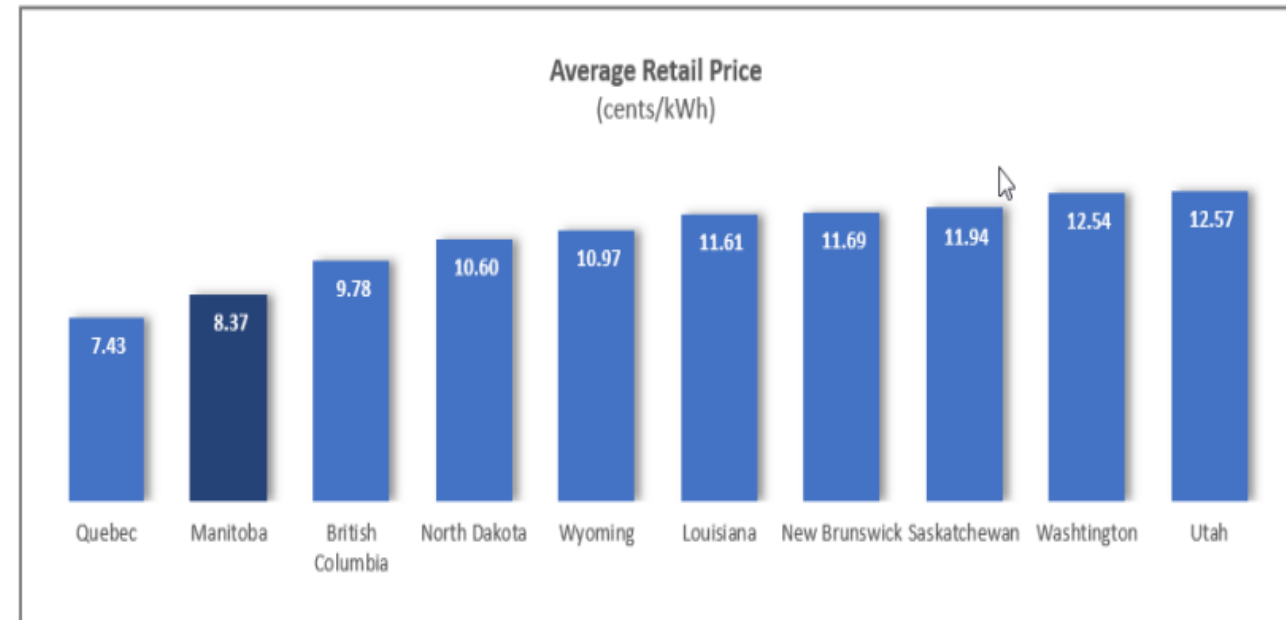


NORTH AMERICA'S CLEAN ENERGY LEADER

- **Manitoba Hydro** is a **100%-owned** Crown Corporation of the Province of Manitoba
- Hydro's clean and **renewable hydro power** is an **economic driver** for the Province, providing affordable hydro-electric energy that can fuel sustainable low-carbon future
- 97.6% of electricity generation is hydro, 2.3% is wind and 0.1% is thermal
- Roughly 1/3 of the electricity generated is exported outside of Manitoba (U.S., Canada) under normal weather conditions
- Manitoba Hydro's current generation capacity is 6,180 MW, with an additional 4,415 MW more of potential generation identified
- Manitoba's clean electricity exports have reduced global emissions by approx. 7 MtCO₂e per year, the equivalent of removing 2.15 million cars off the road annually*

Manitoba Hydro currently has among the lowest average retail electricity rates

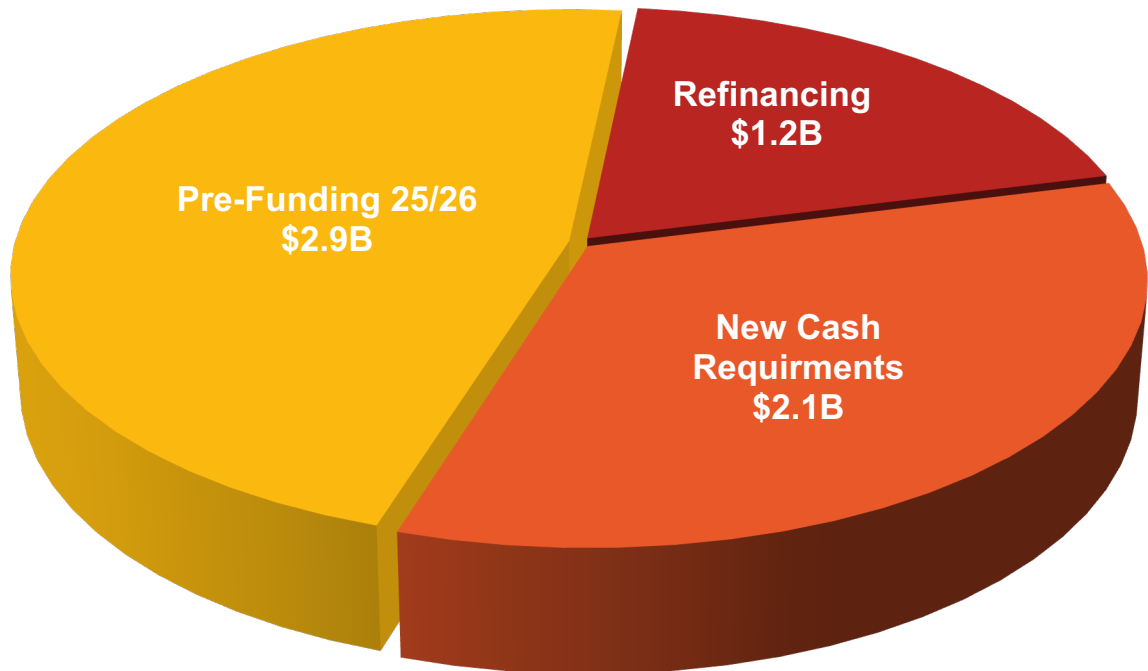
Ten Lowest Cost Provinces/States in North America



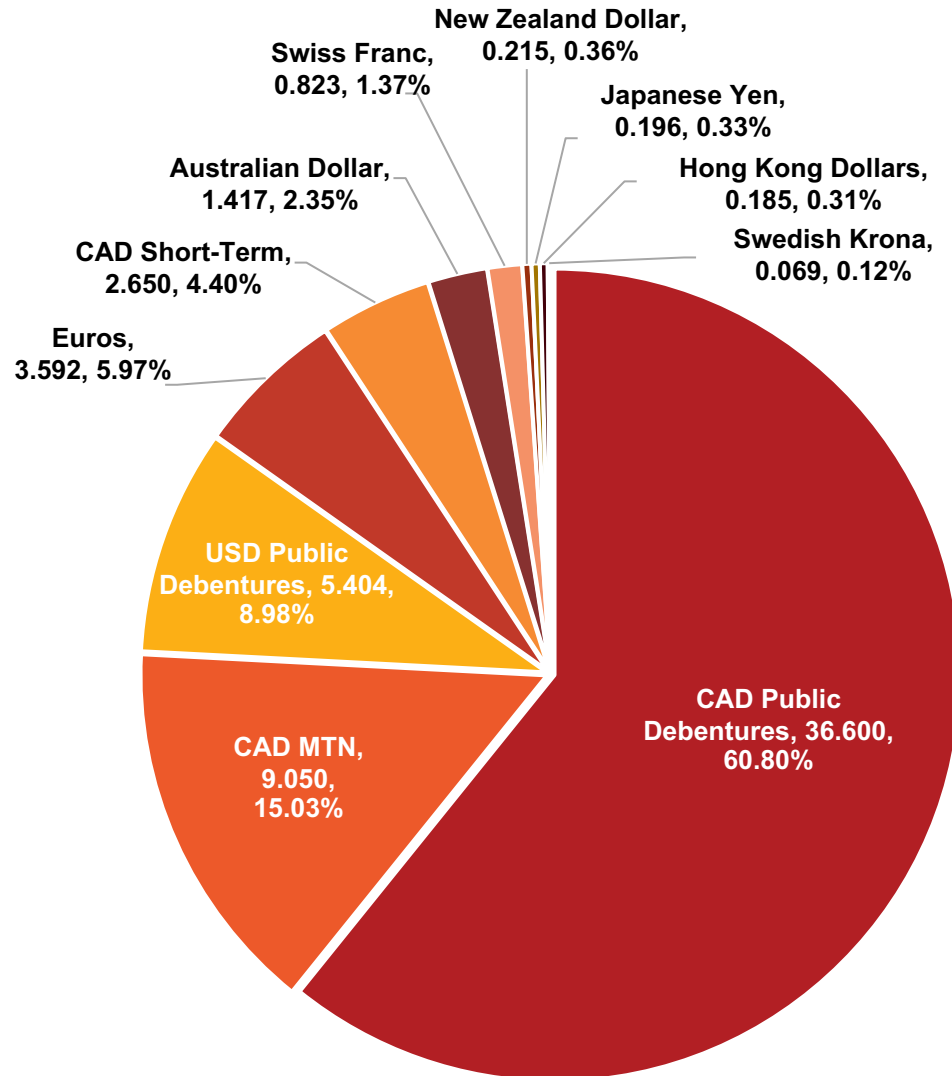
Source: US Dept of Energy (July, 2023), Edison Electric Survey (July 1, 2023), Annual Reports (2022/23). Exchange rate as of July 4, 2023: 1 US\$ = 1.3219 CDN\$.

* **Note:** Average of 8 years data. NRCAN conversion factor of 3.26 Metric Tons of CO₂ equivalent emissions per vehicle per year (Greenhouse Gases Equivalencies Calculator - Calculations and References | Natural Resources Canada (nrcan.gc.ca))

Borrowing Requirements



- Borrowing requirements for fiscal 2024/25 are forecasted to be **\$6.2 billion**
 - Refinancing – \$3.8 billion
 - New Cash – \$2.4 billion
- Includes 6-months of fiscal 2025/26 requirements (\$2.9 billion)
- Manitoba continues to maintain a strong liquidity position
- Planned funding through both domestic and international capital markets



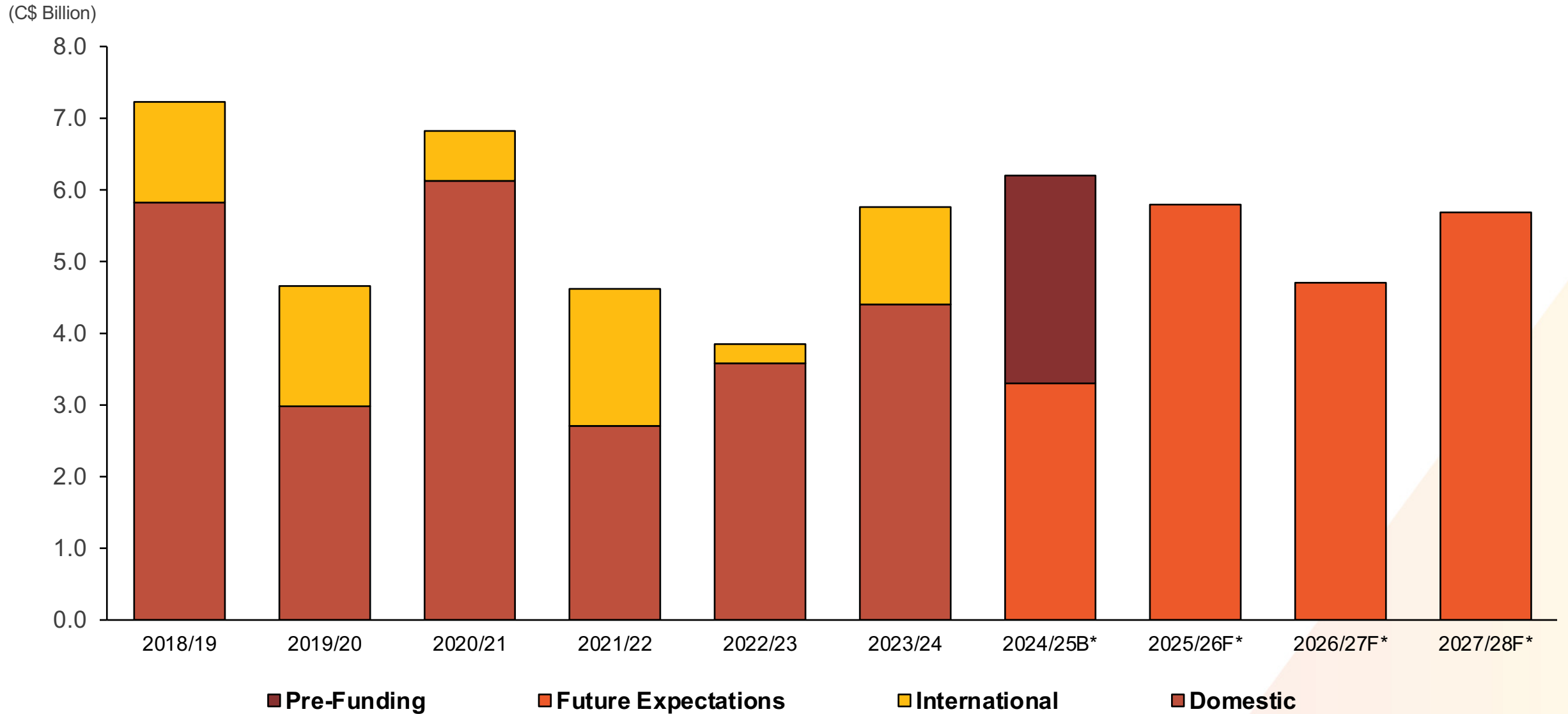
Short-Term Borrowing Program:

- Treasury Bill Program (\$200 million, 91-day auction weekly)
- Promissory Note Program

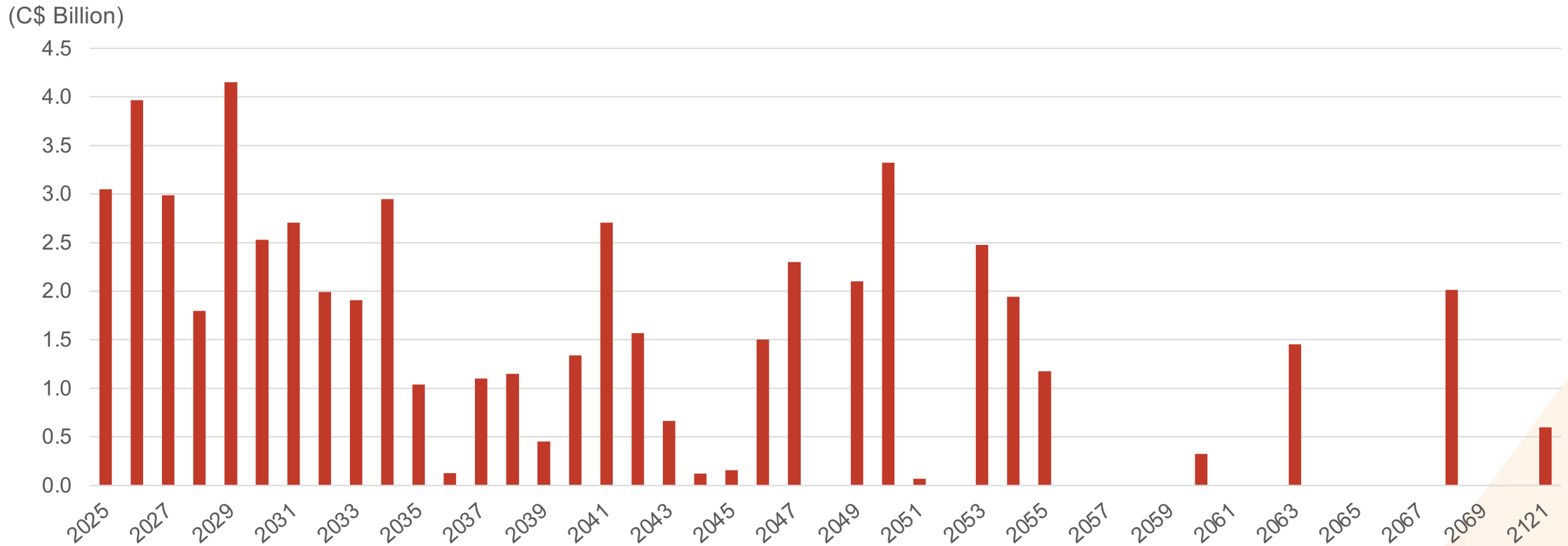
Long-Term Borrowing Program:

- **Domestic Borrowing:**
 - 10yr & 30yr Benchmarks
 - Medium Term Notes (MTN's)
- **International Borrowing:**
 - US Dollars SEC Registered
 - EMTN Programme
 - Australian Medium-Term Notes

Medium-Term Borrowing



Debt Maturity Profile



** Excludes short-term debt and other liabilities, and the incremental impact of future financing.*

Manitoba conducts prudent debt management practices with the goal of achieving a stable level of debt maturity profile

Credit Ratings

Agency	Long-Term Date of Last Action	Short-Term	Trend	ESG Score
Moody's	Aa2 Friday, July 10, 2015	NR	Stable	CIS-2 Neutral to Low
Standard & Poor's	A+ Friday, July 21, 2017	A-1	Stable	-
DBRS Morningstar	A (High) Friday, October 11, 2013	R-1 (Middle)	Stable	ESG Assessment No Significant Impact on Credit Analysis

Thank You

For more information, please visit Manitoba.ca

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