

2013-14 Third Quarter Fiscal Update and Economic Statement

February 26, 2014



- **Turning the corner – back in the black**

Operational Deficit/Surplus – full year

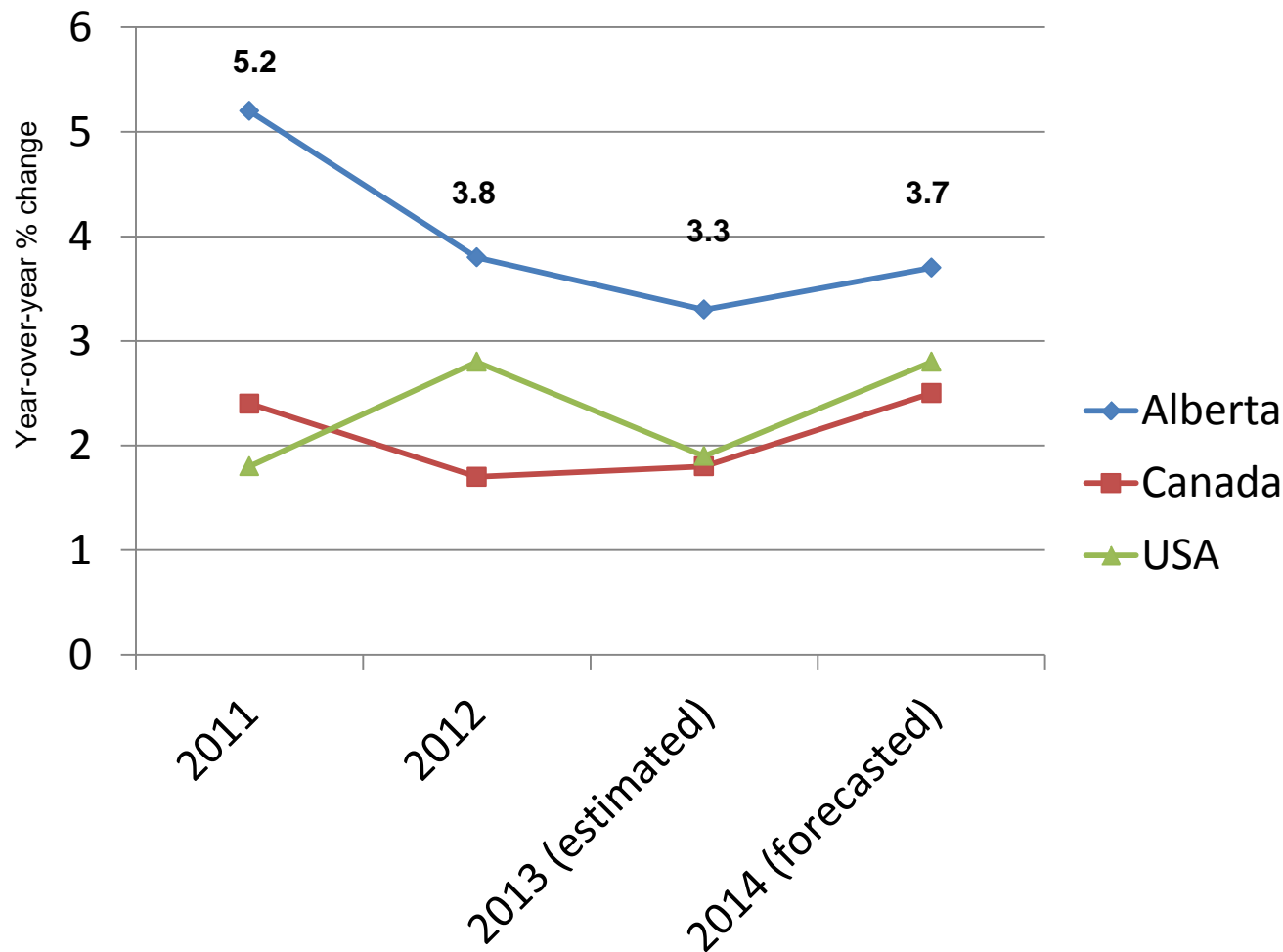
Budget 2013	Q1	Q2	Q3
\$451 M deficit	↑ \$500 M deficit to \$250 M surplus	↑ \$250 M deficit to \$250 M surplus	↑ \$1.4 B surplus



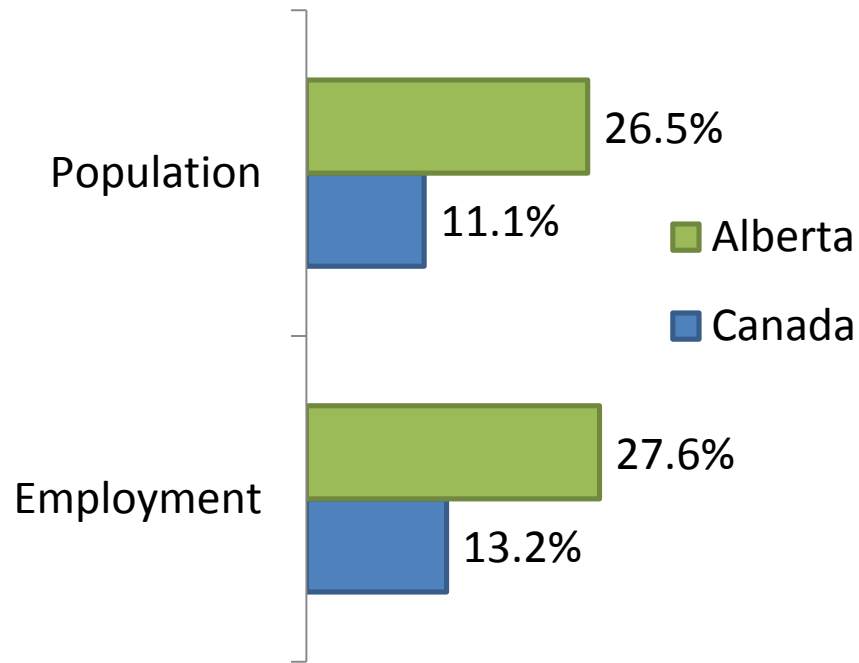
- **Proceeding with caution - revenues remain volatile**
- **Turning the corner and continuing down road set out in budget**
- **Spending taps will not open up**
- **Surplus to cushion future revenue drops**



Real Gross Domestic Product (GDP) Growth

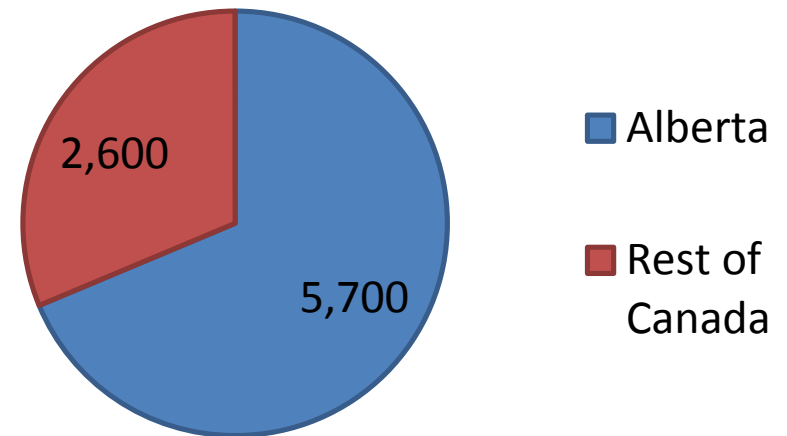


Economic Strength



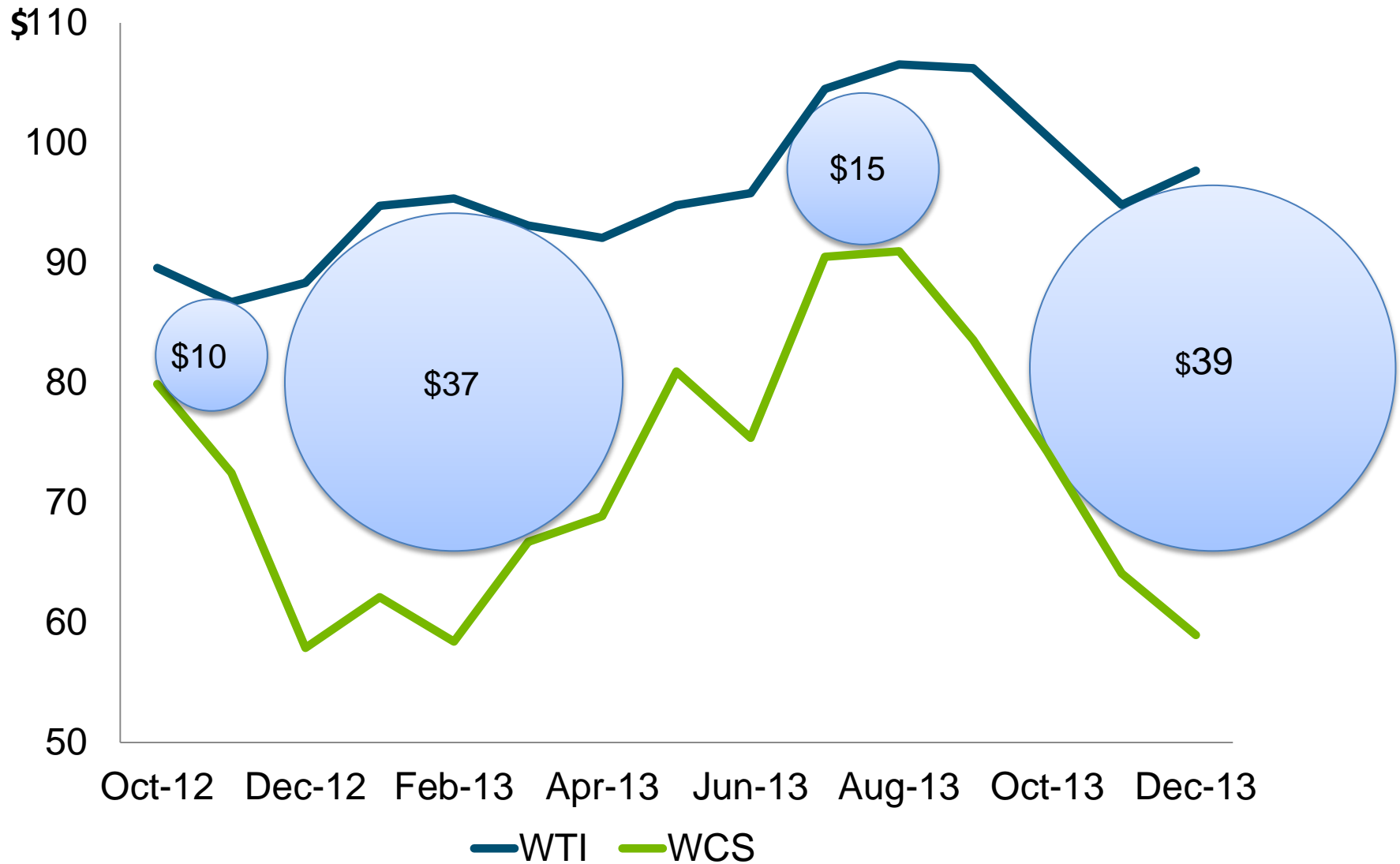
Growth 2003-2013

Average number of jobs added per month in 2013



Monthly employment growth Jan to Dec, 2013

Oil Price Differential





\$6B natural disaster event

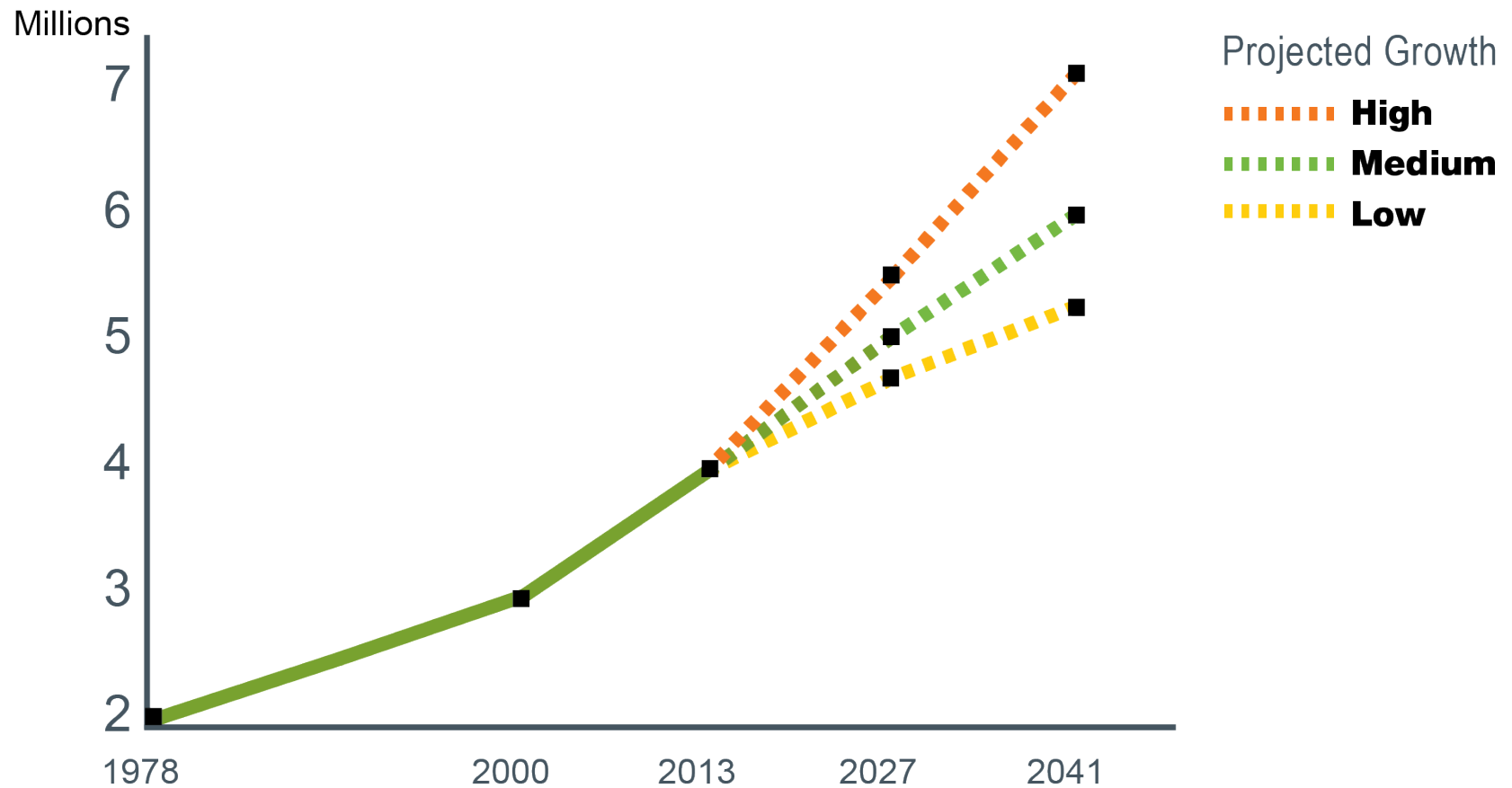
Provincial support

- \$1.2 B commitment for small businesses and communities
- \$537 M operating expense and \$33 M in capital spending to December 31

Booming Population



Alberta's Population



Operational Plan

Operational Deficit (Q3 estimate)	Operational Surplus (Q3 actual)
(\$372 M)	↑ \$1.2 B

Operational Revenue (Q3 estimate)	Operational Revenue (Q3 actual)
\$28 B	↑ \$30.8 B

Operational Expense (Q3 estimate)	Operational Expense (Q3 actual)
\$28.5 B	↑ \$29.6 B

Operational Borrowing
\$0

Net Assets (Budget 2013 estimate)	Net Assets (Q3 revised forecast)
\$41.1 B Decrease of \$1.97 B	\$43.9 B Decrease of \$335 M

Capital Plan

Capital Spending (Q3 estimate)	Capital Spending (Q3 actual)
\$ 3.45 B	\$3.5 B

Average Borrowing Cost	Heritage Fund Rate of Return
3.7%	11.6%

Debt Servicing	Debt Cap
0.6%	3%

(of operational revenue)



Savings Plan

Contingency Account (Budget 2013 estimate)	Contingency Account (Revised 2013-14 forecast)
\$691 M	↑ \$4.6 B

**Alberta Heritage
Savings Trust Fund**
(Fair Value of Net Assets @ Q3)

\$17.3 B

Stay tuned for Budget 2014

March 6

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