

In 2024-25, assuming no new measure are introduced, and existing temporary measures sunset as scheduled, the budgetary deficit is projected to resume its downward trajectory, reaching \$8.2 billion (0.2 per cent of GDP) in 2028-29, as growth in tax revenue tracks gains in nominal GDP and growth in program spending remains relatively constrained.

**Table 2**

Summary of the fiscal outlook, billions of dollars (unless otherwise stated)

	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
<b>Revenues</b>	442.6	458.4	481.6	498.8	520.7	541.1	563.4
<b>Program expenses</b>	436.7	451.7	464.5	474.8	487.4	504.4	522.9
<b>Public debt charges</b>	34.8	46.4	47.0	47.4	49.6	50.4	51.1
<b>Actuarial losses</b>	9.8	6.9	3.3	1.5	-1.2	0.4	-2.4
<b>Expenses</b>	481.3	505.0	514.9	523.7	535.8	555.2	571.6
<b>Budgetary balance</b>	-38.7	-46.5	-33.2	-24.9	-15.1	-14.1	-8.2
<b>Federal debt</b>	1,168.8	1,215.3	1,248.6	1,273.5	1,288.6	1,302.7	1,310.9
<b>Budgetary balance, % of GDP</b>	-1.4	-1.6	-1.1	-0.8	-0.5	-0.4	-0.2
<b>Federal debt, % of GDP</b>	42.0	42.6	42.3	41.4	40.2	39.1	37.8

Source:

Office of the Parliamentary Budget Officer.

Note:

Expenses include actuarial losses. As of 2022-23, the Government adopted new Public Sector Accounting Board (PSAB) standards for both asset retirement obligations and financial instruments. These changes impact the opening balance of the accumulated deficit for 2022-23 and not the budgetary balance. Fiscal year 2022-23 is an estimate. The projection period covers fiscal years 2023-24 to 2028-29. Totals may not add up due to rounding.

With the increase in interest rates, we project that the debt service ratio (that is, public debt charges relative to tax revenues) will peak at 12.0 per cent in 2023-24 (Figure 1). The debt service ratio is then projected to gradually decline, as growth in public debt charges moderates and interest