

Fiscal and Debt Summary
Budget and Fiscal Plan
2025/26 to 2027/28



THREE YEAR FISCAL PLAN

	2024/25		Budget Estimate 2025/26	Plan 2026/27	Plan 2027/28
	Budget 2024	Updated Forecast			
			(\$ millions)		
Revenue	81,523	82,868	84,003	85,715	88,165
Expense	(89,434)	(92,003)	(94,915)	(95,918)	(98,028)
Deficit	(7,911)	(9,135)	(10,912)	(10,203)	(9,863)

Budget 2025 maintains key investments made over recent budgets to help build a stronger, more secure B.C. for everyone. *Budget 2025* invests \$9.9 billion more in operating funding across the fiscal plan to support key public services in the areas of health, education, and social services, while taking steps to manage finance closely through expenditure management targets. Projected deficits decline over the fiscal plan period from \$10.9 billion in 2025/26 to \$9.9 billion in 2027/28, and debt metrics are expected to increase but remain affordable relative to our peers. Government is maintaining key investments during a time of economic uncertainty to help people with costs and protect housing, health and education services relied upon by British Columbians.

B.C.'s economy experienced moderate growth in 2024 amid relatively high interest rates, persistent price pressures and ongoing global economic uncertainty. Looking ahead, lower population growth resulting from changes to the federal government's immigration policies is expected to moderate the labour market and consumer spending. Meanwhile, B.C. and many of its top trading partners are facing heightened uncertainty surrounding restrictive global trade policies, particularly from the threat of U.S. tariffs. Despite ongoing global uncertainty, B.C.'s diverse economy helps place the province in a relatively better position to withstand these economic challenges compared to other provinces.

It is estimated that the B.C. economy expanded by 1.2 per cent in 2024. Looking ahead, economic growth is forecast to increase to 1.8 per cent in 2025, and then by 1.9 per cent in 2026. Over the medium-term (2027 to 2029), real GDP growth is expected to average 2.1 per cent annually.

Overall, the *Budget 2025* near-term forecast for B.C. real GDP growth matches the average outlook provided by the Economic Forecast Council (EFC), while the medium-term outlook is within the range provided by the EFC.

PROVINCIAL DEBT SUMMARY¹

	2024/25		Budget Estimate 2025/26	Plan 2026/27	Plan 2027/28
	Budget 2024	Updated Forecast			
			(\$ millions)		
Taxpayer-supported debt					
Provincial government					
Operating	10,275	22,028	29,703	39,775	50,092
Capital ²	46,439	45,982	52,268	59,836	67,433
Total provincial government	56,714	68,010	81,971	99,611	117,525
Taxpayer-supported entities					
BC Transportation Financing Authority	26,066	24,670	29,775	35,389	41,084
Health Authorities and Hospital Societies	2,332	2,337	2,287	2,233	2,173
Post Secondary institutions	981	963	984	1,023	1,017
Social housing	1,872	1,316	2,584	3,520	2,738
Other ³	674	415	1,118	1,636	1,942
Total taxpayer-supported entities	31,925	29,701	36,748	43,801	48,954
Total taxpayer-supported debt	88,639	97,711	118,719	143,412	166,479
Self-supported debt	34,628	35,305	37,913	40,300	42,351
Total provincial debt	123,267	133,016	156,632	183,712	208,830
Taxpayer-supported debt-to-GDP	21.0%	22.9%	26.7%	30.9%	34.4%
Taxpayer-supported interest bite					
(cents per dollar of revenue)	3.8	4.3	4.9	5.8	6.9

Taxpayer-supported debt for 2024/25 is now forecast to be \$97.7 billion - \$9.1 billion higher than the *Budget 2024* mainly due to a higher opening balance from 2023/24, an increased deficit, and pre-borrowing to meet refinancing requirements early in 2025/26.

Total provincial debt is projected to increase by \$75.8 billion over the fiscal plan period to \$208.8 billion by 2027/28.

Taxpayer-supported debt is forecast to increase by \$68.8 billion to \$166.5 billion by 2027/28 to finance the operating and capital investment needs of the Province.

The self-supported debt of commercial Crown corporations is forecast to increase by \$7.0 billion over the fiscal plan period, ending at \$42.4 billion. This increase is mainly for capital investments related to improving and expanding British Columbia's hydroelectric generation and distribution assets.

Increasing debt levels are expected to result in higher debt metrics, with taxpayer-supported debt-to-GDP ratio rising from 22.9 per cent in 2024/25 to 34.4 per cent by 2027/28. With *Budget 2025*, government has committed to expenditure management initiatives in recognition of the need to reduce the rate of growth in debt to meet fiscal sustainability objectives.

¹ Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Provincial Debt Summary included in the Public Accounts. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest and foreign exchange adjustments, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

² Includes debt incurred by the government to fund the building of capital assets in the education, health, social housing and other sectors.

³ Forecast includes potential provincial First Nation equity loan guarantees that may be authorized by Treasury Board under the First Nations Equity Financing program.

B.C.'s debt servicing costs remain at low levels compared to other jurisdictions. A common metric of financing affordability is the "interest bite," representing the taxpayer-supported interest costs as a percentage of provincial government revenue, which is forecast at 4.3 per cent in 2024/25 and 6.9 per cent in 2027/28.

PROVINCIAL BORROWING REQUIREMENTS

	2024/25		Budget Estimate 2025/26	Plan 2026/27	Plan 2027/28
	Budget 2024	Updated Forecast			
			(\$ millions)		
Operating Deficit.....	7,911	9,135	10,912	10,203	9,863
Capital requirements	18,756	15,970	20,202	20,382	19,327
Refinancing requirements ¹	3,670	3,806	8,155	6,282	8,843
Other financing sources ²	(5,931)	542	(7,392)	(3,417)	(3,181)
Gross increase in debt	24,406	29,453	31,877	33,450	34,852
Less:					
Direct borrowing by crowns and entities	(223)	(295)	(807)	(391)	(179)
Gross borrowing requirements³	24,183	29,158	31,070	33,059	34,673
Less:					
Year-to-date - gross long-term borrowing		(26,805)			
Year-to-date - Increase in short-term borrowing		(2,228)			
Internal financing sources		(125)			
Remaining borrowing requirement		-			

The updated gross borrowing requirement for 2024/25 is \$29.2 billion with nil remaining to fiscal year end.

The Province has been pre-funding cash requirements for fiscal 2025/26.

The Province will continue to look to both domestic and international markets to address funding requirements, and continue to expand its investor base.

¹ Higher refinancing requirement in 2025/26 is due to refinancing maturing short-term debt with long-term borrowing.

² Includes other financing sources for the province, the health and education sectors, Crown corporations, and non-cash adjustments. Higher other financing sources in 2025/26 reflects pre-borrowing activities in 2024/25 to mitigate expected volatility and larger borrowing requirements in fiscal years 2024/25 and 2025/26.

³ As of the Fall 2024 Update, gross borrowing for short-term capital financing is reported on a net change basis.

2024/25 YEAR-TO-DATE MARKET ACTIVITY SUMMARY¹

	(\$ millions)
Canadian Public	9,749
Canadian Private	-
Canada Pension Plan	-
International	17,056
Year-to-date - gross long-term borrowing	26,805

¹ Includes long-term debt issued up to March 4, 2025.

RECONCILIATION OF GROSS BORROWING TO THE CHANGE IN DEBT

	2024/25		Budget Estimate 2025/26	Plan 2026/27	Plan 2027/28
	Budget 2024	Updated Forecast			
			(\$ millions)		
Opening balance as at March 31	103,783	107,462	133,016	156,632	183,712
Gross increase in debt	24,406	29,453	31,877	33,450	34,852
Less:					
debt maturities ¹	(4,876)	(3,880)	(8,230)	(6,354)	(9,667)
change in sinking fund and amortization of discount/premium	(46)	(19)	(31)	(16)	(67)
Ending balance as at March 31	123,267	133,016	156,632	183,712	208,830

¹ As of the Fall 2024 Update, debt maturities for short-term capital financing are reported on a net change basis.



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Credit Ratings of the Province

Moody's	Aaa
Morningstar DBRS	AA(high)
Fitch	AA+
Standard and Poor's	AA-

The Moody's and Standard and Poor's credit ratings have negative outlooks and the Fitch and DBRS credit ratings have stable outlooks.