



2003

Ontario

Economic Outlook and
Fiscal Review

The Honourable Greg Sorbara
Minister of Finance

General inquiries regarding the *2003 Ontario Economic Outlook and Fiscal Review* should be directed to:

Ministry of Finance
95 Grosvenor Street, Queen's Park
Frost Building North, 3rd Floor
Toronto, Ontario M7A 1Z1

or call:

Ministry of Finance Information Centre
Toll-free English inquiries 1-800-337-7222
Toll-free French inquiries 1-800-668-5821
Teletypewriter (TTY) 1-800-263-7776

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Web site: www.publications.gov.on.ca

© Queen's Printer for Ontario, 2003
ISSN 1496-2829 ISBN 0-7794-5596-7

Ce document est disponible en français sous le titre :
Perspectives économiques et revue financière de l'Ontario de 2003



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Introduction

The first “fall statement” on Ontario’s economic and fiscal situation was presented to the Legislature by Robert Nixon in November 1986. Its objective was to provide information to the Legislature and the public that would facilitate the pre-budget discussion and consultations.

That spirit of innovation and openness has been restored: first, with the review of the 2003-04 fiscal situation prepared by the former Provincial Auditor, Erik Peters; and now with this document, which presents clearly the fiscal challenge the Province faces.

This document sets out the causes of the \$5.6 billion deficit faced by the Province of Ontario in 2003-04. It sets out multi-year economic forecasts and, based on these, lays out the implications for revenues and expenditures. The reality is that Ontario’s fiscal situation is not sustainable.

Fortunately, Ontario’s economy is strong and resilient. Despite the many unprecedented setbacks experienced this year, the economy has managed to grow and business and consumer confidence has remained healthy. Private-sector forecasters are optimistic that growth is rebounding and that the economy will gain momentum through 2004.

Strong public services provided on a sound and sustainable financial basis are essential to good economic growth. In recent years spending has grown rapidly while revenues have faltered. This cannot continue. The government is committed to working with Ontarians and consulting to make the difficult choices and trade-offs needed to put the Province on a sustainable fiscal course.

This document provides information that will assist in the discussion between the government and the people of Ontario that will take place leading up to the next Budget. Annex I discusses Ontario’s Economy. Annex II addresses Ontario’s Finances. Annex III provides information on Ontario’s Borrowing and Debt Management program. Annex IV provides data on Ontario’s economy.

