

Provincial Economy Overview
Indigenous Land Development Forum
June 2, 2021.
Saskatoon, SK



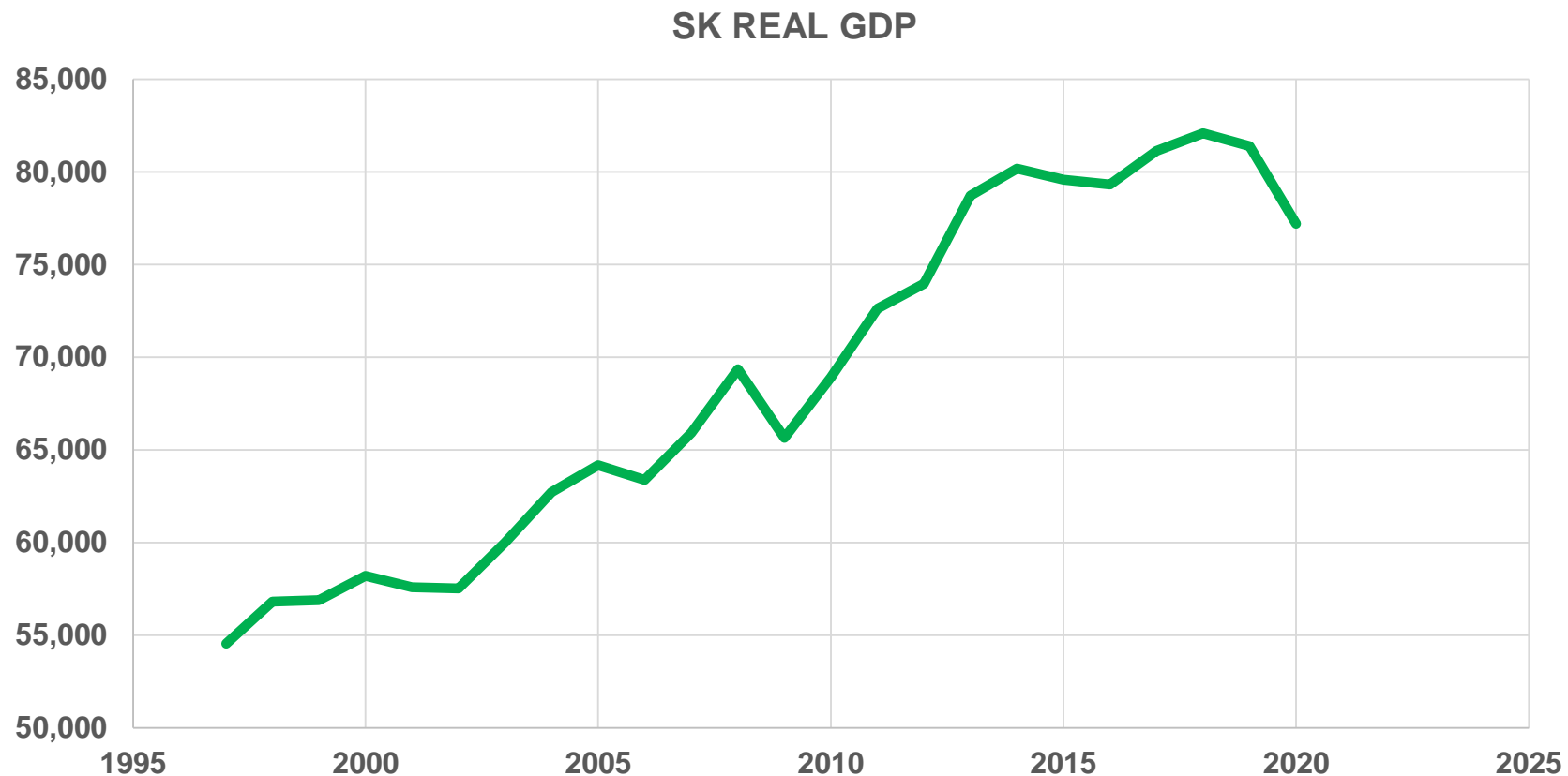
Dr. Joel BRUNEAU, University of Saskatchewan

What I will talk about

- **The current state of the Economy with recent trends**
 - Issue: Covid-19 and associated lockdowns have disrupted the economy. The question is whether, and to what degree, we will return to long term trends.
 - My View: we will get back to long term trends. Some specific sectors will not. But the overall economy is diversified and large. Hence changes in individual sectors will offset in the overall picture.
- **New Opportunities**
 - Renewable energy
 - Tourism
 - Manufacturing
 - Agriculture
- All data taken from STATISTICS CANADA

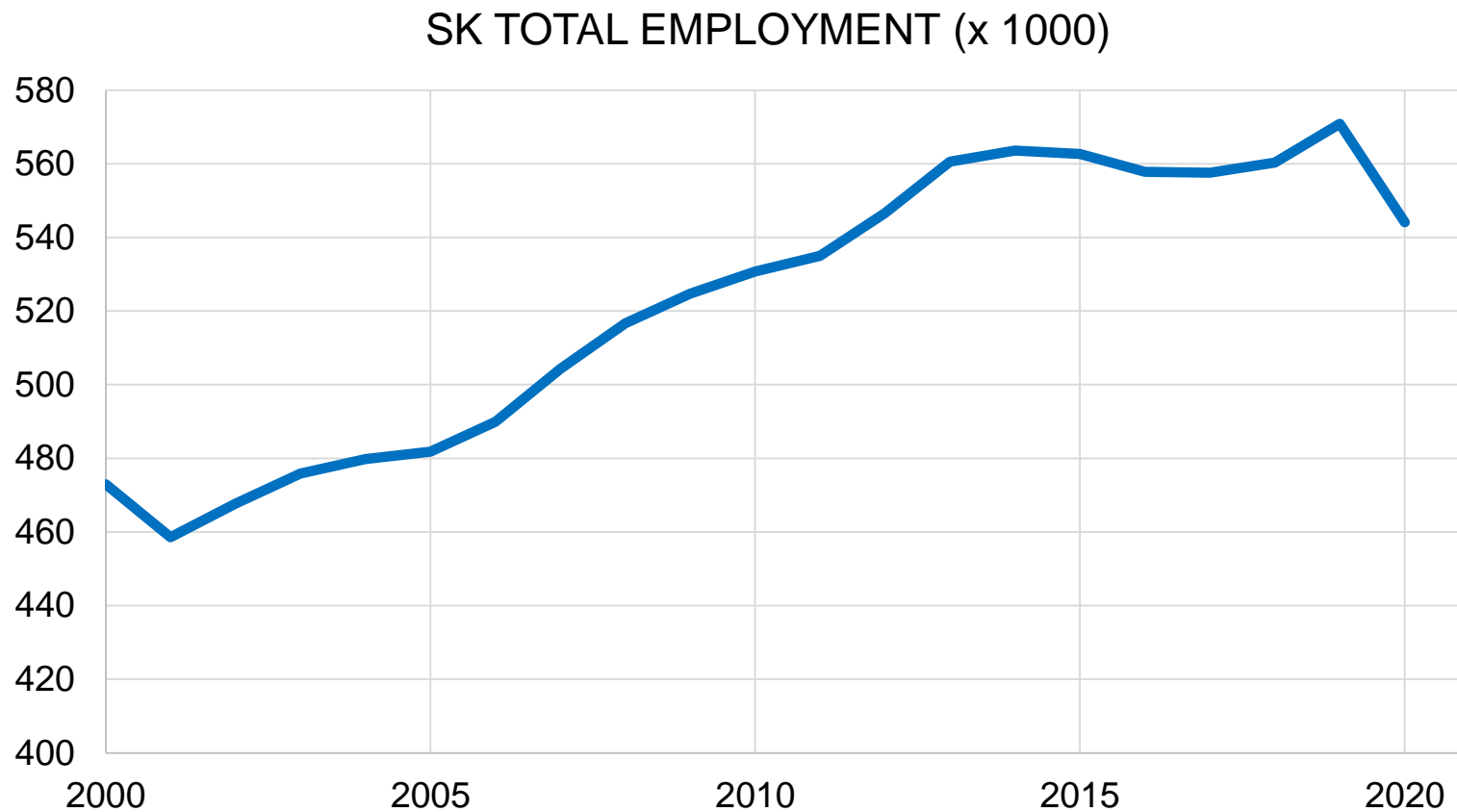
STATE of the ECONOMY : SASK GDP and GDP Growth

- Saskatchewan is an \$86 Billion economy (current \$)
- Second highest in per capita terms behind Alberta
- Underlying fundamentals are good, not great, but good.



STATE of the ECONOMY : EMPLOYMENT

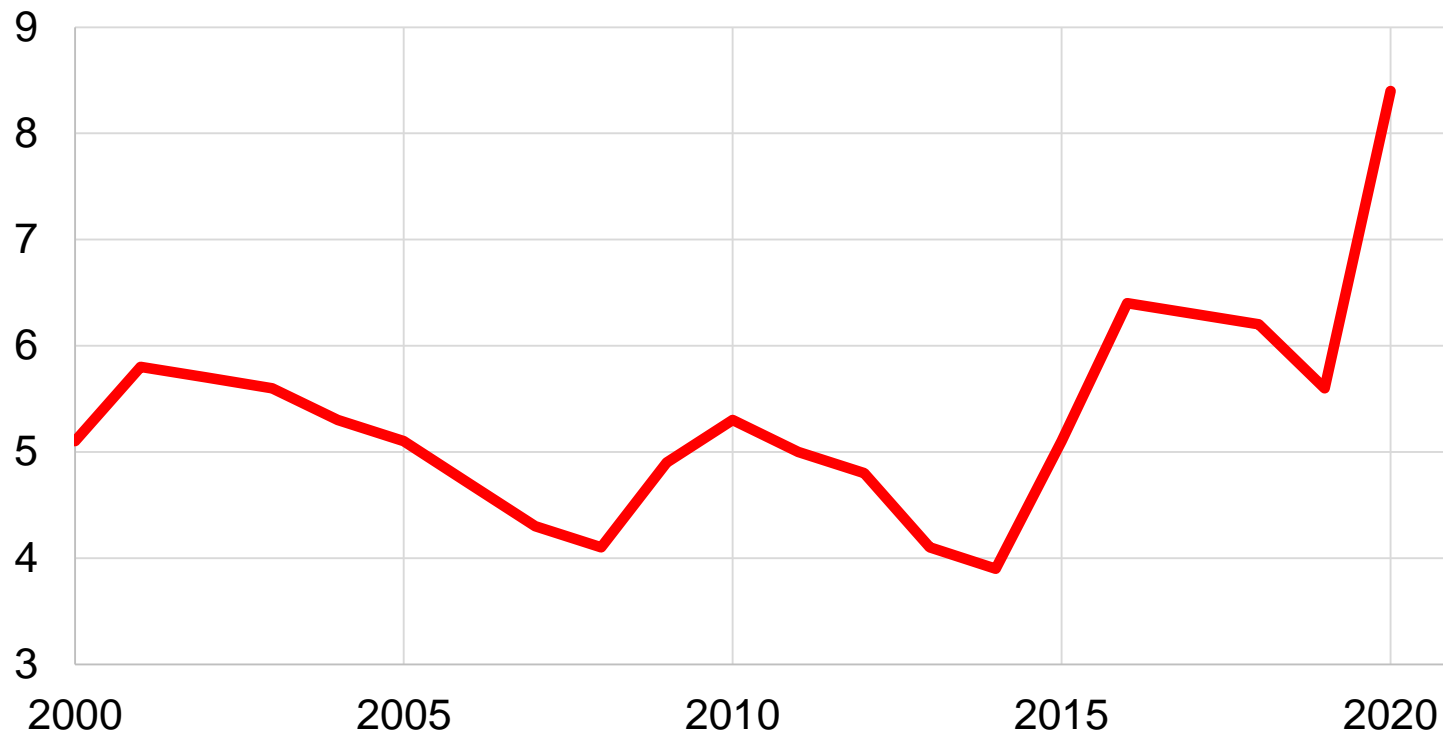
- Strong employment growth with recent recovery in 2019
- Reflects GDP growth



STATE of the ECONOMY : EMPLOYMENT

- Unemployment rate was improving in 2019
- Unlikely to achieve 4% again

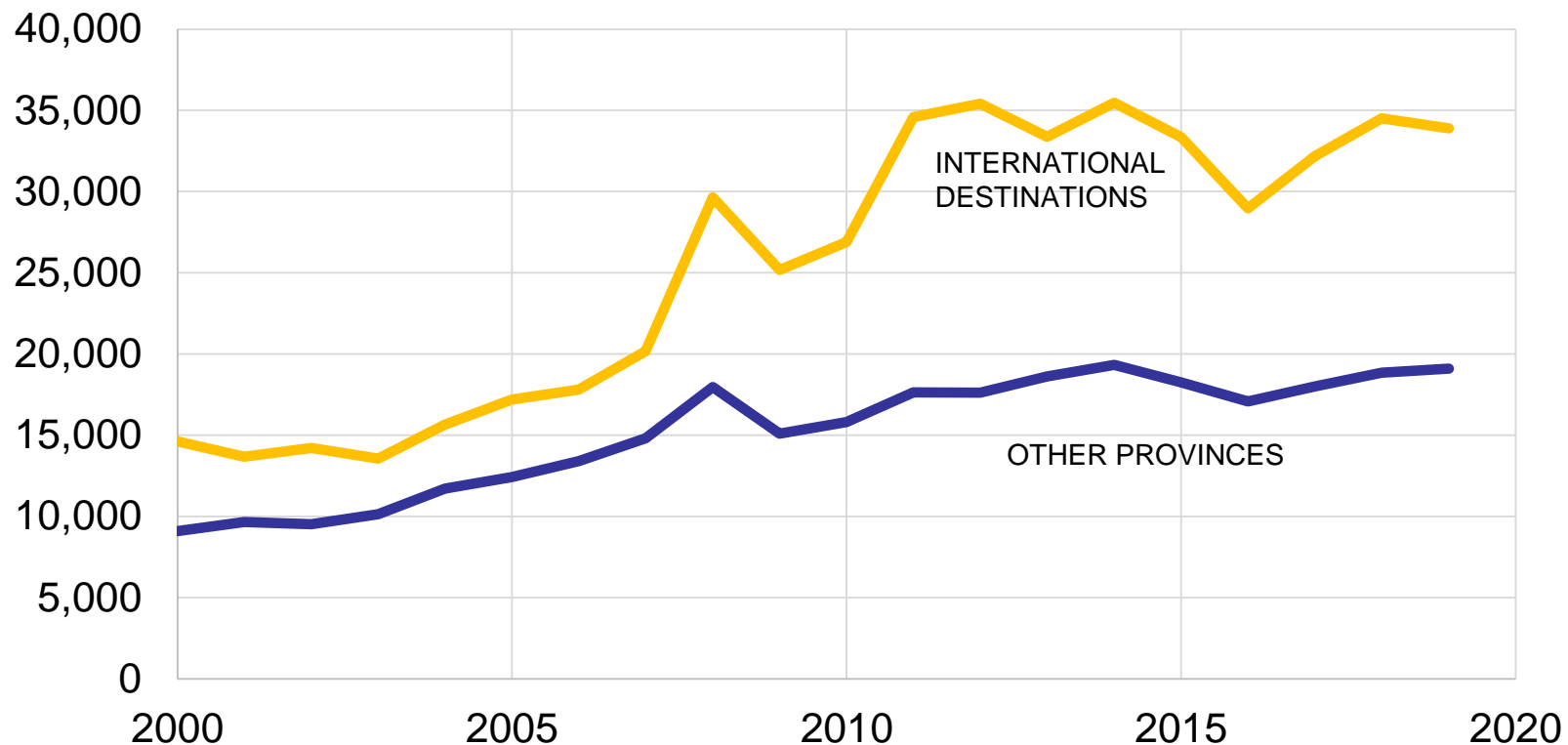
SASK UNEMPLOYMENT RATE



STATE of the ECONOMY : EXPORTS

- Strong Export growth: external and internal
- Good diversification by product and destination

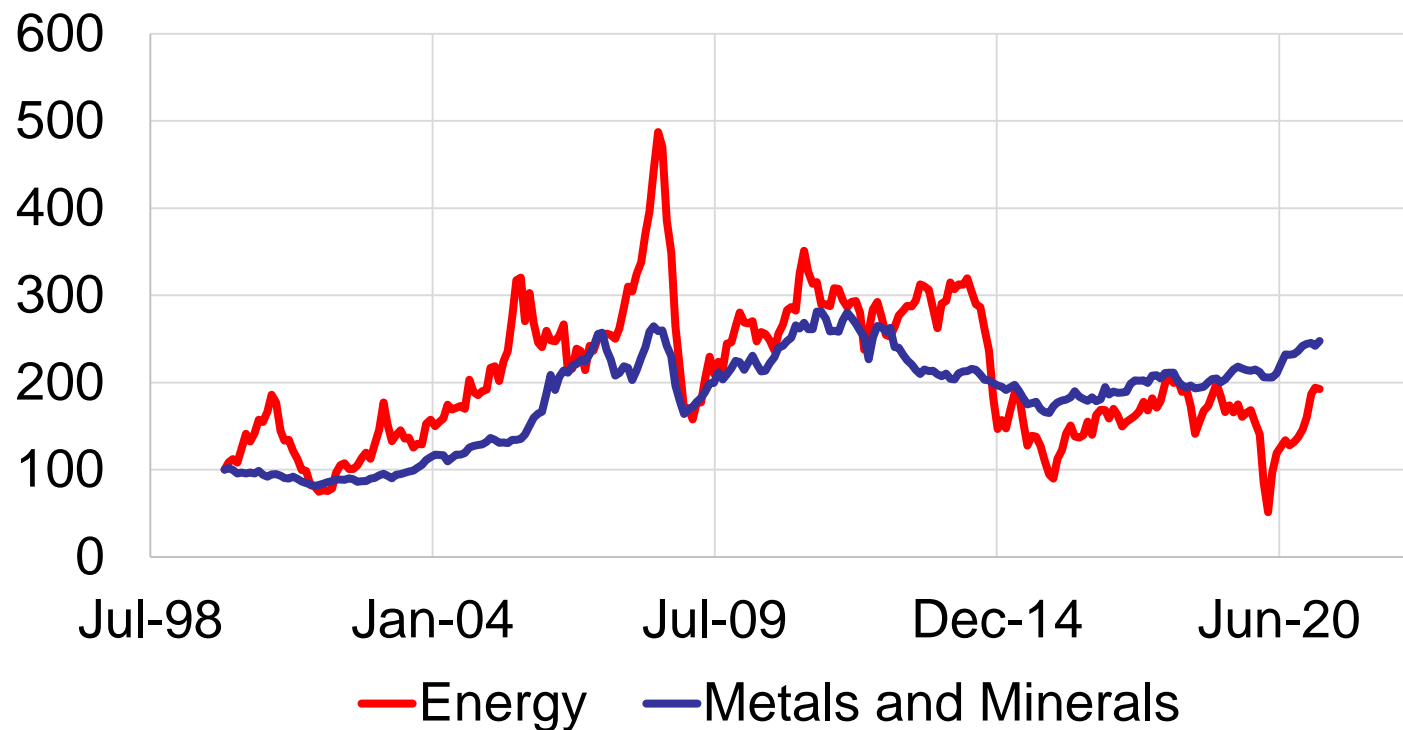
SASK EXPORTS (\$Million)



STATE of the ECONOMY : Commodity Prices

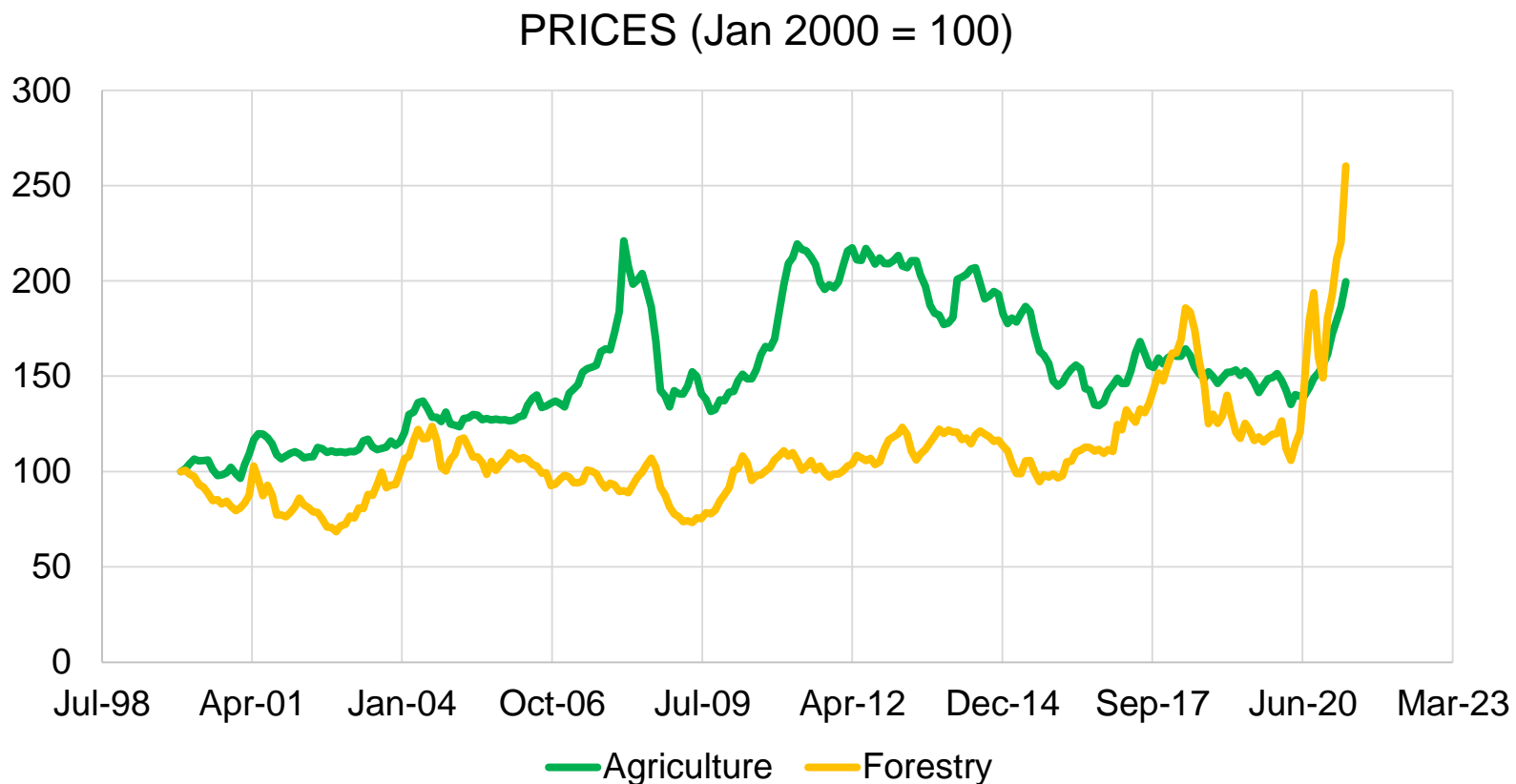
- Energy prices stabilizing but unlikely to rise
- Metals and Minerals recovering

PRICES (Jan 2000 = 100)



STATE of the ECONOMY : Commodity prices

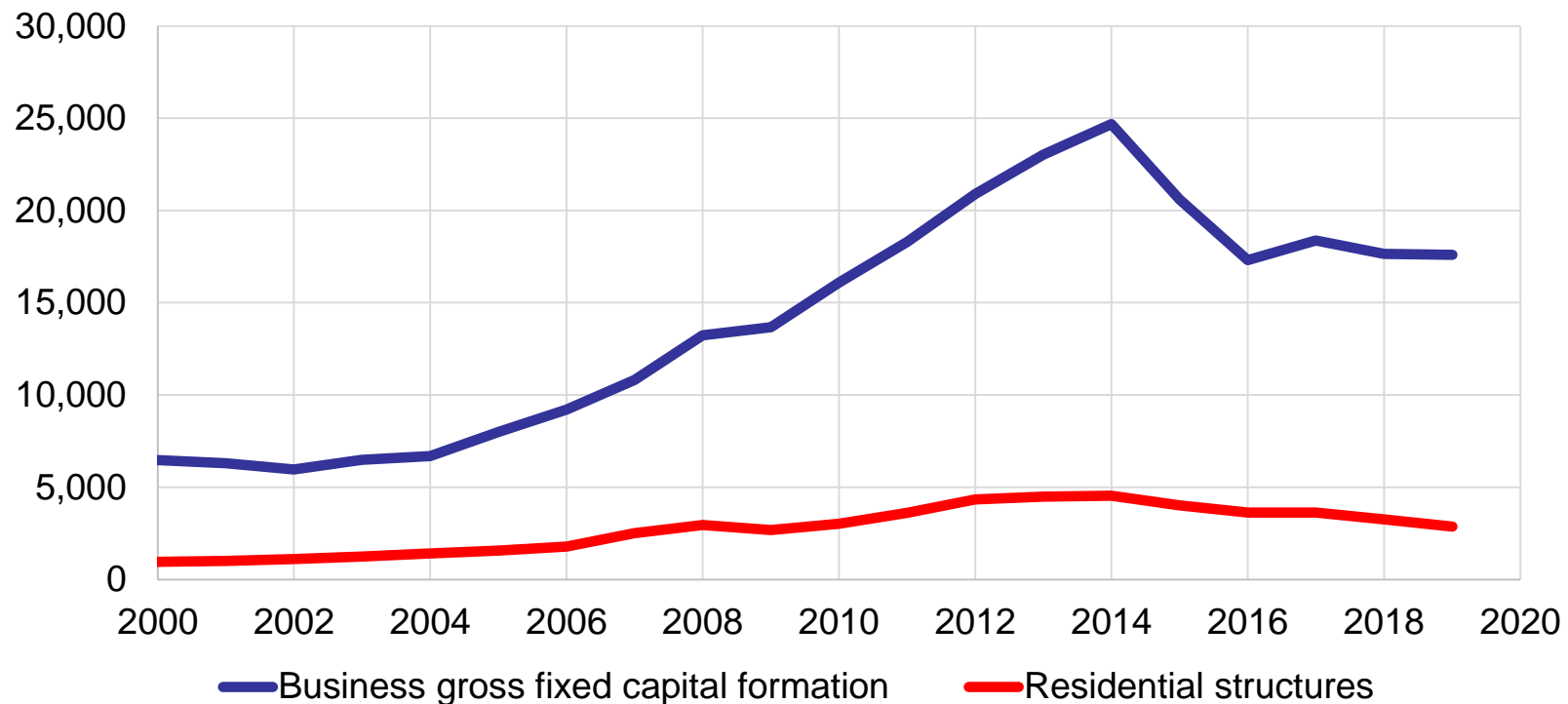
- AG prices rising but still below highs
- Forestry prices rising fast due to covid: not sustainable



STATE of the ECONOMY : INVESTMENT

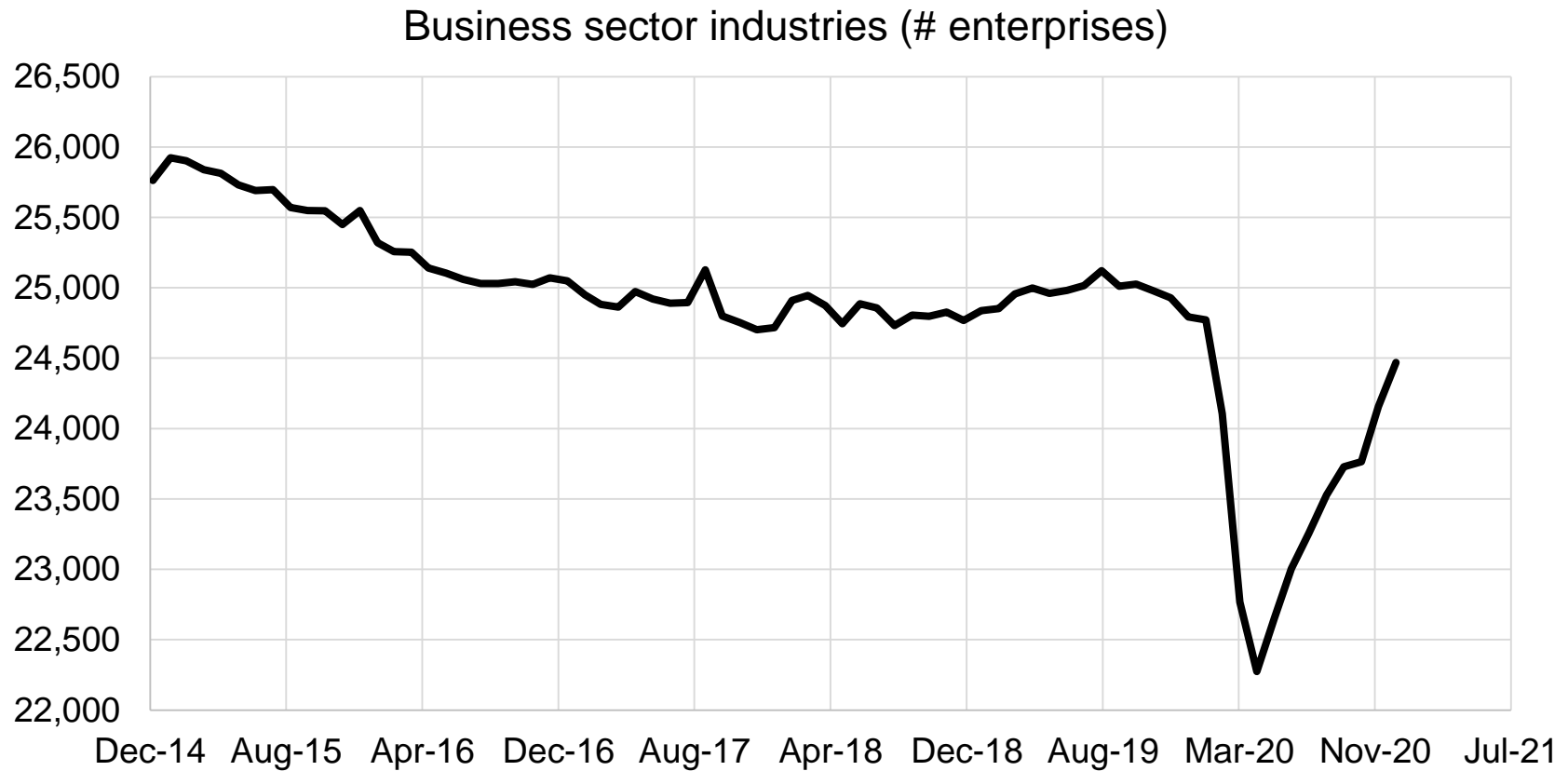
- TOTAL Investment slowing but was likely unsustainable at previous levels
- Declines since 2014 but still above average

FIXED CAPITAL FORMATION (\$Million)



STATE of the ECONOMY : Number of ENTERPRISES

- Total number of business in Sask
- Declining till 2018 then recovering



NEW Opportunities

1 Renewable Energy

- Supreme court confirmed Federal Authority to impose carbon taxation
- Province can replace Federal Carbon Tax with made-in-SK carbon pricing
- According the International Energy Association:
<https://www.iea.org/>
 - “The world’s first comprehensive energy roadmap shows government actions to rapidly boost clean energy and reduce fossil fuel use can create millions of jobs, lift economic growth and keep net zero in reach”
 - “Renewables were the only energy source for which demand increased in 2020 despite the pandemic, while consumption of all other fuels declined.”

Renewable Energy

- Solar farms
- Wind farms
- Biofuels – power generation, pellets, liquids fuels

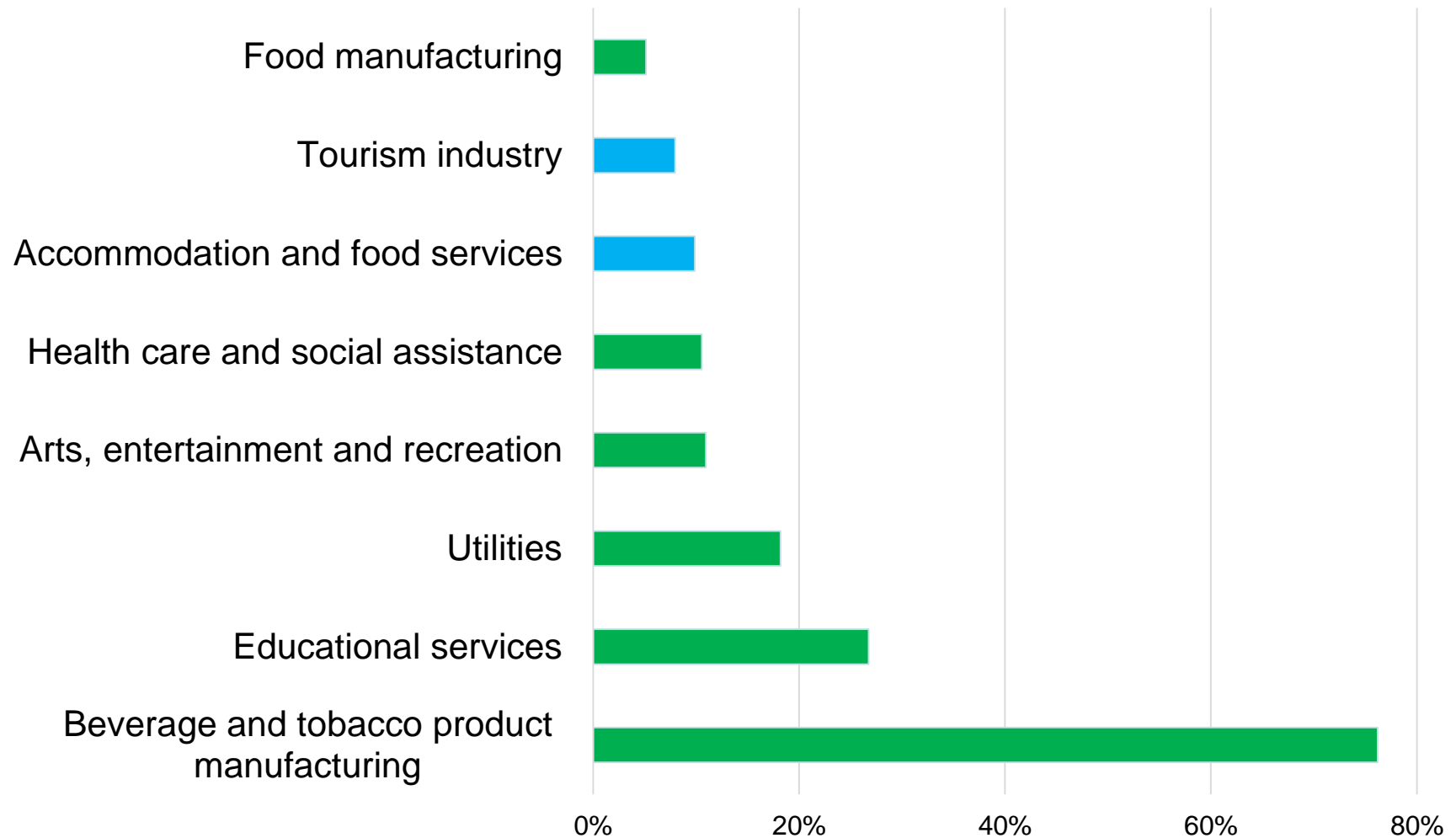
ISSUE:

- Saskpower's willingness to allow sales into the grid.
- Continued rise in Carbon Pricing will incentivize non-carbon energy sources

2 Tourism

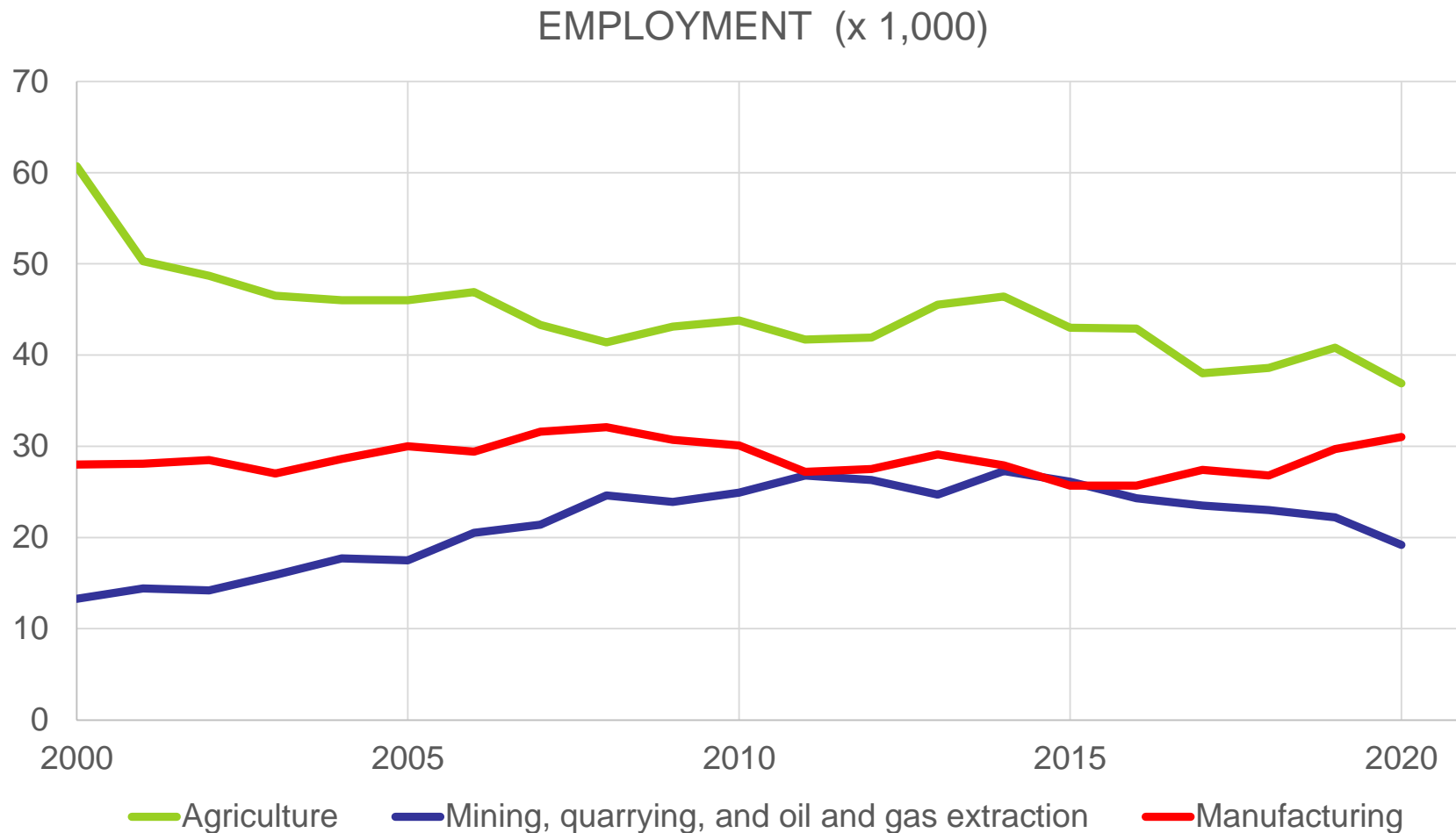
- One of the fastest growing sectors pre-Covid
- Post-covid will continue so
- Most tourism in Sask is ‘local tourism’
 - Attendance at professional sports, festivals, special events, ...
 - Family gatherings
 - Cottage country and camping/outdoor recreation
- Travel bans forced people into ‘stay-cations’. Strong residual effects going forward.
- Can expect more inter-provincial tourism.
- International tourism will take longer to recover.

GROWTH in ENTERPRISES Jan 2025 to Jan 2019



3 Manufacturing

- Manufacturing is unheralded success of the prairies



4 Agriculture

- Food products: still lots of innovation
 - Fibers: flax, hemp,
 - Biofuels - ethanol
 - Pharmaceuticals
-
- Stronger prices going forward
 - SK has excellent connections to international markets
 - Possible carbon offset pricing

CONCLUSION

- SASK economy in reasonably good shape
- Provincial finances are fine
- International economy still uncertain but major markets likely to grow quickly

- Lots of untapped opportunities at the local level

Thank you

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