Fall Fiscal And Economic Update

Department of Finance

November 2026

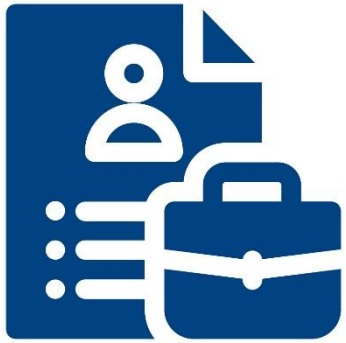
Selected Economic Indicators



Real GDP

2025 Actual: 4.3%

2026 Forecast: 7.1%



Employment

2025 Actual: -0.1%

2026 Forecast: 0.3%



Disposable Income

2025 Actual: 2.7%

2026 Forecast: 4.0%



Retail Sales

2025 Actual: 2.4%*

2026 Forecast: 4.7%

* Revised by Statistics Canada since Budget 2026

Source: Statistics Canada; Department of Finance

Newfoundland & Labrador

Selected Economic Indicators



CPI

2025 Actual: 1.4%

2026 Forecast: 3.7%



Housing Starts

2025 Actual: -6.2%

2026 Forecast: 21.8%



Population

2025 Actual: 0.9%*

2026 Actual: 0.4%



Oil Production

2025 Actual: 87.6 MMbbls

2026 Forecast: 101.7 MMbbls

* Revised by Statistics Canada since Budget 2026

Source: Statistics Canada; Department of Finance; C-NLOER

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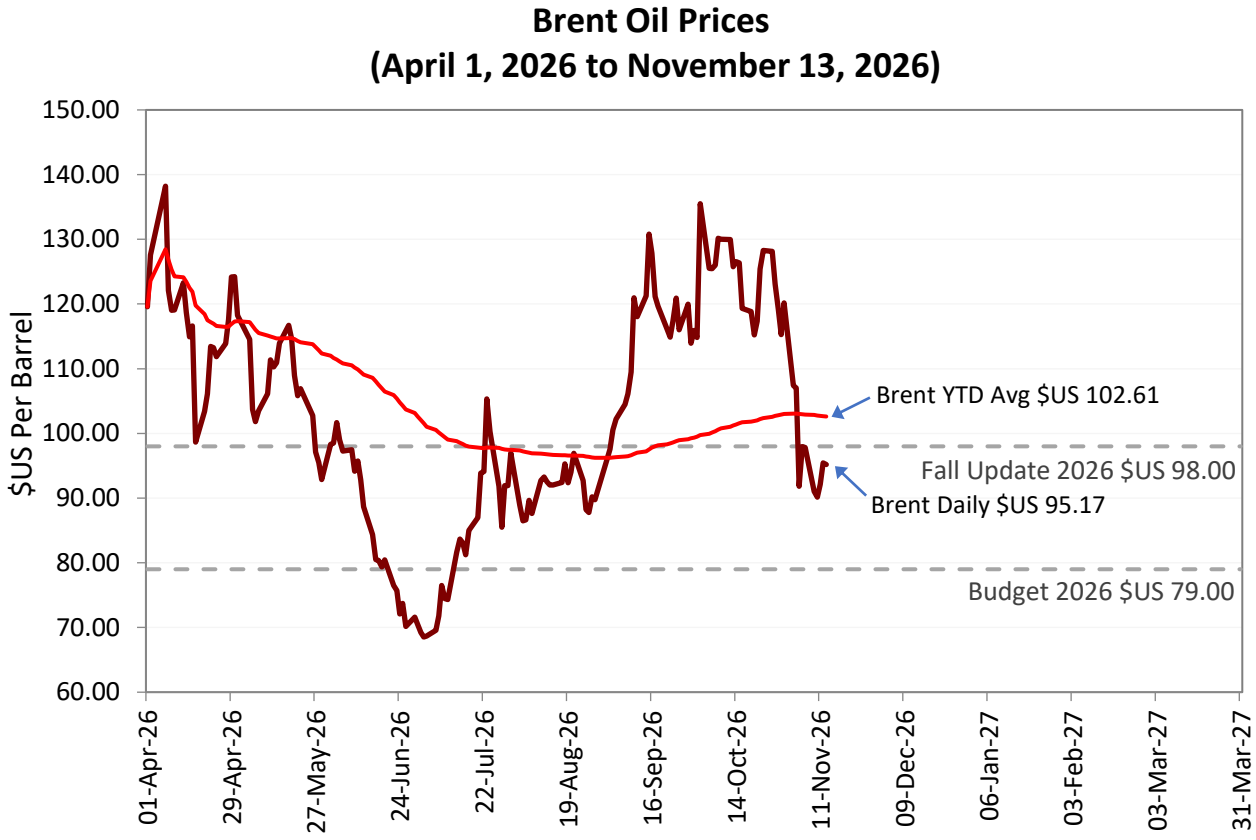
Fiscal Update 2026-27

2026-27 Fiscal Update ($M)			
	Budget	**Fall Update**	**Variance**
Revenue	10,838	12,308	**1,470**
Expenses	11,526	12,230	**704**
Surplus (Deficit)	**(688)**	**78**	**766**
Borrowing Requirement	3.9	3.9	**-**
Net Debt	20.8	19.3	**(1.5)**

Newfoundland & Labrador

Oil Royalties Forecast and Assumptions



	Fall Update 2026	Budget 2026	Variance
Oil Price ($US/barrel)	**$98.00**	$79.00	$19.00
Exchange Rate (CAD to USD)	**0.715**	0.741	(0.026)
Oil Production (million barrels)	**101.3**	96.7	4.6
Budget Impact ($ millions)	**$3,119.9**	$2,030.4	$1,089.5
Oil Risk Adjustment ($ millions)	**($74.0)**	-	($74.0)
Net Budget Impact ($ millions)	**$3,045.9**	$2,030.4	$1,015.5

Sensitivities	Change in Royalties ($M)
Oil Price ($US/barrel)	
- 1 $US/barrel	-16
+ 1 $US/barrel	+16
Exchange Rate (CAD to USD)	
- 1 US cent	+21
+ 1 US cent	-21

Focus on Debt Management

Increase Sinking Fund Contributions to 2.5%	New Sinking Fund $175M	Borrowing Reduction of over $600 in 2027-28
• Debt Issuances funded 8 years earlier than current plan • 22 years vs. 30 years	• One-time special contribution in 2026-27 • Projected to grow to $750M by 2052 • Will fully fund the maturity of the 7L Series	• Reduction in borrowing due to increase oil & gas revenues in 2026-27 • Interest savings of $300M over a 10-year period

All Measures are Credit Positive

Newfoundland & Labrador

Balancing Fiscal Responsibility and Affordability

	Total*	%
AFFORDABILITY MEASURES:		
NL Seniors Affordability Payment	$64M	
NL Families and Children Affordability Payment	$39M	
15% Churchill Falls Electricity Rebate	$45M	
Doubling the Enhanced Home Heating Supplement Program	$9M	
Isolated Coastal Communities Labrador Fuel Subsidy	$1M	
Reduction in Gas Tax	$25M	
Additional Food Bank Support	$1M	
Affordable Rental Housing Program	$15M	
TOTAL – AFFORDABILITY MEASURES	**$199M**	**20%**
DEBT REPAYMENT MEASURES		
Sinking Fund Contribution	$175M	
Reduction in Borrowing	$637M	
TOTAL – DEBT REPAYMENT MEASURES	**$812M**	**80%**

*Rounded to nearest million

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