

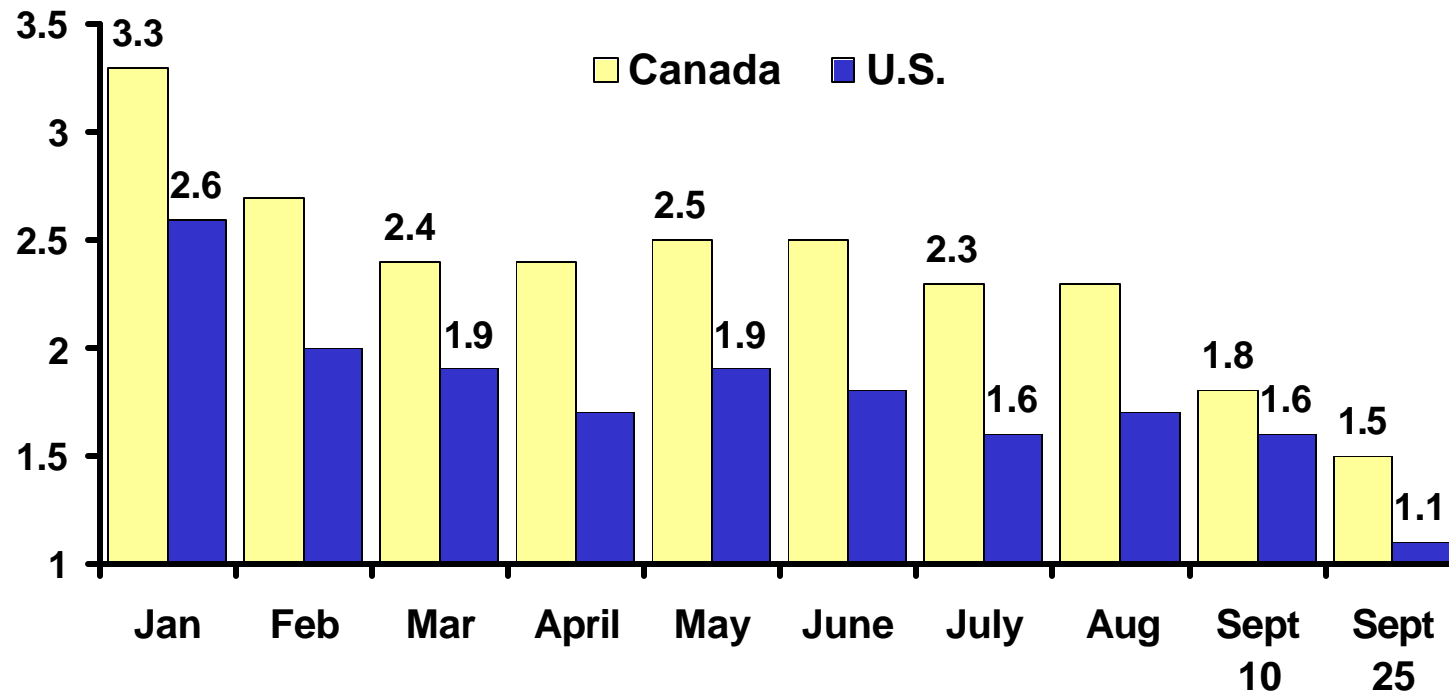
## *Budget 2002*

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- Declining global economic growth
- Assumptions
- Planning scenario
- Restoring economic prosperity
- Budget 2002 process

# *Declining global economic growth*

Annual GDP growth forecast, 2001



Source: Consensus Economics, Inc.

## *Assumptions*

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- Slowing global economies
- Declining energy prices
- Maintain health care and education funding
- Balance budget by 2004/05

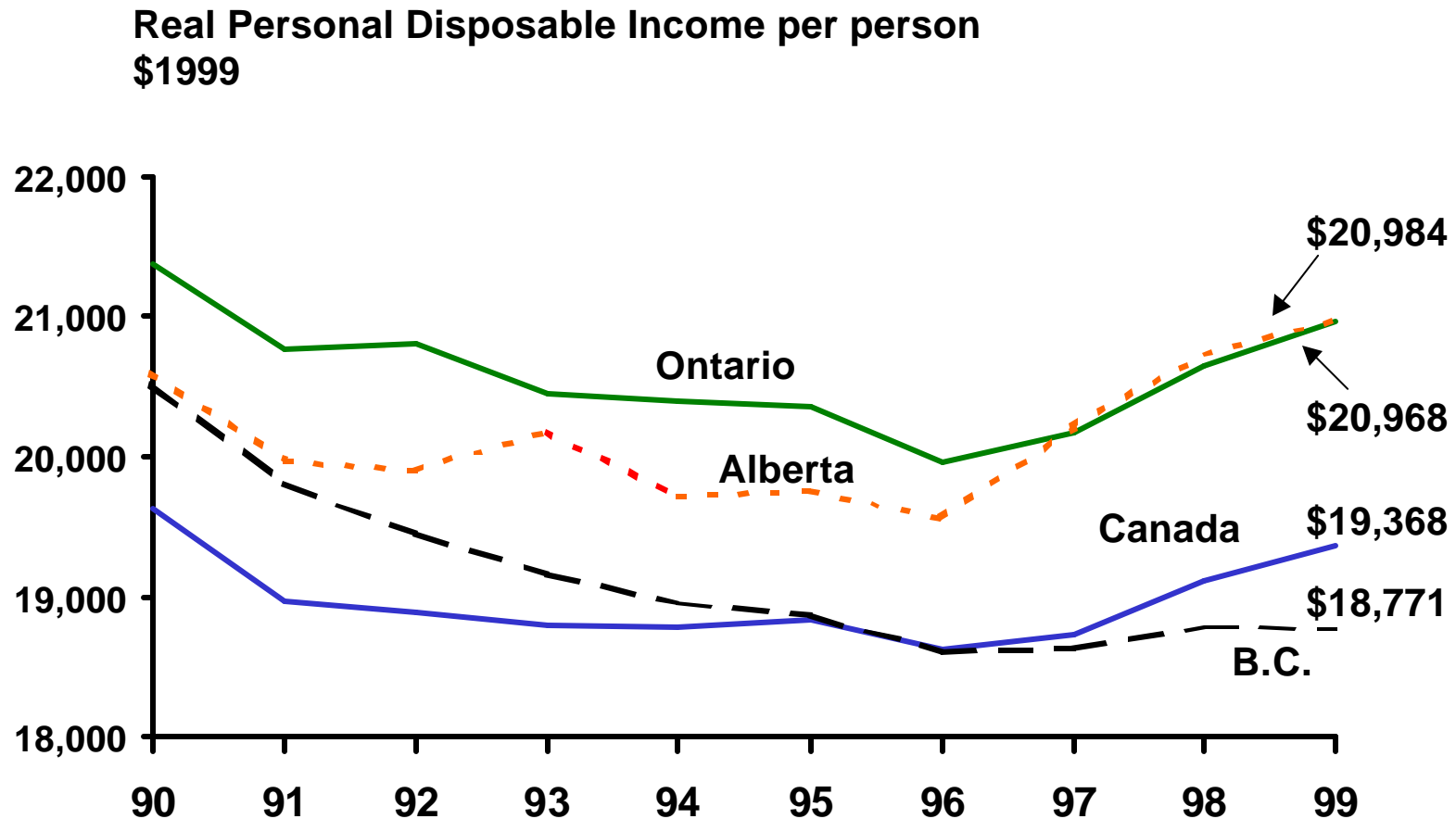
# Planning scenario

\$ billions	Change		
	2001/02*	2004/05	01/02-04/05
Revenues**	<u>21.4</u>	<u>22.3</u>	4%
Health and Education	16.3	16.3	0%
Debt interest costs	0.8	1.1	
Rest of Government	<u>7.6</u>	<u>4.9</u>	-35%
Spending	24.7	22.3	-10%
One-time Pension Change	<u>1.3</u>	<u>--</u>	
Deficit	-2.0	0	

\* September 13 forecast, 1st Quarter Report

\*\* Includes Crown corporations and agencies, and forecast allowance

# *BC's standard of living has dropped and must be restored*



Source: Statistics Canada

# *Budget 2002 process*

