



## MUNICIPALITY OF THAMES CENTRE

**REPORT NO.**            **CAO-009-24**

**TO:**                      Mayor and Members of Council  
**FROM:**                 Chief Administrative Officer  
**MEETING DATE:**    November 4, 2024  
**SUBJECT:**             **2024 Fall Economic Update**

### RECOMMENDATION:

**THAT** Report No. CAO-009-24, 2024 Fall Economic Update **BE RECEIVED** for information.

### PURPOSE:

The purpose of this report is to provide a 2024 Fall Economic Update for information.

### BACKGROUND:

At its September 11, 2023, Council passed a resolution requesting staff to prepare a 2023 Fall Economic Update. A 2023 Fall Economic Update was presented to Council at its November 14, 2023 meeting where staff further committed to continue presenting Annual Fall Economic Updates. This 2024 Fall Economic Update is aligned with Council's previous request and staff commitments.

### COMMENTS:

On Wednesday, October 30, 2024 the Minister of Finance, Peter Bethlenfalvy, introduced the 2024 Fall Economic Outlook and Fiscal Review: Building Ontario for You, known as the fall economic statement. The Government focused on two themes: Building Ontario and Working for You while providing a provincial economic and fiscal overview:

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#### Economic Outlook

- Despite recent cuts to the Bank of Canada's key policy interest rate, interest rates remain at high levels and are projected to continue weighing on economic growth in the near term. Ontario's real GDP growth is projected to ease from 1.4 per cent in 2023 to 0.9 per cent in 2024. As interest rates continue to decline, real GDP growth is projected to increase to 1.7 per cent in 2025, and to 2.3 per cent in both 2026 and 2027.

- Following employment growth of 2.4 per cent in 2023, slow economic growth is projected to contribute to a moderation in employment growth to 1.4 per cent in 2024, followed by 1.5 per cent in 2025. Employment growth is projected to average 1.3 per cent between 2026 and 2027, with an increase of over 444,000 net new jobs compared to 2023.
- Ontario's economy has remained resilient despite elevated interest rates and ongoing geopolitical uncertainties impacting growth. The government is continuing to invest in key public services while maintaining fiscal restraint by keeping taxes low

## **Fiscal Outlook**

- The government remains on track to achieve fiscal balance by 2026–27, while making targeted investments to support families, keep costs down and rebuild the economy. The government is currently projecting a deficit of \$6.6 billion in 2024–25. Over the medium term, the government projects a deficit of \$1.5 billion in 2025–26, followed by a surplus of \$0.9 billion in 2026–27. This is a significant improvement compared to the 2024 Budget and reflects the government's commitment to balancing the budget, reducing the deficit and putting Ontario's finances on a sustainable path.
- The 2024–25 total revenue outlook is \$212.6 billion in 2024–25, \$6.9 billion higher than projections in the 2024 Budget and the 2024–25 First Quarter Finances. The increase in the revenue forecast since the 2024–25 First Quarter Finances is mainly due to a stronger economic outlook in 2024, and higher taxation revenue from the projected impact of the federal government's Budget 2024 announcement of the proposed changes to the capital gains inclusion rate.
- Since the release of the 2024 Budget, the government has made targeted investments throughout the fiscal year. The 2024–25 total expense outlook is \$218.3 billion, \$3.8 billion higher than the 2024 Budget. Program expense is projected to be \$205.5 billion, \$5.0 billion higher than the forecast in the 2024 Budget, primarily due to a taxpayer rebate to individuals and families, and a top-up of the Contingency Fund to provide flexibility to protect important public services and quickly address unforeseen expense events that could materialize in the second half of the fiscal year.
- Ontario's net debt-to-GDP ratio is now forecast to be 37.8 per cent in 2024–25, compared with the forecast of 39.2 per cent in the 2024 Budget. Ontario's net debt-to-GDP ratio fell to a 12-year low last year, and Ontario's plan keeps this ratio at the lowest level in more than a decade, since 2011–12. Ontario is forecast to pay \$12.7 billion in interest costs in 2024–25, about \$1.2 billion lower than the 2024 Budget forecast.

## **FINANCIAL IMPLICATIONS:**

There are no financial implications with receiving this report for information.

## STRATEGIC PLAN LINK

**Pillar:** *Community Communications & Engagement*

**Goal:** *Increase communications between the municipality (Council and Staff) and the public*

## CONSULTATION:

Amanda Storrey, Interim Director Planning & Development  
Michael Ramnanan, Communications Manager

## ATTACHMENTS:

- 2024 Thames Centre Fall Economic Update
- Also refer to the Economic Development Update Middlesex County delegation presentation Nov. 4, 2024

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