



FAO UPDATE ON PROVINCE OF ONTARIO CREDIT RATING

Key takeaways from the Financial Accountability Office of Ontario [Update on Ontario's Credit Rating](#).

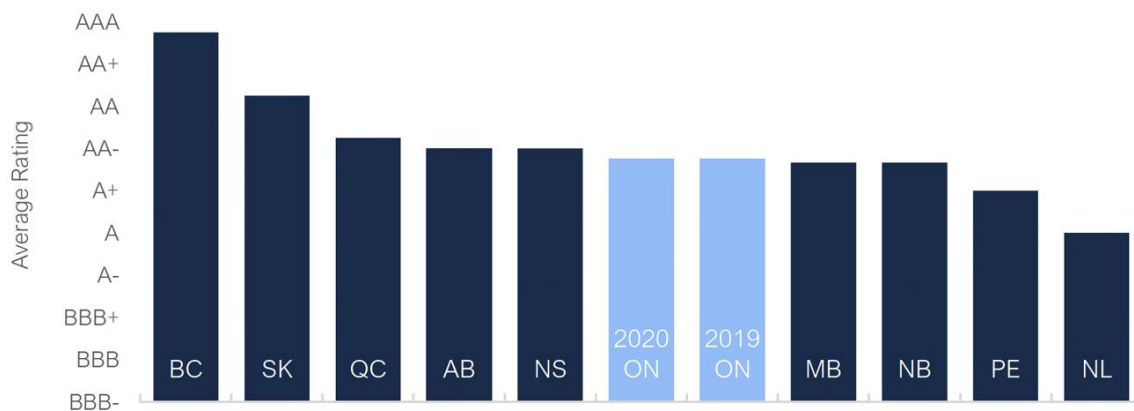
The Downside

The four credit rating agencies expect that the annual decline in Ontario’s economic activity in 2020 will be the worst on record, based on their own forecasts. Most rating agencies have flagged the overall weakening of the Province’s fiscal position, with large budget deficits, higher debt burden and increased interest-on-debt costs, as a key challenge for Ontario’s credit rating.

The Upside

Ontario’s rating outlook remains at “stable” by all four agencies, indicating a low likelihood of a deterioration in the province’s credit rating over the medium term, subject to the province’s fiscal consolidation efforts in the post-pandemic period. In contrast, the credit rating outlook of British Columbia, Alberta, and Newfoundland and Labrador were revised to “negative” by one or more credit rating agencies, indicating a higher risk of credit downgrade over the medium term.

Average Credit Rating by Province – July 2020



Source: S&P, DBRS, Fitch, Moody’s and FAO