

Federal deficit at \$5.9-billion halfway through fiscal year

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The federal government ran a deficit of \$5.9-billion over the first half of its fiscal year, a more modest dive into the red than that of the same period one year ago.

Between April and September of the 2016-17 fiscal year, the Liberals ran a deficit of \$7.8-billion.

For September alone, the government ran a budgetary deficit of \$3.2-billion, which was higher than the \$2.4-billion recorded during the same month last year.

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The monthly fiscal monitor report says government revenue between April and September of this year was up \$6.9-billion to \$146.3-billion, a 4.9 per cent increase over the same period last year.

Personal and corporate tax revenues climbed by 6.2 per cent and 6.8 per cent, respectively,

compared to last year. Excise taxes and duties were up \$2.3-billion, or 8.9 per cent, and GST revenues rose by \$2-billion, or 11.5 per cent.

Energy taxes increased by about \$100-million, or 2.9 per cent.

Program spending increased \$5.7-billion, or 4.2 per cent, to \$140.4-billion.

Public debt charges fell \$600-million to \$11.9-billion due in large part to lower average effective interest rates.

The government's fall economic update projected a spending shortfall this fiscal year of \$18.4-billion, down from the \$25.5-billion outlined in the March budget.

For the next fiscal year starting in April 2018, The Liberals now predict a \$15.6-billion deficit, compared with the \$24.4-billion projection from the spring.