



NEWS RELEASE

B.C. government adding more debt over next three years than during COVID or the 08/09 financial crisis combined

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For immediate release

VANCOUVER— The BC government is on track to add \$5,315 in new debt per person over the next three fiscal years, which is more debt than was accumulated during the COVID pandemic (\$1,680) and the 2008/09 financial crisis (\$3,438) combined (all figures adjusted for inflation), finds a new study released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“British Columbia’s government is planning a rapid increase in provincial debt over the next three years, which will dwarf what was added in the years during and following the past two recessions,” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *British Columbia’s Coming Debt Boom in Historical Context*.

The study finds that over the next three years, the BC government plans to add a total of \$35.6 billion in new debt (adjusting for both inflation and financial assets). This compares with additional debt of \$9.9 billion after the pandemic and \$17.8 billion after the financial crisis of 2008/09.

Crucially, interest rates that the government must pay to service the debt were historically low and/or falling during the 2008/09 financial crisis and COVID periods of debt accumulation, but they are higher now. As a result, BC’s debt interest payments are expected to rise 36.7 per cent between fiscal years 2022/23 and 2025/26, after adjusting for the effects of inflation.

“British Columbians need to understand just how much debt the government is forecasted to accumulate over the next three years,” Eisen said.

“Government debt comes with a cost, and the money that the province spends on debt interest will be unavailable for other priorities such as pro-growth tax relief or core public services.”

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MEDIA CONTACT:

Ben Eisen, Senior Fellow
Fraser Institute

To arrange media interviews or for more information, please contact:

Drue MacPherson, 604-688-0221 ext. 721, drue.macpherson@fraserinstitute.org

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