



ALBERTA'S ECONOMY IS IN A CLASS BY ITSELF: RBC ECONOMICS

TORONTO, June 11, 2014 — Strong gains in various sectors will propel Alberta's economy to the top of provincial growth rankings in 2014, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts that Alberta's real GDP growth for 2014 will replicate 2013's rate of 3.7 per cent.

"Alberta is head and shoulders above other provinces having experienced an average growth rate of 4.3 per cent over the past four years," said Craig Wright, senior vice-president and chief economist, RBC. "We expect Alberta to top the growth rankings this year and to be the only province with a growth rate above the 2.4 per cent national average – a feat that hasn't been accomplished since the early 1980s."

RBC says that at its core, Alberta's economy is driven by the booming energy sector with massive ongoing investments in the oil sands and rising crude oil production. A wide range of economic sectors are playing an increasingly larger role in provincial growth, however. An example is Alberta's population growth – at a 30-year high – which is boosting demand for housing and an array of consumer goods and services.

"Alberta is expected to carry much of the growth load for Canada this year, as other previously thriving provincial economies are expected to moderate slightly," said Wright. "This shouldn't be a problem as everywhere you look in Alberta's economy there are signs of a boom."

In Q1 2014 Alberta's merchandise exports increased by 16 per cent year-over-year while sales of manufacturers, wholesalers and retailers were up by 8.4 per cent, 5.2 per cent and 10 per cent, respectively. Crude oil production was up around 8.0 per cent early this year. Housing starts stood 12.0 per cent above year-ago levels in the first four months of 2014. Non-residential building construction climbed 8.5 per cent in the first quarter from the same period in 2013.

"Alberta's economic boom should continue in 2015 with real GDP at 3.5 per cent," noted Wright. "Job prospects in the province will continue to act as a powerful magnet for out-of-province workers – we expect this to be a main conduit for growth."

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Nevertheless, RBC notes that Alberta's recent high population growth rates of 3.5 per cent – the fastest since 1982 – will likely slow down and cool interprovincial migration, which already weakened slightly in late 2013 after reaching record levels. Slowing of population growth should have a negligible adverse effect this year on housing and consumer-dependent industries, says Wright, with retail sales for example projected to surge 7.8 per cent. This will weigh a little more substantially in 2015.

The RBC Economics Provincial Outlook assesses the provinces according to economic growth, employment growth, unemployment rates, retail sales, housing starts and consumer price indices. The full report and provincial details are available online as of 8 a.m. ET today at rbc.com/economics/economic-reports/provincial-economic-forecasts.html.

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