



## **MANITOBA'S DIVERSIFIED ECONOMY HELPS IT TO STAY THE COURSE IN 2014: RBC ECONOMICS**

**TORONTO, June 11, 2014** — Despite swings in growth among individual sectors, Manitoba's economy is expected to remain little changed from last year, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts 2014 real GDP growth for Manitoba of 2.1 per cent, down marginally from the 2.2 per cent expected in 2013.

RBC notes that the 2013 harvest boosted agricultural output 20.0 per cent, a much larger output than previously expected. This was, however, offset by an unexpected 11.0 per cent drop in mining output.

"Manitoba's agriculture and mining sectors will once again offset each other in 2014 though with areas of strength and weakness reversing. We expect an 8.0 per cent drop in agriculture and a recovery in the mining sector as new mining projects begin production," said Craig Wright, senior vice-president and chief economist, RBC.

The Provincial Outlook indicates that year-over-year growth in Manitoba's manufacturing sales were up 3.0 per cent in Q1 following relatively flat activity in 2013. This strengthening largely reflects improvement in transportation equipment – mainly, bus and aircraft production along with underlying strength in machinery. RBC anticipates that a pick-up in growth south of the border and a depreciating Canadian dollar will provide a further boost to the province's manufacturing exports for the remainder of this year and through next.

"An area we're closely watching in the Manitoba economy is employment – we saw some deeper declines in Q1 of this year," said Wright. "We're attributing some of the slowdown in hiring on adverse weather. So, as temperatures return to seasonal values, we expect this weakness to reverse."

However, RBC forecasts employment will increase only 0.2 per cent this year. Greater strength will emerge next year with hiring levels expected to pick up to 1.3 per cent, RBC says.

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Manitoba should see accelerated growth of 2.8 per cent in 2015, says RBC, as the drag from the agriculture sector dissipates and the mining and manufacturing sectors continue to strengthen.

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 details are available as of 8 a.m. ET today at [rbc.com/economics/economic-reports/provincial-economic-forecasts.html](http://rbc.com/economics/economic-reports/provincial-economic-forecasts.html).

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