



ALBERTA'S ECONOMY TO CONTINUE FIRING ON ALL CYLINDERS: RBC ECONOMICS

TORONTO, September 11, 2014 — The vast majority of indicators continue to tell a firmly upbeat story about Alberta's economic strength, as momentum gives no signs of easing, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts that Alberta's real GDP growth for 2014 will be 3.9 per cent, surpassing last year's solid estimated pace of 3.7 per cent.

"Alberta's growth remains miles ahead of the pace in other provinces and we continue to expect the province will stand at the top of the provincial growth rankings both this year and next," said Craig Wright, senior vice-president and chief economist, RBC. "Massive investment in energy and a strong population growth will continue to drive rapid economic expansion next year, though we do see mega-project investment and in-migration levels peaking and becoming slightly less powerful drivers of economic activity."

Alberta's current economic boom continues to be fuelled by the huge capital spending in the energy sector. In fact, a recent inventory of projects reveals that work is underway on projects worth close to \$63 billion in the oil sands and other oil and gas pipeline projects. RBC says that large-scale developments of Alberta's energy resources are generating substantial economic activity year after year in the province, though increasingly the story is about energy production. As more and more megaprojects reach a production phase, crude oil output is rising rapidly in the province – year-to-date crude oil production is up nearly 10 per cent in the province.

RBC says that rapid population growth has emerged as another core component of Alberta's economic boom. Despite recent signs that net migration has started to ease, the number of people moving to the province remains at historically high levels. The province's population growth in Q2 led the country at a very solid 3.3 per cent.

Growing demographic demand in the province applied further upward pressure on the domestic sector of the economy, most notably in the housing sector where starts reached their highest level in almost seven years in the second quarter at 42,500 units (annualized), and home resales posted their second-best result ever.

The report notes that retail sales climbed 8.6 per cent year-over-year during the first half of 2014, by far the strongest advance among the provinces. Alberta households enjoy bright job prospects with employment rising by 3.2 per cent year to date, and the provincial unemployment rate remaining low at an average of 4.7 per cent.

- 2 -

“Moving into 2015, Alberta’s economic growth is expected to ease slightly, but remain at a robust 3.5 per cent rate,” said Wright. “With persistent investments in energy sector and strong population growth driving the economy, we expect Alberta to sit atop the provincial growth rankings in 2015 yet again; however, we do anticipate the other provinces will somewhat narrow the gap.”

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.

- 30 -

For more information, please contact:

[Craig Wright](#), RBC Economics Research, 416-974-7457

[Robert Hogue](#), RBC Economics Research, 416-974-6192

[Elyse Lalonde](#), Communications, RBC Capital Markets, 416-842-5635