



## BRITISH COLUMBIA'S ECONOMY ADVANCING AT A STRONGER CLIP IN 2014: RBC ECONOMICS

**TORONTO, September 11, 2014** — Economic conditions in British Columbia have constructively evolved and are advancing at a respectable pace led by impressive gains in export markets, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC boosted its forecast for provincial real GDP growth to 2.5 per cent for 2014, up from 2.1 per cent previously projected.

“We’re seeing signs that a stronger pace of activity is spreading across industrial sectors in B.C., led by gains in export markets. Activity is rising quite nicely in areas of the provincial economy such as manufacturing, mining, energy, retail trade, and housing,” said Craig Wright, senior vice-president and chief economist, RBC. “While there are still some sore spots – a fairly stagnant labour market and lost ground in non-residential investment – we see enough improvement to boost our forecast for real GDP growth for 2014.”

RBC notes general economic conditions are expected to brighten even more in 2015, with growth accelerating to a solid rate of 2.8 per cent. Rising U.S. demand is expected to keep B.C. exports on an upward climb, which will continue to fuel activity in a wide array of industrial sectors both directly and indirectly. Further improvements may also be provided by preliminary work on some of the multi-billion dollar LNG projects in the province.

The year-to-date flow of goods coming in and out of B.C. increased quite noticeably, suggesting that the effect of the earlier disruption to port activity has recovered, says RBC. The value of B.C. merchandise exports is up nearly 10 per cent year-over-year and gains have been registered in several commodity groups, including energy, metal ores, industrial machinery, food, and consumer goods. Growing external demand for the province’s goods naturally benefited its manufacturers and mineral producers, who operated at higher levels than a year ago during the first half of 2014. Additionally, sales of machinery and production of copper, zinc, gold, and silver increased notably in the province.

RBC says that a strong upturn in net in-migration in B.C. has proven to be a positive development. This upturn has boosted B.C.’s population growth to its fastest annual rate (1.2 per cent) in almost four years. The provincial housing market rebounded this year as home resales were up by more than 19 per cent year-over-year during the first half of 2014, and homes under construction rose to their highest levels since early 2009.

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It's not all blue sky in the provincial economy, RBC says, as B.C.'s labour market continues to disappoint with employment rising just 0.5 per cent year-to-date following a decline of 0.2 per cent in 2013. The number of people in full-time positions is down marginally and is being offset by a sizable rise in part-time employees.

"As the economy expands further and businesses switch into hiring mode we'll see B.C.'s labour market conditions improve this year and into next," said Wright. "We expect employment to rise by 0.7 per cent in 2014 and 1.0 per cent 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](http://rbc.com/economics/economic-reports/provincial-economic-forecasts.html).

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