



POOR WEATHER A TEMPORARY SETBACK FOR MANITOBA'S ECONOMY: RBC ECONOMICS

TORONTO, September 12, 2011 — Continuing poor weather conditions had a negative effect on the outlook for Manitoba's agricultural sector for 2011 and is expected to have a more negative impact on economic growth in the province, according to the latest Provincial Outlook report released today by RBC Economics. Despite this setback, RBC expects Manitoba's GDP growth to slightly outpace the national average, as strong mining and manufacturing activity drives the province's growth rate to 2.8 per cent in 2011.

Manitoba experienced extremely wet soil conditions in the spring, impairing the ability for farmers to seed crops. This was followed by exceptionally dry and hot weather in July and August. These combined weather conditions hampered the production of most grains and oilseeds in the province, with the harvest likely to be down 20 per cent this year.

"Despite the negative impact that weather conditions have had on Manitoba's economy, our numbers still show that Manitoba's growth is above the national average," explained Craig Wright, senior vice-president and chief economist, RBC. "Looking ahead, more favourable growing conditions next year should improve agricultural output in the province. We expect Manitoba to register GDP growth of 3.5 per cent in 2012."

Manitoba's economy continues to benefit from historically high prices for base and precious metals. Prices for gold, nickel, copper and zinc have increased 20 to 40 per cent over last year, which is supporting revenue growth in the mining sector. The first half of 2011 also saw solid and encouraging growth in the manufacturing sector, at a rate close to 10 per cent.

"We're noticing a significant increase in manufacturing strength in Manitoba, particularly in machinery and chemical production," said Wright. "We expect better U.S. growth in the period ahead to help sustain this strength."

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 <http://www.rbc.com/newsroom/reports.html>.

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