



## BRITISH COLUMBIA'S ECONOMY TO BENEFIT FROM EXPORTS AND ENERGY PROJECTS: RBC ECONOMICS

**TORONTO, December 12, 2013** — British Columbia's economy is expected to benefit from improving exports and the proposed multi-billion dollar projects in the energy sector in 2014 following a year of moderate growth in 2013, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC anticipates provincial real GDP growth of 1.2 per cent in 2013, 2.4 per cent in 2014, and 2.8 per cent in 2015.

“We anticipate that rising external trade and the eventual green light on major investment projects will boost confidence in the province in 2014,” said Craig Wright, senior vice-president and chief economist, RBC “Higher confidence will lead to stronger hiring by businesses and increased spending by households – both of which were lethargic in 2013.”

RBC notes that 2013 marked a year of improvement on the external trade front, with strong gains recorded in merchandise exports to the U.S. and China, up nearly 10 per cent and 18 per cent, respectively, year-to-date. Non-residential investment also remained solid, tracking 4.4 per cent higher than 2012 in real terms during the first three quarters of 2013.

Employment, on the other hand, remained perplexingly flat overall, while retail sales rose by just 1.1 per cent year-to-date in September, RBC says. Additionally, as anticipated, housing construction eased up from a year earlier following a significant cooling of home resales during most of 2011 and 2012.

In 2014, RBC expects that a continued recovery in U.S. home building and rising demand for British Columbia's products from China will boost provincial exports.

“External demand for B.C.-made goods will be a key source of economic activity next year and beyond. This will especially be true for provincial resource industries such as forest products and mining, and to a lesser extent, manufacturing,” said Wright.

RBC believes that a possibly bigger boost to the B.C. economy hangs in the balance with the upcoming decisions around building multi-billion dollar liquefied natural gas facilities in the Kitimat and Prince Rupert areas. More than a dozen projects are currently under review or consideration.

“We believe that the establishment of globally competitive tax rules will clear the way for a small number of those projects being approved next year,” added Wright. “While the larger direct economic impact on construction is likely to begin to flow in 2015, we expect the prep work and the boost in confidence around these projects to drive job creation and help lift business and consumer spending in 2014.”

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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