



# NEWS

## **MANITOBA MANUFACTURING BUCKS NATIONAL TREND TO BOOST ECONOMY, SAYS RBC**

**TORONTO, January 11, 2008** — Strong fundamentals are working in Manitoba's favour to support solid economic growth of 3.1 per cent for 2008, according to the latest provincial economic outlook released today by RBC.

"Large multi-year capital projects, a healthy manufacturing sector, export growth, high commodity prices in several key agricultural sectors, and improved crop conditions, have all combined to support ongoing growth in 2008," said Craig Wright, senior vice-president and chief economist, RBC. "Manitoba continues its crucial balancing act with strong growth and modest inflation."

The province's unique manufacturing sector is faring well compared to its counterparts in central Canada. Shipments are up ten per cent over a year ago, led by primary metals, transportation equipment, and machinery and electrical equipment. The aviation parts sector, and the fact that Winnipeg is the North American centre for manufacturing inter-city and intra-city buses, has provided solid support for its local manufacturing base and actually increased manufacturing jobs last year in contrast to Ontario and Quebec.

After a year of weak growing conditions, crop production bounced back in 2007, pushing farm cash receipts up sharply. The report noted that farm incomes also rose as inventories continued to be sold off at elevated prices. However, with the rally in crop prices, livestock producers are feeling the pressure from soaring feed costs. While cattle prices are high, Manitoba's crucial hog industry is suffering with excess production and weak prices.

Across Canada, Alberta leads all provinces with above-average economic growth, followed by Saskatchewan and Nova Scotia. On the opposite end of the scale, and showing a complete turnabout with its mega-projects now in maturation, Newfoundland and Labrador is posting the slowest economic growth rate of 0.5 per cent, and on its

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heels is P.E.I., as well as Quebec and Ontario with its manufacturing woes. However, a more bullish outlook is in store by the end of this decade for Newfoundland and Labrador, New Brunswick, Nova Scotia and, in particular, Saskatchewan, where there is a possibility for a triple play of diamond mining, rich uranium deposits and a massive oil strike in the southeastern part of the province.

The RBC Economics *Provincial Outlook* assesses the provinces according to economic growth, employment growth, unemployment rates, personal income growth, retail sales, housing starts, and the Consumer Price Index.

According to the report (available online as of 8 a.m. E.S.T., at [www.rbc.com/economics/market/pdf/provfcst.pdf](http://www.rbc.com/economics/market/pdf/provfcst.pdf)), provincial forecast details are as follows:

	Real GDP			Housing starts			Retail sales			Employment			CPI		
	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09
	Thousands														
NFLD.	9.0	0.5	1.0	2.5	2.2	1.9	10.0	6.0	2.0	0.7	0.1	0.3	1.5	1.0	1.2
P.E.I.	1.9	1.2	1.4	0.7	0.6	0.5	9.1	4.5	3.7	1.3	0.4	0.2	1.8	1.3	1.6
N.S.	2.4	3.0	3.5	4.8	4.5	4.1	4.4	4.9	6.5	1.3	1.8	2.0	1.9	1.1	2.0
N.B.	2.5	2.5	2.6	4.1	3.8	3.4	6.7	4.5	4.0	1.9	1.7	0.9	2.0	1.2	1.6
QUE.	1.9	1.7	2.5	49.4	46.9	40.4	4.4	4.0	4.1	2.2	1.2	0.9	1.6	1.1	1.6
ONT.	1.7	1.4	2.6	68.1	66.2	60.2	3.9	3.5	4.7	1.6	1.0	1.1	1.9	1.0	1.7
MAN.	3.4	3.1	2.5	5.7	5.7	5.0	9.0	5.3	3.4	1.5	1.2	1.5	2.2	1.7	1.6
SASK.	4.6	3.8	3.3	5.9	6.1	4.5	12.2	8.5	6.5	2.3	1.6	0.8	3.0	2.4	2.4
ALTA.	4.3	3.9	3.2	48.3	38.6	35.2	9.7	9.0	8.2	4.8	2.0	1.8	5.1	2.9	2.6
B.C.	3.0	2.5	3.0	38.6	35.2	28.5	7.1	6.0	7.5	3.2	1.9	2.6	1.8	1.4	2.2
CANADA	2.6	2.1	2.7	228	210	184	5.9	5.1	5.5	2.3	1.3	1.4	2.1	1.4	1.9

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