

PROVINCIAL OUTLOOK

January 2008

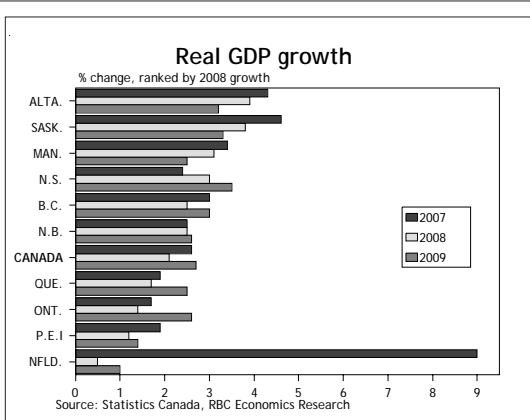
Growth forecasts lowered for central Canada

We have lowered our 2008 growth forecasts for several provinces, but the changes were disproportionately skewed towards Ontario and Quebec. We expect Newfoundland, Prince Edward Island, Ontario and Quebec to be the slowest-growing provinces and to come in below the national average; the remainder of the provinces are expected to post above-average growth, led by Alberta, Saskatchewan, and Manitoba.

This is not to say that all is as rosy for resource-based provinces as has been the norm in the past few years. Cracks are appearing in the economies of British Columbia, Alberta (despite oil prices hitting US\$100/bbl) and Saskatchewan that will result in softer growth this year. Recent developments, however, are causing us to be more bullish on prospects by the close of this decade than was previously the case for Newfoundland, New Brunswick, Nova Scotia and, particularly, Saskatchewan. If Saskatchewan plays its cards right, then its early fortunes could become an embarrassment of riches for a small population through the triple play of diamond mining, renewed interest in developing its rich uranium deposits and a quickening pace of development in the immensely rich but challenging Bakken formation thanks to high oil prices and better technology.

We still believe that it is far too early to dismiss Canada's economic advantage over the U.S. economy. While talk of a U.S. recession may be in the air, it is significant that such talk has been absent for the Canadian economy. In fact, even in the United States, it is only a minority of forecasters who are actually showing a recession in their numbers, which is not the impression one gets from daily commentary. Among the scant few who are predicting recession, they typically go no further than calling for a slight technical recession, defined as two consecutive quarters of contraction in economic output followed by accelerating growth. That would be of tactical consequence to business and fiscal plans since activity would merely shift between quarters and give little reason to stray materially from medium-term strategic plans. Regardless, we believe that the U.S. economy can escape a recession, which lessens the potential consequences for the Canadian economy.

For Canada, a positive aggregate terms of trade advantage, largely as a result of high commodity prices that benefit our resource dependency, is insulating the economy against many other shocks. This is truer, however, for some regions than others. Furthermore, job markets remain stronger than stateside and this is aiding Canadian housing markets, which are getting a lift from the mortgage market liberalization that began when the federal government opened up the mortgage insurance market in early 2006. The fact that fiscal policy measures are far healthier north of the border and that Canada has a wealth of major capital spending projects in the works offer added comfort.



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## British Columbia – Capital projects a modest growth support

Near-term growth will likely come in at 2½% in 2008 and 3% in 2009. However, we believe that the balance of risks in the longer-term has swung more toward the pessimists' camp. Several of the positive cyclical growth drivers are at turning points, capital spending will likely peak during the next few years, vulnerable exports are being hit and the pine beetle threat still looms.

Public capital spending has been on an upward path since FY03/04 but is expected to have peaked last year at \$5.5 billion. In FY08/09 and FY09/10, spending will remain at elevated levels (around the \$5-billion mark) but will not be as positive for economic growth as in the last five years. The chief concern is that a softening in capital spending will amplify the effects of already-slowing trends in other critical sectors such as forestry and energy. Relative to a \$200-billion economy, there is a record high \$135 billion earmarked for capital projects. However with half the projects already under construction, the remaining proposed projects will represent only modest stimulus for the economy over the next decade.

International exports remain under downward pressure, with the total value down 5.7% over the past year largely due to the U.S. housing slowdown and soft lumber and natural gas prices. Wood products account for 24% of exports, while energy products (mostly natural gas and coal) account for 19%, and both sectors are slipping. Pulp producers are a notable exception to the grim export picture. A bullish pricing environment for pulp producers and strong global demand help, but global capacity coming on stream should dampen prices.

## Alberta – High oil prices help offset downsides to growth

Coming off a strong run this cycle, several trends in Alberta are now on a decelerating path as housing markets, consumer spending, fiscal surpluses and capital spending remain at elevated levels but have, nonetheless, come off their growth peaks. Higher royalties have had exactly the expected effect, with reduced, but still high, levels of capital spending and hiring plans to help cool off runaway cost escalation. Scaled-back capital spending plans at still enormous volumes are a problem that most other provinces wish they had. High oil prices, however, should help to cushion the impact, such that Alberta's growth will stay well above the Canadian average even though it is past its peak.

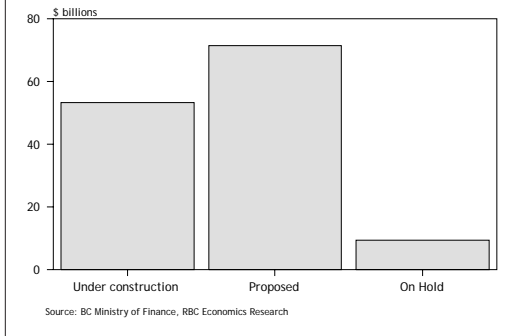
The easy money in housing markets is now gone. Stressed affordability conditions have priced many prospective homeowners out of the market. The pace of house price gains is rapidly cooling, and the ratio of sales to new listings is pointing toward retreating markets. Consumer spending has been well supported by strong wage growth. The key supports for a strong spending profile remain intact, but growth in spending should slow as income gains moderate amidst an overall slower economic expansion profile.

Fiscal surpluses surprised to the upside this year, largely due to higher income tax and oil prices. However, natural gas accounts for roughly 50% of resource revenue, and natural gas prices and royalties are well below late 2005 peaks. Weaker prices and cost escalations have driven sharply slower drilling activity.

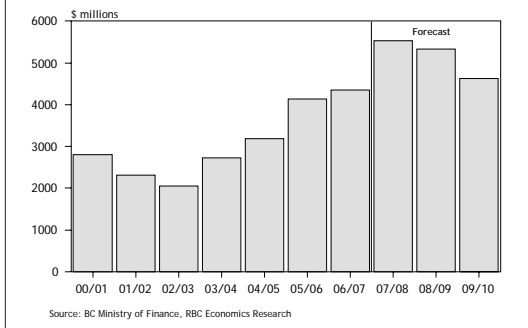
## Saskatchewan – Cyclical peak but great long-run potential

Economic activity heated up rapidly thanks to a sharp reversal from net migration outflows to inflows after years of a shrinking population, the resulting pick-

British Columbia capital projects



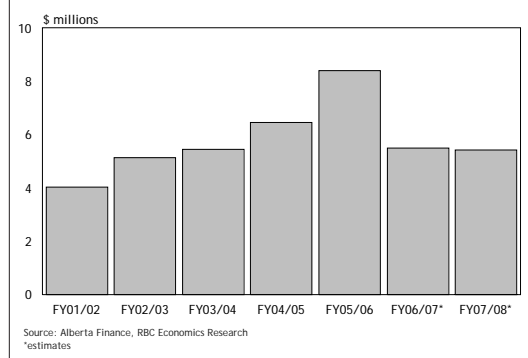
British Columbia public capital spending



Alberta housing markets



Alberta natural gas royalties



up in housing markets, strength in job gains that we expect to continue, and high commodity prices such as grains, oil, uranium and potash. Growth peaked at about 4 ½% in 2007 and will soften in 2008-2009, but next decade offers great potential if the province plays its cards right and commodity prices cooperate.

Housing markets heated up in 2007 as a surge in interprovincial migration strained existing capacity. Strained housing affordability that has pushed into record territory will crimp housing demand going forward because robust price gains are considerably out of whack with underlying fundamentals.

However, a variety of capital investments will support the non-residential sector. Recent announcements include a potash expansion in Rocanville (\$1.8 billion) and a uranium mine in northern Saskatchewan (\$400 million) with production slated to begin early in the next decade. Diamond mining does not yet factor into our two-year forecasts, but, if it proceeds on schedule, the sharp construction lift could begin by decade's end. The potential to develop uranium deposits further offers longer-run upside through liberalized policy. Rounding out the hat trick of major project initiatives is the massive Williston Basin, which offers the potential for up to 100 billion barrels of quality light sweet crude in addition to the oil in place in the remainder of the province that has already positioned Saskatchewan as the second biggest oil patch in the country. Approximately 10%-15% of the Bakken formation can be extracted by conventional technology and potentially much more through horizontal drilling and hydraulic fracturing. This offers Alberta-style future economic potential for a 70% smaller population, but requires managing the risks of overheated housing and commodity cycles.

### Manitoba – Manufacturers bucking the national average

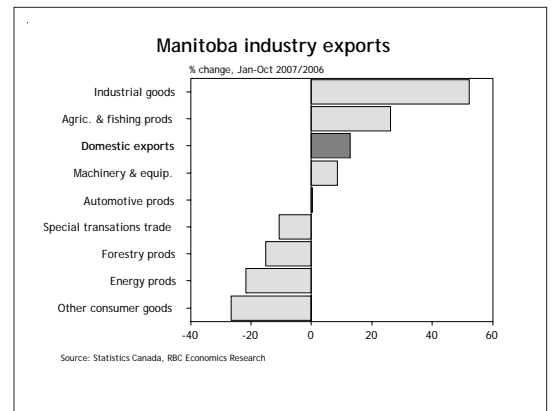
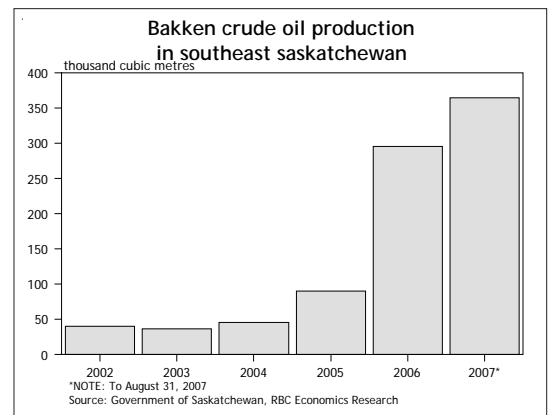
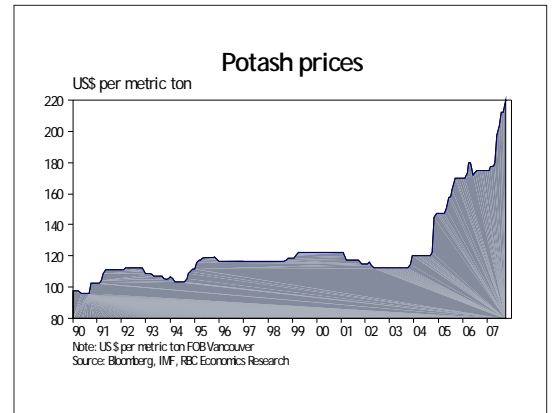
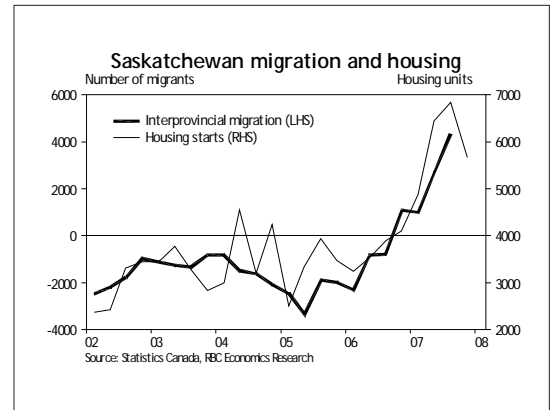
Several forces are working in Manitoba's favour, including large multi-year capital projects, a healthy manufacturing sector, export growth, high commodity prices for some of its key agriculture sectors and last year's improved crop conditions. All combined, we expect growth to come in at about 3% in 2008.

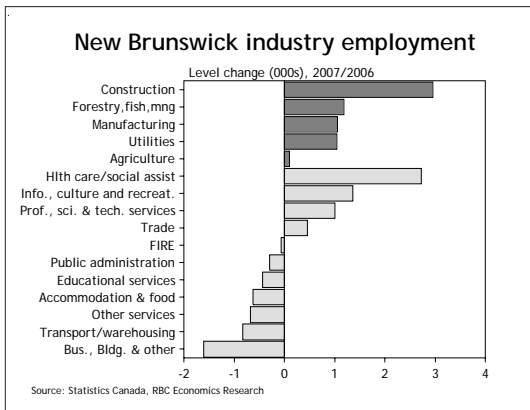
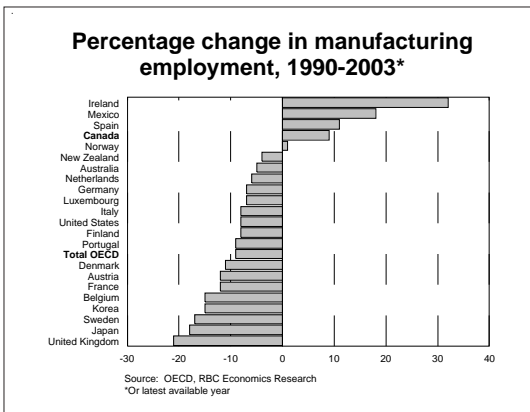
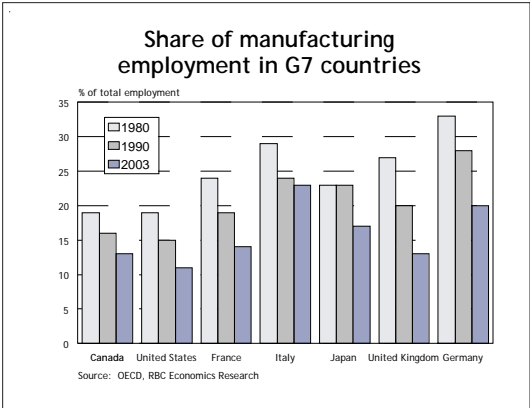
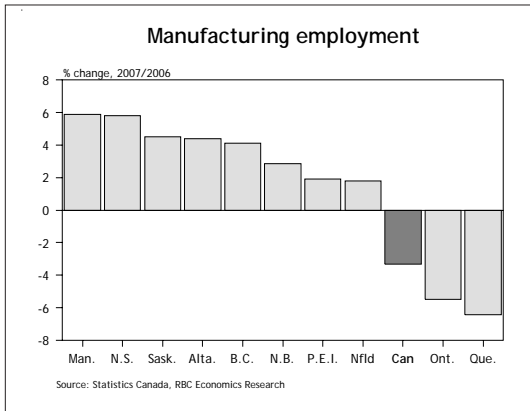
Unlike the conditions facing central Canada's manufacturers, the unique composition of Manitoba's manufacturing base is actually faring well. Shipments were up 10% last year, led by primary metals, transportation equipment, and machinery and electrical equipment. Aviation parts, as well as the fact that Winnipeg is pretty much the North American centre for manufacturing inter- and intra-city buses, are solid supports to the local manufacturing base and part of why the province, in contrast to Ontario and Quebec, actually increased manufacturing jobs last year. Exports are benefitting and are up 13% year-to-date, with significant strength from the industrial goods and agriculture sectors.

A bounce-back in crop production after a year of weak growing conditions pushed farm cash receipts sharply upward in 2007, and inventories continue to be sold off at elevated prices, to the benefit of farm incomes. The rally in crop prices, however, has presented a challenge for livestock producers due to soaring feed costs, and, although cattle prices are high, Manitoba's important hog industry is beleaguered by production excesses and weak prices. A wild card is Manitoba's uncertain potential from its small portion of the Williston Basin.

### Ontario – Forecasts revised down

We have knocked back Ontario's growth prospects by one-half a percentage





point to only 1.4% growth in 2008, to be followed by a reacceleration to about a full percentage point faster in 2009. A short-lived recession is not impossible, but it is also not probable even though the list of worries grows.

The most serious downsides that are likely to stick to Ontario for some time include an elevated currency that is hammering away at the province's manufacturing export competitiveness, negative exposures to softened U.S. housing and auto markets, difficulty competing with Asian manufactured goods, weaker growth in machinery and equipment investment and new home construction that remains on a downward trend, now at about one-fifth below the 2003 peak. Our hope is that forecast currency depreciation, a new auto assembly plant, a modest weakening in commodity prices and an acceleration in U.S. growth later this year will lift Ontario's growth. In the meantime, a reasonably vibrant services sector, tech-sector strengths, job growth and healthy consumer spending are expected to bridge the gap. Modest fiscal stimulus announced in the fall 2007 provincial fiscal update is welcome news, particularly on taxes, but federal-provincial co-operation is needed to achieve sales tax harmonization, which is a major cause of a lack of tax competitiveness because the PST is applied against capital goods — unlike British Columbia, which exempts capital goods.

### Quebec – Similar fate to Ontario

Quebec shares many similar challenges with Ontario but is expected to post marginally faster growth in 2008-2009. Our forecast has been revised downward to 1.7% growth in 2008. What partially insulates Quebec is a different mix of manufacturing activity that is driven by aviation and biotech, with no auto assembly plants and less direct exposure to the most challenged U.S. industries. Further, Quebec's housing sector is somewhat more buoyant than Ontario's because the release of pent-up demand began later. The \$950 million tax cuts in the 2008 budget should modestly support growth while the impact of the capital tax elimination should be more material by end of decade. Nevertheless, although risks to manufacturers and manufacturing jobs in central Canada may be discomfoting, little more can be done from a policy perspective since most of the industrialized world is in the same boat. Easing temporary employment transitions and reorienting public policy toward growth industries in market friendly ways are likely to be far more powerful recipes for expansion in the long-run than hoping for currency and interest rate relief that will not return to the abnormal lows of years past. That approach could cement a stronger end to the decade.

### New Brunswick – Upside risks via proposed capital projects

Near-term growth prospects remain healthy as strength in the construction and mining industries offsets weakness in manufacturing and forestry. We expect the economy will expand by roughly 2½% in 2008 and 2009 and believe that the risks are tilted to the upside via large-scale energy-related capital investments.

A solid line-up of projects has been a critical support to the labour market, including the Canaport LNG terminal, which is close to becoming operational. Job gains have accelerated during the last few months, with notable strength in the construction sector. Of the 6,300 jobs produced in the goods sector last year, almost one-half came from construction jobs. The latest announcement is a new \$1.6 million potash mine that will begin a four-year construction phase as soon as final regulatory approval is received — probably next year. The construction

of the project is expected to generate 2,500 jobs. The proposed second gas refinery is currently in the environmental approval process. Several steps are required before it is a certainty and, therefore, we have not yet factored it into our forecast. If the refinery proceeds, it will provide a sizeable economic lift.

### Nova Scotia – Deep Panuke finally on track

We are relatively bullish on prospects for Nova Scotia’s economy thanks to long-awaited large-scale capital projects. If they go forward as scheduled, we expect that the economy will expand by over 3% on average in 2008 and 2009. The Deep Panuke project (\$700 million) is finally on track to proceed. Construction will continue through to 2010, when the project will shift into production with a 13-year life. The Keltic petrochemical plant (\$4.5 billion) is also expected to shift into construction next year, with a planned start-up in 2011. The project anticipates about 3,000 construction jobs and about 500 full-time jobs. These projects will complement a domestic economy that is holding up well, although housing markets are showing signs of softening. Construction activity is down 8% and yearly price growth on resale homes is moderating. A further cool down in housing starts and resales is expected due to stressed affordability.

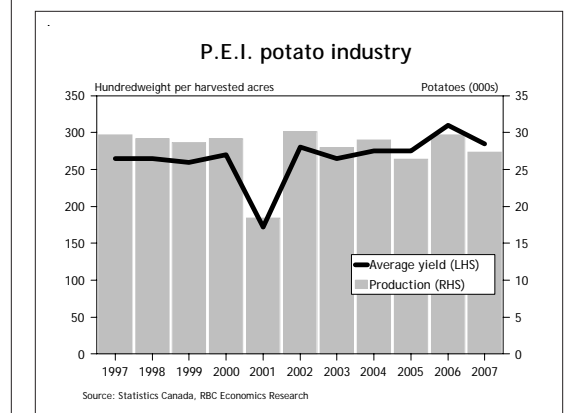
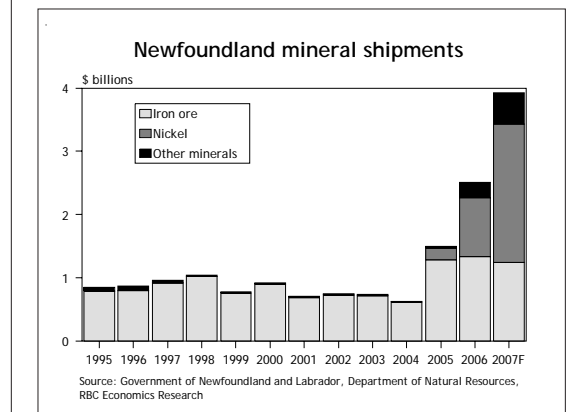
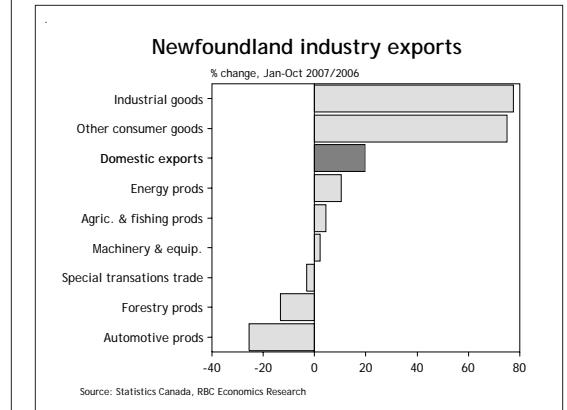
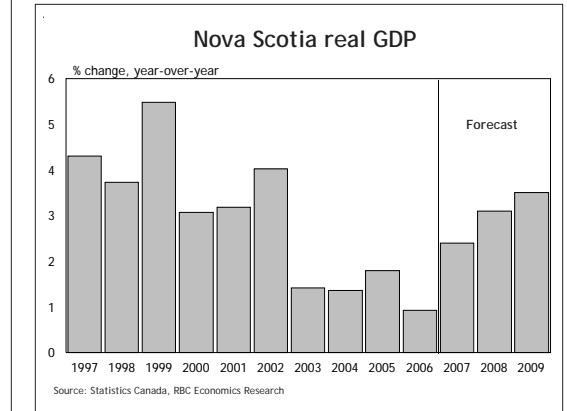
### Newfoundland and Labrador – The path to “have” status

After occupying the number-one growth spot among provinces in 2007, the near-term outlook is much softer. The level of economic activity will remain elevated, but we expect growth to slow to a barely noticeable 0.5% in 2008 and 1% in 2009 as existing megaprojects move into their maturation phases.

Production is sharply weakening at Hibernia but remains on track at Terra Nova, White Rose and Voisey’s Bay. Because of these projects, exports of energy and industrial goods (which include key commodities such as iron ore and nickel) now account for about three-quarters of the province’s total exports. Recent approval for a sizeable production increase at White Rose is an added support. While Newfoundland may well become a “have” province in 2009, it will take several years before it stands another chance at posting province-leading growth rates. The go-ahead is now in line for Hebron to start construction in 2010 and production by 2013. There is the potential for construction of a second major oil refinery at Placentia Bay, which would also coincide with the rough timelines on the development of Hibernia South and the Lower Churchill hydro project.

### Prince Edward Island – Potato wart crisis averted so far

The economy is expected to pump out just over 1% growth in the next two years as a slowdown in the construction sector weighs on growth and the province lacks major capital projects like those in other provinces. The consumer outlook, however, remains strong as healthy wage gains support retail sales. Despite the strong dollar and stricter passport regulations, critically important tourist visits are up and forecast to remain so. Tourism was supported by strong inter-provincial and non-U.S. international sources, while U.S. visits were down. The potato crop fared well this year. The yields are not as high as last year, but the quality still remains healthy. Ample supply on the North American market, however, is expected to put some downward pressure on prices and reduce farm receipts. A confirmed case of potato wart in the province early last fall is unlikely to have an effect similar to what happened in 2000 due to immediate measures that were taken to contain the virus and avoid border closure.



## Forecast detail

Average annual % change unless otherwise indicated

	Real GDP			Nominal GDP			Employment			Labour force			Unemployment rate			Personal disposable income			Housing starts			Retail sales			CPI					
	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09
													%						Thousands											
NFLD.	9.0	0.5	1.0	14.0	4.5	3.0	0.6	0.1	0.3	-0.8	-0.9	-0.6	13.6	12.7	11.9	3.3	2.7	2.5	2.5	2.2	1.9	10.0	6.0	2.0	1.5	1.0	1.2			
P.E.I.	1.9	1.2	1.4	3.1	2.8	2.1	1.0	0.4	0.2	0.3	0.3	0.2	10.3	10.3	10.3	4.6	2.0	2.4	0.7	0.6	0.5	9.1	4.5	3.7	1.8	1.3	1.6			
N.S.	2.4	3.0	3.5	3.4	3.9	4.8	1.3	1.8	2.0	1.4	0.4	1.5	8.0	6.8	6.3	4.3	3.8	4.7	4.8	4.5	4.1	4.4	4.9	6.5	1.9	1.1	2.0			
N.B.	2.5	2.5	2.6	3.5	3.8	3.8	2.1	1.7	0.9	0.7	0.4	0.3	7.5	6.3	5.8	4.6	3.3	3.2	4.1	3.8	3.4	6.7	4.5	4.0	2.0	1.2	1.6			
QUE.	1.9	1.7	2.5	3.5	2.8	3.9	2.3	1.2	0.9	1.4	0.8	0.6	7.2	6.8	6.5	5.0	4.5	4.7	49.4	46.9	40.4	4.4	4.0	4.1	1.6	1.1	1.6			
ONT.	1.7	1.4	2.6	3.7	2.2	4.2	1.6	1.0	1.1	1.7	1.3	1.3	6.4	6.7	6.8	4.1	3.9	4.2	68.1	66.2	60.2	3.9	3.5	4.7	1.9	1.0	1.7			
MAN.	3.4	3.1	2.5	4.3	3.7	3.4	1.6	1.2	1.5	1.7	1.9	0.6	4.4	5.0	4.2	5.3	4.7	4.1	5.7	5.7	5.0	9.0	5.3	3.4	2.2	1.7	1.6			
SASK.	4.6	3.8	3.3	9.5	6.8	4.8	2.1	1.6	0.8	1.6	1.3	1.1	4.2	3.9	4.2	5.7	5.0	4.8	5.9	6.1	4.5	12.2	8.5	6.5	3.0	2.4	2.4			
ALTA.	4.3	3.9	3.2	12.4	7.4	5.0	4.7	2.0	1.8	4.8	2.6	2.3	3.5	4.1	4.5	8.7	6.0	5.5	48.3	38.6	35.2	9.7	9.0	8.2	5.1	2.9	2.6			
B.C.	3.0	2.5	3.0	6.2	4.4	4.2	3.2	1.9	2.6	2.7	2.3	2.7	4.2	4.6	4.7	6.3	5.5	6.2	38.6	35.2	28.5	7.1	6.0	7.5	1.8	1.4	2.2			
CANADA	2.6	2.1	2.7	5.8	3.8	4.3	2.3	1.3	1.4	2.0	1.4	1.4	6.0	6.1	6.2	5.3	4.5	4.7	228	210	184	5.9	5.1	5.5	2.1	1.4	1.9			

## Key provincial comparisons

2007 unless otherwise indicated

	NFLD	P.E.I.	N.S.	N.B.	QUE	ONT	MAN	SASK	ALTA	B.C.
Population (000s)	507	139	935	751	7,720	12,851	1,190	1,003	3,487	4,403
Gross domestic product (\$ billions)	29.2	4.4	33.1	26.2	292.7	578.4	46.8	50.3	269.8	191.5
Real GDP (\$1997 billions)	19.3	4.1	29.3	23.4	264.8	530.5	41.7	40.2	191.3	163.1
Share of Canada real GDP (%)	1.5	0.3	2.2	1.8	20.1	40.3	3.2	3.1	14.5	12.4
Real GDP growth (CAR, last five years 02-07, %)	3.3	2.2	1.6	2.0	1.9	2.1	2.7	3.2	4.9	3.4
Real GDP per capita (\$)	38,058	29,673	31,328	31,183	34,305	41,283	35,010	40,069	54,852	37,040
Real GDP growth rate per capita (CAR, last five years 02-07, %)	3.8	2.0	1.6	2.1	1.2	0.9	2.1	3.2	2.7	2.1
Personal disposable income per capita (\$)	26,059	22,476	24,219	23,716	24,214	27,218	24,512	24,076	34,209	26,456
Employment growth (CAR, last five years 02-07, %)	0.9	1.4	1.1	1.1	1.5	1.8	1.0	1.4	3.2	2.9
Employment rate (Dec 2007, %)	50.2	58.3	58.9	58.6	60.7	63.6	66.0	65.8	71.6	63.5
Discomfort index (inflation + unemp. Rates, latest)	14.7	13.5	10.5	11.0	9.0	8.9	5.9	8.0	7.9	5.5
Manufacturing industry output (% of real GDP, 2006)	6.5	11.4	8.9	15.5	20.1	18.8	11.6	7.5	9.8	11.0
Personal expenditures goods & services (% of real GDP, 2006)	59.1	72.2	70.3	63.7	61.5	55.9	62.3	57.3	52.9	64.5
International exports (% of real GDP, 2006)	33.7	30.4	26.1	42.2	38.1	48.8	31.9	40.6	34.9	30.6

Source: Statistics Canada, RBC Economics Research

## British Columbia

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	138,193	145,642	157,365	169,404	180,328	191,508	199,935	208,332
	% change	3.5	5.4	8.0	7.7	6.4	6.2	4.4	4.2
Real GDP	\$1997 millions	138,193	141,435	146,629	153,208	158,335	163,085	167,162	172,177
	% change	3.6	2.3	3.7	4.5	3.3	3.0	2.5	3.0
Employment	thousands	1,965.0	2,014.7	2,062.7	2,130.5	2,195.5	2,266.3	2,309.4	2,369.4
	% change	2.3	2.5	2.4	3.3	3.1	3.2	1.9	2.6
Labour force	thousands	2,147.6	2,190.7	2,221.9	2,263.4	2,305.1	2,366.4	2,420.8	2,486.2
	% change	3.1	2.0	1.4	1.9	1.8	2.7	2.3	2.7
Unemployment rate	%	8.5	8.0	7.2	5.9	4.8	4.2	4.6	4.7
Personal disposable income	\$ millions	88,594	91,505	96,714	101,559	109,579	116,482	122,889	130,508
	% change	3.8	3.3	5.7	5.0	7.9	6.3	5.5	6.2
Retail sales	\$ millions	43,265	44,421	47,217	49,286	52,627	56,363	59,745	64,226
	% change	6.3	2.7	6.3	4.4	6.8	7.1	6.0	7.5
Housing starts	units	21,625	26,174	32,925	34,667	36,443	38,633	35,156	28,476
	% change	25.5	21.0	25.8	5.3	5.1	6.0	-9.0	-19.0
Consumer price index	1992=100	100.0	102.2	104.2	106.3	108.1	110.1	111.6	114.1
	% change	2.4	2.2	2.0	2.0	1.7	1.8	1.4	2.2

## Alberta

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	150,594	170,113	189,521	222,159	240,025	269,788	289,752	304,240
	% change	-0.4	13.0	11.4	17.2	8.0	12.4	7.4	5.0
Real GDP	\$1997 millions	150,594	155,359	163,457	172,047	183,372	191,257	198,716	205,075
	% change	2.2	3.2	5.2	5.3	6.6	4.3	3.9	3.2
Employment	thousands	1,670.8	1,716.7	1,757.5	1,784.4	1,870.7	1,959.4	1,998.6	2,034.6
	% change	2.4	2.7	2.4	1.5	4.8	4.7	2.0	1.8
Labour force	thousands	1,764.2	1,808.8	1,842.4	1,857.5	1,937.5	2,030.6	2,083.4	2,131.3
	% change	3.2	2.5	1.9	0.8	4.3	4.8	2.6	2.3
Unemployment rate	%	5.3	5.1	4.6	3.9	3.4	3.5	4.1	4.5
Personal disposable income	\$ millions	78,323	81,942	89,308	97,528	109,732	119,279	126,435	133,389
	% change	3.7	4.6	9.0	9.2	12.5	8.7	6.0	5.5
Retail sales	\$ millions	37,663	39,318	43,372	48,493	56,047	61,483	67,017	72,512
	% change	9.0	4.4	10.3	11.8	15.6	9.7	9.0	8.2
Housing starts	units	38,754	36,171	36,270	40,847	48,962	48,308	38,646	35,168
	% change	32.8	-6.7	0.3	12.6	19.9	-1.3	-20.0	-9.0
Consumer price index	1992=100	100.0	104.4	105.9	108.1	112.3	118.1	121.5	124.7
	% change	3.4	4.4	1.4	2.1	3.9	5.1	2.9	2.6

## Saskatchewan

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	34,343	36,653	40,417	43,773	45,922	50,285	53,704	56,282
	% change	3.7	6.7	10.3	8.3	4.9	9.5	6.8	4.8
Real GDP	\$1997 millions	34,343	35,921	37,303	38,598	38,433	40,201	41,729	43,106
	% change	-0.4	4.6	3.8	3.5	-0.4	4.6	3.8	3.3
Employment	thousands	468.3	476.1	479.7	483.5	491.6	501.8	509.8	513.9
	% change	1.7	1.7	0.8	0.8	1.7	2.1	1.6	0.8
Labour force	thousands	496.4	504.3	506.7	509.4	515.6	523.8	530.6	536.4
	% change	1.6	1.6	0.5	0.5	1.2	1.6	1.3	1.1
Unemployment rate	%	5.7	5.6	5.3	5.1	4.7	4.2	3.9	4.2
Personal disposable income	\$ millions	19,049	20,238	21,797	21,998	22,853	24,156	25,363	26,581
	% change	3.0	6.2	7.7	0.9	3.9	5.7	5.0	4.8
Retail sales	\$ millions	9,389	9,858	10,259	10,796	11,495	12,897	13,993	14,903
	% change	7.6	5.0	4.1	5.2	6.5	12.2	8.5	6.5
Housing starts	units	2,963	3,315	3,781	3,437	3,715	5,950	6,128	4,535
	% change	24.4	11.9	14.1	-9.1	8.1	60.2	3.0	-26.0
Consumer price index	1992=100	100.0	102.3	104.6	106.9	109.1	112.4	115.1	117.8
	% change	2.9	2.3	2.2	2.2	2.1	3.0	2.4	2.4

## Manitoba

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	36,559	37,451	39,859	41,682	44,851	46,758	48,501	50,158
	% change	4.0	2.4	6.4	4.6	7.6	4.3	3.7	3.4
Real GDP	\$1997 millions	36,559	37,059	38,033	39,061	40,323	41,676	42,950	44,005
	% change	1.6	1.4	2.6	2.7	3.2	3.4	3.1	2.5
Employment	thousands	567.2	570.3	576.6	580.3	587.0	596.5	603.5	612.6
	% change	2.3	0.5	1.1	0.6	1.2	1.6	1.2	1.5
Labour force	thousands	597.8	600.3	608.9	609.4	613.5	623.9	635.5	639.3
	% change	2.4	0.4	1.4	0.1	0.7	1.7	1.9	0.6
Unemployment rate	%	5.1	5.0	5.3	4.8	4.3	4.4	5.0	4.2
Personal disposable income	\$ millions	23,678	24,436	25,670	26,326	27,713	29,180	30,545	31,805
	% change	3.1	3.2	5.0	2.6	5.3	5.3	4.7	4.1
Retail sales	\$ millions	10,570	10,953	11,692	12,381	12,938	14,109	14,852	15,358
	% change	7.0	3.6	6.7	5.9	4.5	9.0	5.3	3.4
Housing starts	units	3,617	4,206	4,440	4,731	5,028	5,675	5,712	5,032
	% change	22.1	16.3	5.6	6.6	6.3	12.9	0.7	-11.9
Consumer price index	1992=100	100.0	101.8	103.8	106.6	108.7	111.0	112.9	114.8
	% change	1.5	1.8	2.0	2.7	2.0	2.2	1.7	1.6



## Ontario

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	477,763	493,081	516,792	536,908	557,784	578,422	591,147	615,975
	% change	5.3	3.2	4.8	3.9	3.9	3.7	2.2	4.2
Real GDP	\$1997 millions	477,763	484,341	496,208	510,740	521,648	530,516	537,943	551,930
	% change	3.1	1.4	2.5	2.9	2.1	1.7	1.4	2.6
Employment	thousands	6,031.4	6,213.2	6,316.5	6,397.7	6,492.7	6,593.8	6,659.7	6,733.0
	% change	1.8	3.0	1.7	1.3	1.5	1.6	1.0	1.1
Labour force	thousands	6,493.7	6,676.2	6,775.4	6,849.1	6,927.3	7,043.5	7,135.1	7,227.8
	% change	2.6	2.8	1.5	1.1	1.1	1.7	1.3	1.3
Unemployment rate	%	7.1	6.9	6.8	6.6	6.3	6.4	6.7	6.8
Personal disposable income	\$ millions	284,156	293,943	307,170	319,255	335,990	349,766	363,406	378,670
	% change	3.5	3.4	4.5	3.9	5.2	4.1	3.9	4.2
Retail sales	\$ millions	120,992	125,122	129,086	135,321	140,835	146,328	151,449	158,568
	% change	5.9	3.4	3.2	4.8	4.1	3.9	3.5	4.7
Housing starts	units	83,597	85,180	85,114	78,795	73,417	68,092	66,185	60,229
	% change	14.1	1.9	-0.1	-7.4	-6.8	-7.3	-2.8	-9.0
Consumer price index	1992=100	100.0	102.7	104.6	106.9	108.8	110.9	112.0	113.9
	% change	2.0	2.7	1.9	2.2	1.8	1.9	1.0	1.7

## Quebec

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	241,448	250,752	262,890	272,672	282,841	292,740	300,937	312,674
	% change	4.2	3.9	4.8	3.7	3.7	3.5	2.8	3.9
Real GDP	\$1997 millions	241,448	244,422	250,673	255,638	259,895	264,833	269,335	276,069
	% change	2.4	1.2	2.6	2.0	1.7	1.9	1.7	2.5
Employment	thousands	3,569.9	3,628.8	3,680.5	3,717.3	3,765.4	3,851.7	3,897.9	3,933.0
	% change	3.8	1.6	1.4	1.0	1.3	2.3	1.2	0.9
Labour force	thousands	3,907.7	3,992.8	4,024.1	4,052.7	4,094.2	4,150.1	4,183.3	4,208.4
	% change	3.6	2.2	0.8	0.7	1.0	1.4	0.8	0.6
Unemployment rate	%	8.6	9.1	8.5	8.3	8.0	7.2	6.8	6.5
Personal disposable income	\$ millions	151,871	158,823	165,727	170,612	178,028	186,929	195,341	204,522
	% change	4.4	4.6	4.3	2.9	4.3	5.0	4.5	4.7
Retail sales	\$ millions	72,099	75,326	78,518	82,533	86,763	90,580	94,204	98,066
	% change	6.1	4.5	4.2	5.1	5.1	4.4	4.0	4.1
Housing starts	units	42,452	50,289	58,448	50,910	47,877	49,408	46,938	40,366
	% change	53.4	18.5	16.2	-12.9	-6.0	3.2	-5.0	-14.0
Consumer price index	1992=100	100.0	102.5	104.5	106.9	108.7	110.4	111.7	113.4
	% change	2.0	2.5	2.0	2.3	1.7	1.6	1.1	1.6

## New Brunswick

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	21,169	22,366	23,534	24,190	25,346	26,233	27,230	28,265
	% change	2.3	5.7	5.2	2.8	4.8	3.5	3.8	3.8
Real GDP	\$1997 millions	21,169	21,765	22,069	22,174	22,843	23,414	23,999	24,623
	% change	4.5	2.8	1.4	0.5	3.0	2.5	2.5	2.6
Employment	thousands	343.1	343.1	350.1	350.5	355.4	362.8	369.0	372.3
	% change	3.9	0.0	2.0	0.1	1.4	2.1	1.7	0.9
Labour force	thousands	382.0	382.4	388.0	388.2	389.6	392.4	394.0	395.2
	% change	2.8	0.1	1.5	0.1	0.4	0.7	0.4	0.3
Unemployment rate	%	10.2	10.3	9.8	9.7	8.8	7.5	6.3	5.8
Personal disposable income	\$ millions	14,480	15,027	15,789	16,308	17,024	17,807	18,395	18,991
	% change	2.2	3.8	5.1	3.3	4.4	4.6	3.3	3.2
Retail sales	\$ millions	7,787	7,827	7,963	8,326	8,835	9,427	9,851	10,245
	% change	3.9	0.5	1.7	4.6	6.1	6.7	4.5	4.0
Housing starts	units	3,862	4,489	3,947	3,959	4,085	4,133	3,844	3,382
	% change	11.6	16.2	-12.1	0.3	3.2	1.2	-7.0	-12.0
Consumer price index	1992=100	100.0	103.4	104.9	107.4	109.2	111.4	112.7	114.5
	% change	3.3	3.4	1.5	2.4	1.7	2.0	1.2	1.6

## Nova Scotia

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	27,082	28,851	30,014	31,575	31,997	33,085	34,375	36,025
	% change	4.5	6.5	4.0	5.2	1.3	3.4	3.9	4.8
Real GDP	\$1997 millions	27,082	27,464	27,836	28,336	28,597	29,295	30,174	31,230
	% change	4.0	1.4	1.4	1.8	0.9	2.4	3.0	3.5
Employment	thousands	422.9	431.2	442.2	443.1	441.8	447.6	455.7	464.8
	% change	1.9	2.0	2.6	0.2	-0.3	1.3	1.8	2.0
Labour force	thousands	467.7	474.6	485.0	483.9	480.0	486.7	488.6	496.0
	% change	1.7	1.5	2.2	-0.2	-0.8	1.4	0.4	1.5
Unemployment rate	%	9.6	9.1	8.8	8.4	7.9	8.0	6.8	6.3
Personal disposable income	\$ millions	18,674	19,202	20,062	20,872	21,714	22,648	23,508	24,613
	% change	3.0	2.8	4.5	4.0	4.0	4.3	3.8	4.7
Retail sales	\$ millions	9,840	10,015	10,297	10,527	11,192	11,684	12,257	13,053
	% change	6.1	1.8	2.8	2.2	6.3	4.4	4.9	6.5
Housing starts	units	4,970	5,096	4,717	4,775	4,896	4,750	4,513	4,061
	% change	21.5	2.5	-7.4	1.2	2.5	-3.0	-5.0	-10.0
Consumer price index	1992=100	100.0	103.4	105.3	108.2	110.4	112.5	113.7	116.0
	% change	3.0	3.4	1.8	2.8	2.0	1.9	1.1	2.0

## Newfoundland and Labrador

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	16,457	18,119	19,302	21,496	25,608	29,193	30,507	31,422
	% change	16.1	10.1	6.5	11.4	19.1	14.0	4.5	3.0
Real GDP	\$1997 millions	16,457	17,419	17,117	17,159	17,719	19,314	19,410	19,604
	% change	15.6	5.8	-1.7	0.2	3.3	9.0	0.5	1.0
Employment	thousands	207.2	212.3	214.3	214.1	215.7	217.1	217.3	218.0
	% change	1.7	2.5	0.9	-0.1	0.7	0.6	0.1	0.3
Labour force	thousands	248.5	254.1	254.3	252.5	253.1	251.2	248.9	247.4
	% change	2.4	2.3	0.1	-0.7	0.2	-0.8	-0.9	-0.6
Unemployment rate	%	16.7	16.5	15.7	15.2	14.8	13.6	12.7	11.9
Personal disposable income	\$ millions	9,381	9,773	10,041	10,397	12,802	13,224	13,587	13,926
	% change	2.9	4.2	2.7	3.5	23.1	3.3	2.7	2.5
Retail sales	\$ millions	5,407	5,736	5,755	5,826	6,042	6,647	7,045	7,186
	% change	4.0	6.1	0.3	1.2	3.7	10.0	6.0	2.0
Housing starts	units	2,419	2,692	2,870	2,498	2,234	2,525	2,247	1,933
	% change	35.3	11.3	6.6	-13.0	-10.6	13.0	-11.0	-14.0
Consumer price index	1992=100	100.0	102.9	104.8	107.6	109.5	111.1	112.3	113.6
	% change	2.4	2.9	1.8	2.7	1.8	1.5	1.0	1.2

## Prince Edward Island

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross domestic product	\$ millions	3,701	3,798	3,994	4,118	4,304	4,437	4,563	4,659
	% change	7.9	2.6	5.2	3.1	4.5	3.1	2.8	2.1
Real GDP	\$1997 millions	3,701	3,778	3,893	3,945	4,049	4,128	4,177	4,236
	% change	4.8	2.1	3.0	1.3	2.6	1.9	1.2	1.4
Employment	thousands	64.7	66.1	66.9	68.2	68.6	69.3	69.6	69.7
	% change	1.7	2.2	1.2	1.9	0.6	1.0	0.4	0.2
Labour force	thousands	73.5	74.3	75.4	76.5	77.1	77.3	77.5	77.7
	% change	1.7	1.1	1.5	1.5	0.8	0.3	0.3	0.2
Unemployment rate	%	12.0	11.0	11.3	10.8	11.0	10.3	10.3	10.3
Personal disposable income	\$ millions	2,606	2,635	2,769	2,865	2,989	3,126	3,189	3,266
	% change	5.6	1.1	5.1	3.5	4.3	4.6	2.0	2.4
Retail sales	\$ millions	1,369	1,383	1,385	1,424	1,481	1,616	1,689	1,751
	% change	3.4	1.0	0.1	2.8	4.0	9.1	4.5	3.7
Housing starts	units	775	814	919	862	738	667	607	546
	% change	14.8	5.0	12.9	-6.2	-14.4	-9.6	-9.0	-10.0
Consumer price index	1992=100	100.0	103.5	105.8	109.1	111.6	113.6	115.1	116.9
	% change	2.7	3.5	2.2	3.1	2.3	1.8	1.3	1.6

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