



NEWS

MANITOBA BETTER-POSITIONED THAN MOST PROVINCES TO WEATHER A U.S. SLOWDOWN, SAYS RBC

TORONTO, April 3, 2008 — Manitoba is expected to continue to outperform the national average, growing by 2.8 per cent in 2008 and 2.9 per cent in 2009, according to the latest provincial economic outlook released today by RBC.

“The diversified composition of the economy has helped keep Manitoba’s growth profile more stable compared to the other provinces,” said Craig Wright, senior vice-president and chief economist, RBC. “Manitoba is better-positioned than most other provinces to weather a U.S. slowdown and should remain one of the fastest growing provinces in 2008.”

The report noted that Manitoba continues to benefit from record high grain prices, a diversified manufacturing sector, big capital spending plans and a housing market that continues to heat up. For 2008, private investment is expected to increase by 22 per cent and public investment by 11 per cent. The province’s economy is also well-supported by a solid line-up of big ticket capital projects already underway such as the Winnipeg Floodway expansion, the Wuskwatim hydroelectric dam and a new airport facility.

Similar to Saskatchewan, Manitoba is seeing an influx of migrants which is putting additional strain on its housing market. Excess demand is driving house price gains up 15 per cent compared to a year ago. The domestic economy is on firm footing as solid real estate markets and tight labour conditions are supporting very strong retail sales and a significant increase in wages.

The growth gap between the commodity-rich Western provinces and manufacturing-heavy Central Canada is expected to persist in 2008. Across Canada, Saskatchewan is expected to be the top growth performer this year as its economy benefits from strength in energy, mining, and agriculture sectors. Conversely, Newfoundland and Labrador should be the laggard as waning oil production weighs on its growth. The strong Canadian dollar and softer U.S. demand for exports continue to weaken manufacturing sectors across the country. Ontario’s weak trade sector will see the province teeter on the brink of recession through 2008, but it should pick-up in 2009 to coincide with a recovering U.S. economy.

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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.D.T., at www.rbc.com/economics/market/pdf/provcst.pdf), provincial forecast details are as follows:

	Real GDP			Housing starts			Retail sales			Employment			CPI		
	07	08	09	Thousands						07	08	09	07	08	09
NFLD.	9.0	0.5	1.0	2.6	2.5	2.0	9.5	5.5	2.0	0.6	0.2	0.3	1.5	1.0	1.3
P.E.I.	1.9	1.2	1.4	0.8	0.7	0.6	8.2	4.4	3.7	1.0	0.5	0.2	1.8	1.3	1.6
N.S.	2.4	2.5	2.8	4.8	4.6	4.0	4.0	4.7	6.5	1.3	2.0	2.0	1.9	1.1	2.0
N.B.	2.5	2.4	2.5	4.2	4.0	3.4	6.2	4.4	4.0	2.1	1.9	0.9	1.9	1.2	1.7
QUE.	2.1	1.1	2.2	48.6	47.1	40.0	4.4	4.1	4.4	2.3	1.1	1.1	1.6	1.2	1.8
ONT.	1.8	0.8	1.9	68.1	66.8	59.4	3.9	3.8	4.5	1.6	0.9	1.0	1.8	1.4	1.8
MAN.	3.5	2.8	2.9	5.7	5.6	4.5	9.5	8.1	7.6	1.6	2.1	1.7	2.0	1.8	2.1
SASK.	4.6	3.6	3.2	6.0	6.1	4.5	12.7	9.0	8.0	2.1	2.4	1.9	2.8	3.3	2.9
ALTA.	4.3	3.3	3.0	48.3	41.6	35.3	9.0	7.4	7.0	4.7	2.2	1.8	5.0	2.9	2.8
B.C.	3.1	2.3	2.8	39.2	37.2	30.5	7.1	6.2	7.5	3.2	2.0	2.2	1.8	1.1	1.6
CANADA	2.7	1.6	2.3	228	216	184	5.8	5.1	5.5	2.3	1.4	1.4	2.1	1.4	1.9

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