



## **British Columbia's economy bounces back: RBC Economics**

### **Strengthening market conditions to boost forest products sector**

**TORONTO, June 10, 2010** —British Columbia's economy is showing notable improvement with a projected growth rate of 3.5 per cent in 2010, according to a new report released today by RBC Economics.

“Economic indicators now suggest that a broad-based recovery is taking hold in the province and that the projected 3.5 per cent growth rate will be the strongest since 2006,” said Craig Wright, senior vice-president and chief economist, RBC. “The global economic recovery and improving U.S. housing sector are expected to go a long way in helping repair B.C.'s export performance.”

The report notes that B.C.'s long-suffering forest products sector is turning a corner, after years of enduring depressed conditions. Strengthening market conditions and prices in the softwood lumber industry should boost production in the province, after plummeting to a 19-year low in the spring of 2009. Production levels still remain far below earlier levels.

According to the report, B.C.'s economy is feeling a strong push from government stimulus, with work on public buildings and infrastructure boosting non-residential construction. Low interest rates have led to rising levels of new home construction, despite a recent slowdown in resale activity of the existing home market. The provincial economy is expected to sustain its renewed momentum into 2011, with growth projected at 3.3 per cent.

“Consumers in B.C. are beginning to feel re-energized and more confident as a result of improved economic conditions and a recovering jobs market,” added Wright. “Retail sales have almost made a full recovery and are anticipated to grow by 7.2 per cent, which is the strongest increase in the province since 2007.”

The RBC Economics Provincial Outlook assesses the provinces according to economic growth, employment growth, unemployment rates, retail sales, housing starts and consumer price indexes.

The full report and provincial details are available online as of 8 a.m. EDT today [www.rbc.com/economics/market/pdf/provfcst.pdf](http://www.rbc.com/economics/market/pdf/provfcst.pdf).

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