



ALBERTA'S ECONOMY TO TOP THE PROVINCIAL GROWTH RANKINGS IN 2014: RBC ECONOMICS

Craig Wright, RBC's chief economist, [discusses](#) Alberta's economic growth

TORONTO, March 19, 2014 — Alberta's economic expansion will increasingly be fuelled by gains in a broad spectrum of sectors, and will launch the province to the top of the rankings in terms of real GDP growth in 2014, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts Alberta's economy to grow by 3.7 per cent in 2014 and 3.5 per cent in 2015.

"Since 2010, investment in energy resources in Alberta have been massive and will continue to generate substantial direct and indirect activity in the province," said Craig Wright, senior vice-president and chief economist, RBC. "We are actually seeing the provincial economy enjoy strong performance across a wide-range of sectors – this will be another key theme in Alberta's growth story this year."

RBC notes that exceptionally strong population growth in particular – at 3.5 per cent in 2013, the strongest rate in 30 years – will further reverberate across consumer-dependent sectors, including housing, retail trade and various personal services industries. RBC anticipates an increase of 4.7 per cent in home resales (to 69,400 units), 7.5 per cent in housing starts (to 38,700 units) and 5.2 per cent in retail sales in 2014.

"Alberta's recovery since the 2008-2009 recession has been nothing short of spectacular," said Wright. "Between 2010 and 2012, Alberta's economy grew at 4.5 per cent per year, more than double the average rate in the rest of Canada's provinces."

In 2013, Alberta experienced substantial gains in export markets, crude oil and bitumen production, consumer spending, the housing market, and non-residential capital investment in sectors other than oil and gas extraction. RBC notes that in addition to rapid population growth, support on the domestic side of the economy came from a strong labour market, with 67,900 new jobs created, representing two-thirds of all the net new jobs in Canada.

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Looking to 2014, RBC says solid growth in sectors other than non-residential construction will outweigh any anticipated slowing in the pace of growth in capital expenditures in the energy sector. Statistics Canada's latest P&PI survey revealed that while capital spending on non-conventional oil resources will push further into record territory, it will moderate substantially to 2.3 per cent in 2014, down from an average of 24 per cent annually between 2011 and 2013.

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.

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