



BRITISH COLUMBIA'S ECONOMY TO SHIFT INTO HIGHER GEAR IN 2014: RBC ECONOMICS

Craig Wright, RBC's chief economist, [discusses](#) the B.C. economy

TORONTO, March 19, 2014 — Following two years of average growth, British Columbia's economy is set to shift into a higher gear in 2014, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts provincial real GDP growth of 2.1 per cent in 2014.

“British Columbia's economic performance last year had some bright spots that will be key drivers for provincial growth in 2014. Chief among them is export gains, which will continue and likely spill-over to domestic industries this year,” said Craig Wright, senior vice-president and chief economist, RBC. “The turnaround in the provincial housing market last year helped to restore some confidence in the market – this should lift some uncertainty around household spending.”

RBC says that although the B.C. economy was stuck in a low gear in 2013, external trade showed encouraging improvements; merchandise exports were up a solid 7 per cent and substantial gains were made in the province's two principal export markets – the U.S., up 12 per cent, and China, up nearly 15 per cent. There were significant gains in most of the province's key export commodities as well, including wood products, metallic mineral products and natural gas.

“Further strength in the U.S. economy – particularly in housing construction – and greater Chinese market share will drive B.C.'s exports this year,” added Wright. “Sales abroad will fire up B.C. resource industries like forestry and mining, but will spread benefits to other sectors ranging from manufacturing to business service industries.”

RBC believes that success on the external front will translate into a positive for the province's job market. After staying flat in 2013, RBC projects a 0.8 per cent rise in employment, which will be sufficient enough to nudge B.C.'s unemployment rate down from 6.6 per cent in 2013 to 6.4 per cent in 2014.

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In February, tax rules for future LNG projects were announced with the B.C. budget. RBC expects minimal short-term construction activity related to these projects as they still need final approval from proponents. More meaningful LNG spending is assumed to begin in 2015, RBC says, which should contribute to an acceleration in real GDP growth to 2.8 per cent that year.

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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