



BRITISH COLUMBIA'S ECONOMY SET TO ACCELERATE IN 2015 LED BY STRONG EXPORT PERFORMANCE: RBC ECONOMICS

TORONTO, March 12, 2015 — Economic activity in British Columbia is expected to advance to its fastest rate of growth in 2015 since 2010, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts real GDP to grow by 3.1 per cent in 2015 followed by growth of 2.8 per cent in 2016.

RBC notes that international merchandise exports advanced at a solid rate in 2014 which was led by the strongest increase in the nominal value of goods shipped to the U.S. in more than a decade. The increased competitiveness of British Columbia's merchandise goods resulting from a weaker Canadian dollar is set to further boost external demand in 2015. Still, softer demand from Alberta provides some downside risk to the value of goods shipped from British Columbia across the Canadian Rocky Mountains in 2015.

"Improved performance in the export sectors is expected to be led by an increase in U.S. demand in part reflecting the weaker Canadian dollar," said Craig Wright, senior vice-president and chief economist, RBC. "Homebuilding activity in the U.S. is anticipated to increase in 2015, as rising housing demand will be met with low inventory levels, which will likely produce positive effects for British Columbia's forestry exports."

Significantly fewer people relocated to Alberta from British Columbia in the second half of 2014, turning net migration with Alberta positive in Q3 2014 for the first time since early 2011. With population growth expected to accelerate in 2015, RBC anticipates the resulting boost to underlying demand will support ongoing housing market activity, as existing home sales are set to reach their highest level since 2007 in 2015.

A boost to consumer spending in the province arising from households' anticipated savings at the gas pumps is expected to be bolstered by improving job prospects, RBC says.

"Ongoing private sector hiring will likely contribute to British Columbia's unemployment rate declining to 5.7 per cent in 2015," said Wright. "A tighter labour market should boost confidence as well as the possibility for wage increases, which grew at the slowest rate in a decade in 2014."

British Columbia's 2015 Provincial Budget reflects some caution on the part of the government regarding the province's economic outlook. The government affirmed its surplus position, although the focus was on prudence to ensure the province's fiscal health is maintained during the government's three year plan. Prospects for the development of a liquefied natural gas (LNG) industry were given support by the federal government's LNG tax initiative, which may influence proponents to commit to final investment decisions in 2015.

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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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