



MANITOBA'S ECONOMY SET TO ACCELERATE IN 2015: RBC ECONOMICS

TORONTO, March 12, 2015 — The pace of growth in Manitoba is expected to accelerate in 2015 thanks in large part to expected advances in export markets, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts real GDP growth for Manitoba at 2.8 per cent in 2015, up from an estimated 1.8 per cent growth rate for 2014. RBC believes Manitoba's pace of growth will be sustained at 2.8 per cent in 2016.

“Rising U.S. demand, enhanced by a weaker Canadian dollar, will play a central role in boosting Manitoba's economic growth,” said Craig Wright, senior vice-president and chief economist, RBC. “Provincial activity should also contribute, as we expect household and business spending to be stimulated by lower energy costs associated with the drop in global oil prices.”

On the surface, trade data showing the value of exports declining 8.0 per cent in the fourth quarter following double-digit declines in the previous two quarters is not encouraging. However, some of this is likely attributable to lower energy and non-energy commodity prices and the winding down of agricultural-related exports following the abundant harvest in 2013.

“Excluding the energy and agricultural exports components, export growth in the fourth quarter of 2014 was a much stronger 5.6 per cent on a year-over-year basis,” added Wright. “What's even more promising is that this measure of exports rose 6.5 per cent in 2014, following relatively flat activity in the previous two years.”

These export gains are translating into strengthening manufacturing activity. Nominal manufacturing sales growth rose over 3 per cent in 2014 after flat activity in 2013. RBC expects manufacturing will continue to provide support to growth in Manitoba in 2015 and 2016, with the fallout from weak oil prices of a strengthening U.S. economy and a weaker Canadian dollar providing continued support to exports.

Also providing optimism about growth the growth outlook for Manitoba are recent indications of strengthening employment. After declining employment over the first half of 2014, on a year-over-year basis, employment inched higher in Q3 and rose a solid 2 per cent in Q4, with tentative evidence of this strength persisting into 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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