



## MANITOBA'S ECONOMY TO BENEFIT FROM STRENGTHENING MANUFACTURING: RBC ECONOMICS

**TORONTO, June 3, 2015** —Manitoba's economy is expected to benefit from a brighter outlook for the province's manufacturing sector, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts real GDP growth for Manitoba of 2.6 per cent in 2015 and 2.8 per cent in 2016.

RBC says that, on balance, Manitoba's economy will benefit from the oil price shock, despite weakening oil prices that will continue to weigh on oil and gas extraction in the province.

"We expect manufacturing to be the key driver of positive economic growth in Manitoba this year," said Craig Wright, senior vice-president and chief economist, RBC. "Demand for manufactured goods produced in the province will get a boost from stronger U.S. economic activity resulting from lower oil prices and a weaker Canadian dollar."

Still, RBC has downwardly revised growth in the manufacturing sector – to 4.0 per cent from 5.5 per cent stated in December's Outlook. This partly reflects less momentum in the sector and soft manufacturing sales during Q1 2015.

"The slowdown in manufacturing at the start of the year likely reflects the impact of extreme winter weather and the U.S. west coast port strike that contributed to growth in both the U.S. and Canada stalling," said Wright. "We expect weakness to be temporary and to fully reverse during the remainder of 2015."

Employment gains in Manitoba started to materialize in Q4 2014 and continued into Q1 2015. RBC projects that employment will rise 1.6 per cent this year and 1.0 per cent next, following a negligible 0.1 per cent gain last year. This strength in hiring bodes well for the province to grow above the national average through the forecast.

"A rebound in the labour force growth will limit the improvement in the unemployment rate this year to 5.3 per cent and to 5.1 per cent next year," added Wright. "That being said, the unemployment rate in Manitoba is expected to remain the second lowest level in the country after Saskatchewan."

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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](http://rbc.com/economics/economic-reports/provincial-economic-forecasts.html).

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