



NEWS

ALBERTA'S ECONOMIC BOOM TO BARELY MISS A BEAT IN 2013: RBC ECONOMICS

TORONTO, December 13, 2012 — Alberta's economic boom is showing little sign of slowing down, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts that Alberta will continue to be among the fastest-growing provincial economies in 2013, with a real GDP growth rate of 3.5 per cent.

"Alberta is in the midst of an impressive economic boom, with activity in the province surging by 5.1 per cent in 2011 and remaining on the fast track in 2012," said Craig Wright, senior vice-president and chief economist, RBC. "While massive investment in the energy sector – which was the key catalyst for the economic boom – has been tempered recently, strong capital expenditures and rapid momentum in other sectors will keep the economy moving ahead at a sustained clip."

Still, RBC says the mood in the province remains somewhat cautious, as Alberta's oil sector finds itself increasingly 'land locked' due to pipeline bottlenecks. Major players in the oil sands have cited delivery challenges and a greater than usual discount on wellhead prices as reasons for delays in spending on mega projects. These delays have raised some concerns about the sustainability of business investment in the province. RBC expects major players in the oil sands to remain generally cautious in 2013, keeping spending in a holding pattern while pipeline issues are addressed and crude oil price relationships normalize.

The Outlook report indicates that Alberta will benefit from broad-based expansion in 2013, with strong population growth and employment continuing to fuel consumer spending and housing activity showing continued vigour. On the business side, rising demand for commercial and industrial space will support growth in capital spending outside the energy sector.

"We anticipate that Alberta's growth will slow modestly next year thanks in large part to the lull in oil sands investment," added Wright. "However, sufficient progress in resolving these oil delivery issues in 2014 should allow for major projects to proceed, setting the stage for a 4.2 per cent re-acceleration in growth."

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/market/pdf/provfcst.pdf.

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