



Manitoba's economic growth to stay the course in 2013: RBC Economics

TORONTO, March 19, 2013 — Increased capital spending along with strengthening U.S. demand for Manitoba's manufacturing and utilities exports, will contribute to the province holding the steady, solid course that it has been treading since early 2012, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC forecasts the real GDP growth in 2013 to be 2.7 per cent, matching that of 2012.

Following a banner year for agriculture that saw output increase and prices swell due to a drought south of the border, RBC expects the province's agricultural output to grow less rapidly in 2013.

"While we don't anticipate agriculture to be the same driving force that it was in 2012, improved strength in construction, manufacturing and utilities will provide positive offset and ensure that Manitoba remains on the same economic course it was last year," said Craig Wright, senior vice-president and chief economist, RBC. "These supportive factors will continue to present themselves next year and should sustain overall growth in the province."

A recent Statistics Canada Private and Public Investment survey indicated that capital spending in the province will continue to grow as businesses indicated they plan to boost their capital outlays by 8.5 per cent. This underscores RBC's projected increase in construction spending of five per cent in 2013, which factors in a number of projects including ongoing and newly announced construction activity related to a number of new buildings in downtown Winnipeg, including the expansion of the Winnipeg Convention Centre.

U.S. demand for imported goods and services should strengthen, supporting improvements in Manitoba's utilities and manufacturing this year and next. RBC expects utilities output to increase by two per cent and four per cent for 2013 and 2014, respectively, while manufacturing output will grow three per cent this year and 3.5 per cent next. Gains in manufacturing will mostly be concentrated in transportation equipment, including aerospace and buses, and machinery.

RBC notes that the upbeat scenario for the provincial economy also reflects solid farm income growth with agricultural prices expected to remain historically high through the forecast.

- 2 -

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 of 8 a.m. ET today at rbc.com/economics/market/pdf/provfcst.pdf.

- 30 -

For more information, please contact:

[Craig Wright](#), RBC Economics Research, 416 974-7457

[Paul Ferley](#), RBC Economics Research, 416 974-7231

[Elyse Lalonde](#), Communications, RBC Capital Markets, 416 842-5635