



## **ROBUST ECONOMIC GROWTH ON SASKATCHEWAN'S HORIZON: RBC ECONOMICS**

**TORONTO, December 15, 2010** — Saskatchewan's mining sector, including oil and gas extraction, continues to play a major role in growth patterns with real GDP projected to rise 4.5 per cent in 2010 and 5.3 per cent in 2011, according to the latest Provincial Economic Outlook report released today by RBC Economics.

"Saskatchewan's economic outlook is strong with potash production in particular currently experiencing a remarkable rebound with volume up almost 150 per cent through September this year, marking a tremendous turnaround from 2009's staggering 66 per cent decline," said Craig Wright, senior vice-president and chief economist, RBC.

RBC notes that the recent growth in the potash sector is expected to result in output in the mining sector rising close to 17 per cent after the 17.8 per cent drop in 2009. Growth in this sector is expected to continue into 2011 and 2012, but with the rate moderating to single digits.

Provincial government revenues have also received a strong boost for the strength of the potash industry. In fact, Saskatchewan is one of only two provinces, along with Newfoundland & Labrador, projecting a budget surplus in fiscal 2010-11.

Slightly weaker volumes in agriculture will place some downward pressure on Saskatchewan's growth for the remainder of this year. Statistics Canada recently reported production of key field crops - wheat, canola and barley - was down 28 per cent reflecting excessive moisture levels through the year. However, the return to more normal growing conditions next year will result in agricultural production rebounding vigorously by 12 per cent in 2011, boosting the outlook for Saskatchewan real GDP.

"The recovery in agriculture and continued strength in mining is expected to send Saskatchewan back to the top spot in RBC's provincial growth rankings in 2011," added Wright.

While weak U.S. growth mid year hampered certain sectors in the province, RBC expects that that greater economic strength will emerge south of the border in 2011 and 2012 which will provide greater overall support to industry output in Saskatchewan moving forward.

RBC projects Saskatchewan's growth in 2012 will moderate slightly to 4.3 per cent.

The RBC Economics Provincial Outlook assesses the provinces according to economic growth, employment growth, unemployment rates, retail sales, housing starts and consumer price indexes.

The full report and provincial details are available online as of 8 a.m. ET today, [www.rbc.com/economics/market/pdf/fcst.pdf](http://www.rbc.com/economics/market/pdf/fcst.pdf).

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