



ALBERTA SET TO BECOME THE FASTEST-GROWING PROVINCIAL ECONOMY IN 2011: RBC ECONOMICS

TORONTO, June 9, 2011 — The wheels of growth are picking up the pace in Alberta, as the province gets set to reclaim its position as Canada's fastest-growing economy, according to the latest provincial Provincial Outlook report released today by RBC Economics.

"Not all economic sectors have displayed the same momentum so far this year, but we believe that the expansion is spreading and will bring wider benefits as 2011 progresses," said Craig Wright, senior vice-president and chief economist, RBC. "This will translate into 4.3 per cent growth in real GDP in 2011, the best showing in the province since 2006."

Strong demand for Alberta's bitumen continues to spur tremendous activity in the province's various oil sands projects. This activity more than makes up for the weakness in natural gas and declining conventional oil output. Oil and gas extraction producers are in the midst of a \$24 billion spending binge this year, increasing their outlays by almost 18 per cent relative to 2010. In the oil sands alone, a tally of the capital budgets of companies developing various projects shows an increase of 48 per cent since 2010.

"With more and more oil sands projects coming online or reaching higher operating rates, non-conventional crude production is also booming in the province, expanding at a 22 per cent rate in the early part of 2011," said Wright.

In addition to their direct contribution to the economy, the oil sands also act as a catalyst for other segments of the provincial economy. Some of the visible signs of renewed strength are the impressive job gains in comparison to 2010 and the rise in retail sales by 4.4 per cent on a year-to-date basis, second only to the rate in Saskatchewan.

Unlike the boom in the mid-2000s Alberta's economy has yet to attract out-of-province migrants, which has kept the population growth rate and demand for housing fairly soft. Residential construction is one of the few sectors that are still lethargic.

“Growing economic opportunities in Alberta will once again be a magnet for immigrants and migrants from other provinces, which will heat up the housing demand in the coming year,” added Wright.

The forecast for Alberta’s economy in 2012 will remain relatively stable, with growth in real GDP expected to ease to 3.8 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 indices.

The full report and provincial details are available online as of 8 a.m. ET today at www.rbc.com/economics/market/pdf/provcfst.pdf.

For more information, please contact:

[Craig Wright](#), RBC Economics Research, (416) 974-7457
[Robert Hogue](#), RBC Economics Research, (416) 974-6192
[Elyse Lalonde](#), RBC Media Relations, (416) 974-8810