



BRITISH COLUMBIA'S ECONOMIC GROWTH REMAINS STEADY IN 2012: RBC ECONOMICS

Major capital projects to boost prospects in 2013 and beyond

TORONTO, June 12, 2012 — Indicators of economic performance in the first quarter of 2012 were mostly positive for British Columbia, according to the [RBC Economics Provincial Outlook](#). RBC expects the provincial economy to continue its current pace, growing by 2.6 per cent, in line with the national average.

“We saw a broad-based improvement across the provincial economy early this year,” said Craig Wright, senior vice-president and chief economist, RBC. “Employment was up year-over-year, unemployment dropped to a three-year low in April and retail sales rose to their strongest annual rate in two years.”

Housing starts sustained levels that were well ahead of the same period last year, while the manufacturing sector achieved minimal gains overall. The mining sector continued to produce a mixed bag. On the one hand, there was a surge in coal production and a strong momentum in natural gas. On the other hand, metals such as copper, iron ore, gold and silver experienced further drops.

According to the RBC report, the projected growth for the remainder of the year will be slightly off the pace set for the past two years (3.0 per cent in 2011 and 2.9 per cent in 2010), somewhat hampered by declines in exports to the U.S., Japan and the European Union. Wood product sales to China rose by just 3.5 per cent in the first quarter – down considerably from the average 76 per cent surge in the past five years – while coal exports rocketed upward by 230 per cent.

Looking ahead, Wright noted that two new major projects starting up this year will help boost British Columbia's economy in the years ahead.

“The \$3.3 billion modernization of Rio Tinto Alcan's aluminum smelter in Kitimat and the federal government's \$8 billion order for seven non-combat ships from North Vancouver's Seaspan should help the B.C. economy reach GDP growth of 2.9 per cent in 2013,” added Wright.

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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