



MANITOBA'S ECONOMY SET TO REBOUND: RBC ECONOMICS

TORONTO, June 12, 2012 — After a disappointing 2011, Manitoba's economic growth is expected to bounce back in 2012, according to the latest [RBC Economics Provincial Outlook](#) issued today. The provincial economy is on track to see growth of 3.1 per cent this year, as agricultural growing conditions return to normal and manufacturing benefits from a strengthening U.S. economy.

“The key underlying factor for Manitoba's economy this year will be a return to better growing conditions, which in turn should boost agricultural production by about 20 per cent for the year,” said Craig Wright, senior vice-president and chief economist, RBC. “After the double digit declines we've seen over the past two years, when agricultural activity was hampered by adverse growing conditions, this strong increase will be a welcome relief to the province.”

The Outlook also notes that, with the U.S. economy projected to strengthen, Manitoba's manufacturing sector will return to positive growth, rising by 3.0 per cent in 2012 and 4.0 per cent in 2013. More explicitly, aerospace and machinery exports are expected to gain from increased business investment south of the border. Construction spending in Manitoba is also anticipated to recover in 2012, rising 2.0 per cent after a decline in 2011.

RBC's forecast assumes that the global recovery will continue, despite the external risks surrounding the European sovereign debt issue. This will keep demand for Manitoba's natural resource commodities strong, with attendant upward pressure on prices, and will drive activity in the provincial base metal mining sector this year and next.

The pace of Manitoba's growth in 2012 is generally expected to be maintained in 2013, with overall GDP rising to 3.0 per cent. In addition, signs of recovery in employment growth earlier this year bode well for a strengthening in overall output.

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/provcst.pdf.

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