



SASKATCHEWAN REMAINS AMONG CANADA'S PROVINCIAL GROWTH LEADERS: RBC ECONOMICS

TORONTO, June 12, 2012 — Saskatchewan's economy continues to thrive as a result of continued solid gains in agriculture, mining and construction, according to the latest [RBC Economics Provincial Outlook](#) released today. RBC expects the provincial economy to reach 3.7 per cent in 2012 and 3.9 per cent in 2013.

"Saskatchewan's unwavering economic strength largely reflects strong investment activity and positive demand for a number of the province's key natural resources. This will keep Saskatchewan among Canada's provincial growth leaders," said Craig Wright, senior vice-president and chief economist, RBC. "Still, we anticipate that recent weak demand for potash will lead to reduced capital expenditure and mining activity and will contribute to a slight downward revision to overall provincial growth."

The report indicates that increased global demand for various agricultural products was not the only catalyst for the 8.7 per cent jump in agricultural output that Saskatchewan experienced last year. A return to more normal growing conditions was also a factor, after weather-related issues dropped provincial output by 18 per cent in 2010. RBC expects that agricultural output will rise moderately in 2012 and 2013, by six per cent and three per cent respectively, assuming favourable growing conditions continue.

Pressure on financial markets due to the sovereign European debt imbalances in early 2012 raised some concern about the sustainability of global growth. RBC assumes that these external pressures will soon be sufficiently addressed by policymakers and the global recovery will be sustained. As such, related weakness in Saskatchewan's mining sector earlier this year will prove to be temporary, with mining output expected to strengthen by 6.5 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 rbc.com/economics/market/pdf/provcst.pdf.

- 30 -

For more information, please contact:

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

[Robert Hogue](#), RBC Economics Research, 416 974-6192

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