



MANUFACTURING AND MINING SPUR MANITOBA'S ECONOMY: RBC ECONOMICS

TORONTO, June 9, 2011 — Encouraging manufacturing data early this year augurs well for some strengthening in this sector and for growth in Manitoba's economy, according to the latest Provincial Outlook report released today by RBC Economics. The province will also see some benefit from continuing strong demand for natural resources, which will boost mining activity in the province. Manitoba's real GDP is expected to accelerate to 3.6 per cent in 2011.

"We expect output in Manitoba's manufacturing sector to return to positive growth in 2011," said Craig Wright, senior vice-president and chief economist, RBC. "This is consistent with activity in North America, as it continues to strengthen and enter the expansion phase of the business cycle."

Due to the persistence of extremely wet soil conditions and flooding along the Red River and the Assiniboine River, Manitoba's agricultural sector is unlikely to recover all of the lost production in 2010. The forecast now assumes that the province's agricultural production will reverse only a fraction of last year's substantial 12.5 per cent drop.

Further increases in construction expenditures – led by spending on the Canadian Museum of Human Rights and the CentrePort transportation hub – will also support economic growth this year, albeit to a lesser degree than in 2009 and 2010.

"Manitoba's manufacturing output is expected to continue to grow in 2012 and an assumed return to normal weather conditions will give an additional boost to agricultural output next year," added Wright. "All things considered, we forecast Manitoba's real GDP growth to be sustained at a robust 3.4 per cent pace in 2012."

- 2 -

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/provfcst.pdf.

- 30 -

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