



## QUEBEC'S ECONOMIC GROWTH TO MODERATE AFTER A STRONG START IN 2011: RBC ECONOMICS

**TORONTO, June 9, 2011** — Quebec's economy is expected to show slightly slower growth in 2011 after reaching a high point early in the year, according to the latest RBC Economics Provincial Outlook report. Real GDP is forecast to advance by 2.4 per cent, just off the estimated 2.8 per cent pace of last year. Further recovery in some of the province's key manufacturing and service industries, strong business investment, and an improving job market will continue to drive economic activity at a sustained rate.

"Quebec's economic performance at the start of this year showed impressive growth, thanks to solid advances in utilities, wholesale trade, and information and communications," said Craig Wright, senior vice president and chief economist, RBC. "Still, this nice bounce in the first quarter may prove to be the high point for growth in the province for 2011."

The RBC report notes that Quebec's strong pace may become more moderate, as provincial consumers begin to restrain spending and homebuyers show signs of fatigue.

"We expect a more subdued expansion in the Quebec economy for the remainder of this year as the housing market and retailers feel the impact of reduced consumer spending," said Wright. "Home resales in the province have already weakened this past winter amid eroding housing affordability, and retail sales have softened. As households focus on keeping their debt under control, a significant upturn later this year is unlikely."

Looking ahead to 2012, RBC Economics forecasts that Quebec's improving labour market will set the stage for increased consumer spending, which will contribute to accelerated provincial growth of 2.7 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/provfcst.pdf](http://www.rbc.com/economics/market/pdf/provfcst.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](#), RBC Media Relations, (416) 974-8810