



## **SASKATCHEWAN LEADS ECONOMIC GROWTH IN CANADA: RBC ECONOMICS**

**TORONTO, September 12, 2011** — Saskatchewan is poised to be the provincial leader in economic growth through to 2012, according to the latest Provincial Economic Outlook report released today by RBC Economics. Thanks to gains in agricultural and potash production, Saskatchewan's GDP is forecast to grow 4.3 per cent in 2011 and 4.1 per cent in 2012.

Agricultural production in Saskatchewan has improved considerably in the second quarter due to favourable weather conditions this summer. The harvest of Saskatchewan's three largest crops is estimated to likely be up 20 per cent this year compared to 2010.

"Global prices for grains and oilseeds are up by 40 to 50 per cent compared to mid-year last year," said Craig Wright, senior vice-president and chief economist, RBC. "As agricultural producers in other major growing regions attempt to boost output to capitalize on higher prices, demand and prices for potash have also increased."

RBC expects potash production in Saskatchewan to rise by 20 per cent this year. Still, this dramatic increase does not keep pace with the 100 per cent growth in 2010, when potash production rebounded from severely depressed conditions caused by the global recession in 2009.

The RBC report indicates that solid demand for natural resource products is contributing to the growth in manufacturing output in the province. If this demand continues on its upward trajectory, Saskatchewan's manufacturing sector should return to double digit gains in the second quarter, compared to the same quarter last year .

Despite weakening employment growth, retail spending in Saskatchewan has also accelerated in the second quarter, doubling to six per cent from three per cent in the first quarter on a year-over-year basis. The report notes that the strength in prices for commodities such as grain, oil and potash may be providing support to incomes to help pay for this rising expenditure.

"2011 is shaping up to be a golden age for Saskatchewan's economy, as it rides the tidal wave created by strong global demand for its various natural resources," said Wright. "We expect to see a positive ripple effect on incomes and capital spending in the province."

- 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 <http://www.rbc.com/newsroom/reports.html>.

- 30 -

**For more information, please contact:**

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

[Paul Ferley](#), RBC Economics Research, (416) 974-7231

[Elyse Lalonde](#), RBC Media Relations, (416) 974-8810