

## **NEW BRUNSWICK COULD EMERGE AS REGIONAL ENERGY HUB, SAYS RBC ECONOMICS**

**TORONTO, June 22, 2007** — According to the latest provincial outlook released today by RBC, New Brunswick's near term economic growth is expected to remain close to 2.5 per cent.

“A solid line-up of construction projects, combined with domestic strength will support healthy growth for New Brunswick over the coming two years,” said Craig Wright, vice-president and chief economist, RBC. “These promising developments could also help stem the number of workers leaving the province for Alberta.”

RBC noted the Canaport LNG terminal is now about 30 per cent complete and on schedule to start-up in late 2008. The potential for spin-off investment from the terminal, as well as a second major oil refinery, add upside potential to the medium term growth outlook and could position the province as a regional energy hub.

On the downside, RBC said the province's export sector dropped 1.4 per cent last year and a declining trend is likely to persist in 2007. This is a result of decreased demand for non-energy exports due to the stronger Canadian currency and soft U.S. housing markets. This is particularly noteworthy as New Brunswick is Canada's most export-intensive provincial economy.

Across Canada, Newfoundland and Labrador will be the provincial growth leader in 2007 at 7.5 per cent before experiencing a dramatic pull back next year, shifting the spotlight back onto the more sustainable growth in Western Canada. Prince Edward Island and Ontario will be at the back of the pack, each with growth rates just shy of two per cent this year.

The RBC Economics *Provincial Outlook* assesses the provinces according to economic growth, employment growth, unemployment rates, personal income growth, retail sales, housing starts and the Consumer Price Index.

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According to the report (available online as of 8 a.m. E.D.T., at [www.rbc.com/economics/market/pdf/provfcst.pdf](http://www.rbc.com/economics/market/pdf/provfcst.pdf)), provincial forecast details are as follows:

	Real GDP			Housing starts			Retail sales			Employment			CPI		
	<u>06</u>	<u>07</u>	<u>08</u>	Thousands						<u>06</u>	<u>07</u>	<u>08</u>	<u>06</u>	<u>07</u>	<u>08</u>
	<u>06</u>	<u>07</u>	<u>08</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>06</u>	<u>07</u>	<u>08</u>
NFLD.	2.8	7.5	0.5	2.2	2.0	1.8	2.9	5.5	2.0	0.7	1.2	0.1	1.8	2.0	1.4
P.E.I.	2.0	1.9	1.7	0.7	0.6	0.6	4.1	4.5	3.7	0.6	0.8	0.4	2.3	1.5	1.7
N.S.	1.1	2.4	2.3	4.9	4.5	4.4	6.3	3.1	3.3	-0.3	1.1	0.3	2.0	1.4	1.3
N.B.	2.6	2.5	2.6	4.1	3.8	3.7	5.5	3.9	4.0	1.4	0.8	0.4	1.7	1.5	1.4
QUE.	1.7	2.1	2.6	47.9	42.1	39.6	4.5	4.7	4.8	1.3	2.0	0.9	1.7	2.3	1.8
ONT.	1.9	1.9	2.7	73.4	63.9	60.0	4.0	3.5	4.9	1.5	1.3	1.0	1.8	2.1	2.1
MAN.	3.3	3.0	3.2	5.0	5.3	4.4	5.8	6.1	6.0	1.2	1.1	0.9	2.0	2.3	2.5
SASK.	0.4	4.0	3.6	3.7	4.6	3.9	5.9	7.4	6.0	1.7	3.0	1.0	2.1	3.5	2.8
ALTA.	6.8	4.6	4.0	49.0	44.8	39.9	16.0	9.3	8.5	4.8	4.2	2.0	3.9	5.2	3.5
B.C.	3.6	3.2	3.3	36.4	35.3	31.1	6.2	6.0	5.8	3.1	3.0	1.9	1.7	2.2	2.3
CANADA	2.8	2.6	2.9	228	208	190	6.2	5.2	5.2	2.0	2.0	1.2	2.0	2.4	2.2

**For more information contact:**  
 Craig Wright, RBC Economics, (416) 974-7457  
 Derek Holt, RBC Economics, (416) 974-6192  
 Jackie Braden, RBC Media Relations, (416) 974-2124