



NEWS

NEW BRUNSWICK MEGA PROJECTS OFFER SIGNIFICANT UPSIDE GROWTH POTENTIAL, SAYS RBC ECONOMICS

TORONTO, October 12, 2007 — According to the latest provincial outlook released today by RBC, New Brunswick's anticipated economic growth rate will hold in the range of 2.5 per cent over the next two years.

"The real story is in New Brunswick's long-term growth outlook," said Craig Wright, vice-president and chief economist, RBC. "There's significant upside potential to the province's growth forecast from prospective mega projects that could shift into production later this decade and into the early part of the next."

RBC noted that three potential mega projects could inject a possible 9,000 construction jobs later this decade and on into the early part of the next decade. These projects include: a possible second nuclear reactor to support the growing energy demands of the U.S. northeast, a potentially major expansion at a potash mine expected to more than double its production to serve the expanding fertilizer market in South America, and a possible second refinery that would be an additional boon to the local economy. If these projects proceed, New Brunswick will be among the provincial leaders in terms of the pace of job growth.

Across the provinces, Newfoundland and Labrador is expected to be the growth leader this year, with Alberta moving into the lead in 2008, rivaled only by Saskatchewan. Manitoba's steady growth and inflation rates will keep it in the middle of the western provincial pack, and B.C.'s growth rate will move slightly downward. RBC's forecast for Ontario's economy has been revised downward to the bottom of the pack among all the provinces. Quebec should fare somewhat better than Ontario next year, until currency depreciation, lower energy prices, improvements in the U.S. economy, and capital spending lift central Canada's manufacturers and exporters. While P.E.I.'s growth prospects are modest, Nova Scotia and New Brunswick are well-positioned for better long-run growth as a result of renewed prospects for several large-scale capital projects.

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.

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

	Real GDP			Housing starts			Retail sales			Employment			CPI		
	07	08	09	07	08	09	07	08	09	07	08	09	07	08	09
	Thousands														
NFLD.	7.5	0.5	1.0	2.4	2.1	1.8	9.5	6.0	2.0	0.8	0.1	0.3	1.3	1.4	1.2
P.E.I.	1.9	1.8	1.4	0.6	0.6	0.5	9.0	4.5	3.7	1.3	0.4	0.2	1.5	1.7	1.6
N.S.	2.4	3.1	3.5	4.7	4.4	4.0	3.8	4.9	6.5	1.3	1.2	2.0	1.7	1.3	2.0
N.B.	2.5	2.8	2.6	4.1	3.8	3.4	5.6	4.5	4.0	2.0	0.8	0.9	1.8	1.4	1.6
QUE.	2.1	2.3	2.4	51.5	47.9	42.6	5.0	4.5	4.0	1.9	0.9	0.8	1.9	1.6	1.5
ONT.	1.9	1.8	2.5	68.6	66.5	60.5	3.6	4.0	4.5	1.4	0.9	1.0	2.0	1.8	1.7
MAN.	3.4	3.0	2.5	5.8	5.4	4.7	8.7	5.7	3.0	1.4	1.0	0.4	2.4	2.1	1.8
SASK.	4.8	4.3	3.2	5.8	4.8	3.5	12.5	9.5	6.0	2.4	1.0	0.8	3.0	3.0	2.3
ALTA.	5.0	4.5	3.0	48.5	41.2	35.0	10.5	9.8	8.5	4.9	2.0	1.8	5.4	3.3	2.8
B.C.	3.1	2.9	2.8	37.2	32.3	26.8	7.2	6.3	8.0	3.2	1.9	2.6	2.1	2.1	2.5
CANADA	2.7	2.5	2.6	230	210	184	6.0	5.6	5.5	2.2	1.2	1.2	2.3	2.0	1.9

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