



RBC SAYS BIG TICKET PROJECTS TO KEEP NOVA SCOTIA ECONOMY GROWING

TORONTO, April 3, 2008 — Healthy prospects for new developments in the non-residential sector should support solid growth in Nova Scotia where the economy is expected to grow at 2.5 per cent in 2008 and 2.8 per cent in 2009, according to the latest economic forecast from RBC.

“The province will continue to benefit from the \$700 million Deep Panuke project set to start production in 2010 and could benefit further from the development of a \$4.6 billion petrochemical and liquid natural gas (LNG) terminal in Goldboro planned for 2012,” said Craig Wright, senior vice-president and chief economist, RBC. “Similar to New Brunswick, big ticket projects will provide significant upside potential to the province’s growth outlook – particularly toward the end of the decade.”

The report noted that the newly approved petrochemical and LNG facility is expected to create close to 3000 new construction jobs and 500 full-time positions when it shifts into production. The province’s labour market should continue to hold up and its unemployment rate is expected to drift lower in 2008. Most industries are still creating jobs with the exception of the forestry, public administration, professional services and tourism sectors.

Nova Scotia’s housing market is expected to cool off as housing starts and price gains continue to slow. Housing starts were down three per cent last year and are expected to drop another 13 per cent in 2008. House price gains have declined from the 10 per cent range last year to a moderate five per cent year-over-year pace so far this year.

The growth gap between the commodity-rich Western provinces and manufacturing-heavy Central Canada is expected to persist in 2008. Across Canada, Saskatchewan is expected to be the top growth performer this year as its economy benefits from strength in energy, mining, and agriculture sectors. Conversely, Newfoundland and Labrador should be the laggard as waning oil production weighs on its growth. The strong Canadian dollar and softer U.S. demand for exports continue to weaken manufacturing sectors across the country. Ontario’s weak trade sector will see the province teeter on the brink of recession through 2008, but it should pick-up in 2009 to coincide with a recovering U.S. economy.

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.	9.0	0.5	1.0	2.6	2.5	2.0	9.5	5.5	2.0	0.6	0.2	0.3	1.5	1.0	1.3
P.E.I.	1.9	1.2	1.4	0.8	0.7	0.6	8.2	4.4	3.7	1.0	0.5	0.2	1.8	1.3	1.6
N.S.	2.4	2.5	2.8	4.8	4.6	4.0	4.0	4.7	6.5	1.3	2.0	2.0	1.9	1.1	2.0
N.B.	2.5	2.4	2.5	4.2	4.0	3.4	6.2	4.4	4.0	2.1	1.9	0.9	1.9	1.2	1.7
QUE.	2.1	1.1	2.2	48.6	47.1	40.0	4.4	4.1	4.4	2.3	1.1	1.1	1.6	1.2	1.8
ONT.	1.8	0.8	1.9	68.1	66.8	59.4	3.9	3.8	4.5	1.6	0.9	1.0	1.8	1.4	1.8
MAN.	3.5	2.8	2.9	5.7	5.6	4.5	9.5	8.1	7.6	1.6	2.1	1.7	2.0	1.8	2.1
SASK.	4.6	3.6	3.2	6.0	6.1	4.5	12.7	9.0	8.0	2.1	2.4	1.9	2.8	3.3	2.9
ALTA.	4.3	3.3	3.0	48.3	41.6	35.3	9.0	7.4	7.0	4.7	2.2	1.8	5.0	2.9	2.8
B.C.	3.1	2.3	2.8	39.2	37.2	30.5	7.1	6.2	7.5	3.2	2.0	2.2	1.8	1.1	1.6
CANADA	2.7	1.6	2.3	228	216	184	5.8	5.1	5.5	2.3	1.4	1.4	2.1	1.4	1.9

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