



Manitoba's economy starts strong in 2010: RBC Economics

TORONTO, June 10, 2010 — Manitoba's economy had a stronger than anticipated start to 2010, led by improvements in the employment market and consumer spending, as economic growth is expected to climb 2.9 per cent this year, according to a new report released today by RBC Economics.

"Recent strength in the provincial economy is evidenced by strong employment growth which is up over two per cent in the second quarter, relative to year ago levels. This has likely contributed to the 8.2 per cent year-over-year increase in retail spending, early in 2010," said Craig Wright, senior vice-president and chief economist, RBC. "Growth is expected to continue as gradual improvements in the manufacturing sector take hold with increasing demand for key Manitoba products in the transportation and machinery equipment areas."

Despite strength in Manitoba's economy, the report cited recent surveys indicating that investment spending will likely decline 1.5 per cent this year, after increasing by five per cent last year, as several large projects wind down. Expenditures on large projects last year, such as the Keystone pipeline, contributed to a rise in capital spending. This absence will limit the extent of the economic rebound in the province.

"As the recovery builds momentum in the U.S. and the rest of Canada, the provincial economy is expected to grow by 3.7 per cent in 2011," Wright added.

According to the report, economic growth in Manitoba will be supported by a recovery in demand for base metals that will help boost both mining production and investment in the province.

The RBC Economics Provincial Outlook assesses the provinces according to economic growth, employment growth, unemployment rates, retail sales, housing starts and consumer price indexes.

The full report and provincial details are available online as of 8 a.m. EDT today www.rbc.com/economics/market/pdf/provfcst.pdf.

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