



## **Saskatchewan leading the country in economic growth: RBC Economics**

**TORONTO, September 10, 2010** — Saskatchewan's economy is set to lead the country with a robust growth rate of 6.3 per cent in 2010, up significantly from 3.8 per cent in the previous Outlook, led by a huge increase in potash production, according to a new report by RBC Economics.

"Large cutbacks in potash production were a main factor contributing to the contraction in Saskatchewan's economy in 2009," said Craig Wright, senior vice-president and chief economist, RBC. "The positive outlook this year reflects recent indications of a sharp reversal of the weakness in potash production, in addition to projected gains in the manufacturing, wholesale and retail trade industries."

According to the RBC Economics Provincial Outlook, potash production skyrocketed by 130 per cent in the first five months of the year which is expected to make up for weakness in the oil and natural gas production sectors. Growth in province would be higher had the agricultural sector not been impacted by wet conditions reducing seeding and grain quality; however, this negative effect has been tempered by a rise in global crop prices.

Elsewhere in the Saskatchewan economy, recent monthly data suggest that positive growth has returned in the manufacturing and wholesale trade sectors, after both declined sharply last year. The retail trade industry also appears to be bouncing back, albeit more modestly, with retail sales up during the first half of this year, benefitting from gradually rising employment.

"We expect growth in the province to moderate in 2011, as GDP is projected to rise a still robust 4.8 per cent with continued growth in the global economy leading to an increase in energy production and agricultural output," added Wright.

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

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

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