



MANITOBA'S ECONOMIC GROWTH GATHERING SPEED: RBC ECONOMICS

Provincial real GDP expected to rise at 3.5 per cent in 2011

TORONTO, March 11, 2011 — Manitoba's economy improved on a number of fronts in the fourth quarter, with a 2.5 per cent increase in employment alongside a seven per cent rise in manufacturing sales. The increase in the latter was particularly notable, as manufacturing activity dropped nine per cent in the recession.

The resurgence of Manitoba's manufacturing performance in the fourth quarter of 2010 reflected strength in transportation equipment and fabricated metal products. "Both of these sectors are closely related to the rebounding activity in the U.S. and higher capital spending seen across western Canada," says Craig Wright, senior vice-president and chief economist, RBC. "We expect the improving trend in manufacturing to carry on in 2011, as overall economic strength continues."

RBC Economics projects a 3.5 per cent rise in real GDP in 2011, up from an estimated 2.2 per cent increase in 2010. Economic growth in Manitoba is expected to continue in 2012 at a rate of 3.2 per cent, supported by sustained recoveries in both the U.S. and Canada, which will fuel further gains in manufacturing and related investment activity in the sector.

In addition, support to construction both this year and next is expected to come from rising natural resource commodity prices which should encourage capital spending within the mining sector, says RBC.

Rising international migration to the province has provided, and will continue to provide, ongoing support to growth in the province. This factor has contributed to Manitoba's population growth recently, outpacing the 1.2 per cent national average and reaching 1.3 per cent in 2010.

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. ET today, www.rbc.com/economics/market/pdf/provcst.pdf.

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