



SASKATCHEWAN LEADS IN ECONOMIC GROWTH: RBC ECONOMICS

TORONTO, March 11, 2011 — Saskatchewan's economy is forecast to lead the country in growth this year at an impressive 4.9 per cent, according to the latest Provincial Economic Outlook report released today by RBC Economics.

“Strength across a number of sectors for the province gives us reason to expect Saskatchewan's capital spending growth will remain solid in 2011 and improve relative to gains in 2010” said Craig Wright, senior vice-president and chief economist, RBC. “The majority of these investments will take place in mining, utilities and oil and gas extraction.”

Responding to increased global demand, potash production registered a remarkable increase last year that more than reversed the declines seen in 2009. This sharp turnaround was the key element to Saskatchewan's estimated growth rebound of 4.5 per cent in 2010. Continued gains in production in this sector and increased capital spending will support overall growth in the province this year and next.

The report notes that Saskatchewan experienced a sharp 17 per cent drop in agricultural production last year due to poor growing conditions brought on by excess moisture. Although the forecast assumes a return to more normal weather conditions, moisture levels have remained high going into 2011 which has tempered the projected eight per cent rise in agricultural activity in the province this year.

RBC estimates that a new wave of capital investments in Saskatchewan will carry into 2012 in addition to the continued strong global demand for most natural resources. Real GDP growth is projected to stand at 4.3 per cent, again placing Saskatchewan at the top of the provincial rankings in 2012.

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/provfcst.pdf.

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