



ONTARIO TO SHOW BEST ECONOMIC RESULTS IN OVER A DECADE: RBC ECONOMICS

TORONTO, June 9, 2011 — Ontario's real GDP is expected to increase by 3.3 per cent this year, marking the province's highest growth rate since 2000, according to the latest Provincial Economic Outlook report released today by RBC Economics. Ontario's economy will move beyond full recovery, as significant recession losses will be entirely recouped by the middle of this year, opening the gate to the long-sought after economic expansion phase.

Ontario's economic growth in the fourth quarter of 2010 came in at a rate of 3.8 per cent, the second fastest rate that the province has produced in almost four years. RBC notes that a number of positive economic indicators point to an even faster pace of growth in the first quarter of this year. In particular, Ontario has made impressive employment gains so far this year, accounting for 60 per cent of all jobs created in the country.

"The improving job prospects in Ontario have provided support to consumer spending and, more importantly, the housing market, where we have seen further increases in home resales and construction this winter," said Craig Wright, senior vice-president and chief economist, RBC. "Housing starts have held up much better than we anticipated, which prompted us to upgrade our call on them for the entire year."

The RBC report notes that although Ontario's car and truck output is up more than 20 per cent this quarter relative to a year ago, the auto industry has been adversely effected by Japan's earthquake and tsunami that occurred in March.

"A number of assembly plants in the province have been affected by disruptions to supply-chains caused by this natural disaster," noted Wright. "We believe that these disruptions will be temporary, but they will nonetheless dampen activity in the industry in the second quarter of this year."

Looking ahead to 2012, RBC expects the U.S. economy to hit its stride, with growth of 3.4 per cent spurring demand for Ontario products and providing significant offset to any weakness in provincial capital spending. The forecast for real GDP growth in Ontario remains solid at 3.1 per cent next year.

- 2 -

The [RBC Economics Provincial Outlook](#) assesses the provinces according to economic growth, employment growth, unemployment rates, retail sales, housing starts and consumer price indices.

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

- 30 -

For more information, please contact:

[Craig Wright](#), RBC Economics Research, (416) 974-7457

[Robert Hogue](#), RBC Economics Research, (416) 974-6192

[Elyse Lalonde](#), RBC Media Relations, (416) 974-8810