



SASKATCHEWAN'S ECONOMY BOLSTERED BY MINING SECTOR: RBC ECONOMICS

TORONTO, June 9, 2011 — The mining and oil and gas sector provided a major boost to Saskatchewan's economy in 2010 and this support is expected to continue at a more moderate pace this year according to the latest Provincial Economic Outlook report released today by RBC Economics. Saskatchewan's GDP is forecast to grow 3.8 per cent in 2011.

RBC expects potash production to continue expanding at a rapid pace for the remainder of 2011, with output rising by 25 per cent. While impressive, this rate would be down sharply from increases of over 100 per cent last year, when the industry recovered from particularly depressed conditions in 2009.

"We can expect growth in the mining sector to grow at a robust 4.5 per cent, though this would be down from growth of 19 per cent in 2010," said Craig Wright, senior vice-president and chief economist, RBC. "The other benefit of strong global demand for natural resource commodities is that it is contributing to increasing business investment in the province."

Saskatchewan's economy is also benefitting from a net migration from other areas of the country. RBC estimates this will sustain solid demand for housing. Overall construction is expected to expand by six per cent in 2011.

The province's agricultural sector has taken a direct hit from poor weather conditions last year. Unfortunately, excessively wet conditions have continued into this year delaying the start of the seeding process.

"A return to drier conditions could limit the damage to the 2011 harvest, although, at this point in time, we can only assume a six per cent retracement of last year's 18 per cent decline," said Wright.

Full recovery in the agricultural sector is expected next year, along with continued strong global demand for natural resource commodities. RBC anticipates that this will result in real GDP growth of 4.7 per cent in 2012. Saskatchewan's economic strength is expected to result in the province continuing to have the lowest unemployment rate in the country.

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.

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