

Manitoba Economic Highlights

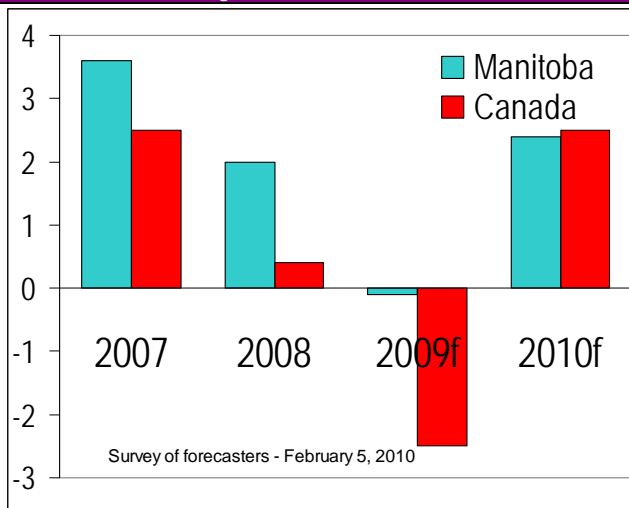
Economic Overview

Real Gross Domestic Product

- Statistics Canada estimates that Manitoba's real GDP grew 2.0% in 2008 above the Canadian growth of 0.4%.
- In March 2009, the Manitoba Bureau of Statistics estimated that real GDP increased by 2.2% for 2008.
- In 2009, the Manitoba economy is forecast to outperform all provinces according to major forecasters.
- In 2010, the Manitoba economy is forecast to grow 2.4% slightly below Canada's growth of 2.5%.

- Manitoba's GDP growth was 2.0% in 2008 substantially better than the 0.4% growth for Canada.
- Manitoba real GDP growth exceeded Canadian growth from 2006 to 2008 and is forecast to outperform all provinces in 2009.
- Manitoba's population increased by 17,085 in the year ending October 1, 2009, the best performance since at least 1972.
- Manitoba is outperforming the national economy in virtually all of the major economic indicators.
- In 2009, Manitoba had the second lowest unemployment and youth unemployment rate.

Real GDP (% Change)



Labour Market

Employment

- In the first month of 2010, Manitoba's employment increased by 6,000 compared to a national decrease of 16,000. Manitoba's full-time employment decreased by 700 while part-time increased 6,800.
- In 2009 Manitoba's employment increased by 200 compared to a national decrease of 276,900. Manitoba's full-time employment increased by 300 while part-time decreased 100.

Consumer Price Index

- In 2009, the Manitoba CPI increased 0.6% compared to the 0.3% national increase. Food (5.3%) has the largest increase while energy has declined 11.4%.
- In 2008, the Manitoba CPI increased 2.3%, the same as the national increase. Energy, shelter, and food were the major contributors to the increase.

Employment (% Change)

	2009	2010ytd
Manitoba		
Total Employment	0.0	1.0
Full-Time	0.1	(0.5)
Part-Time	(0.1)	7.7
Canada		
Total Employment	(1.6)	(0.1)

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In the first month of 2010, Manitoba's unemployment rate was 5.4%, second lowest behind Saskatchewan. The youth unemployment rate was 9.9%, also second lowest in Canada.
- Historically, Manitoba's unemployment rate has averaged 2 to 2.5 percentage points below Canada. In 2009, this spread increased to 3.1 points.
- From 1998 to 2009, Manitoba had the lowest annual unemployment rate among provinces six times, and the second-lowest rate three times.

Average Weekly Earnings

- In the first eleven months of 2009, average weekly earnings were up 3.0%, above Canada's increase of 1.5%.
- In 2008, average weekly earnings were up 2.7%, below the 2.8% increase nationally and tied for fifth highest among provinces.

Population

- As of October 1, 2009, Manitoba's population stood at 1,226,196, a one-year increase of 17,085 persons. This 1.4% increase was fourth best among provinces.
- The official population for a calendar year is based on July 1st which for Manitoba was 1,221,964, an increase of 1.3%
- The most significant factor driving Manitoba's population growth is the Provincial Nominee Program. Since it began immigrants entering Manitoba under PNP has steadily increased. In 2008, 11,221 immigrated to Manitoba the highest level since 1957

Net Migration

- In the year ending October 1, 2009, 11,714 more people moved to Manitoba than left.
- During the same period, net international immigration totaled 12,452, more than the net

inter-provincial out-migration of 738. This is the smallest out-migration since 1984.

Economic Activity

Manufacturing Sales

- In the first eleven months of 2009, Manitoba manufacturing sales decreased 10.9% to \$13.5 billion. Canadian sales declined 18.7%.
- In the first eleven months of 2009, three Manitoba industries increased led by; electrical appliances (17.0%) and machinery (2.4%).
- In the first eleven months of 2009, eleven industries have declines in the value of sales with primary metals, printing, wood and other durables leading the losses.
- In 2009, Manitoba's performance in manufacturing sales will exceed the national average for the ninth consecutive year.

Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2008	2009ytd
Elec. Appliances.	7.7	17.0
Machinery	29.7	2.4
Petroleum & Coal	30.8	0.3

Farm Cash Receipts

- In the three quarters of 2009, Manitoba cash receipts are unchanged at \$3.6 billion.
- Crop receipts increased 2.7% led by vegetables (13.7%) and oilseeds (9.5%). Livestock receipts are up 1.6% on the strength of an 11.5% increase in hog receipts. Direct payments have declined 27.7%.
- In 2008, Manitoba cash receipts rose 9.8% with a 24.7% increase in crop receipts offsetting declines in livestock (-3.2%) and direct payments (-15.1%).
- In 2008, all major crops increased led by oilseeds (34.3%) and wheat (29.0%). A 13.5% decline in hog receipts caused the decline in livestock receipts.

Farm Cash Receipts (% Change)		
	<u>2008</u>	<u>2009ytd</u>
Oilseeds	34.3	9.5
Wheat	29.0	(6.4)
Hogs	(13.5)	11.5
Cattle	3.4	(11.9)

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts but by 2008 only 17.4%. The largest source of receipts was oilseeds (23.9%) followed by wheat, hogs (14.6%) and cattle (10.9%).

Retail Sales

- In the first eleven months of 2009, Manitoba retail sales declined 1.6% better than the 3.9% decline in Canada.
- The decline in 2009 retail sales is led by declines in gasoline (-12.9%), motor vehicle dealer (-7.9%) and furniture and electronics (-6.8%) sales. Pharmacies (8.8%), other stores (8.6%) and department stores (5.0%) have the largest increases.
- In 2008, Manitoba retail sales increased 7.2% above the 3.4% increase in Canada and third highest among provinces.
- In 2008, gasoline sales (15.3%), pharmacies (15.2%); furniture and appliance sales (11.5%); and hardware, garden and building supply stores (9.0%) led the growth.

Investment

- Statistics Canada's Private and Public Investment survey from February 2009 shows that Manitoba's 2008 capital investment increased 16.7%, second highest among provinces. Canada's increase was 5.2%.
- The Survey shows that Manitoba's private investment increased 15.2% while public investment increased 20.1%.
- A number of major investment projects were undertaken in 2008, including the Winnipeg Floodway expansion, the Wuskwatim hydro-

electric dam, the Keystone Pipeline and a new airport facility.

- In 2008, private capital investment accounts for approximately 70% of capital investment in Manitoba.
- In 2009, capital investment is projected to decrease 2.4%. Only three provinces are projected to have increases and investment in Canada will decline 5.4%.
- Private investment is projected to decrease 6.8% with only two provinces having increases and investment in Canada projected to decline 9.3%
- Manitoba public investment is projected to increase 7.0% below Canada (9.5%).

Housing Starts

- In 2009, Manitoba housing starts decreased 24.6% better than the 29.4% national decline.
- In 2009, Manitoba single starts are down 17.5% while multiples have declined 29.4%.
- In 2008, housing starts in Manitoba decreased 3.5% to 5,537 units. Single-detached starts declined 4.3% while multiple starts were down 1.8%. Housing starts in Canada declined 7.6% with single-detached starts decreasing 21.6% while multiple starts were up 7.7%.
- The 2008 total starts in Manitoba are the second-highest level since 1987, while single and multiple housing starts are the third-highest level since 1987.
- In 2009, Manitoba urban housing starts declined 26.5% while Canadian starts were down 30.4%

Housing Starts (All Areas) (% Change)		
	<u>Manitoba</u>	<u>Canada</u>
2006	6.3	0.8
2007	14.1	0.4
2008	(3.5)	(7.6)
2009	(24.6)	(29.4)

Building Permits

- In 2009, the value of Manitoba building permits decreased 3.8%. Non-residential permits rose 18.9% while residential permits decreased 14.6%. Permits in Canada declined 13.4%.
- The value of permits in Winnipeg declined 10.0% while outside of Winnipeg they increased 7.1%.
- In 2008, the value of building permits in Manitoba increased 10.6%. Non-residential permits were up 3.9% while residential permits increased 14.1%. Canada permits were down 5.3%.
- In 2008 the growth in the value of building permits was led by increases in industrial permits (48.2%), commercial (29.4%) and residential (14.1%) with residential permits exceeded \$1 billion for the first time.

Bankruptcies

- In the first eleven months of 2009, business bankruptcies decreased 36.6% in Manitoba, and declined 11.2% in Canada.
- In the first eleven months of 2009, consumer bankruptcies increased 23.1% in Manitoba, and were up 31.2% in Canada.
- In 2008, business bankruptcies increased 1.0% in Manitoba, and declined 2.0% in Canada. Consumer bankruptcies decreased 0.8% in Manitoba and increased 13.5% in Canada.

Foreign Merchandise Exports

- In the first eleven months of 2009, Manitoba exports decreased 17.8%, while Canadian exports were down 28.1%.
- In the first eleven months of 2009, Manitoba's U.S. exports decreased 19.3% while non-U.S. exports were down 14.7%.
- In 2008, Manitoba exports increased 6.4%, while Canadian exports were up 8.4%. In 2008, Manitoba's U.S. exports increased 6.7% while non-U.S. exports were up 5.8%.

Foreign Merchandise Exports (% Change)		
	<u>2008</u>	<u>2009ytd</u>
All Countries	6.4	(17.6)
U.S.	6.7	(19.0)
Non-U.S.	5.8	(14.6)

Electricity Sales

- In 2009, the value of Manitoba electricity sales declined. Domestic sales increased while exports were down.
- Approximately 80% of export sales are to the United States with the balance to other Canadian provinces. Export sales to the U.S. are priced in \$US; consequentially the decline was substantially influenced by the rising Canadian dollar. Another factor affecting electricity sales has been the economic recession, particularly in the U.S.

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Please click on [economic statistics](#) to view the data underlying this report.

Note: The 2009 Budget Paper The Economy was released on March 25 and contains an extensive review of Manitoba's economic performance for 2008 and an outlook for 2009. This document is available at:

www.gov.mb.ca/finance/budget09/papers/economy.pdf