

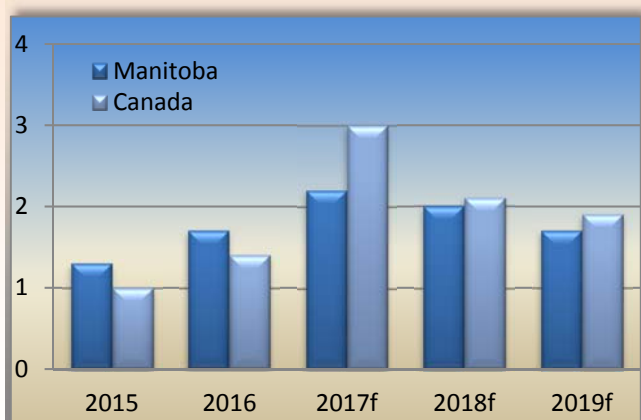
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- The Manitoba Bureau of Statistics estimates that in 2017, Manitoba's real GDP grew 2.2%, below the national average of 3.0% and Nominal GDP grew by 4.3%, below the national average of 5.3%.
- Manitoba's real GDP is expected to grow by 2.0% in 2018, fifth among provinces, Canada (2.1%) and by 1.7% in 2019, seventh among provinces, Canada (1.9%).
- Manitoba's nominal GDP is expected to grow by 4.0% in 2018, tied for fifth best and by 3.6% in 2019, tied for seventh best among provinces.

Real GDP (% Change)



Source: Manitoba Bureau of Statistics; Statistics Canada; and Manitoba Finance, Survey of Economic Forecasts.

Consumer Price Index (April 2018)

- Manitoba's inflation rate is averaging 2.4%, eighth among provinces and above Canada at 2.1%.
- Household operations, recreation & education and clothing & footwear eased pressure on prices, while transportation, alcohol & tobacco, shelter, health &

personal care and food increased overall prices.

- In 2017, Manitoba's inflation rate averaged 1.6%, fourth among provinces and the same as Canada.

- Manitoba exports increased 11.5% in the first four months of 2018, second among provinces. Canada up 1.5%.
- New motor vehicle sales are up 28.6% in the first three months of 2018, first among provinces. Canada up 2.2%.
- In 2017, cash receipts increased 9.0% (up \$500 million) to \$6.5 billion, a new record. Crops, livestock and direct payments generated \$4.1 billion, \$2.2 billion and \$0.2 billion in receipts, respectively.
- In 2017, Manitoba farmers harvested a record volume of production of combined major crops.
- In 2017, the working age population exceeded 1,000,000 persons for the first time in Manitoba.
- In 2017, Manitoba all area housing starts increased 41.0%, (7,501) the highest level of starts since 1987. Manitoba ranked second best nationally. Canada up 11.0%.
- Manitoba posted a record level of capital investment in residential and non-residential buildings in the province in 2017.

Labour Market

Employment (May 2018)

- Employment increased 0.7% or 4,400 jobs, while the labour force gained 8,300 workers.

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- Full-time employment decreased 0.8% or 4,200 jobs and part-time employment increased 7.2% or 8,600 jobs.
- In 2017, Manitoba's employment increased 1.7%, fifth among provinces. Manitoba's labour force expanded 0.9% fifth among provinces.

Employment (% Change)

	2017	2018 (ytd)
Manitoba		
Total Employment	1.7	0.7
Full-Time	1.8	-0.8
Part-Time	1.1	7.2
Canada		
Total Employment	1.9	1.5

Source: Statistics Canada

Unemployment Rate (May 2018)

- Manitoba's unemployment rate is averaging 6.1%, fifth among provinces and above the 5.8% national average.
- In 2017, Manitoba's unemployment rate was 5.4%, second lowest behind British Columbia. The youth unemployment rate was 11.7%, third among provinces.

Average Weekly Earnings (Mar.2018)

- Average weekly earnings in Manitoba are up 2.5%, seventh among provinces and below Canada 3.0%.
- In 2017, average weekly earnings in Manitoba were up 2.5%, third among provinces and above the national increase of 2.0%.

Population

- As of January 1, 2018, Manitoba's population stood at 1,346,993, an increase of 19,110 persons or 1.4% from a year earlier.

- As of July 1, 2017, Manitoba's median age was 37.4 years, the third youngest among provinces, and below the national level of 40.6 years.

Net Migration

- For the 12 months to December 31, 2017, Manitoba gained 12,199 persons through migration.
 - Net international in-migration was estimated at 12,681 and net inter-provincial out-migration was estimated at 7,779.
- Natural increase was estimated at 6,911. (number of births less number of deaths)

Economic Activity

Retail Sales (March 2018)

- Manitoba's seasonally adjusted retail sales decreased 1.1% in the first three months of 2018, eighth among provinces, compared to a 3.5% national increase.
- Sales rose on the strength of electronics and appliance stores 16.8%, building materials 4.1%, food 3.5%, clothing stores 3.1%, gasoline station sales 2.9%, furniture 0.8%, and general merchandise stores 0.6%.

Merchants with Strongest Retail Sales (% Change)

	2017	2018 (ytd)
Electronics/Appliances	9.2	16.8
Building Materials	13.5	4.1
Food & Beverage	5.0	3.5
Clothing Stores	9.2	3.1
Total Sales	7.8	-1.1

Source: Statistics Canada

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- In 2017, Manitoba retail sales increased 7.8%, ranked third among provinces and above Canada up 7.1%.
- The number of new motor vehicles sold in Manitoba was up 28.6%, in the first three months of 2018, first among provinces (Canada up 2.2%).
- Sales of passenger vehicles increased 16.6% while truck sales increased 32.0%.
- In 2017, new motor vehicle unit sales were up 10.0%, second among provinces, Canada up 4.7%.

Manufacturing Sales (March 2018)

- Manitoba's seasonally adjusted manufacturing sales increased 6.1% in the first three months of 2018, eighth among provinces. Canadian sales up 4.5%.
- Sales of fabricated metals, machinery, food transportation, chemicals and printing are increasing.

Leading Industries with Strongest Growth Manufacturing Sales (% Change)

	2017	2018 (ytd)
Machinery	14.2	11.0
Transportation	9.2	6.8
Fabricated Metals	9.1	17.3
Total Sales	6.7	6.1

Source: Statistics Canada

- In 2017, Manitoba's manufacturing sales increased 6.7%, eighth among provinces. Canadian sales increased 6.1%.

Wholesale Trade (March 2018)

- Manitoba's seasonally adjusted wholesale sales increased 4.9% in the first three

months of 2018, seventh among provinces, compared to a 5.6% national increase.

- Sales rose on the strength of motor vehicles, building materials, farm products, machinery and equipment, food, and personal and household goods.

Merchants with Strongest Wholesale Sales (% Change)

	2017	2018 (ytd)
Motor Vehicles	8.5	14.0
Building Materials	4.1	13.5
Total Sales	5.4	4.9

Source: Statistics Canada

- In 2017, wholesale sales increased 5.4% seventh among provinces, Canada up 7.8%.

Capital Investment

Building Permits (April 2018)

- The seasonally adjusted value of Manitoba's building permits increased 0.8% in the first four months of 2018, sixth nationally. Canada up 7.6%.
- Total non-residential permits increased 9.5%. Industrial and institutional permits were up 104.6% and 28.0% respectively, while commercial permits were down 11.6%.
- Manitoba residential building permits increased 13.7%.
- In 2017, the value of Manitoba building permits increased 13.7%, sixth nationally, Canada up 10.9%.

Non-Residential Building Structures (Q1, 2018)

- Investment in non-residential building construction decreased 11.4% in the first quarter of 2018, last among provinces, Canada up 9.0%.

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- In the first quarter of 2018, non-residential investment increased in industrial by 4.3% and declined in institutional and commercial by 35.4% and 5.9% respectively.
- In 2017, investment in non-residential building construction increased 9.2%, third among province, Canada up 1.9%.

Residential Structures (Q1, 2018)

- Investment in residential building construction increased 9.7% in the first quarter of 2018, fifth among provinces, Canada up 8.0%.
- In the first quarter of 2018, residential investment increased in new construction, renovations and acquisition costs by 8.3%, 9.9% and 18.0% respectively.
- In 2017, residential building investment increased 14.0%, second among provinces, Canada up 8.3%.

CAPEX Survey (February 2018)

- Statistics Canada's Capital and Repair Expenditure Survey released February 2018, projected Manitoba's 2018 capital investment to increase 2.2% to \$9.3 billion, third among provinces. Canada up 0.8%. Private investment is projected to decrease 1.1% and public investment to increase 4.1%.
- In 2017, Manitoba's capital investment increased 3.1% to \$9.1 billion, the sixth highest growth nationally, Canada up 3.0%.
- Private investment decreased 2.5% and public capital investment increased 13.9%.

Housing Starts May 2018)

- Manitoba urban area housing starts decreased 33.7% in the first five months of 2018, tenth among provinces. Canada up 1.3%. Single starts were down 22.7% and multiples starts were down 40.2%.

- Province-wide housing starts decreased 39.0% in the first quarter of 2018, tenth among provinces and below Canada up 3.1%.

Housing Starts (All Areas) (% Change)

	Manitoba	Canada
2015	(11.6)	3.3
2016	(3.3)	1.2
2017	41.0	11.0
2018 (ytd)	-39.0	3.1

Source: Canada Mortgage and Housing Corporation

- In 2017, there were 6,609 urban area starts, a 49.0% increase over 2016. Single starts were up 35.6% (2,806 units). Multiples were up 60.7% (3,803 units), over 2016. In 2017, 88.1% of all starts in the province were in urban areas.
- In 2017, province-wide housing starts gained momentum and recorded the highest level of starts since 1987. Last year, province-wide housing starts increased 41.0%, (7,501) second among provinces. Multiple starts increased 57.3% (4,112), while single starts were up 25.3% (3,389). Multiple starts now represent 54.8% of total starts, up from 49.2% in 2016.

Foreign Merchandise Exports (Apr. 2018)

- Manitoba exports increased 11.5%, in the first four months of 2018, second among provinces, while Canadian exports increased 1.5%.
- Manitoba's U.S. exports increased 22.4% in the first four months of 2018 and non-U.S. exports decreased 8.5%.
- In 2017, Manitoba's exports increased 2.7%, eighth nationally, while Canadian exports were up 7.0%. Manitoba's exports to the

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U.S. were down 2.1% and non-U.S. exports increased 13.0%.

Foreign Merchandise Exports (% Change)

	2017	2018 (ytd)
All Countries	2.7	11.5
U.S.	-2.1	22.4
Non-U.S.	13.0	-8.5

Source: Statistics Canada

Agriculture

Crop Production (December 2017)

- Estimates of 2017 crop production indicate Manitoba crop producers increased production for oats 44.2%, soybeans 26.9%, canola 20.7%, grain corn 8.7% and wheat 3.6% and produced less rye 18.2% and barley 25.6%.

Farm Cash Receipts (First Quarter 2018)

- Manitoba farm cash receipts are down 2.3%, in the first quarter of 2018, seventh among provinces. Crop receipts declined 0.6%, with increase in Soybeans 16.3%, corn 12.9% and

Farm Cash Receipts (% Change)

	2017	2018 (ytd)
Canola	2.0	-3.6
Wheat	21.6	-7.5
Soybeans	32.5	16.3
Cattle	-4.8	-0.3
Hogs	8.0	-7.8
Calves	18.3	4.5
Total Farm Cash	9.0	-2.3

Source: Statistics Canada

barley 3.0% and declines in canola 29.1%, oats 8.7%, wheat 7.5% and soybeans 3.6%.

- Livestock receipts were down 2.9% with calves up 4.5% and hogs down 7.5% and cattle down 0.3%.
- Direct payments, which include insurance and other income supports programs, declined 36.0%.
- In 2017, cash receipts increased 9.0% (or by over \$500 million) to \$6.5 billion, a new record and surpassing the previous record of \$6.0 billion in 2014. Crops, livestock and direct payments generated \$4.1 billion, \$2.2 billion and \$0.2 billion in receipts, respectively.

Mining and Petroleum

Metallic Mining (March 2018)

- In the first three months of 2018, the quantity of Manitoba's gold production increased 39.1% and copper increased 0.9%, while nickel and zinc declined 30.2% and 17.1% respectively.

Metallic Mineral Production (% Change)

	2017	2018 (ytd)
Nickel	-12.7	-30.2
Copper	-9.3	0.9
Zinc	20.0	-17.1
Gold	34.0	39.1

Source: Natural Resources Canada

- In 2017, the quantity of Manitoba's zinc and gold production increased 20.0% and 34.0%, while copper and nickel production declined 9.3% and 12.7% respectively.

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Commodity Prices (April 2018)

- Base metal prices continue to show strength in 2018, after improving in 2017 following the sharp declines in 2014 and 2015.
- The price of copper is up 12.1% in April 2018 compared to the average in 2017. The price for nickel is up 29.4% and zinc prices have increased by 15.3%. After improving by 0.8% in 2017, the price of gold is up 5.7% in 2018, compared to the average in 2017.
- The price of wheat is up 6.7% in April 2018 compared to the average in 2017. The price of canola is up 2.8%, cattle prices are up 1.7% and the price of hogs are down 3.9% in 2018, compared to the average in 2017.

Primary Commodity Prices (\$U.S.)

	2017	2018 (ytd)
Crude Oil (bbl)	50.91	64.34
Copper (lb)	2.80	3.14
Zinc (lb)	1.31	1.51
Nickel (lb)	4.72	6.11
Gold (oz)	1,258	1,330

Source: BMO Capital Markets

Wheat (bu)	4.36	4.65
Canola (tonne)	393	404
Cattle (Cwt)	117.90	119.93
Hogs (Cwt)	69.87	67.16

Source: BMO Capital Markets

Manitoba Finance

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

Note: The 2018 Manitoba Budget is available at: [2018 Budget](#)
The 2016/17 Public Accounts is available at [Public Accounts](#)
The 2017/18 Third Quarter report is available at [Third Quarter Report](#)