

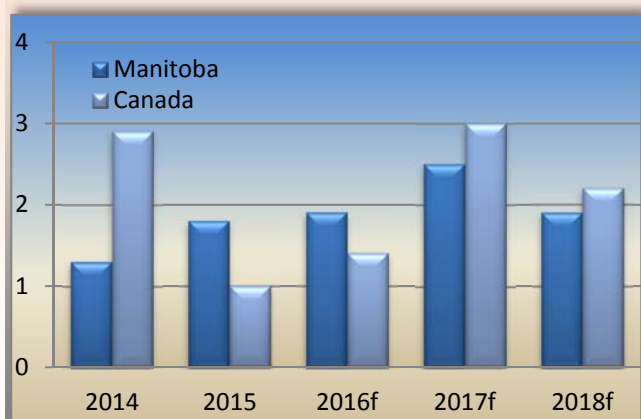
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- The Manitoba Bureau of Statistics estimates that Manitoba's real GDP grew 1.9% in 2016, above the national average of 1.4%.
- Manitoba's real GDP is expected to grow by 2.5% in 2017, fifth among provinces, Canada (3.0%) and by 1.9% in 2018, sixth among provinces, Canada (2.2%).
- Manitoba's Nominal GDP grew by 2.5% in 2016. Nominal GDP is expected to grow by 4.4% in 2017, fifth best and by 3.7% in 2018, tied for sixth best among provinces.

Real GDP (% Change)



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

Consumer Price Index (November 2017)

- Manitoba's inflation rate is averaging 1.5%, fifth among provinces and below Canada at 1.6%.
- Clothing and footwear, food, household operations and health and personal care eased pressure on prices while transportation, shelter, alcohol and tobacco, and recreation and education increased overall prices.

- In 2016, Manitoba's inflation rate averaged 1.3%, sixth among provinces and below Canada at 1.4%.

- Manitoba farm cash receipts are up 7.5% in the third quarter of 2017, first among provinces. Crop receipts increased 13.1%, livestock receipts were down 1.6% and direct payments were unchanged.
- Manitoba recorded 17,729 births in the 12 - month period ending Sept. 30, 2017, the highest since 1972.
- New motor vehicle sales are up 11.4% in the first ten months of 2017, second among provinces. Canada up 5.6%.
- In 2017, Manitoba farmers harvested a record volume of production of combined major crops.
- Manitoba all area housing starts increased 47.3% in the third quarter of 2017, first among provinces. Canada up 8.7%.
- Investment in residential building construction is up 15.3% in the third quarter of 2017, second among province, Canada up 8.3%.
- Investment in non-residential building construction is up 12.1% in the third quarter of 2017, third among provinces, Canada down 1.1%.

Labour Market

Employment (December 2017)

- Preliminary annual estimates for 2017 show, employment increased 1.6% or 10,100 jobs, while the labour force gained 5,700 workers.
- Preliminary annual estimates for 2017 show, full-time employment increased 1.8% or 9,100 jobs and part-time employment increased 0.8% or 1,000 jobs.

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- In 2016, Manitoba's employment decreased 0.4%, tied for fifth among provinces. Manitoba's labour force expanded 0.1% sixth among provinces.

Employment (% Change)

	2016	2017 (ytd)
Manitoba		
Total Employment	-0.4	1.6
Full-Time	-0.8	1.8
Part-Time	1.3	0.8
Canada		
Total Employment	0.7	1.8

Source: Statistics Canada

Unemployment Rate (December 2017)

- Preliminary annual estimates for 2017 show. Manitoba's unemployment rate averaged 5.4%, second lowest among provinces and below the 6.4% national average.
- In 2016, Manitoba's unemployment rate was 6.1%, second lowest behind British Columbia. The youth unemployment rate was 13.2%, fifth among provinces.

Average Weekly Earnings (Oct.2017)

- Average weekly earnings in Manitoba are up 2.5%, best among provinces and above Canada 1.8%.
- In 2016, average weekly earnings in Manitoba were up 0.9%, seventh among provinces and above the national increase of 0.4%.

Population

- As of October 1, 2017, Manitoba's population stood at 1,343,371, an increase of 19,821 persons or 1.5% 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 September 30, 2017, Manitoba gained 12,924 persons through migration.
- Net international in-migration was estimated at 13,187 and net inter-provincial out-migration was estimated at 6,817.
- Natural increase was estimated at 6,897. (number of births less number of deaths)

Economic Activity

Retail Sales (October 2017)

- Manitoba's seasonally adjusted retail sales increased 3.6% in the first ten months of 2017 ninth among provinces, compared to a 6.9% national increase.
- Sales rose on the strength of gasoline station sales 13.6%, building materials 11.4%, electronics and appliance stores 7.8%, and clothing stores 6.7%.
- In 2016, Manitoba retail sales increased 4.2%, ranked sixth among provinces and below Canada up 5.1%.

Merchants with Strongest Retail Sales (% Change)

	2016	2017 (ytd)
Gasoline Stations	5.5	13.6
Building Materials	1.2	11.4
Electronics & Appliance	-0.1	7.8
Total Sales	4.2	3.6

Source: Statistics Canada

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- The number of new motor vehicles sold in Manitoba was up 11.4% in the first ten months of 2017, second among provinces (Canada up 5.6%).
- Sales of passenger vehicles declined 4.6% while truck sales increased 16.9%.
- In 2016, new motor vehicle unit sales were down 1.0%, sixth among provinces, Canada up 2.3%.

Manufacturing Sales (October 2017)

- Manitoba's seasonally adjusted manufacturing sales increased 5.6% in the first ten months of 2017, eighth among provinces. Canadian sales up 6.0%.
- Sales of transportation, electrical products, machinery, fabricated metals, printing, primary metals, chemicals and food are all increasing.

Leading Industries with Strongest Growth Manufacturing Sales (% Change)

	2016	2017 (ytd)
Transportation	0.0	10.5
Machinery	-1.7	8.7
Fabricated Metals	1.6	8.6
Total Sales	1.3	5.6

Source: Statistics Canada

- In 2016, Manitoba's manufacturing sales increased 1.3%, fifth among provinces. Canadian sales increased 1.2%.

Wholesale Trade (October 2017)

- Manitoba's seasonally adjusted wholesale sales increased 7.8% in the first ten months of 2017, seventh among provinces, compared to a 9.4% national increase.
- Sales rose on the strength of farm products, machinery and equipment, food, motor

vehicles, personal and household goods, and building supplies.

Merchants with Strongest Wholesale Sales (% Change)

	2016	2017 ytd
Farm Products	-17.8	17.7
Machinery/Equipment	3.3	14.1
Total Sales	5.3	7.8

Source: Statistics Canada

- In 2016, wholesale sales increased 5.3% fourth among provinces, Canada up 2.7%.

Capital Investment

Building Permits (October 2017)

- The seasonally adjusted value of Manitoba's building permits increased 5.2% in the first ten months of 2017, eighth nationally. Canada up 8.3%.
- Total non-residential permits decreased 19.2%. Commercial, industrial and institutional permits were down 2.0%, 38.3% and 42.1% respectively.
- Manitoba residential building permits increased 28.6%.
- Total building permits in Winnipeg increased 3.9% and outside of Winnipeg increased 9.6%.
- In 2016, the value of Manitoba building permits increased 13.5%, second nationally, Canada up 0.9%.

Non-Residential Building Structures (Q3, 2017)

- Investment in non-residential building construction is up 12.1% in the third quarter of 2017, third among provinces, Canada down 1.1%.

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- In the third quarter of 2017, non-residential investment increased in industrial and commercial by 35.4 and 19.2% respectively and declined in institutional by 13.1%.
- In 2016, investment in non-residential building construction declined 7.0%, seventh among province, Canada down 1.9%.

Residential Structures (Q3, 2017)

- Investment in residential building construction is up 15.3% in the third quarter of 2017, second among province, Canada up 8.3%.
- In the third quarter of 2017, residential investment increased in new construction, renovations and acquisition costs by 32.0%, 1.6% and 22.9% respectively.
- In 2016, residential building investment increased 1.5%, sixth among provinces, Canada up 4.4%.

CAPEX Survey (February 2017)

- Statistics Canada's Capital and Repair Expenditure Survey released February 2017, projected Manitoba's 2017 capital investment to decrease 4.2% to \$9.8 billion, eighth among provinces. Canada up 0.8%. Private investment is projected to increase 0.2% and public investment to decrease 0.9%.
- In 2016, Manitoba's capital investment increased 7.6% to \$10.2 billion, the third highest growth nationally, Canada down 5.0%.
- Private investment decreased 0.8% and public capital investment increased 2.5%.

Housing Starts (November 2017)

- Manitoba urban area housing starts increased 42.9% in the first eleven months of 2017, second best among provinces. Canada up 12.7%. Single starts were up 33.3% and multiples starts were up 51.1%.

- Province-wide housing starts increased 47.3% in the third quarter of 2017, highest among provinces and above Canada up 8.7%.

Housing Starts (All Areas) (% Change)

	Manitoba	Canada
2014	(16.7)	0.7
2015	(11.6)	3.3
2016	(3.3)	1.2
2017 (ytd)	47.3	8.7

Source: Canada Mortgage and Housing Corporation

- In 2016, there were 4,436 urban area starts, a 9.7% decline, but still the seventh highest level since 1987. Single starts were up 10.6% (2,069 units). Multiples were down 22.2% (2,367 units), sixth highest level since 1987. In 2016, 83.4% of all starts in the province were in urban areas and 44.5% of these were multiple starts.
- In 2016, province-wide housing starts continued to slow following record-setting levels in 2013. Last year, province-wide housing starts decreased 3.3%, (5,318) sixth among provinces. Multiple starts decreased 17.7% (2,614), while single starts were up 16.3% (2,704). Multiple starts now represent 49.2% of total starts, down from 57.7% in 2015.

Foreign Merchandise Exports (Nov. 2017)

- Manitoba exports increased 4.8%, in the first eleven months of 2017, seventh among provinces, while Canadian exports increased 7.2%.
- Manitoba's U.S. exports decreased 2.2% in the first eleven months of 2017 and non-U.S. exports increased 20.0%.

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Foreign Merchandise Exports (% Change)

	2016	2017 (ytd)
All Countries	-1.8	4.8
U.S.	-3.8	-2.2
Non-U.S.	2.7	20.0

Source: Statistics Canada

- In 2016, Manitoba's exports decreased 1.8%, fourth nationally, while Canadian exports were down 2.6%. Manitoba's exports to the U.S. were down 3.8% and non-U.S. exports increased 2.7%.

Agriculture

Crop Production (December 2017)

- Estimates of 2017 crop production indicate Manitoba crop producers increased production for oats 49.0%, soybeans 26.9%, canola 20.7%, grain corn 8.7% and wheat 3.6% and produced less rye 16.7% and barley 19.0%.

Farm Cash Receipts (% Change)

	2016	2017 (ytd)
Canola	20.8	1.6
Soybeans	40.8	43.8
Wheat	-5.2	24.7
Cattle and calves	-26.5	-19.9
Hogs	-3.0	4.7
Total Farm Cash	1.4	7.5

Source: Statistics Canada

Farm Cash Receipts (Third Quarter 2017)

- Manitoba farm cash receipts are up 7.5% in the third quarter of 2017, first among provinces. Crop receipts increased 13.1%

with increases in soybeans 43.8%, corn 28.5%, wheat 24.7%, oats 24.3% and canola 1.6% and declines in barley 25.7%.

- Livestock receipts were down 1.6% with cattle and calves down 19.9% and hogs up 4.7%.
- Direct payments, which include insurance and other income supports programs, were unchanged.
- In 2016, cash receipts increased 1.4% to \$5.9 billion, just under the record \$6.0 billion in 2014. Crops, livestock and direct payments generated \$3.6 billion, \$2.1 billion and \$0.2 billion in receipts, respectively.

Mining and Petroleum

Metallic Mining (October 2017)

- In the first ten months of 2017, the quantity of Manitoba's zinc and gold production increased 24.6% and 22.3%, while copper and nickel production declined 8.3% and 8.0% respectively.

Metallic Mineral Production (% Change)

	2016	2017 (ytd)
Nickel	0.3	-8.0
Copper	5.9	-8.3
Zinc	17.0	24.6
Gold	-4.9	22.3

Source: Natural Resources Canada

- In 2016, Manitoba's nickel production increased 0.3%, copper advanced 5.9% and zinc production increased 17.0% while gold production declined 4.9%.

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Commodity Prices (November 2017)

- After a sharp drop in base metal prices in 2014 and 2015, overall prices have been stable and gradually improved in 2017.
- The price of copper is averaging a 25.8% increase in 2017 (thru November) compared to the average in 2016. The price for nickel is up 8.0% in 2017. As zinc inventories decline, prices have increased, up by 37.9% in 2017. After improving by 7.6% in 2016, the price of gold is up 0.7% in 2017, compared to the average in 2016.
- The price of wheat is unchanged in 2017 (thru November) compared to the average in 2016. The price of canola is up 7.4%, cattle prices are down 0.8% and the price of hogs are up 6.7% in 2017, compared to the average in 2016.

Manitoba Finance

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

Note: The 2017 Manitoba Budget

is available at: [2017 Budget](#)

The 2016/17 Public Accounts

is available at [Public Accounts](#)

The 2017/18 Second Quarter report

is available at [Second Quarter Report](#)

Primary Commodity Prices (\$U.S.)

	2016	2017 (ytd)
Crude Oil (bbl)	43.21	49.41
Copper (lb)	2.21	2.72
Zinc (lb)	0.95	1.28
Nickel (lb)	4.35	4.57
Gold (oz)	1,248	1,254
Source: BMO Capital Markets		
Wheat (bu)	4.36	4.36
Canola (tonne)	366	393
Cattle (Cwt)	118.61	117.72
Hogs (Cwt)	65.60	69.98

Source: BMO Capital Markets