

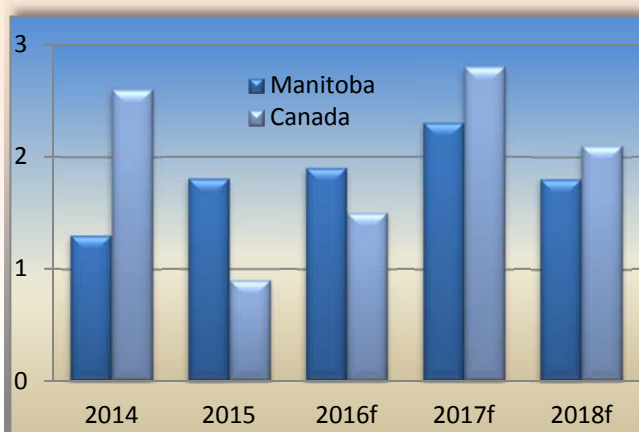
Manitoba Economic Highlights

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 1.5%.
- Manitoba's real GDP is expected to grow by 2.3% in 2017, fifth among provinces, Canada (2.8%) and by 1.8% in 2018, tied for fifth among provinces, Canada (2.1%).
- Manitoba's Nominal GDP grew by 2.5% in 2016. Nominal GDP is expected to grow by 4.6% in 2017 and by 3.6% in 2018, fifth and tied for fifth among provinces respectively.

Real GDP (% Change)



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

Consumer Price Index (July 2017)

- Manitoba's inflation rate is averaging 1.4%, fourth among provinces and below Canada at 1.5%.
- Food, clothing and footwear, household operations, and health and personal care eased pressure on prices while shelter, transportation, recreation and education, and alcohol and tobacco increased overall prices.

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

- Estimates of 2017 crop production indicate Manitoba crop producers increased production for oats 35.6%, soybeans 27.0%, grain corn 9.8% and canola 6.5% and produced less rye 27.3%, barley 26.5%, and wheat 10.1%.
- Manitoba urban area housing starts increased 58.6% in the first eight months of 2017, first among provinces. Canada up 10.5%. All area starts were up 77.7% in the first six months of 2017, first among provinces. Canada up 7.2%.
- Investment in residential building construction is up 17.0% in the second quarter of 2017, second among province, Canada up 7.5%.
- Investment in non-residential building construction is up 22.1% in the second quarter of 2017, third among provinces, Canada down 0.5%.
- Manitoba farm cash receipts are up 4.8% in the first quarter of 2017, first among provinces. Crop receipts increased 9.3%, livestock receipts were down 5.4% and direct payments increased 7.7%.

Labour Market

Employment (August 2017)

- Employment increased 1.3% or 8,600 jobs in the first eight months of 2017, while the labour force gained 4,500 workers.
- Full-time employment increased 1.4% or 7,300 jobs and part-time employment increased 1.0% or 1,300 jobs.
- In 2016, Manitoba's employment decreased 0.4%, tied for fifth among provinces.

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Manitoba's labour force expanded 0.1% sixth among provinces.

Employment (% Change)

	2016	2017 (ytd)
Manitoba		
Total Employment	-0.4	1.3
Full-Time	-0.8	1.4
Part-Time	1.3	1.0
Canada		
Total Employment	0.7	1.8

Source: Statistics Canada

Unemployment Rate (August 2017)

- Manitoba's unemployment rate is averaging 5.4%, second lowest among provinces and below the 6.5% 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 (June 2017)

- Average weekly earnings in Manitoba are up 2.5%, first among provinces and above Canada 1.5%.
- 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 April 1, 2017, Manitoba's population stood at 1,332,629, an increase of 20,851 persons or 1.6% from a year earlier.
- As of July 1, 2016, Manitoba's median age was 37.5 years, the third youngest among provinces, and below the national level of 40.6 years.

Net Migration

- For the 12 months to March 31, 2017, Manitoba gained 14,014 persons through migration.
- Net international in-migration was estimated at 14,751 and net inter-provincial out-migration was estimated at 6,747.
- Natural increase was estimated at 6,837. (number of births less number of deaths)

Economic Activity

Retail Sales (June 2017)

- Manitoba's seasonally adjusted retail sales increased 3.1% in the first six months of 2017 ninth among provinces, compared to a 6.8% national increase.
- Sales rose on the strength of gasoline station sales 15.3%, building materials 13.0%, electronics and appliance stores 8.5%, and clothing stores 5.0%.
- In 2016, Manitoba retail sales increased 4.2%, ranked sixth among provinces and below Canada up 5.1%.
- The number of new motor vehicles sold in Manitoba was up 8.6% in the first six months

Merchants with Strongest Retail Sales (% Change)

	2016	2017 (ytd)
Gasoline Stations	5.5	15.3
Building Materials	1.2	13.0
Electronics & Appliance	-0.1	8.5
Total Sales	4.2	3.1

Source: Statistics Canada

of 2017, third among provinces (Canada up

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5.0%). Sales of passenger vehicles declined 2.5%, while truck sales increased 12.5%.

- In 2016, new motor vehicle unit sales were down 1.0%, sixth among provinces, Canada up 2.3%.

Manufacturing Sales (June 2017)

- Manitoba's seasonally adjusted manufacturing sales increased 4.2% in the first six months of 2017, eighth among provinces. Canadian sales up 6.5%.
- Sales of electrical products, printing, transportation, food, fabricated metals, chemicals, primary metals, wood products, and machinery are all increasing.
- In 2016, Manitoba's manufacturing sales increased 1.3% fifth among provinces. Canadian sales increased 1.0%.

Leading Industries with Strongest Growth Manufacturing Sales (% Change)

	2016	2017 (ytd)
Printing	4.7	12.7
Transportation	-0.1	7.6
Food	4.2	6.1
Total Sales	1.3	4.2

Source: Statistics Canada

Wholesale Trade (June 2017)

- Manitoba's seasonally adjusted wholesale sales increased 6.2% in the first six months of 2017, ninth among provinces, compared to a 8.9% national increase.
- Sales rose on the strength of machinery and equipment, food, personal and household goods, farm products and motor vehicles - sales were unchanged in building supplies.

Merchants with Strongest Wholesale Sales (% Change)

	2016	2017 ytd
Machinery/Equipment	3.3	18.0
Food and Beverage	2.4	8.5
Total Sales	5.3	6.2

Source: Statistics Canada

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

Capital Investment

Building Permits (July 2017)

- The seasonally adjusted value of Manitoba's building permits increased 9.8% in the first seven months of 2017, seventh nationally. Canada up 9.8%.
- Total non-residential permits decreased 17.8%. Commercial, industrial and institutional permits were down 0.1%, 33.1% and 47.1% respectively.
- Manitoba residential building permits increased 36.7%.
- Total building permits in Winnipeg increased 9.8% and outside of Winnipeg increased 9.8%.
- In 2016, the value of Manitoba building permits increased 13.5%, second nationally, Canada up 0.9%.

Non-Residential Building Structures (Q2, 2017)

- Investment in non-residential building construction is up 22.1% in the second quarter of 2017, third among provinces, Canada down 0.5%.
- In the second quarter of 2017, non-residential investment increased in industrial and commercial by 49.0% and 30.6%

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respectively and declined in institutional by 6.0%.

- In 2016, investment in non-residential building construction declined 6.3%, seventh among province, Canada down 1.2%.

Residential Structures (Q2, 2017)

- Investment in residential building construction is up 17.0% in the second quarter of 2017, second among province, Canada up 7.5%.
- In the second quarter of 2017, residential investment increased in new construction, renovations and acquisition costs by 33.3%, 2.0% and 32.7% respectively.
- In 2016, residential building investment decreased 2.6%, seventh among provinces, Canada up 3.6%.

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 (August 2017)

- Manitoba urban area housing starts increased 58.6% in the first eight months of 2017, first among provinces. Canada

up 10.5%. Single starts were up 41.0% and multiples starts were up 73.5%.

- Province-wide housing starts increased

Housing Starts (All Areas) (% Change)

	Manitoba	Canada
2014	(16.7)	0.7
2015	(11.6)	3.3
2016	(3.3)	1.2
2017 (ytd)	77.7	7.1

Source: Canada Mortgage and Housing Corporation

77.7% in the second quarter of 2017, highest among provinces and above Canada (7.1%).

- 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 (July 2017)

- Manitoba exports increased 2.7%, in the first seven months of 2017, ninth among provinces, while Canadian exports increased 11.5%.

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Foreign Merchandise Exports (% Change)

	2016	2017 (ytd)
All Countries	-1.8	2.7
U.S.	-3.7	-4.0
Non-U.S.	2.7	16.9

Source: Statistics Canada

- Manitoba's U.S. exports decreased 4.0% in the first seven months of 2017 and non-U.S. exports increased 16.9%.
- 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 3.7% and non-U.S. exports increased 2.7%.

Agriculture

Crop Production (August 2017)

- Estimates of 2017 crop production indicate Manitoba crop producers increased production for oats 35.6%, soybeans 27.0%, grain corn 9.8% and canola 6.5% and produced less rye 27.3% barley 26.5%, and wheat 10.1%.

Farm Cash Receipts (% Change)

	2016	2017 (ytd)
Canola	20.8	11.6
Soybeans	40.8	39.6
Wheat	-6.0	-9.8
Cattle and calves	-60.7	-25.1
Hogs	-2.9	-0.5
Total Farm Cash	2.0	4.8

Source: Statistics Canada

Farm Cash Receipts (First Quarter 2017)

- Manitoba farm cash receipts are up 4.8% in the first quarter of 2017, first among provinces. Crop receipts increased 9.3% with increases in soybeans 39.6%, corn 28.7%, and canola 11.6% and declines in barley 27.9%, wheat 9.8% and oats 6.8%.
- Livestock receipts were down 5.4% with cattle and calves down 25.1% and hogs down 0.5%.
- Direct payments, which include insurance and other income supports programs, increased 7.7%.
- In 2016, cash receipts increased 2.0% 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 (June 2017)

- In the first six months of 2017, the quantity of Manitoba's zinc production increased 30.6%, while copper, nickel and gold production declined 9.5%, 4.4% and 2.9% respectively.

Metallic Mineral Production (% Change)

	2016	2017 (ytd)
Nickel	1.7	-4.4
Copper	7.6	-9.5
Zinc	15.6	30.6
Gold	-4.3	-2.9

Source: Natural Resources Canada

- In 2016, Manitoba's nickel production increased 0.3%, copper advanced 5.9% and

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zinc production increased 17.0% while gold production declined 4.9%.

Commodity Prices (August 2017)

- After a sharp drop in base metal prices in 2014 and 2015, overall prices have been stable and gradually improved in the second half of 2016.
- The price of copper is up by 19.5% in August compared to the average in 2016. The price for nickel is up 1.8% in August. As zinc inventories decline, prices have increased, up by 29.5% in August. After improving by 7.6% in 2016, the price of gold is down 0.6% in August compared to the average in 2016.

Primary Commodity Prices (\$U.S.)

	2016	2017 (ytd)
Crude Oil (bbl)	43.21	49.39
Copper (lb)	2.21	2.64
Zinc (lb)	0.95	1.23
Nickel (lb)	4.35	4.43
Gold (oz)	1,248	1,240

Source: BMO Capital Markets

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 Third Quarter report is available at [Third Quarter Report](#)
The 2015/16 Public Accounts is available at [Public Accounts](#)