

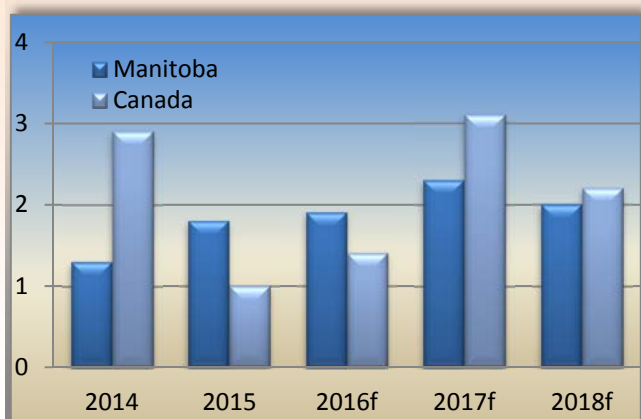
# Manitoba Economic Highlights

## 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 2.3% in 2017, fifth among provinces, Canada (3.1%) and by 2.0% in 2018, fifth 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 and by 3.8% in 2018, fifth among provinces for both years.

#### Real GDP (% Change)



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

### Consumer Price Index (September 2017)

- Manitoba's inflation rate is averaging 1.3%, fourth among provinces and below Canada at 1.5%.
- Clothing and footwear, food and household operations eased pressure on prices while shelter, transportation, alcohol and tobacco, recreation and education, and health and personal care 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 44.5%, soybeans 40.3%, grain corn 18.3% and canola 15.3% and produced less rye 27.3% barley 24.5%, and wheat 8.7%.
- Manitoba all area starts were up 47.3% in the first nine months of 2017, first among provinces. Canada up 8.7%. Urban area housing starts increased 48.6% in the first ten months of 2017, second among provinces. Canada up 10.2%.
- Investment in non-residential building construction is up 15.2% in the third quarter of 2017, third among provinces, Canada up 0.8%.
- Investment in residential building construction is up 17.0% in the second quarter of 2017, second among province, Canada up 7.5%.
- 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 (October 2017)

- Employment increased 1.5% or 9,400 jobs in the first ten months of 2017, while the labour force gained 4,900 workers.
- Full-time employment increased 1.7% or 8,500 jobs and part-time employment increased 0.8% or 1,000 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)
<b>Manitoba</b>		
<b>Total Employment</b>	-0.4	1.5
<b>Full-Time</b>	-0.8	1.7
<b>Part-Time</b>	1.3	0.8
<b>Canada</b>		
<b>Total Employment</b>	0.7	1.8

Source: Statistics Canada

## Unemployment Rate (October 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 (August 2017)

- Average weekly earnings in Manitoba are up 2.1%, second 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 July 1, 2017, Manitoba's population stood at 1,338,109, an increase of 19,994 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 June 30, 2017, Manitoba gained 13,135 persons through migration.
- Net international in-migration was estimated at 13,661 and net inter-provincial out-migration was estimated at 6,906.
- Natural increase was estimated at 6,859. (number of births less number of deaths)

## Economic Activity

### Retail Sales (August 2017)

- Manitoba's seasonally adjusted retail sales increased 3.5% in the first eight months of 2017 ninth among provinces, compared to a 6.9% national increase.
- Sales rose on the strength of gasoline station sales 13.7%, building materials 12.6%, electronics and appliance stores 9.3%, and clothing stores 7.4%.
- 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 9.4% in the first eight months of 2017, fourth among provinces (Canada up 5.3%).

## Merchants with Strongest Retail Sales (% Change)

	2016	2017 (ytd)
<b>Gasoline Stations</b>	5.5	13.7
<b>Building Materials</b>	1.2	12.6
<b>Electronics &amp; Appliance</b>	-0.1	9.3
<b>Total Sales</b>	4.2	3.5

Source: Statistics Canada

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- Sales of passenger vehicles declined 4.4%, while truck sales increased 14.3%.
- In 2016, new motor vehicle unit sales were down 1.0%, sixth among provinces, Canada up 2.3%.

## Manufacturing Sales (August 2017)

- Manitoba's seasonally adjusted manufacturing sales increased 4.9% in the first eight months of 2017, eighth among provinces. Canadian sales up 6.4%.
- Sales of transportation, electrical products, printing, machinery, food, fabricated metals and primary metals are all increasing.
- In 2016, Manitoba's manufacturing sales increased 1.3%, fifth among provinces. Canadian sales increased 1.2%.

### Leading Industries with Strongest Growth Manufacturing Sales (% Change)

	2016	2017 (ytd)
Transportation	0.0	9.9
Printing	5.4	8.1
Machinery	-1.7	7.7
Total Sales	1.3	4.9

Source: Statistics Canada

## Wholesale Trade (July 2017)

- Manitoba's seasonally adjusted wholesale sales increased 6.8% in the first seven months of 2017, ninth among provinces, compared to a 9.1% national increase.
- Sales rose on the strength of machinery and equipment, food, farm products, personal and household goods, motor vehicles and building supplies.
- In 2016, wholesale sales increased 5.3% fourth among provinces, Canada up 2.7%.

### Merchants with Strongest Wholesale Sales (% Change)

	2016	2017 ytd
Machinery/Equipment	3.3	16.7
Food and Beverage	2.4	9.6
Total Sales	5.3	6.8

Source: Statistics Canada

## Capital Investment

### Building Permits (September 2017)

- The seasonally adjusted value of Manitoba's building permits increased 4.8% in the first nine months of 2017, eighth nationally. Canada up 9.1%.
- Total non-residential permits decreased 20.5%. Commercial, industrial and institutional permits were down 1.2%, 40.6% and 46.1% respectively.
- Manitoba residential building permits increased 30.4%.
- Total building permits in Winnipeg increased 4.4% and outside of Winnipeg increased 5.8%.
- 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 15.2% in the third quarter of 2017, third among provinces, Canada up 0.8%.
- In the third quarter of 2017, non-residential investment increased in industrial and commercial by 40.1% and 22.1% respectively and declined in institutional by 10.5%.

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- In 2016, investment in non-residential building construction declined 6.3%, seventh among province, Canada down 1.1%.

## 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 (October 2017)

- Manitoba urban area housing starts increased 48.6% in the first ten months of 2017, second best among provinces. Canada up 10.2%. Single starts were up 36.3% and multiples starts were up 59.5%.

## Housing Starts (All Areas) (% Change)

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

Source: Canada Mortgage and Housing Corporation

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

- Manitoba exports increased 3.2%, in the first nine months of 2017, ninth among provinces, while Canadian exports increased 8.7%.

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## Foreign Merchandise Exports (% Change)

	2016	2017 (ytd)
<b>All Countries</b>	-1.8	3.2
<b>U.S.</b>	-3.8	-3.4
<b>Non-U.S.</b>	2.7	17.8

Source: Statistics Canada

- Manitoba's U.S. exports decreased 3.4% in the first nine months of 2017 and non-U.S. exports increased 17.8%.
- 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 (October 2017)

- Estimates of 2017 crop production indicate Manitoba crop producers increased production for oats 44.5%, soybeans 40.3%, grain corn 18.3% and canola 15.3% and produced less rye 27.3% barley 24.5%, and wheat 8.7%.

## Farm Cash Receipts (% Change)

	2016	2017 (ytd)
<b>Canola</b>	20.8	11.6
<b>Soybeans</b>	40.8	39.6
<b>Wheat</b>	-6.0	-9.8
<b>Cattle and calves</b>	-60.7	-25.1
<b>Hogs</b>	-2.9	-0.5
<b>Total Farm Cash</b>	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 (August 2017)

- In the first eight months of 2017, the quantity of Manitoba's zinc production increased 25.4%, while copper, gold and nickel production declined 8.5%, 2.1% and 1.4% respectively.

## Metallic Mineral Production (% Change)

	2016	2017 (ytd)
<b>Nickel</b>	1.7	-1.4
<b>Copper</b>	7.6	-8.5
<b>Zinc</b>	15.6	25.4
<b>Gold</b>	-4.3	-2.1

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 (October 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 23.1% in October compared to the average in 2016. The price for nickel is up 5.1% in October. As zinc inventories decline, prices have increased, up by 34.7% in October. After improving by 7.6% in 2016, the price of gold is up 0.5% in October compared to the average in 2016.

## 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

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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 First Quarter report is available at [First Quarter Report](#)