

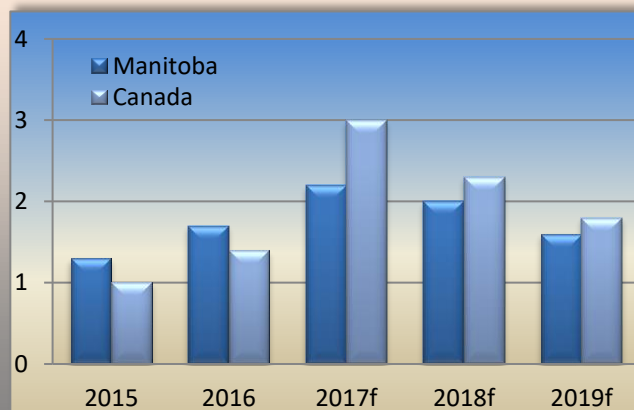
Manitoba Economic Highlights

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 then national average of 5.3%.
- Manitoba's real GDP is expected to grow by 2.0% in 2018, sixth among provinces, Canada (2.3%) and by 1.6% in 2019, tied for sixth among provinces, Canada (1.8%).
- Manitoba's nominal GDP is expected to grow by 3.8% in 2018, sixth best and by 3.5% in 2019, sixth best among provinces.

Real GDP (% Change)



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

Consumer Price Index (February 2018)

- Manitoba's inflation rate is averaging 2.2%, sixth among provinces and above Canada at 1.9%.
- Household operations, clothing and footwear, and recreation and education eased pressure on prices while transportation, food, health and personal care, alcohol and tobacco, and shelter increased overall prices.

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

- In January 2018 on a year over year basis, new motor vehicle sales are up 55.6%, first among provinces. Canada up 6.4%.
- In 2017, Manitoba farm cash receipts increased 8.8%, first among provinces and to a record \$6.5 billion. Cash receipts from wheat, canola and hogs each exceed \$1.0 billion in 2017.
- In 2017, Manitoba farmers harvested a record volume of production of combined major crops.
- Manitoba recorded 17,806 births in the 12 - month period ending Dec. 31, 2017, the highest since 1972
- 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 (March 2018)

- Employment increased 0.7% or 4,300 jobs, while the labour force gained 5,800 workers.
- Full-time employment decreased 1.0% or 5,300 jobs and part-time employment increased 8.0% or 9,700 jobs.

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- 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	-1.0
Part-Time	1.1	8.0
Canada		
Total Employment	1.9	1.6

Source: Statistics Canada

Unemployment Rate (March 2018)

- Manitoba's unemployment rate is averaging 5.9%, 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 (Jan.2018)

- Average weekly earnings in Manitoba are up 3.0%, fifth best among provinces and below Canada 3.2%.
- 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 (January 2018)

- In January, the seasonally adjusted value of Manitoba's retail sales increased 4.1%, fourth among provinces, compared to a 3.6% national increase.
- Sales rose on the strength of motor vehicles 14.7%, gasoline station sales 13.7%, health and personal care 5.6%, furniture 5.5%, and building materials 5.0%.
- In 2017, Manitoba retail sales increased 3.5%, ranked ninth among provinces and below Canada up 6.7%.

Merchants with Strongest Retail Sales (% Change)

	2017	2018 (ytd)
Gasoline Stations	14.8	13.7
Building Materials	9.3	5.0
Motor Vehicles	-0.2	14.7
Total Sales	3.5	4.1

Source: Statistics Canada

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- In January 2018 on a year over year basis, the number of new motor vehicles sold in Manitoba was up 55.6%, first among provinces (Canada up 6.4%).
- Sales of passenger vehicles increased 30.7% while truck sales increased 61.4%.
- In 2017, new motor vehicle unit sales were up 10.1%, second among provinces, Canada up 4.7%.

Manufacturing Sales (January 2018)

- In January 2018, Manitoba's seasonally adjusted manufacturing sales increased 3.8%, sixth among provinces. Canadian sales up 2.9%.
- Sales of machinery, chemicals, fabricated metals, electrical products, transportation, and food are all increasing.

Leading Industries with Strongest Growth Manufacturing Sales (% Change)

	2017	2018 (ytd)
Machinery	10.0	40.6
Chemicals	3.0	15.4
Fabricated Metals	10.4	12.0
Total Sales	5.3	3.8

Source: Statistics Canada

- In 2017, Manitoba's manufacturing sales increased 5.3%, eighth among provinces. Canadian sales increased 6.0%.

Wholesale Trade (January 2018)

- In January 2018, the seasonally adjusted value of wholesale sales was unchanged, ninth among provinces, compared to a 6.4% national increase.
- Sales rose on the strength of farm products, building supplies, food, motor vehicles,

personal and household goods and machinery and equipment.

Merchants with Strongest Wholesale Sales (% Change)

	2017	2018 (ytd)
Food and Beverage	9.1	12.7
Machinery/Equipment	10.4	0.9
Total Sales	7.1	0.0

Source: Statistics Canada

- In 2017, wholesale sales increased 7.1% ninth among provinces, Canada up 9.5%.

Capital Investment

Building Permits (January 2018)

- In January 2018, the seasonally adjusted value of Manitoba's building permits decreased 19.9%, eighth nationally. Canada up 10.8%.
- Total non-residential permits decreased 5.7%. Industrial permits were up 40.4%, commercial permits were down 6.9% and institutional permits were down 27.7%.
- Manitoba residential building permits decreased 27.1%.
- Total building permits in Winnipeg decreased 25.7% and outside of Winnipeg decreased 0.2%.
- In 2017, the value of Manitoba building permits increased 13.7%, sixth nationally, Canada up 10.9%.

Non-Residential Building Structures (Q4, 2017)

- In 2017, investment in non-residential building construction increased 9.2%, third among provinces, Canada up 1.9%.
- In 2017, non-residential investment increased in industrial and commercial by

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28.7% and 17.3% respectively and declined in institutional by 17.4%.

- In 2016, investment in non-residential building construction declined 7.0%, seventh among province, Canada down 1.9%.

Residential Structures (Q4, 2017)

- In 2017, investment in residential building construction increased 14.3%, second among provinces, Canada up 8.6%.
- In 2017, residential investment increased in new construction, renovations and acquisition costs by 30.2%, 1.8% and 12.2% respectively.
- In 2016, residential building investment increased 1.5%, sixth among provinces, Canada up 4.4%.

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 (February 2018)

- Manitoba urban area housing starts decreased 55.0% in the first two months of 2018, last among provinces. Canada up 11.4%. Single starts were down 16.9% and multiples starts were down 70.5%.

- Province-wide housing starts increased 41.0% in 2017, second highest among provinces and above Canada up 11.0%.
- 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.

Housing Starts (All Areas) (% Change)

	Manitoba	Canada
2014	(16.7)	0.7
2015	(11.6)	3.3
2016	(3.3)	1.2
2017	41.0	11.0

Source: Canada Mortgage and Housing Corporation

- 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 (Feb. 2018)

- Manitoba exports increased 4.4%, in the first two months of 2018, second among provinces, while Canadian exports increased 0.9%.
- Manitoba's U.S. exports increased 12.1% in the first two months of 2018 and non-U.S. exports decreased 9.1%.

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Foreign Merchandise Exports (% Change)

	2017	2018 (ytd)
All Countries	2.7	4.4
U.S.	-2.2	12.1
Non-U.S.	13.0	-9.1

Source: Statistics Canada

- In 2017, Manitoba's exports increased 2.7%, eighth nationally, while Canadian exports were up 7.0%. Manitoba's exports to the U.S. were down 2.2% and non-U.S. exports increased 13.0%.

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 (% Change)

	2016	2017
Crops	12.8	13.4
Livestock	-10.3	2.6
Direct Payments	-27.2	-5.5
Total Farm Cash	1.4	8.8

Source: Statistics Canada

Farm Cash Receipts (December 2017)

- In 2017, Manitoba farm cash receipts increased 8.8%, first among provinces. Canada up 2.5%.

- Crop receipts drove most of the overall 8.8% increase in total farm cash receipts in 2017, with crops up 13.4% and livestock up 2.6%.
- Direct payments, which include insurance and other income supports programs, declined 5.5%.
- Total receipts increased by over \$500 million to \$6.5 billion in 2017.
- 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 (January 2018)

- In the first month of 2018, the quantity of Manitoba's gold production increased 43.1%, while copper, nickel and zinc declined 0.5%, 38.7% and 54.0% respectively.

Metallic Mineral Production (% Change)

	2017	2018 (ytd)
Nickel	-12.7	-38.7
Copper	-9.3	-0.5
Zinc	20.0	-54.0
Gold	34.0	43.1

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.

Commodity Prices (February 2018)

- Base metal prices continue to show strength in 2018, after improving in 2017 following the sharp declines in 2014 and 2015.

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- The price of copper is up 13.6% in February 2018 compared to the average in 2017. The price for nickel is up 27.3% and zinc prices have increased by 19.8%. After improving by 0.8% in 2017, the price of gold is up 5.8% in 2018, compared to the average in 2017.
- The price of wheat is up 3.4% in February 2018 compared to the average in 2017. The price of canola is up 1.5%, cattle prices are up 5.3% and the price of hogs are up 2.3% in 2018, compared to the average in 2017.

Primary Commodity Prices (\$U.S.)

	2017	2018 (ytd)
Crude Oil (bbl)	50.91	62.75
Copper (lb)	2.80	3.18
Zinc (lb)	1.31	1.57
Nickel (lb)	4.72	6.01
Gold (oz)	1,258	1,331

Source: BMO Capital Markets

Wheat (bu)	4.36	4.51
Canola (tonne)	393	399
Cattle (Cwt)	117.90	124.14
Hogs (Cwt)	69.87	71.50

Source: BMO Capital Markets

Manitoba Finance

Economic and Fiscal Analysis Branch,
Finance Research Division - 204-945-3757

Director: Narendra Budhia

Narendra.Budhia@gov.mb.ca

Senior Economist: Waran Bhahirethan

Waran.Bhahirethan@gov.mb.ca

Analyst: Robb Balacko

Robert.Balacko@gov.mb.ca

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](#)