

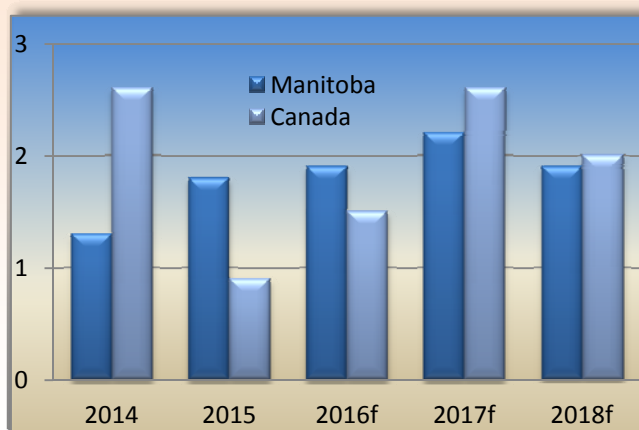
# Manitoba Economic Highlights

## 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 2.2% in 2017, fourth among provinces, Canada (2.6%) and by 1.9% in 2018, fifth among provinces, Canada (2.0%).
- Manitoba's Nominal GDP grew by 2.5% in 2016. Nominal GDP is expected to grow by 4.2% 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 (May 2017)

- Manitoba's inflation rate is averaging 1.7%, fifth among provinces and the same as Canada.
- Food, clothing and footwear, household operations, health and personal care, and alcohol and tobacco eased pressure on prices while transportation, shelter, 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%.

- In 2017, Manitoba crop producers seeded more oats 44.0%, soybeans 40.1%, and corn 18.8%, and less canola 1.1%, wheat 6.7% and barley 26.4%. Producers seeded 2.3 million acres of soybeans, the largest amount on record.
- Manitoba urban area housing starts increased 93.6% in the first six months of 2017, first among provinces. Canada up 7.9%. All area starts were up 77.7% in the first six months of 2017, first among provinces. Canada up 7.2%.
- 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%.
- Investment in non-residential building construction is up 27.1% in the first quarter of 2017, second among provinces, Canada down 0.6%.
- Investment in residential building construction is up 9.5% in the first quarter of 2017, third among province, Canada up 7.6%.

## Labour Market

### Employment (June 2017)

- Employment increased 1.0% or 6,500 jobs in the first six months of 2017, while the labour force gained 3,600 workers.
- Full-time employment increased 1.2% or 6,100 jobs and part-time employment increased 0.4% or 400 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)
<b>Manitoba</b>		
<b>Total Employment</b>	-0.4	1.0
<b>Full-Time</b>	-0.8	1.2
<b>Part-Time</b>	1.3	0.4
<b>Canada</b>		
<b>Total Employment</b>	0.7	1.6

Source: Statistics Canada

## Unemployment Rate (June 2017)

- Manitoba's unemployment rate is averaging 5.6%, second lowest among provinces and below the 6.6% 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 (Apr. 2017)

- Average weekly earnings in Manitoba are up 2.6%, 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 (April 2017)

- Manitoba's seasonally adjusted retail sales increased 3.0% in the first four months of 2017 ninth among provinces, compared to a 6.5% national increase.
- Sales rose on the strength of gasoline station sales 20.1%, electronics and appliance stores 6.7%, building materials 4.5% and health & personal care stores 3.9%.
- 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 7.7% in the first four months of 2017, third among provinces

## Merchants with Strongest Retail Sales (% Change)

	2016	2017 (ytd)
<b>Gasoline Stations</b>	5.5	20.1
<b>Electronics &amp; Appliance</b>	-0.1	6.7
<b>Building Materials</b>	1.2	4.5
<b>Total Sales</b>	4.2	3.0

Source: Statistics Canada

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(Canada up 2.4%). Sales of passenger vehicles declined 2.0%, while truck sales increased 10.9%.

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

## Manufacturing Sales (April 2017)

- Manitoba's seasonally adjusted manufacturing sales increased 1.3% in the first four months of 2017, ninth among provinces. Canadian sales up 6.0%.
- Sales of electrical products, printing, wood products, chemicals, fabricated metals, transportation and food are leading growth while primary metals and machinery are lagging growth.

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

	2016	2017 (ytd)
Printing	4.7	11.8
Wood	30.3	9.8
Chemicals	-3.6	5.5
<b>Total Sales</b>	<b>1.3</b>	<b>1.3</b>

Source: Statistics Canada

- In 2016, Manitoba's manufacturing sales increased 1.3% fifth among provinces. Canadian sales increased 1.0%.

## Wholesale Trade (April 2017)

- Manitoba's seasonally adjusted wholesale sales increased 5.3% in the first four months of 2017, eighth among provinces, compared to a 8.4% national increase.
- Sales rose on the strength of machinery and equipment, food, personal and household goods and farm products - sales declined in

building supplies and motor vehicles and parts.

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

	2016	2017 ytd
<b>Machinery/Equipment</b>	<b>3.3</b>	<b>18.6</b>
<b>Food and Beverage</b>	<b>2.4</b>	<b>7.5</b>
<b>Total Sales</b>	<b>5.3</b>	<b>5.3</b>

Source: Statistics Canada

- In 2016, wholesale sales decreased 1.0% seventh among provinces, Canada up 3.1%.

## Capital Investment

### Building Permits (May 2017)

- The seasonally adjusted value of Manitoba's building permits increased 0.5% in the first five months of 2017, eighth nationally. Canada up 6.1%.
- Total non-residential permits decreased 32.7%. Commercial, industrial and institutional permits were down 23.6%, 44.9% and 46.7% respectively.
- Manitoba residential building permits increased 35.6%.
- Total building permits in Winnipeg increased 0.4% and outside of Winnipeg increased 0.7%.
- In 2016, the value of Manitoba building permits increased 13.5%, second nationally, Canada up 0.9%.

### Non-Residential Building Structures (Q1, 2017)

- Investment in non-residential building construction is up 27.1% in the first quarter of 2017, second among provinces, Canada down 0.6%.

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- In the first quarter of 2017, non-residential investment increased in industrial and commercial by 64.2% and 35.4% respectively and declined in institutional by 2.6%.
- In 2016, investment in non-residential building construction declined 6.3%, seventh among province, Canada down 1.2%.

## Residential Structures (Q1, 2017)

- Investment in residential building construction is up 9.5% in the first quarter of 2017, third among province, Canada up 7.6%.
- In the first quarter of 2017, residential investment increased in new construction by 24.4% and declined in renovations by 10.0% while acquisition costs increased by 68.0%.
- 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 (June 2017)

- Manitoba urban area housing starts increased 93.6% in the first six months of 2017, first among provinces. Canada

up 7.9%. Single starts were up 52.3% and multiples starts were up 133.6%.

- Province-wide housing starts increased 77.7% in the second quarter of 2017, highest among provinces and above Canada (7.2%).

## 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>	77.7	7.2

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 (May, 2017)

- Manitoba exports increased 1.4%, in the first five months of 2017, eighth among provinces, while Canadian exports increased 12.3%.

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## Foreign Merchandise Exports (% Change)

	2016	2017 (ytd)
<b>All Countries</b>	-1.7	1.4
<b>U.S.</b>	-3.7	-7.5
<b>Non-U.S.</b>	2.7	20.8

Source: Statistics Canada

- Manitoba's U.S. exports decreased 7.5% in the first five months of 2017 and non-U.S. exports increased 20.8%.
- In 2016, Manitoba's exports decreased 1.7%, 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

### 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%.

## 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

- 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.

### Seeded Area (June 2017)

- In 2017, Manitoba crop producers seeded more oats 44.0%, soybeans 40.1%, and corn 18.8%, and less canola 1.1%, wheat 6.7%, rye 20.0%, barley 26.4%, sunflower 28.6% and flaxseed 35.3%. In 2017, producers seeded 2.3 million acres of soybeans, the largest on record and planted 3.1 million acres of canola and 2.7 million acres of wheat.

## Mining and Petroleum

### Metallic Mining (April 2017)

- In the first four months of 2017, the quantity of Manitoba's zinc production increased 23.6%, while copper, nickel and gold production declined 9.2%, 6.9% and 5.4% respectively.

## Metallic Mineral Production (% Change)

	2016	2017 (ytd)
<b>Nickel</b>	1.7	-6.9
<b>Copper</b>	7.6	-9.2
<b>Zinc</b>	15.6	23.6
<b>Gold</b>	-4.3	-5.4

Source: Natural Resources Canada



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- 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%.

## Commodity Prices (June 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 18.1% in June compared to the average in 2016. The price for nickel is up 2.1% in June. As zinc inventories decline, prices have increased, up by 28.4% in June. After improving by 7.6% in 2016, the price of gold is down 0.9% in June compared to the average in 2016.

## Primary Commodity Prices (\$U.S.)

	2016	2017 (ytd)
Crude Oil (bbl)	43.21	50.24
Copper (lb)	2.21	2.61
Zinc (lb)	0.95	1.22
Nickel (lb)	4.35	4.44
Gold (oz)	1,248	1,237

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](#)