

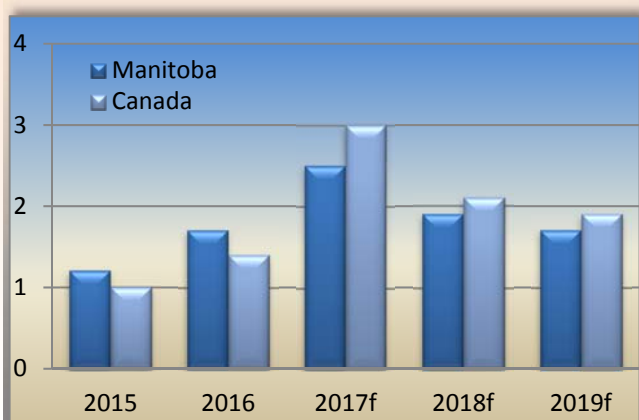
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- The Manitoba Bureau of Statistics estimates that in 2017, Manitoba's real GDP grew 2.5%, below the national average of 3.0% and nominal GDP grew by 4.5%, below then national average of 5.4%.
- Manitoba's real GDP is expected to grow by 1.9% in 2018, sixth among provinces (Canada: 2.1%) and by 1.7% in 2019, tied for sixth among provinces (Canada: 1.9%).
- Manitoba's nominal GDP is expected to grow by 3.8% in 2018, tied for fourth best and by 3.7% in 2019, 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 (June 2018)

- Manitoba's inflation rate is averaging 2.5%, eighth among provinces and above Canada at 2.2%.
- Household operations, recreation & education, clothing & footwear, food and health & personal care eased pressure on prices, while transportation, alcohol &

tobacco and shelter, increased overall prices.

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

- Manitoba's U.S. exports increased 23.2% in the first six months of 2018, highest among provinces. Canada up 2.5%.
- New motor vehicle sales are up 22.1% in the first five months of 2018, first among provinces. Canada up 0.6%.
- In 2017, cash receipts increased 9.0% (up \$500 million) to \$6.5 billion, a new record. Crops, livestock and direct payments generated \$4.1 billion, \$2.2 billion and \$0.2 billion in receipts, respectively.
- In 2018, Manitoba crop producers seeded more barley 24.5%, canola 8.1%, wheat 6.0%, sunflower 5.7%, and corn 4.4%. Producers seeded 3.4 million acres of canola and 1.9 million acres of soybeans both second largest seeding on record.
- In 2017, Manitoba posted a record level of capital investment in residential and non-residential buildings.
- 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%.
- In 2017, the working age population exceeded 1,000,000 persons for the first time in Manitoba.

Labour Market

Employment (July 2018)

- Employment increased 0.6% or 3,600 jobs, while the labour force increased 1.2% or 8,300 workers.

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- Full-time employment decreased 0.6% or 3,100 jobs and part-time employment increased 5.6% or 6,800 jobs.
- 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	0.6
Full-Time	1.8	-0.6
Part-Time	1.1	5.6
Canada		
Total Employment	1.9	1.4

Source: Statistics Canada

Unemployment Rate (July 2018)

- Manitoba's unemployment rate is averaging 6.1%, fourth 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 (May 2018)

- Average weekly earnings in Manitoba are up 2.3%, seventh among provinces and below Canada 2.9%.
- 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 April 1, 2018, Manitoba's population stood at 1,348,809, an increase of 16,849 persons or 1.3% 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 March 31, 2018, Manitoba gained 9,933 persons through migration.
 - Net international in-migration was estimated at 12,165 and net inter-provincial out-migration was estimated at 8,948.
- Natural increase was estimated at 6,916. (number of births less number of deaths)

Economic Activity

Retail Sales (May 2018)

- Manitoba's seasonally adjusted retail sales decreased 1.1% in the first five months of 2018, 9th among provinces, compared to a 3.2% national increase.
- Sales rose on the strength of electronics & appliance stores 16.3%, gasoline station sales 7.4%, building materials 5.3%, clothing stores 3.8%, furniture 2.3%, and food & beverage stores 2.2%.

Merchants with Strongest Retail Sales (% Change)

	2017	2018 (ytd)
Electronics/Appliances	9.2	16.3
Gasoline Stations	15.1	7.4
Building Materials	13.5	5.3
Food & Beverage	5.0	2.2
Clothing Stores	9.2	3.8
Total Sales	7.8	-1.1

Source: Statistics Canada

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- In 2017, Manitoba retail sales increased 7.8%, ranked third among provinces and above Canada up 7.1%.
- The number of new motor vehicles sold in Manitoba was up 22.1%, in the first five months of 2018, first among provinces (Canada up 0.6%).
- Sales of passenger vehicles increased 15.0% while truck sales increased 24.3%, both first among provinces.
- In 2017, new motor vehicle unit sales were up 10.0%, second among provinces, Canada up 4.7%.

Manufacturing Sales (May 2018)

- Manitoba's seasonally adjusted manufacturing sales increased 8.6% in the first five months of 2018, fourth among provinces. Canadian sales up 3.9%.
- Sales of chemicals, fabricated metals, food, transportation, machinery electrical products and primary metals are increasing.

Leading Industries with Strongest Growth Manufacturing Sales (% Change)

	2017	2018 (ytd)
Chemicals	4.8	21.4
Fabricated Metals	9.1	14.6
Food	8.4	12.2
Transportation	9.2	9.9
Total Sales	6.7	8.6

Source: Statistics Canada

- In 2017, Manitoba's manufacturing sales increased 6.7%, eighth among provinces. Canadian sales increased 6.1%.

Wholesale Trade (May 2018)

- Manitoba's seasonally adjusted wholesale sales increased 2.0% in the first five months of 2018, eighth among provinces, compared to a 5.2% national increase.
- Sales rose on the strength of motor vehicles, building materials, personal and household goods, food, beverage and tobacco products and machinery and equipment.

Merchants with Strongest Wholesale Sales (% Change)

	2017	2018 (ytd)
Motor Vehicles	8.5	15.3
Building Materials	4.1	9.4
Personal/Household	2.0	5.3
Food/beverage	5.3	4.3
Total Sales	5.4	2.0

Source: Statistics Canada

- In 2017, wholesale sales increased 5.4% seventh among provinces, Canada up 7.8%.

Capital Investment

Building Permits (June 2018)

- The seasonally adjusted value of Manitoba's building permits decreased 8.5% in the first six months of 2018, seventh nationally. Canada up 4.2%.
- Total non-residential permits decreased 5.0%. Industrial permits were up 110.0%, while commercial and institutional permits were down 21.1% and 18.4% respectively.
- Manitoba residential building permits decreased 8.4%.
- In 2017, the value of Manitoba building permits increased 13.7%, sixth nationally, Canada up 10.9%.

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Non-Residential Building Structures (Q2, 2018)

- Investment in non-residential building construction decreased 10.0% in the second quarter of 2018, last among provinces, Canada up 8.2%.
- In the second quarter of 2018, non-residential investment increased in industrial by 14.5% and declined in institutional and commercial by 29.8% and 9.2% respectively.
- In 2017, investment in non-residential building construction increased 9.6%, third among province, Canada up 2.2%.

Residential Structures (Q1, 2018)

- Investment in residential building construction increased 9.7% in the first quarter of 2018, fifth among provinces, Canada up 8.0%.
- In the first quarter of 2018, residential investment increased in new construction, renovations and acquisition costs by 8.3%, 9.9% and 18.0% respectively.
- In 2017, residential building investment increased 14.0%, second among provinces, Canada up 8.3%.

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 (July 2018)

- Province-wide housing starts decreased 28.2% in the second quarter of 2018, tenth among provinces and below Canada up 4.0%.

Housing Starts (All Areas) (% Change)

	Manitoba	Canada
2015	(11.6)	3.3
2016	(3.3)	1.2
2017	41.0	11.0
2018 (ytd)	-28.2	4.0

Source: Canada Mortgage and Housing Corporation

- Manitoba urban area housing starts decreased 18.7% in the first seven months of 2018, ninth among provinces. Canada up 1.2%. Single starts were down 20.1% and multiples starts were down 17.7%.
- 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.
- 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 (June 2018)

- Manitoba exports increased 12.2%, in the first six months of 2018, second among provinces, while Canadian exports increased 3.6%.

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- Manitoba's U.S. exports increased 23.2% in the first six months of 2018 and non-U.S. exports decreased 8.6%.

Foreign Merchandise Exports (% Change)

	2017	2018 (ytd)
All Countries	2.6	12.2
U.S.	-2.3	23.2
Non-U.S.	12.9	-8.6

Source: Statistics Canada

- In 2017, Manitoba's exports increased 2.6%, eighth nationally, while Canadian exports were up 6.8%. Manitoba's exports to the U.S. were down 2.3% and non-U.S. exports increased 12.9%.

Agriculture

Seeded Area (July 2018)

- In 2018, Manitoba crop producers seeded more barley 24.5%, canola 8.1%, wheat 6.0%, sunflower 5.7%, and corn 4.4% and less oats 6.8%, soybeans 17.5%, rye 27.8% and flaxseed 35.1%. In 2018, producers seeded 1.9 million acres of soybeans, the second largest on record and planted 3.4 million acres of canola, second largest on record and 2.9 million acres of wheat.

Farm Cash Receipts (First Quarter 2018)

- Manitoba farm cash receipts are down 2.3%, in the first quarter of 2018, seventh among provinces. Crop receipts declined 0.6%, with increase in soybeans 16.3%, corn 12.9% and barley 3.0% and declines in canola 3.6%, oats 8.7% and wheat 7.5%.
- Livestock receipts were down 2.9% with calves up 4.5% and hogs down 7.8% and cattle down 0.3%.

- Direct payments, which include insurance and other income supports programs, declined 36.0%.
- In 2017, cash receipts increased 9.0% (or by over \$500 million) to \$6.5 billion, a new record and surpassing the previous record of \$6.0 billion in 2014. Crops, livestock and direct payments generated \$4.1 billion, \$2.2 billion and \$0.2 billion in receipts, respectively.

Farm Cash Receipts (% Change)

	2017	2018 (ytd)
Canola	2.0	-3.6
Wheat	21.6	-7.5
Soybeans	32.5	16.3
Cattle	-4.8	-0.3
Hogs	8.0	-7.8
Calves	18.3	4.5
Total Farm Cash	9.0	-2.3

Source: Statistics Canada

Mining and Petroleum

Metallic Mining (May 2018)

- In the first five months of 2018, the quantity of Manitoba's gold production increased 20.5% and copper increased 1.8% - while nickel and zinc declined 28.7% and 10.8% respectively.

Metallic Mineral Production (% Change)

	2017	2018 (ytd)
Nickel	-12.7	-28.7
Copper	-9.3	1.8
Zinc	20.0	-10.8
Gold	34.0	20.5

Source: Natural Resources Canada

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- 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 (June 2018)

- Base metal prices continue to show strength in 2018, after improving in 2017 following the sharp declines in 2014 and 2015.
- The price of copper is up 11.4% in June 2018 compared to the average in 2017. The price for nickel is up 33.5% and zinc prices have increased by 11.5%. After improving by 0.8% in 2017, the price of gold is up 4.4% in 2018, compared to the average in 2017.
- The price of wheat is up 9.6% in June 2018 compared to the average in 2017. The price of canola is up 2.5%, cattle prices are down 2.1% and the price of hogs are up 1.5% in 2018, compared to the average in 2017.

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](#)

Primary Commodity Prices (\$U.S.)

	2017	2018 (ytd)
Crude Oil (bbl)	50.91	65.96
Copper (lb)	2.80	3.12
Zinc (lb)	1.31	1.46
Nickel (lb)	4.72	6.30
Gold (oz)	1,258	1,313
Source: BMO Capital Markets		
Wheat (bu)	4.36	4.78
Canola (tonne)	393	403
Cattle (Cwt)	117.90	115.45
Hogs (Cwt)	69.87	70.89

Source: BMO Capital Markets