

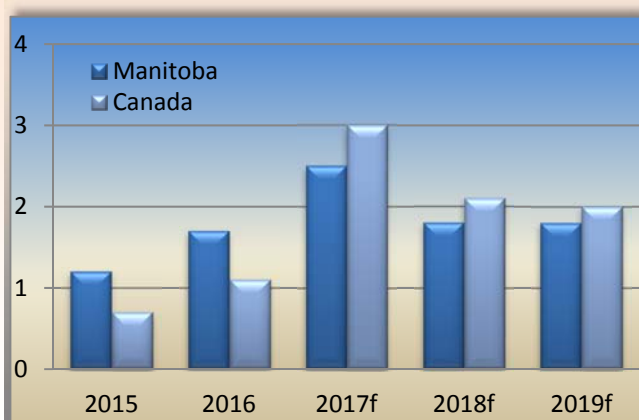
Manitoba Economic Highlights

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 5.6%.
- Manitoba's real GDP is expected to grow by 1.8% in 2018, sixth among provinces (Canada: 2.1%) and by 1.8% in 2019, tied for sixth among provinces (Canada: 2.0%).
- Manitoba's nominal GDP is expected to grow by 3.8% in both 2018 and 2019, and rank tied for sixth 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 (October 2018)

- Manitoba's inflation rate is averaging 2.6%, ninth among provinces and above Canada at 2.4%.
- Household operations, food, clothing & footwear, recreation & education, 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 20.5% in the first ten months of 2018, second highest among provinces. Canada up 7.4%.
- New motor vehicle sales are up 14.9% in the first nine months of 2018, first among provinces. Canada down 1.1%.
- Manitoba farm cash receipts are up 1.7% in the third quarter of 2018, fourth among provinces. Crops receipts increased 3.5%, livestock receipts were unchanged and direct payments were down 20.6%.
- Revised estimates of 2018 crop production indicate producers increased production of barley 14.5%, wheat 6.7%, and canola 5.4% and produced less corn 5.5%, oats 13.6%, and soybeans 29.6%. In 2018, the canola harvest was the largest on record and soybeans was the third largest.
- 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 (November 2018)

- Employment increased 0.5% or 3,500 jobs, while the labour force increased 1.2% or 7,900 workers.

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- Full-time employment decreased 0.1% or 400 jobs and part-time employment increased 3.2% or 4,000 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	0.5
Full-Time	1.8	-0.1
Part-Time	1.1	3.2
Canada		
Total Employment	1.9	1.3

Source: Statistics Canada

Unemployment Rate (November 2018)

- Manitoba's unemployment rate is averaging 6.0%, 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 (Sept. 2018)

- Average weekly earnings in Manitoba are up 2.9%, fourth among provinces and above Canada 2.8%.
- 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 July 1, 2018, Manitoba's population stood at 1,352,154, an increase of 16,758 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 June 30, 2018, Manitoba gained 10,427 persons through migration.
 - Net international in-migration was estimated at 12,348 and net inter-provincial out-migration was estimated at 9,199.
- Natural increase was estimated at 6,331. (number of births less number of deaths)

Economic Activity

Retail Sales (September 2018)

- Manitoba's seasonally adjusted retail sales increased 1.1% in the first nine months of 2018, eighth among provinces, compared to a 3.4% national increase.
- Sales rose on the strength of electronics & appliance stores (14.3%), gasoline station sales (14.2%), clothing stores (6.0%), building materials (5.9%) and food & beverage stores (0.9%).

Merchants with Strongest Retail Sales (% Change)

	2017	2018 (ytd)
Electronics/Appliances	9.2	14.3
Gasoline Stations	15.1	14.2
Clothing Stores	9.2	6.0
Building Materials	13.5	5.9
Food & Beverage	4.3	0.9
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 14.9%, in the first nine months of 2018, first among provinces (Canada down 1.1%).
- Sales of passenger vehicles increased 13.4% while truck sales increased 15.3%, both first among provinces.
- In 2017, new motor vehicle unit sales were up 10.0%, second among provinces, Canada up 4.7%.

Manufacturing Sales (September 2018)

- Manitoba's seasonally adjusted manufacturing sales increased 5.9% in the first nine months of 2018, ninth among provinces. Canadian sales up 6.1%.
- Sales of fabricated metals, chemicals, food, electrical products, transportation, wood, machinery, and printing are increasing.

Leading Industries with Strongest Growth Manufacturing Sales (% Change)

	2017	2018 (ytd)
Fabricated Metals	9.1	15.2
Chemicals	4.8	14.9
Food	8.4	10.6
Transportation	9.2	6.2
Total Sales	6.7	5.9

Source: Statistics Canada

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

Wholesale Trade (September 2018)

- Manitoba's seasonally adjusted wholesale sales increased 1.3% in the first nine months

of 2018, eighth among provinces, compared to a 4.4 national increase.

- Sales rose on the strength of motor vehicles, machinery and equipment, personal and household goods, building materials, and food, beverage and tobacco products.

Merchants with Strongest Wholesale Sales (% Change)

	2017	2018 (ytd)
Motor Vehicles	8.5	6.9
Machinery/Equipment	2.6	5.9
Personal/Household	2.0	4.4
Building Materials	4.1	4.3
Total Sales	5.4	1.3

Source: Statistics Canada

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

Capital Investment

Building Permits (October 2018)

- The seasonally adjusted value of Manitoba's building permits increased 1.0% in the first ten months of 2018, fifth nationally. Canada up 2.5%.
- Total non-residential permits increased 11.4%. Industrial and commercial permits were up 39.9% and 5.9% respectively, while institutional permits were down 3.8%.
- Manitoba residential building permits decreased 5.6%.
- In 2017, the value of Manitoba building permits increased 13.7%, sixth nationally, Canada up 10.9%.

Non-Residential Building Structures (Sept. 2018)

- Investment in non-residential building construction increased 4.1% in the first nine

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months of 2018, seventh among provinces, Canada up 11.3%.

- In the first nine months of 2018, non-residential investment increased in industrial by 63.2% and declined in institutional and commercial by 17.9% and 4.3% respectively.
- In 2017, investment in non-residential building construction decreased 2.2%, eighth among province, Canada up 2.2%.

Residential Structures (September 2018)

- Investment in residential building construction increased 4.9% in the first nine months of 2018, third among provinces, Canada up 1.2%.
- In the first nine months of 2018, residential investment increased in multiples by 32.4% and decreased for singles by 12.8%.
- In 2017, residential building investment increased 15.9%, second among provinces, Canada up 9.5%.

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 (October 2018)

- Province-wide housing starts decreased 5.4% in the third quarter of 2018, eighth among provinces and below Canada down 2.5%.

- Manitoba urban area housing starts decreased 5.5% in the first ten months of 2018, fourth among provinces. Canada down 2.3%. Single starts were down 18.7% and multiples starts were up 4.4%.
- 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, urban areas accounted for 88.1% of all starts in Manitoba.

Housing Starts (All Areas) (% Change)

	Manitoba	Canada
2015	(11.6)	3.3
2016	(3.3)	1.2
2017	41.0	11.0
2018 (ytd)	-5.4	-2.5

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 (Oct. 2018)

- Manitoba exports increased 12.2%, in the first ten months of 2018, third among provinces, while Canadian exports increased 8.2%.
- Manitoba's U.S. exports increased 20.5% in the first ten months of 2018 and non-U.S. exports decreased 3.9%.

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Foreign Merchandise Exports (% Change)

	2017	2018 (ytd)
All Countries	2.5	12.2
U.S.	-2.4	20.5
Non-U.S.	12.9	-3.9

Source: Statistics Canada

- In 2017, Manitoba's exports increased 2.5%, eighth nationally, while Canadian exports were up 6.7%. Manitoba's exports to the U.S. were down 2.4% and non-U.S. exports increased 12.9%.

Agriculture

Crop Production revised (December 2018)

- Estimates of 2018 crop production indicate Manitoba crop producers increased production for barley 14.5%, wheat 6.7%, and canola 5.4% and produced less corn 5.5%, oats 13.6%, sunflower 15.4%, soybeans 29.6%, flaxseed 45.3% and rye 47.0%. In 2018, the canola harvests was the largest on record (2017 was second largest) and the soybean harvest was third largest.

Farm Cash Receipts (Third Quarter 2018)

- Manitoba farm cash receipts are up 1.7%, in the third quarter of 2018, fourth among provinces and most improved. Crop receipts increased 3.5%, with increases in soybeans 18.3%, corn 13.7%, barley 6.3%, canola 1.9% and wheat 0.7% and declines in oats 11.3% and potatoes 5.2%.
- Livestock receipts were unchanged with increases in cattle 12.5%, calves 10.7% and dairy 7.9% offset by hogs down 8.9%.

- Direct payments, which include insurance and other income supports programs, declined 20.6%.
- In 2017, cash receipts increased 9.5% (or by almost \$564 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	1.9
Wheat	21.6	0.7
Soybeans	32.5	18.3
Cattle	-4.9	12.5
Hogs	9.1	-8.9
Calves	18.2	10.5
Dairy	10.9	7.9
Total Farm Cash	9.5	1.7

Source: Statistics Canada

Mining and Petroleum

Metallic Mining (August 2018)

- In the first eight months of 2018, the quantity of Manitoba's gold production increased 13.2% - while nickel, zinc and

Metallic Mineral Production (% Change)

	2017	2018 (ytd)
Nickel	-12.7	-34.3
Copper	-9.3	-5.0
Zinc	20.0	-19.5
Gold	34.0	13.2

Source: Natural Resources Canada

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copper declined, 34.3%, 19.5% and 5.0% respectively.

- In 2017, the quantity of Manitoba's zinc and gold production increased 19.3% and 24.1%, while copper and nickel production declined 11.6% and 12.6% respectively.

Commodity Prices (October 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 6.4% in October 2018 compared to the average in 2017. The price for nickel is up 28.2% and zinc prices have increased by 2.3%. After improving by 0.8% in 2017, the price of gold is up 1.0% in 2018, compared to the average in 2017.
- The price of wheat is up 13.3% in October 2018 compared to the average in 2017. The price of canola is down 0.3%, cattle and hog prices are down 3.4% and 5.7% respectively in 2018, compared to the average in 2017.

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Please click on [economic statistics](#) to view the data underlying this report.

Note: The 2017/18 Public Accounts available at [Public Accounts](#)
The 2018/19 First Quarter report is available at [First Quarter Report](#)
The 2018 Manitoba Budget is available at: [2018 Budget](#)

Primary Commodity Prices (\$U.S.)

	2017	2018 (ytd)
Crude Oil (bbl)	50.91	66.53
Copper (lb)	2.80	2.98
Zinc (lb)	1.31	1.34
Nickel (lb)	4.72	6.05
Gold (oz)	1,258	1,271

Source: BMO Capital Markets

Wheat (bu)	4.36	4.94
Canola (tonne)	393	392
Cattle (Cwt)	117.90	113.94
Hogs (Cwt)	69.87	65.89

Source: BMO Capital Markets