

# Manitoba Economic Highlights

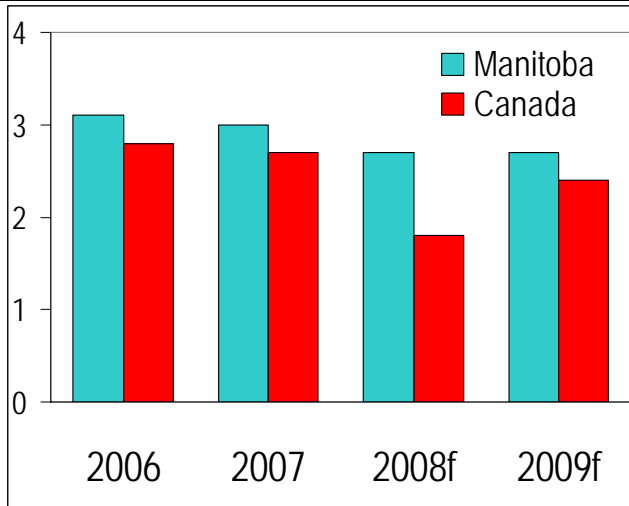
## Economic Overview

### Real Gross Domestic Product

- Manitoba real GDP grew by 3.0% in 2007, above the Canadian growth of 2.7.
- Growth in 2007 was broadly based with particular strength in construction and wholesale and retail trade.
- In 2008, the survey of major forecasters projects real growth in the province to be 2.7%, above the national average of 1.8%.
- In 2009, the Manitoba economy is expected to grow by 2.7%, above the Canadian growth of 2.4%

- Manitoba's housing starts increased 14.1% in 2007, third highest in the country.
- Farm cash receipts increased 18.0% in 2007, the highest growth rate in the country.
- Manitoba real GDP growth exceeded Canadian growth in 2006 and 2007 and is forecast to do so in 2008 and 2009.
- Manitoba merchandise exports were up 13.5% in 2007 third highest in the country. Exports to the U.S. were up 6.6%.
- Manitoba manufacturing sales increased 8.1% in 2007, second highest in the country.
- Manitoba capital investment is projected to increase 18.8% in 2008, highest in the country for the second straight year.

### Real GDP (% Change)



### Consumer Price Index

- In the first three months of 2008, the Manitoba CPI increased 1.5%, below the national increase of 1.8%. Energy and shelter were the major contributors to the increase.
- In 2007, the Manitoba CPI increased 2.0% below the 2.2% increase in Canada. Shelter (3.8%), tobacco and alcohol (3.2%) and food (3.1%) costs have the largest increases. The energy component increased 2.7%.

## Labour Market

### Employment

- In the first three months of 2008, employment increased 10,300 relative to 2007. Full-time employment was up 3.2% while part-time employment decreased 4.2%.
- In 2007, employment increased by 9,500 with full-time employment up 10,200 and part-time employment down 800. Manitoba's labour force expanded by 1.7% or 10,400 workers.

### Employment (% Change)

	2007	2008ytd
<b>Manitoba</b>		
Total Employment	1.6	1.7
Full-Time	2.2	3.2
Part-Time	-0.7	-4.2
<b>Canada</b>		
Total Employment	2.3	2.0

## Unemployment Rate

- In the first three months of 2008, Manitoba's unemployment rate was 4.1%, third lowest behind Alberta and Saskatchewan. The youth unemployment rate was 8.9%, fourth lowest in Canada.
- In 2007, Manitoba's unemployment rate was 4.4%, fourth lowest among provinces.
- In the first six months of 2007, Manitoba's unemployment rate averaged 4.6 while in the last six months it averaged 4.2% and was ranked second or third among provinces each month.
- In 2007, Manitoba's youth unemployment rate was 9.0%, fourth lowest among provinces.
- From 1998 to 2007, Manitoba had the lowest annual unemployment rate among provinces five times, and the second-lowest rate four times.

## Average Weekly Earnings

- In January 2008, average weekly earnings were up 4.6%, above the 3.1% increase nationally and second highest among provinces.
- In 2007, average weekly earnings were up 4.2%, above the 3.2% increase nationally and third highest among provinces. This was the strongest increase in almost 20 years.

## Population

- As of January 1, 2008 Manitoba's population stood at 1,193,566, a one-year increase of 13,087 persons. This 1.1% increase was fourth best among province.

## Net Migration

- In the year ending January 1, 2008, 9,179 more people moved to Manitoba than left.
- During the same period, net international immigration totaled 9,170, more than the net inter-provincial out-migration of 1,390.

## Economic Activity

### Manufacturing Sales

- In the first two months of 2008, Manitoba manufacturing sales increased 2.2% to \$2.5 billion. Canadian sales declined 2.2%
- In the first two months of 2008 ten Manitoba industries have increased led by non-metallic minerals (39.3%), other non-durables (22.8%) and other durables (9.3%).
- In 2007, Manitoba manufacturing sales increased 8.1% to \$16.2 billion. This was the second-highest growth rate. The value of sales in Canada rose 0.4% in 2007.
- In 2007, sales increased for 8 industries. Other durables (25.9%), transportation equipment (18.4%), other non-durables (13.2%) and non-metallic minerals (10.7%) industries led the growth. The largest declines occurred in the beverages and clothing industries.

### Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2007	2008ytd
Non-met.minerals	10.7	39.3
Oth non-durables	13.2	22.8
Oth durables	25.9	9.3
Beverages	(14.8)	6.5
Plastics & Rubber	(3.5)	5.6

### Farm Cash Receipts

- In 2007, Manitoba cash receipts increased 18.0% with increased crop receipts offsetting declines in livestock receipts and direct payments.
- Crop receipts increased 71.1% with increases in all categories; and significant increases in oilseeds (99.8%), other grains (83.9%) and wheat (74.2%).
- Livestock receipts were down 2.3% due to declines in cattle (8.3%) and hogs (1.8%). Poultry (8.3%) and dairy (7.6%) receipts increased.

Farm Cash Receipts (% Change)		
	<u>2006</u>	<u>2007</u>
Oilseeds	8.3	99.8
Wheat	(7.4)	74.2
Hogs	(13.7)	(1.8)
Cattle	19.8	(8.3)

- Agricultural diversification has substantially altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts. In 2007, wheat accounted for only 14.7%. The largest source of cash receipts was oilseeds (19.5%) followed by hogs (18.7%) and then wheat (14.7%). Similar growth has occurred in a number of other forms of agriculture.

### Retail Sales

- In the first two months of 2008, Manitoba retail sales increased 15.3% above the 9.6% increase in Canada and second highest among provinces.
- In 2008, gasoline sales (29.3%), furniture and appliance sales (20.8%), motor vehicle dealers (19.5%) and hardware and building supply stores (18.0%) have led the growth.
- In 2007, Manitoba retail sales increased 8.8%, above the 5.8% increase in Canada and fourth highest among provinces.
- In 2007, gasoline sales (16.7%), furniture and appliance stores (10.7%), department and general stores (9.2%) and hardware and building supply stores (9.8%) led the growth.

### Investment

- Statistics Canada's Private and Public Investment survey from February 2008 shows that Manitoba's 2007 capital investment increased 16.8%, highest among provinces. Canada's increase was 5.6%.
- The Survey shows that Manitoba's private investment increased 9.5% while public investment increased 37.5%.
- A number of major investment projects were undertaken in 2007, including the Winnipeg

Floodway expansion, the Wuskwatim hydro-electric dam and a new airport facility.

- In 2008, capital investment is projected to increase 18.8%, highest among provinces. Private investment is projected to increase 22.4% while public investment is projected to increase 10.6%.
- Private capital investment accounts for approximately three-quarters of capital investment in Manitoba.

### Housing Starts

- In the first quarter of 2008, housing starts in Manitoba decreased 17.4% to 874 units. Housing starts in Canada increased 7.1%.
- Manitoba single-detached starts declined 10.8% while multiple starts were down 25%. Single-detached starts in Canada decreased 20.2% while Canadian multiple starts were up 31.6%.
- In 2007, housing starts in Manitoba increased 14.1% to 5,738 units, the highest level of housing starts since 1987. Housing starts in Canada increased 0.4%.
- Manitoba's growth rate was the third highest among the provinces behind Saskatchewan (61.7%) and Newfoundland and Labrador (18.6%).
- In the first three months of 2008, Manitoba urban housing starts decreased 15.7% Canada increased 15.9%. Single-detached increased by 0.7% while Canadian single starts declined 10.6%. Multiples were down to 220 units from 341

Housing Starts (All Areas) (% Change)		
	<u>Manitoba</u>	<u>Canada</u>
2005	6.6	(3.4)
2006	6.3	0.8
2007	14.1	0.4
2008ytd	(17.4)	7.1

## Building Permits

- In the first two months of 2008, the value of building permits in Manitoba decreased 15.9%, led by a 31.5% decrease in non-residential permits, while residential permits declined 2.7%. Canada was up 5.3%.
- In 2007, the value of building permits in Manitoba increased 7.3%, led by a 16.5% increase in residential permits, while non-residential permits declined 6.5%. Canada was up 12.2%.

## Bankruptcies

- In the first two months of 2008, business bankruptcies decreased 9.1% in Manitoba, and declined 3.0% in Canada.
- In the first two months of 2008, consumer bankruptcies increased 7.3% in Manitoba and increased by 8.1% in Canada.
- In 2007, business bankruptcies decreased 36.3% in Manitoba, the best record in Canada and declined 6.6% in Canada.
- In 2007, consumer bankruptcies decreased by 9.5% in Manitoba, third best in Canada and increased by 0.7% in Canada.

## Foreign Merchandise Exports

- In the first two months of 2008, Manitoba exports increased 5.0%, while Canadian exports declined 2.7%.
- In the first two months of 2008, Manitoba's U.S. exports increased 1.5% while non-U.S. exports increased 15.8%.
- In 2007, Manitoba exports increased 13.5% compared to a 2.1% increase in Canada.
- Manitoba U.S. exports were up 6.6% in 2007, while Canadian exports to the U.S. decreased 1.0%. Manitoba non-U.S. exports increased 36.2% while increasing 16.0% in Canada.

Foreign Merchandise Exports (% Change)		
	<u>2007</u>	<u>2008ytd</u>
All Countries	13.5	5.0
U.S.	6.6	1.5
Non-U.S.	36.2	15.8

## Electricity Sales

- In the first two months of 2008, Manitoba electricity sales increased 0.6% with a 6.7% increase in domestic sales offset by a 15.5% decline in export sales.
- In 2007, Manitoba electricity sales declined 1.8% with a 5.8% increase in domestic sales offset by a 12.6% decline in export sales.
- Despite the decline in total export sales in 2007, they are the third-highest level on record.
- In 2007, U.S.-export sales decreased 14.4% but were the third-highest level on record.

### Manitoba Finance

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

Note: The 2008 Budget Paper **The Economy** was released on April 9 and contains an extensive review of Manitoba's economic performance in 2007 and the outlook for the Manitoba economy in 2008. This document is available at: [www.gov.mb.ca/finance/budget08/papers/economy.pdf](http://www.gov.mb.ca/finance/budget08/papers/economy.pdf)