

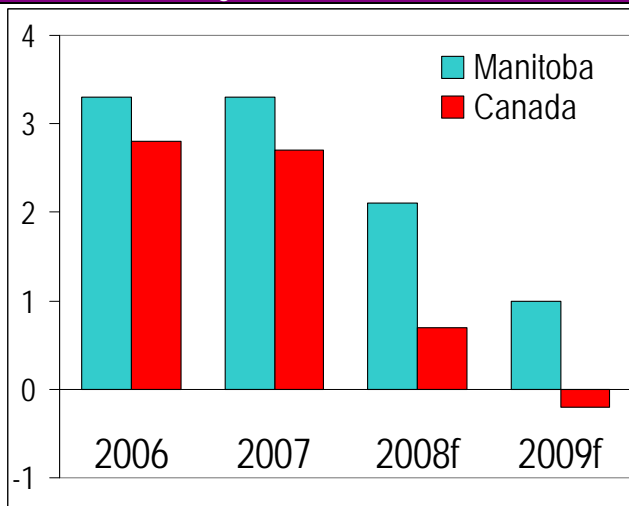
Manitoba Economic Highlights

Economic Overview

Real Gross Domestic Product

- Manitoba real GDP grew by 3.3% in 2007, above the Canadian growth of 2.7%.
- The Manitoba Bureau of Statistics projects that real GDP will grow 2.5% in 2008.
- In 2008, the survey of major forecasters projects real growth in the province to be 2.1%, above the national average of 0.7%.
- In 2009, the Manitoba economy is expected to grow by 1.0%, better than the decline of 0.2% in Canada.

Real GDP (% Change)



Consumer Price Index

- In the first eleven months of 2008, the Manitoba CPI increased 2.3%, below the national increase of 2.5%. Energy, shelter, transportation, and food are 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%.

- Manitoba's housing starts increased 14.1% in 2007, third highest in the country.
- Farm cash receipts increased 17.1% 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 13.7% in 2007 third highest in the country. Exports to the U.S. were up 6.6%.
- Manitoba manufacturing sales increased 8.5% 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.

Labour Market

Employment

- In the first eleven months of 2008, employment increased 10,300 relative to 2007. Full-time employment was up 2.3% while part-time employment decreased 1.1%.
- 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
Manitoba		
Total Employment	1.6	1.7
Full-Time	2.2	2.3
Part-Time	-0.7	-1.1
Canada		
Total Employment	2.3	1.7

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In the ten months of 2008, Manitoba's unemployment rate was 4.1%, second lowest behind Alberta. The youth unemployment rate was 9.1%, fourth lowest in Canada.
- In 2007, Manitoba's unemployment rate was 4.4%, fourth lowest among provinces.
- In the first ten months of 2008, the number of unemployed in Manitoba has declined by 6.0%. This is the largest percentage decline among the provinces
- 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 the first ten months of 2008, average weekly earnings were 3.0%, above the 2.9% increase nationally and fifth 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 October 1, 2008, Manitoba's population stood at 1,210,547, a one-year increase of 13,124 persons. This 1.1% increase was fifth best among provinces.

Net Migration

- In the year ending October 1, 2008, 8,329 more people moved to Manitoba than left.
- During the same period, international immigration totaled 10,083, more than the net inter-provincial out-migration of 1,717.

Economic Activity

Manufacturing Sales

- In the first ten months of 2008, Manitoba manufacturing sales increased 1.9% to \$13.9 billion. Canadian sales rose 0.8%
- In the first ten months of 2008 seven Manitoba industries increased led by chemicals (34.3%), machinery (27.5%), fabricated metals (15.2%) and printing (14.0%).
- In 2007, Manitoba manufacturing sales increased 8.5% to \$16.1 billion. This was the second-highest growth rate. The value of sales in Canada was unchanged in 2007.
- In 2007, sales increased for 9 industries. Primary metals (25.2%), transportation equipment (16.4%), other durables (14.1%) and fabricated metals (8.0%) industries led the growth. The largest declines occurred in the other non-durables and wood industries.

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

	2007	2008ytd
Chemicals	7.3	34.3
Machinery	5.2	27.5
Fabricated Metals	8.0	15.2
Printing	1.9	14.0
Other Durables	14.1	5.7

Farm Cash Receipts

- In the first three quarters of 2008, Manitoba cash receipts rose 12.0% with increased crop receipts offsetting declines in livestock receipts and direct payments.
- Crop receipts were up 31.1% with oilseeds (43.1%) and wheat (40.6%) leading the way.
- Livestock receipts fell 8.3% due to a decline in hog receipts (22.7%)
- In 2007, Manitoba cash receipts increased 17.0% with increased crop receipts offsetting declines in livestock and direct payments.

- Crop receipts increased 70.1% across all categories with large increases in oilseeds (102%), grains (86%) and wheat (75%).
- Livestock receipts were down 3.1% due to declines in cattle (9.2%) and hogs (3.0%). Dairy (7.6%) and poultry (5.0%) increased.

Farm Cash Receipts (% Change)		
	<u>2007</u>	<u>2008ytd</u>
Oilseeds	101.9	43.1
Wheat	75.1	40.6
Hogs	(3.0)	(-22.7)
Cattle	(9.2)	2.2

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts by 2007 only 14.8%. The largest source of receipts was oilseeds (19.9%) followed by hogs (18.6%) and then wheat (14.8%).

Retail Sales

- In the first ten months of 2008, Manitoba retail sales increased 8.7% above the 4.8% increase in Canada and third highest among provinces.
- In 2008, gasoline sales (29.3%), furniture and appliance sales (15.4%); pharmacies (11.1%); and hardware, garden and building supply stores (10.3%) 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 three quarters of 2008, housing starts in Manitoba decreased 4.6% to 4,118 units. Housing starts in Canada declined 5.3%.
- Manitoba single-detached starts rose 0.8% while multiple starts were down 27.3%. Single-detached starts in Canada decreased 19.7% while multiple starts were up 20.7%.
- 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 eleven months of 2008, Manitoba urban housing starts decreased 7.4% Canada decreased 3.9%. Single-detached increased by 2.6% while multiples were down 20.5%. Urban 2008 starts are already the second highest level since 1988.

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	(4.6)	(5.3)

Building Permits

- In the first ten months of 2008, the value of building permits in Manitoba increased 11.3%. Non-residential permits are up 0.3% while residential permits increased 17.2%. Canada permits are down 2.6%.
- 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 ten months of 2008, business bankruptcies were down 6.5% in Manitoba, and declined 2.2% in Canada.
- In the first ten months of 2008, consumer bankruptcies decreased 2.7% in Manitoba and increased 10.5% in Canada.
- In 2007, business bankruptcies decreased 36.3% in Manitoba, the best record in Canada and declined 6.6% in Canada. 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 ten months of 2008, Manitoba exports increased 4.8%, while Canadian exports were up 9.5%.
- In the first ten months of 2008, Manitoba's U.S. exports increased 6.8% while non-U.S. exports were unchanged.
- In 2007, Manitoba exports increased 17.8% compared to a 2.1% increase in Canada. Manitoba U.S. exports were up 7.8% in 2007, while Canadian exports to the U.S. decreased 1.0%. Manitoba non-U.S. exports increased 50.4% while increasing 16.0% in Canada.

Foreign Merchandise Exports (% Change)		
	<u>2007</u>	<u>2008ytd</u>
All Countries	13.7	4.8
U.S.	6.6	6.8
Non-U.S.	36.8	0.0

Electricity Sales

- In the first eleven months of 2008, Manitoba electricity sales increased 4.7% with a 4.7% increase in domestic sales and a 4.8% increase in export sales.
- In 2008 Manitoba electricity export sales will be the third highest on record as a result of a near record level of Canadian exports.
- 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. In 2007, U.S.-export sales decreased 14.4% but were the third-highest level on record.

Manitoba Finance

**Economic and Fiscal Analysis Branch, Federal-Provincial Relations and Research Division
(204) 945-3757**

Director: Jim Hrichishen

Jim.Hrichishen@gov.mb.ca

Manager: Narendra Budhia

Narendra.Budhia@gov.mb.ca

Analyst: Jim Gibbs

Jim.Gibbs@gov.mb.ca

Analyst: Stephen Verhaeghe

Stephen.Verhaeghe@gov.mb.ca

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