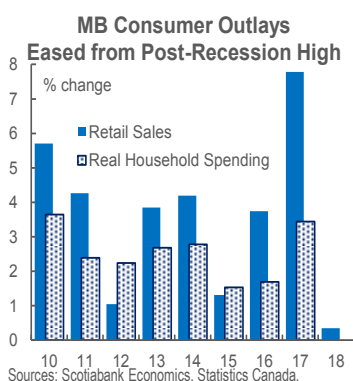
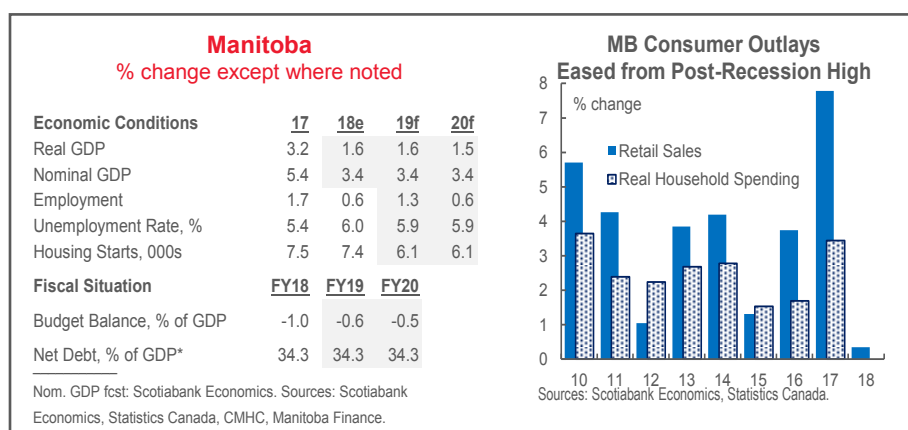


## Manitoba: 2019–20 Outlook

- Manitoba's expansion is forecast to hold steady in 2019 and 2020, with respective real output advances of 1.6% and 1.5% expected to follow a similar gain in 2018. More muted rises in exports—to the US as the American expansion eases, and to provincial trading partners as Canadian growth cools—will likely be a key contributor to the softer growth trajectory. Yet shipments to China should stabilize after the value of soybean exports to that nation fell by more than 50% last year, from an all-time high in 2017. Diminished mining activity should also dampen the expansion: a major copper mine closed in H2-2018, and another mine closure is anticipated in 2020.
- On a more positive note, total employment is forecast to accelerate to 1.3% in 2019, which should support household expenditure gains this year. Consumer outlays eased last year in the aftermath of 2017's post-recession high (see chart). And if recent history is any indication, the province is poised to benefit from greater immigration levels. During 2014–18, employment rates for prime working-age newcomers to Manitoba averaged 82.6%—more than any other jurisdiction.
- Mid-sized capital projects should also buttress economic growth in Manitoba this year and next. Construction of two food processing facilities in Portage La Prairie, with combined costs of \$960 mn<sup>1</sup>, is slated to continue through 2019 and should lift capital investment this year as well as production capacity more substantially in 2020. A five-year, \$1 bn broadband infrastructure investment, and the \$453 mn Manitoba-Minnesota transmission line also proceed this year. These ventures should mitigate the impacts of more moderate activity related to the BiPole III and Keeyask hydroelectric projects.

### CONTACTS

**Marc Desormeaux, Provincial Economist**  
 416.866.4733  
 Scotiabank Economics  
[marc.desormeaux@scotiabank.com](mailto:marc.desormeaux@scotiabank.com)



<sup>1</sup> Figures reported in Canadian dollars unless otherwise stated.

<b>Provincial Forecast Summary</b>											
The Provinces											
	(annual % change except where noted)										
	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
<b>Real GDP</b>											
2000–17	2.1	2.4	1.8	1.3	1.2	1.8	2.0	2.3	2.0	2.8	2.7
2017	3.0	0.9	3.5	1.5	1.8	2.8	2.8	3.2	2.2	4.4	3.8
2018e	1.8	-0.8	1.9	1.2	1.0	2.1	2.2	1.6	1.4	1.6	1.9
2019f	1.6	1.3	1.5	1.0	0.8	1.7	1.7	1.6	1.6	1.2	2.4
2020f	2.1	0.9	1.1	0.9	0.9	1.7	1.7	1.5	1.7	2.5	3.5
<b>Nominal GDP</b>											
2000–17	4.3	5.6	4.2	3.3	3.4	3.7	3.9	4.4	5.4	5.9	4.7
2017	5.6	4.3	4.8	2.9	4.3	5.0	4.1	5.4	4.8	10.0	6.9
2018e	3.6	2.4	3.7	3.0	2.8	4.2	3.4	3.4	3.4	3.6	3.9
2019f	2.6	2.3	3.4	2.7	2.4	2.2	2.3	3.4	3.5	1.8	4.3
2020f	4.6	4.3	3.1	2.9	2.6	3.8	4.0	3.4	4.4	5.3	6.5
<b>Employment</b>											
2000–17	1.4	0.6	1.1	0.6	0.4	1.3	1.3	1.0	1.1	2.2	1.5
2017	1.9	-3.7	3.1	0.6	0.4	2.2	1.8	1.7	-0.2	1.0	3.7
2018	1.3	0.5	3.0	1.5	0.3	0.9	1.6	0.6	0.4	1.9	1.1
2019f	1.6	1.3	1.0	1.5	0.5	1.2	1.9	1.3	1.2	1.1	2.2
2020f	0.7	0.0	0.7	0.2	0.2	0.6	0.7	0.6	0.6	1.0	1.0
<b>Unemployment Rate (%)</b>											
2000–17	7.1	14.3	11.1	8.8	9.5	7.9	7.0	5.1	5.0	5.3	6.5
2017	6.3	14.8	9.8	8.4	8.1	6.1	6.0	5.4	6.3	7.8	5.1
2018	5.8	13.8	9.4	7.6	8.0	5.5	5.6	6.0	6.1	6.6	4.7
2019f	5.7	12.6	9.3	6.9	8.0	5.3	5.7	5.8	5.8	6.5	4.5
2020f	5.9	12.5	9.4	7.0	8.0	5.5	5.8	5.8	5.9	6.7	4.7
<b>Housing Starts (units, 000s)</b>											
2000–17	200	2.5	0.8	4.3	3.4	44	72	5.2	5.2	34	29
2017	220	1.4	0.9	4.0	2.3	46	79	7.5	4.9	29	44
2018	213	1.1	1.1	4.8	2.3	47	79	7.4	3.6	26	41
2019f	202	1.3	0.8	3.9	1.8	43	73	6.1	4.2	28	39
2020f	200	1.4	0.8	3.8	2.0	41	72	6.1	5.0	31	37
<b>Motor Vehicle Sales (units, 000s)</b>											
2000–17	1,657	29	6	48	38	413	635	47	45	216	180
2017	2,041	33	9	59	42	453	847	62	56	245	235
2018	1,984	28	8	51	38	449	853	67	47	226	217
2019f	1,930	30	8	48	35	430	826	60	48	220	225
2020f	1,900	30	8	47	34	420	810	55	48	215	233
<b>Budget Balances, Fiscal Year Ending March 31 (CAD mn)</b>											
2017	-19,000	-1,148	-1	151	-117	2,361	-991	-764	-1,218	-10,784	2,737
2018	-19,000	-911	75	230	67	2,622	-3,700	-695	-303	-8,023	301
2019e	-14,900	-522	14	28	5	2,500	-11,736	-470	-348	-6,930	374

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents; Quebec budget balance figures are after Generations Fund transfers.

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