

## **SASKATCHEWAN POISED FOR STRONG ECONOMIC GROWTH, SAYS RBC ECONOMICS**

### **Diversified economic drivers boost growth**

**TORONTO, March 30, 2007** — Saskatchewan's economy is well positioned for solid growth of 2.8 per cent in 2007 and 2.9 per cent in 2008, according to a provincial economic outlook released today by RBC.

“Saskatchewan's economy is powering ahead and is expected to remain above the national growth average in 2007,” said Craig Wright, vice-president and chief economist, RBC. “A buoyant natural resources sector should combine with early optimism on crop conditions, and ongoing strength in consumer spending, to boost Saskatchewan's economic growth performance.”

RBC notes that production at the flooded Cigar Lake uranium mine is now targeted to commence in 2010, subject to regulatory approval and timely remediation. In the meantime, robust global demand for uranium and potash, combined with diamond mining activity should raise the serious possibility of Saskatchewan experiencing strong growth for years to come.

With the country's second largest oil reserves - behind Alberta - the province is also seeing its share of investment including the start of construction on a heavy oil upgrader in Lloydminster this year. Added capital projects include new ethanol and canola crushing plants.

While still early in the year, Saskatchewan's agricultural conditions are encouraging, heading into the crucial spring planting season, the RBC report says. Selling last year's grain inventories at elevated prices, decent precipitation readings and relatively high current grain prices should leave farm cash flows in a better position, acting as a good support to consumer spending.

For the overall Canadian economy, RBC forecasts that the gap between growth in the more heavily resource based provinces and central Canada will narrow over 2007-08. Newfoundland and Labrador will be the leader this year with growth of four per cent followed by Alberta at 3.6 per cent. Prince Edward Island and Ontario will be at the back of the pack, each with growth rates of about two per cent.

The RBC Economics *Provincial Outlook* assesses the provinces according to economic growth, employment growth, unemployment rates, personal income growth, retail sales, housing starts and the Consumer Price Index.

According to the report (available online as of 8 a.m. E.D.T., at [www.rbc.com/economics/market/pdf/provfcst.pdf](http://www.rbc.com/economics/market/pdf/provfcst.pdf)), provincial forecast details are as follows:

	Real GDP			Housing starts			Retail sales			Employment			CPI		
				Thousands											
	06	07	08	06	07	08	06	07	08	06	07	08	06	07	08
NFLD.	3.5	4.0	1.5	2.2	2.1	2.0	2.9	2.0	2.0	0.7	0.5	0.1	1.8	1.2	1.4
P.E.I.	1.9	1.9	1.7	0.7	0.7	0.7	4.0	2.1	2.1	0.6	0.6	0.4	2.2	1.0	1.3
N.S.	2.4	2.4	2.3	4.9	4.5	4.4	6.3	3.5	3.0	-0.3	0.8	0.3	2.1	1.3	1.3
N.B.	2.5	2.4	2.6	4.1	3.8	3.9	5.5	3.2	3.2	1.4	1.2	0.4	1.6	1.1	1.4
QUE.	2.0	2.1	2.7	47.9	42.1	43.0	4.6	4.1	4.0	1.3	1.2	0.9	1.7	0.8	2.2
ONT.	1.3	2.0	3.1	73.4	66.8	67.7	4.0	4.2	5.8	1.5	1.4	1.2	1.8	1.0	2.4
MAN.	3.4	2.7	2.9	5.0	4.5	4.3	5.8	4.2	4.1	1.2	0.8	0.6	1.9	0.9	1.8
SASK.	3.6	2.8	2.9	3.7	3.4	3.3	5.9	5.0	4.5	1.7	2.1	0.8	2.0	1.2	2.0
ALTA.	6.5	3.6	3.2	49.0	44.0	41.4	16.0	9.3	8.0	4.8	3.8	1.6	3.9	3.0	2.6
B.C.	4.7	3.4	3.4	36.4	33.9	33.8	6.2	6.6	6.3	3.1	3.0	2.0	1.8	1.9	2.8
CANADA	2.7	2.5	3.0	229	207	206	6.2	5.2	5.2	2.0	1.8	1.2	2.0	1.7	2.4

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