



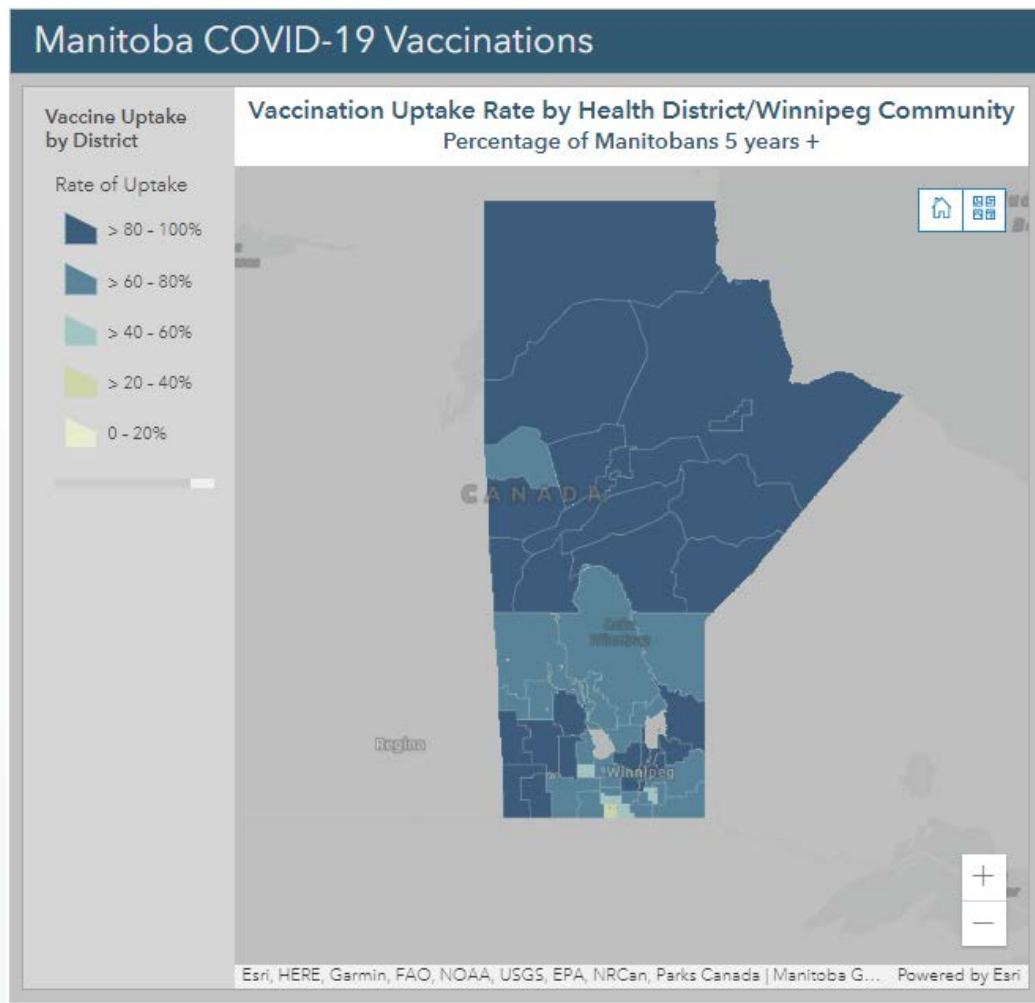
Manitoba Economy: Situation and Outlook

Chris Ferris, Senior Economist
for MABE Outlook Conference
on February 10, 2022



Summary

- State of Manitoba's Economy
- Policy Environment and Budget Changes
- Outlook + Risks
 - Enabling Economic Growth & Recovery



COVID-19 Vaccinations

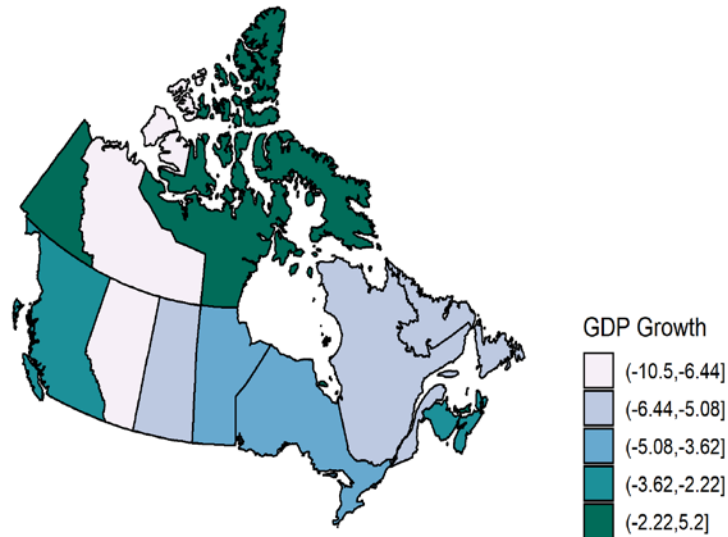
- At least 80.3 per cent of eligible Manitoba's have two doses of a COVID-19 vaccine as of February 7, 2022.
- Everyone aged five plus is eligible for COVID-19 vaccination. Only those aged zero to four do not have an approved COVID-19 vaccine.
- While Omicron has caused surging cases, those who have received 3 doses are at much lower risk of severe outcomes from Omicron. (Hospitalization, ICU, death).
- Between vaccination and non-pharmaceutical interventions, Canadians are in a much better position to handle COVID-19's economic disruptions.

Source: Manitoba Government, February 7, 2022 ([Link](#)).

<https://experience.arcgis.com/experience/f55693e56018406ebbd08b3492e99771>

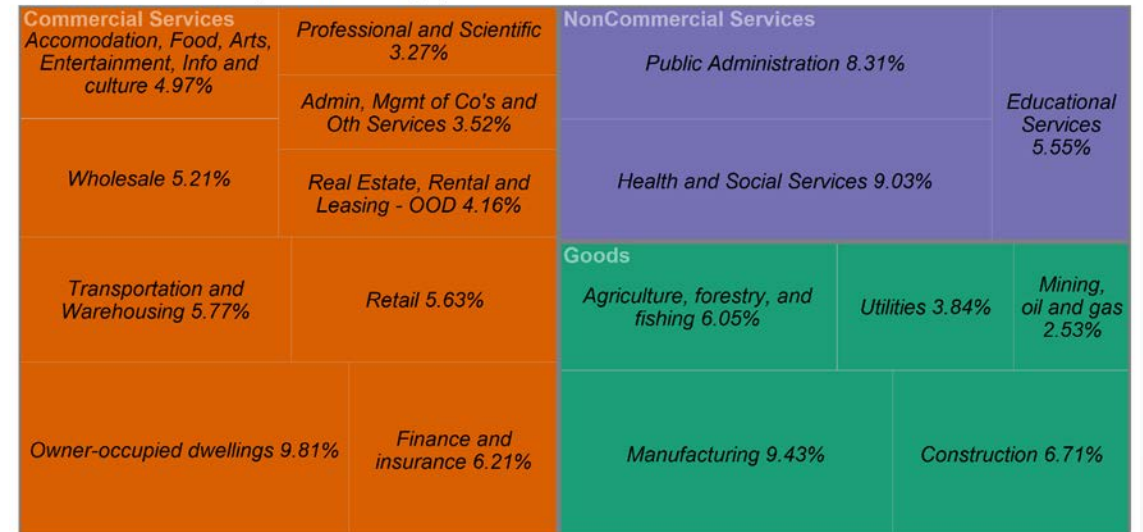
GDP Growth by Province/Terr. and Manitoba GDP by Industry Share: 2020

RGDP Growth (Decline) by Province/Territory in 2020 (Y/Y % change)



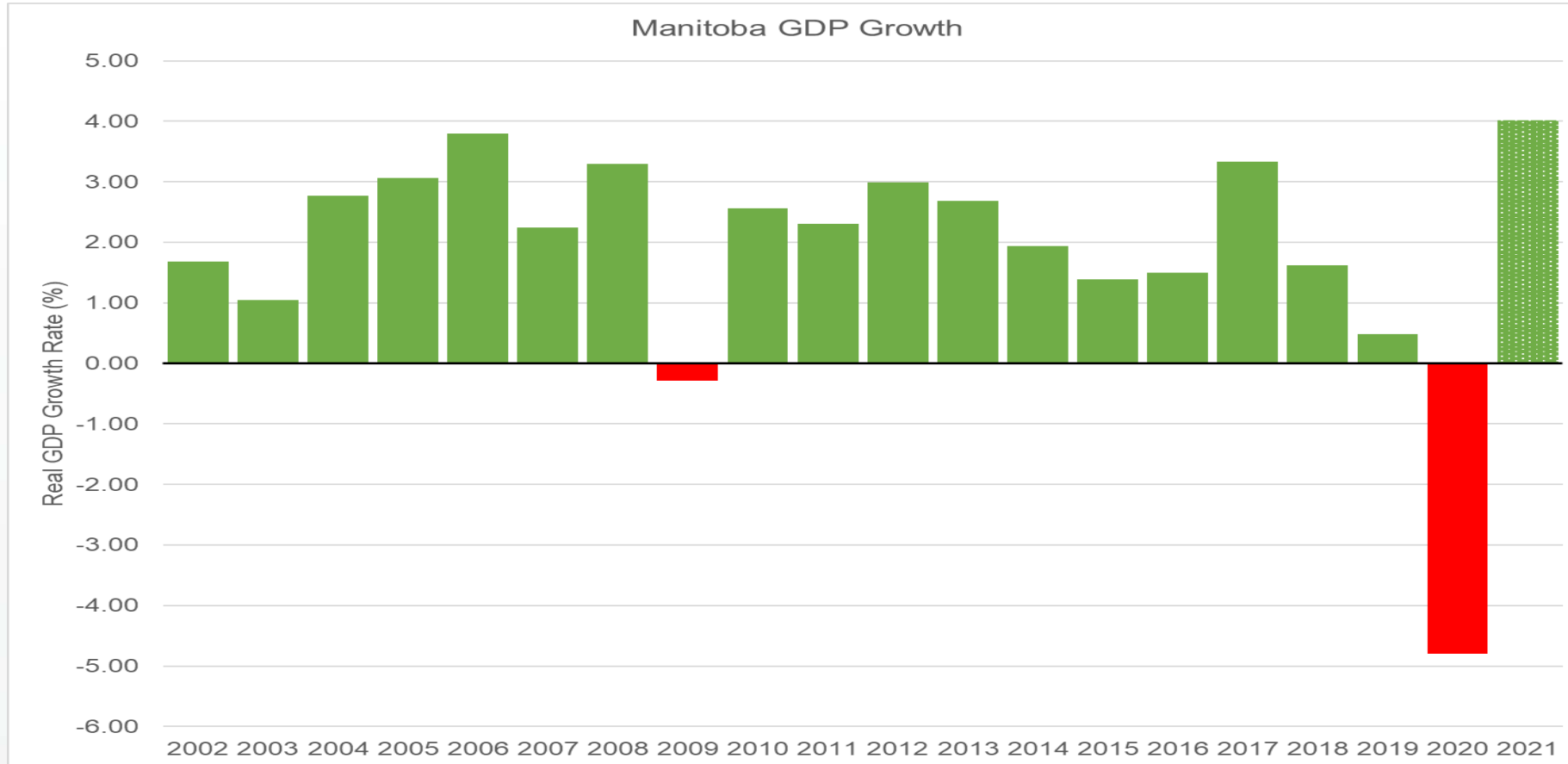
Source: Statistics Canada, Tables 36-10-0402-01
Real GDP by Prov/Terr, Chained 2012 dollars

Manitoba GDP Share by Sector, 2020 (%)



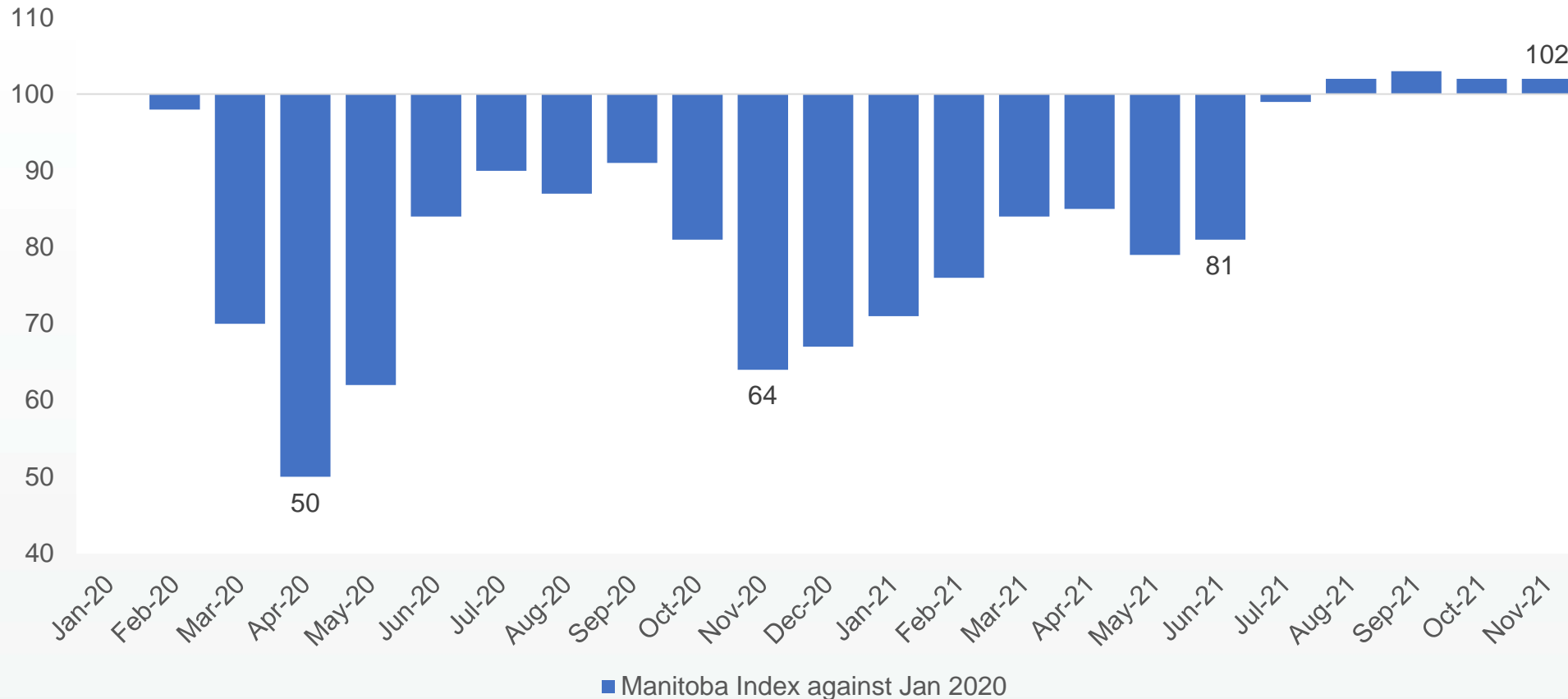
Source: Statistics Canada, Real GDP by Sector, Province - Chained 2012, Tables 36-10-0402-01

Manitoba RGDP Growth



Source: Conference Board of Canada

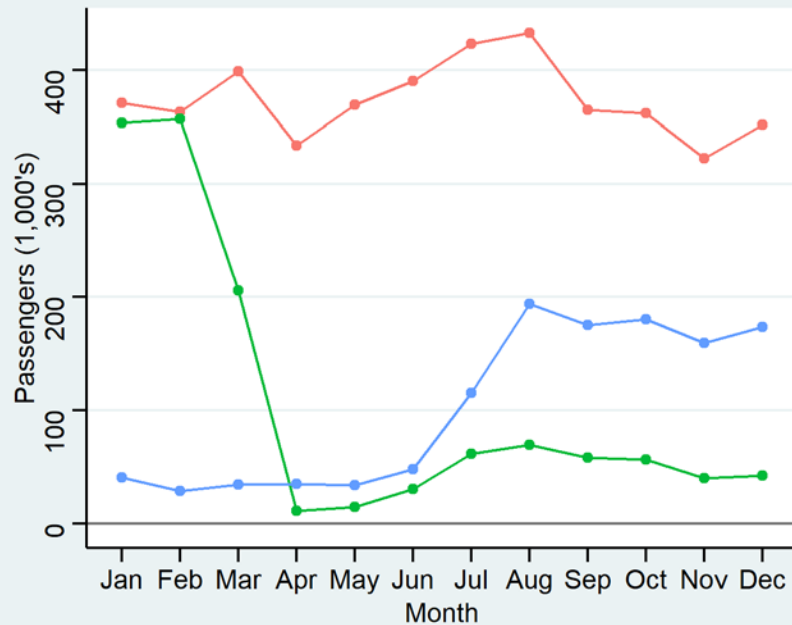
Manitoba Total Food Services and Drinking Places Index (100 = same as January 2020)



Source: Statistics Canada, Table 21-10-0019-01, Monthly survey of food services and drinking places.

WAA Passenger Counts by Trip Type

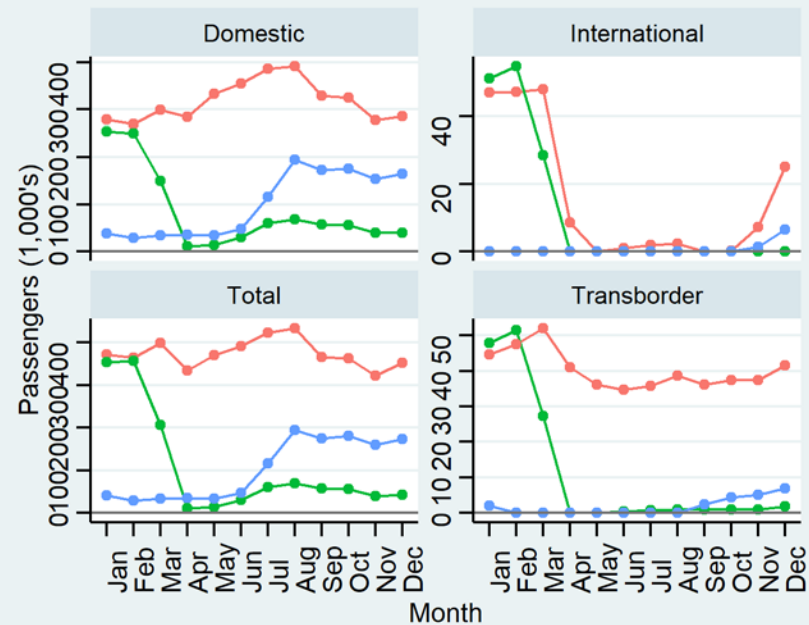
Total WAA Passenger counts by month
in 1,000's



— 2019 — 2020 — 2021

Source: Winnipeg Airport Authority
Historical Passenger Statistics

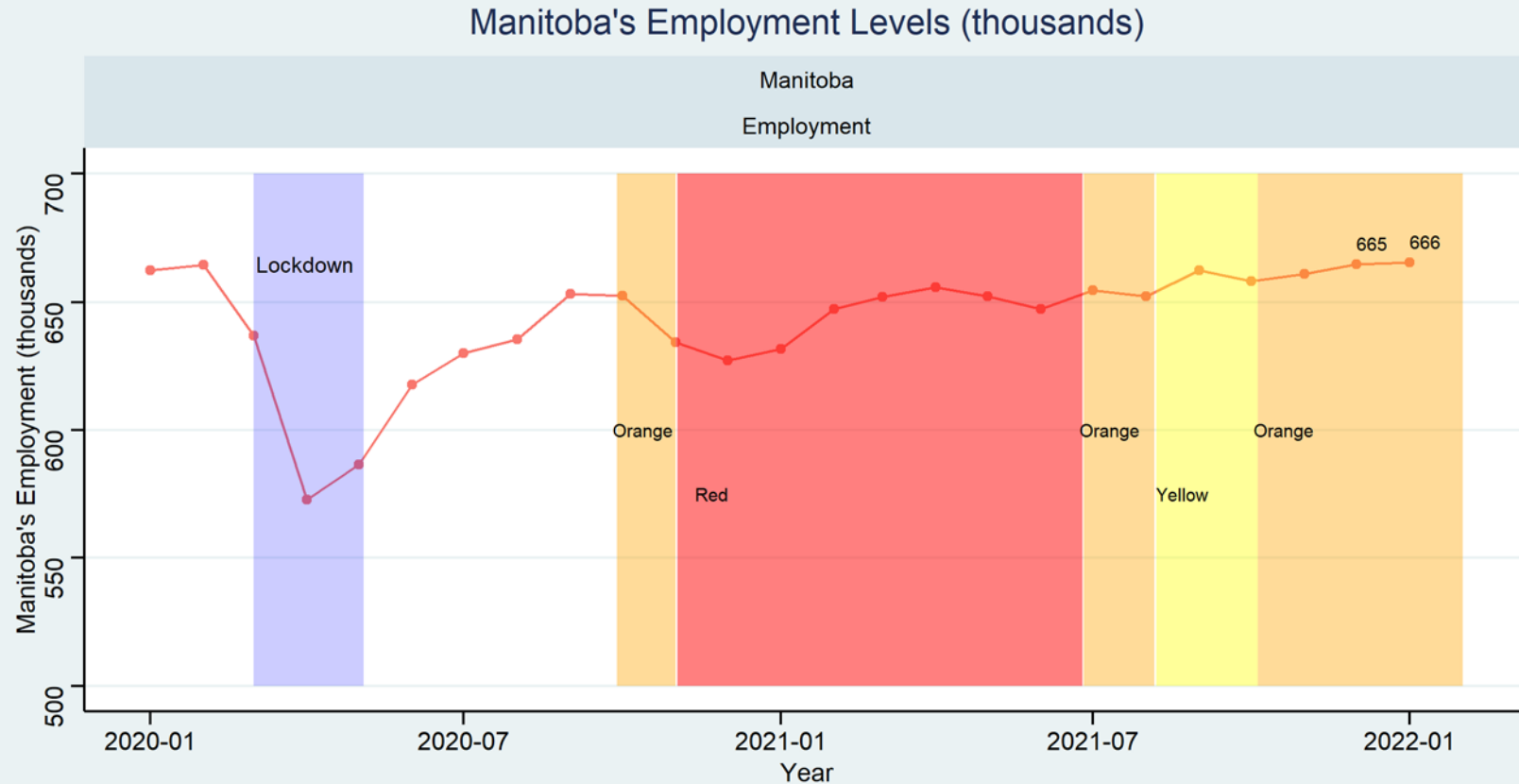
WAA Passenger counts by month, Type
1,000's



— 2019 — 2020 — 2021

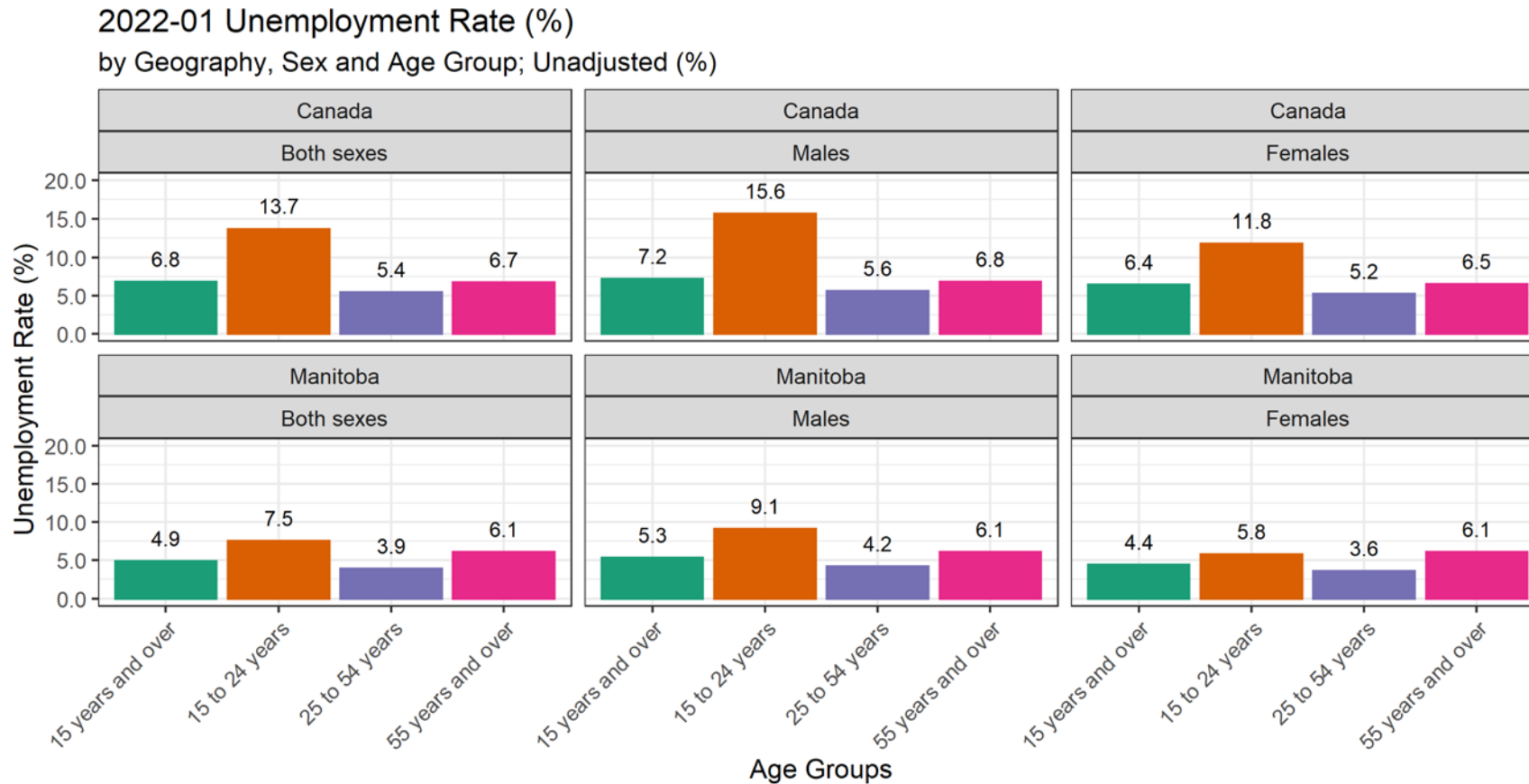
Source: Winnipeg Airport Authority
Historical Passenger Statistics

Manitoba's Employment by Month (Jan 2022)



Source: Statistics Canada, LFC, Monthly, Seasonally Adjusted
Tables 14-10-0287-01

Unemployment Rate by Geography, Sex, Age Group (%)

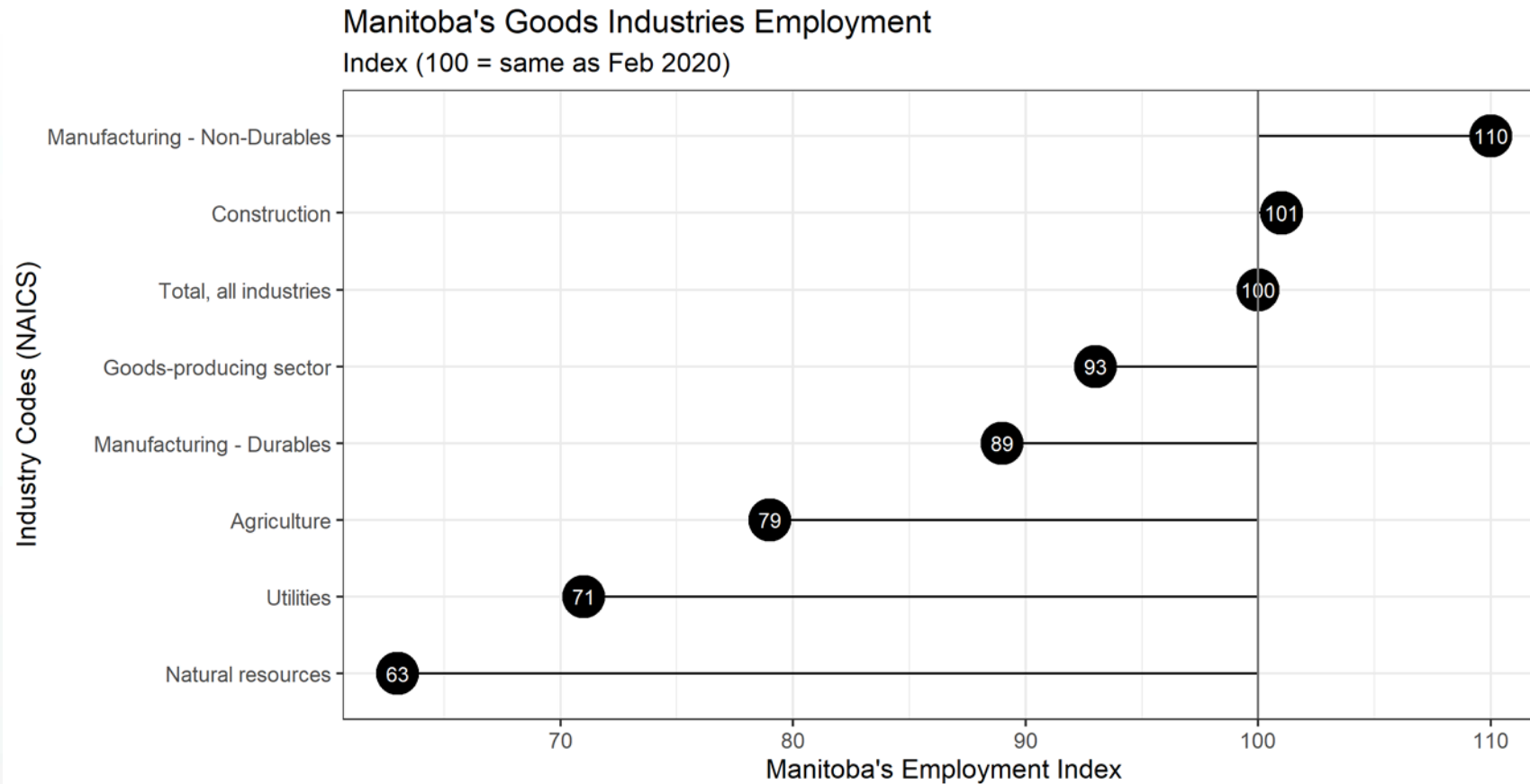


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

Source: Statistics Canada, Table 14-10-0022-01



Manitoba Goods Employment Index: (January 2022 vs Feb 2020)

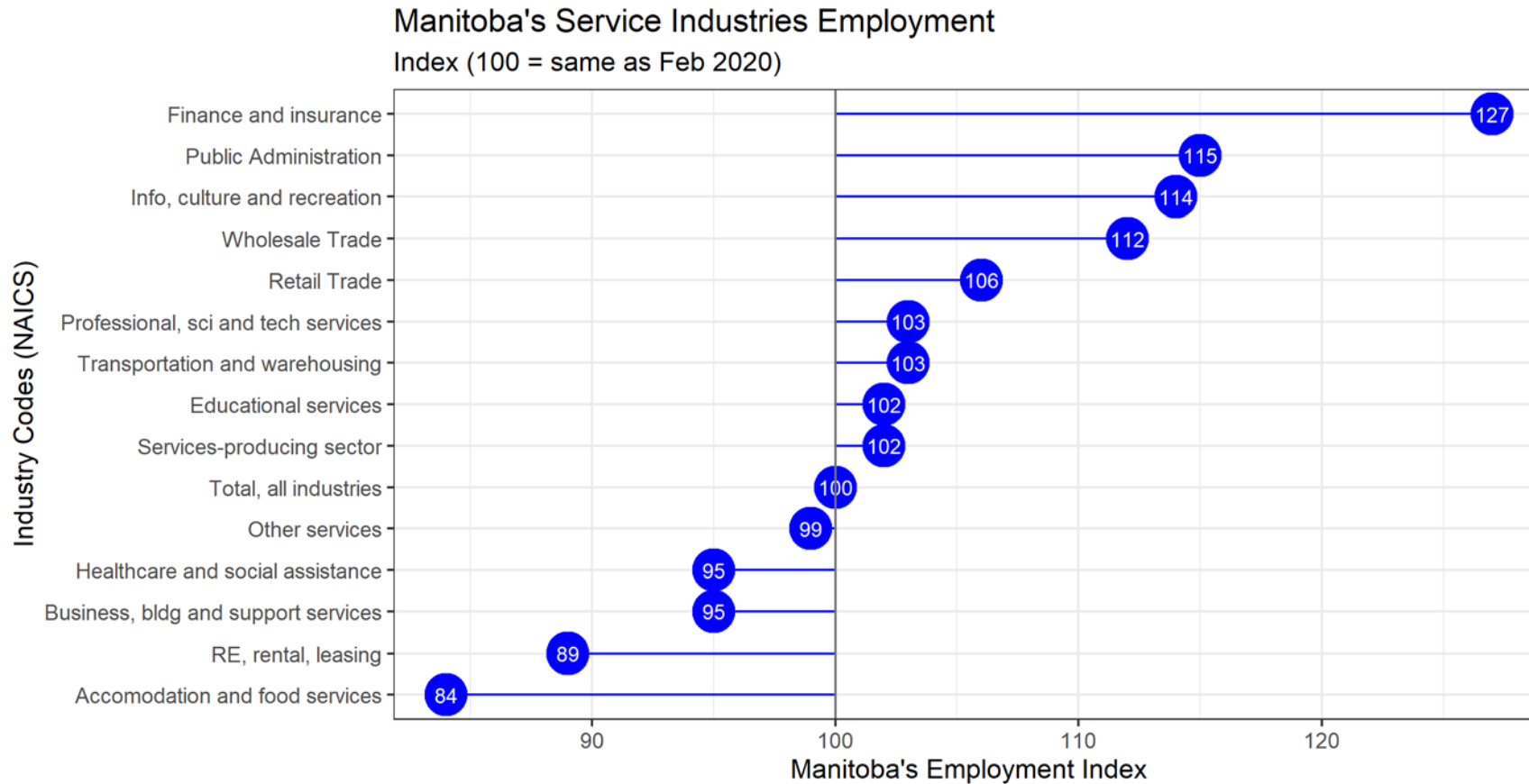


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

Source: Statistics Canada, Table 14-10-0022-01



Manitoba Services Employment Index: (January 2022 vs Feb 2020)

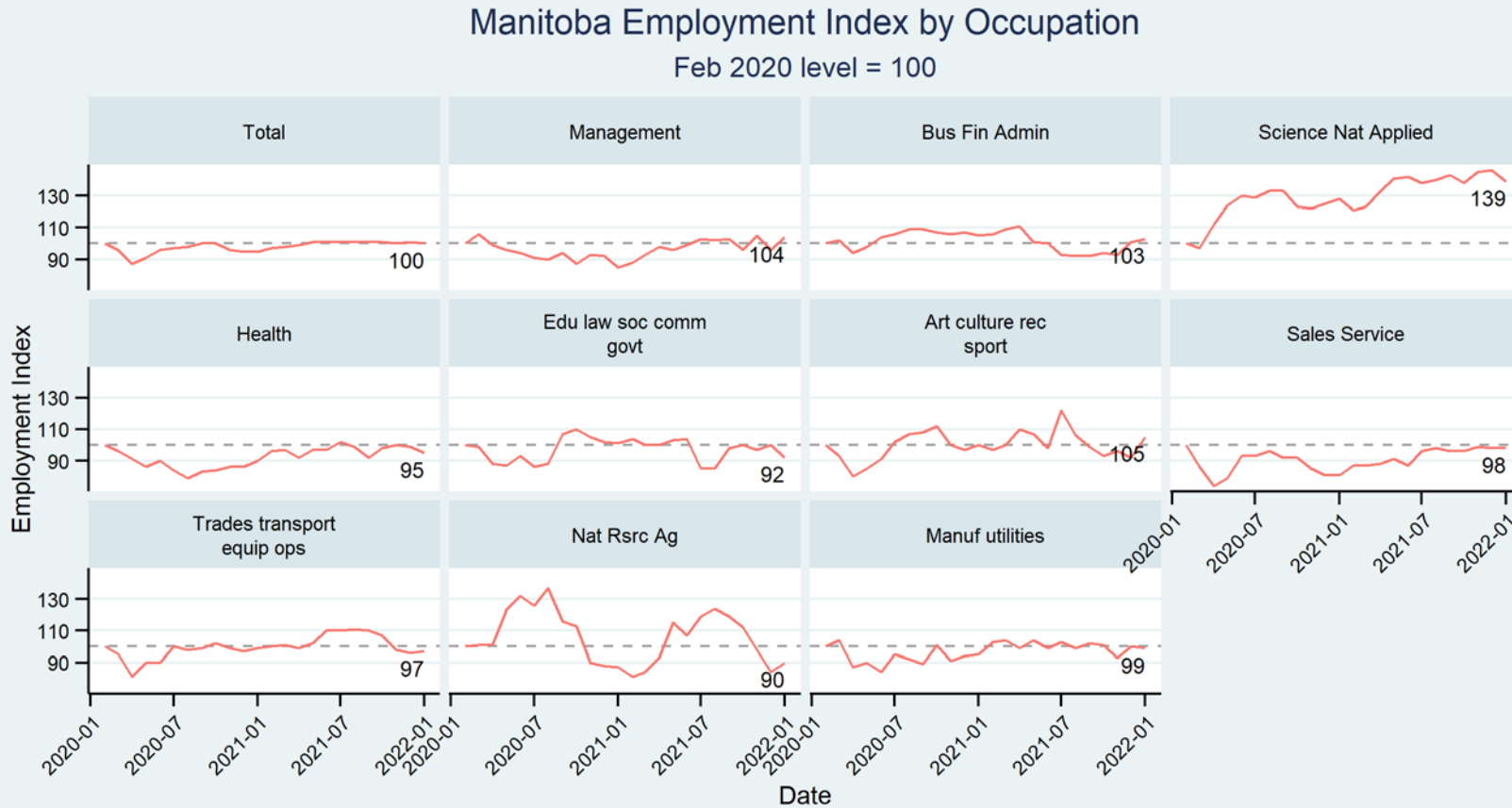


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

Source: Statistics Canada, Table 14-10-0022-01

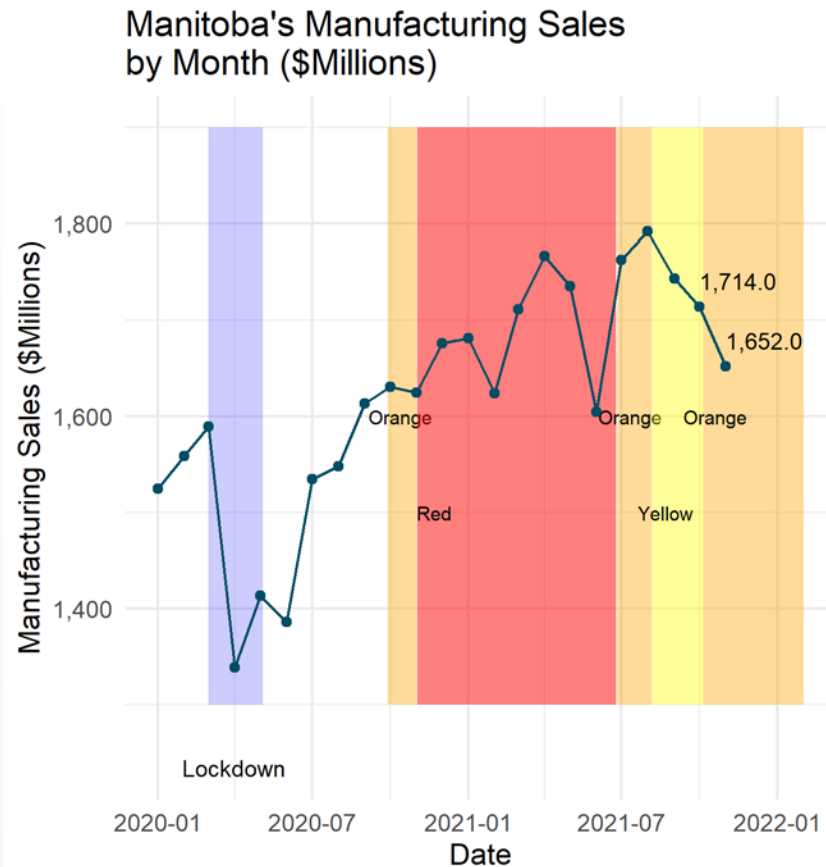


Manitoba Employment Index by Occupation (Feb'20 level = 100)



Source: Statistics Canada, LFC by Occupation, Monthly, Not Seasonally adjusted, Table 14-10-0296-01

Manitoba Manufacturing Sales – November 2021

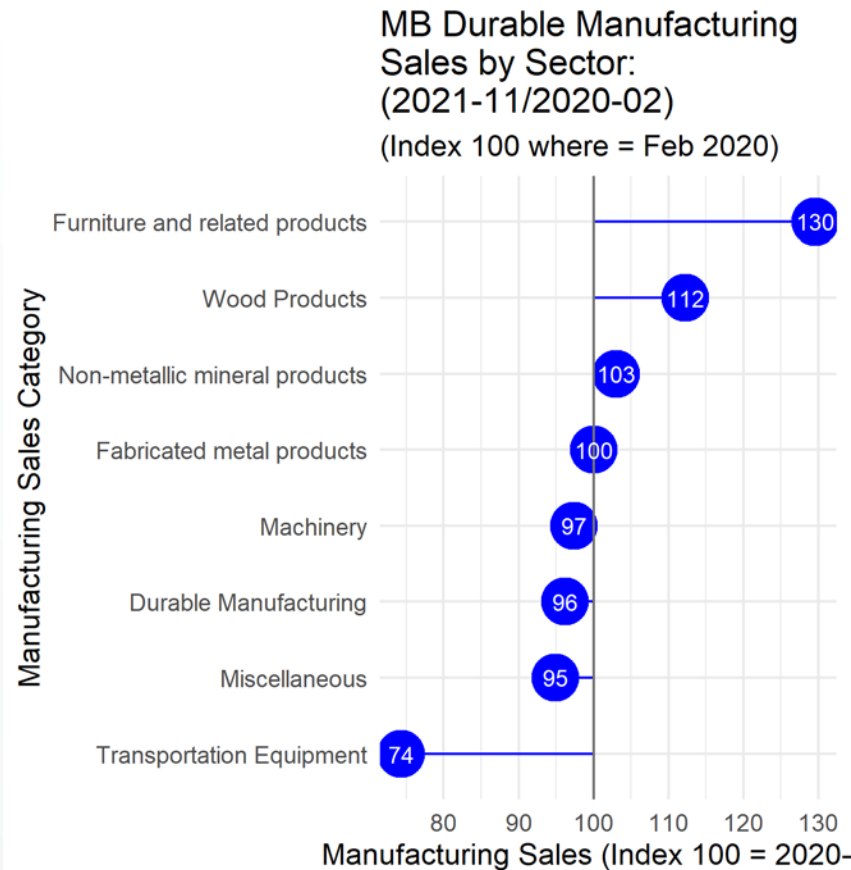


Source: Statistics Canada, Manufacturing Sales by Industry, Monthly Seasonally adjusted, Tables 16-10-0048-01

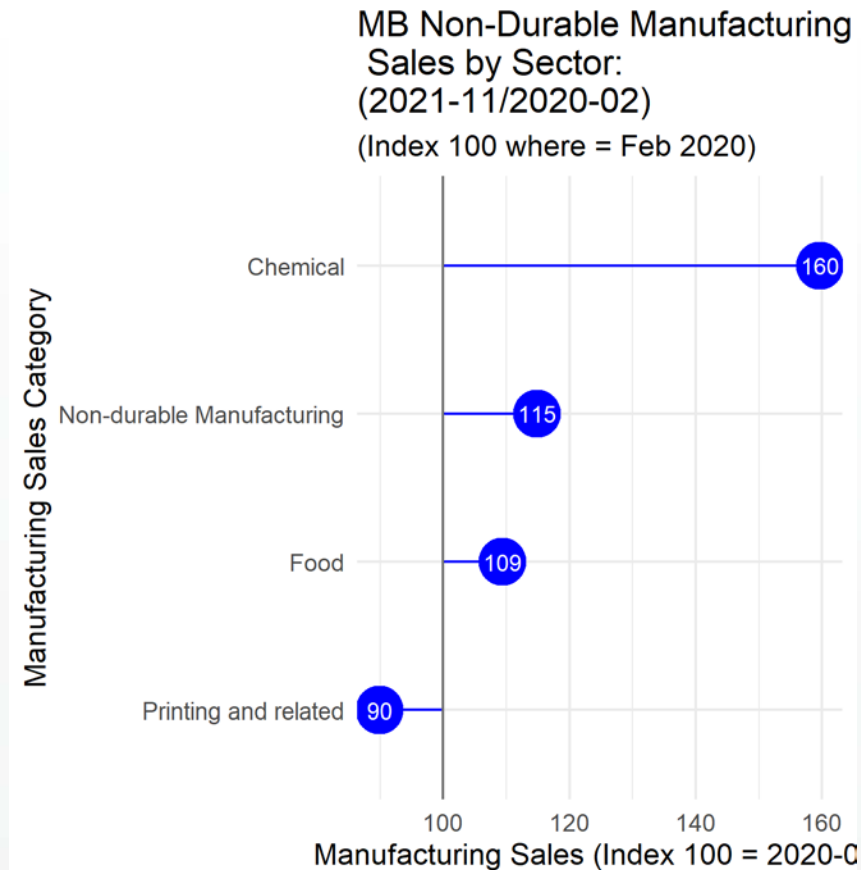
November 2021 Sales:

- \$1.65 billion
- M/M growth: -3.6 percent
- Y/Y Growth: +1.7 per cent

Durable and Non-durable manufacturing Index (Nov'21/Feb'20)

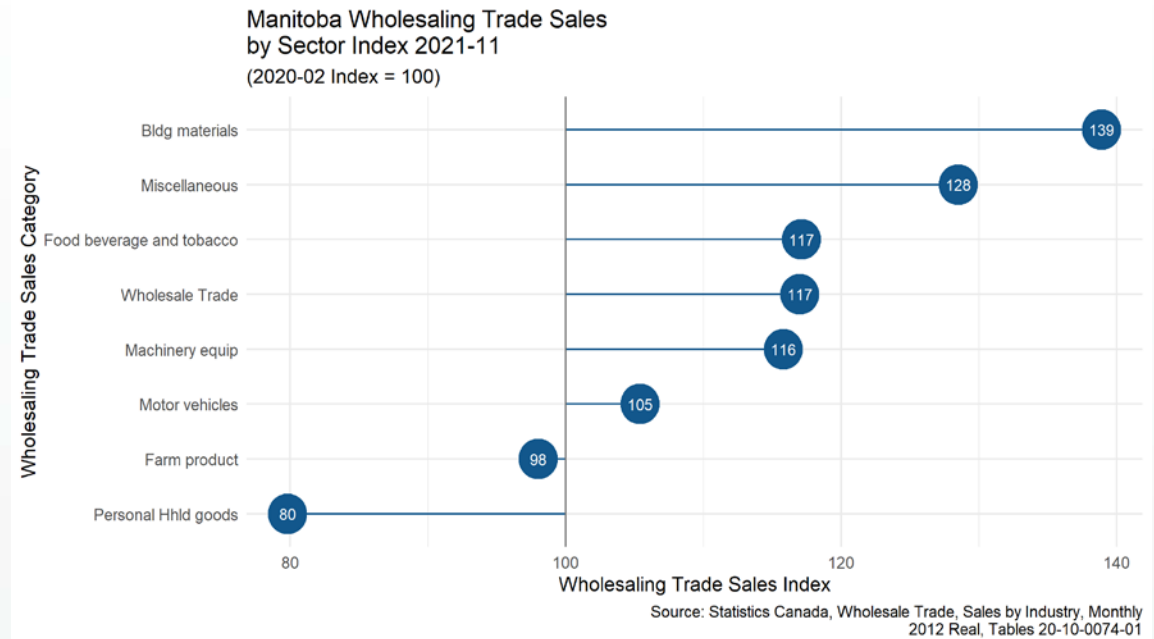
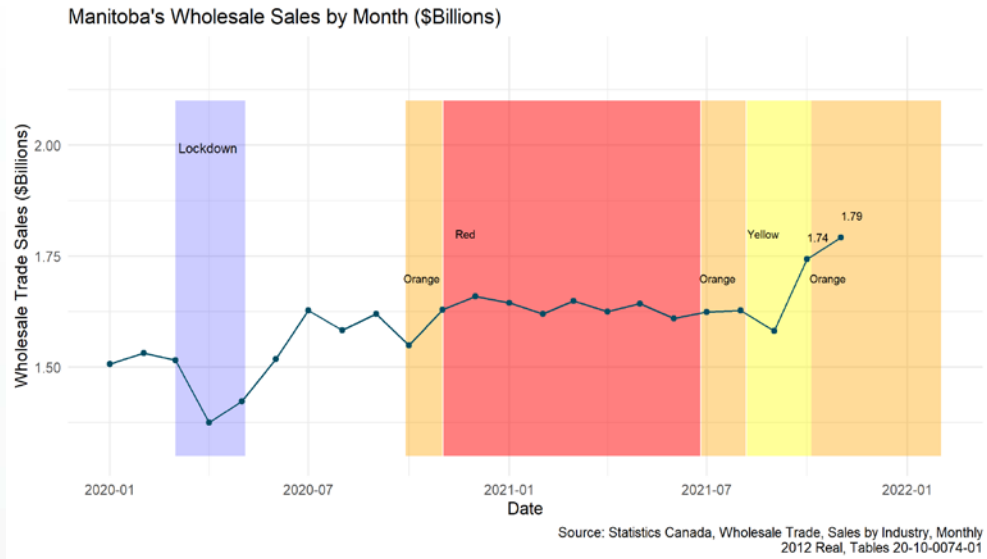


Source: Statistics Canada, Manufacturing Sales by Industry, Monthly Seasonally adjusted, Tables 16-10-0048-01



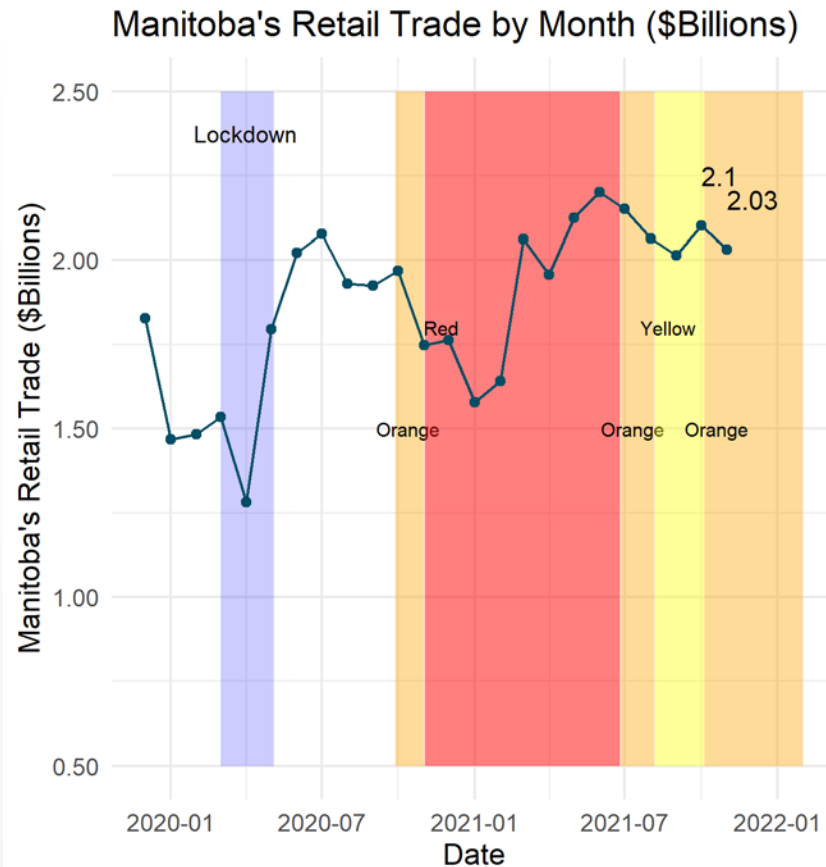
Source: Statistics Canada, Manufacturing Sales by Industry, Monthly Seasonally adjusted, Tables 16-10-0048-01

Wholesale Trade – November 2021



Source: Statistics Canada, Table 20-10-0074-01 Wholesale Trade by Month

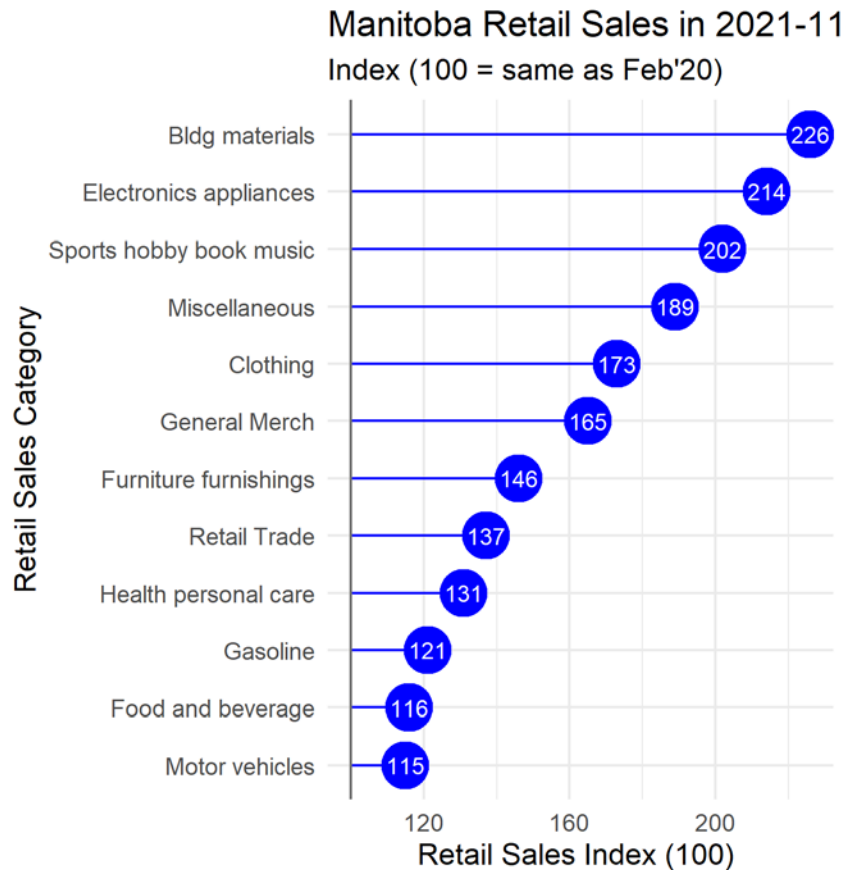
Manitoba Retail Trade – November 2021



Source: Statistics Canada, Retail Trade, Sales by Industry, Monthly Unadjusted, Tables 20-10-0008-01

- November 2021 indexed against February 2020, was up 37 per cent.
- \$2.03 billion in Nov 2021
- Retail sales have recovered from Feb 2020 levels to an index of 137.

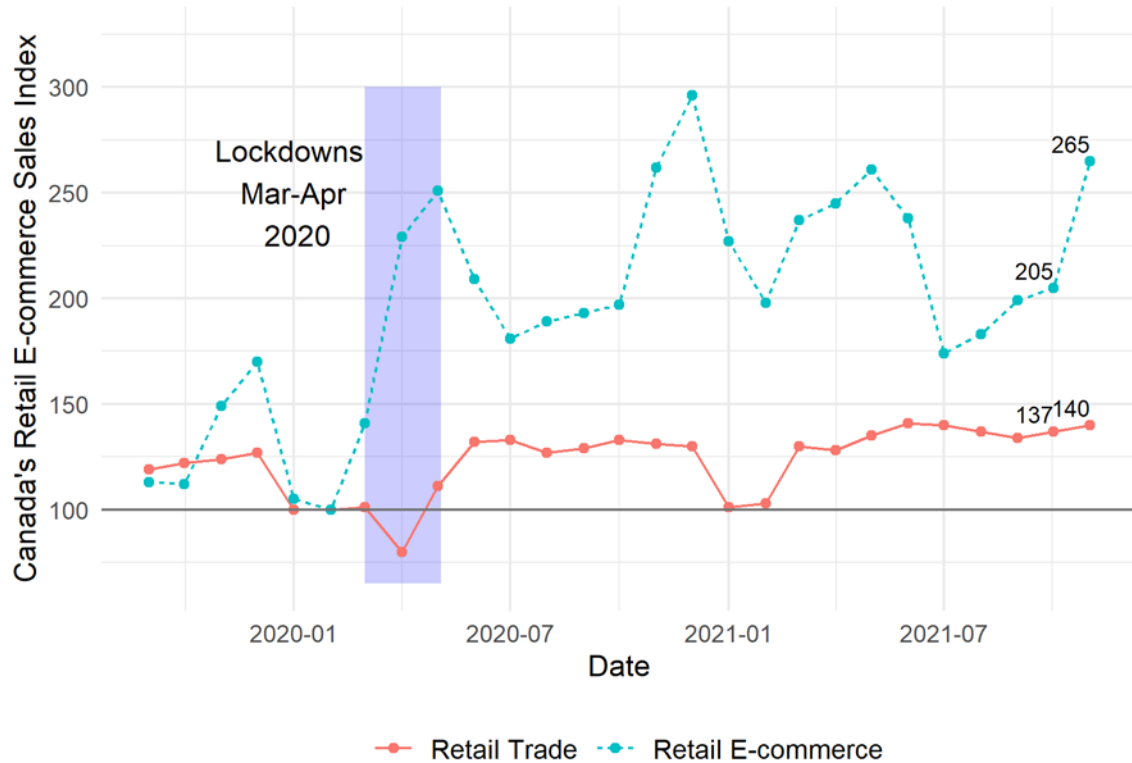
Manitoba Retail Trade by Industry Index (Nov'21/Feb'20)



Source: Statistics Canada, Retail Sales by Industry, Monthly Unadjusted, Tables 20-10-0008-01

- Strong Index (100 = same as Feb'20):
 - **Building Materials** (Index of 226)
 - **Electronics Appliances** (Index of 214)
 - **Sports, hobby, book, music** (Index of 202)
- Weaker than average Index: (down on lockdowns and non-essential goods)
 - **Gasoline** (index of 121)
 - **Food and beverage** (index of 116)
 - **Motor vehicles** (index of 115)

Canada's Retail E-commerce Sales Index
(100 = same as Feb'20)



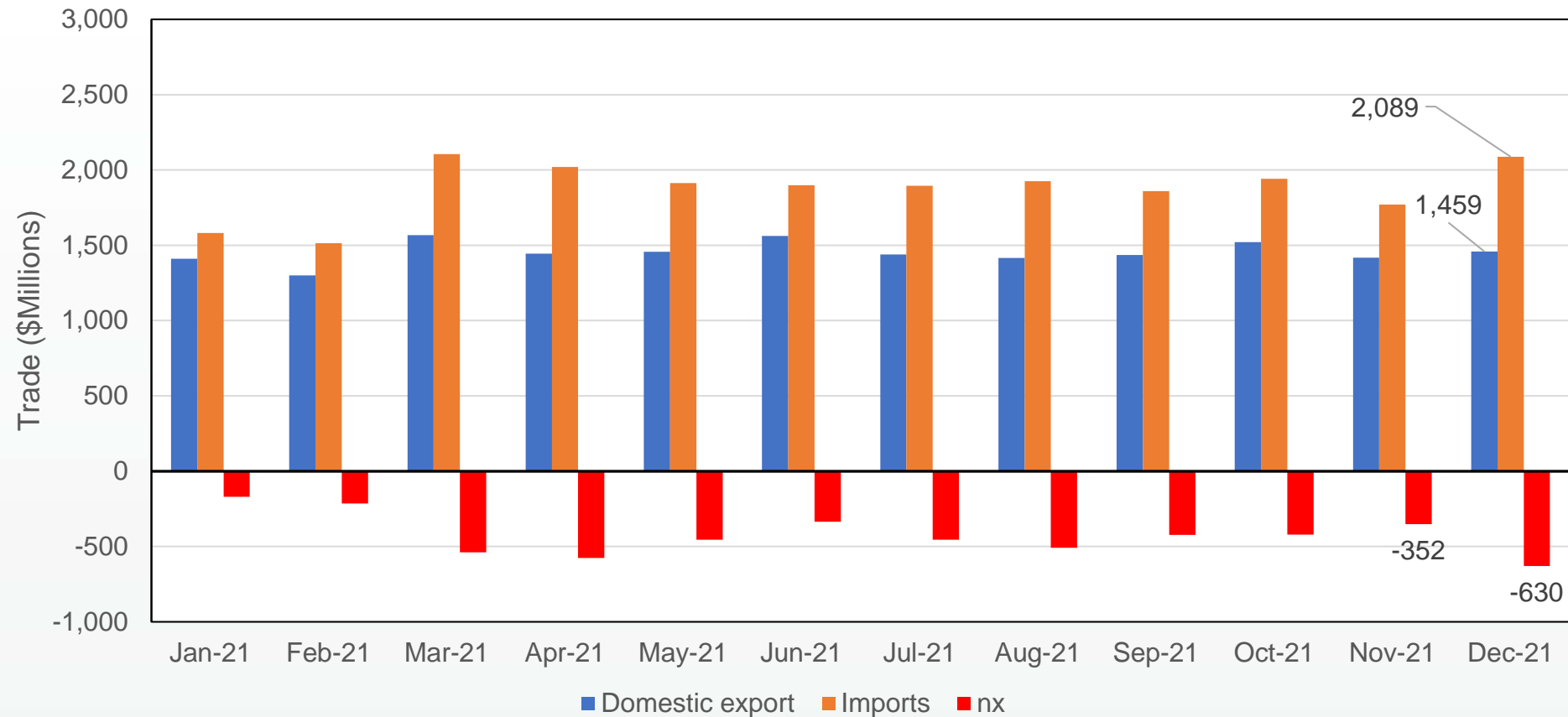
Source: Statistics Canada, Retail E-commerce Sales, Monthly Unadjusted, Tables 16-10-0072-01

Canada's Retail E-commerce Sales Index – Nov'21/Feb'20

- Record high \$4.7 billion in December 2020
- Nov'21 was \$4.3 billion, or 165 per cent higher than in Feb'20.
- E-commerce sales consistently higher than prior year by 64 per cent or more since April 2020

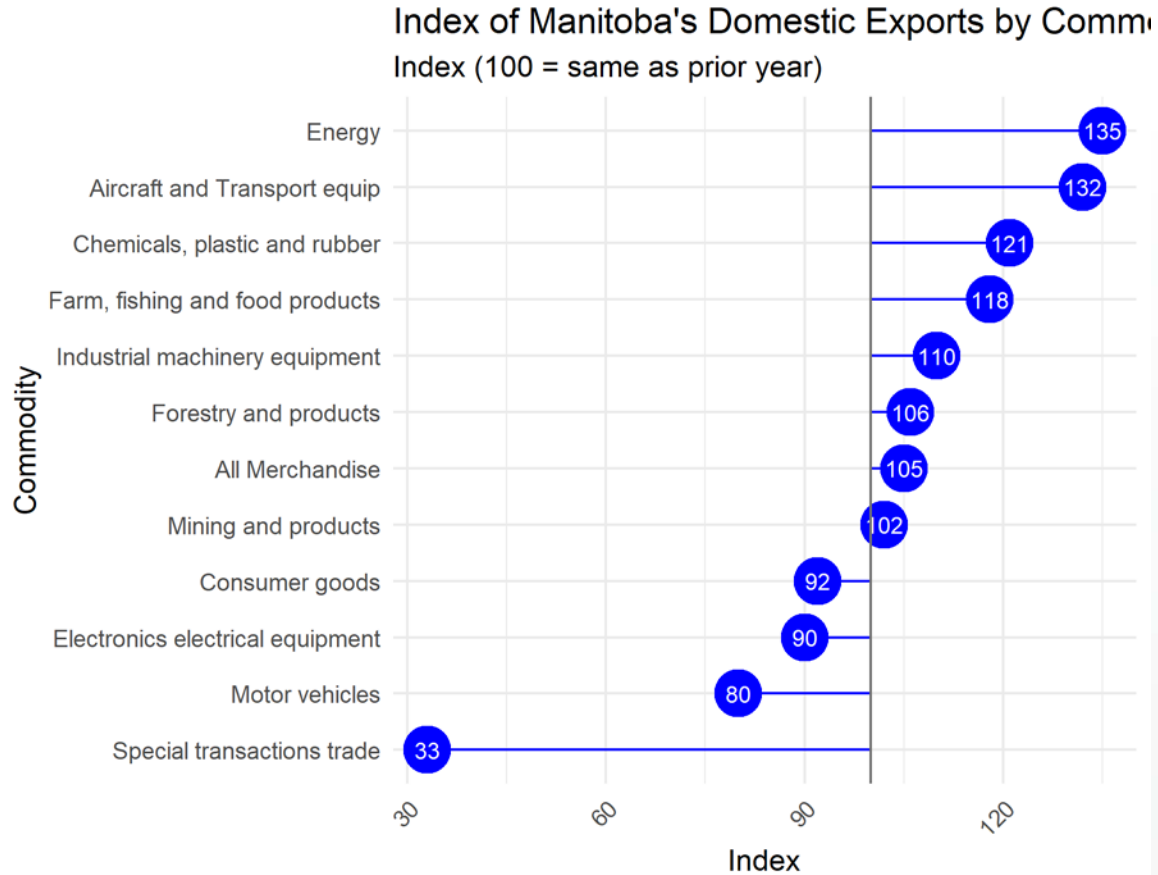
Source: Statistics Canada, Table 16-10-0072-01. Retail E-commerce Sales

Manitoba 2020 Merchandise Trade by Month (\$Millions)



Source: Statistics Canada, Table 12-10-0119-01, International merchandise trade by province, commodity, and Principal Trading Partners

Y/Y Index of Manitoba's Domestic Exports by Commodity (100 = same as prior year)



Source: Statistics Canada, Int'l Merch. Trade by province, commodity & PTP, Monthly Table 12-10-0119-01, Chart by Chris Ferris

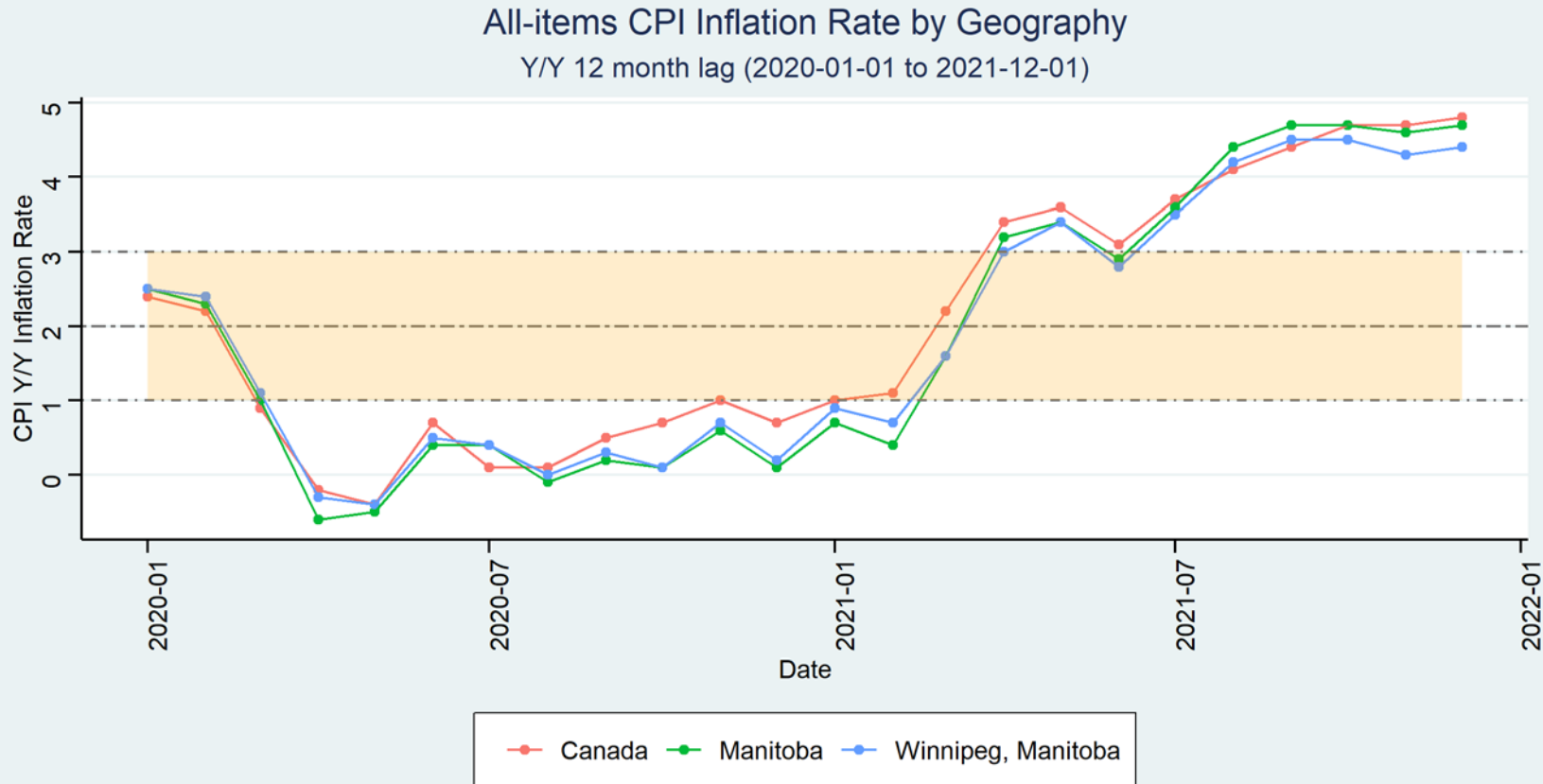
Strength:

- **Energy (Index = 135)**
- **Aircraft and Transportation Equipment (Index = 132)**
- **Chemicals, Plastic and Rubber (index = 121)**

Y/Y Weakness:

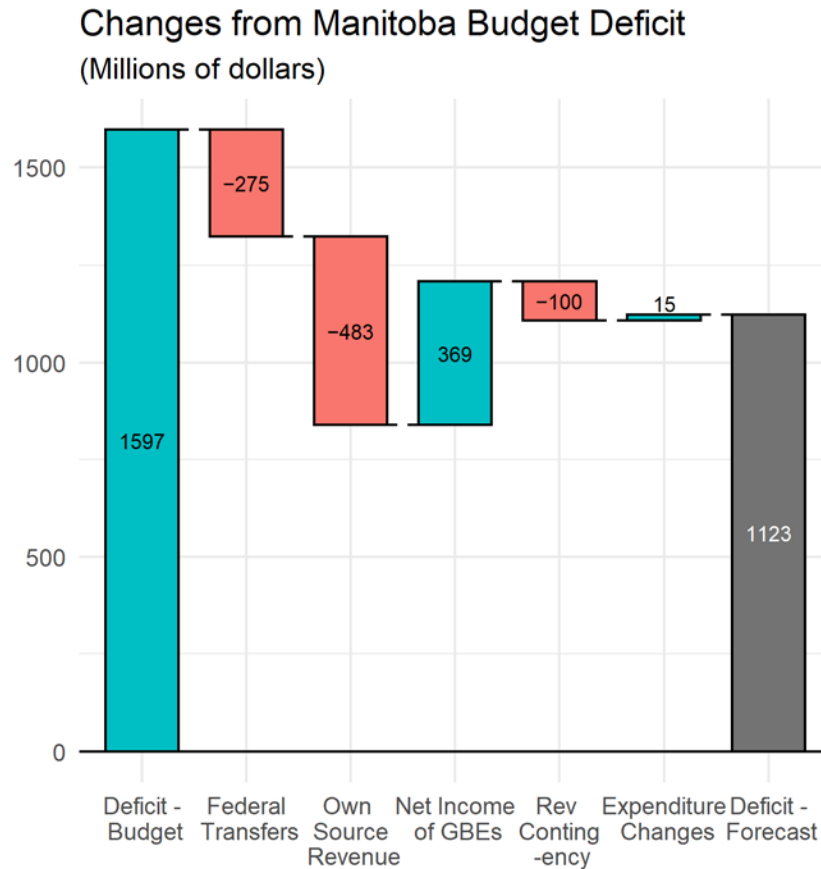
- **Motor Vehicles (index = 80)**

All-items CPI Inflation by Geography



Source: Statistics Canada, Consumer Price Index, monthly not seasonally adjusted, Tables 18-10-0004-01.
Shows Bank of Canada policy mid-point (2%) and control range (+/- 1%)

Changes in Manitoba Government Deficit Forecast (\$millions)



Source: Province of Manitoba: 2021/22 Mid-Year Report - Fiscal and Economic Update December 2021

The waterfall chart shows the components of the 2021/23 deficit projection. Beginning with the **budgeted deficit of \$1,597 million** in Budget 2021, the revenue changes were driven by COVID-19 and economic recovery. Expenditures changes were minor. The changes result in a **revised deficit forecast of \$1,123 million.**

Credit Ratings

Agency	Rating
DBRS	A (high)
Moody's	Aa2
S&P	A+

2021/22 Manitoba Mid-Year Fiscal Update (\$Millions)

Description	Mid-Year Forecast	Budget	Change
Revenue	18,327	17,838	489
Expense	19,450	19,435	15
Net Income (Loss)	(1,123)	(1,597)	474
Summary Net Debt	29,102	29,998	(896)
Net Debt to GDP	36.1%	39.9%	-3.8%

Source: Province of Manitoba, Manitoba Finance, (December 2021) Manitoba 2021/22 Mid-Year Report Fiscal and Economic Update, page 2.



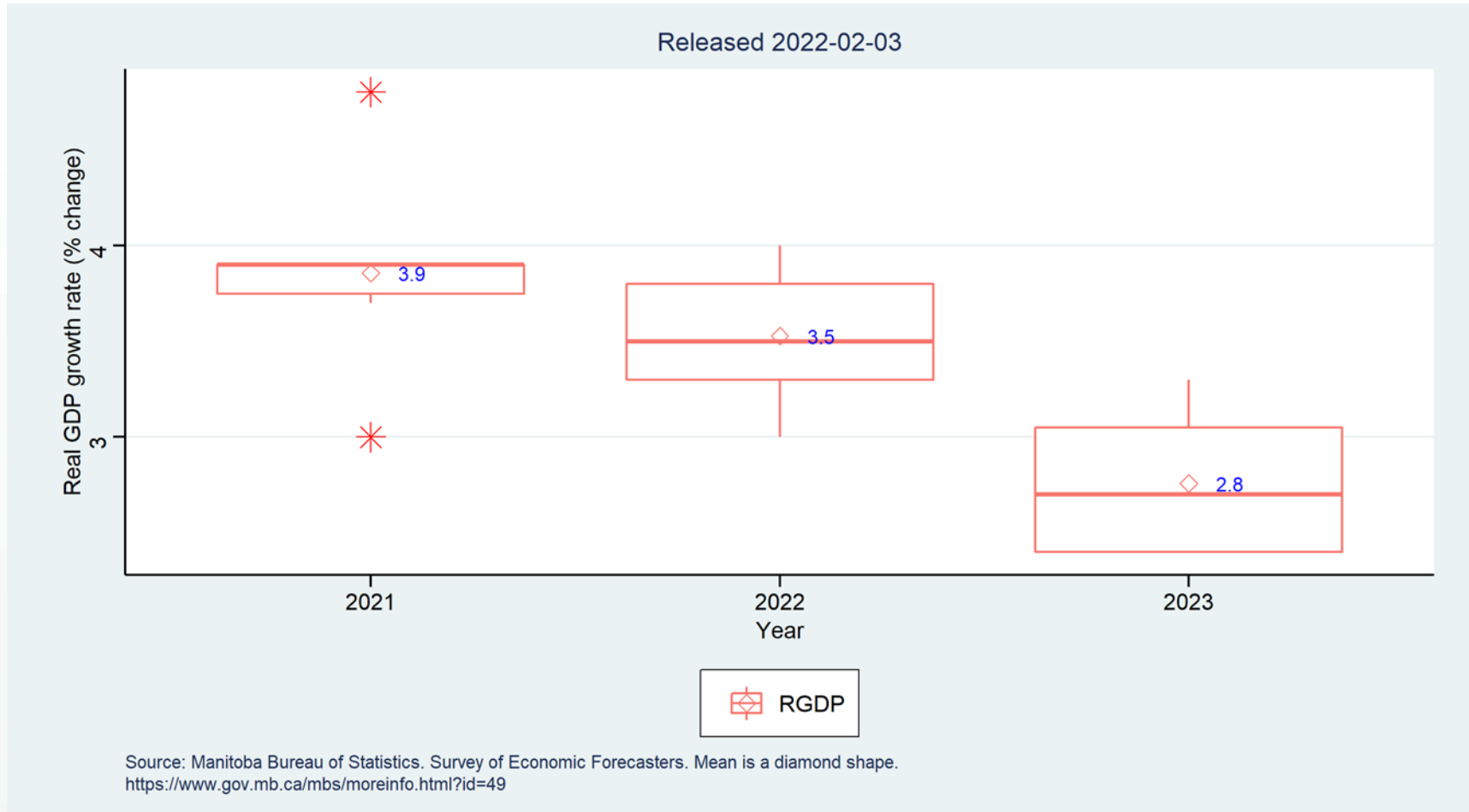
Manitoba Finance Survey of Economic Forecasts

Per cent Growth Unless Noted (f = Forecast)

Manitoba	2021f	2022f	2023f
Real GDP	3.9	3.5	2.8
Nominal GDP	10.3	5.9	4.4
Consumer Prices	3.1	3.6	2.5
Employment	3.5	2.4	1.2
Unemployment Rate (%)	6.4	5.1	4.8

Source: Manitoba Finance Survey of Economic Forecasters, as of February 2022

Risks: Real GDP Growth Rate Scenarios (% change)



Economic Growth: Enabling Factors

Factor	Example
Simple and transparent rules	Work to simplify rules in the Winnipeg Metropolitan Region and elsewhere
Available, serviced employment land	E.g., Work looking into the potential development of the Airport Areas West (Centreport South)
Expanding utility capacity, regional roads	e.g., Projects to expand sewage capacity in the City of Winnipeg. Enhancements to South Perimeter.
Making relevant data more fungible	e.g., Centreport Canada interactive dashboard, EDW's dashboards, Open Data initiatives by the Province of Manitoba and the City of Winnipeg

Enables Economic Growth: GDP Per Capita

This makes it easier for firms to pick Manitoba when investing and expanding jobs

Factor	Example
Sufficient Capital	Startup, Growth and other capital to grow businesses
Encourage R&D	Federal and provincial R&D investment incentives
Various Tax credits	Encourage activity
Skills training, talent attraction	Can boost labour productivity and eventually wages. E.g. EDW Talent Hub , Retrain Manitoba. Expands the skilled work force

Manitoba Economy Summary

- **Weakness:**

- High contact industries continue to suffer, along with their suppliers. E.g. Tourism, accommodations, airline passengers, restaurants.

- **Strengths:**

- Wholesale, Ecommerce, Air cargo, food manufacturing, construction/renovation supply chain,

- **Risks/Opportunities:**

- Supply chain and lack of primary/intermediary inputs (1st half of 2022 or later)
- Risk of rising debt payments as interest rates rise over the coming years.
- Need to keep growing the economy to enables the continued shrinkage of the deficit



Economic Development Winnipeg:

- [About our services](#), and [COVID-19 Toolkit](#)
- [Weekly Economic Digest](#)
- Thank you!
- Chris Ferris, Senior Economist



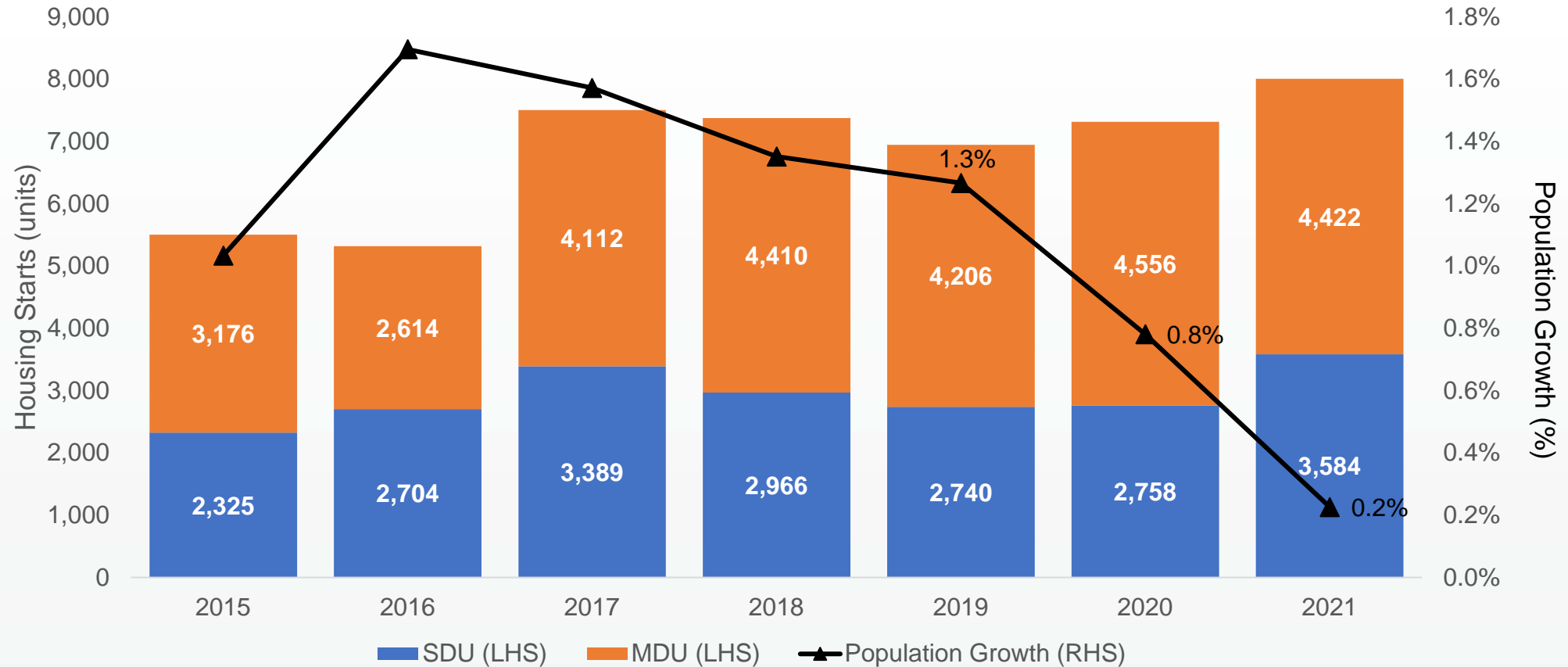
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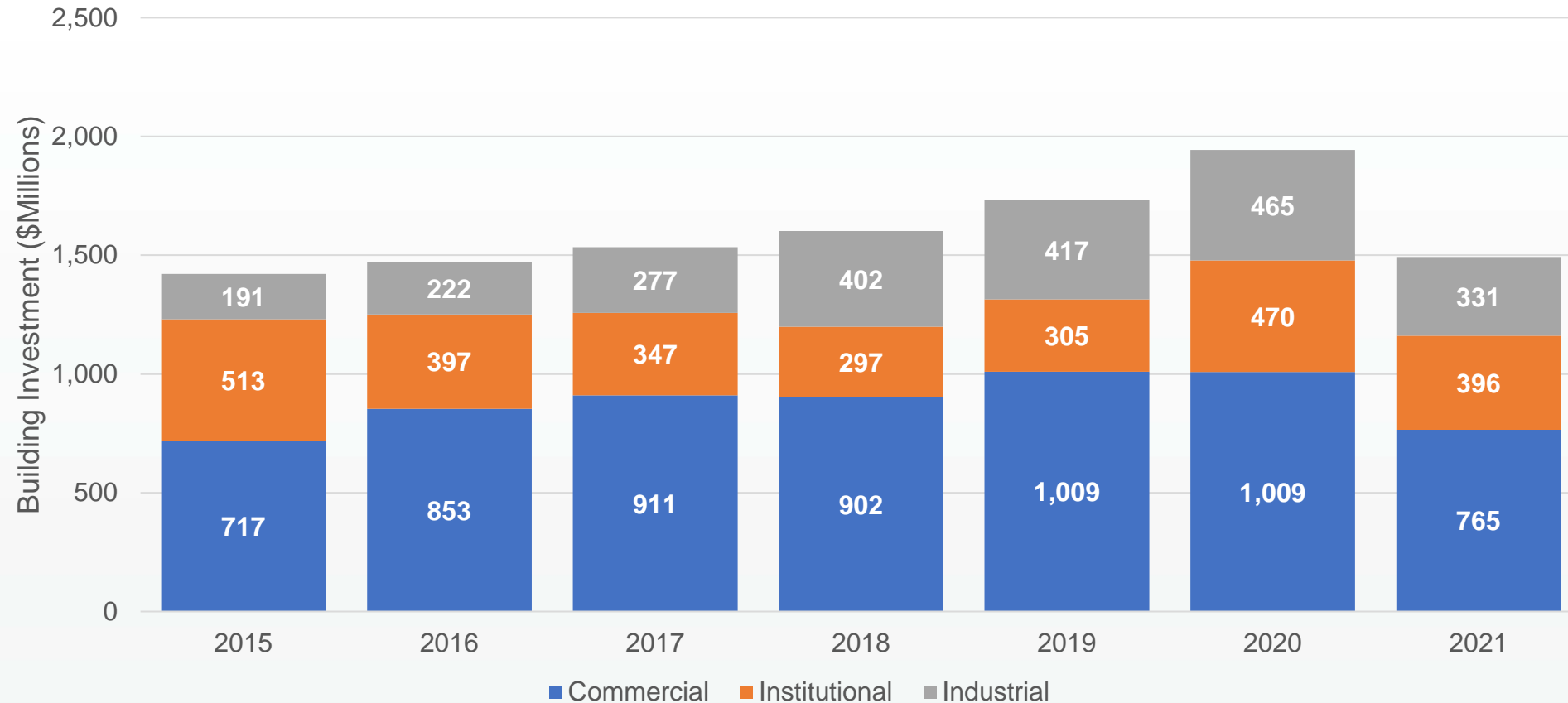
Backup Slides

Manitoba Housing Starts, and Population Growth (2015 – 2021)



Source: Statistics Canada, Table 34-10-0135-01 Housing Starts (2015-Q1 – 2021-Q4), and July 1 Population, Table 17-10-0005-01.

Non-Residential Capital Investment in Buildings (Jan – Nov) (\$Millions)



Source: Statistics Canada, Table 34-10-0175-01 (Jan – Nov, 2015 - 2021)