



About Economic Development Winnipeg and an Economic Outlook

PrairiesCan

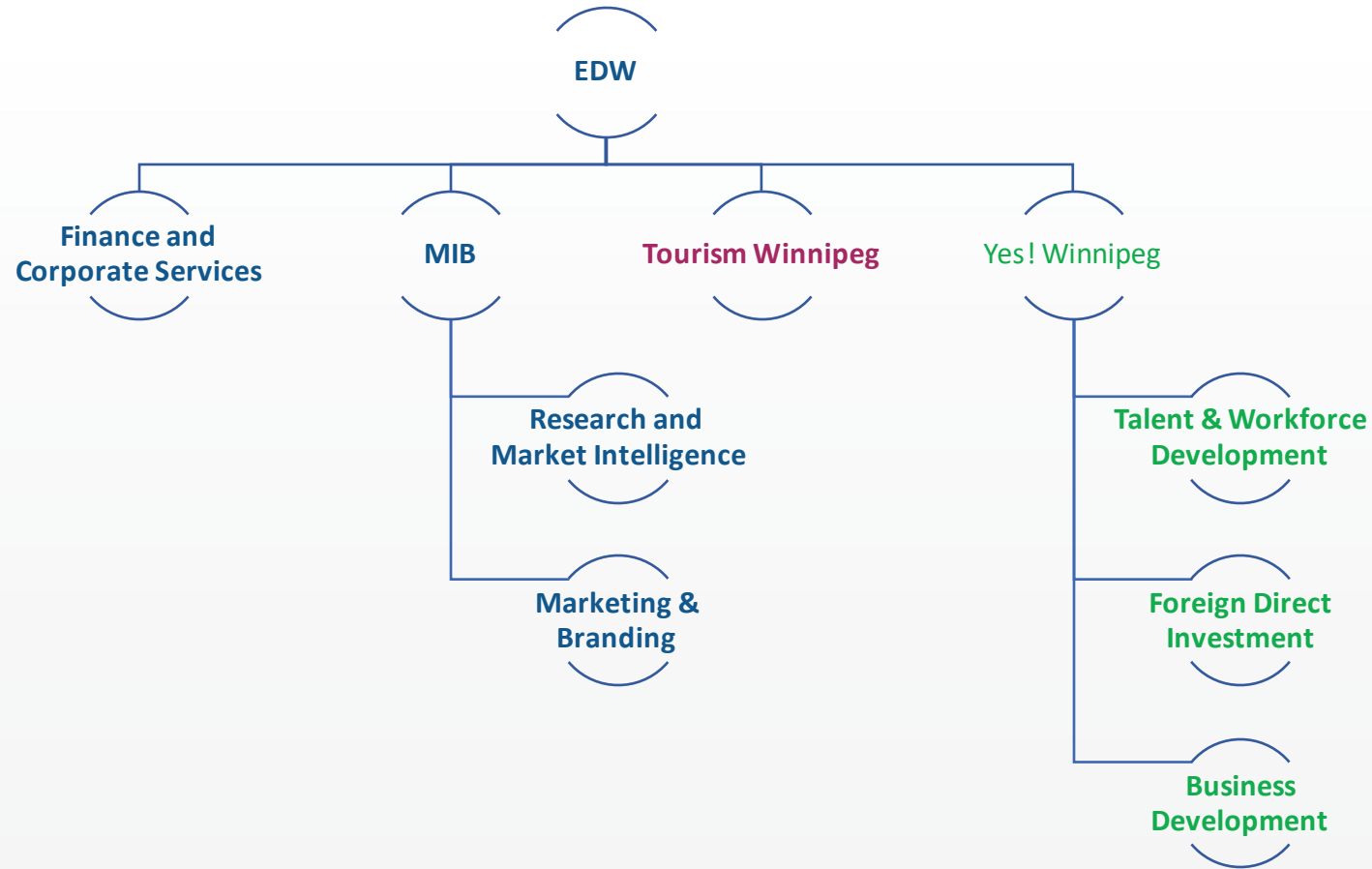
Chris Ferris, Senior Economist
on December 14, 2022





About Economic Development Winnipeg

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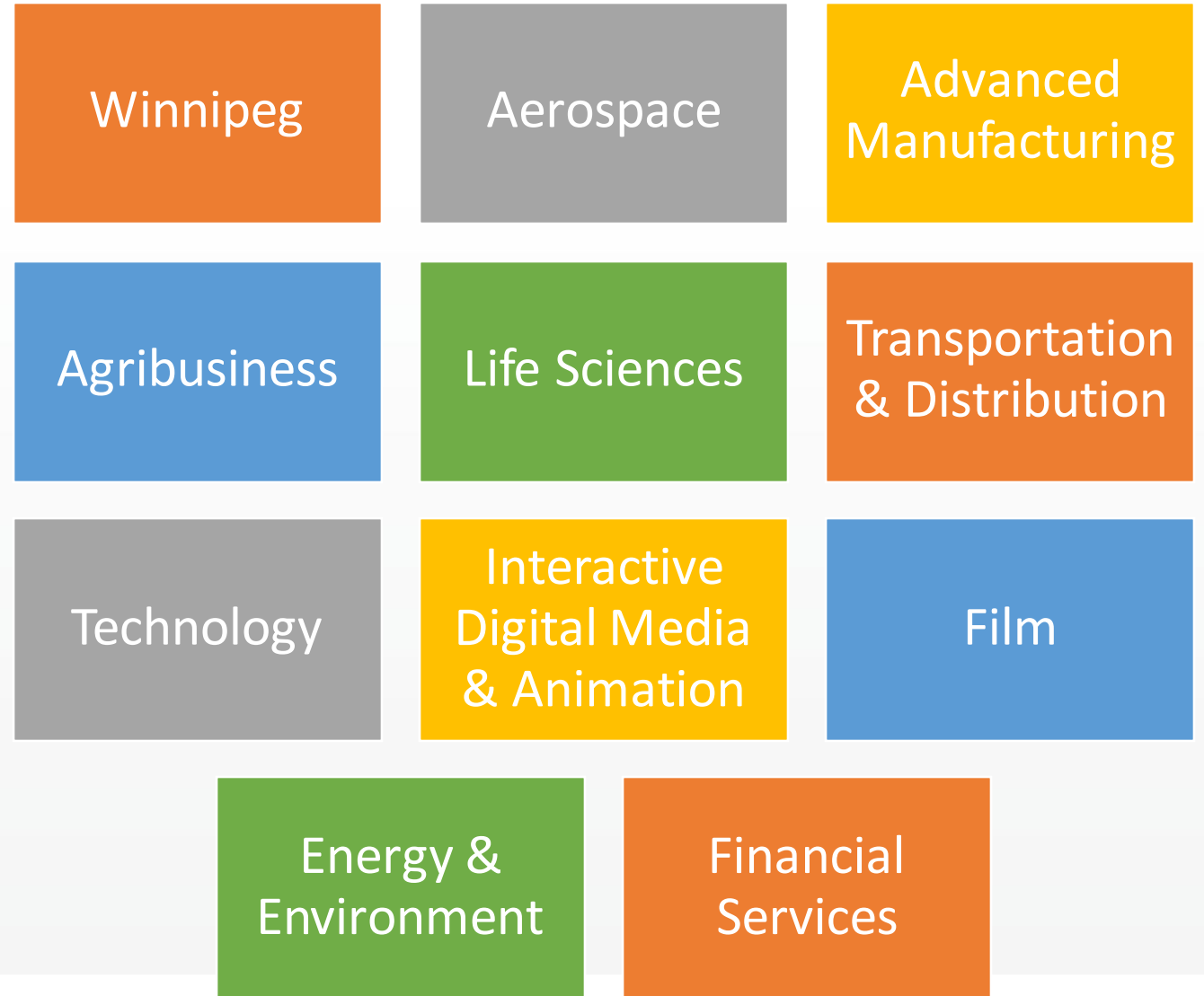
Talent & Workforce Development

Foreign Direct Investment

Retention & Growth

- Position Winnipeg as a desirable location for FDI to **continue expanding their investments and operations.**

Business Development





Canada, Manitoba and Winnipeg Economies: Situation and Outlook for

PrairiesCan

Chris Ferris, Senior Economist
on December 14, 2022



Summary

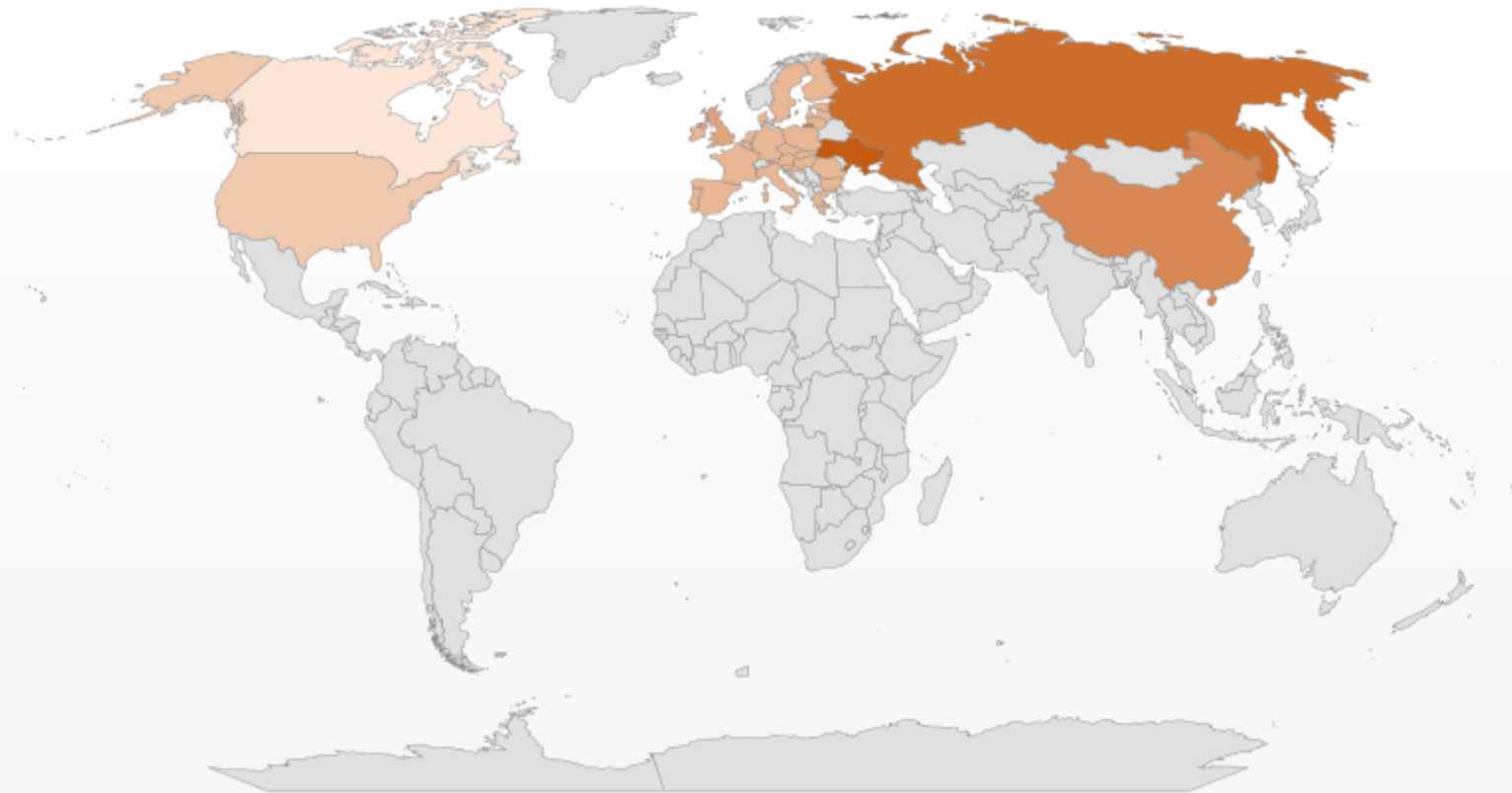
International Factors

USA and Canada

Manitoba, Winnipeg Review

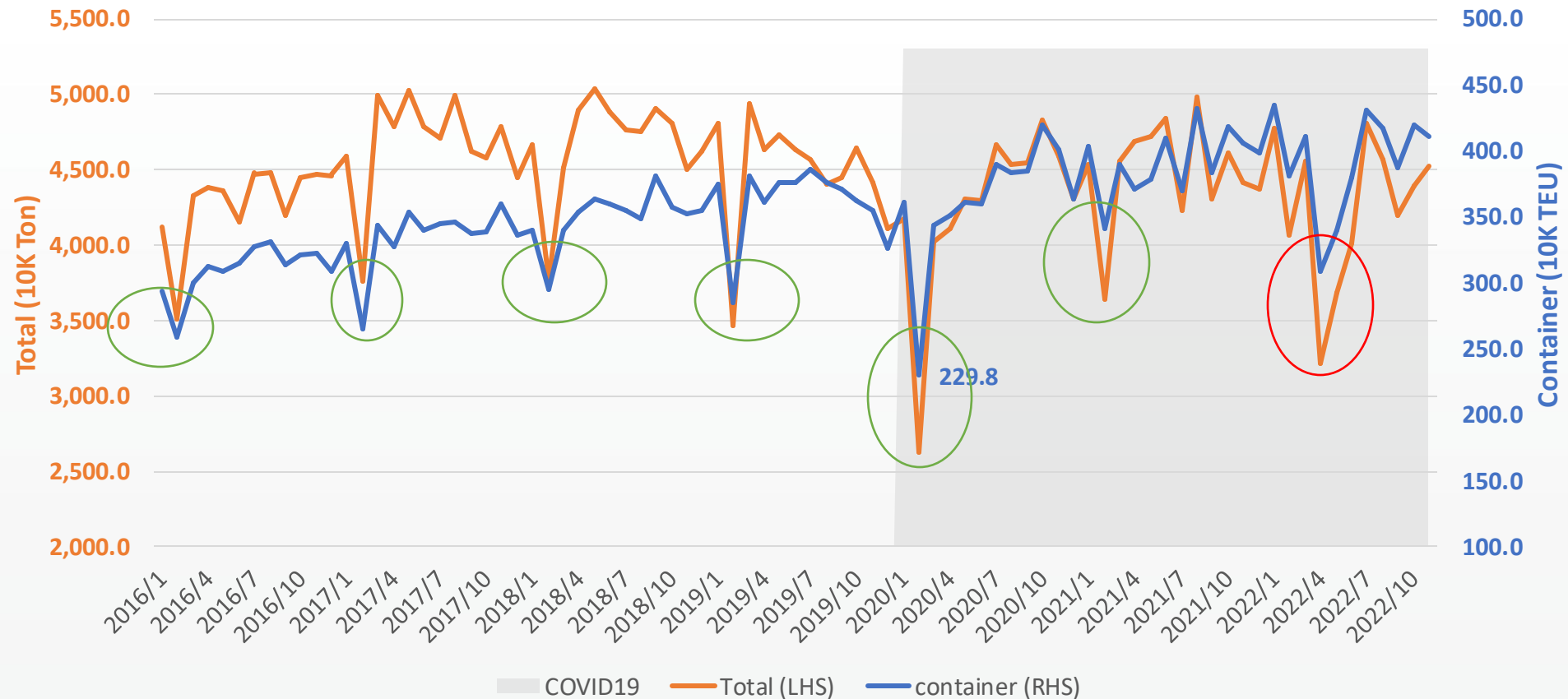
Risks and Opportunities, Outlook

International Factors, USA and Canada



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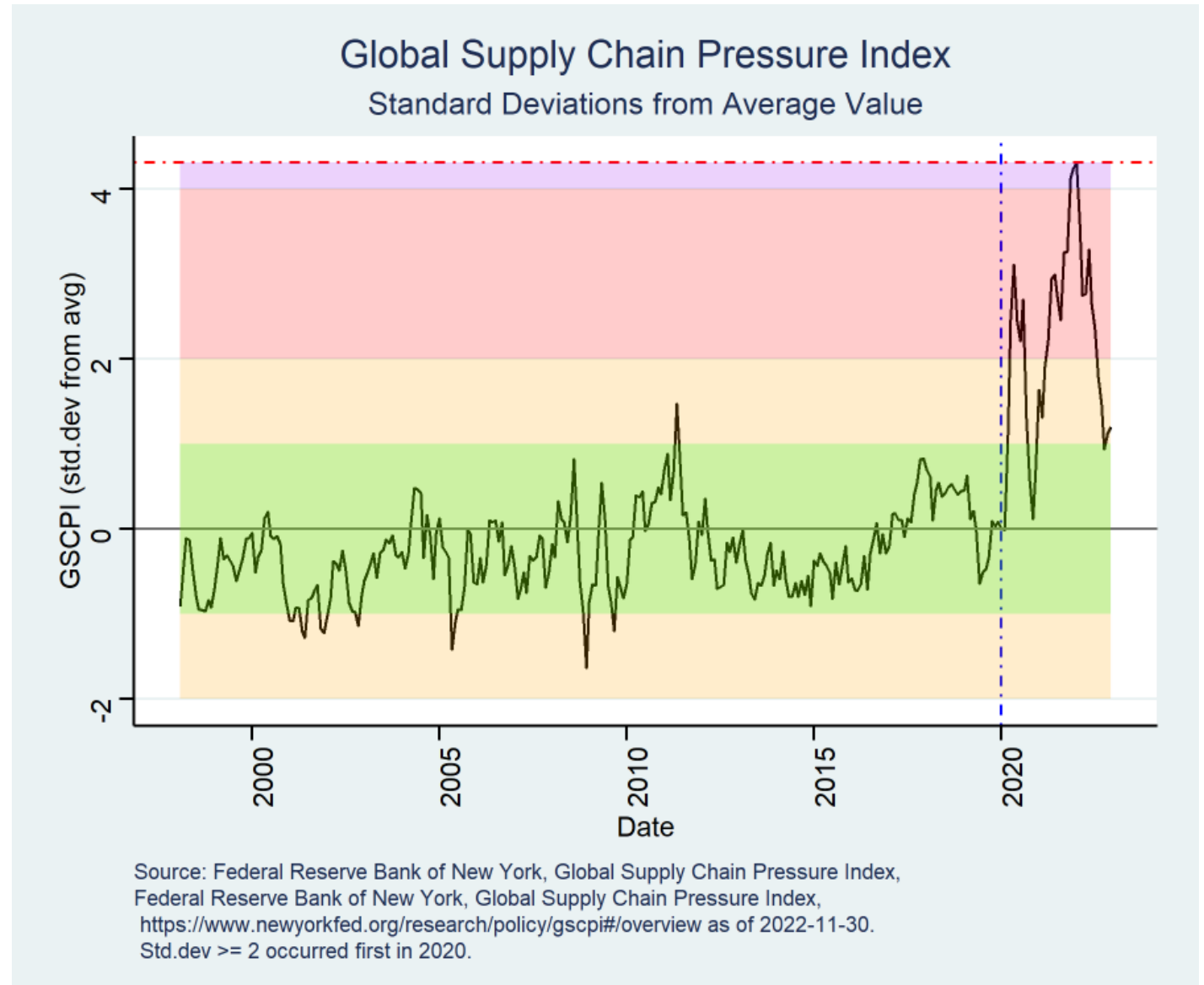
Shanghai International Port: Total throughput (10K Ton) and Container throughput (10K TEU)



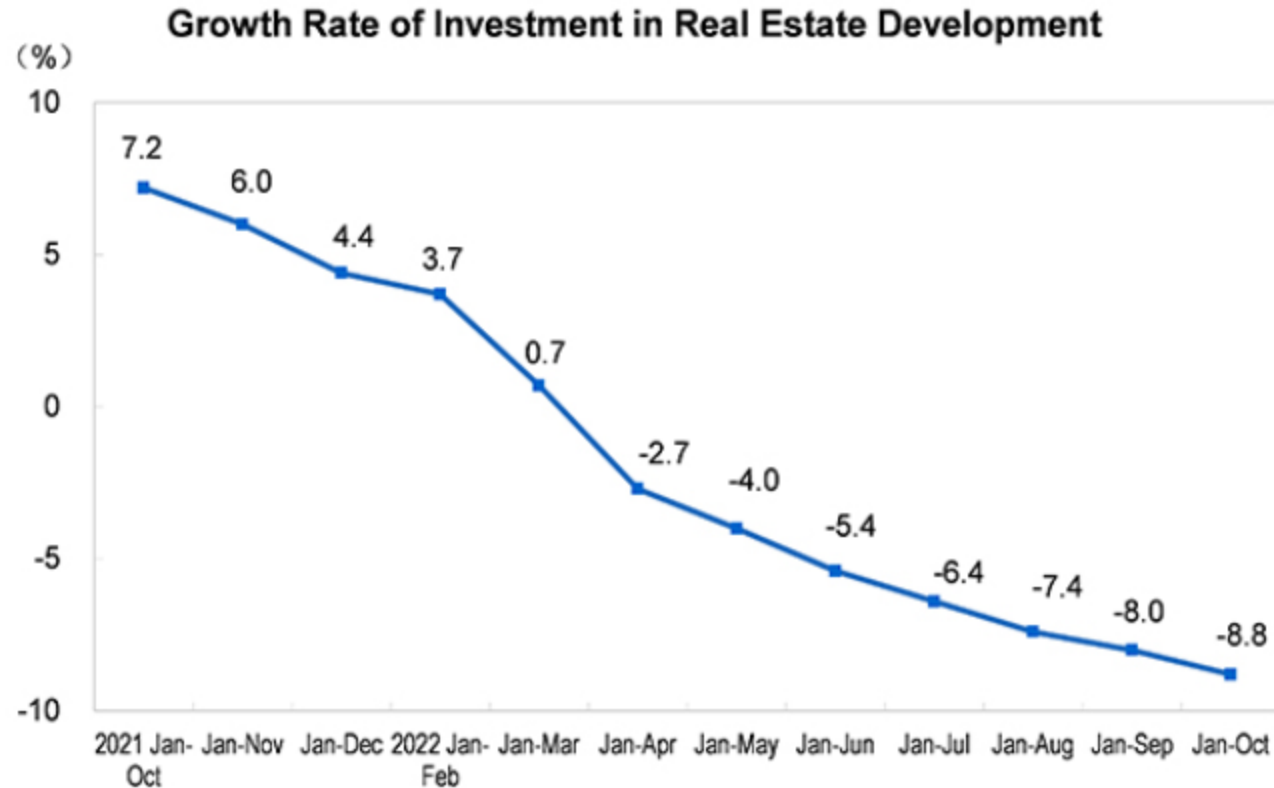
Source: Shanghai International Port (Group) Co., Ltd. [sippEn \(portshanghai.com.cn\)](http://portshanghai.com.cn). Note: Chinese New Year typically sees a significant dip in activity around February each year (green circle). COVID-19 caused extra disruption in 2020. The lockdowns caused disruptions later in the year, with April 2022 seeing a bigger dip than Feb 2022 (red circle).

Easing Global Supply Chain Pressure Index

- Source: NY Fed **Global Supply Chain Pressure Index (GSCI)**.
- See Winnipeg Economic Digest, Vol. 1, issue 4, for [discussion](#).



China Real Estate Crisis



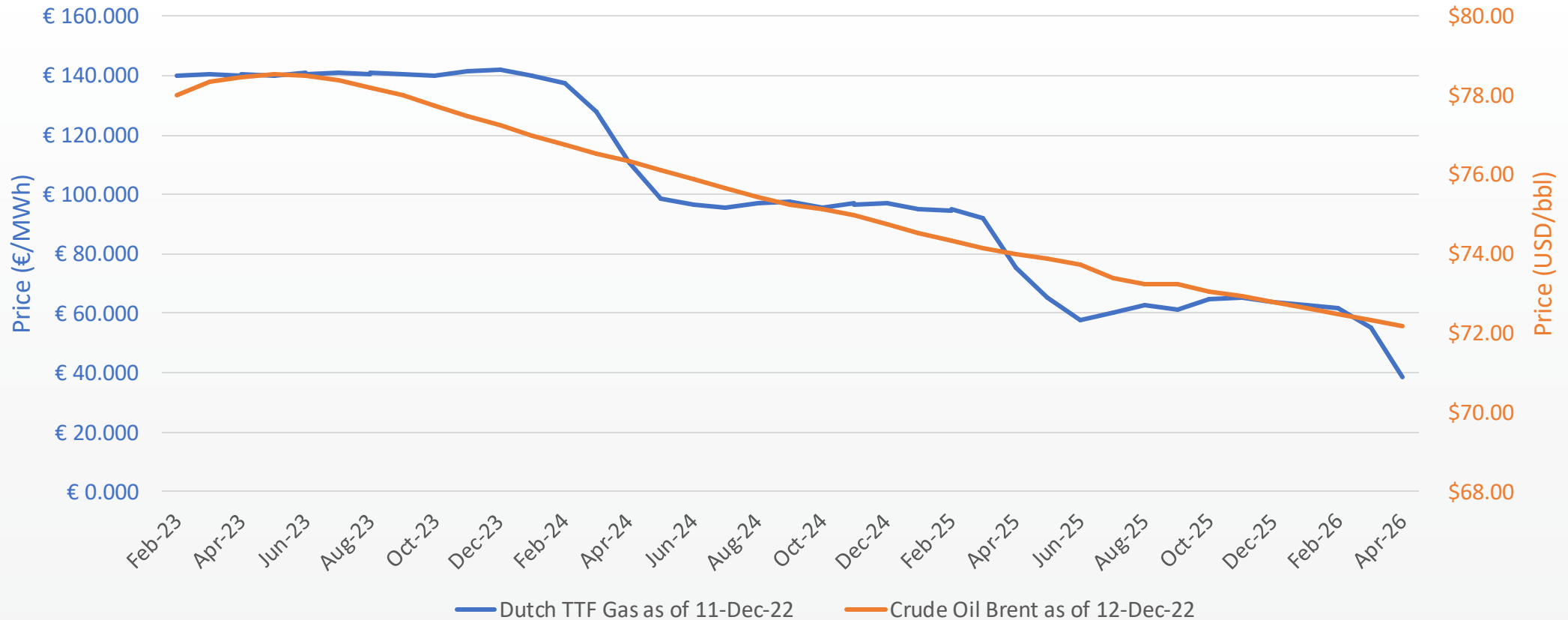
Source: National Real Estate Development and Sales from January to October 2022. [link](#).
This crisis is moving relatively slowly ([Evergrande 2021](#)) but given that real estate is a significant share of China's GDP is particularly important to get right. [China RE crisis](#).

Russian Invasion of Ukraine



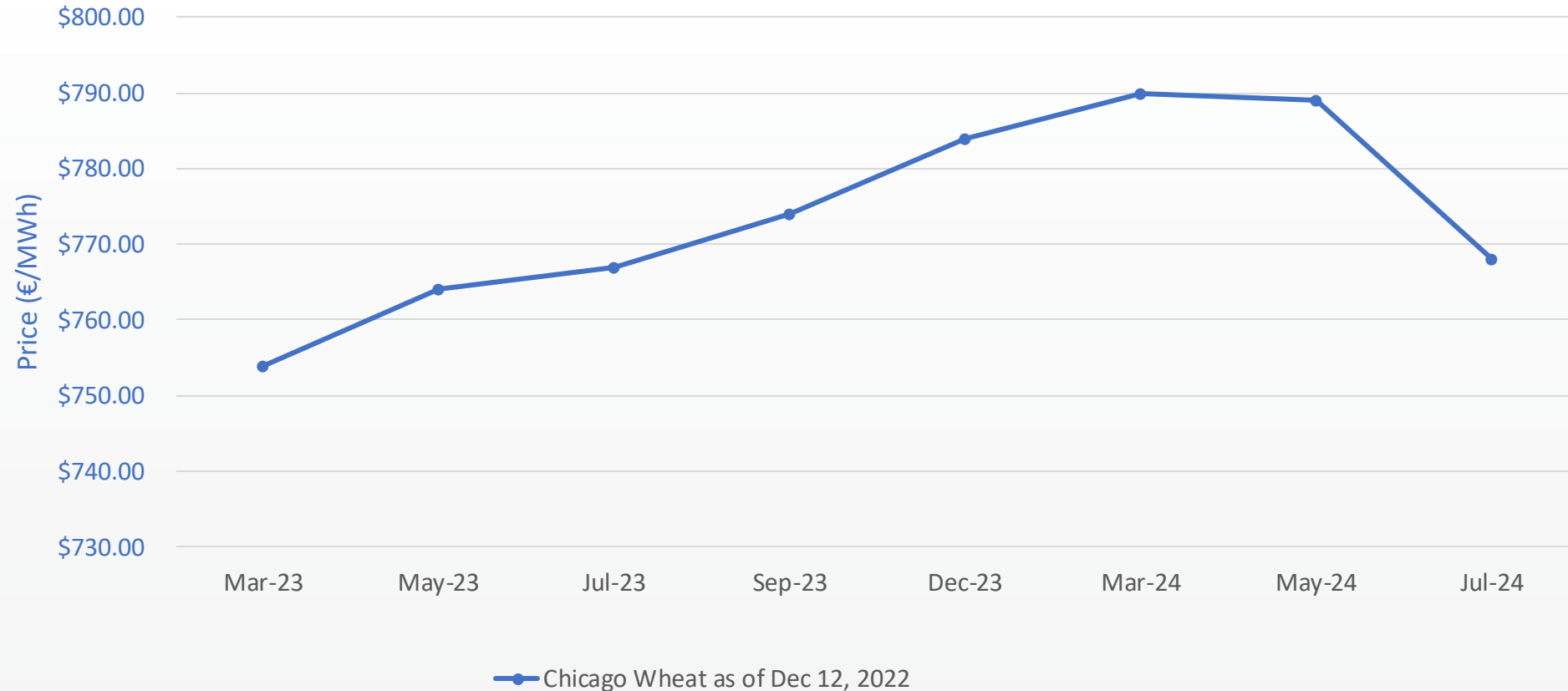
Source: Institute for the Study of War and CT, December 10, 2022, [Interactive map](#).

Europe Energy Markets Forward Curves: Natural Gas and Crude Oil



Source: Dutch TTF Gas [Barchart.com](https://www.barchart.com) (Euros/MWh), and Crude Oil – Brent Feb’23 (USD/bbl) [Barchart.com](https://www.barchart.com). Both markets are inverted.

Wheat Futures – Chicago Wheat (US cents/bu)



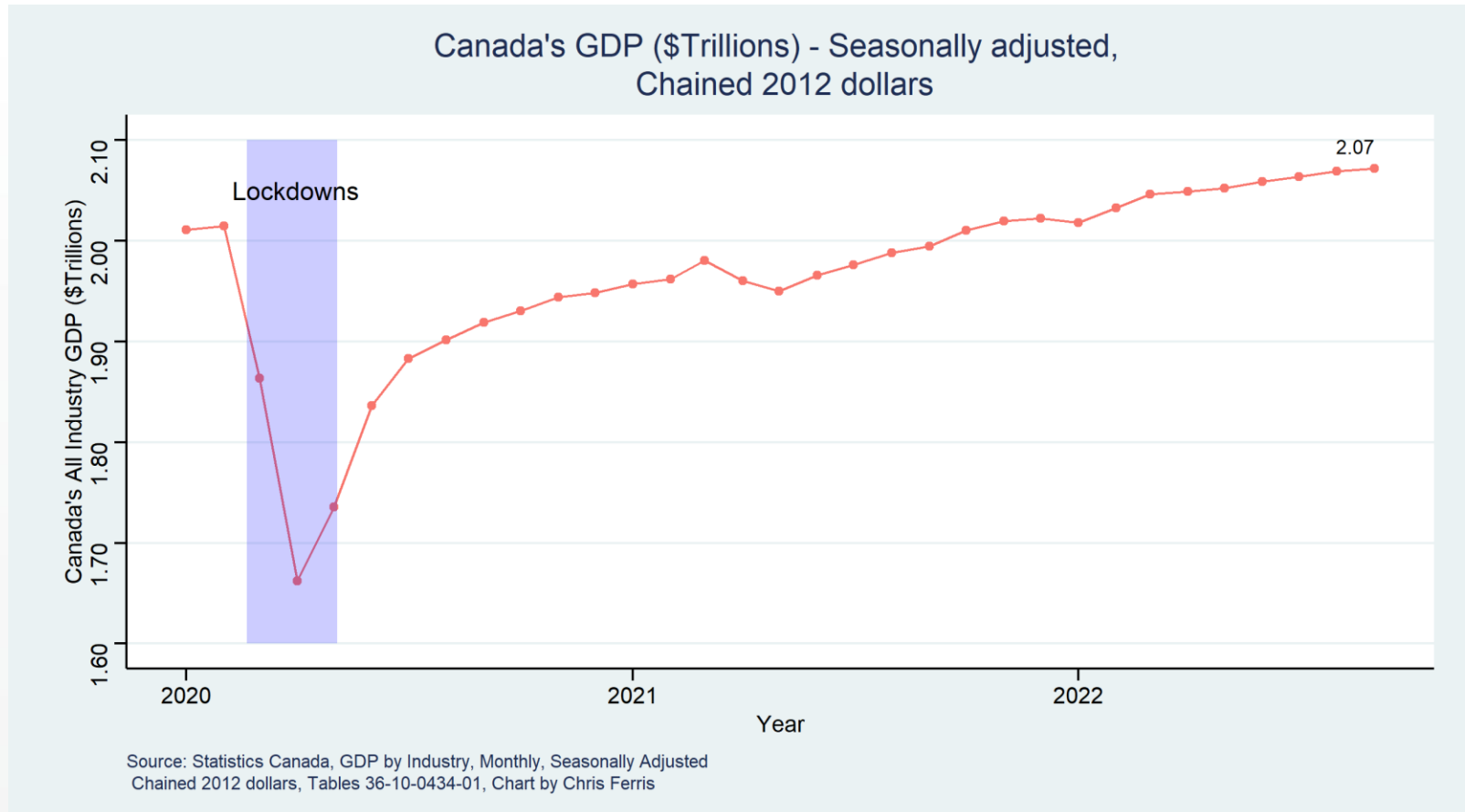
Source: Forward Curve [Barchart.com](https://www.barchart.com)



USA and Canada

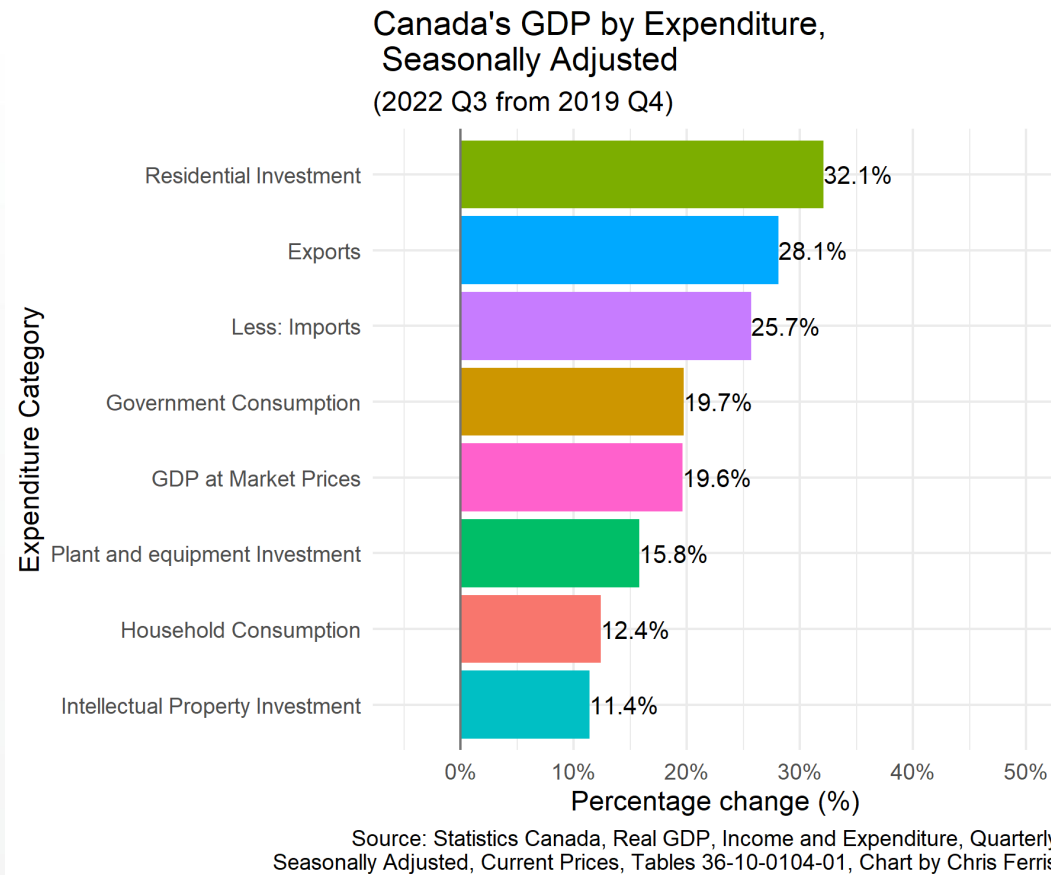


Canada GDP (Monthly)



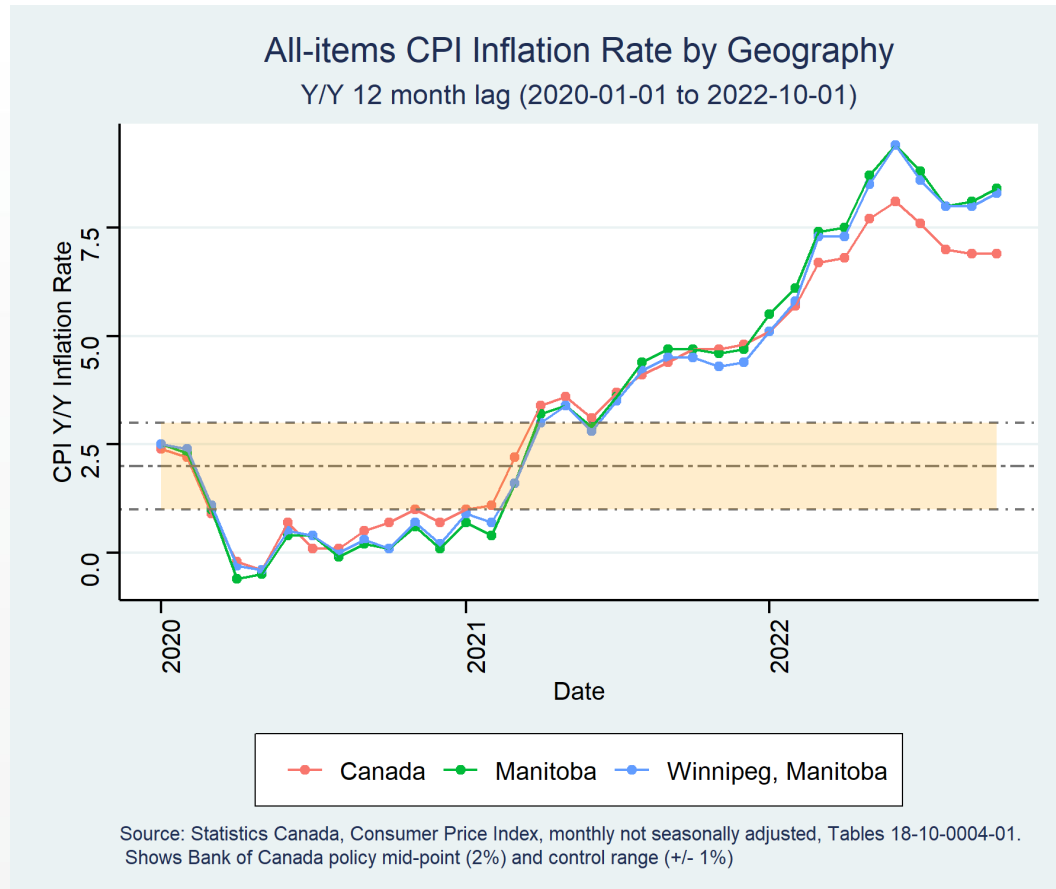
Source: Statistics Canada, Tables 36-10-0434-01

Canada Nominal GDP by Expenditure (Quarterly)



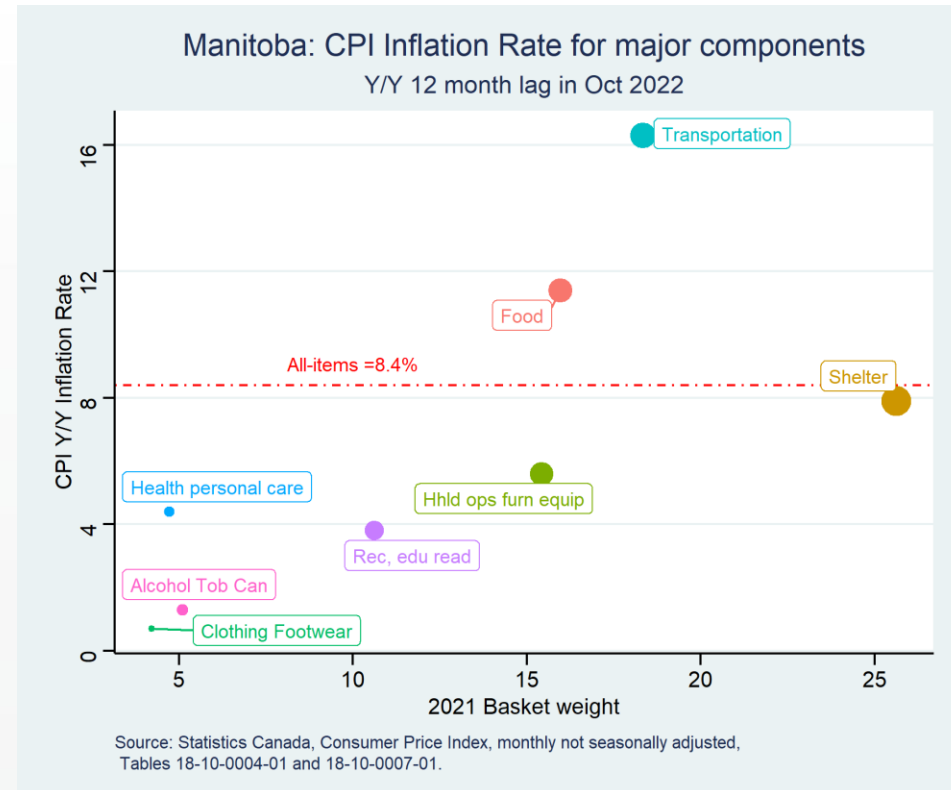
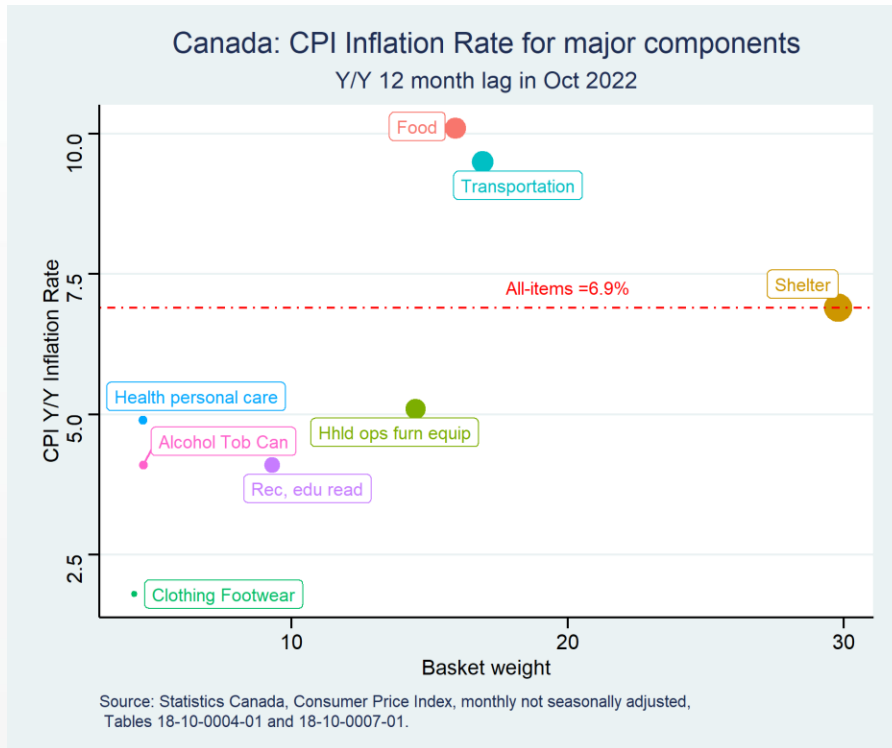
Source: Statistics Canada

All-items CPI Inflation by Geography



Source Statistics Canada, Table 18-10-0004-01. Manitoba and Winnipeg's CPI inflation remains wider than Canada overall.

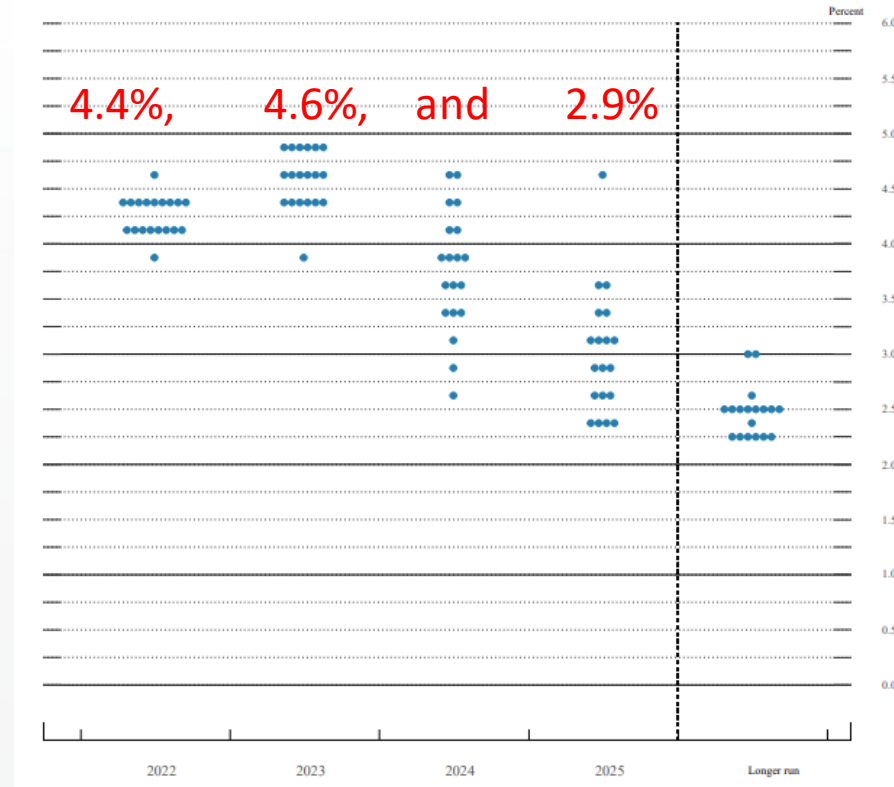
CPI Inflation by major subcategory, by weight and Geography



Source: Statistic Canada, Tables 18-10-0004-01 and 18-10-0007-01. Manitoba's higher transportation costs are the primary difference, with food and shelter still slightly higher than the Canadian average.

US Fed's Dot Plot from September 2022

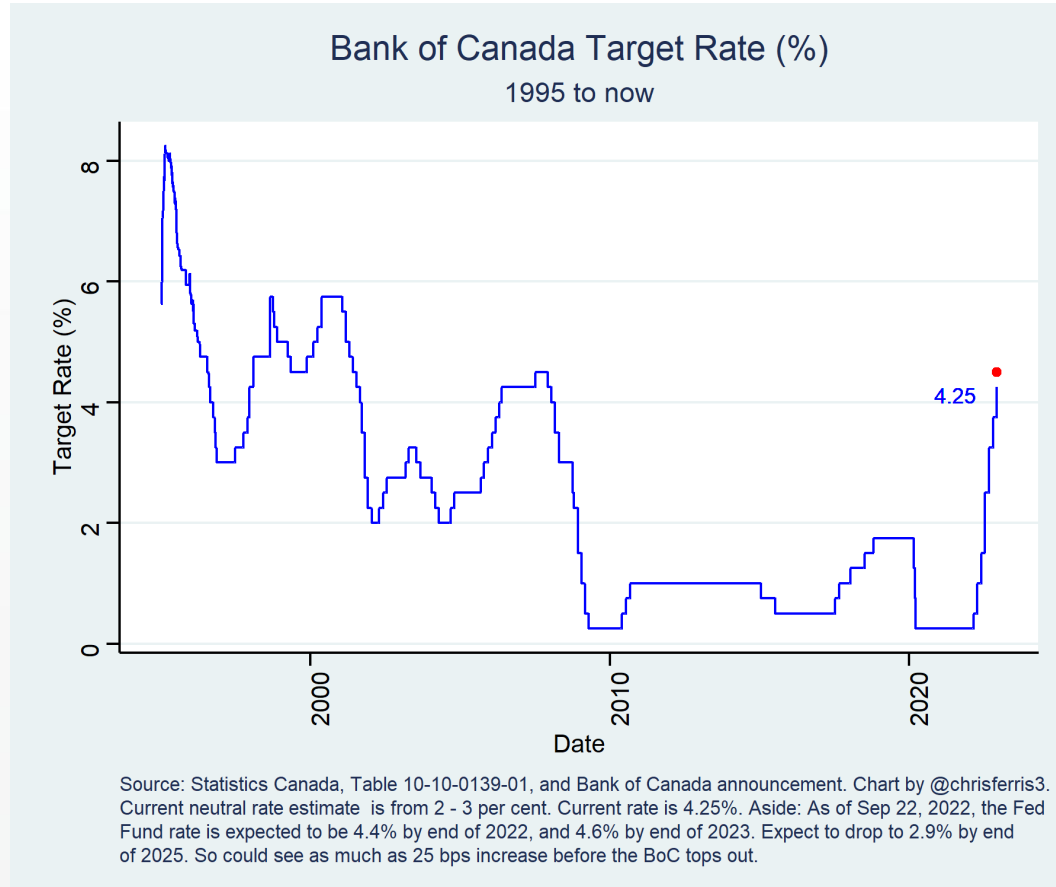
Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Source: Statistics Canada: Table 10-10-0108-01.

US Fed (Sep 21, 2022). [Federal Reserve Board - Federal Reserve Board and Federal Open Market Committee release economic projections from the September 20-21 FOMC meeting, DOT Plot.](#)

Bank of Canada Overnight Rate (%)



Source: Statistics Canada, Bank of Canada.

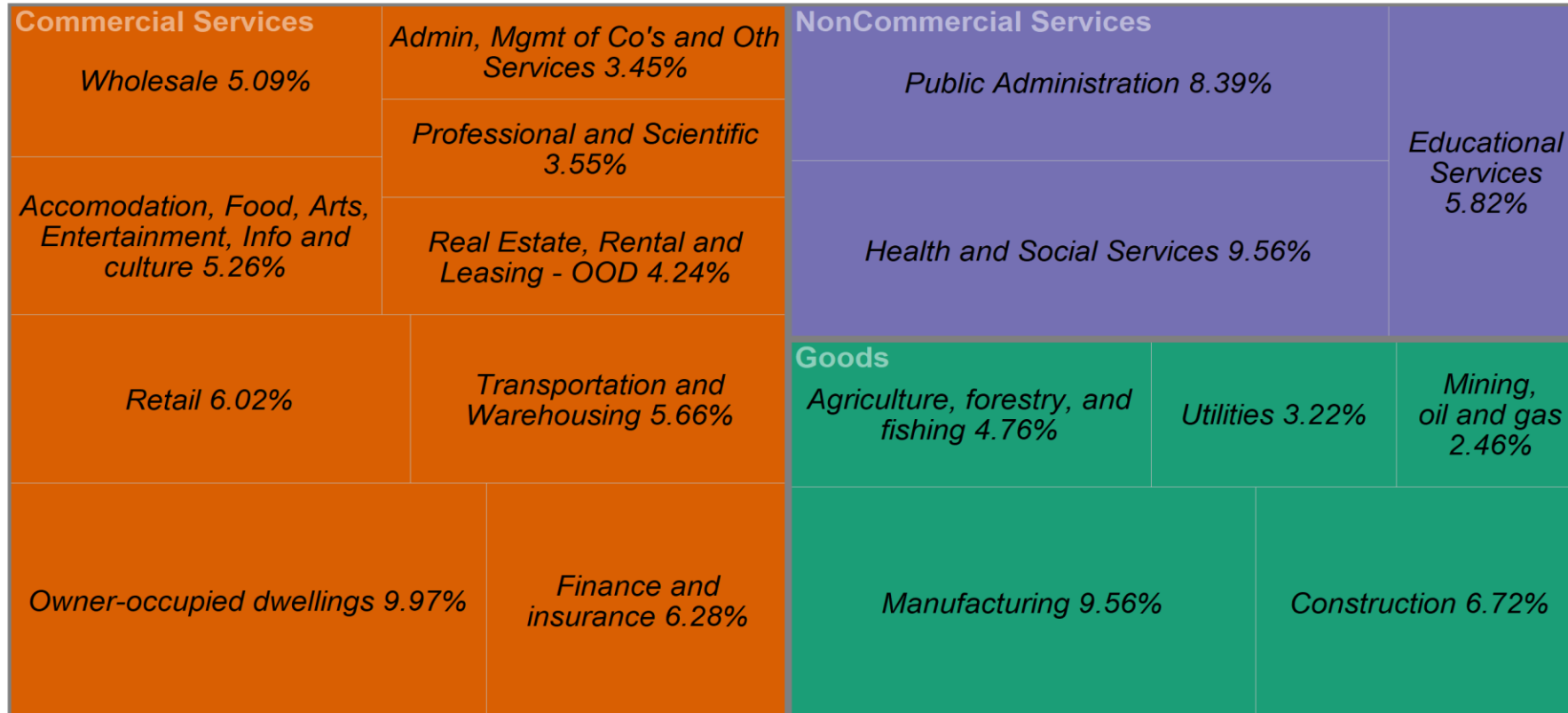


Manitoba and Winnipeg



Manitoba GDP by Industry Share: 2021

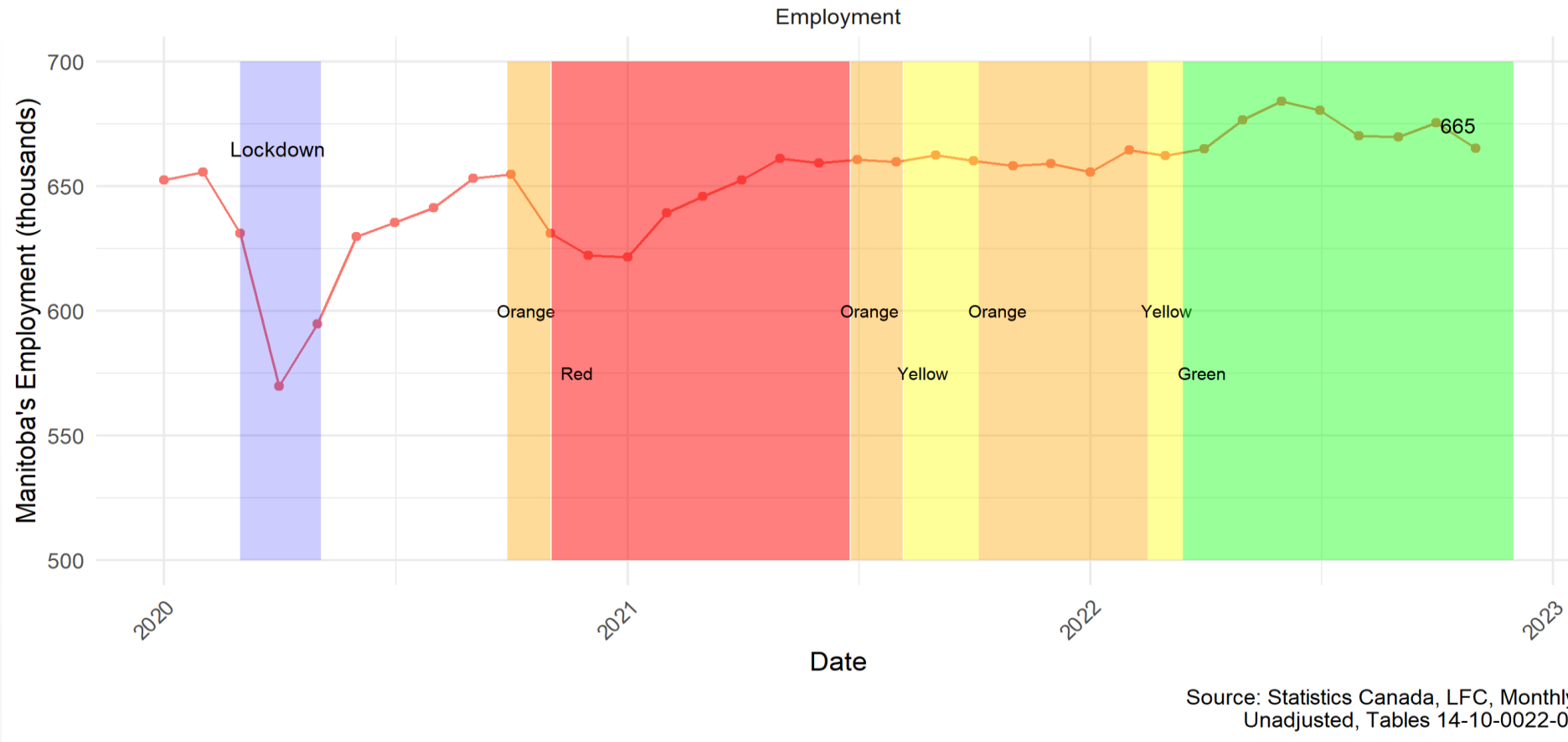
Manitoba GDP Share by Sector, 2021 (%)



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

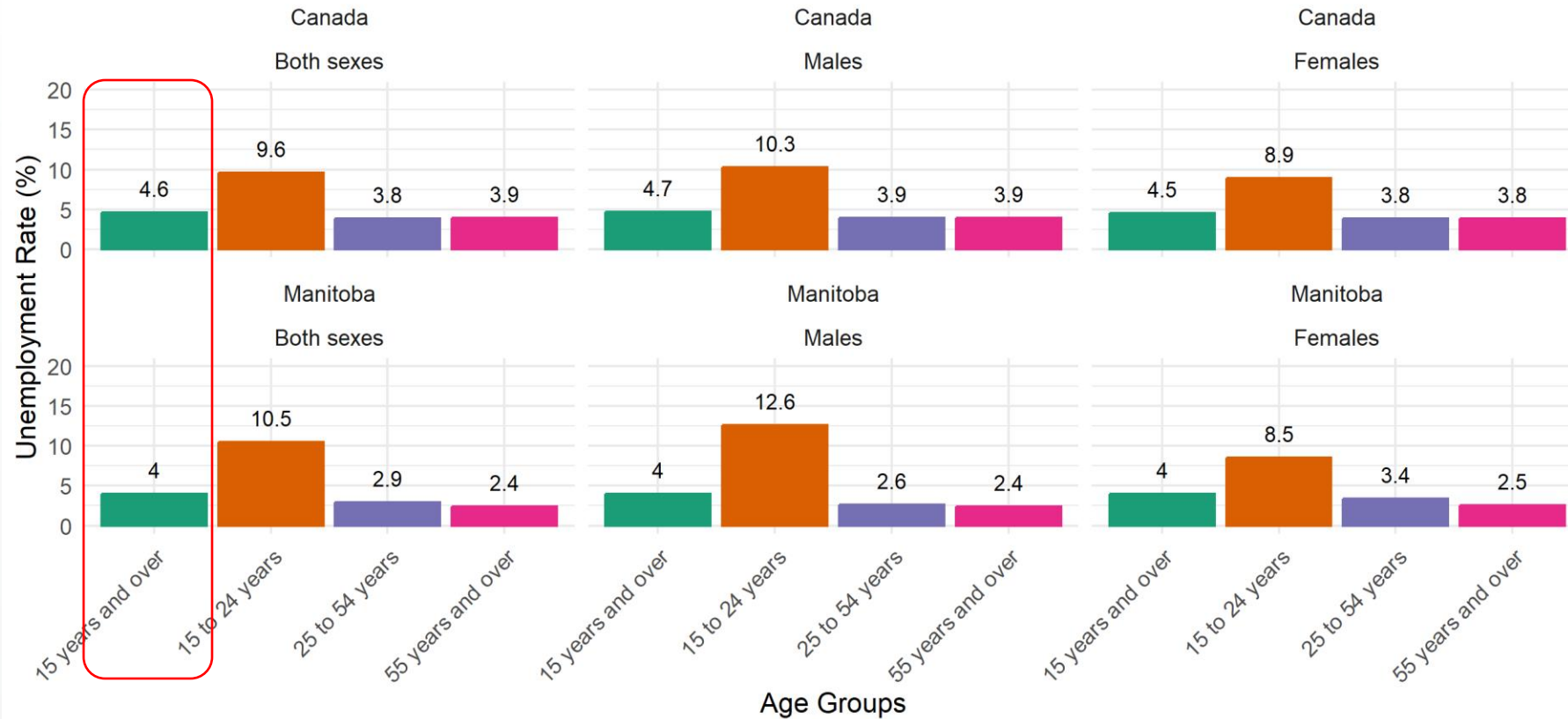
Manitoba Employment by Month (November 2022)

Manitoba's Employment Level
Unadjusted (thousands)



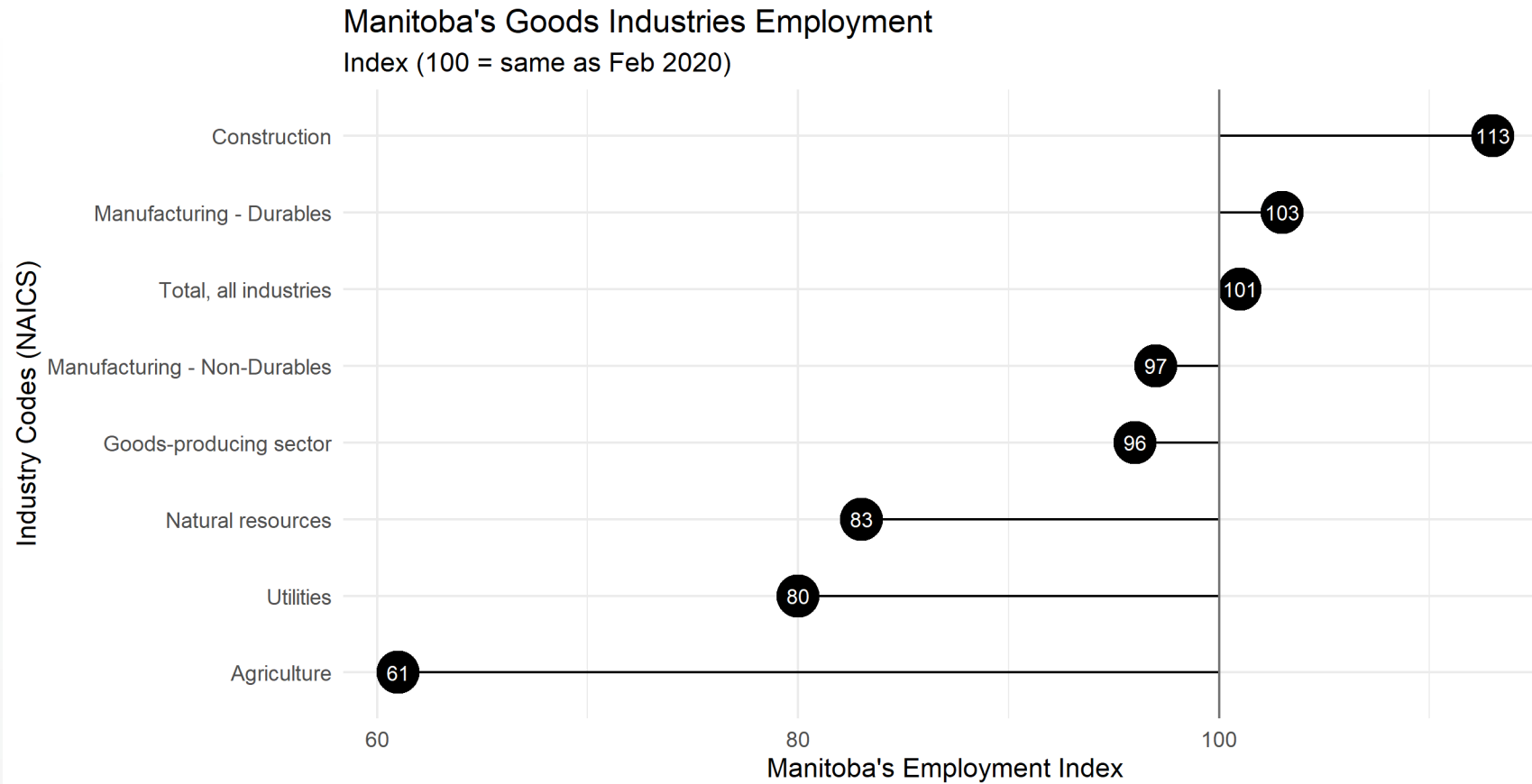
Unemployment Rate by Geography, Sex, Age Group (%)

2022-11 Unemployment Rate (%)
by Geography, Sex and Age Group; Unadjusted (%)



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

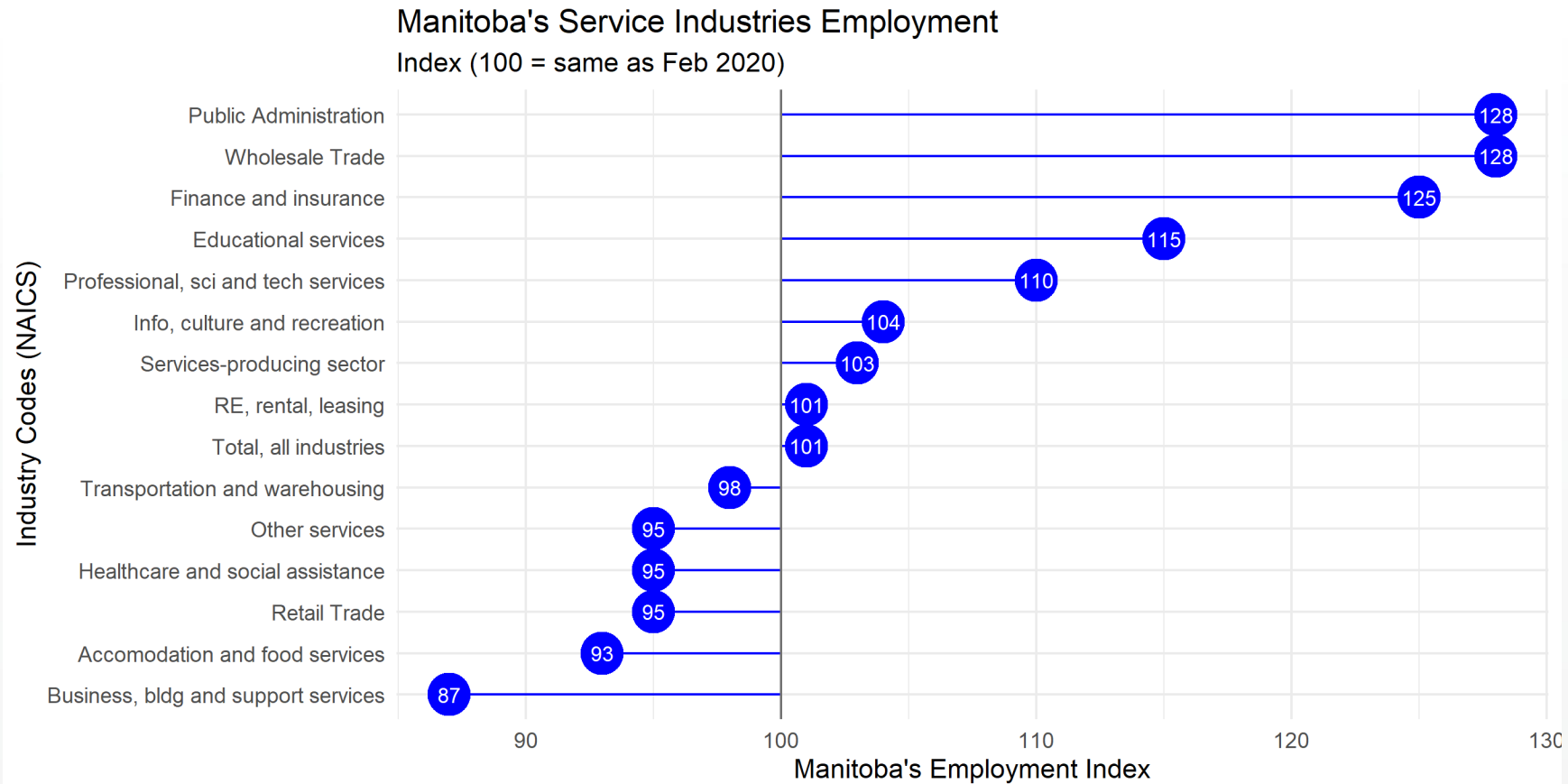
Manitoba Goods Employment Index: (Dec 2022 vs Feb 2020)



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

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

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



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

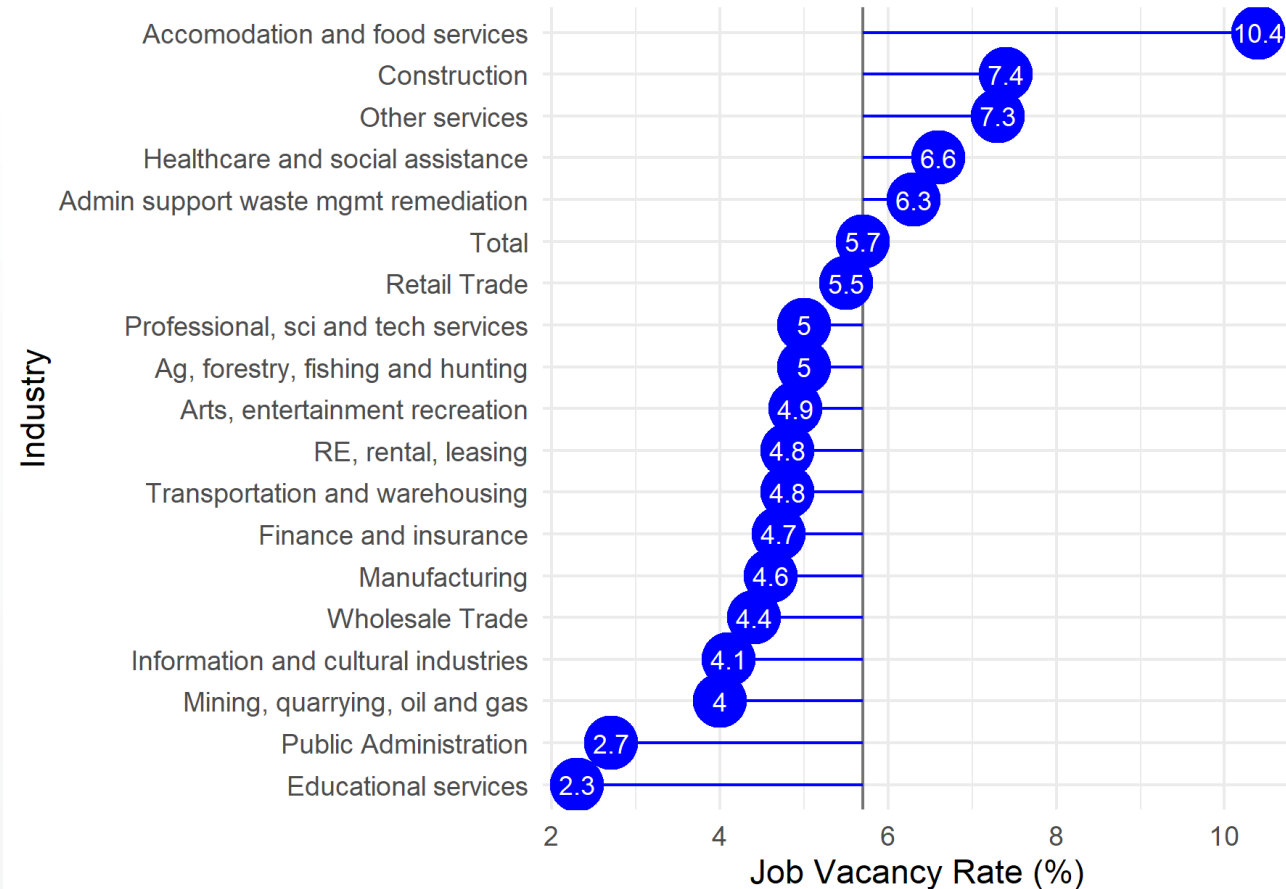
Source: Statistics Canada, Table 14-10-0022-01



Canada Job Vacancy Rate by Industry

Job Vacancy Rate by Industry (%)

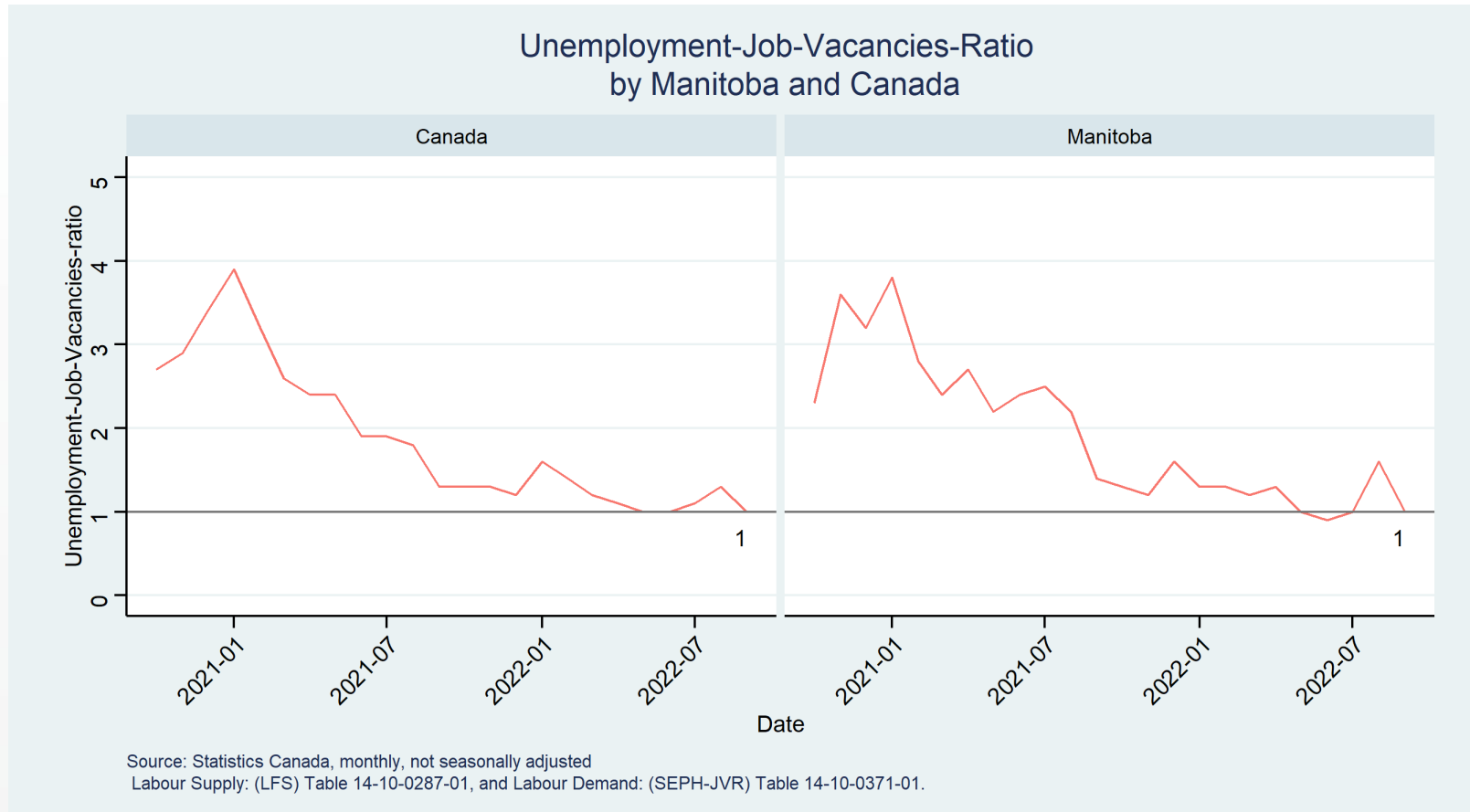
Canada: as of 2022-09-01



Source: Statistics Canada, Job vacancies, payroll employees and job vacancy rates
Tables 14-10-0372-01 Chart by Chris Ferris

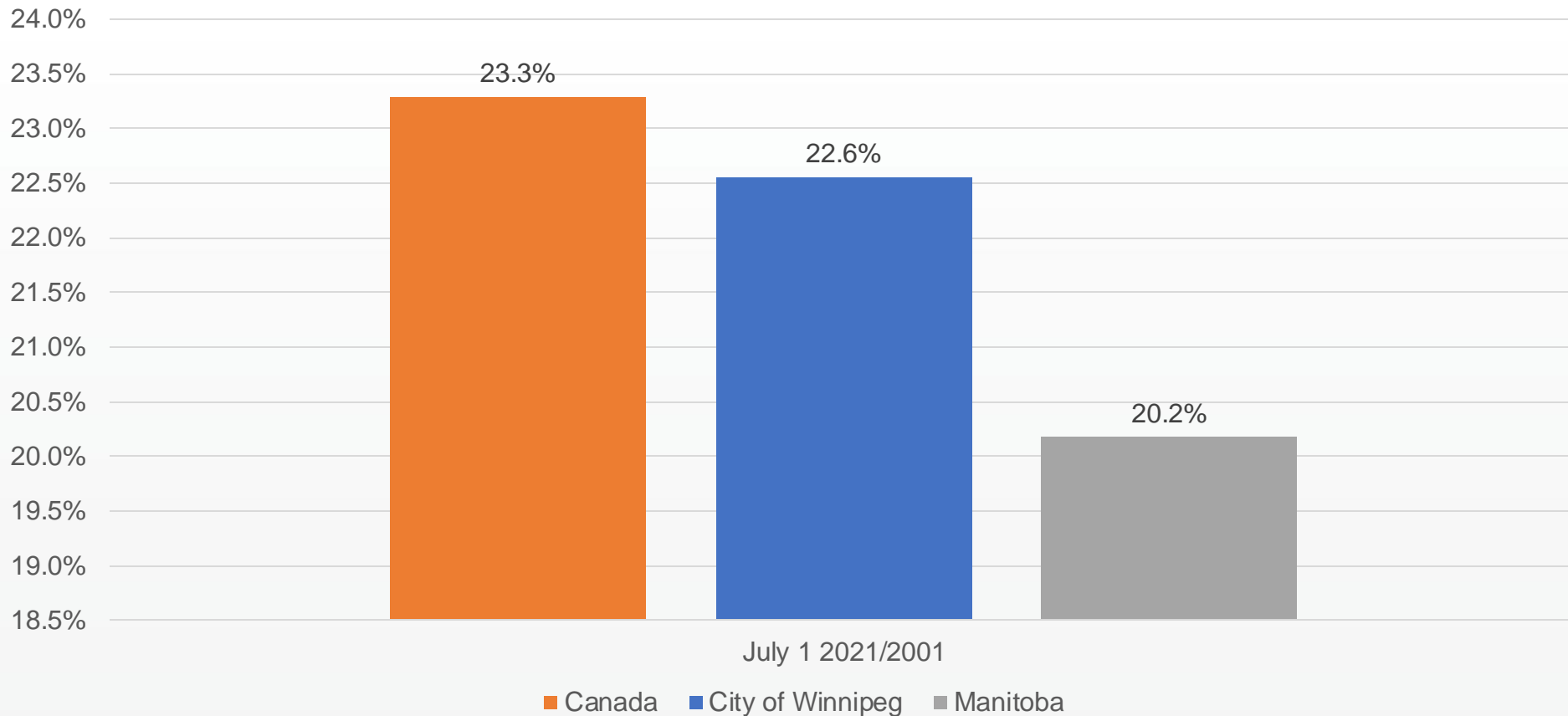
Source: Statistics Canada, Table 14-10-0372-01

Unemployment/job vacancies ratio (to Sep 2022)



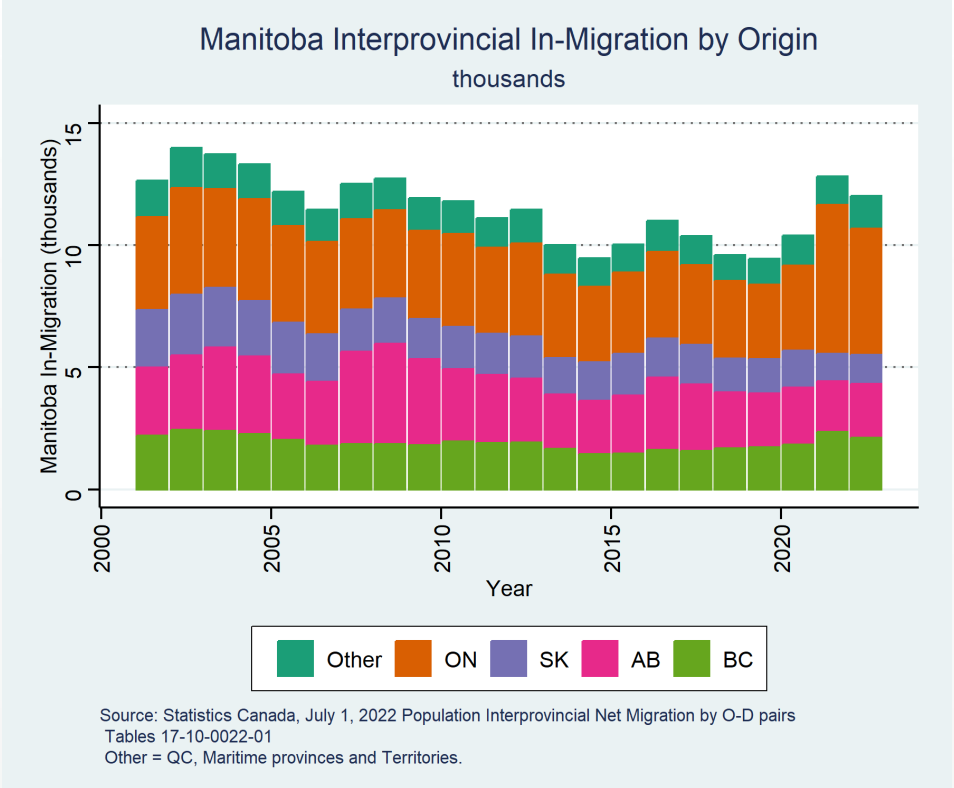
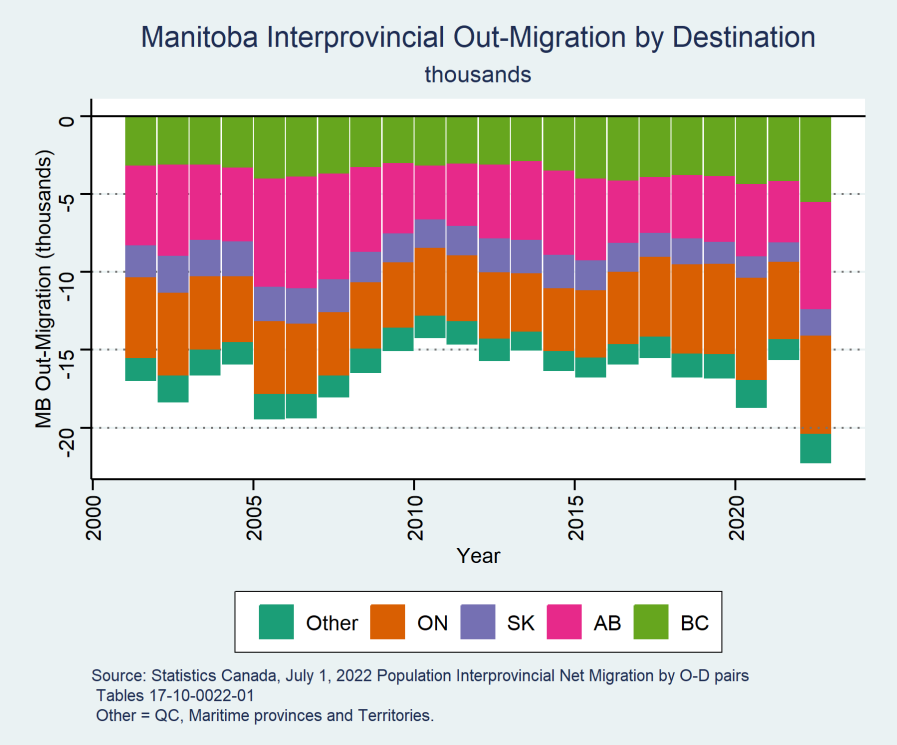
Source: Statistics Canada, Labour Supply(14-10-0287-01), and Labour Demand (14-10-0371-01)

Population Growth over the last 20 years



Source: Statistics Canada. Tables: 17-10-0135-01, and 17-10-0005-01.

Interprovincial Out- & In-Migration (through July 1, 2022)

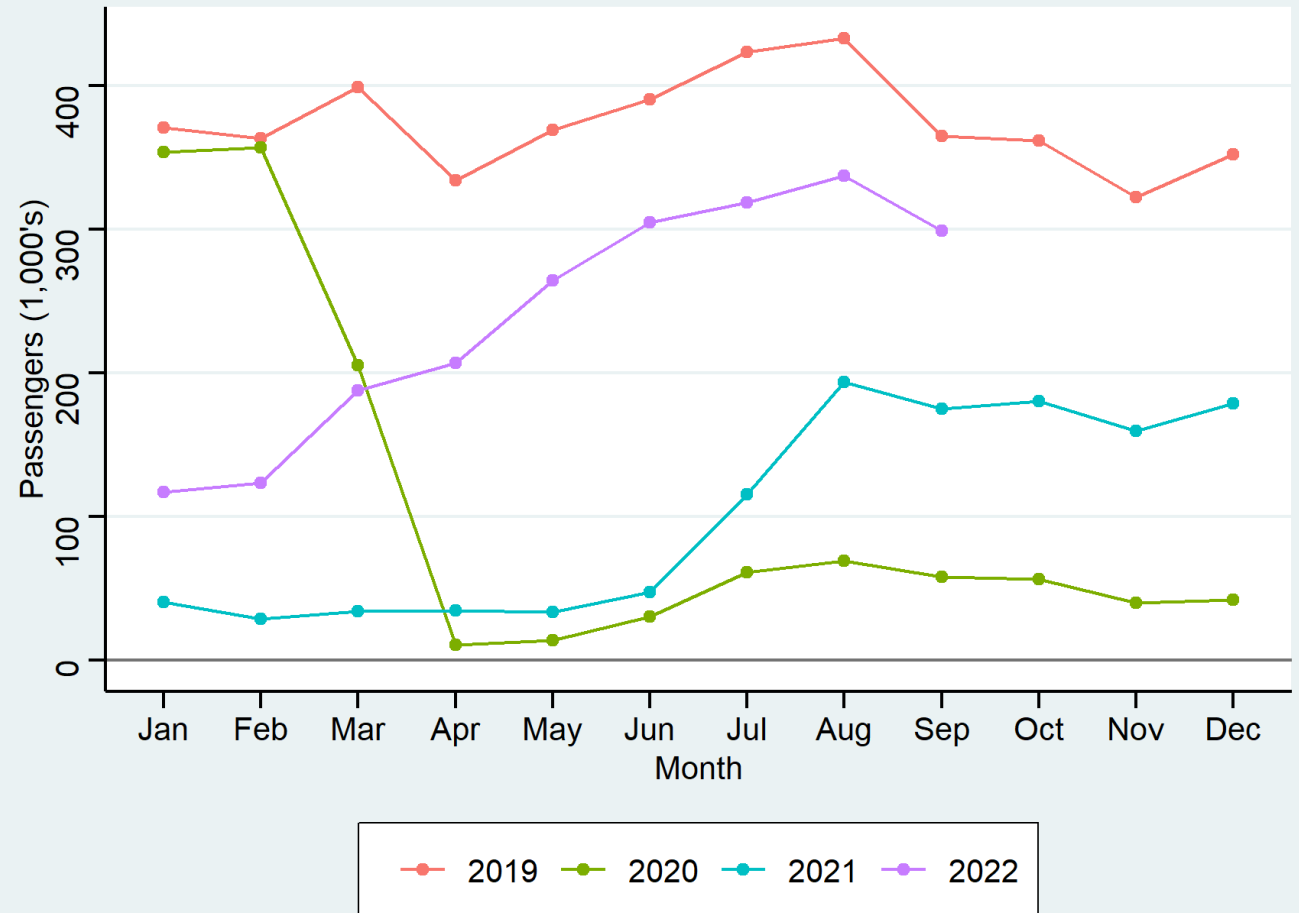


Source: Statistics Canada

Winnipeg Airport Authority Passenger Counts

Source: Winnipeg Airports Authority

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



Source: Winnipeg Airport Authority, Historical Passenger Statistics.



Risks and Opportunities, Outlook



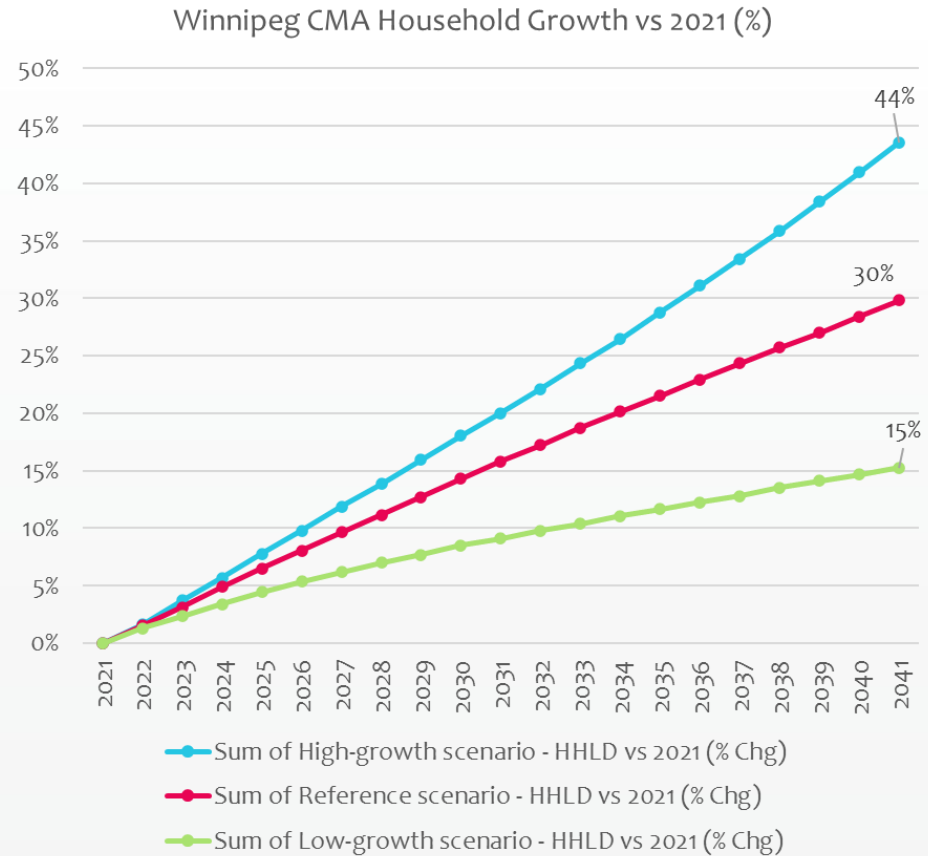
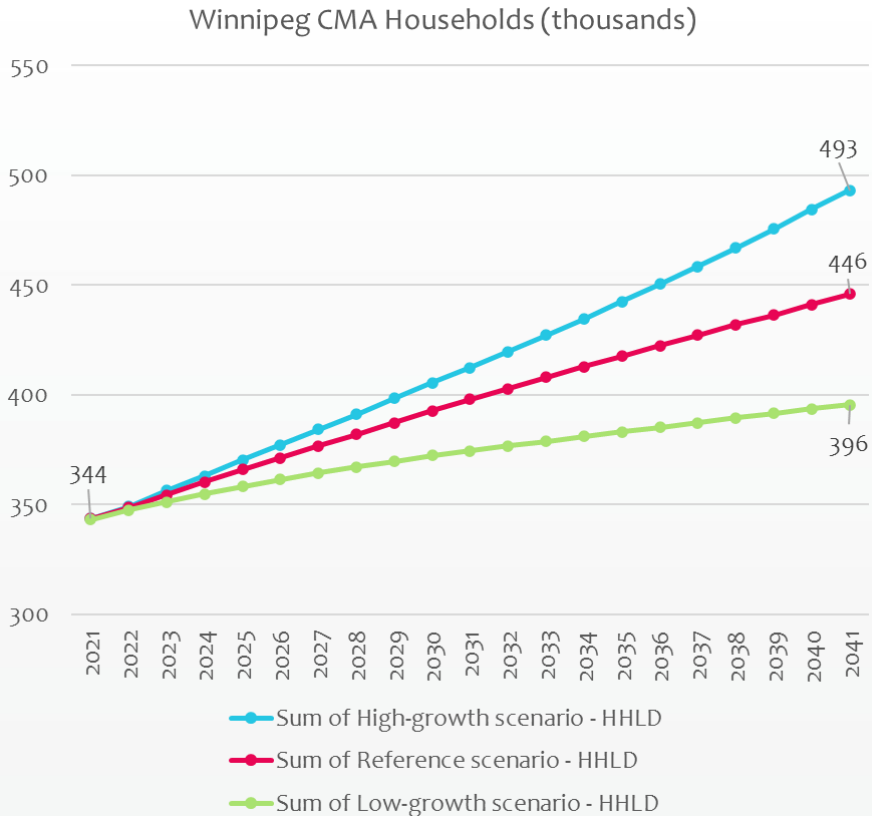
Manitoba Economic Outlook

Percent Change Unless Noted Otherwise
(f = Forecast), P = preliminary

Manitoba	2022F	2023F	2024f
Real GDP	3.7	1.1	1.5
Nominal GDP	9.7	3.1	3.3
Consumer Price Index	7.4	3.7	2.2
Employment	2.5	0.4	0.9
Unemployment Rate (%)	4.7	5.3	5.4

Source: Manitoba Finance Survey of Economic Forecasts & Manitoba Bureau of Statistics. November 2022.

Population Projection – Winnipeg Census Metropolitan Area (CMA)



Source: Statistics Canada, Table 17-10-0146-01. Winnipeg CMA average household size (2.5 people), from the 2021 Census, [link](#). Calculations by EDW.

Challenges and Opportunities Facing Canada

- Challenges: Recovering from the pandemic
 - healthcare system, economy, labour markets
 - Supply chain issues
 - Downtown decline due to pandemic and WFH

Responses

- Strengthen capacity respond to current and future pandemics
- Expanding supply of qualified labour
- Onshoring and reshoring of part of global supply chain
- Expanding Domestic Housing Supply, including in downtowns

Challenges and Opportunities Facing Canada

- Challenges:
 - Partially rollback of globalization due to competition with Russia and China
 - Climate Change
- Responses
 - Reducing reliance on Russia and China for key commodities and products, including for energy and climate adaptation technology
 - Achieving Net Zero (Electrification of Buildings, Transportation, Industrial Use)
 - Electric Vehicle charging Infrastructure build-out. [Closing-the-electric-vehicle-charging-infrastructure-gap-May-11-2022-final.pdf \(cvma.ca\)](#), May 11, 2022.
 - Major opportunity for boosting demand in Manitoba and export markets.
 - Electric transit e.g., buses



Economic Development Winnipeg:

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



Backup Slides



Natural Gas Markets – Europe (€/MWh)

Source: Dutch TTF Gas Jan'23 (TGF23) – [Barchart.com](https://www.barchart.com)



ECONOMIC
DEVELOPMENT
WINNIPEG



TOURISM
WINNIPEG



YES!
WINNIPEG

Crude Oil – Brent Feb'23 (USD/bbl)

Source: Crude Oil – Brent Feb'23 (CBG23) – [Barchart.com](https://www.barchart.com)

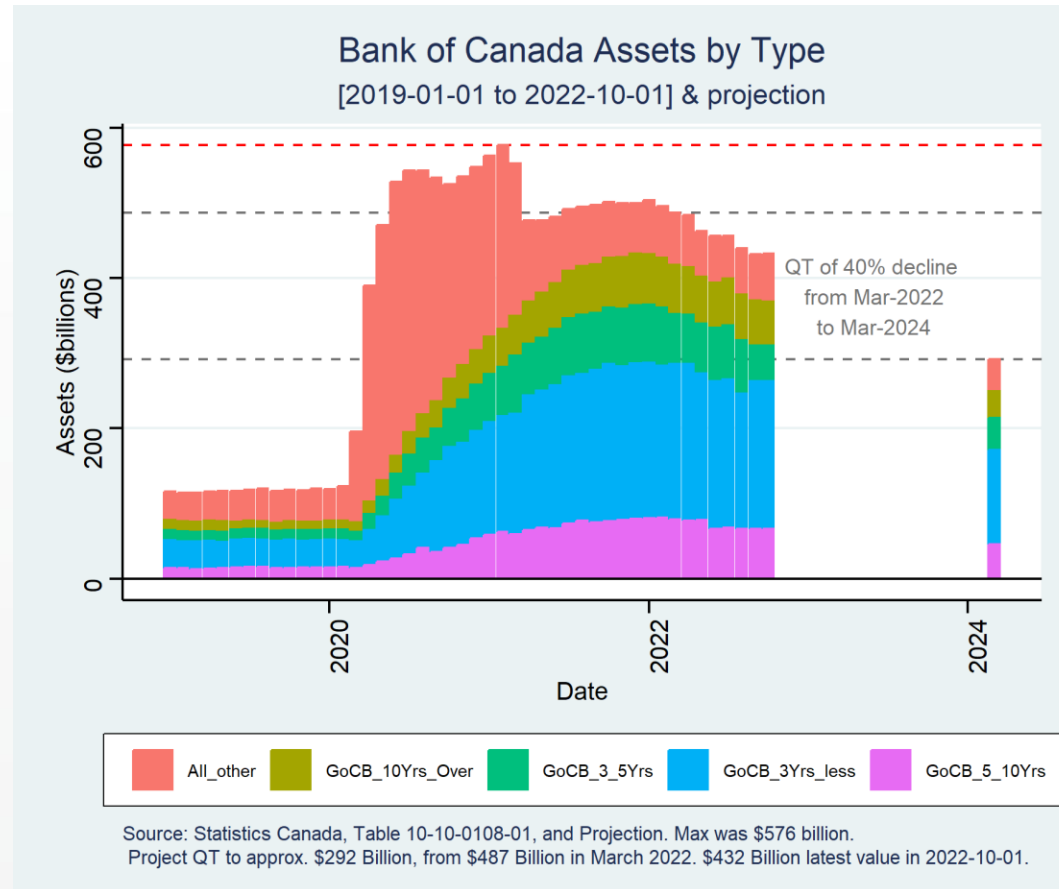


Wheat – Chicago Dec'23 (US Cents/bu)

Source: Wheat – Chicago Dec'23 [Barchart.com](https://www.barchart.com)



Size of BoC Balance Sheet Assets (\$Millions)



Source: Statistics Canada, Bank of Canada.

Economic Growth: Enabling Factors

Factor	Example
Simple and transparent rules	Work to simplify rules in the Winnipeg area 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

Source: Economic Development 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, Rural and Northern Immigration pilot program.
Real Estate Developments	Transit Orient Development (ToD) – multifamily dwelling units near the Blue Line. E.g. the Yards at Fort Rouge.