

Manitoba Economic Snapshot: GDP Forecast

[Chris Ferris](#), Senior Economist
July 7, 2020

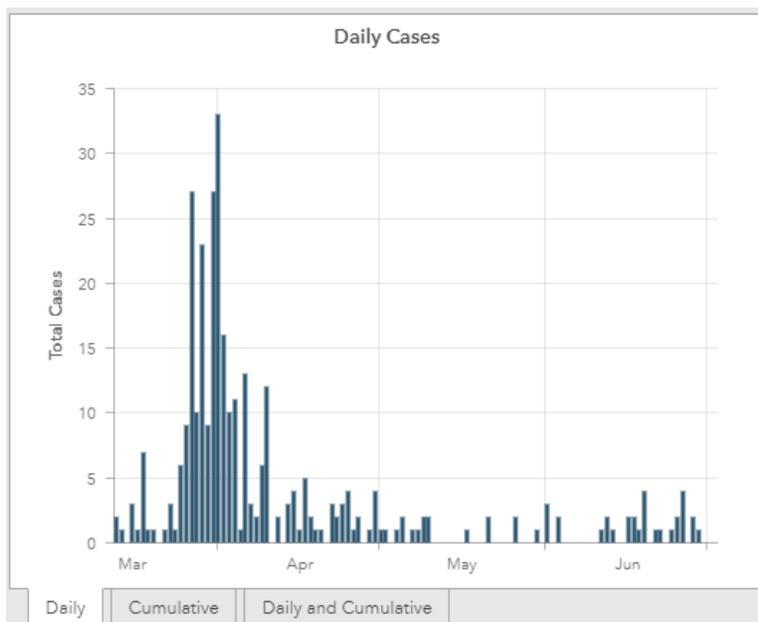
Bottom Line

On June 30, the Manitoba provincial government released its **Economic and Fiscal Update**. The forecast for Manitoba’s 2020 real GDP growth is for a decline of 5.0 per cent. The same forecaster consensus is that Manitoba will see a V-shaped recovery on a quarterly basis. The Manitoba government is investing more than 2.1 billion dollars to address COVID-19 and grow the economy over the next few fiscal years. This will add support to the recovery in Manitoba.

Statistics Canada released Canada’s April 2020 GDP by industry data on June 30. As expected, the numbers were down sharply from February 2020. The April figures represent the timeframe where Manitoba and the rest of Canada was in the middle of their lockdowns. GDP is expected to improve as of mid-May as this is the timeframe that Manitoba began a phased exit from our lockdown.

Reviewing Manitoba’s Economic and Fiscal Update

Figure 1: Manitoba’s Daily COVID-19 Cases (July 3, 2020)



On [June 30](#), Manitoba’s provincial government released an [Economic and Fiscal Update Report](#).¹ **Manitoba’s real GDP forecast for 2020** (as of June 12, 2020) **is -5.0%**.²

This is an improvement over earlier forecasts, in part due to the success Manitoba has achieved in flattening the curve (**Figure 1**). This public health success has enabled Manitoba to move ahead safely with its phased-in economic recovery. Manitoba entered [Restoring Safe Services Together: Phase](#)

[3](#) of our recovery on June 21, 2020.

¹ The update is available on the [Restart Manitoba](#) webpage.

² Page 14 of [Economic and Fiscal Update](#).

The report notes that the consensus GDP forecast calls for a V-shaped recovery.³ The report noted significant downside risks exist that could set back the recovery (**Figure 2**), represented by less desirable U- or L-shaped recovery scenarios.

Figure 2: Manitoba Nominal GDP, Quarterly, Under Various Scenarios (\$ Millions) ⁴

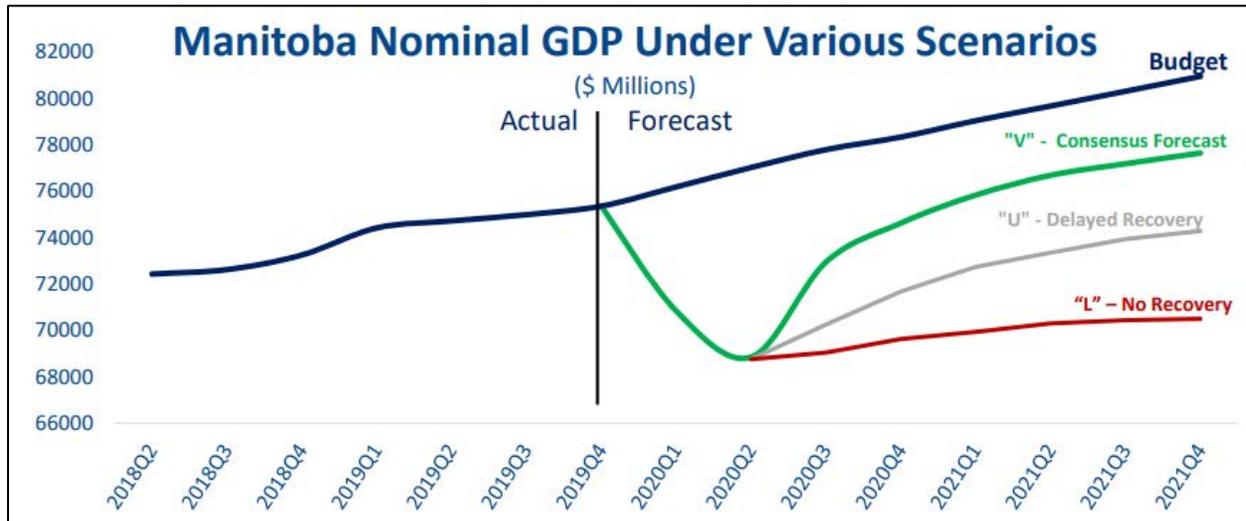
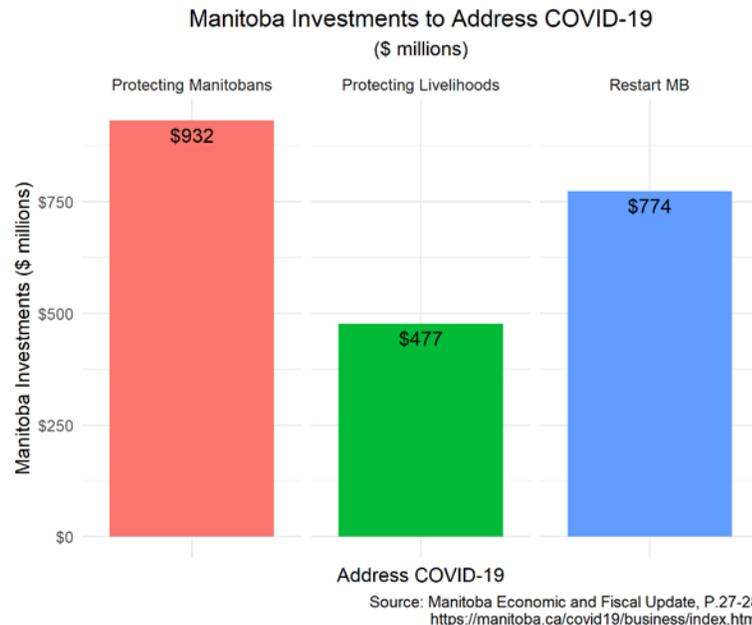


Figure 3: Manitoba Investments to Address COVID-19 (\$ Millions)



The report notes that the Manitoba government is investing in public health preparedness, jobs and growth.

The province indicates that they will invest over 2.1 billion dollars to address COVID-19 impacts and grow the economy (**Figure 3**).⁵

Federal and provincial government investments and public health guidance will continue to provide the baseline. The triad of employers, employees, and customers must continue to find

³ Page 15 of [Economic and Fiscal Update](#). This V-shape is similar to the Nike swoosh we mentioned in an earlier issue of the Weekly Economic Digest. U and L shaped recoveries are less desirable.

⁴ Page 15 of [Economic and Fiscal Update](#).

⁵ Pages 24, 27 and 28 of [Economic and Fiscal Update](#).

ways of resolving the actual and perceived risks due to COVID-19. Together we can keep the economic recovery moving.

The federal government will be releasing its [Economic and Fiscal Snapshot](#) on July 8, 2020, so watch for it. This will give us a better sense of federal government expenditures related to COVID-19 over 2020 and upcoming years. The federal summary response for actions taken to date is [Canada's COVID-19 Economic Response Plan](#).

On June 30, 2020, Statistics Canada released the [April 2020 GDP by Industry](#) figures. As expected, the numbers were down sharply from February 2020. Canada's GDP in April 2020 fell to 1,631 billion dollars, down 18.2 per cent from February's 1,995 billion dollars. **With COVID-19 related lockdowns beginning to ease in May, we expect to see improvements in the May 2020 figures.**

EDW Contacts for Assistance or Inquiries:

- **For Winnipeg businesses looking for help accessing government programs, please reach out to our Yes! Winnipeg Team** through our [Help us help you form](#) if you are not sure who to contact on the Y!W team.
- For general inquires please email wpginfo@edwinnipeg.com.
- For Marketing & Communications Inquiries, please email marketingandbranding@edwinnipeg.com.