

## West to continue leading Canada in economic growth: report



**The West will lead economic growth next year thanks to investment in its vast energy resources, according to a report from the Conference Board of Canada.**

**Photograph by: Postmedia News Service, Postmedia News Service**

OTTAWA — Most, but not all, provinces should see more economic growth next year than they've had this year, and western provinces will continue to be the leaders in economic growth in 2012, according to a report.

The Conference Board of Canada said Friday that the West will benefit from higher commodity prices and related investments in the energy sector. Central and Eastern Canada, on the other hand, are expected to be hampered by things such as provincial government efforts to reduce deficits, a weak U.S. economy and sluggish consumer spending.

"Private-sector activity will pick up in 2012, helping to offset sharp declines in federal and provincial infrastructure spending," Marie-Christine Bernard, the Conference Board's associate director of provincial forecasts, said in a statement. "But despite little direct exposure to European markets, provincial economies would be affected if the (European Union) sovereign debt crisis spread globally. As a result, risks to the forecast remain elevated."

Alberta is expected to see the most economic growth among provinces next year at 3.6 per cent, up from 3.1 per cent this year. Growing energy demand from emerging markets is expected to keep oil prices high and help drive more dollars into projects that get oil and gas out of the ground. This should spill over to the construction and services industries, the Conference Board said.

Saskatchewan will end this year with the most economic growth, at 5.1 per cent, but the Conference Board said that pace will slow to 2.8 per cent in 2012. It's expected to continue to benefit from the potash and energy sectors.

In British Columbia, growth is expected to remain stable — 2.6 per cent this year and 2.5 per cent next — as the province deals with less government spending on infrastructure and modest growth in consumer spending.

Growth in Manitoba is expected to rise from 2.1 per cent this year to 2.6 per cent next year with strength coming from the manufacturing of aerospace products and buses.

Ontario and Quebec are both expected to be hurt by government spending cuts in efforts to tame deficits. Ontario's economy is expected to grow 1.8 per cent this year and 2.2 per cent next year. Quebec is forecast to see an economic expansion of 1.5 per cent in 2011 and 1.8 per cent in 2012.

Newfoundland and Labrador is another one of the exceptions in seeing slower economic growth next year — 0.4 per cent in 2012 compared to 4.5 per cent this year— as expansion slows in its mining industry.

The board expects the other Atlantic provinces will see their economic growth accelerate next year compared to 2011 —Nova Scotia from 1.5 per cent to 1.8 per cent, New Brunswick from 0.7 per cent to 1.5 per cent and Prince Edward Island from 1.6 per cent to 1.9 per cent.

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