



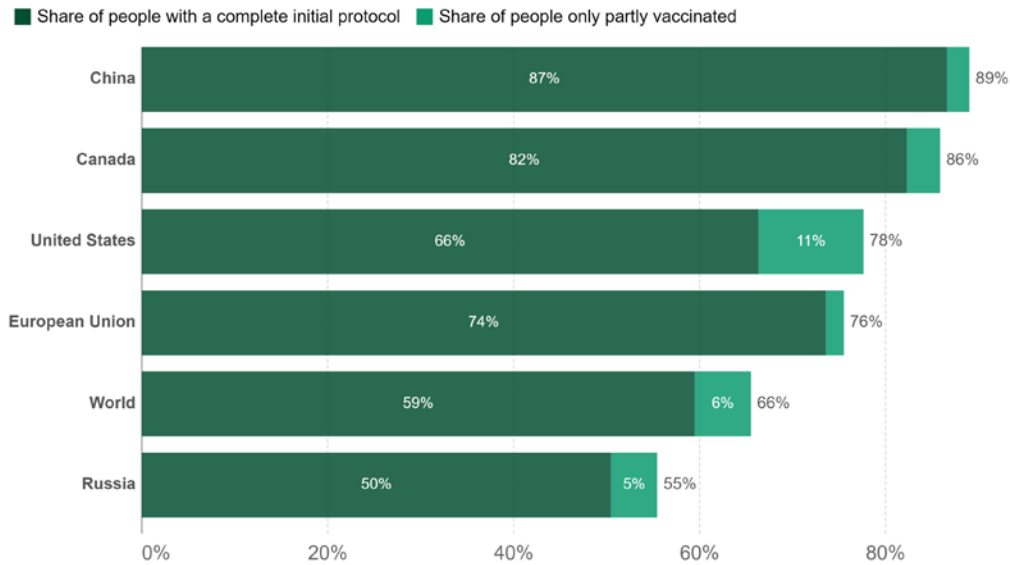
# Canada, Manitoba and Winnipeg Economies: Situation and Outlook

Chris Ferris, Senior Economist  
for Investor Event  
on May 12, 2022



# COVID-19 Vaccination Rates

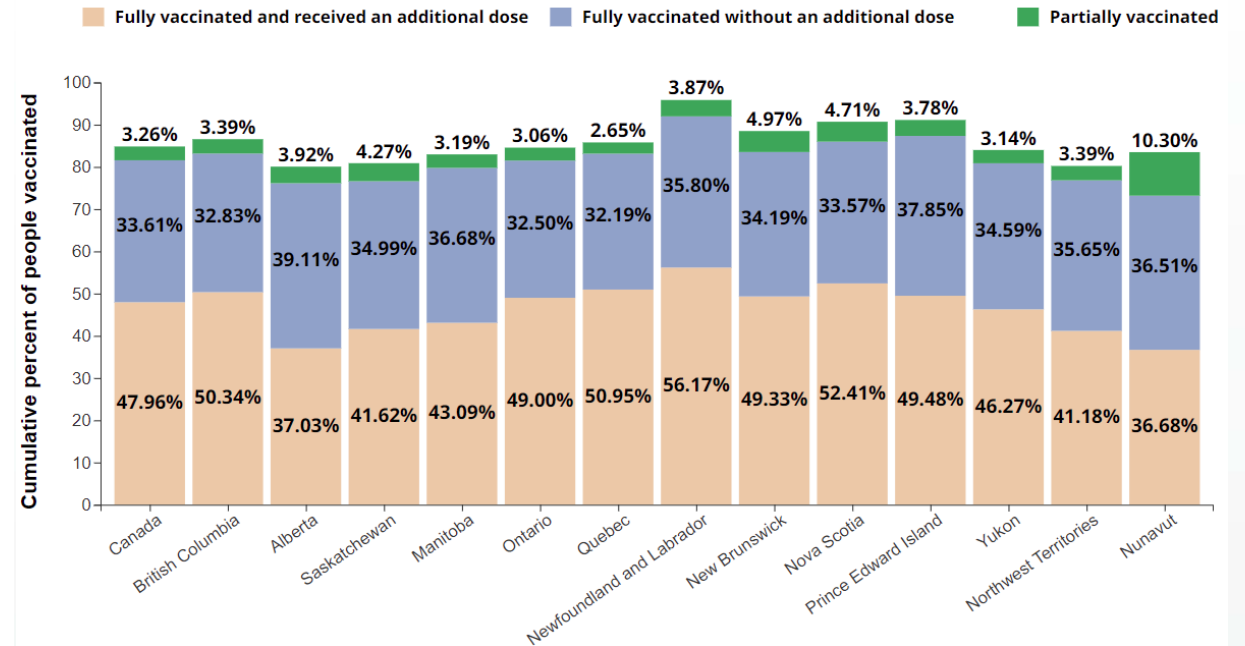
Share of people vaccinated against COVID-19, May 10, 2022



Source: Official data collated by Our World in Data  
 Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.



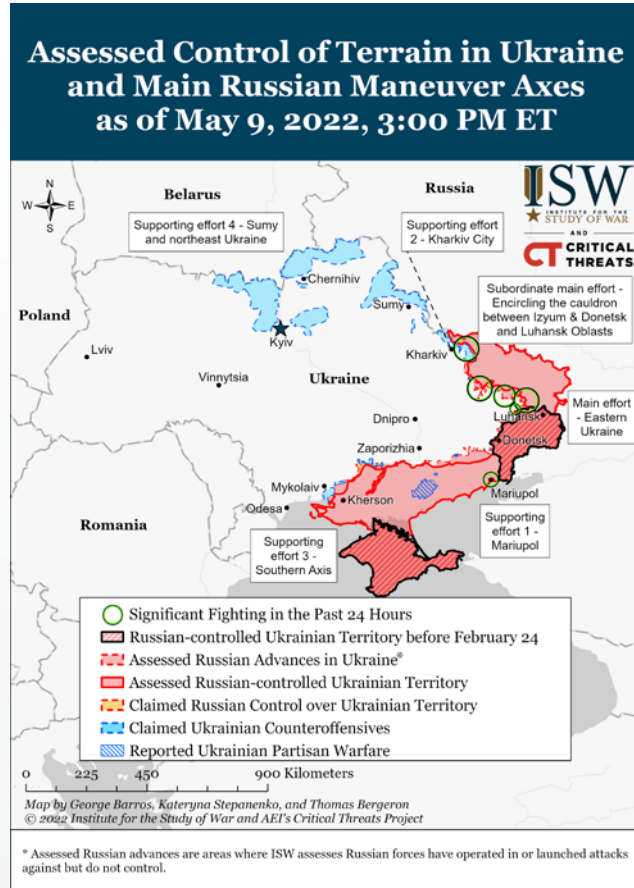
Figure 3. Cumulative percent of people who have received a COVID-19 vaccine in Canada by vaccination status and province or territory, as of April 24, 2022



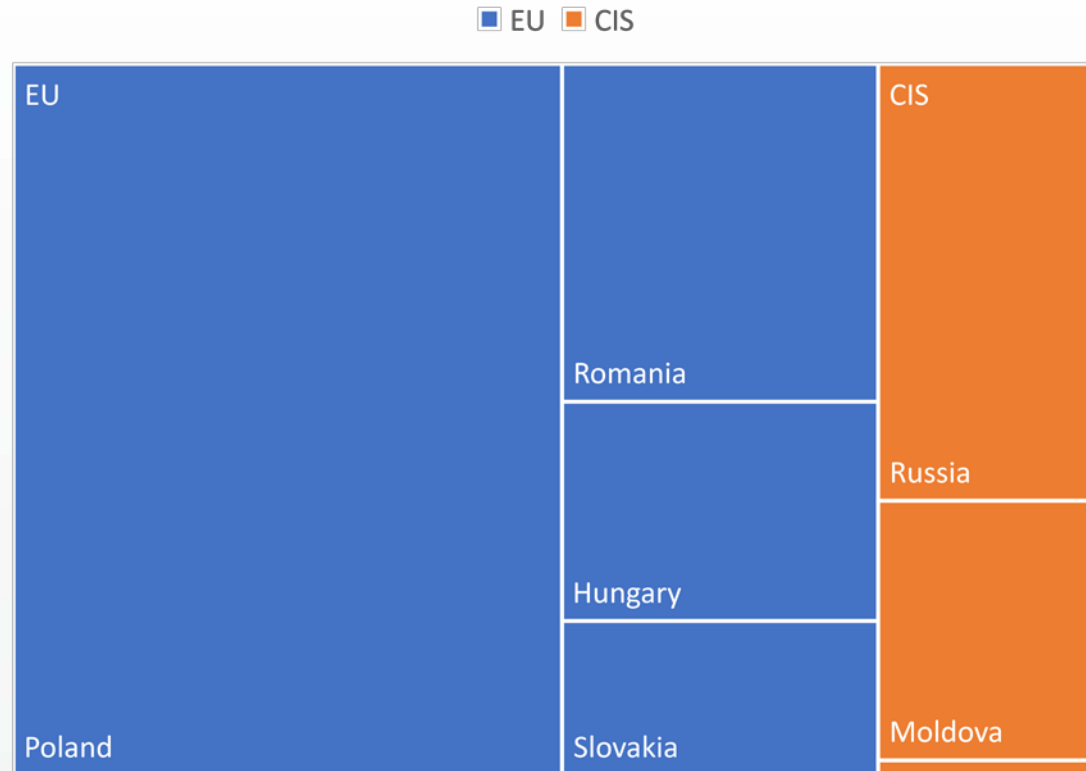
Source: Our World in Data, [Coronavirus \(COVID-19\) Vaccinations - Our World in Data](#) Health Canada (Data up to April 24, 2022). [COVID-19 vaccination coverage in Canada - Canada.ca](#)



# Risk: Russian Invasion of Ukraine (Began late Feb'22)



## Ukrainian Refugees (6 million)



Source for map, Institute for the Study of War. May 9, 2022. <https://www.understandingwar.org/background/russian-offensive-campaign-assessment-may-9>. Ukrainian Refugees as of May 10, 2022. [Situation Ukraine Refugee Situation \(unhcr.org\)](https://www.unhcr.org/situations/ukraine/). CIS = Commonwealth of Independent States

# Commodity Prices: Wheat and Natural Gas futures

Published on TradingView.com,  
May 12, 2022 10:31 UTC-5

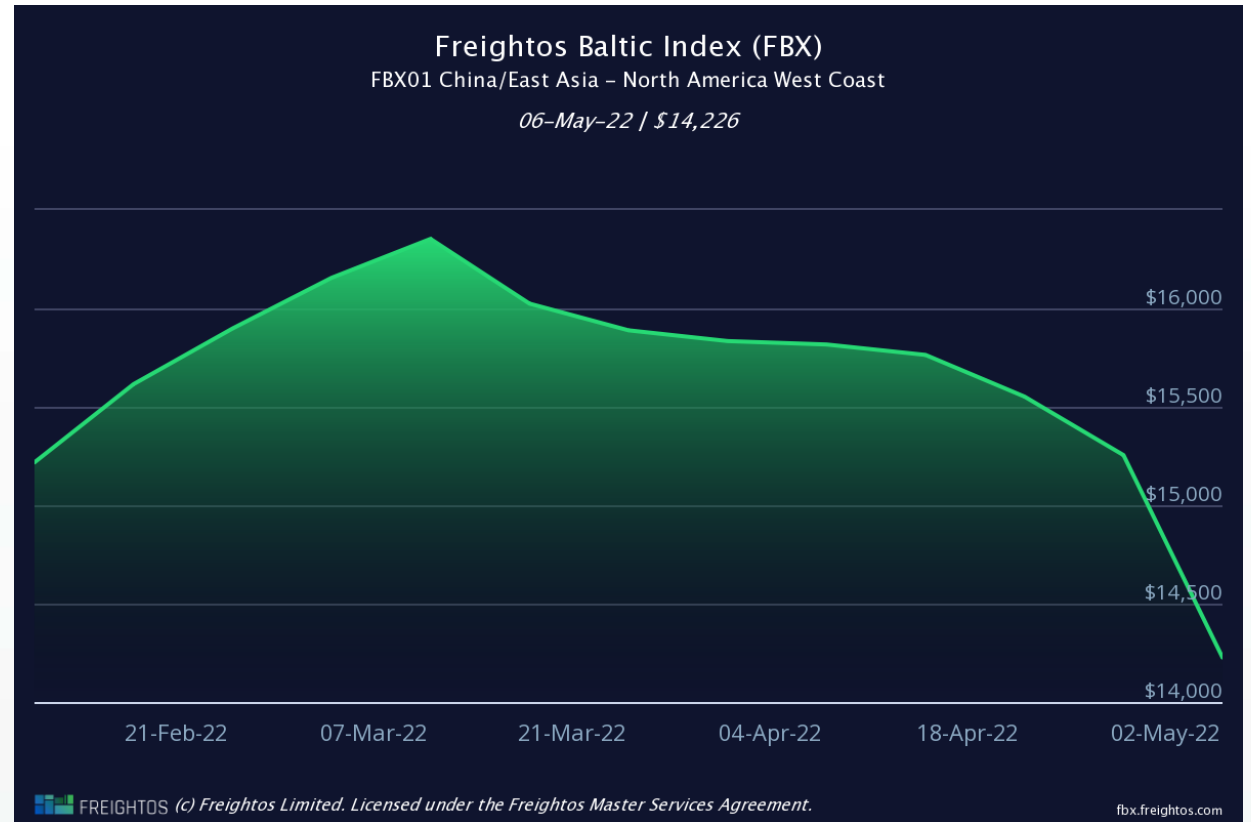
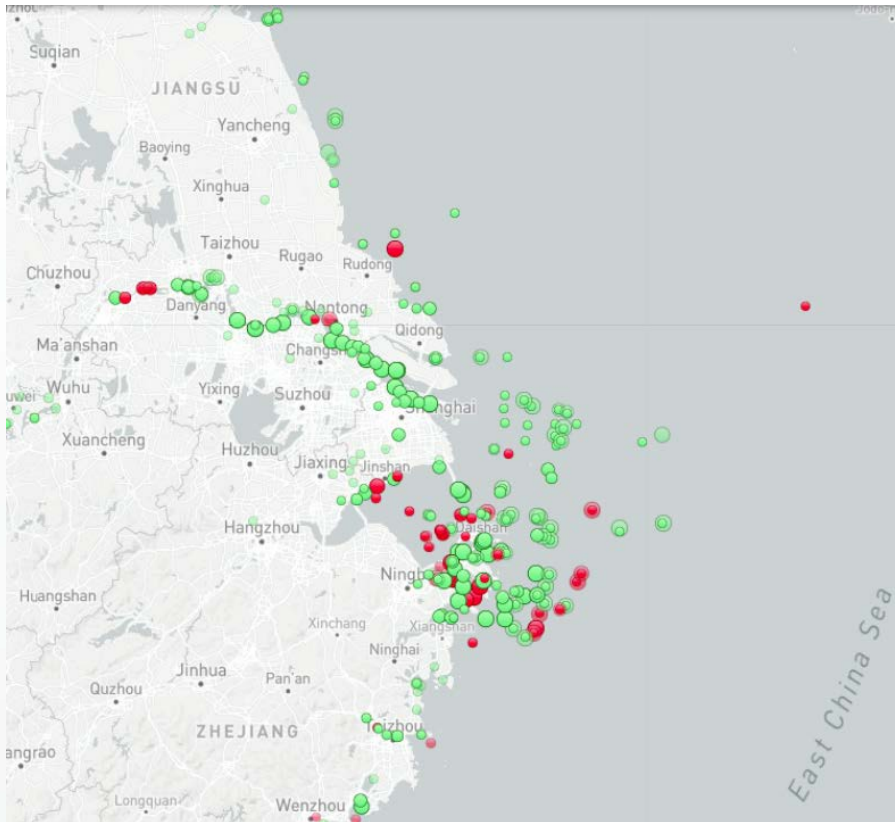


TradingView



Source: CME Group July 2022 Soft Red Wheat (SRW) futures, :  
<https://tradingeconomics.com/commodity/eu-natural-gas>

# China Supply Chain Chaos: COVID Zero Policy

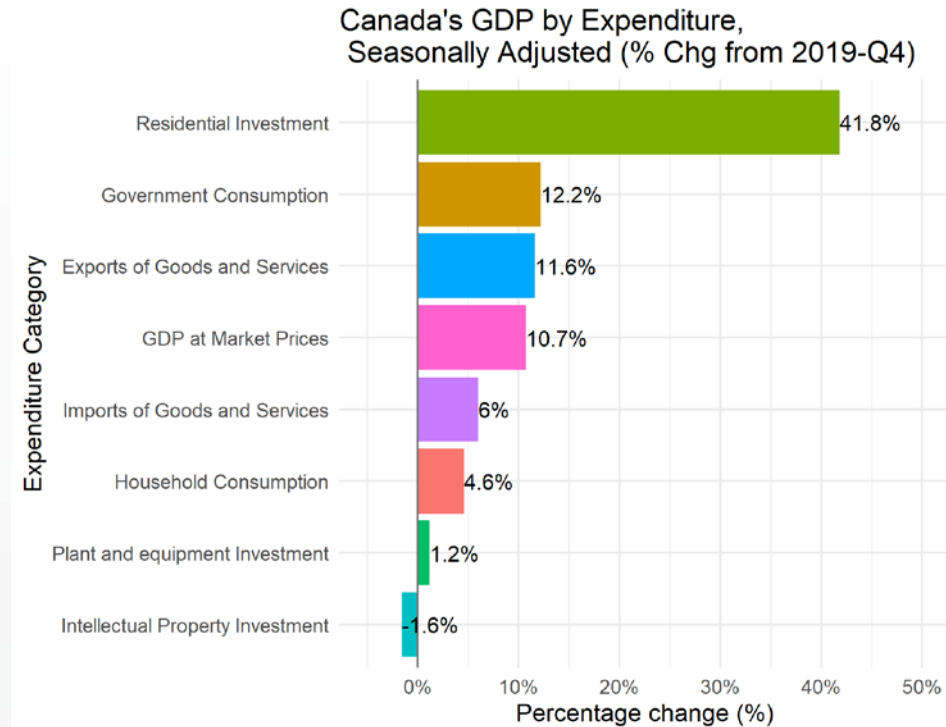
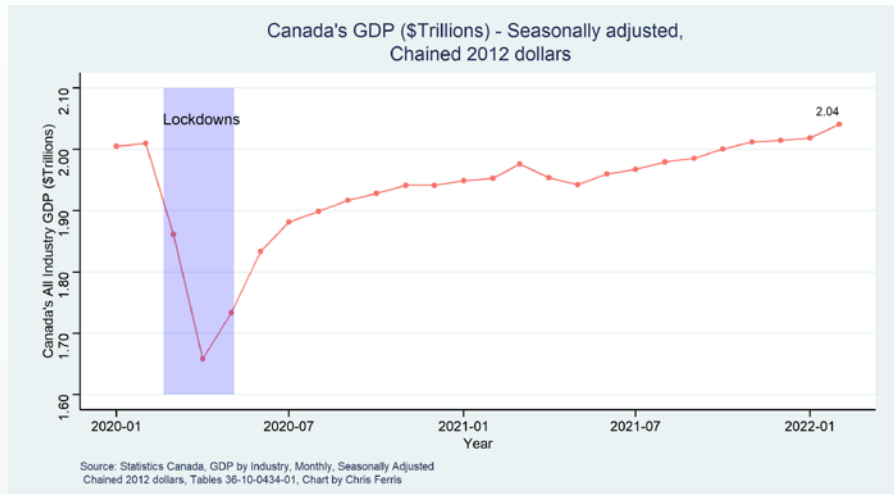


Source: May 10, 2022 [MarineTraffic: Global Ship Tracking Intelligence | AIS Marine Traffic](#) Cargo Vessels and Tankers that are **at anchor** – Ports of Shanghai and up the Yangtze River to around Nanjing.

Source: Freightos (May 10, 2022) FBX01, **China/East Asia to North America West Coast**. Daily rates for container vessels. **\$14,226 on May 6, 2022**, down \$2,127 from March 11, 2022. [FBX China/East Asia - North America West Coast - Freight Rate Index \(freightos.com\)](#). Reverse trip is currently \$991 per day.

Source: Laura He (May 6, 2022), "Shipping delays are back as China's lockdowns ripple around the world, CNN. [Shipping delays are back as China's lockdowns ripple around the world | CNN Business](#).

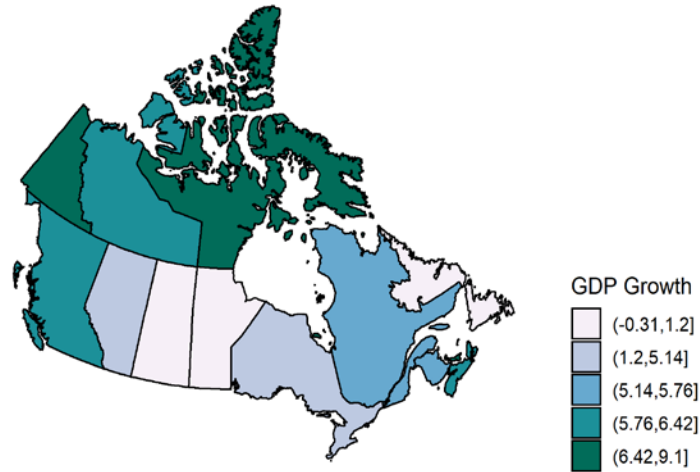
# Canada GDP (Monthly and Quarterly)



Source: Statistics Canada

# GDP Growth by Province/Terr. and Manitoba GDP by Industry Share: 2021

RGDP Growth (Decline) by Province/Territory  
in 2021 (Y/Y % change)



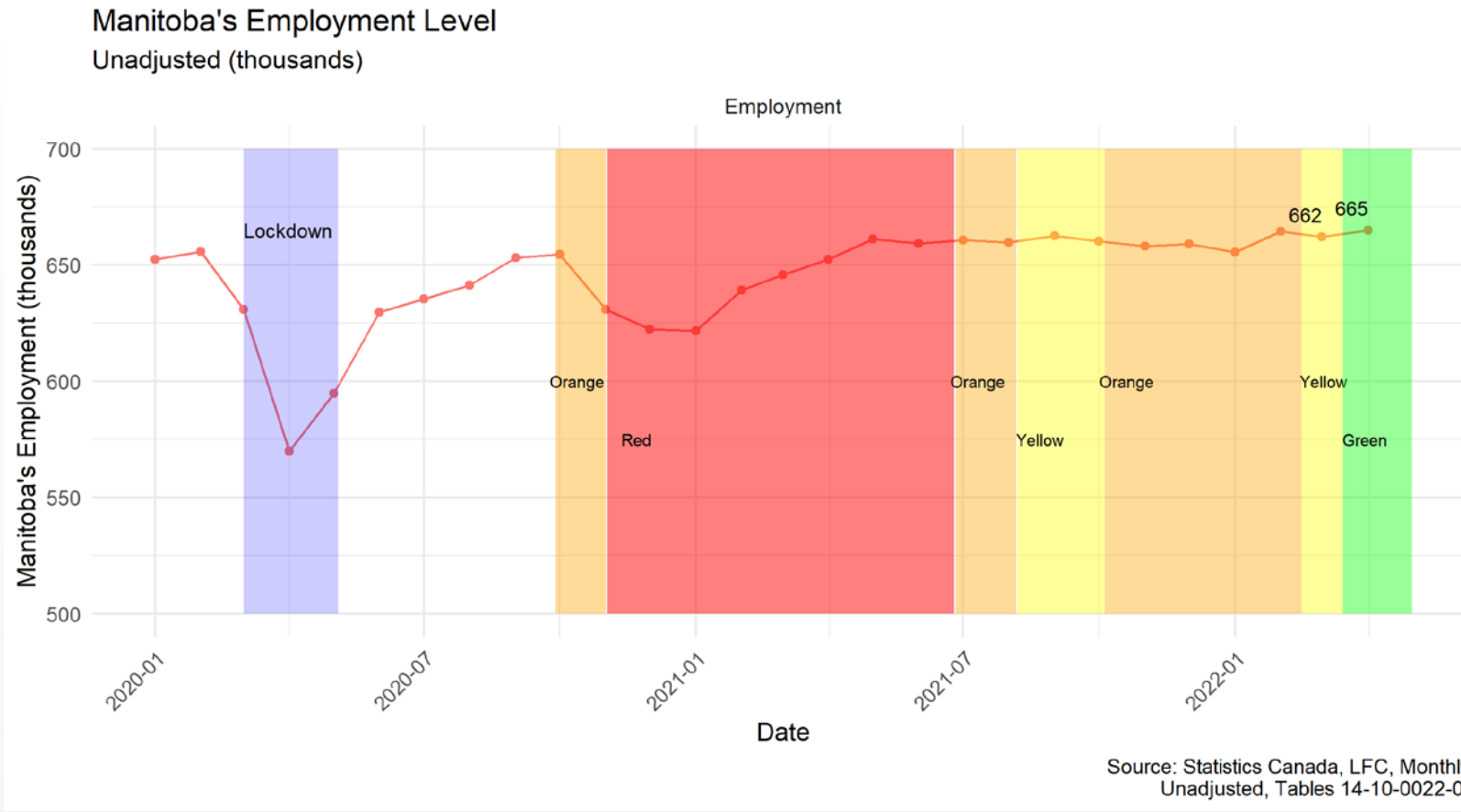
Source: Statistics Canada, Tables 36-10-0402-01  
Real GDP by Prov/Terr, Chained 2012 dollars

Manitoba GDP Share by Sector, 2021 (%)



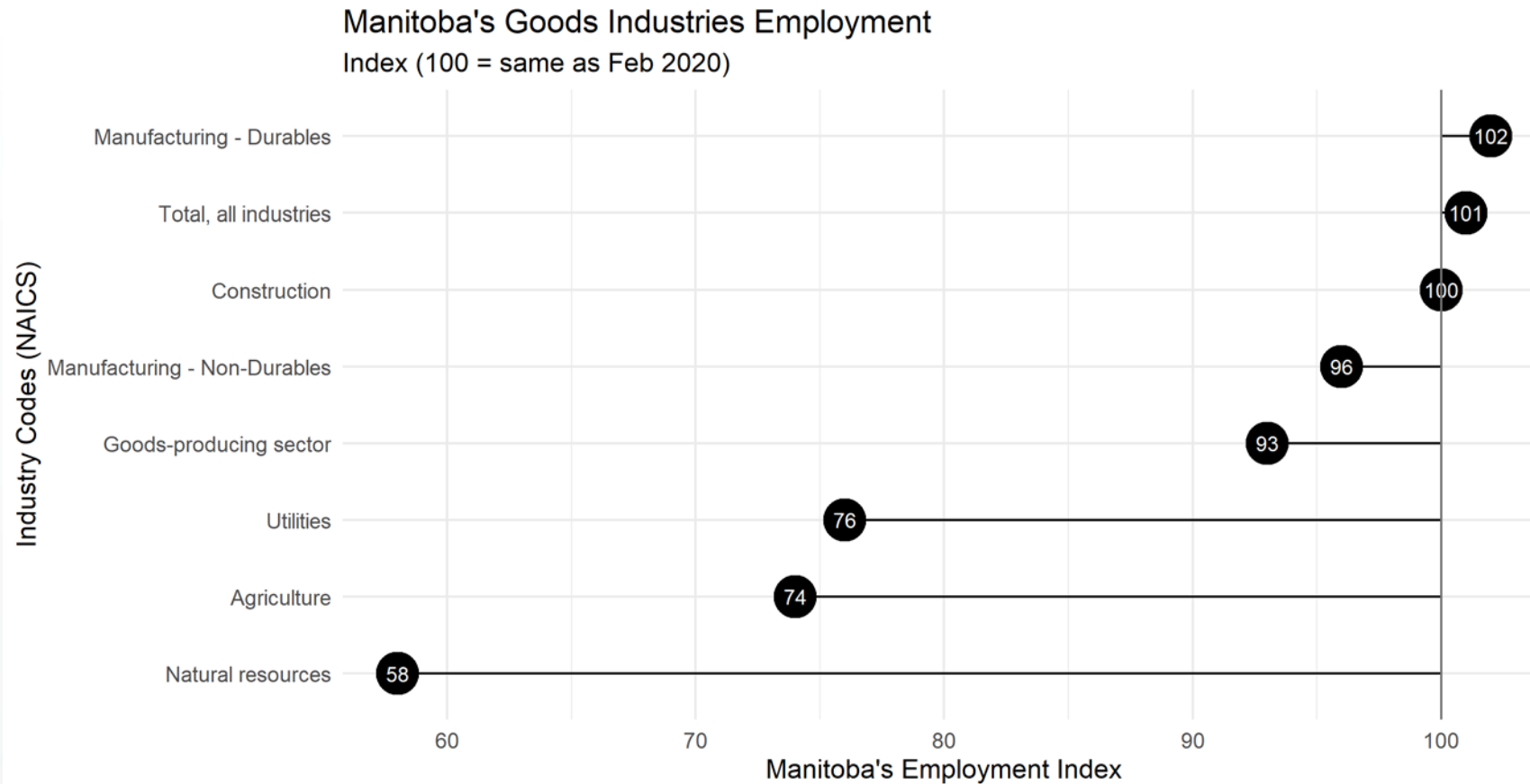
Source: Statistics Canada, Real GDP by Sector, Province - Chained 2012, Tables 36-10-0402-01

# Manitoba Employment by Month (April 2022)





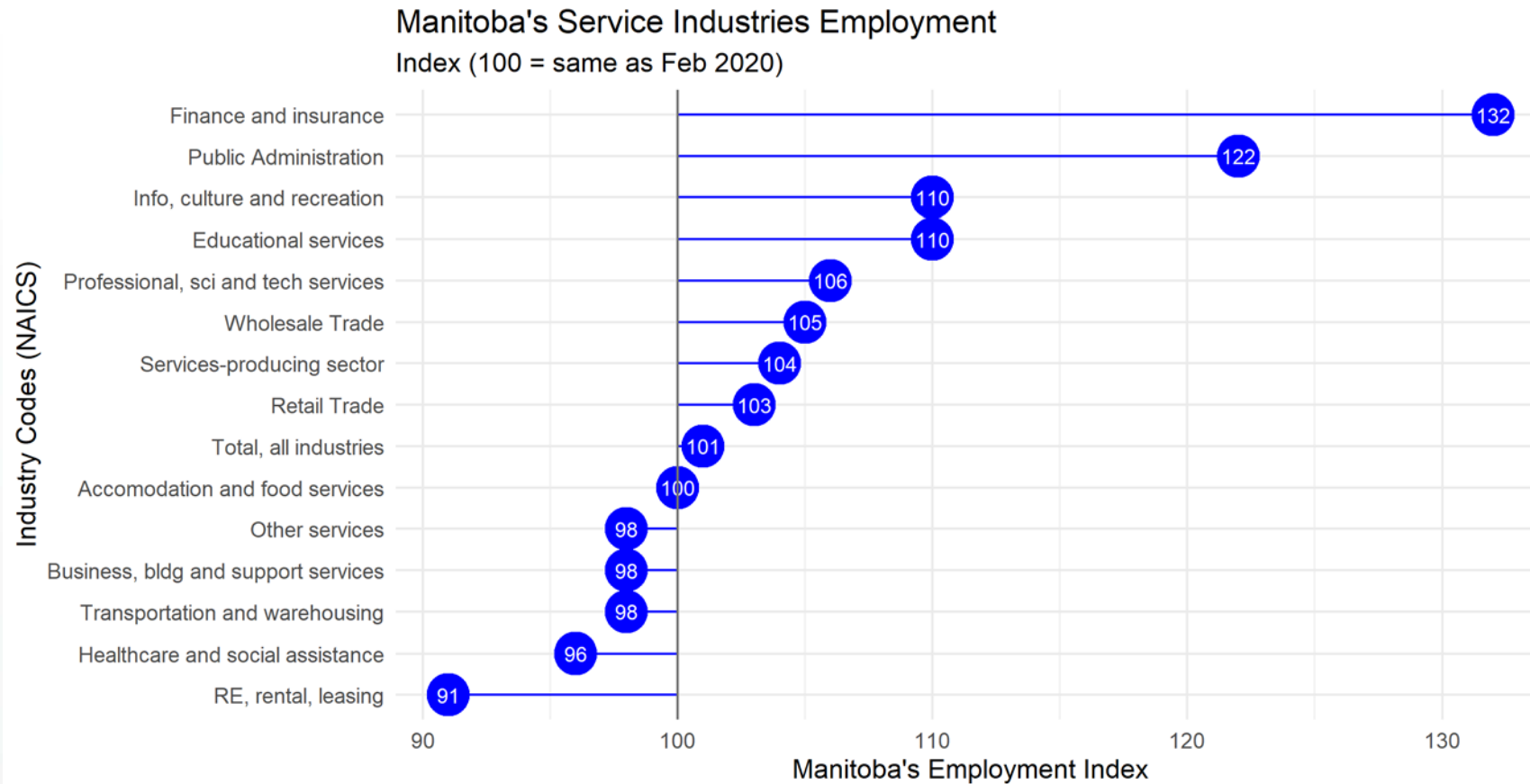
# Manitoba Goods Employment Index: (Apr 2022 vs Feb 2020)



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

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

# Manitoba Services Employment Index: (Apr 2022 vs Feb 2020)

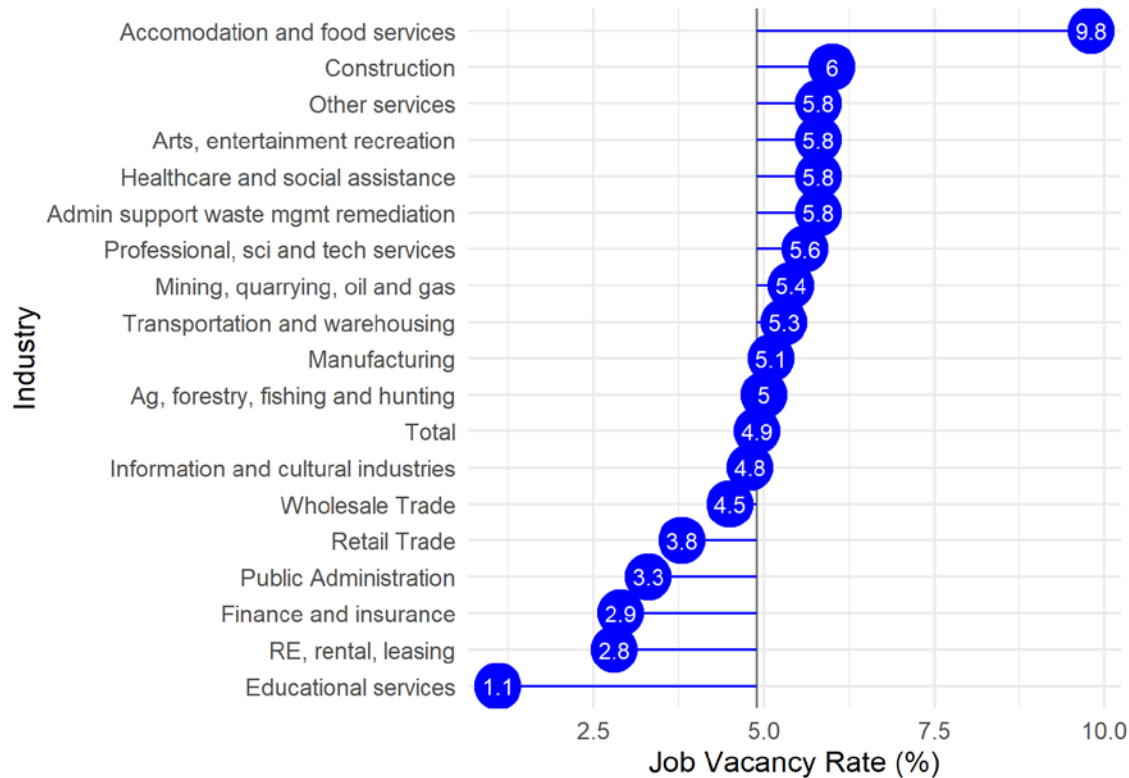


Source: Statistics Canada, LFC, Monthly, Unadjusted, Tables 14-10-0022-01

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



Job Vacancy Rate by Industry (%)  
Canada: as of 2022-02-01

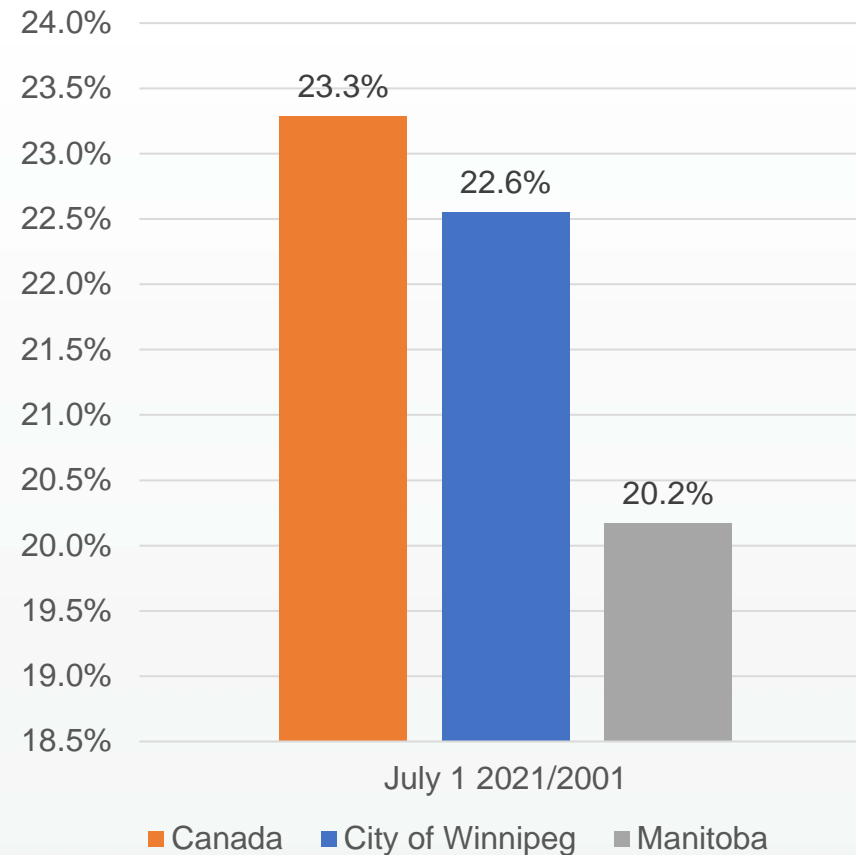
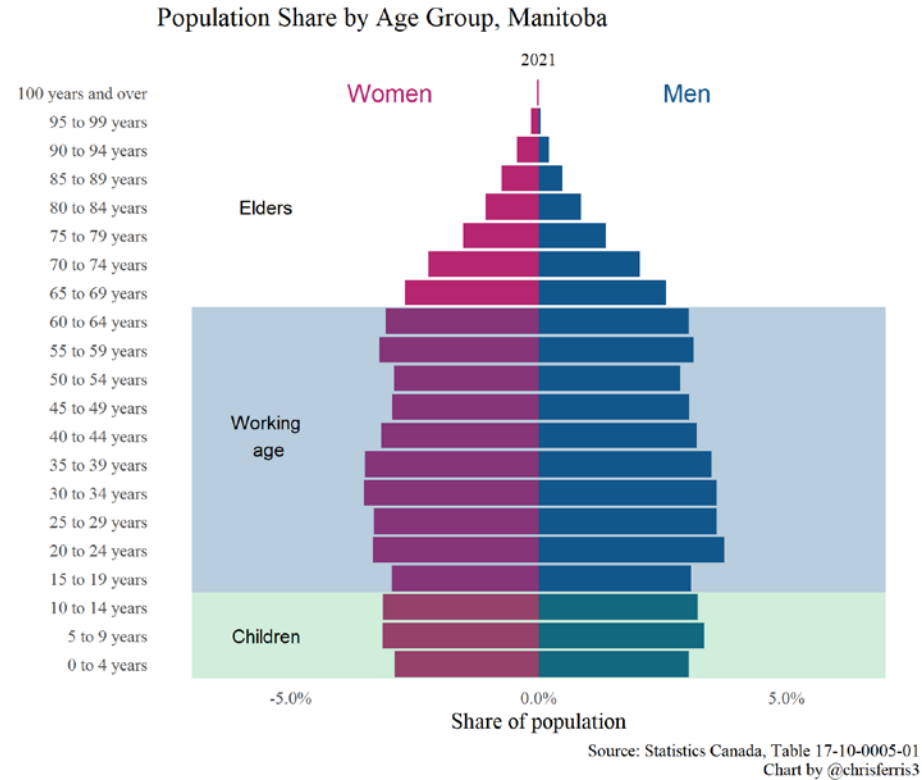


Source: Statistics Canada, Job vacancies, payroll employees and job vacancy rates  
Tables 14-10-0372-01 Chart by Chris Ferris

## Job Vacancy Rate by Industry

- Highest vacancy rates:
- **accommodation and food services 9.8** per cent
- **Construction 6** per cent
- **All industries average is 4.9** per cent
- Lowest is **Education services 1.1** per cent

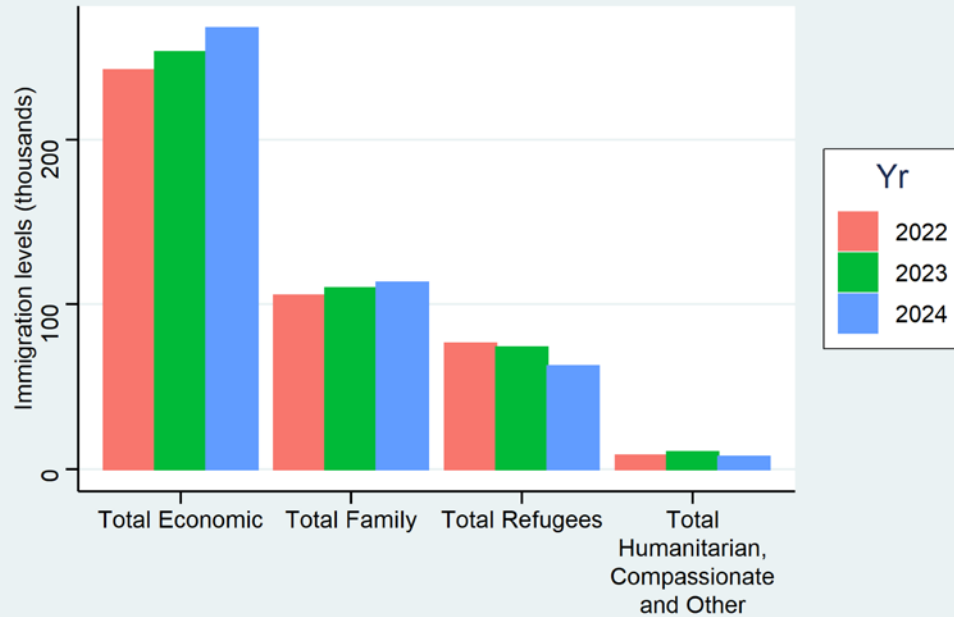
# Population Pyramid and growth over the last 20 years



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

# Canada Immigration Plans (2022 – 2024)

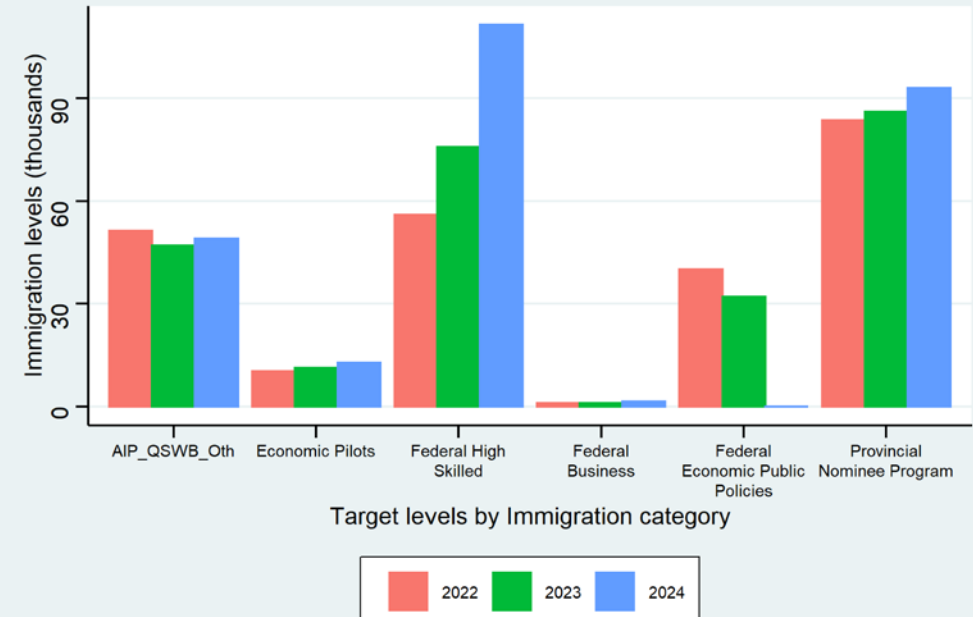
Total Immigration Level by Category (2022 - 2024)  
thousands



Target levels by Immigration category

Source: Immigration, Refugees, and Citizenship Canada. February 14, 2022  
<https://www.canada.ca/en/immigration-refugees-citizenship/news/2022/02/new-immigration-plan-to-fill-labour-market-shortages-and-grow-canadas-economy.html>

Canada Economic Immigration by Subcategory (2022 - 2024)  
thousands



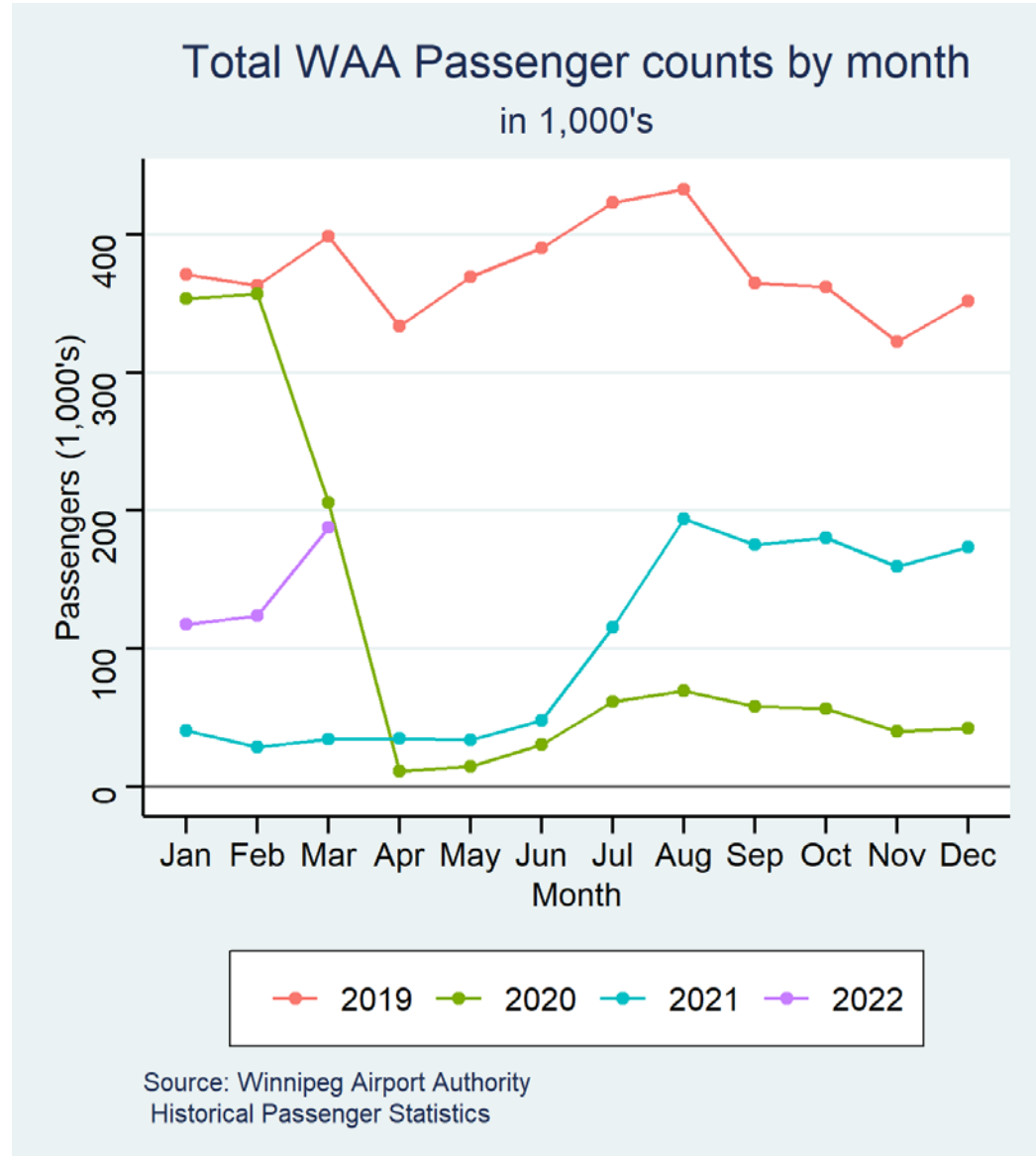
Target levels by Immigration category



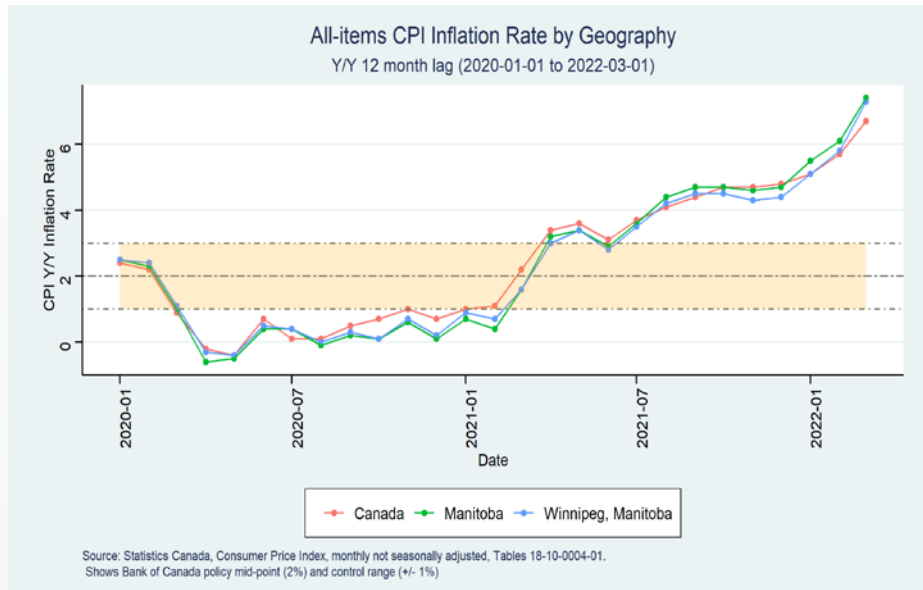
Source: Immigration, Refugees, and Citizenship Canada. February 14, 2022  
<https://www.canada.ca/en/immigration-refugees-citizenship/news/2022/02/new-immigration-plan-to-fill-labour-market-shortages-and-grow-canadas-economy.html>  
 (AIP) Atlantic Immigration Program, (QSWB) Quebec Skilled Workers, Business, and Other

# Winnipeg Airport Authority Passenger Counts

Source: Winnipeg Airports  
Authority

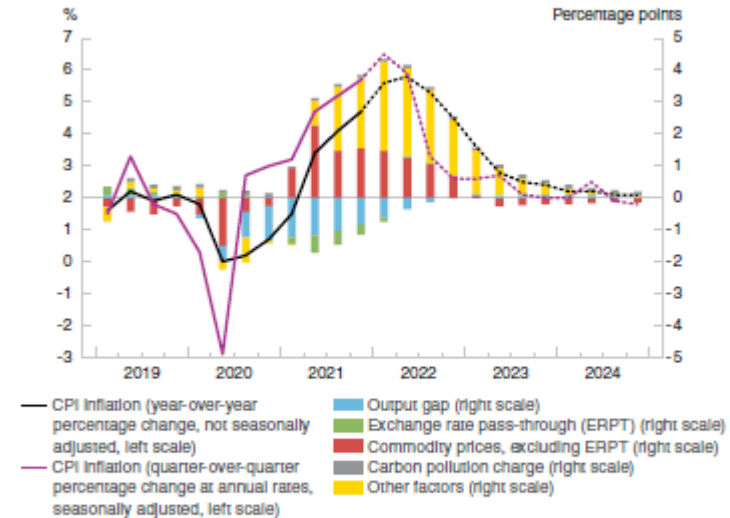


# All-items CPI Inflation by Geography



**Chart 17: CPI inflation to ease as the effects of supply disruptions and high energy prices fade and monetary stimulus is reduced**

Contribution to the deviation of year-over-year inflation from 2%, quarterly data

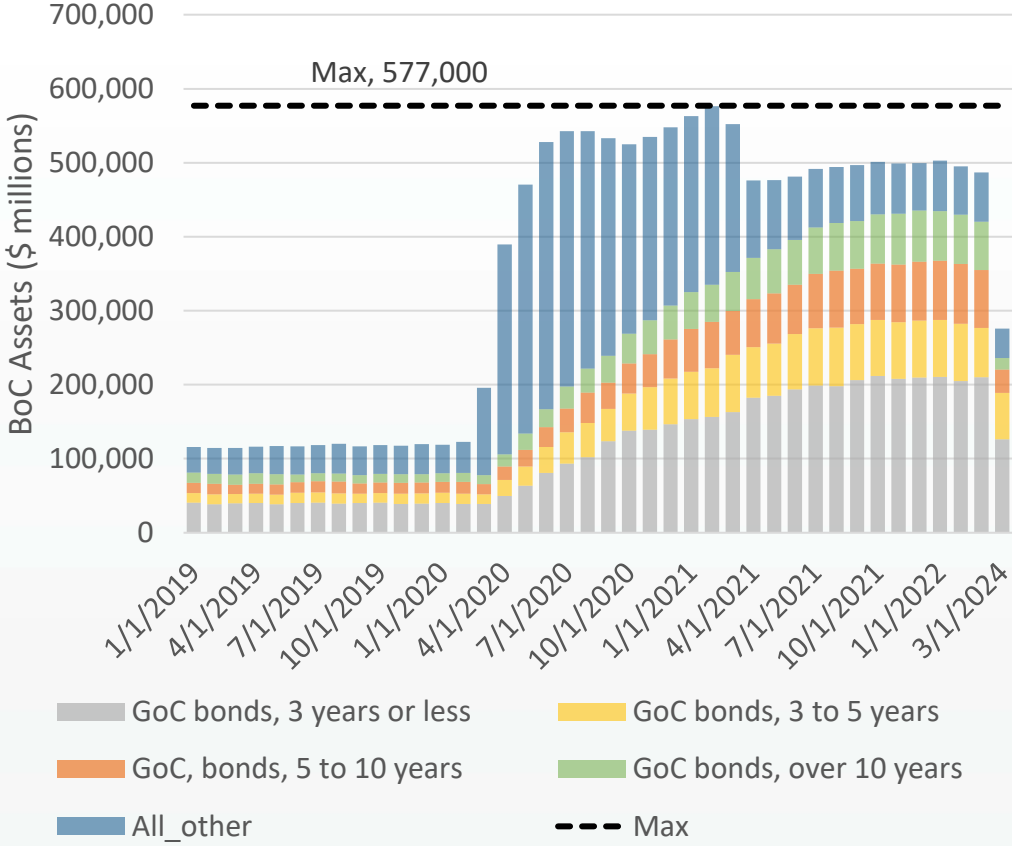
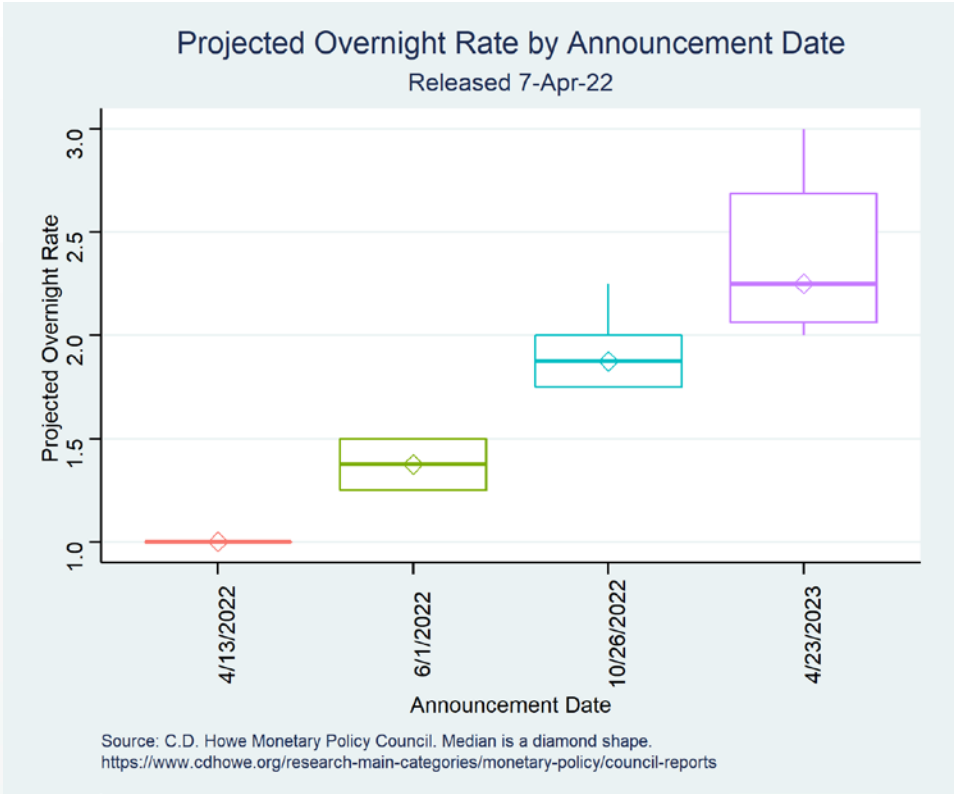


Note: "Other factors" Includes, in particular, the impacts of various supply-related disruptions on inflation, such as the effects of semiconductor shortages on motor vehicle prices, of shipping bottlenecks on goods prices, and of unfavourable weather conditions on food prices. Numbers may not add to total due to rounding.

Sources: Statistics Canada and Bank of Canada calculations, estimates and projections

Source: Statistics Canada, Bank of Canada, April 2022 MPR.

# Bank of Canada (BoC) Overnight Rate Projections, Size of BoC Balance Sheet Assets (\$Millions)



Source: Statistics Canada: Table 10-10-0108-01. MPC (April 7, 2022) [C.D. Howe Institute Monetary Policy Council Calls for Bank of Canada to Raise Overnight Rate to 1.00 Percent Next Week and 2.25 Percent in a Year's Time, and Shrink Bond Holdings](#) | [C.D. Howe Institute](#) | [Canada Economy News](#) | [Canadian Government Policy \(cdhowe.org\)](#).



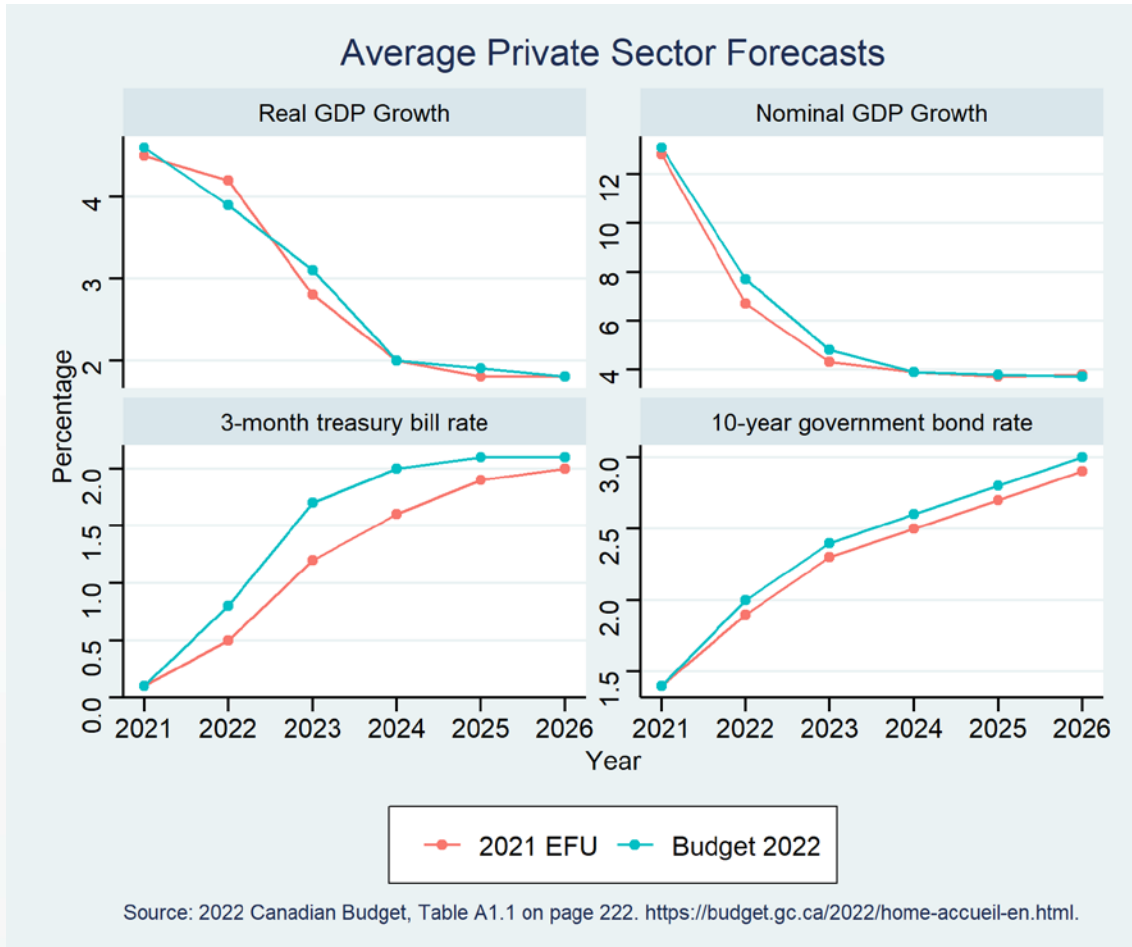
# Challenges and Opportunities Facing Canada

- Recovering from the pandemic
  - healthcare system, economy, labour markets
- Partially rollback of globalization
- Expanding Housing Supply
- 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.

# Average Private Sector Forecasts for Fed Budget 2022

Three major pillars of Budget 2022:

- Investing in Canadians and making life more affordable
- Investing in economic growth and innovation
- Investing in a clean economy



# Federal Budget

Description /2	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027
<b>Budget Balance – EFU 2021</b>	-144.5	-58.4	-43.9	-29.1	-22.7	-13.1
<b>Economic &amp; fiscal actions since EFU 2021</b>	36.1	14.3	11.7	7.5	8.5	7.4
<b>Policy actions since EFU 2021</b>	-3.1	-1.3	-0.6	0.6	0.4	0.3
<b>Total Budget 2022 measures</b>	-2.2	-7.4	-7.1	-6.7	-4.8	-3.0
<b>Net change in budget balance</b>	30.8	5.6	4.0	1.4	4.1	4.7
<b>Budget Balance – Budget 2022</b>	-113.8	-52.8	-39.9	-27.8	-18.6	-8.4
<b>Federal Debt /3</b>	1,160.8	1,213.7	1,253.6	1,281.4	1,300.0	1,308.4
<b>Nominal GDP - budget 2022 /1</b>	2,496	2,689	2,819	2,929	3,040	3,153
<b>As a percent of nominal GDP</b>						
<b>Budgetary Balance</b>	-4.6%	-2.0%	-1.4%	-0.9%	-0.6%	-0.3%
<b>Federal Debt</b>	46.5%	45.1%	44.5%	43.7%	42.8%	41.5%
/1 From Table A1.1, page 222.						
/2 From Table A1.2, page 223, unless stated otherwise.						
/3 From Table A1.4, page 226.						

Three major pillars of Budget 2022:

- Investing in Canadians and making life more affordable
- Investing in economic growth and innovation
- Investing in a clean economy

Declining Def/GDP, Debt/GDP

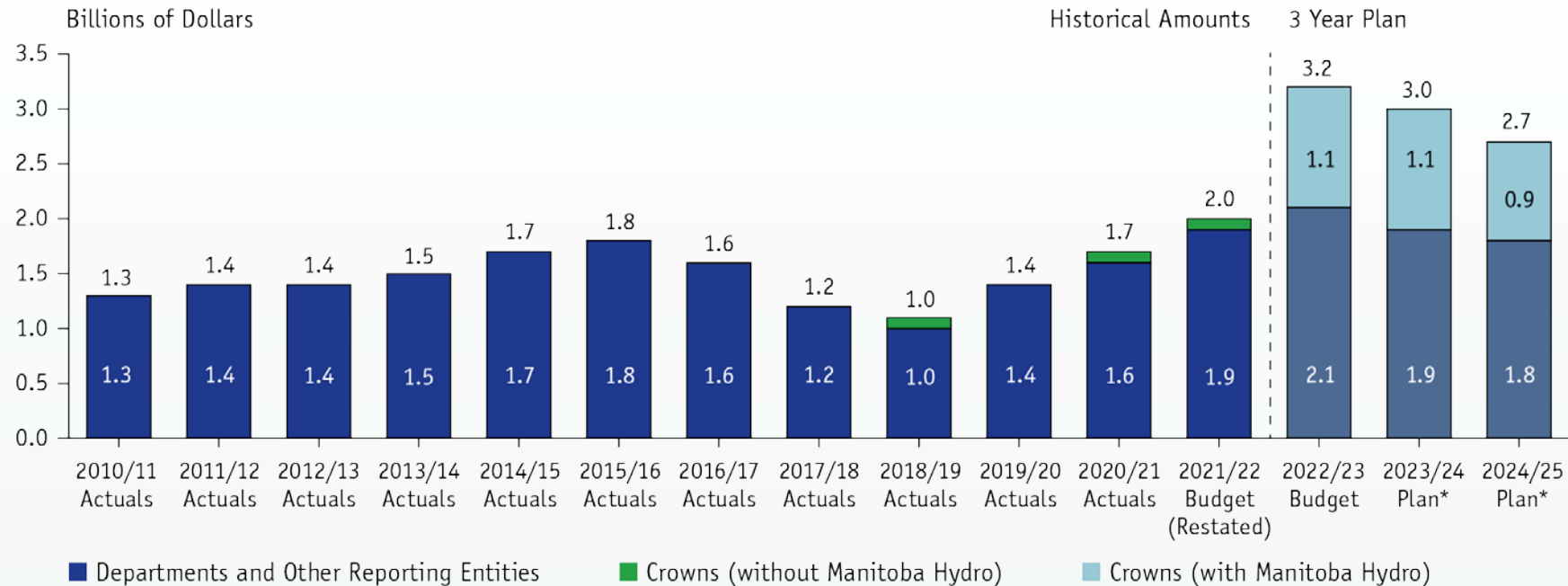
# Manitoba Fiscal Summary and Outlook (\$Millions)

Description (\$Millions)	Actual	Forecast	Budget	Medium Term Projection		
	2020-21	2021-22F	2022-23b	2023-24P	2024-25P	2025-26P
<b>Revenue</b>	<b>17,819</b>	<b>18,692</b>	<b>19,353</b>	<b>20,007</b>	<b>20,610</b>	<b>21,265</b>
<b>Expenditures</b>						
Programs	18,967	19,120	18,876	19,358	19,741	20,111
Interest on Debt	969	965	1,025	1,088	1,216	1,414
<b>Total Expenditures</b>	<b>19,936</b>	<b>20,085</b>	<b>19,901</b>	<b>20,446</b>	<b>20,957</b>	<b>21,525</b>
Surplus/(Deficit) before Reserve	(2,117)	(1,393)	(348)	(439)	(347)	(260)
Planning Contingencies			(200)			
<b>Surplus/(Deficit)</b>	<b>(2,117)</b>	<b>(1,393)</b>	<b>(548)</b>	<b>(439)</b>	<b>(347)</b>	<b>(260)</b>
Summary Net Debt /1		29,272	30,544			
Net Debt as a Share of GDP	37.6%	36.4%	35.9%	35.3%	35.1%	34.8%

Source: Manitoba Finance. Manitoba Budget 2022-23, page 120. /1 page 6. The Manitoba government fiscal year starts April 1, 2022 and ends March 31, 2023. (Mar/Apr). F = forecast, B = budget, P = Projection.

# Manitoba Strategic Infrastructure Plan (\$Billions)

## Strategic Infrastructure Plan

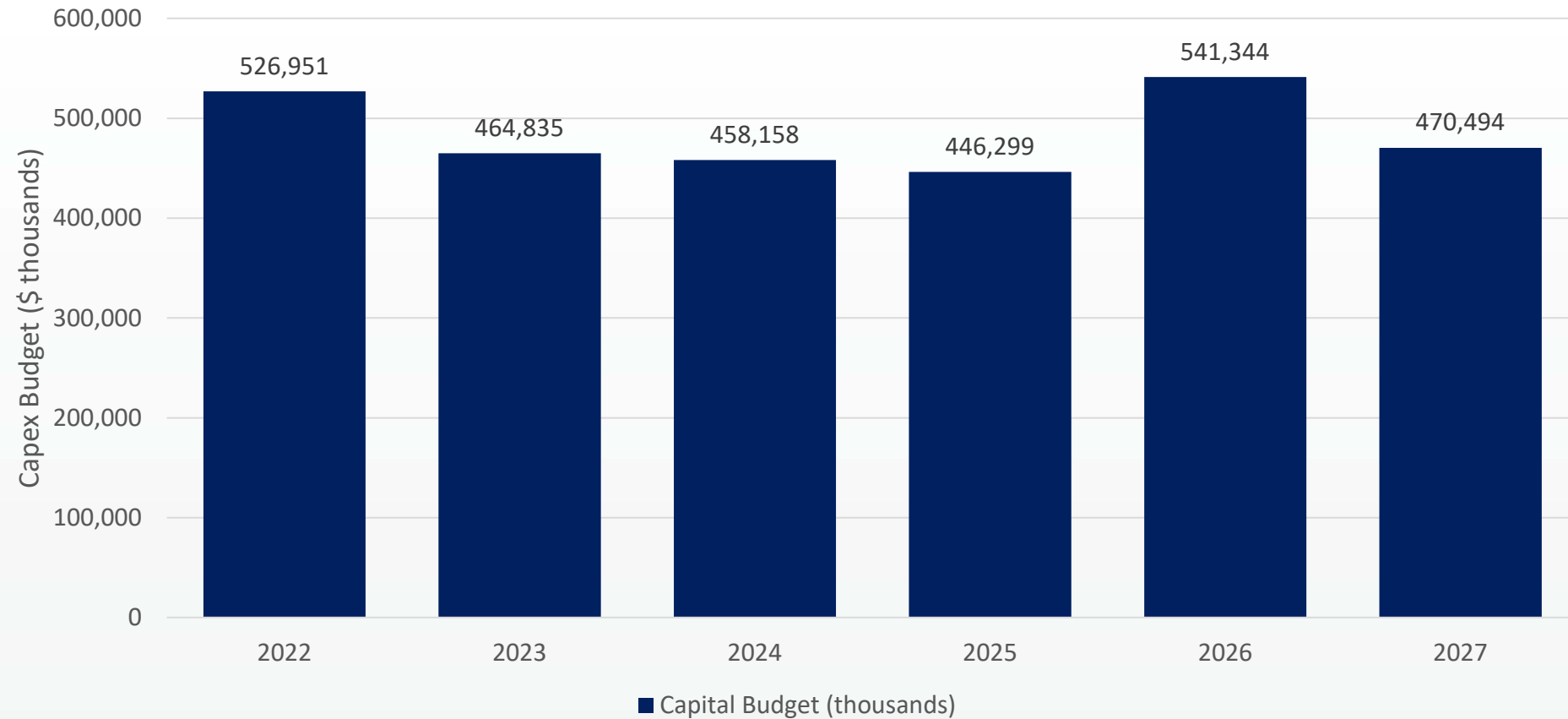


Source: Manitoba Finance

\*The planned amounts for 2023/24 and 2024/25 includes projects known at this time. Additional projects will be added as identified and approved.

Source: Manitoba Budget 2021-22, Pages 91. Budget 2022/23 amount is for \$3.2 billion infrastructure investment. Capex Pages 90 – 105.

# City of Winnipeg Capital Budget (2022 – 2027)



Source: City of Winnipeg, Budget 2022. Page 277, Appendix 6.  
<https://winnipeg.ca/finance/files/2022AdoptedOperatingCapitalBudget.pdf>

# 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., <a href="#">Centreport Canada</a> 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. <a href="#">EDW Talent Hub</a> , 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 <a href="#">Yards</a> at Fort Rouge.



# Manitoba Economy Summary

- **Weakness:**

- High contact industries continue to suffer, along with their suppliers. E.g., Tourism, accommodations, airline passengers, restaurants. Expect to recover fully by 2024.
- Tight labour markets

- **Strengths:**

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

- **Risks/Opportunities:**

- Russian invasion of Ukraine, disruption of wheat, oil, nat. gas markets
- Supply chain and lack of primary/intermediary inputs (1st half of 2023)
- 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

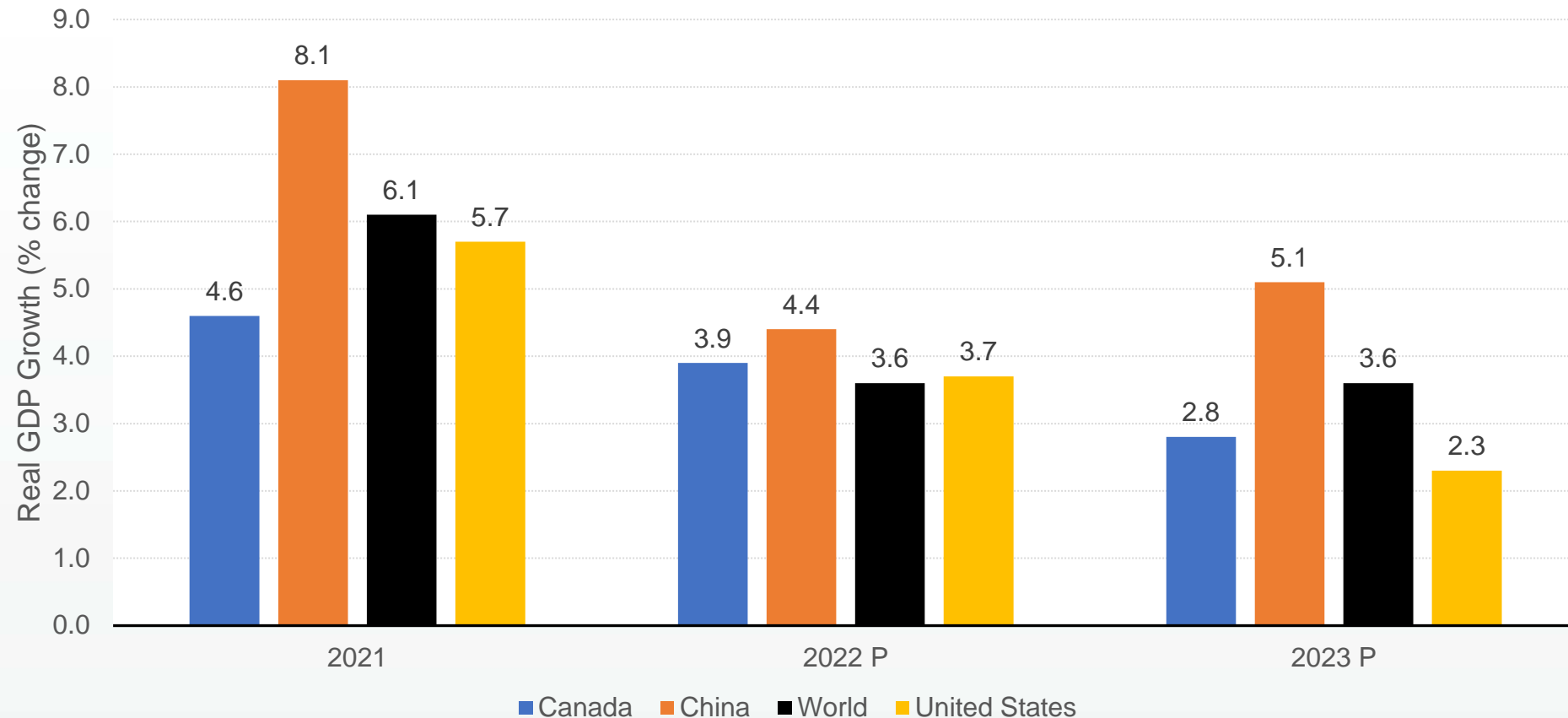


## Economic Development Winnipeg:

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

# Backup Slides

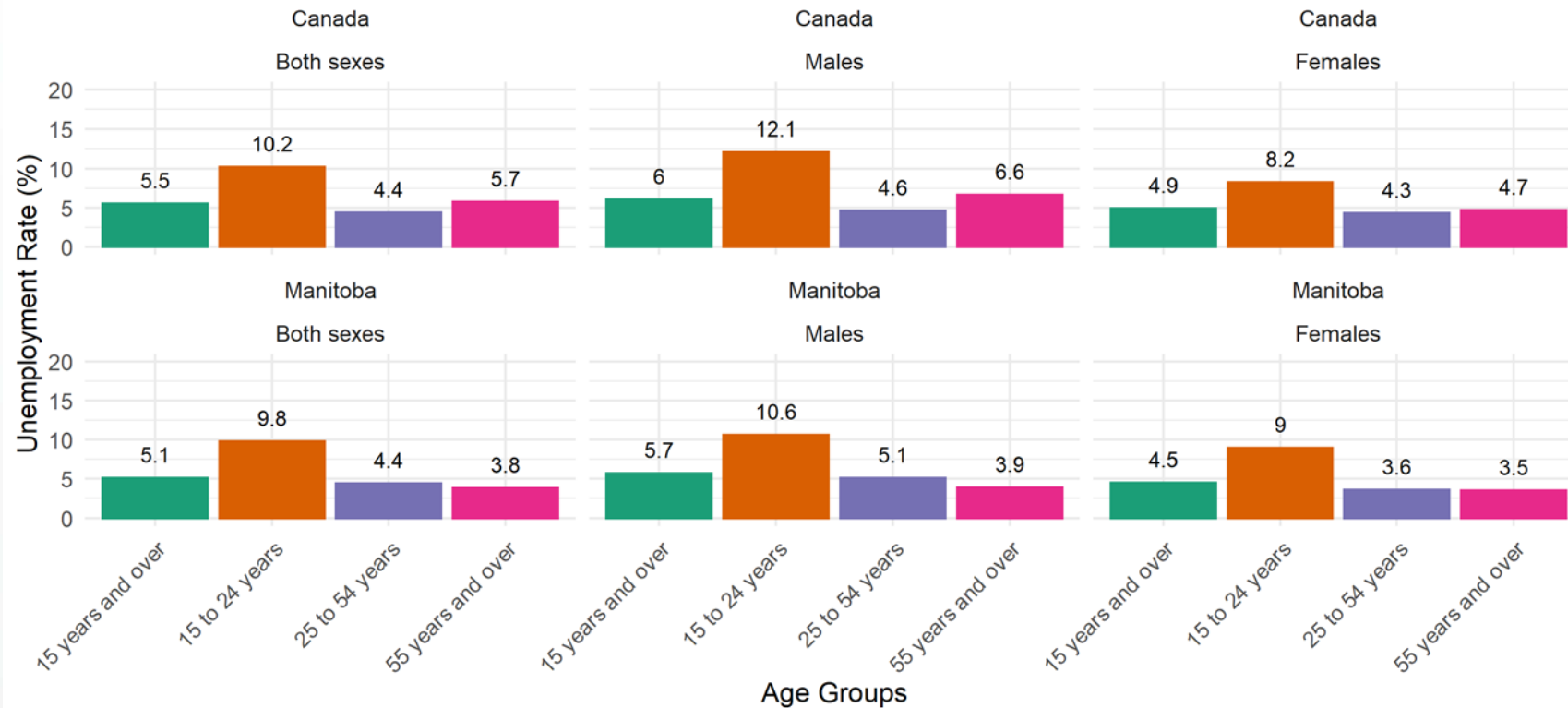
# World, China, USA, Canada Real GDP Growth Forecast (Percentage Change)



Source: IMF World Economic Outlook (April 2022).  
<https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

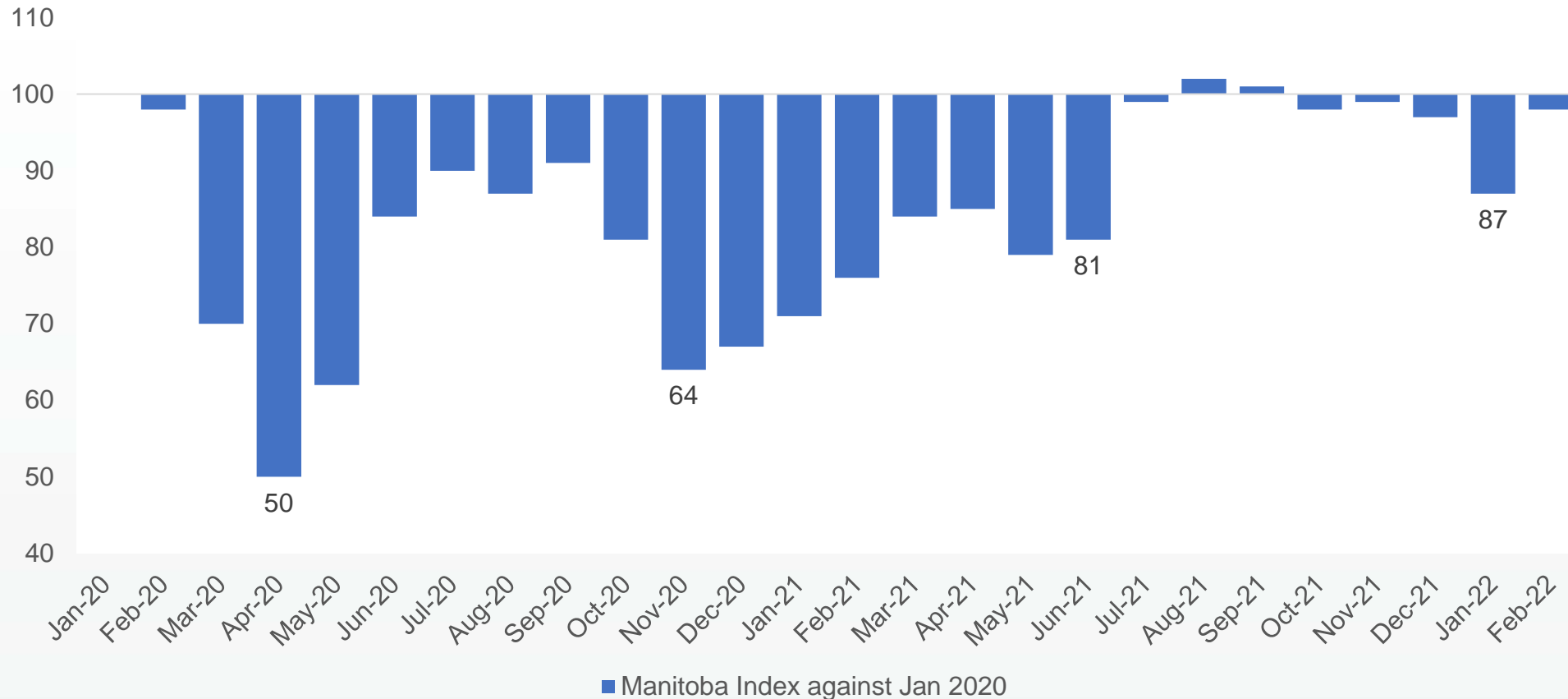
# Unemployment Rate by Geography, Sex, Age Group (%)

2022-04 Unemployment Rate (%)  
by Geography, Sex and Age Group; Unadjusted (%)



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

# 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. Seasonally adjusted.

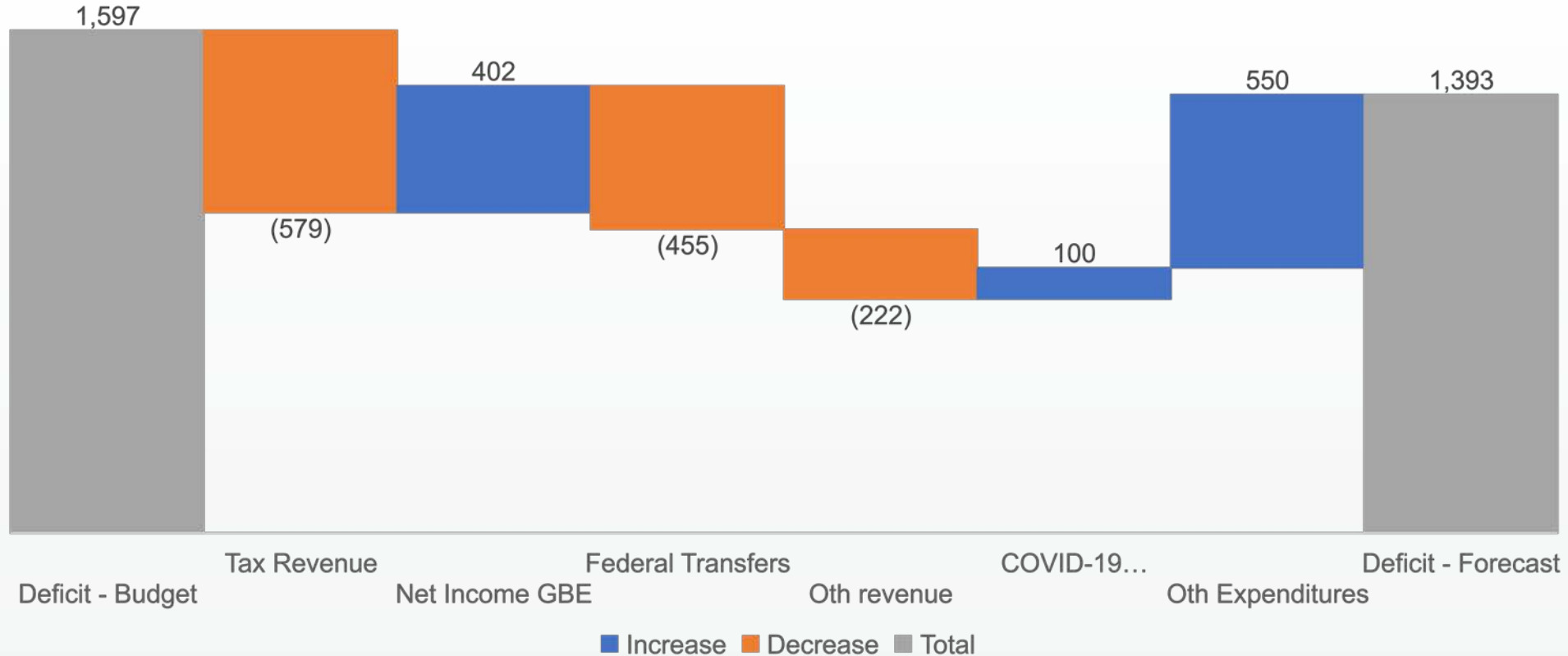
# Manitoba Economic Outlook

Percent Change Unless Noted Otherwise

(f = Forecast), P = preliminary

Manitoba	2022F	2023F
Real GDP	3.6	2.8
Nominal GDP	5.8	4.4
Consumer Price Index	3.9	2.5
Employment	2.3	1.2
Unemployment Rate (%)	5.2	5.0
Population Growth Rate (%)	0.9	1.0

# 2021/22 Deficit Budget to Q3 Forecast: \$1,393 millions



Source: Manitoba Budget 2022 (Q3 deficit results for 2021/22)



# Winnipeg 2022 Proposed Budget (\$millions)

	Description	2021 Adopted Budget	2022 Adopted Budget
Revenues	Tax Supported Operations	1,180.3	1,194.6
	Utilities	678.3	698.6
	Special Operating Agencies	74.3	74.8
	Reserves	242.8	363.3
	<b>Total Revenues</b>	<b>2,175.7</b>	<b>2,331.3</b>
Expenditures	Tax Supported Operations	1,180.3	1,194.6
	Utilities	633.0	732.2
	Special Operating Agencies	79.4	74.2
	Reserves	287.8	327.2
	<b>Total Expenditures</b>	<b>2,180.5</b>	<b>2,328.2</b>
	<b>Surplus (Deficit) before adjustments</b>	<b>(4.8)</b>	<b>3.1</b>

Source: City of Winnipeg, Budget 2022.  
<https://winnipeg.ca/finance/files/2022AdoptedOperatingCapitalBudget.pdf>

Recent  
Stocks to Use  
Ratios  
USDA  
Estimates

stocks to use		
	2020/2021	2021/2022
corn	22%	22%
Canola	6%	5%
Soybeans	20%	17%
Rice	34%	34%
Wheat	30%	28%