

Need to Know: Latest Saskatoon GDP and Employment Figures Forecast Modest Growth

Introduction

Like We've Been Saying; Saskatoon Economy Continues to Show Signs of Growth - Latest GDP and Employment Figures Forecast Modest Growth.

The Details

On May 25, 2017 the Conference Board of Canada released its Spring 2017 Metropolitan Outlook. In the report, the Conference Board forecasts Saskatoon real GDP will rise 1.6 per cent in 2017, employment is forecast to grow 1.7 per cent in 2017 after dipping 0.7 per cent in 2016, while the unemployment rate is expected to remain at 6.9 per cent. In addition, Saskatoon's population is forecast to increase by 2.6 per cent in 2017.

In April 2017, SREDA increased its rating of the Saskatoon Region economy from a C to a C+ on the basis of slight growth in GDP figures and signs of strength with New Business Licenses and Building Permits increasing 34% and 55% respectively from the previous quarter. Provincial Retail Sales and Wholesale Trade numbers were also up from 2016 figures.

Commenting on the Conference Board's revised forecast for Saskatoon, Alex Fallon said "Over the past few months SREDA has seen, and reported, signs of modest growth in our local economy. We've forecasted slightly more positive growth than others may have predicted. These latest figures validate our view that the local economy continues to perform well overall and we continue to see modest growth ahead. What we're seeing is evidence of our truly diversified economy. As we've said, even though the (resource) boom is gone, we're still going strong here in Saskatchewan.

Other Highlights from the Report Include:

- The city's manufacturing sector, whose fortunes are closely tied to those of the province's resources industry, can expect a healthy output gain near 2 per cent in 2017 as oil prices post a modest recovery.
- The outlook for Saskatoon's services-producing industries is also improving, with all eight services industries expected to grow this year. Ongoing low interest rates and modest economic improvement this year should prevent further erosion in the resale market and prompt solid output growth in the finance, insurance and real estate sector.
- Meanwhile, the city's emerging high-tech sector is contributing to the buoyancy of the area's business services sector. In all, output growth in Saskatoon's services industries is forecast to hit 2.3 per cent in 2017.
- On the other hand, sagging residential activity remains a drag on Saskatoon's construction sector. The area's new home inventories remain high. This is especially true for inventories of apartments started during the boom era, which continue to rise. Accordingly, further easing among both single and multiple units will cut total housing starts to roughly 1,600 this year—the fewest since the 2009 recession.
- In all, construction activity in Saskatoon is on tap to dip by 0.5 per cent this year.
- The improved economic outlook should help strengthen Saskatoon's job market. Employment is forecast to grow 1.7 per cent in 2017 after dipping in 2016. The unemployment rate, however, will remain unchanged at 6.9 per cent this year as labour force growth matches job gains.

The Report can be found here: http://www.conferenceboard.ca/press/newsrelease/17-05-25/saskatoon_and_regina_on_the_road_to_recovery_while_solid_growth_is_forecast_for_winnipeg_in_2017.aspx