



About Economic Development Winnipeg and an Economic Outlook

CAIRP | Rebuilding
Success

Canadian Association of Insolvency and Restructuring Professionals

Winnipeg Forum

April 18, 2024

Chris Ferris, Senior Economist, Economic Development Winnipeg



Land Acknowledgement

I would like to begin by acknowledging that I am presenting from Treaty 1 territory, the traditional territory of Anishinaabeg, Cree, Oji-Cree, Dakota, and Dene Peoples, and the homeland of the Métis Nation.

Summary

About EDW

High-level: Global and Canada

Canada, Manitoba Inflation

Manitoba Situation

Manitoba Budget 2024

Risks and Opportunities, Outlook

EDW's unique model



**ECONOMIC
DEVELOPMENT**
WINNIPEG



YES!
WINNIPEG



TOURISM
WINNIPEG

EDW grows Winnipeg's economy by leveraging our stakeholders' investment through economic development and tourism initiatives

1

Stakeholders invest in EDW

- **Winnipeg's business community** invests in EDW through Corporate Partnerships programming.
- **Government stakeholders** support EDW through tax, operating and project-based funding.

EDW leverages
our
stakeholders'
investments
through . . .



2

Economic Development

- Encourage local businesses to grow/expand in Winnipeg
- Encourage national and international businesses to relocate, expand or invest in Winnipeg
- Encourage people to move to Winnipeg to fill business' skills needs



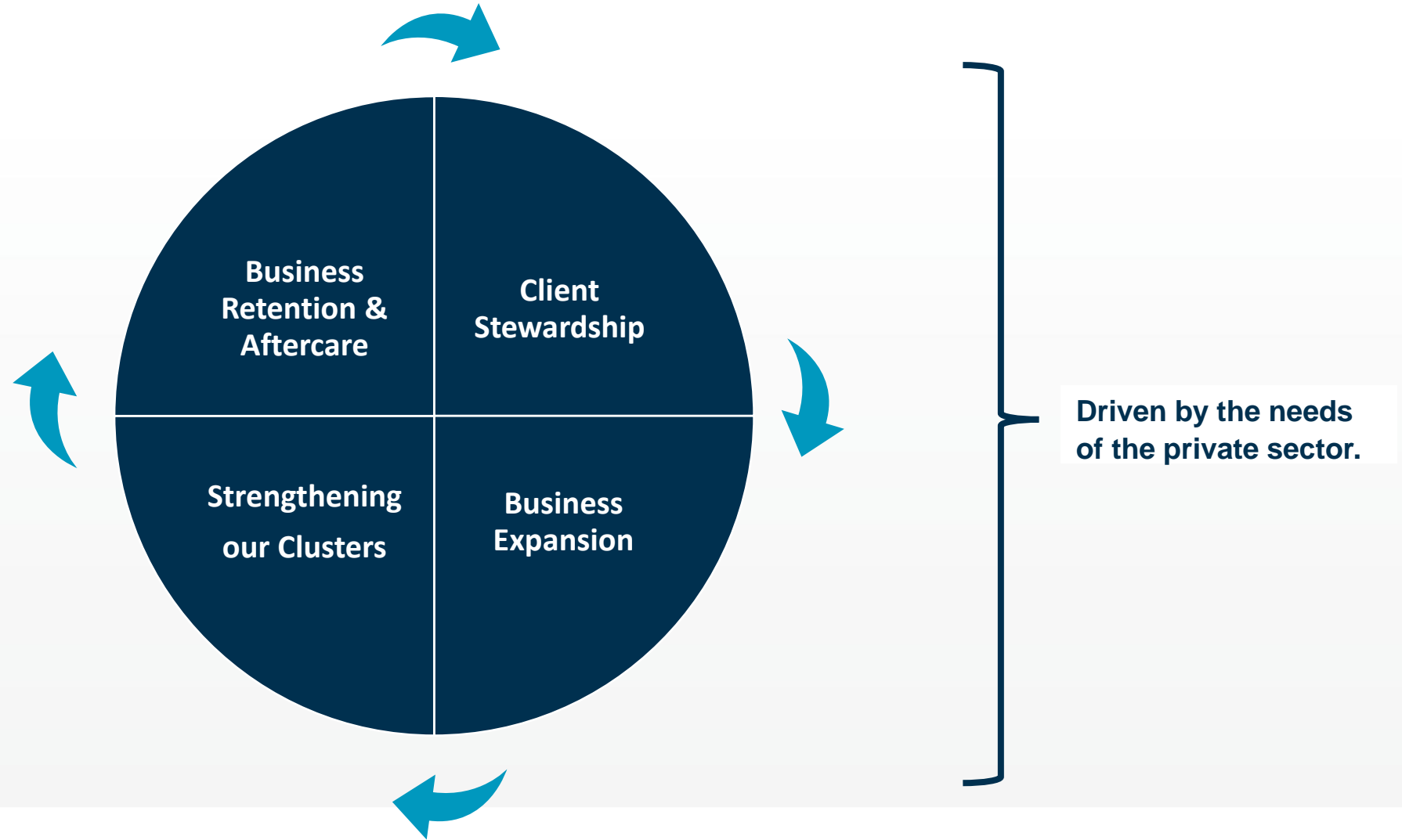
3

Tourism

- Encourage leisure travelers to visit Winnipeg
- Encourage associations and businesses to meet or host events in Winnipeg
- Encourage sport organizations and event right holders to host in Winnipeg
- Encourage travel trade to include Winnipeg in their packages and promotions

Business development mandate

Focus areas



Attract talent

To support business investment, expansion and retention

We created a brand



We built resources to sell our city as a great place to live, work and play.

We build strong partnerships

We connect businesses with organizations that can help them retain and develop their employees

- Labour market insights to find job seekers
- Marketing campaigns to attract job seekers with in-demand skills
- Resources & tools for business

Attract

Job seekers with in-demand skills

Connect

Businesses with qualified job seekers

- Recruitment mission to connect business with job seekers
- Referrals to ethnocultural groups who provide guidance

We built a job portal



An innovative, one-stop platform that efficiently connects job seekers and employers based on qualifications and labour market needs.

Value for Business

Retain

Workforce Settlement, Integration & Development

- Referrals to public and private organizations
- Information about workforce grants & funding

Mobilize

Immigration support for business

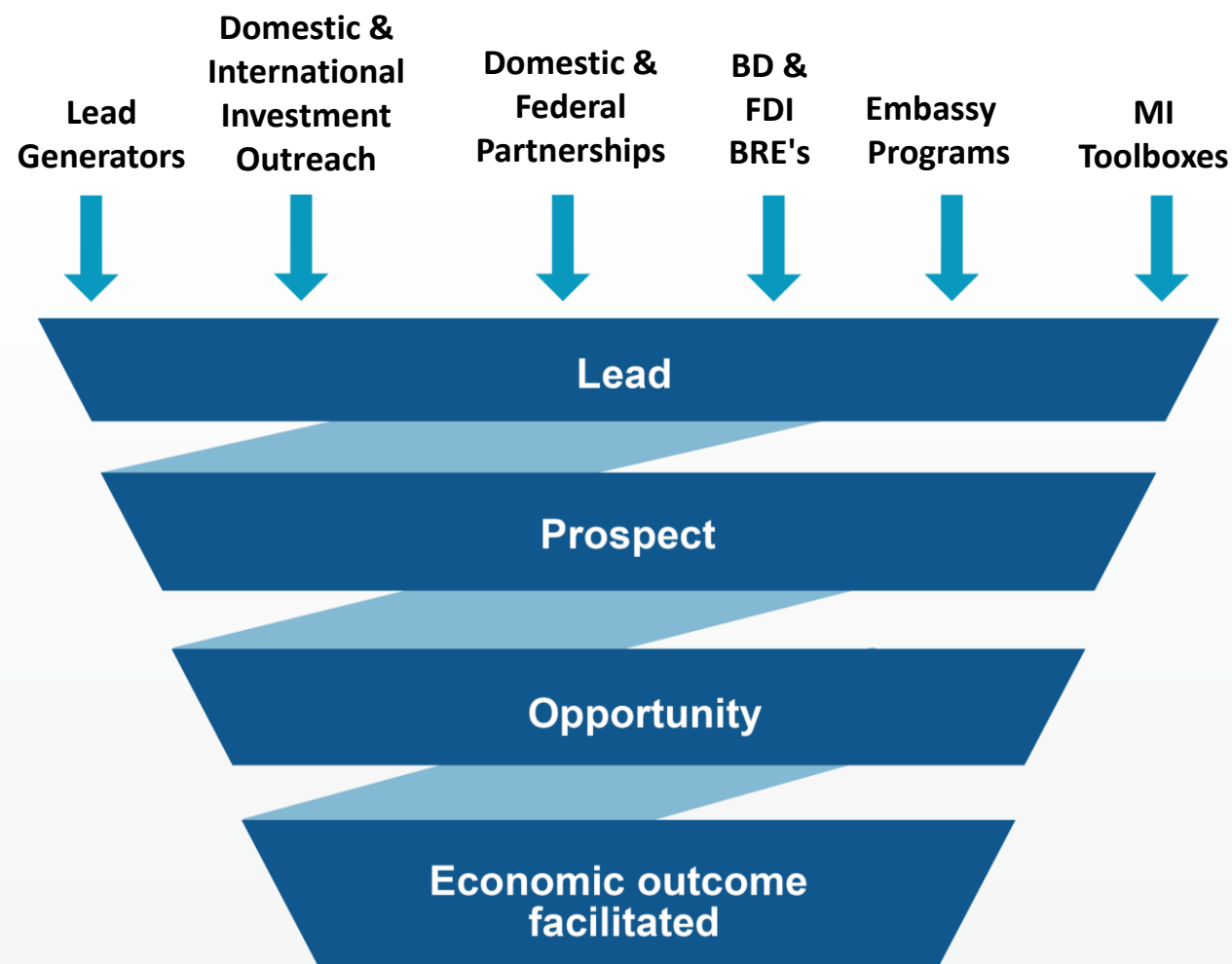
- Referral to immigration officers who provide business advice
- Global Talent Stream A and C referral partner

We work closely with government

We focus on talent pools that qualify for immigration

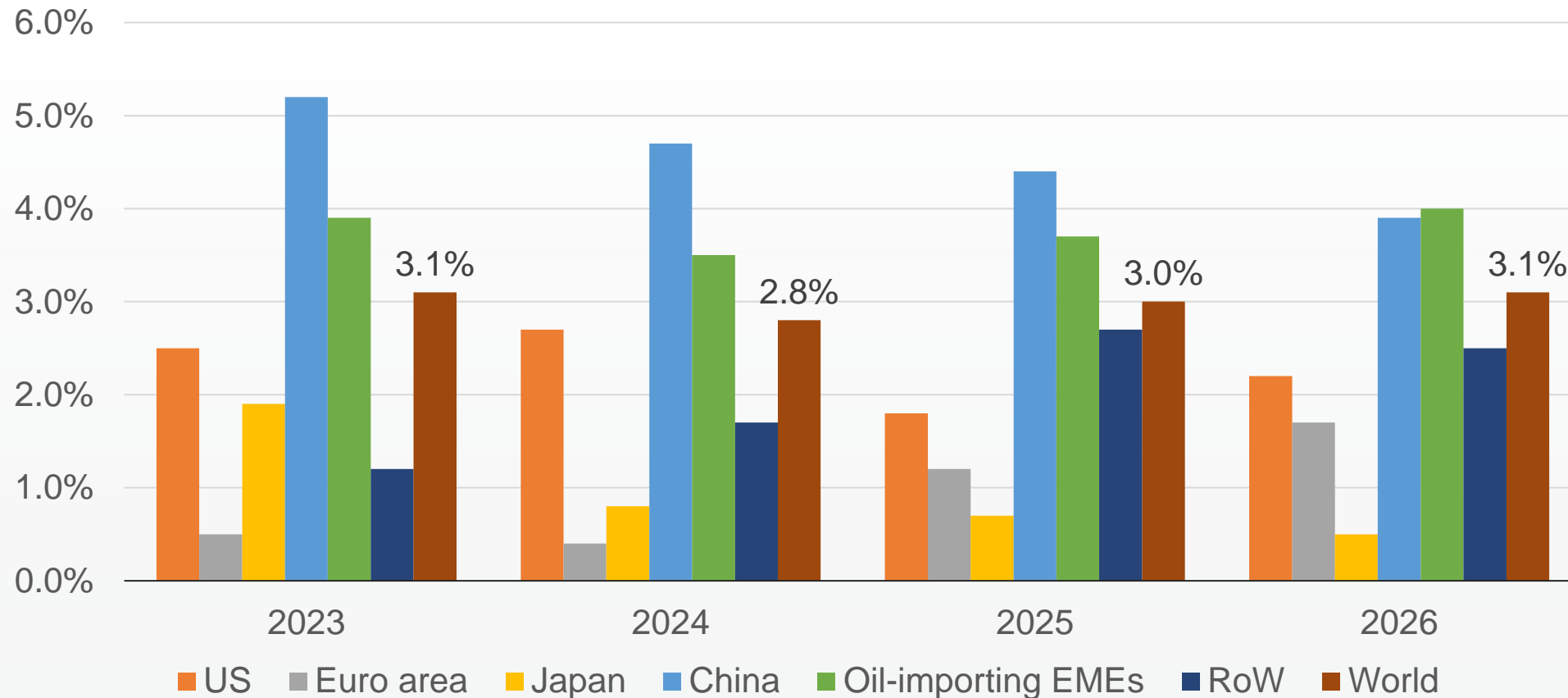


- Important funnel considerations (pre-pandemic):
 - Lead times of 18 – 24 months
 - Conversion rate of approx. 3%
- It is very important to diversify the sources of leads for the Winnipeg investment attraction funnel.



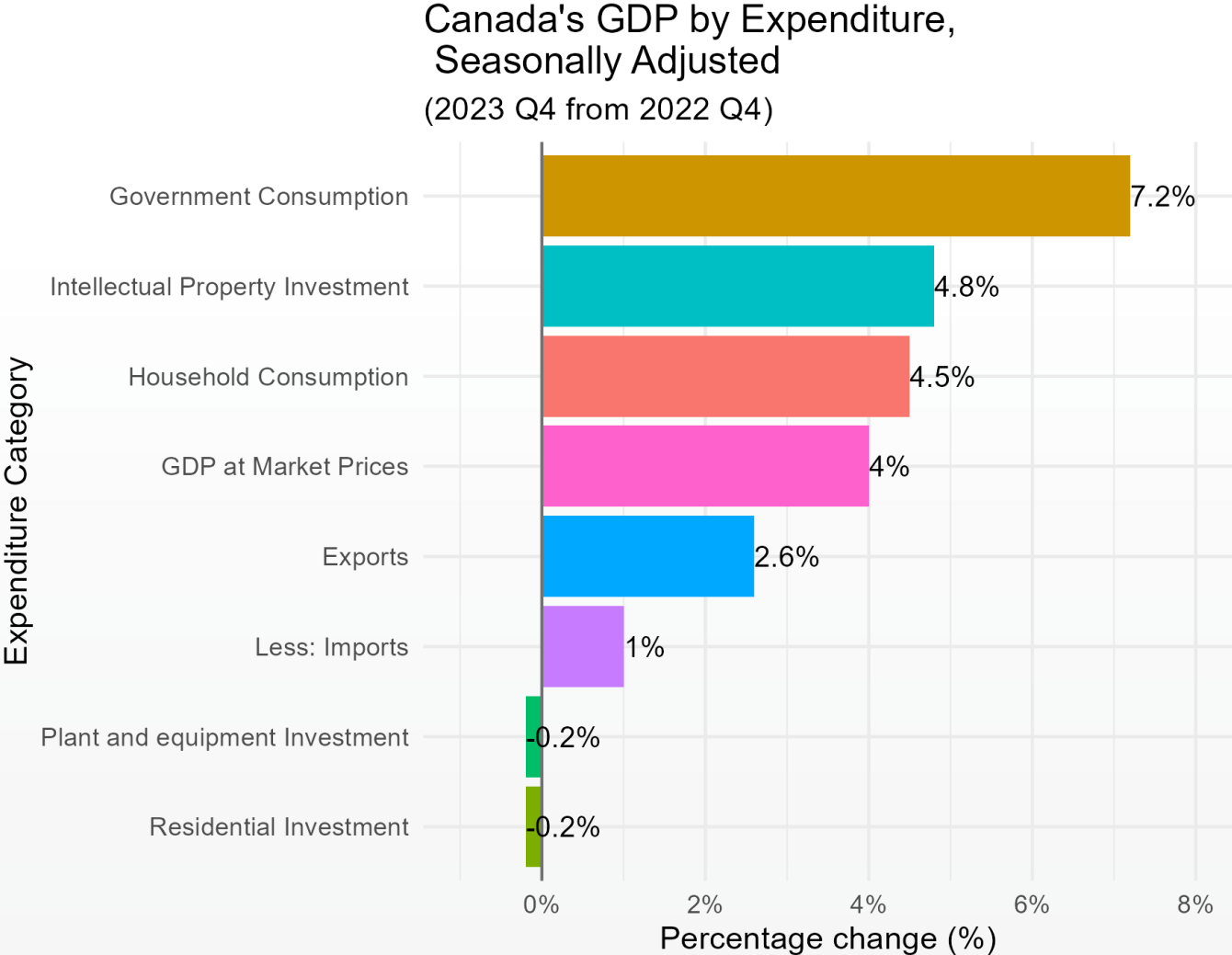
Global and Canadian Situation

Global economic growth projections



Source: Bank of Canada, Monetary Policy Report, April 2024

Canada: Change in Quarterly GDP by component



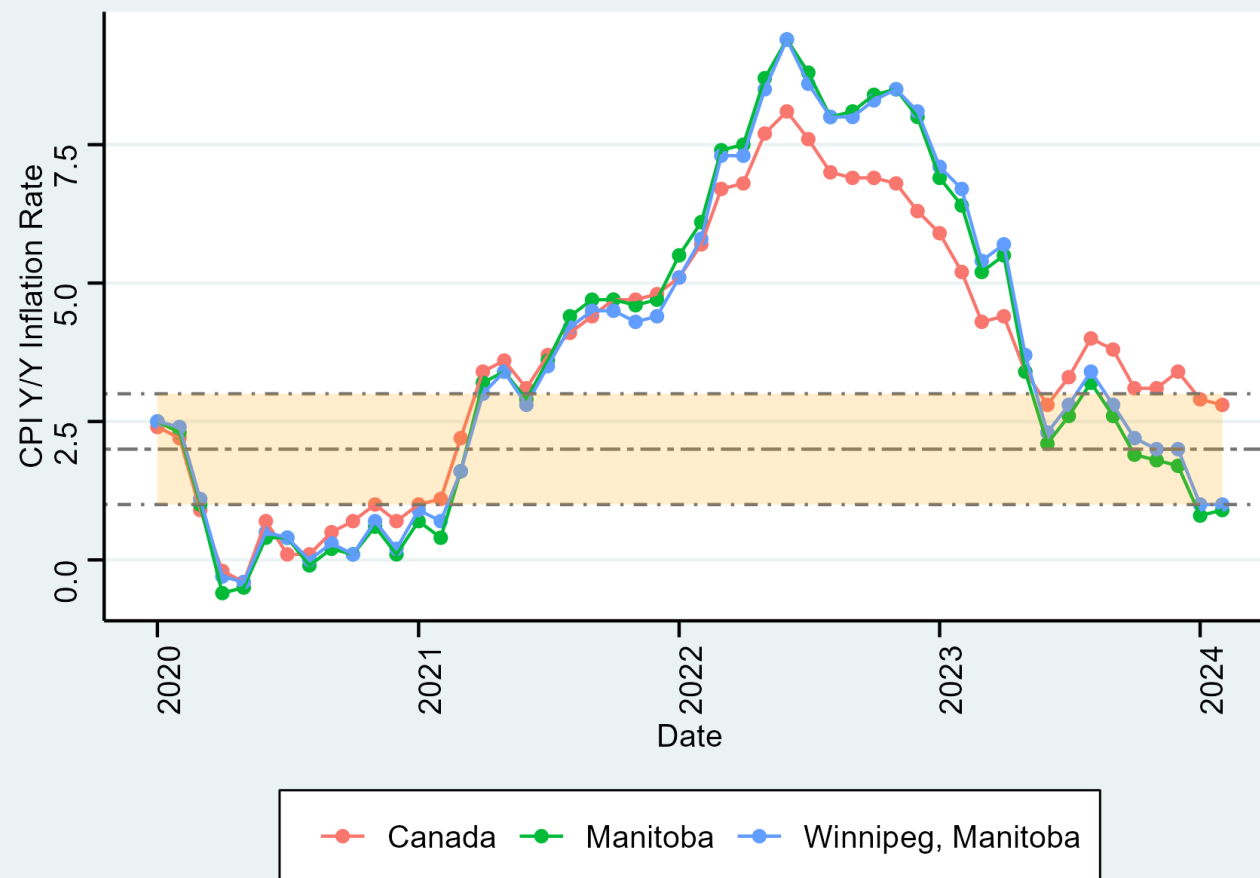
Source: Statistics Canada, GDP, Income and Expenditure, Quarterly Seasonally Adjusted, Current Prices, Tables 36-10-0104-01, Chart by Chris Ferris

Source: Statistics Canada, Table 36-10-0104-01, Canada GDP by expenditure, seasonally adjusted, GDP by market prices.

All-items CPI Inflation by Geography

All-items CPI Inflation Rate by Geography

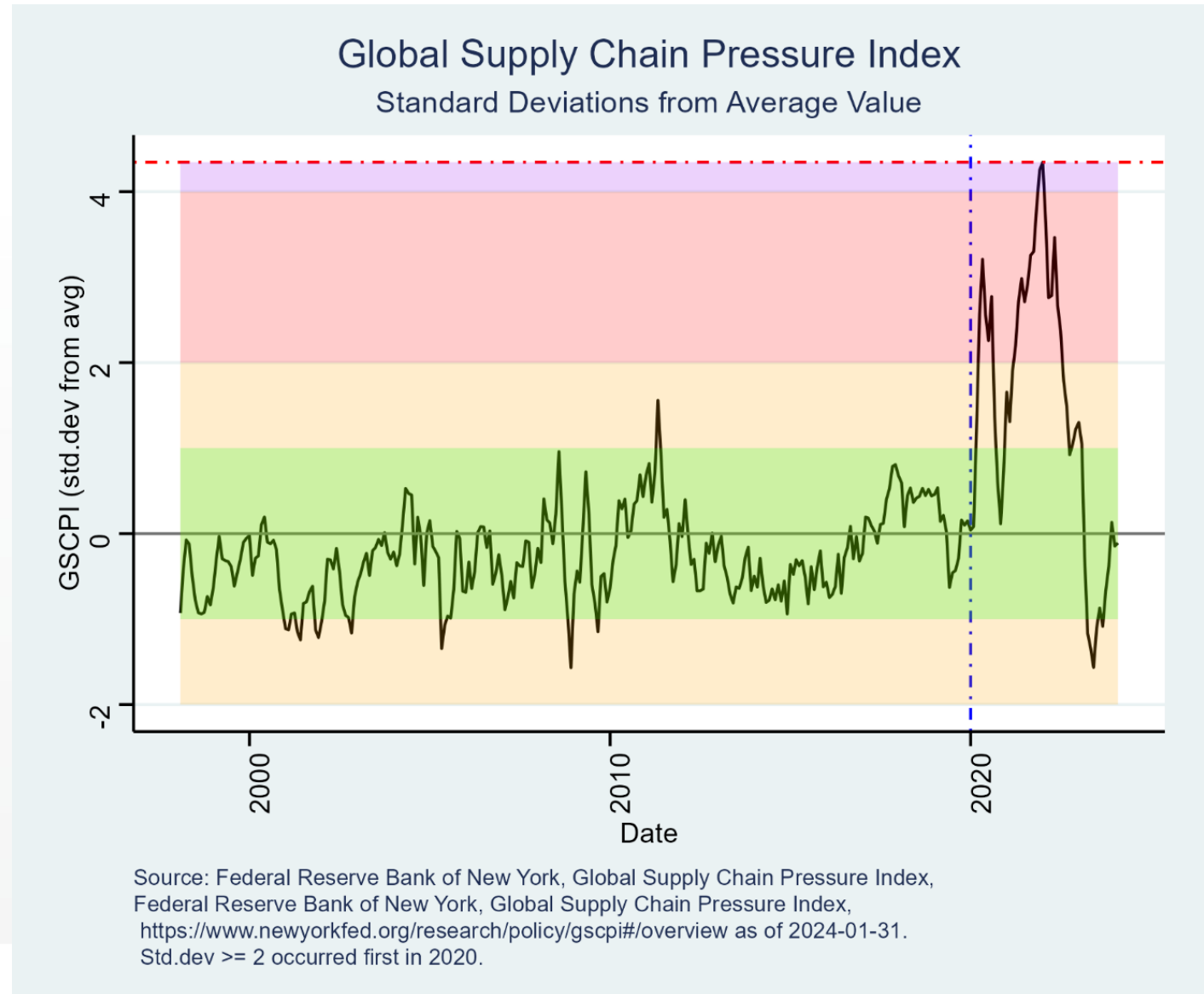
Y/Y 12 month lag (2020-01-01 to 2024-02-01)



Source: Statistics Canada, Consumer Price Index, monthly not seasonally adjusted, Tables 18-10-0004-01. Shows Bank of Canada policy mid-point (2%) and control range (+/- 1%)

Easing Global Supply Chain Pressure Index

The GSCPI broke through a standard deviation of 2 in 2020 due to the COVID-19 pandemic-driven disruptions of global production and shipping. Now much closer to no effect.



Oil Prices: WCS, WTI, Brent

Chart 3: Oil prices have increased since the January Report

Daily data

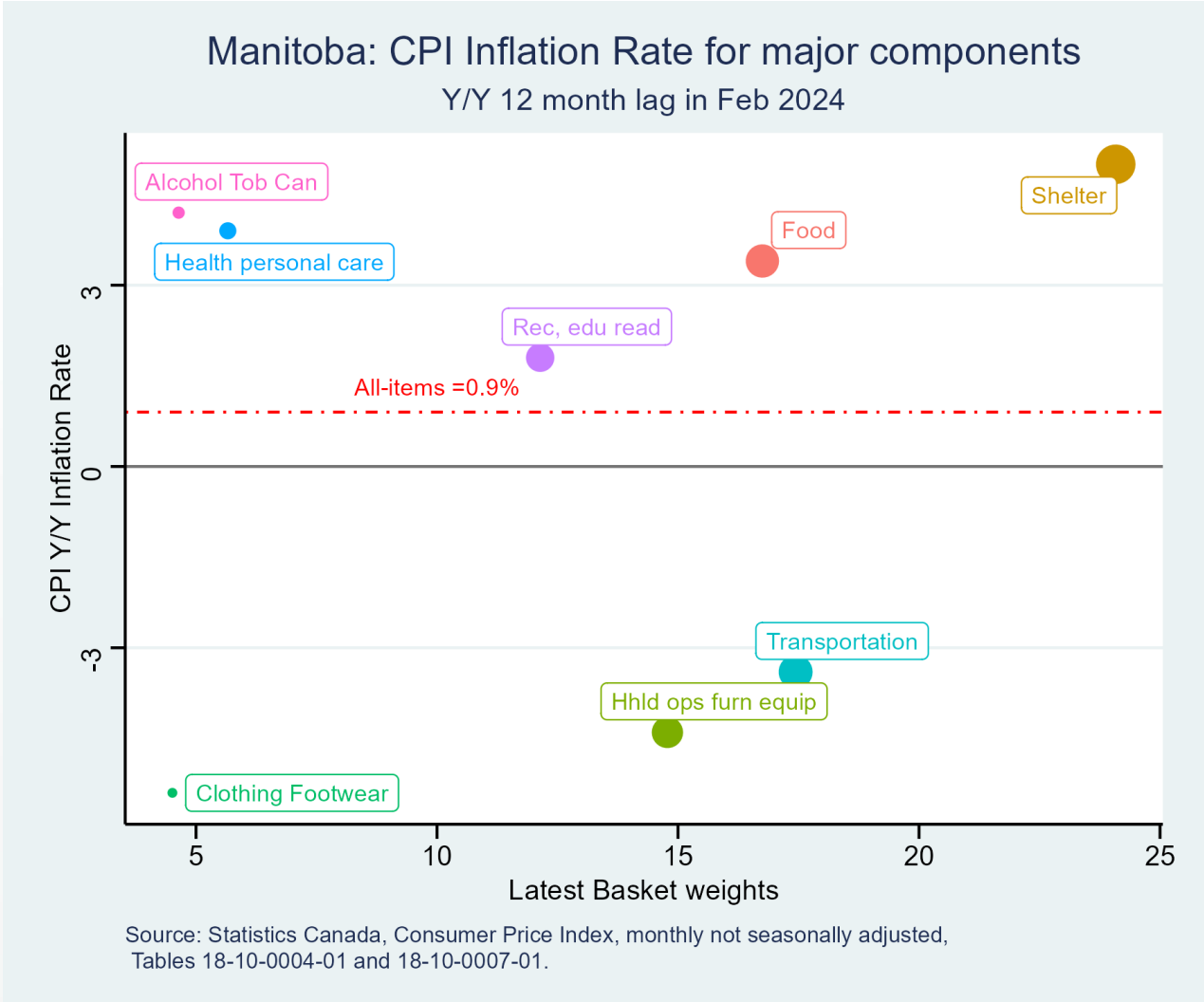


Sources: Kalibrate Canada Inc., NYMEX and Intercontinental Exchange via Haver Analytics

Last observation: April 4, 2024

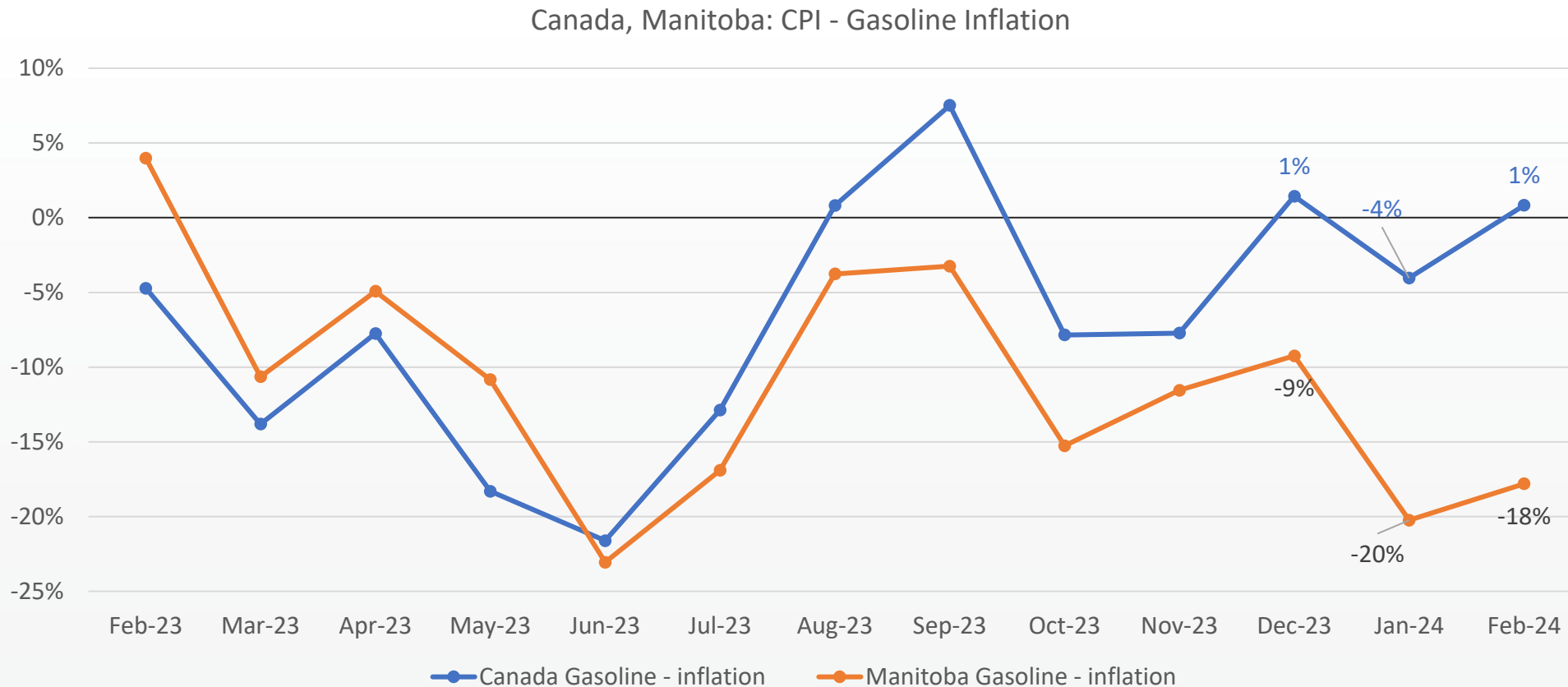
Source: Bank of Canada, Monetary Policy Report, April 2024, page 7.

CPI Inflation by major subcategory, by weight and Geography



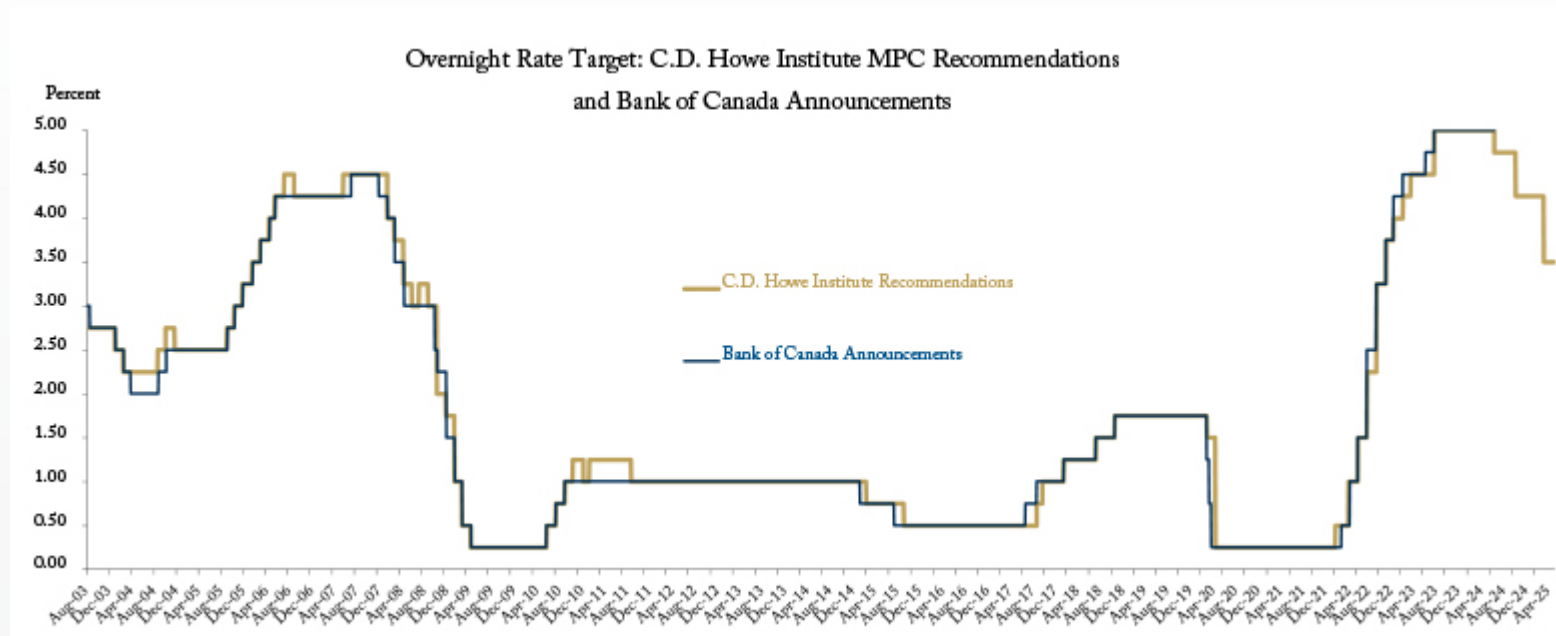
Source: Statistic Canada, Tables 18-10-0004-01 and 18-10-0007-01.

Why is Manitoba's CPI inflation so far below Canada's?



Source: Statistic Canada, Tables 18-10-0004-01.

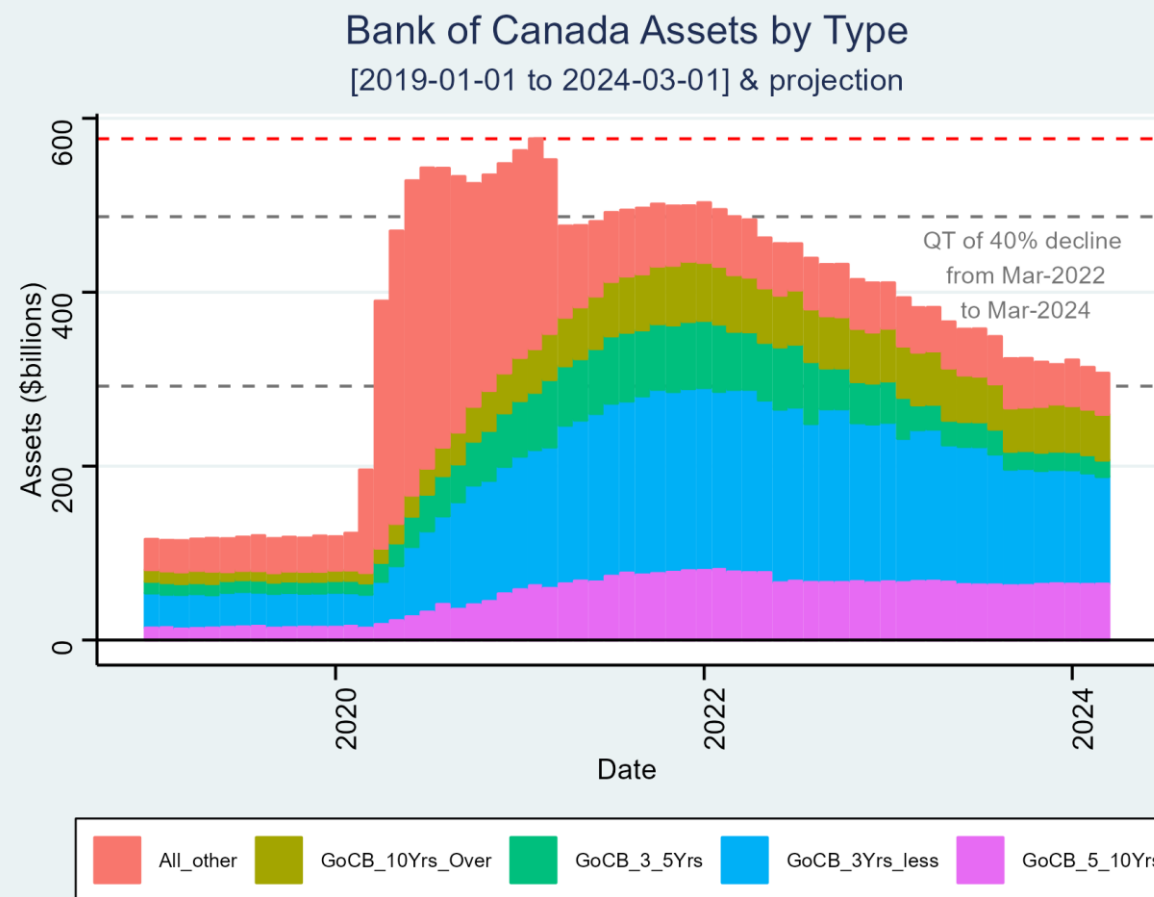
Bank of Canada Overnight Rate (%)



3.5%
By Apr
2025

Source: Bank of Canada [April 2024 MPR](#), and [C.D. Howe Institute Monetary Policy Council \(MPC\) recommendations](#)

Size of BoC Balance Sheet Assets (\$Millions)



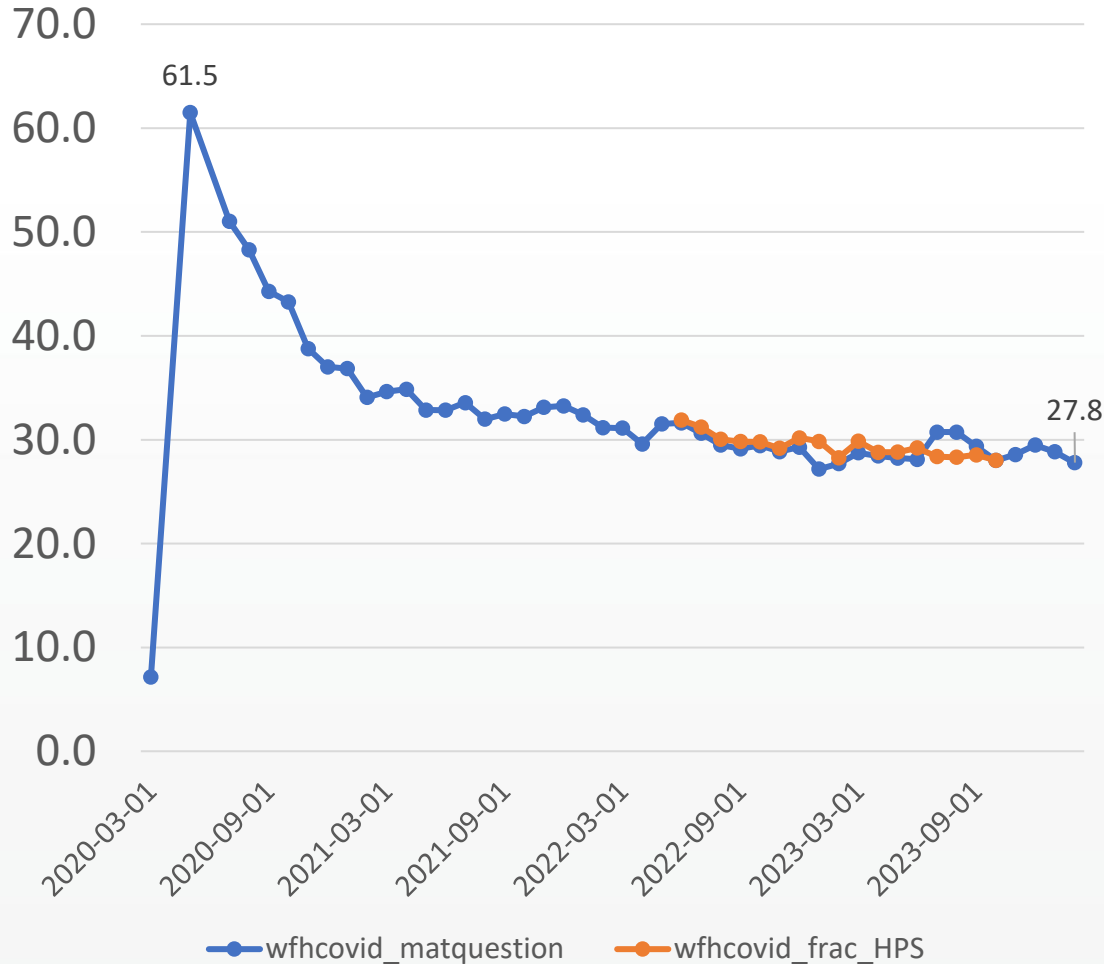
Source: Statistics Canada, Table 10-10-0108-01, and Projection. Max was \$576 billion.
Project QT to approx. \$292 Billion, from \$487 Billion in March 2022. \$307 Billion latest value in 2024-03-01.

Source: Statistics Canada, Bank of Canada.

Work From Home

“About 28% of Paid Days in the US in February 2024 Were Work-From-Home Days.” – WFH Research.

Canada’s results are similar (see Q2 2023 results in the [Winnipeg Economic Digest](#), “An Economist’s Lens on the Labour Market”).



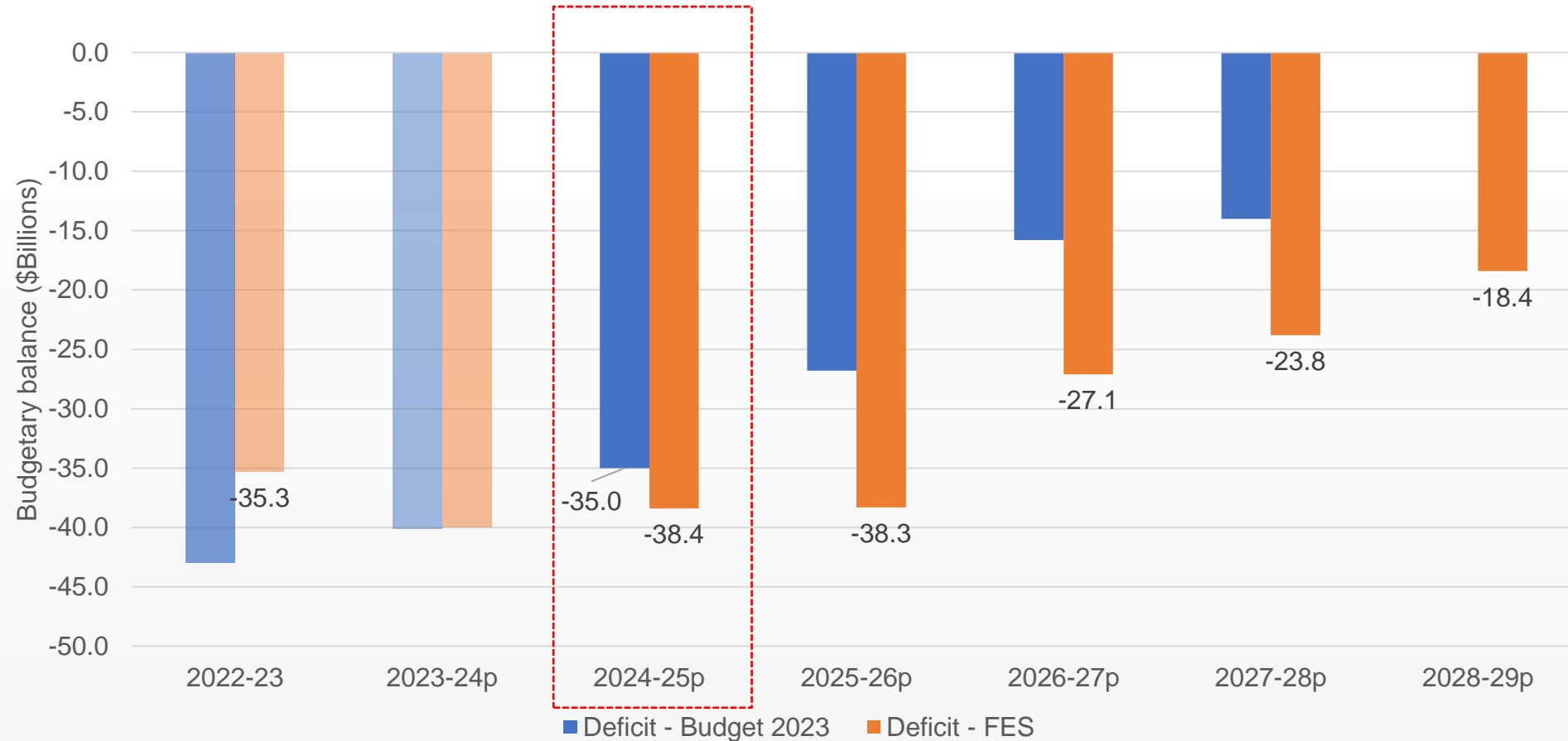
Population Growth – Change factors

Two federal announcements to curtail non-permanent residents coming into Canada over 2024 and 2025:

- Cutting study permits for college and undergraduate students entering Canada during 2024 and 2025 to approximately 360,000 per year. [1]
- Immigration Minister Marc Miller and Employment, Workforce Development and Official Languages Minister Randy Boissonnault made an announcement that there will be cuts to non-permanent residents, including temporary foreign residents [2].
 - This is likely to keep unemployment rates lower over the coming year, but by reducing demand for housing, will tend to take pressure off rental rates and housing costs.

Source: [1] Chris Ferris (January 24, 2024), "Implications of recent changes to IRCC study permit rules," [WED Vol. 3, Issue 1](#). [2] Marc Miller (March 21, 2024). "Speaking notes for the Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship: [Announcement related to Temporary Residents](#)," and CBC ([March 21, 2024](#)). "Federal government aiming to shrink temporary residents' share of population by 2027."

Canada 2023 Fall Economic Statement vs Budget 2023



Source: Canadian Government 2023 Fall Economic Statement, [Annex 1](#)

Preview Canada's Federal Government 2024 Budget

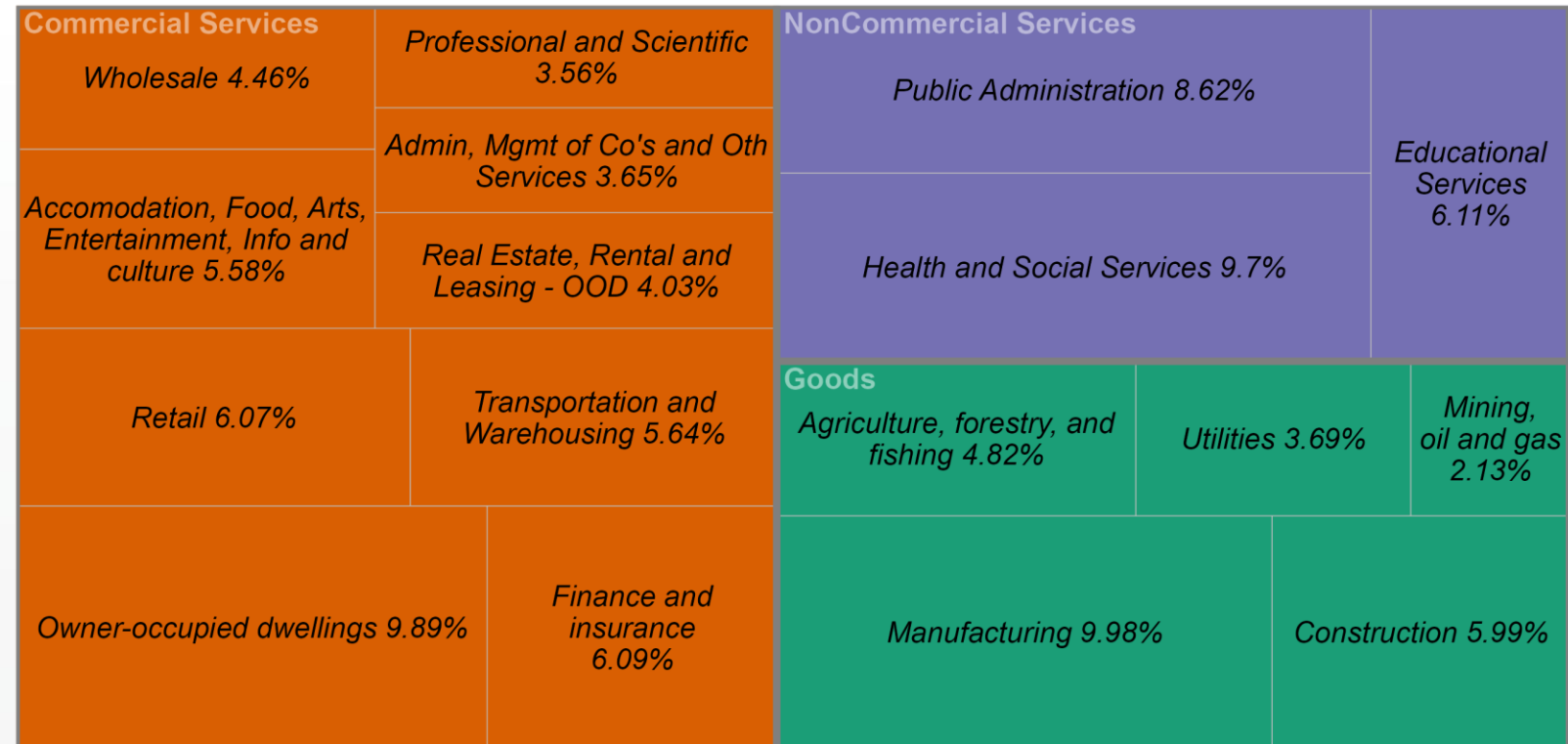
- Adding to transfers to the provinces, including health
- Affordability:
 - Adding to transfers/programs for individuals: childcare, and dental
 - Putting growing emphasis on **encouraging housing supply** and housing supply elasticity; and **curtail housing demand** and housing demand elasticity (lower non-permanent resident numbers over 2024 and 2025),[1, 2]
- Continuing expanding funding for climate adaptation
- Start on implementing new defense plan
- Many in the business community are looking for efforts to boost productivity growth.

Source: [1] Chris Ferris (November 29, 2023). "[Factors affecting housing supply and prices.](#)" [2] Chris Ferris (January 24, 2024) Winnipeg Economic Digest, [Vol. 3, Issue 1.](#)

Manitoba Situation

GDP Share: Manitoba 2022 (Total \$68.5 B)

Manitoba GDP Share by Sector, 2022 (%)

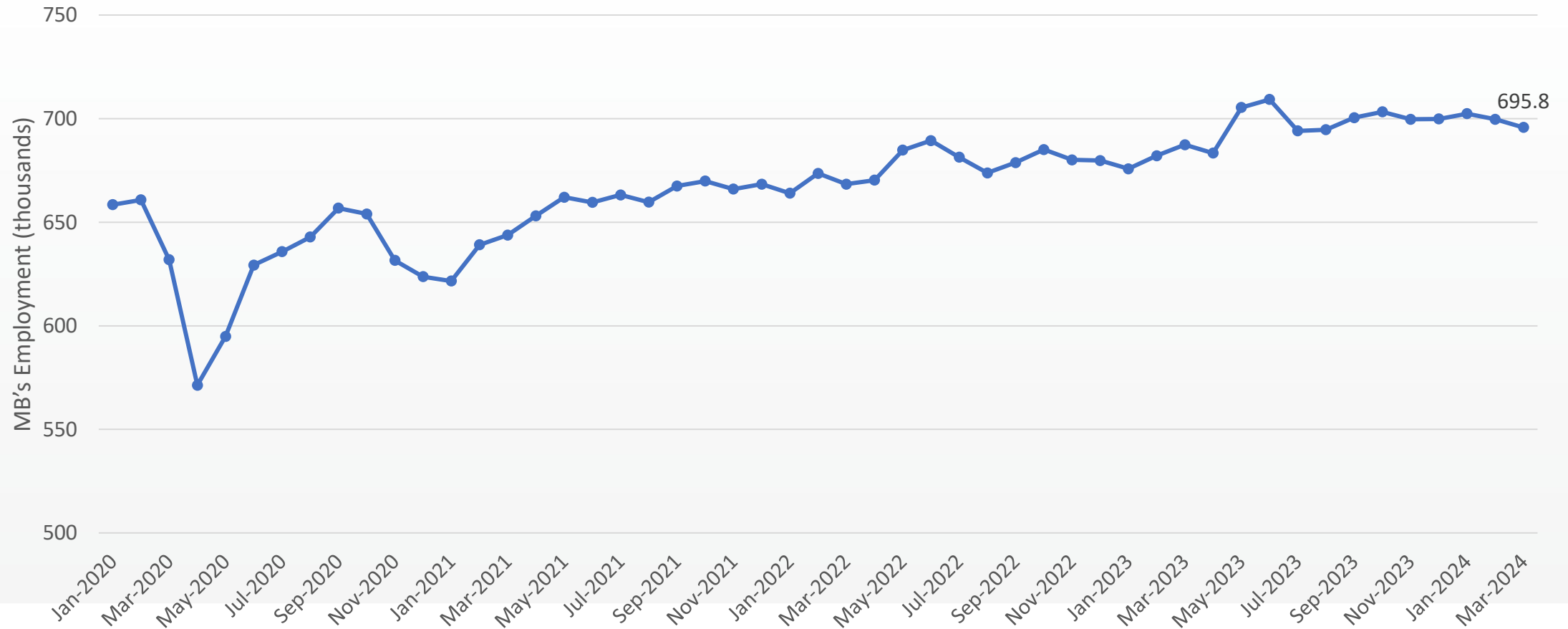


Source: Statistics Canada, Real GDP by Sector, Province - Chained 2012, Tables 36-10-0402-01

- **Commercial services** 48.96%
- **Goods** 26.61 %
- **Non-commercial services** 24.43 %

Source: Statistics Canada, Table 36-10-0402-01

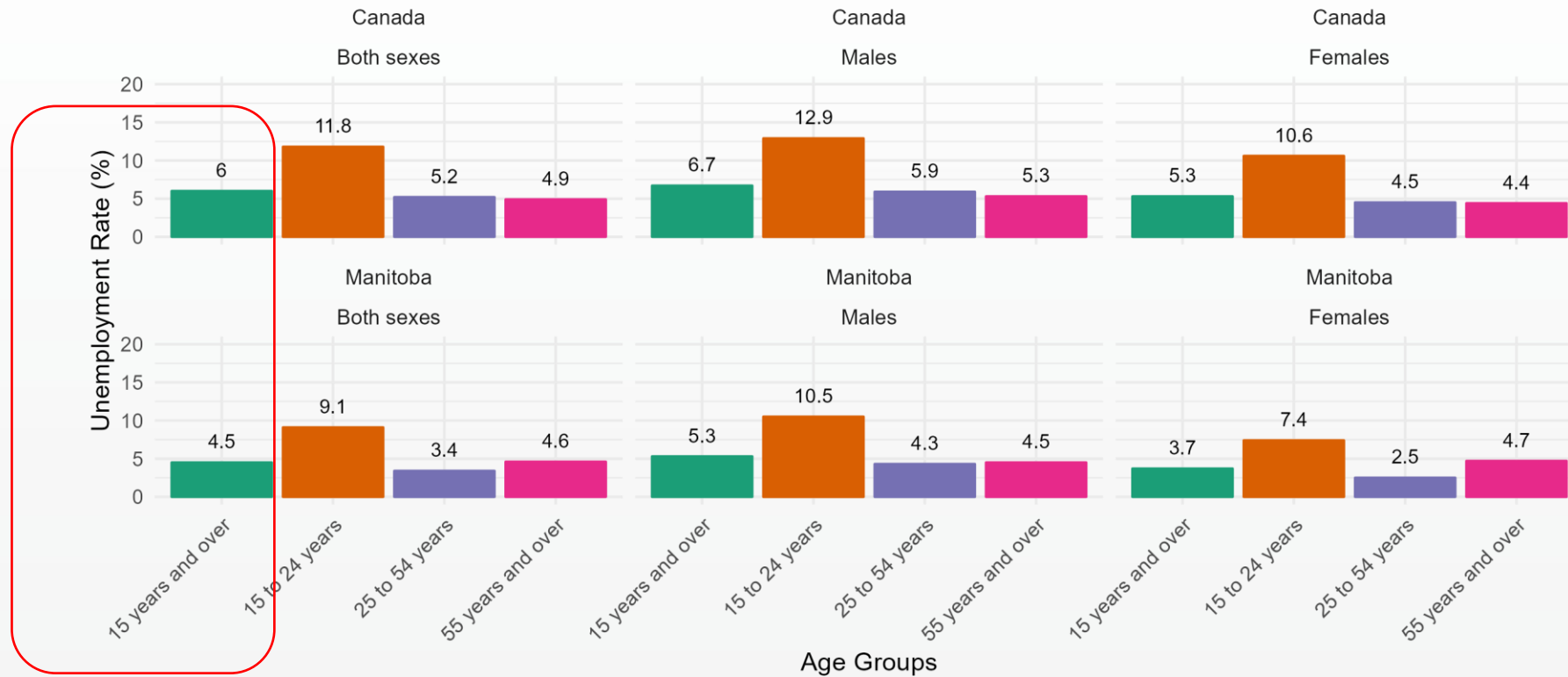
Manitoba Employment level (thousands)



Source: Statistics Canada, Table 14-10-0022-01, Manitoba not seasonally adjusted employment (thousands)

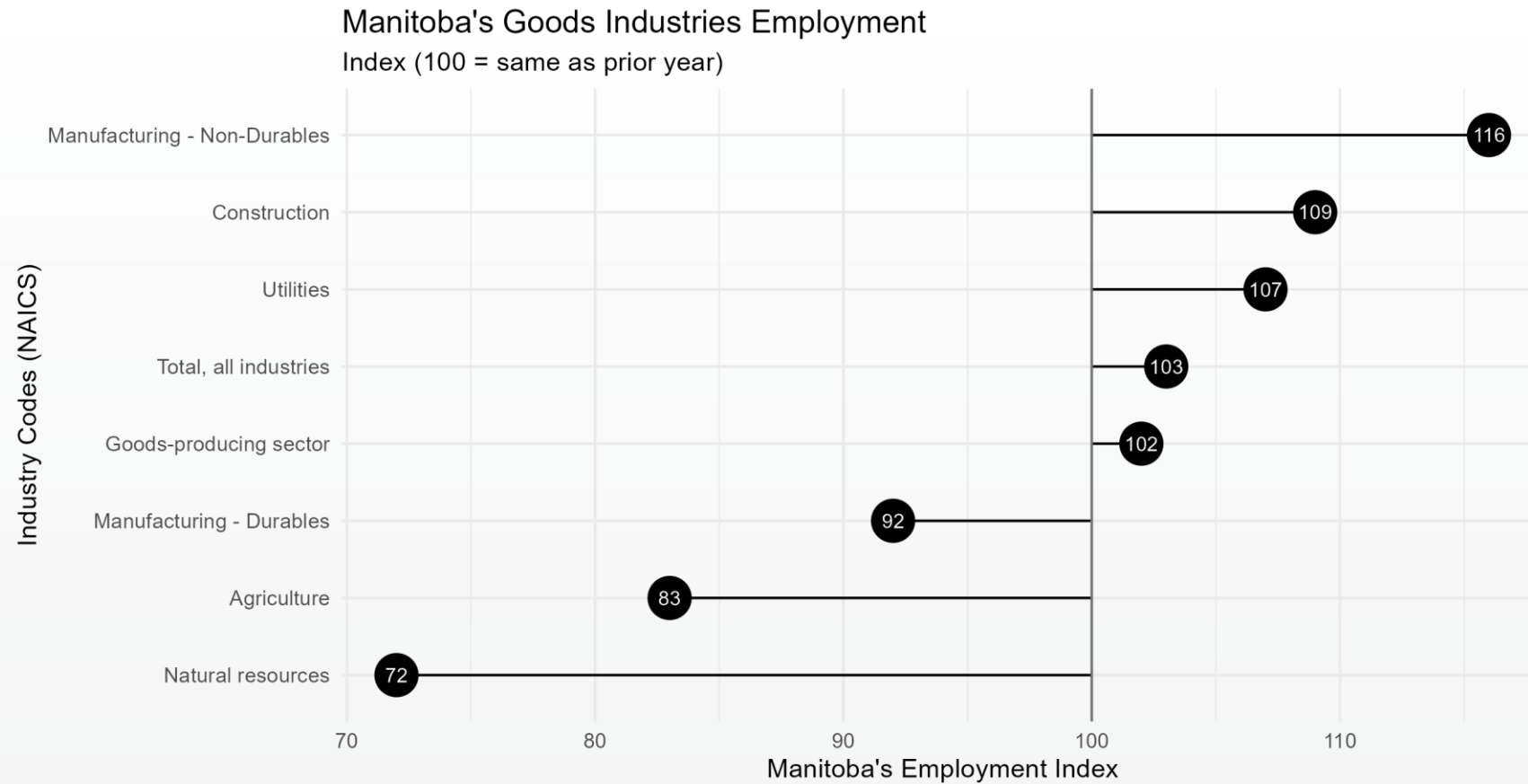
Unemployment Rate by Geography, Sex, Age Group (%)

2024-02 Unemployment Rate (%)
by Geography, Sex and Age Group; Unadjusted (%)



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

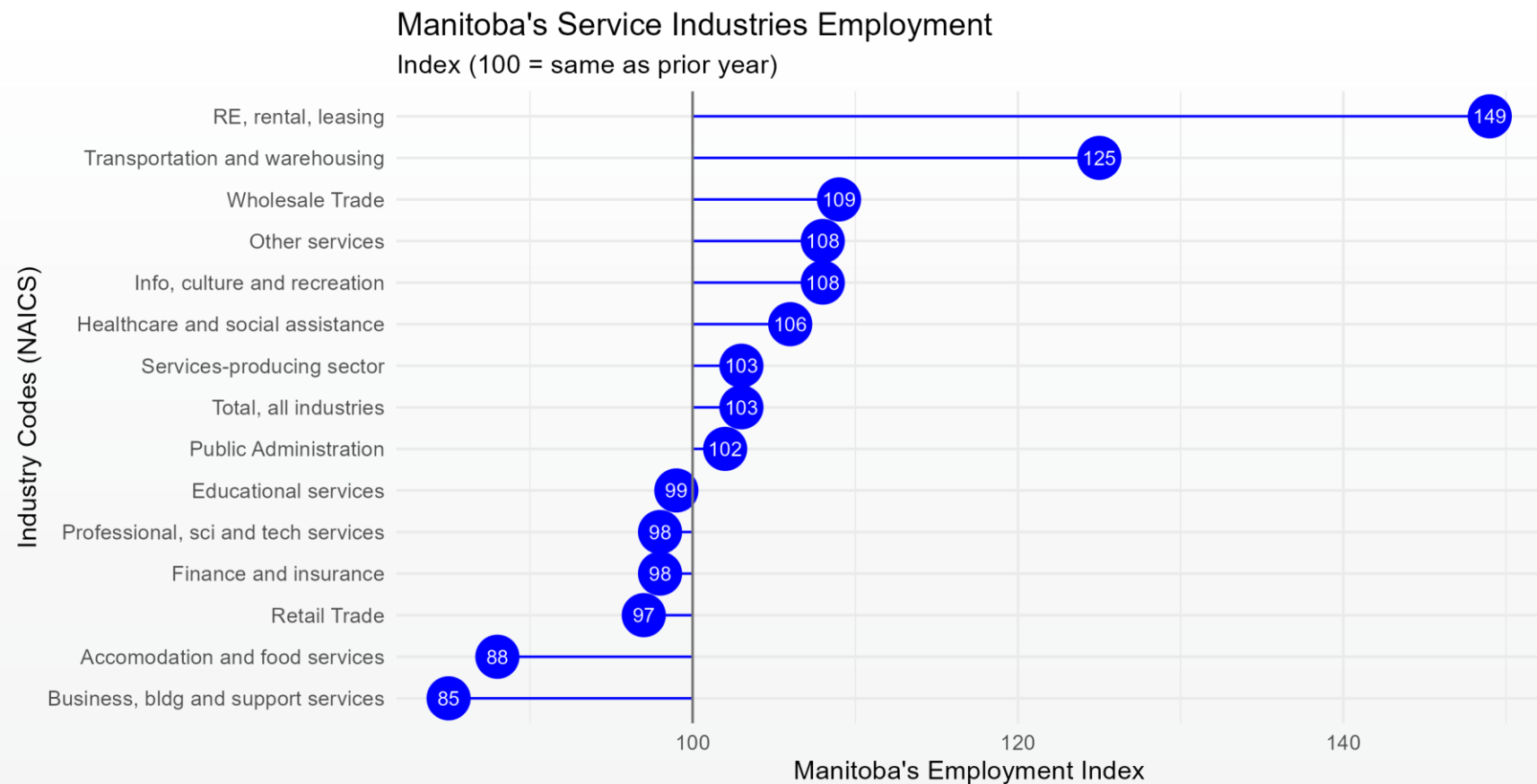
Manitoba Goods Industry Employment YoY Index



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

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

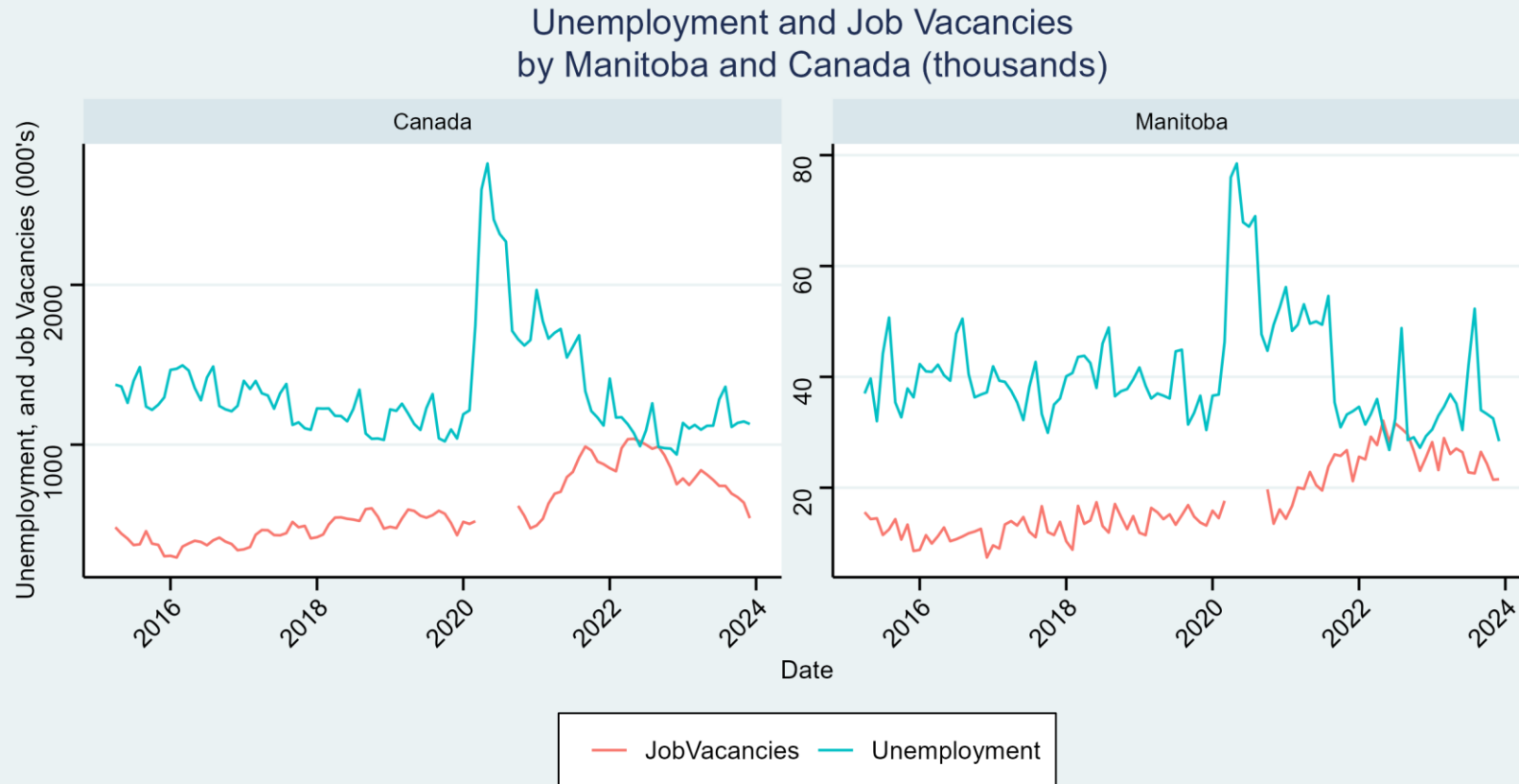
Manitoba Services Industry Employment YoY Index



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

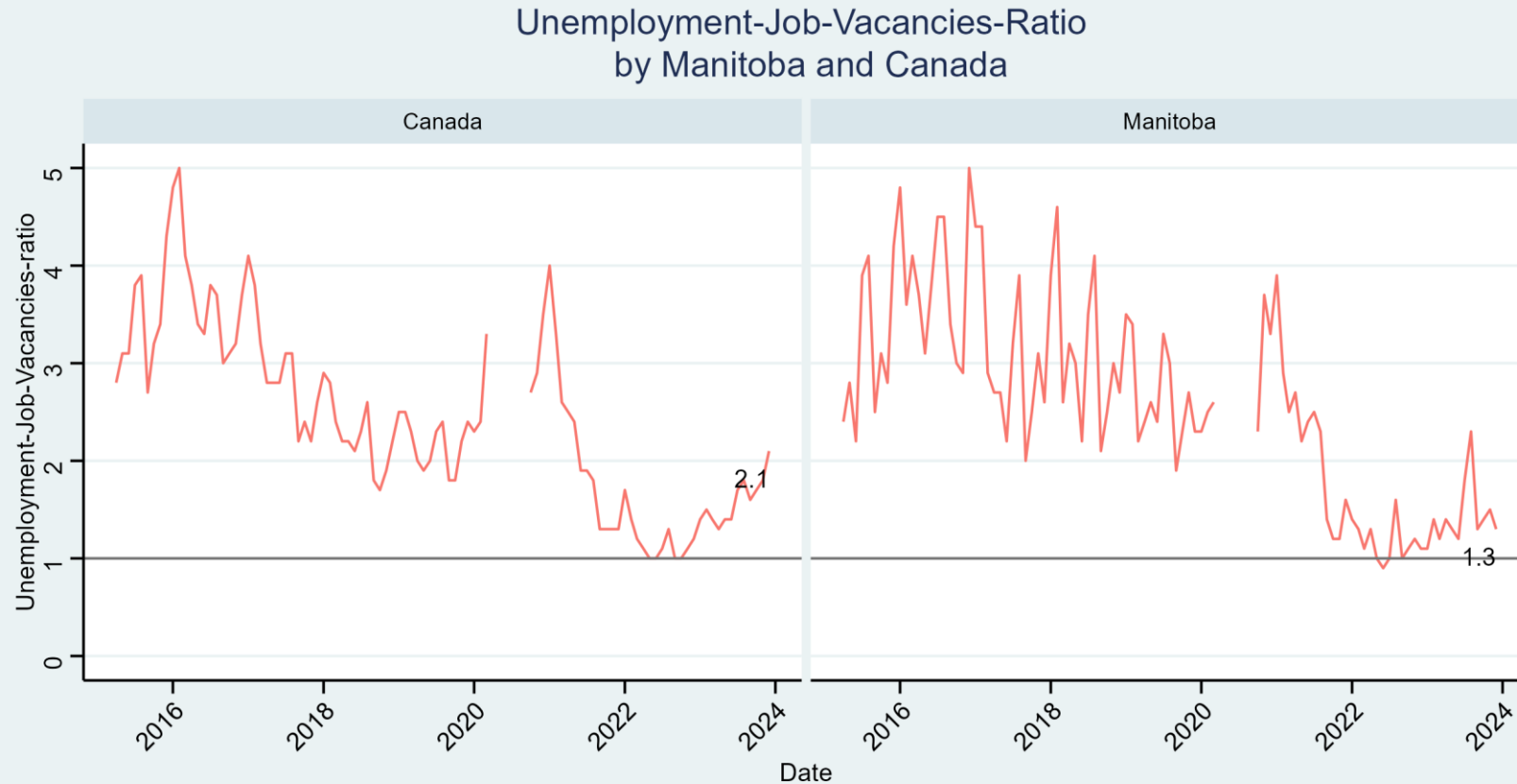
Source: Statistics Canada, Table 14-10-0022-01

Unemployment and job vacancies



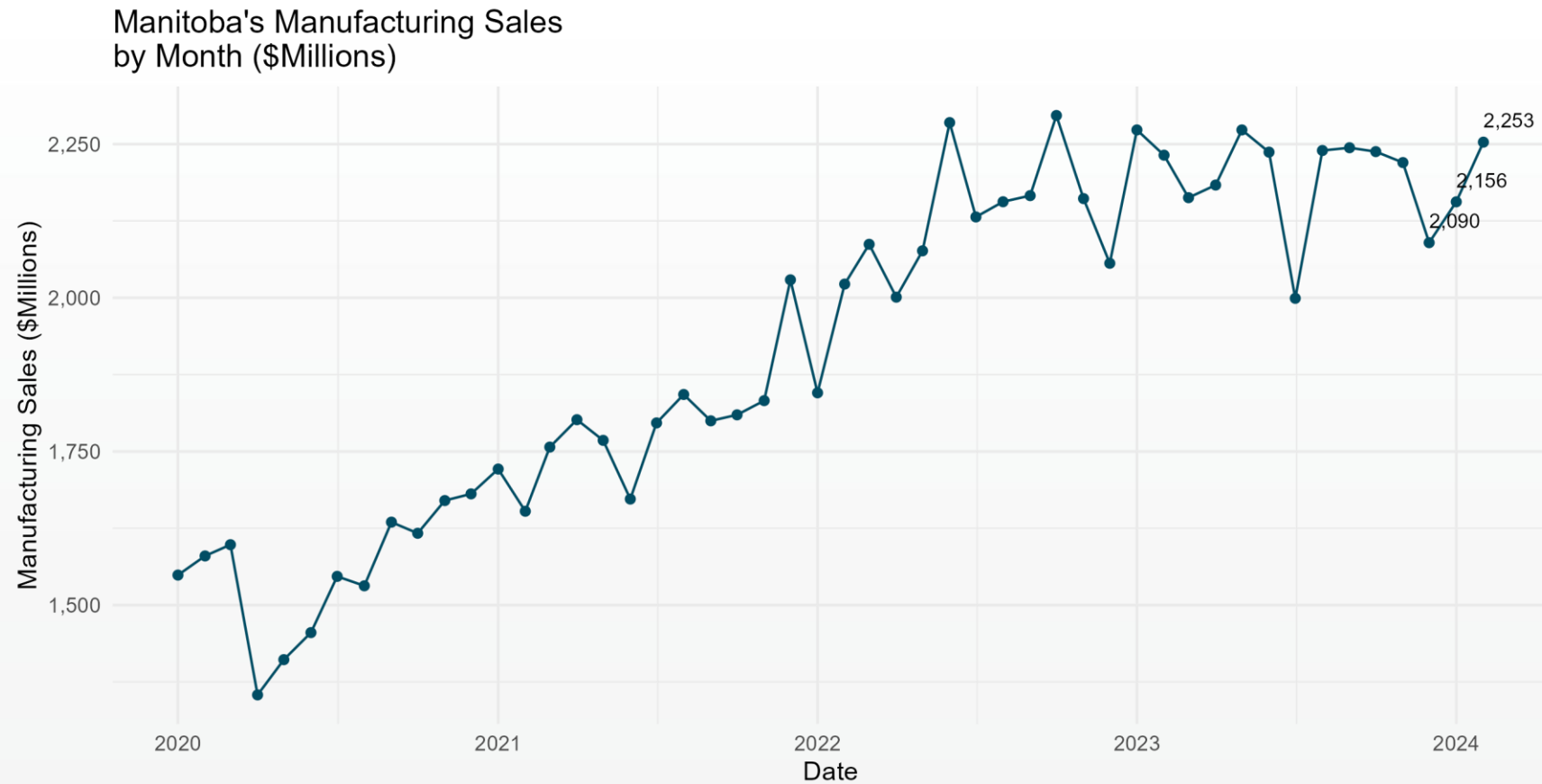
Source: Statistics Canada, monthly, not seasonally adjusted
Labour Supply: (LFS) Table 14-10-0287-01, and Labour Demand: (SEPH-JVR) Table 14-10-0371-01.

Unemployment/job vacancies ratio



Source: Statistics Canada, monthly, not seasonally adjusted
Labour Supply: (LFS) Table 14-10-0287-01, and Labour Demand: (SEPH-JVR) Table 14-10-0371-01.

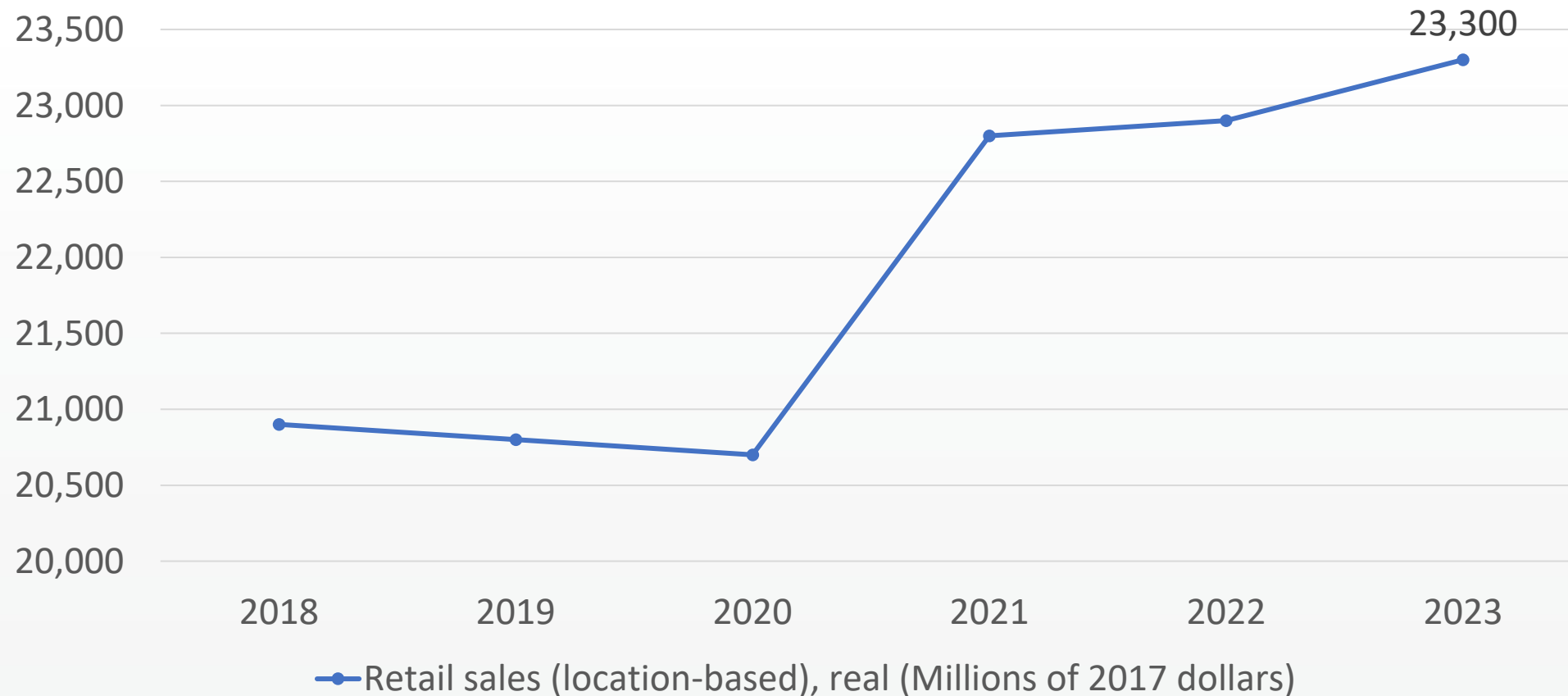
MB Manufacturing Sales (thousands)



Source: Statistics Canada, Manufacturing Sales by Industry, Monthly
Seasonally adjusted, Tables 16-10-0048-01

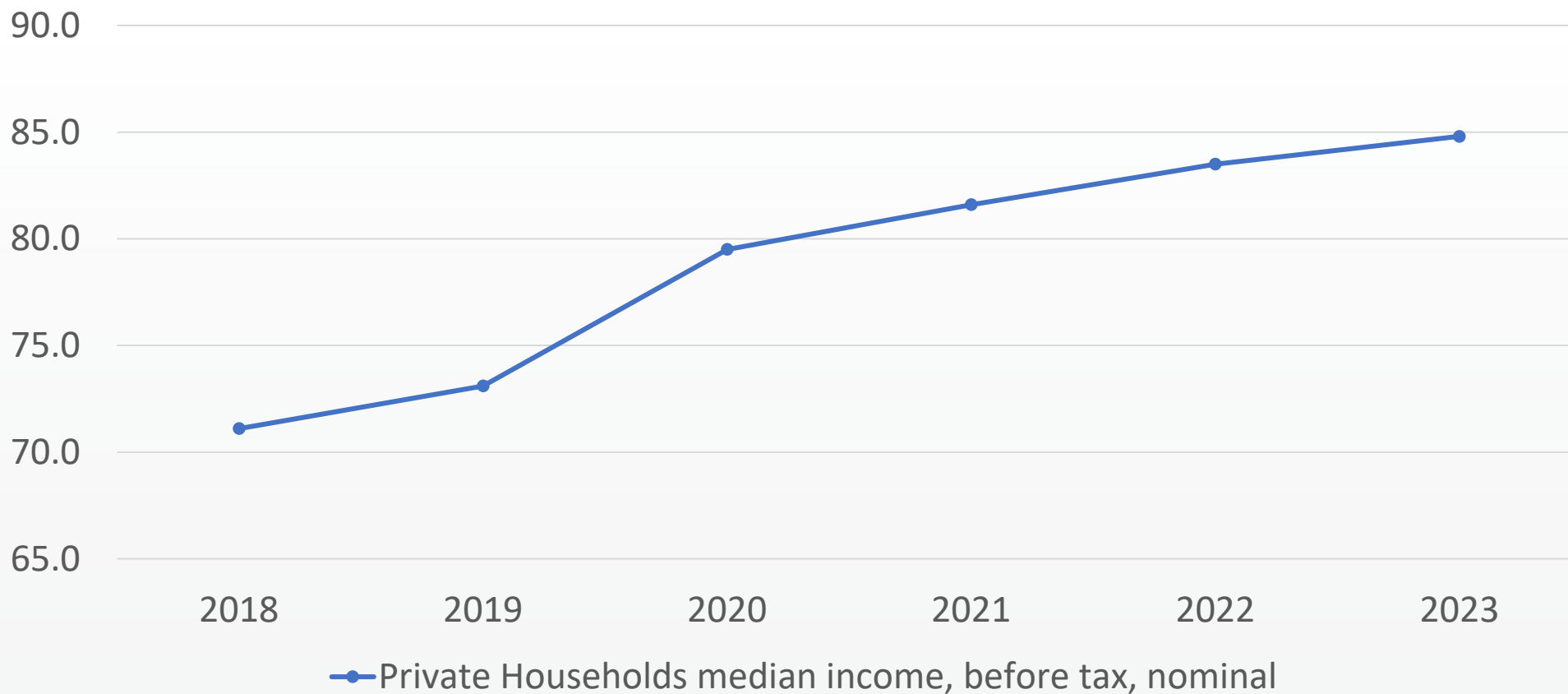
Source: Statistics Canada, Table 16-10-0048-01

Manitoba Real Retail Sales (\$Millions)



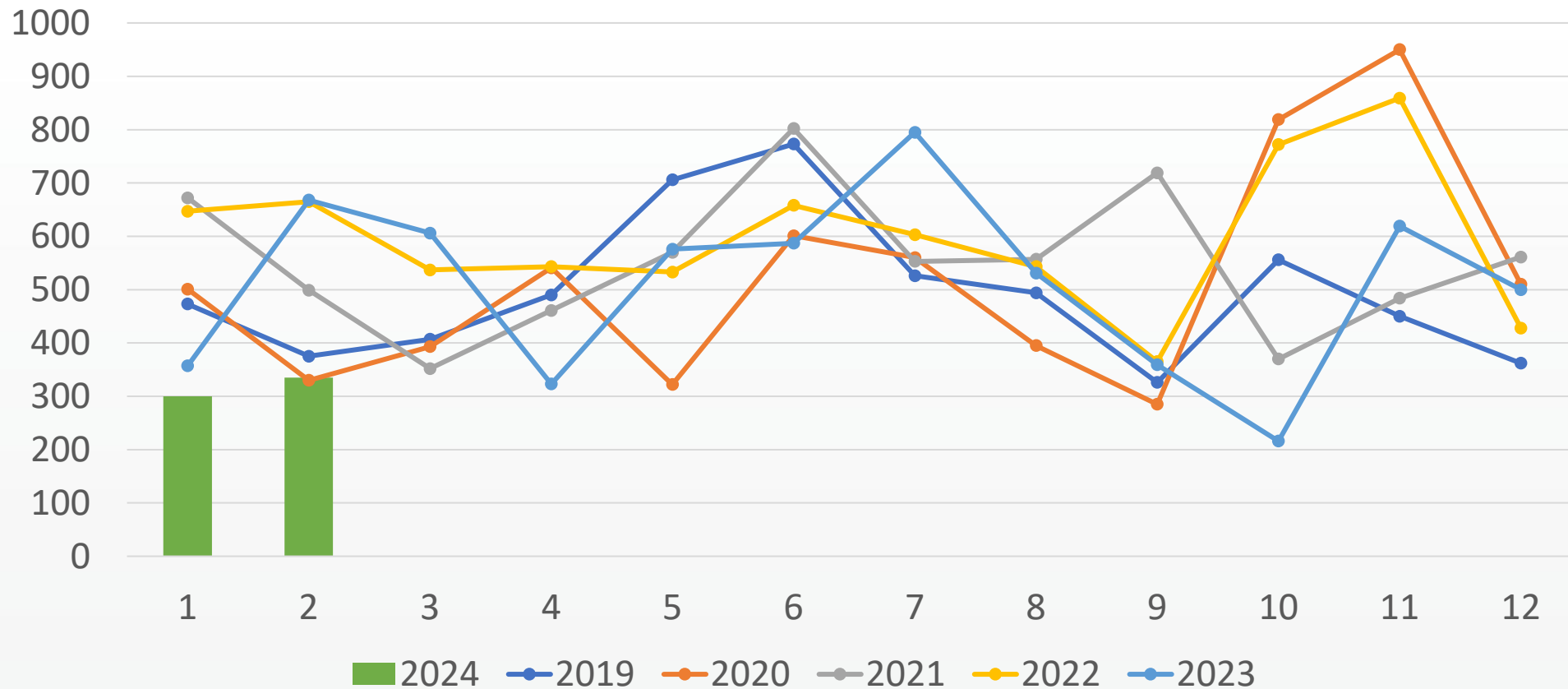
Source: Statistics Canada, Oxford Economics Forecast

Manitoba Household Median income, before tax, Nominal and real



Source: Statistics Canada, Oxford Economics Forecast

Manitoba Housing Starts Outlook

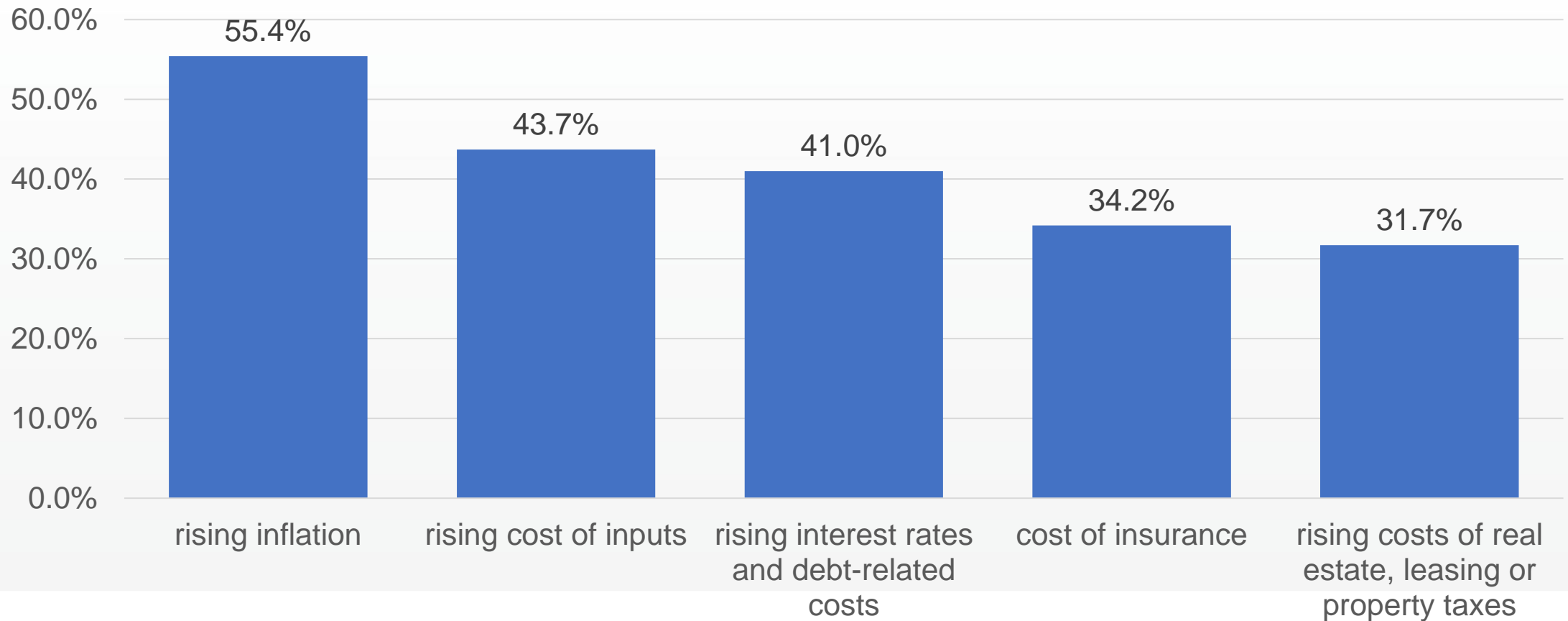


Source: Statistics Canada

Business and consumer concerns and insolvencies

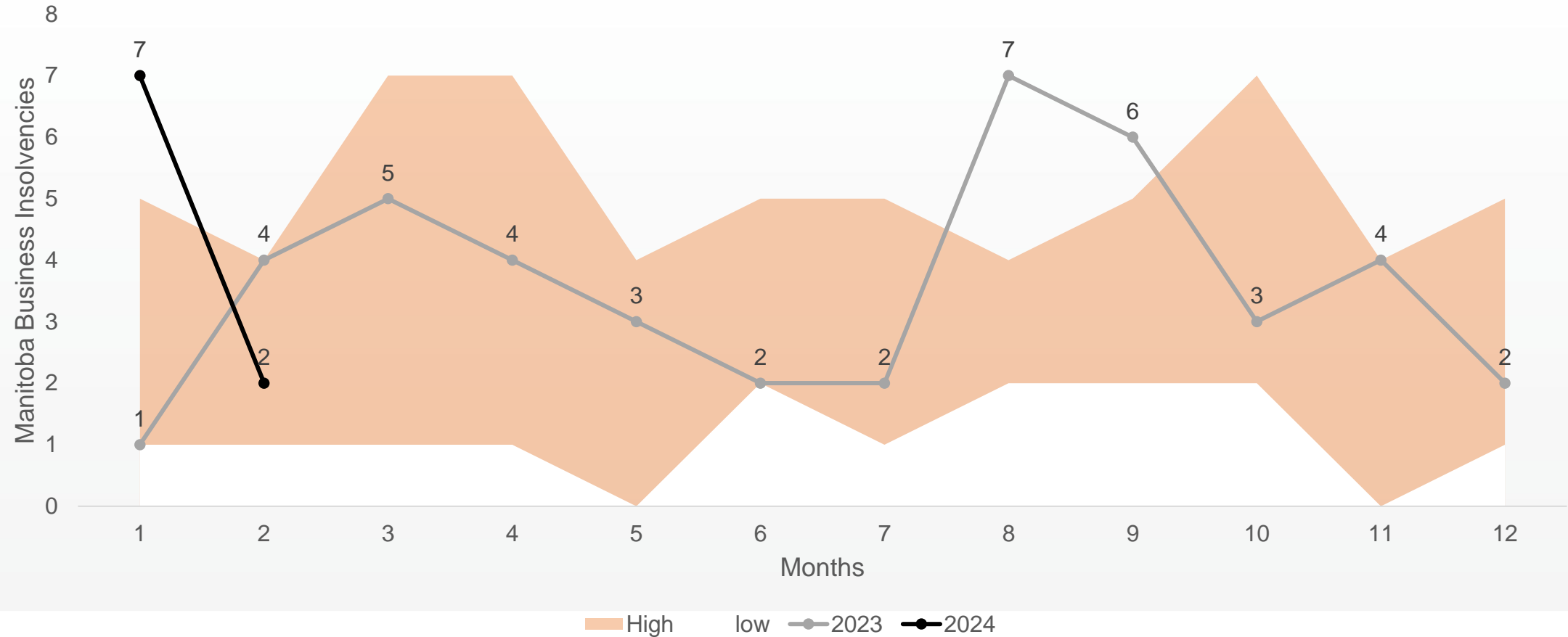
Canadian Survey on Business Conditions, Q1 2024

Top obstacles over next 3 months



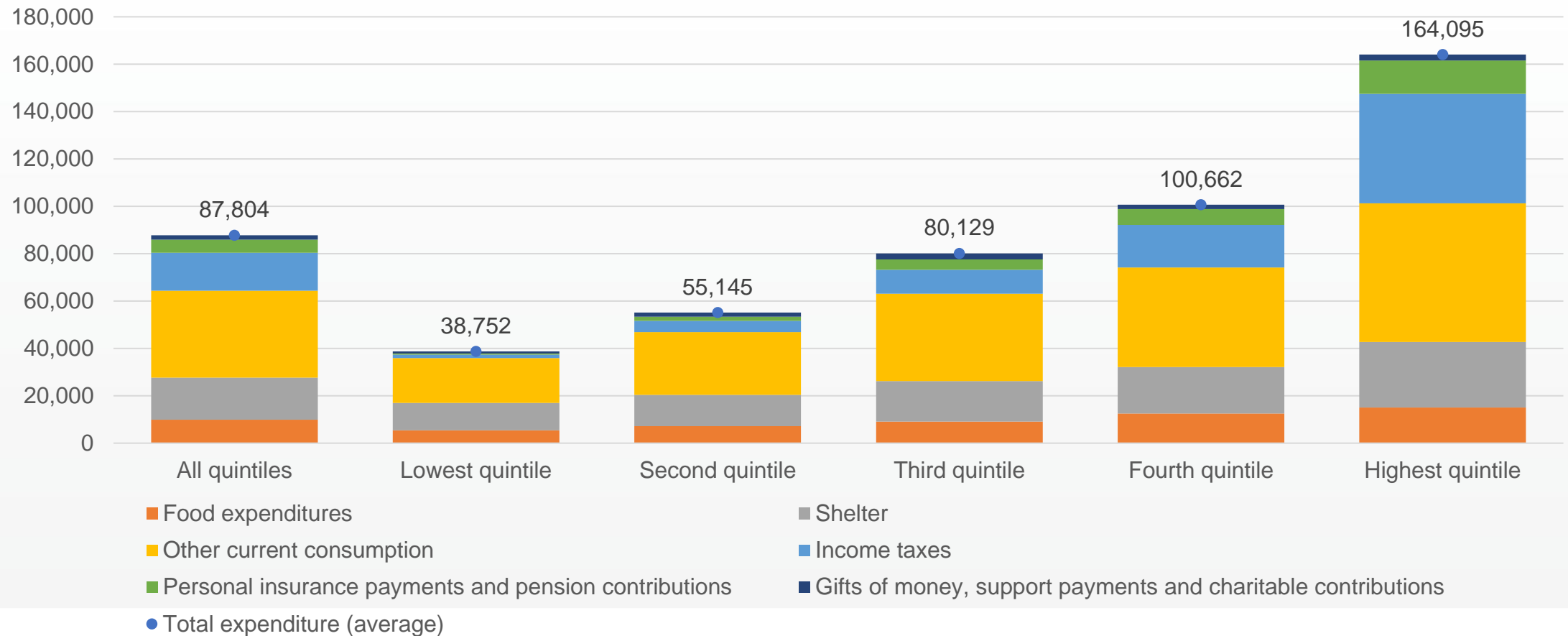
Source: Statistics Canada, Canadian Survey of Business Conditions, [Q1 2024](#)

Manitoba Business Insolvencies by Month



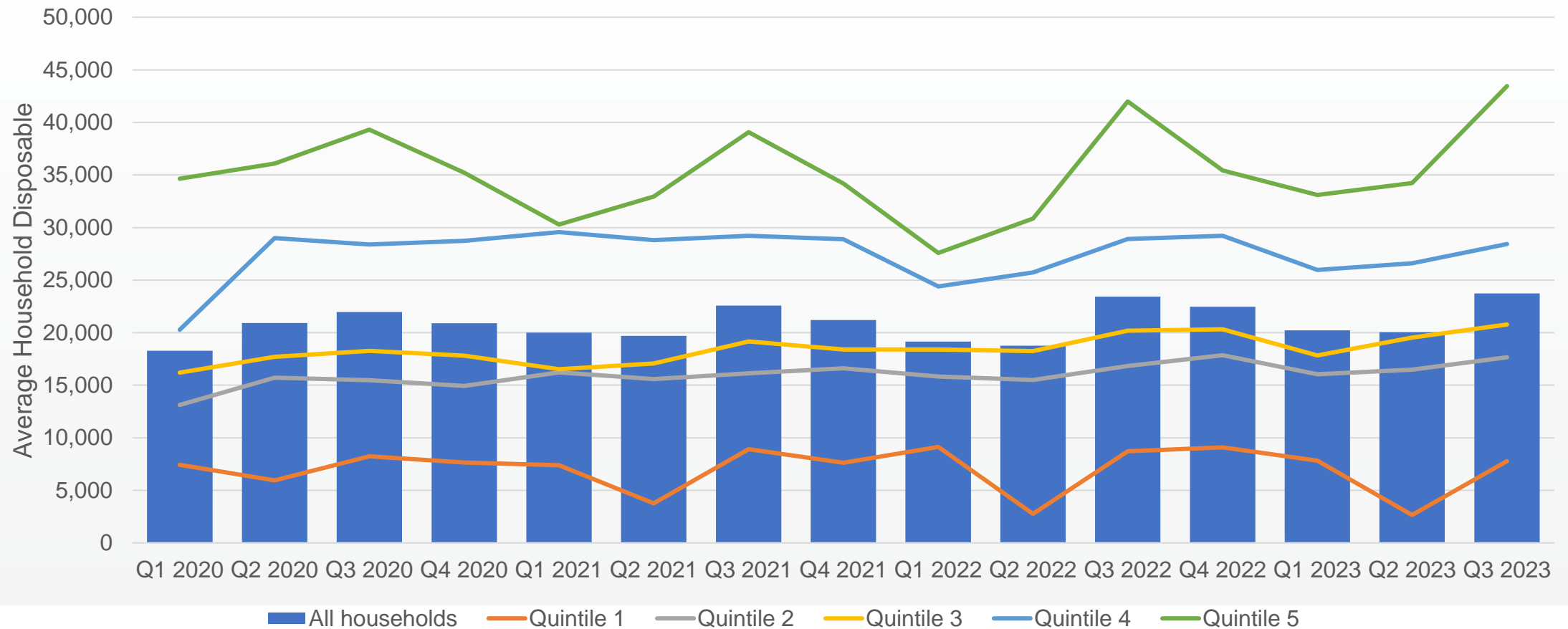
Source: Office of the Superintendent of Bankruptcy (Low/High from 2018 to 2022), [Historic Insolvency Statistics - Monthly \(from 1987\)](#).

Manitoba Average household spending by household income quintile, 2021



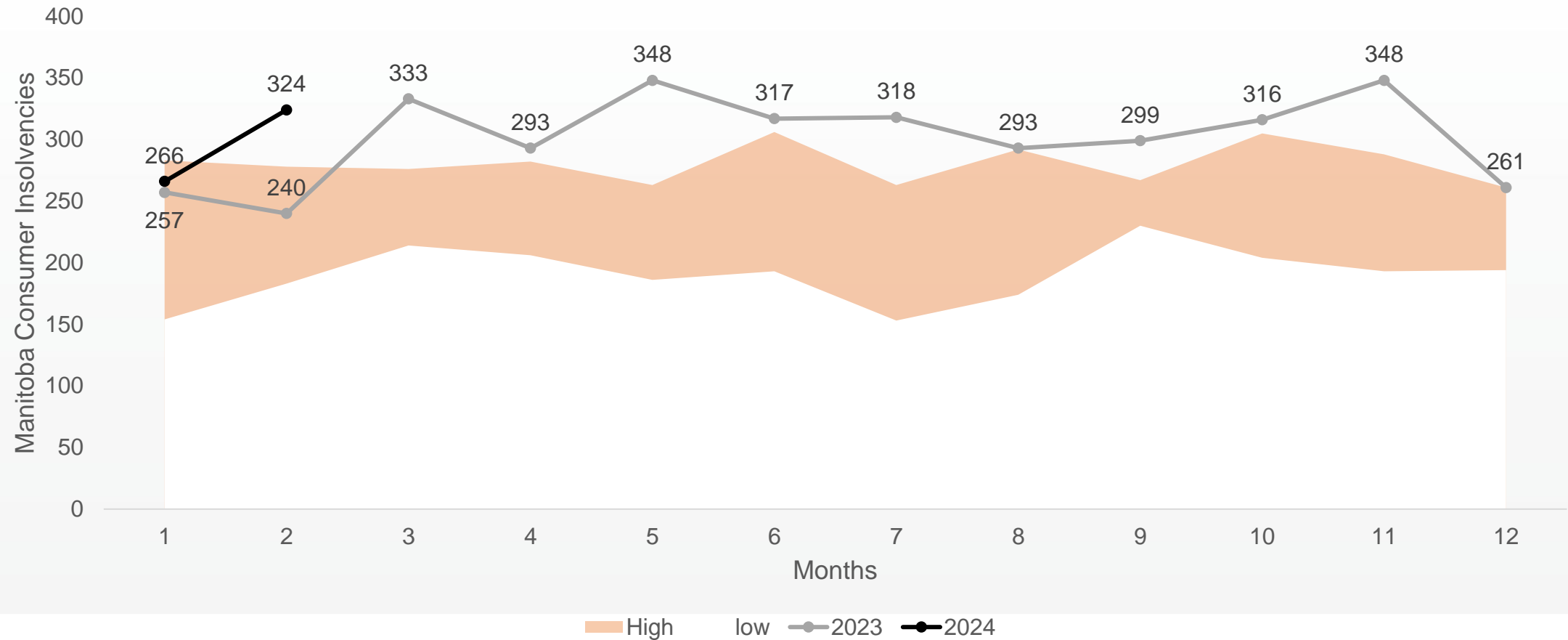
Source: Statistics Canada, Table [11-10-0223-01](#)

Manitoba Average Household Disposable Income by Income Quintiles



Source: Statistics Canada, Table 36-10-0663-01

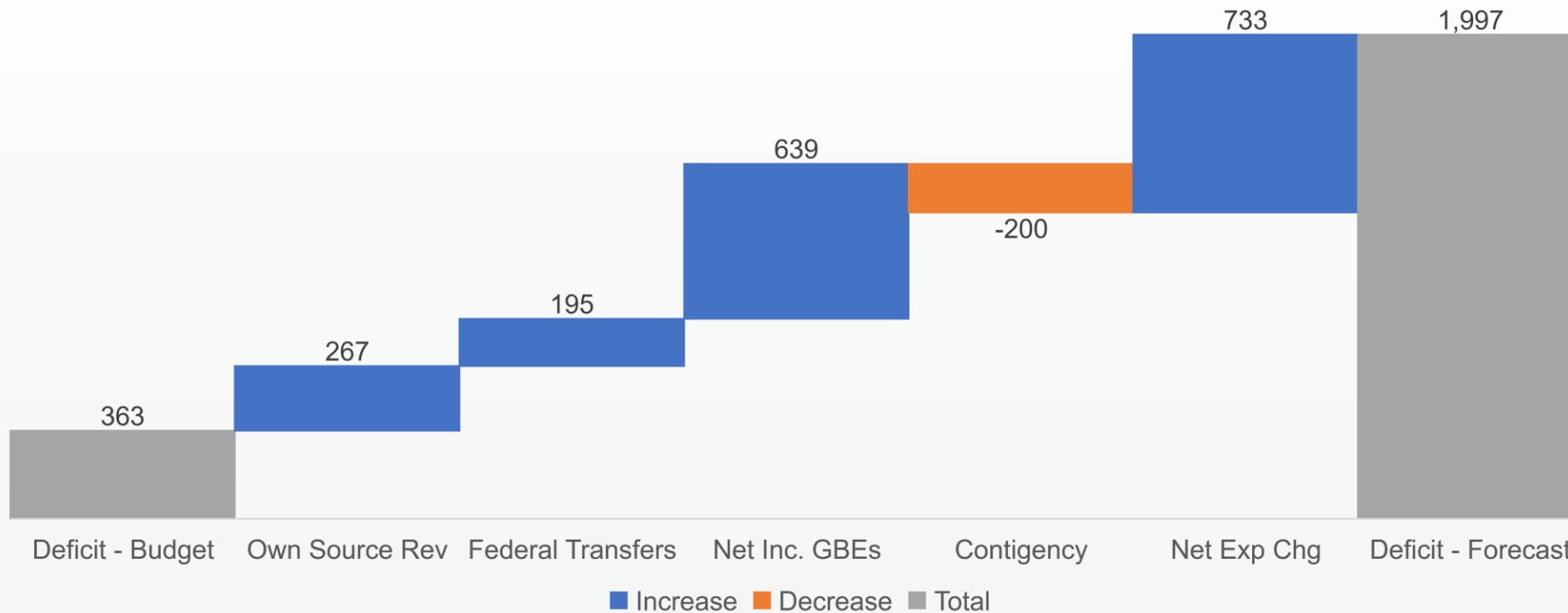
Manitoba Consumer Insolvencies



Source: Office of the Superintendent of Bankruptcy (Low/High from 2018 to 2022), [Historic Insolvency Statistics - Monthly \(from 1987\)](#).

MB BUDGET and ECONOMIC OUTLOOK

Manitoba 2023/24 Deficit Budget to Q3 Forecast: \$1,997 millions

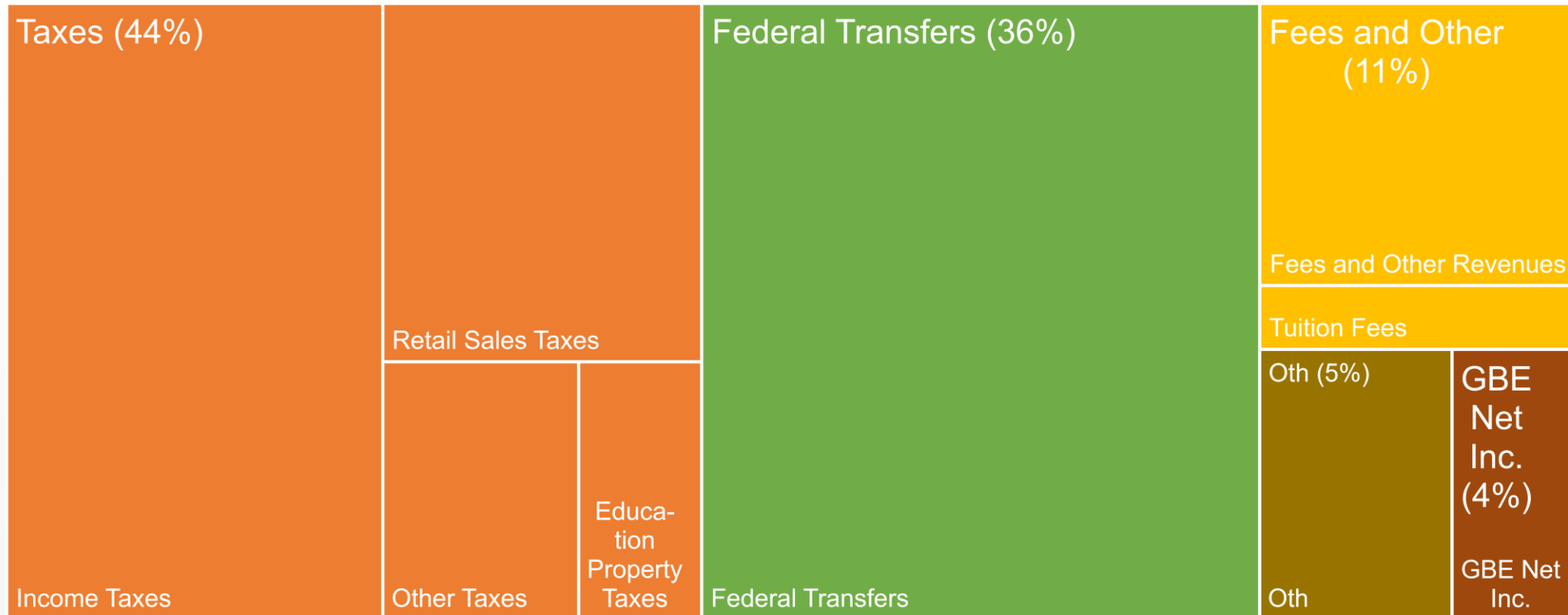


Source: Manitoba Fiscal and Economic Update 2023/24 Q3 Report

2024/25 Budget

Share of Manitoba Revenues: \$23,337 Million

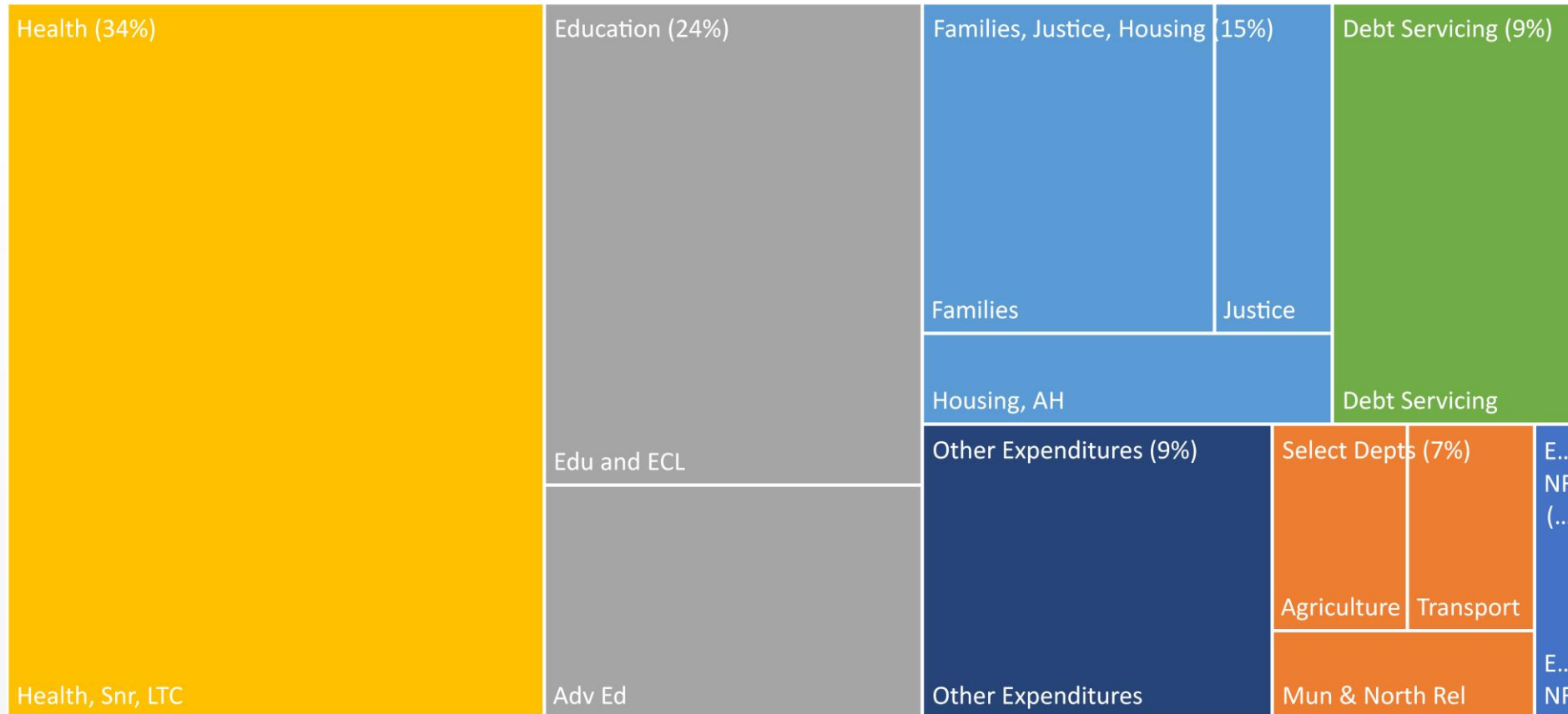
■ Taxes (44%)
 ■ Fees and Other (11%)
 ■ Federal Transfers (36%)
 ■ GBE Net Inc. (4%)
 ■ Oth (5%)



Source: Manitoba Budget 2024. Page 10

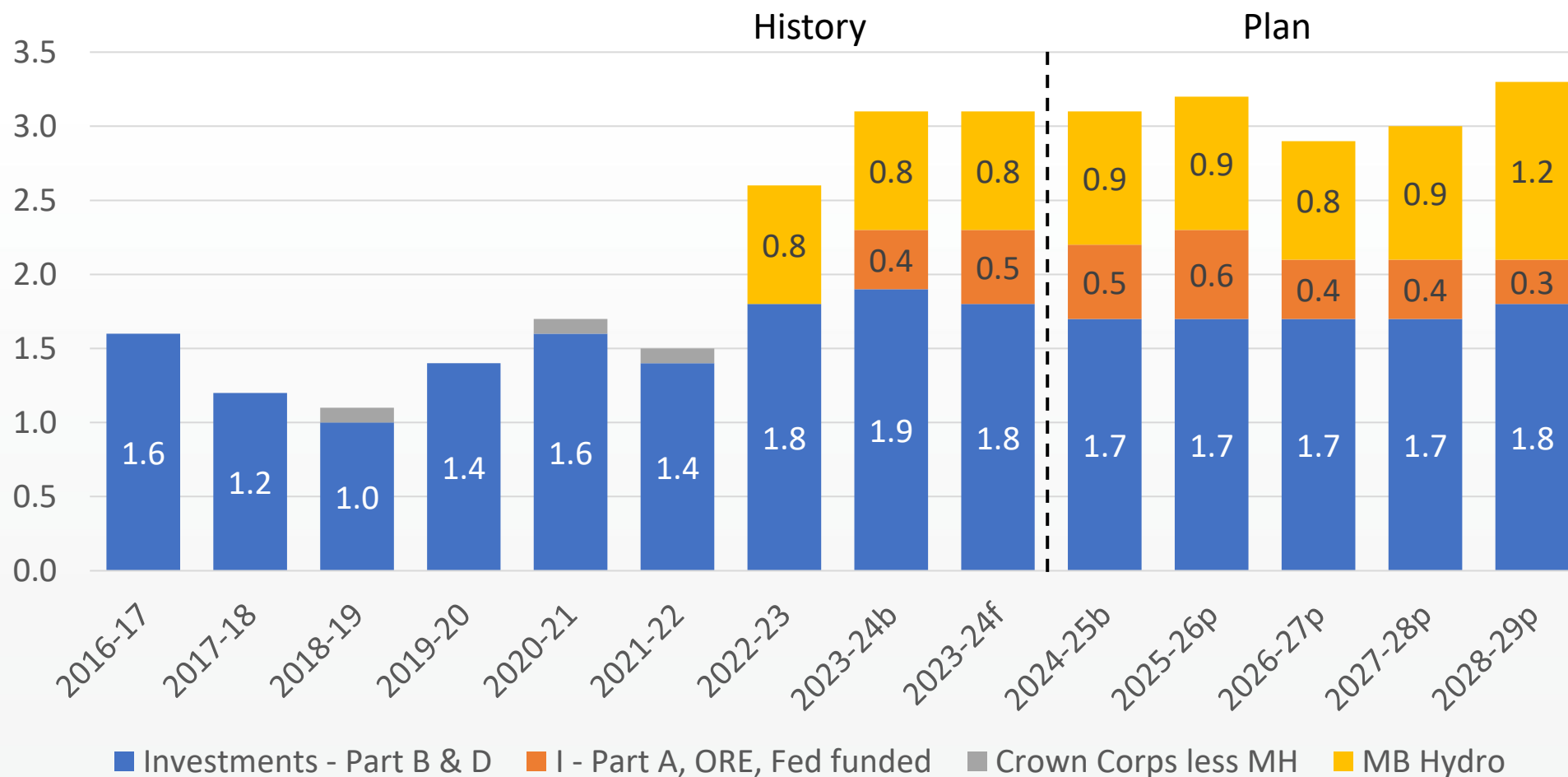
2024/25 Budget

Share of Manitoba Expenditures: \$24,133 Million



Source: Manitoba Budget 2022/23, page 7. See Appendix for dollar figures.

Strategic Infrastructure Plan (\$Billions)



Source: Manitoba Budget 2024, page 71.

Manitoba Fiscal Summary and Outlook (\$Millions)

Description (\$Millions)	Actual	Forecast	Budget	Medium Term Projection		
	2022-23	2023-24f	2024-25b	2025-26p	2026-27p	2027-28p
Revenue	22,144	21,476	23,437	24,227	25,092	25,966
Expenditures						
Programs	19,911	21,303	21,869	22,302	22,795	23,301
Interest on Debt	1,963	2,170	2,264	2,357	2,463	2,547
Total Expenditures	21,874	23,473	24,133	24,659	25,258	25,848
Surplus/(Deficit) before Reserve	270	-1,997	-696	-432	-166	118
Planning Contingencies			-100	-100	-100	-100
Surplus/(Deficit)	270	-1,997	-796	-532	-266	18
Net Debt as a Share of GDP	35.0%	37.5%	38.5%	39.1%	38.9%	38.3%

Source: Manitoba Budget 2024 – Fiscal Outlook and Indicators. The Manitoba government fiscal year starts April 1, 2024, and ends March 31, 2025. (Apr/Mar). F = forecast, B = budget, P = Projection.

Provincial Government Credit Rating

Province	Moody's Rating	S&P Rating	DBRS Rating
AB	Aa2	AA-	AA
BC	Aaa	AA	AA(H)
Manitoba	Aa2	A+	A(H)
NB	Aa2	A+	A(H)
NL	A1	A	A
NS	Aa2	AA-	A(H)
ON	Aa3	A+	AA(L)
PEI	Aa2	A	A
QC	Aa2	AA-	AA(L)
SK	Aa1	AA	AA(L)

Source: Manitoba Budget 2024 – Fiscal Outlook and Indicators, page 97. As of Feb 2, 2024 budget, the three credit rating agencies had a stable outlook for their ratings on Manitoba government debt.

Manitoba Economic Outlook in the Budget

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

Manitoba	2024F	2025F
Real GDP	0.6	1.9
Nominal GDP	2.9	3.1
Consumer Price Index	2.5	1.9
Employment	1.2	1.5
Unemployment Rate (%)	5.7	5.7
Population Growth Rate (%)	2.6	2.0

Source: Manitoba Budget 2024 - Manitoba Finance Survey of Economic Forecasts, page 77.

Challenges and Opportunities Facing Manitoba

- Challenges: Recovering from the pandemic and retooling
 - healthcare system,
 - 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
- Expanding Domestic Housing Supply, including in downtowns



Want to read more about economic events relevant to the Manitoba or Winnipeg economy? Check out and subscribe to the [Winnipeg Economic Digest](#).

Thank you!

Chris Ferris, Senior Economist
Research and Market Intelligence
Economic Development Winnipeg