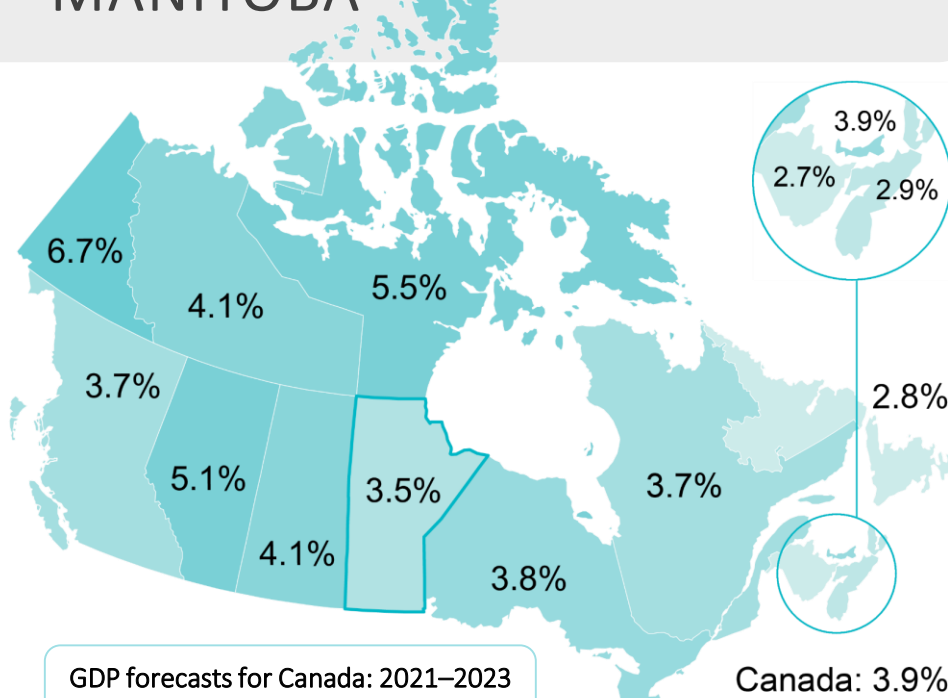


ENVIRONMENTAL SCAN: 2021

MANITOBA



ECONOMIC CONDITIONS

Manitoba's Real GDP increased 3.0% to \$62.4B in 2021. This growth was led by gains in the services-producing sector (+\$1.9B or +4.5%) only partially offset by losses in the goods-producing sector (-\$0.1B or -0.7%). Meanwhile, provincial Real GDP is still down \$1.1B from 2019, before the COVID-19 pandemic disrupted global economic growth.

Although the Government of Manitoba had expected a \$1.5B deficit for the 2021-2022 provincial budget, the Province spent less than expected and reduced its forecast deficit to \$1.1B.

GDP forecasts for Canada: 2021–2023
3-year average annual growth rates

Canada: 3.9%

TRADE

Manitoba's Top 10 Export Markets



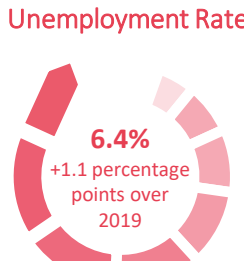
MB exported
\$17.6B
worth of goods to
170
countries in 2021

In 2021, the majority of Manitoba's exports were food manufacturing (+16% to \$3.8B), crop production (+10% to \$3.5B), and chemical manufacturing (primarily pharmaceuticals) (+6% to \$2.7B). Machinery manufacturing is also a growing export for the province, increasing 23% to \$1.6B in 2021.

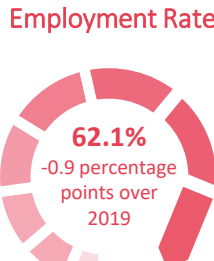
Meanwhile, transportation equipment manufacturing exports decreased for a second consecutive year, down 13% in 2021 to \$1.2B. Manitoba is the third largest province for aerospace product export, but this industry is expected to remain challenged due to its close link to travel services.

LABOUR MARKET CONDITIONS

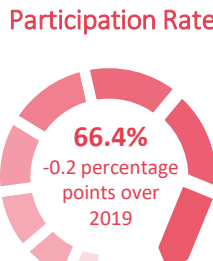
2021 Unemployment Rate



2021 Employment Rate



2021 Participation Rate

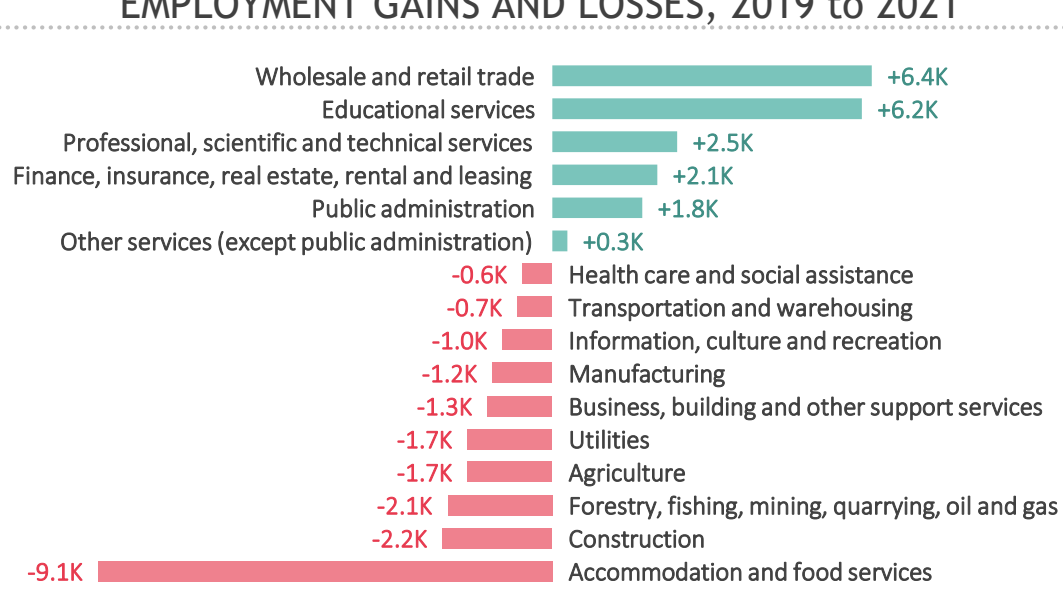


In 2021, employment in Manitoba increased 3.6% to 653,300. As the province began to recover from the economic impacts of the COVID-19 pandemic, full-time employment increased 4.7% (+24,000) on an annual basis while part-time employment decreased 1.4% (-1,700). The majority of employment growth was in the private sector (+23,600) accompanied by a smaller uptick in the public sector (+4,500). Meanwhile, there were 5,700 fewer self-employed individuals in the province in 2021, down 6.5% year-over-year.

Job vacancies increased in Manitoba over the last year, up 42% to 25,765 between the fourth quarter of 2020 and 2021. Over 20% of these job vacancies are in the health care and social assistance sector where recruitment and retention has become a provincial priority.

INDUSTRY TRENDS

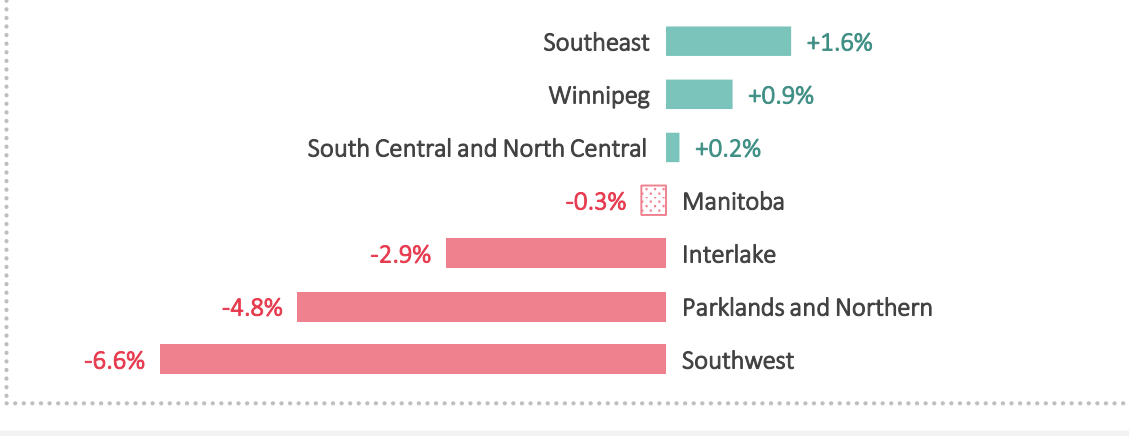
EMPLOYMENT GAINS AND LOSSES, 2019 to 2021



- Employment in educational services increased 2,700 in 2020 and another 3,500 in 2021. A rise in staff absenteeism in the public school system due to the COVID-19 pandemic forced many school districts to add to their on-call roster. A switch to remote learning also led districts to hire more teachers to address the increased complexity and workload brought on by this new educational platform.
- Manufacturing represents approximately 10% of all employment in Manitoba. While employment in this sector declined significantly in 2020 (-5,000), it is well on its way to recovery, up 3,800 in 2021. Over the last two years food product manufacturing employment was bolstered by Roquette's new pea processing facility in Portage la Prairie and Merit Functional Foods' pea and canola-processing plant in Winnipeg. In fact, employment in the food manufacturing sub-sector grew 1,600 in 2020 and another 400 in 2021.
- Employment in accommodation and food services declined significantly in 2020 (-8,100) and 2021 (-1,000), following travel restrictions, closures and capacity restrictions imposed to prevent the spread of COVID-19.

REGIONAL ECONOMIC CONDITIONS

EMPLOYMENT GROWTH, 2019 to 2021

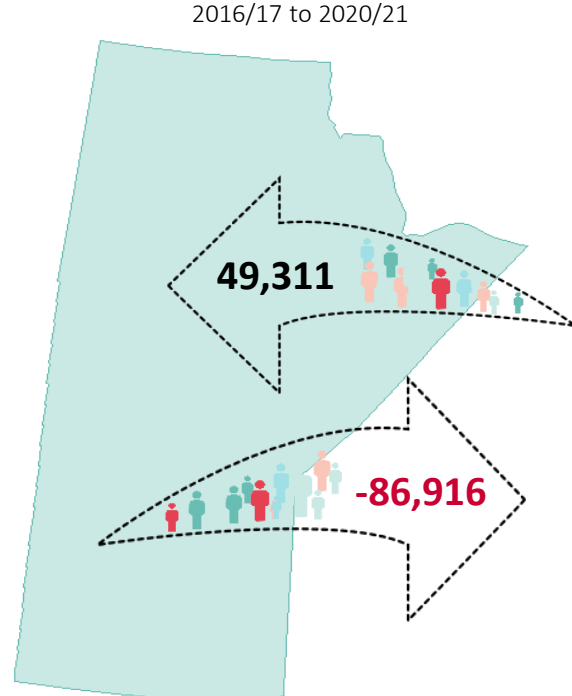


- The Winnipeg economic region lost 13,600 jobs in 2020, representing 56% of all employment losses in the province for that period. In 2021, employment bounced back (+17,100) led by growth in wholesale and retail trade (+5,400) and construction (+2,100). As the Government of Manitoba removes COVID-19 restrictions in 2022, more employment growth is expected in Winnipeg's accommodation and food services sector.
- Employment in the Parklands and Northern economic region has been impacted by changes in northern mine operations. Vale reduced their Thompson workforce by 150 in 2020. Meanwhile, Hudbay has been winding down their operations in Flin Flon with plans to permanently close their 777 mine by fall 2022 for a total of approximately 275 job losses.
- According to the Manitoba Labour Market Outlook Report 2021-2025, the Southeast region is expected to experience the most economic growth of any region in the province over the next five years (+9.0%).

DEMOGRAPHICS

Inter-provincial migration

2016/17 to 2020/21

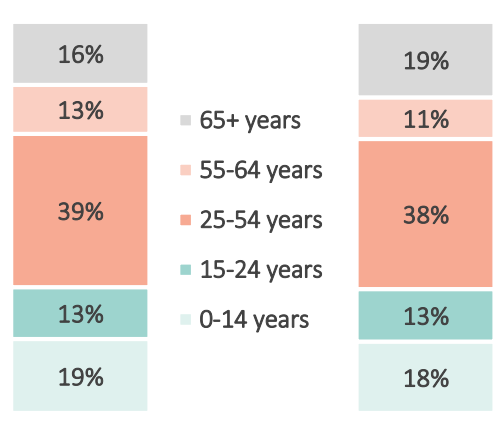


2020 population

1,380,648

2040 projection

1,703,700

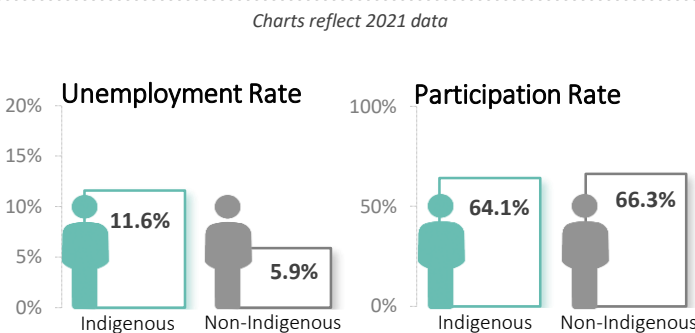


Manitoba's net inter-provincial migration has remained negative for about 30 years. Over 30% of Manitobans relocating to other regions of Canada (2020) and 2021 settled in Ontario, and most others chose Alberta (25%) and BC (24%).

Between 2016 and 2021, over half as many people migrated to Manitoba from other regions of Canada compared to those who left for other provinces or territories. About a third of these inter-provincial migrants came from Ontario, 24% from Alberta, and 17% from BC.

INDIGENOUS PEOPLES

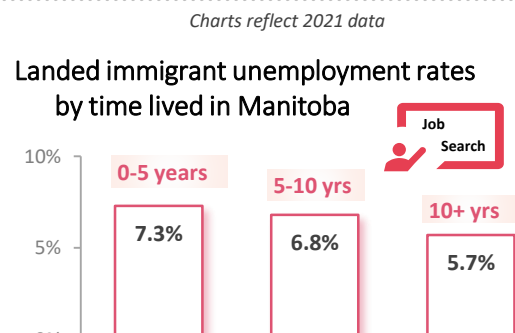
Charts reflect 2021 data



Over 223,000 Indigenous people live in Manitoba, representing close to 18% of the provincial population. Almost 60% of Manitoba's Indigenous population is First Nations, 40% is Métis and less than 1% is Inuit. In 2021, over 57% of registered First Nation persons in Manitoba lived on reserve and about half of these individuals did not have access to all-weather roads. In 2019 only 2% of reserves in Manitoba had access to high-speed internet service. Geographic and digital isolation limits educational and career opportunities, in turn negatively impacting Indigenous labour market outcomes.

IMMIGRANTS

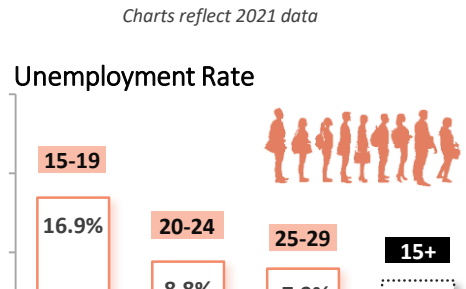
Charts reflect 2021 data



In 2021, there were 237,300 landed immigrants in Manitoba, representing over 22% of Manitoba's working age population. Among these immigrants, 41,700 were new immigrants who have lived in Canada for five years or less. Gaining Canadian work experience can be difficult at first for new immigrants who often have foreign credentials and/or limited fluency in Canada's official languages. In 2021, new immigrants had an unemployment rate 0.9 percentage points above the provincial average (6.4%) but those who had lived over a decade ago had a lower unemployment rate (-0.7 pp).

YOUTH

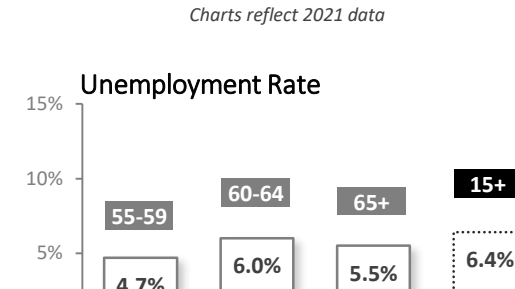
Charts reflect 2021 data



The number of younger workers (15 to 29 years) employed in Manitoba increased 6% in 2021, with gains in full-time employment (+12,400) partially offset by part-time employment losses (-2,300). The youth labour force also increased (+4,700) in 2021 following a significant decline in 2020 (-7,200). Future employment growth and stability for this demographic group is closely tied to the ability of retail and food service establishments to remain fully operational since these two industries represent 30% of all employment for those under the age of 30.

OLDER WORKERS

Charts reflect 2021 data

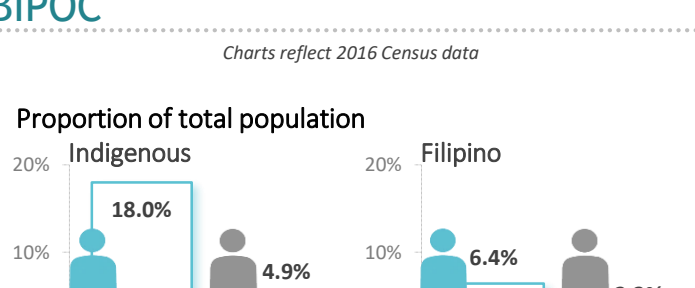


The number of older workers (55 years and over) employed in Manitoba decreased (less than 1% in 2021), with losses in full-time employment (-700) partially offset by gains in part-time (+500) employment. Meanwhile, the labour force participation rate for older workers decreased for the second consecutive year, down 0.7 percentage points to 37.6%.

The majority of older workers employed in Manitoba in 2021 worked in health care and social assistance (15%), and wholesale and retail trade (13%).

BIPOC

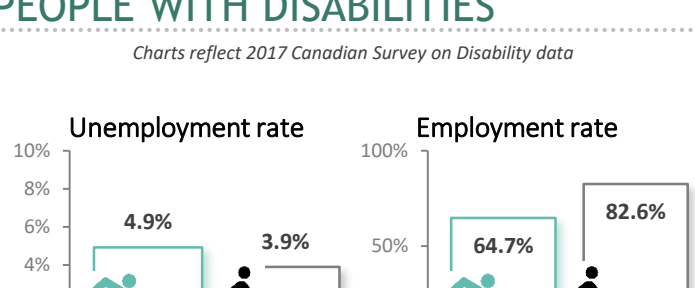
Charts reflect 2016 Census data



Black, Indigenous and people of colour (BIPOC) make up over a third of the population in Manitoba. Indigenous people are the largest group of racialized Canadians in the province, representing 18.0% of the total population — over three times the national average (4.9%). Manitoba also has a significantly larger proportion of Filipino residents (6.4%) than the national average (2.3%). South Asian Canadian residents are the third most prevalent racialized ethnic group in the province representing 3.4% of Manitoba's total population.

PEOPLE WITH DISABILITIES

Charts reflect 2017 Canadian Survey on Disability data



The proportion of Manitobans (15+) living with a disability is 24.8%. Disabled people also make up 18.7% of Manitoba's core aged labour force. Manitobans with disabilities experienced new challenges during the COVID-19 pandemic, reporting new barriers related to mobility, hearing, vision and understanding. According to the 2017 Canadian Survey on Disability, 140,010 Manitobans (25 to 64 years of age) were identified with a form of disability. Approximately 73% of these individuals were in the labour force and about 70% were employed.