

Regina ranks second in CIBC economic activity index

BY LEADER-POST STAFF AND FINANCIAL POST DECEMBER 2, 2009

REGINA — Regina ranked second and Saskatoon third in CIBC's latest metropolitan economic activity index, thanks to strong population and job growth, according to CIBC Metro Monitor released Tuesday.

"Both Regina and Saskatoon were able to maintain their high ranking, reflecting rapidly growing populations and job markets that are still expanding," Benjamin Tal, CIBC senior economist, said in the report.

"Both cities also enjoy very low unemployment rates as well as extremely low rates of both business and consumer bankruptcies," Tal added.

Saskatoon ranked first and Regina fifth in population growth in the third quarter of 2009 compared with the same period last year. Similarly, Saskatoon ranked first and Regina seventh in population growth during the same period.

Saskatoon also had the lowest unemployment rate (Regina was third-lowest), while Saskatoon and Regina and lowest had second-lowest consumer bankruptcy rates respectively.

Both cities also scored well in home sales (Saskatoon second and Regina fourth) and non-residential building permits (Regina second and Saskatoon seventh).

Larry Hiles, president and CEO of the Regina Regional Opportunities Commission (RROC), noted that Regina was at the top of CIBC's economic activity ranking a couple of years ago.

"To be able to stay at the top of the rankings for that long is really quite an encouraging and a reflection of the strength we've seen in our local economy," Hiles said.

"This is the second time we've shown up on this list, so that tells you that there's strength and stability and continued growth going on in our economy."

Slow and steady may be a winning economic formula, at least for Halifax, which topped the list of the 25 cities surveyed by CIBC for the first time

The ranking "was achieved despite the fact that the city did not lead the nation in any of our macro categories, reflecting its relatively diversified sources of economic growth and reduced vulnerability to economic shocks," said Tal.

The number of cities on the index whose economic activity is on the decline has doubled to 10 since

the first quarter. Most of those are in Ontario and Quebec, a sign of continued weakness in the manufacturing and forestry sectors and a strong Canadian dollar.

Rounding out the top five. Sherbrooke, Que., was in third place while St. John's, N.L., was fifth.

"The still soft mining and drilling activity reported in Statistics Canada's third-quarter GDP report is clearly reflected in the loss of momentum in Alberta, with Calgary and Edmonton, which until recently were the stars of our index, losing ground rapidly and currently hardly above water in terms of overall economic momentum," said Tal.

The index, released twice-yearly, measures economic activity based on economic variables including population growth, employment levels, consumer and business bankruptcies, housing sales and starts, and non-residential construction.

While Vancouver is doing better than Calgary and Edmonton, it ranked 12th in the third quarter, "its worst performance in years."

Toronto has fallen from second place in the second quarter to seventh in the third, due in part to its rising unemployment rate —the fourth-highest of cities on the index — a high business bankruptcy rate and falling housing starts.