

## National economist has high hopes for Saskatoon

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The economist with the Conference Board of Canada who studies Canada's urban economies continues to be bullish about Saskatoon.

Mario Lefebvre says Saskatoon's GDP growth, at 2.9 per cent, will rank eighth next year out of 20 Canadian cities. This year, Saskatoon's GDP growth is expected to finish sixth among the major Canadian cities at 3.3 per cent.

In his latest metropolitan outlook, Lefebvre predicts 2007 will bring final approval for the construction of the International Vaccine Centre next to the Vaccine Infectious Disease Organization (VIDO) for \$111 million. Final funding announcements have yet to be made on this level three laboratory.

On the downside, Lefebvre notes the decision by Maple Leaf not to build a \$100-million pork processing facility. However, in a telephone interview from Ottawa, Lefebvre said word of an effort by Saskatchewan hog producers to build their own facility had not reached him. He says his cutoff for information is mid-November and he runs his economic models based on that point.

Alan Migneault, head of the Saskatoon Regional Economic Development Authority (SREDA), is pleased about the recognition from the Conference Board, but he expects to see a better record of growth than Lefebvre predicts.

"In the past two years we've outpaced the Conference Board of Canada's growth projections, so I fully expect that we're underestimated in our capacity to grow in this region," Migneault said. "We're a pretty diversified economy.

"Given what's happening in all those diversified industries, we really are poised for growth to continue in 2007. Frankly, a 2.9 per cent growth projection for Saskatoon is great. It's tremendous."

Lefebvre is not as bullish on Saskatoon's housing construction sector as local industry proponents, such as the Saskatoon and Region Homebuilders Association.

The economist predicts Saskatoon housing starts will fall to about 1,100 units next year, from the more than 1,400 starts that will occur in 2006. In a recent news release, the homebuilders said the market can sustain 2,000 units a year.

The reason Lefebvre is calling for a smaller number is because he doesn't see much more than 2,000 jobs created next year, or a two per cent rise in our labour force. He sees the city's population rising by only 1,000 people next year.

"Given that population is increasing by give or take a few thousand people, there's no way anyone is going

to convince me a thousand additional people need a thousand additional homes," he said.

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