



STATE OF THE GRA ECONOMY: LOOKING BACK AT 2023 AND FORECASTING 2024



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Colin is a global leader with advanced education, experience and success in academia, government, marketing and research, consulting (business, risk and strategy), digital transformation, investment management and executive leadership across 70 countries. Since returning to his hometown of Regina, Colin has expanded his focus to include digital marketing, capital infrastructure, public sector and Indigenous consulting, and advisory work with entrepreneurs, startups, First Nations groups, multinationals, Crown Corporations and investment firms in Canada and worldwide. Underpinning this, Colin possesses deep expertise in business development, marketing, research, sales and strategy that incorporates traditional, tailored and advanced techniques, including AI, to create sustained, tangible success.

At EDR, Colin leads the Growth & Investment and Economics & Data Analytics teams to be curious, to channel effort, to produce insight and to lend expertise to rejuvenate Regina's economy. As a researcher, writer, editor and thought leader, Colin has a diverse portfolio of academic, industry and sector articles, reports, business cases and feasibility studies, books, and other publications. Open and eager, Colin and his team actively engage all interested parties to grow the Greater Regina Area's economy – together.

George Sakyi (BA, MA, PMP), Economist, Economic Development Regina

George is an economics and project management professional with extensive experience in public and private sectors and with non-profit organisations. He holds a master's degree in economics from the University of Saskatchewan after completing undergraduate studies in economics, mathematics and statistics at the University of Ghana. Throughout George's career, he has been involved in projects and initiatives involving The Government of Ghana, The International Finance Corporation, The Government of Saskatchewan (as a Senior Consultant for Strategic Initiatives) and private companies. That work has helped him develop a deep understanding of economic theory, policy analysis and statistical analysis.

George is passionate about leveraging his quantitative skills to contribute to the field of economics and drive informed decision-making to positively impact communities around the world. Currently, George is writing a chapter on infrastructure development in North America for an upcoming book, "*Routledge Handbook of Infrastructure Finance: A Global Perspective*."

As EDR's in-house economist, George provides economic insights and policy/impact analysis focused on the GRA for EDR and its partners. He focuses on macro/microeconomic trends, forecasting and monitoring key indicators within the GRA, and beyond, alongside using his experience to develop business case proposals and led project teams. George is committed to supporting EDR's transformation into a data and analytics authority in the GRA, alongside its peers and in support of parties interested in the GRA and its opportunities.

State of the GRA Economy

Executive Summary

The economy of the Greater Regina Area (GRA) was resilient in 2023 amidst uncontrollable factors. From Canada's highest overnight interest rate (5%) since 2001, which restrained consumer spending and business investment, to rising national unemployment rate grew from 5.0% in January to 5.8% in December 2023), the GRA's economy was both steadfast and poised for promise. Globally and simplified, the GRA saw higher commodity prices due to international conflicts and extreme weather conditions affecting yield and more that, combined, contributed to rising demand and growth locally.

The year ahead, 2024, will be memorable, fluid, and complex. With emerging technology, geopolitics, and impactful events, the GRA's economy will remain robust given a foundation built on key sectors – agriculture and food, energy and renewables, and advanced manufacturing – in concert with opportunities in agtech, renewable / sustainable energy (biofuel and biomass) and new innovation.

This report begins with analysis of key indicators to assess the GRA's economic performance in 2023 before outlining its forecasted trajectory in 2024. The GRA is a beacon of economic resilience in Saskatchewan driven by interconnected factors, and this analysis discusses both performance across key indicators as well as identifying nuanced challenges that require strategy to overcome.

By examining economic factors and metrics – in whole and their characteristics and impacts – the report unpacks the GRA's economy, its sectors and new challenges, prospects, and trends to uncover insights crucial to understand the GRA's landscape and steer its sustained growth.



Highlights

Metric / Sector	2022	2023*	YoY (%)	2024**	YoY (%)
GDP (2012 \$)	17.2 B	17.5 B	2.0	17.8 B	1.5
GDP Growth Rate	3.6%	2.0%		1.5%	
GDP Growth Rate (SK)	5.7%	1.5%		1.9%	
Key Sector*** Sales/Output (\$M)					
Agriculture	1,057	1,093	3.3	1,121	2.6
Energy	1,417	1,451	2.4	1,475	1.7
Finance / Insurance	3,719	3,797	2.1	3,848	1.4
Manufacturing	3,161	3,237	2.4	3,290	1.7
Transport / Logistics	1,330	1,379	3.7	1,420	3.0
Employment	142,000	145,000	2.5	147,000	0.9
Unemployment Rate (%)	4.9	4.7		4.7	
Population	270,000	277,000	2.6	285,000	2.9
Housing Starts (Units)	937	1,102	17.6	1,327	20.4
Retail Sales (\$)	7.5 B	7.7 B	2.5	7.9 B	2.5
Inflation and Interest Rates	6.6% 4.25%	4.3% 5%		2.4% 3.25%	
Household income per capita (\$)	56,000	58,000	3.2	59,000	1.5

Notes: * represents estimates, ** represents projections, *** represents sectors as categorized by StatsCanada

GDP Growth

Saskatchewan led Canada with a GDP growth rate of 5.7% in 2022, underscoring the region's resilience amidst uncertainty. The GRA was also a key contributor to provincial output in 2022 with a GDP growth rate of 3.6%. While 2023 saw an economic slowdown worldwide and in Saskatchewan where its estimated GDP growth rate dropped to 1.2%, the GRA was an outlier, surpassing others to achieve an estimated GDP growth rate of 2.0%.

This trajectory positions the GRA as attractive for trade and investment, with ample prospects for businesses to capitalize on emerging markets and to diversify revenue streams. Thanks to strong partnerships and trade agreements, the GRA is poised for more growth in 2024 that will also boost its competitiveness now and looking ahead to sustainable economic growth in coming years.

Employment and Labour

In 2023, the GRA showed robust employment. Total employment reached 145,173 in a community that also saw unemployment below 5% (4.7%) in spite of grappling with a persistent labour market gap. This gap (see figures right) underscores key concerns, led by a critical mismatch between job vacancies and available skilled workers – a formidable disparity for businesses seeking to expand operations to meet rising demand, and for workers to find roles suited to their background, skill set and future aspirations.

The GRA's labour gap (annual figures)	
\$878M:	Potential additional GDP revenue
\$428M:	Lost labour income
\$54M:	Lost provincial income tax revenue

Addressing the labour shortage will require concerted, broad-based efforts to enhance workforce training and development initiatives, attract skilled talent through immigration policies and targeted talent attraction programs, while fostering collaboration with industry stakeholders and post-secondary education institutions to align training and skill development with evolving markets.

Housing

The GRA's housing market, despite some stability, faces consistent pressure from supply constraints and affordability challenges. While sales did fall 5.8% in 2022, local demand remains high, outpacing long-term trends that combined to produce elevated prices.

Outside some supply and new build concerns, the GRA boasts affordable housing, with the Canadian Real Estate Association's Home Price Index (HPI) benchmark price showing a composite dwelling would cost home buyers \$309,775 in 2023, a 3% decrease compared to 2022 and indicative of persistent demand-supply imbalance. Affordable housing, especially homes below \$500,000, remain a pressing concern, driving the need for innovative policy and market solutions to boost housing stock, enhance affordability, and ensure equitable access for current and new residents to the GRA.



Areas of Opportunity

This section discusses the economic landscape and results of the GRA in four key sectors: agriculture and food, energy and environment and advanced manufacturing. Each is pivotal in driving the GRA's economic growth, is reflective of its diverse landscape and is strategically positioned within Saskatchewan and Canada to serve global needs.

Agriculture, deeply rooted in the region's heritage, is evolving into agribusiness, harnessing technology and innovation to continue to, and expand, its role of feeding global markets. Energy, propelled by Saskatchewan's rich natural resources, is driven by both traditional agents (oil and gas) current options and new developments (biofuel and biomass, solar, and wind). Combined, they drive local power generation and export opportunities. The food sector, bolstered by the GRA's central location and abundant, fertile farmland, fosters a vibrant ecosystem of food processing and distribution. Lastly, manufacturing, which leverages skilled labour and strategic infrastructure, contributes to the region's industrial expertise with an eye on supporting agriculture, but also industrial development, construction, and a multitude of other direct and indirect benefactors.

In the GRA, areas identified for opportunity include:

Agriculture and Food

- Leveraging the surrounding 80M acres of cropland, the impact of agriculture on the GRA's economy is foundational. The GRA is a key centre of innovation and growth for Saskatchewan's – and Canada's agriculture sector.
- The Canadian Western Agribition's 31% increase in economic impact in 2022 (\$96.5M) showcases the sector's resilience and vitality. Similar economic impact is estimated for 2023.
- The deepening presence of technology in agriculture, also known as agtech, presents opportunities for boosting productivity, sustainability, resilience, and investment.
- The GRA's food industry is built on Saskatchewan's rich agricultural heritage, contributing to a vibrant ecosystem of production and processing.
- Influenced by trade dynamics and technological advancements, the sector is poised to capitalize on global demand for high-quality, sustainably sourced food and ingredients

Energy and Environment

- Saskatchewan's abundant natural resources and commitment to renewable energy position the GRA as a leader in the transition to a low-carbon future.
- While specific figures post-January 1, 2024, are not provided, the "traditional" and renewable energy sectors continue to drive innovation, attract investment, and power economic development.

Advanced Manufacturing

- Significant investments totalling up to \$6 billion underscore the GRA's commitment to fostering innovation and enhancing competitiveness.
- Key sub-sectors such as advanced manufacturing, agri-food processing, and cleantech play pivotal roles in driving economic growth and development.

The GRA's Economy in 2023

The GRA maintained a positive economic trajectory in 2023 despite a dip from 2022 highs (3.6% growth rate) to an estimated 2% GDP growth rate in 2023. The GRA's GDP growth rate was higher than national (1.5%) and provincial (1.2%) averages, reflecting the area's robust economic fundamentals. Overall, however, higher interest rates contributed to 2023 outcomes in the GRA that were in line with national levels, even if declines in real GDP growth rate were less than other jurisdictions. Positively, the GRA's population rose 2.6% year-on-year to 277,000 people in 2023, fueling the local labour market and driving consumer spending, which with both contributed to the GRA's GDP.

The GRA's economic performance in 2023 was also underscored by stability against other Canadian cities (see Figure 1), even with a year-on-year decline in GDP growth rate. Overall, the GRA fared better than comparative centres, remaining competitive and signaling a positive outlook. As the community navigates challenges and leverages opportunities, its key sectors – agriculture and food, energy and environment and manufacturing – will continue to drive growth and innovation.

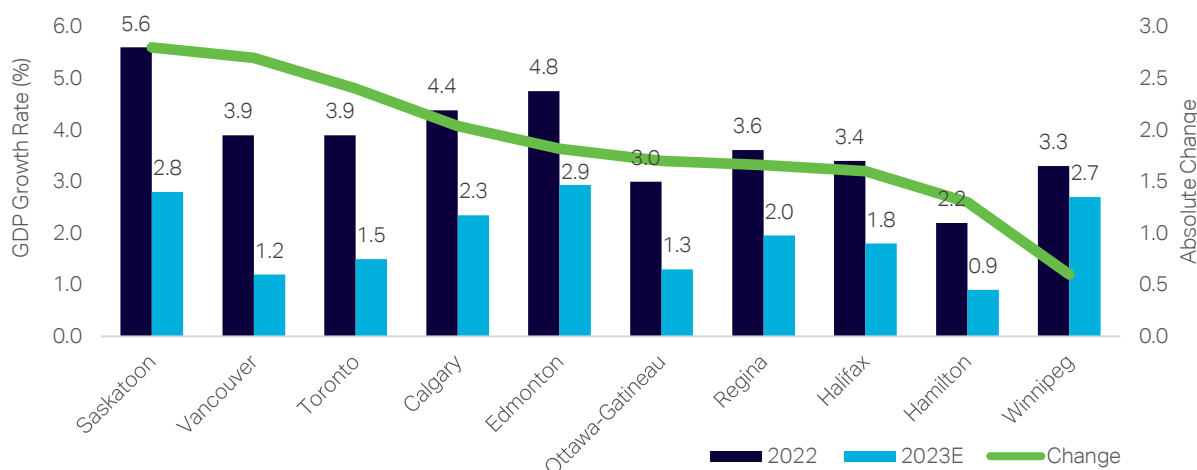
In the sections that follow, the performance of the GRA's economy – in general and specifically – in 2023 is analyzed with commentary on trends and forecasts that will shape today and its future.

Gross Domestic Product (GDP): 2022: \$17.5B (2.0% growth rate)

The GRA's economy remained positive, building on \$17.5B in GDP in 2022 to grow by an estimated 2% GDP growth rate (down from a high of 3.6% in 2022). Despite a dip, the GRA's GDP growth rate surpassed estimates for Canada (estimated at 1.5%) and Saskatchewan (1.2%). Other key factors impacting GDP in 2023 included:

- **Interest rates:** At their highest since 2001, the 5% interest rate weakened consumer spending and business investment, and aggravated unemployment nationwide. While affected, the GRA's economy experienced one of the lowest declines in real GDP growth rate in absolute terms (2022 to 2023), highlighting its resiliency and strong fundamentals.
- **Population growth:** Up 2.6% in 2023, the GRA's population reached 277,000 people, growing local labour and boosting consumer spending, both contributors to local GDP.

Figure 1: Comparison of changes in real GDP growth rates among Canadian cities



Source: Economic Development Regina, Conference Board of Canada. Changes in growth rates are expressed in absolute values.

Figure 1 (previous page) shows that, in 2023, the GRA’s expected economic growth was stable, an uncommon characteristic for comparable cities across Canada. Only Winnipeg and Hamilton reported smaller year-on-year (YoY) GDP growth rate declines, while the GRA’s dropped 44.4% YoY – only Edmonton (down 40%) and Winnipeg (18.2%) had smaller drops. Worse, major centres like Vancouver and Toronto are estimated to have had lower GDP growth rates in 2023 than the GRA, while losing considerable ground on strong 2022 results. All told, the GRA’s competitive position is sound and supports a positive economic outlook based on economic hardiness and forecasted positive performance.

Key Sectors

This section primarily cites data reported by Statistics Canada, which uses the North American Industry Classification System (NAICS) to classify economic activities.

Agriculture: 2022 GDP: \$336M (2.1% of total)

A staple of the prairie economy, the wider spectrum of agriculture nourishes the GRA and beyond. That said, primary agriculture has a limited impact on the GRA with only 1.7% of local employment and 2.1% of the GRA’s annual GDP.

Home to 265 firms and some 2,700 workers with average income of \$70,000 in primary agriculture, primary agriculture in 2023 saw price fluctuations, supply chain stress, and drought impediments that challenged in the sector, but did not reduce its role as a major economic driver.

Estimates for 2023 suggest that the sector contributed over \$347M to GRA’s GDP. Beyond standard economic metrics, primary agriculture for the GRA is key, supporting its role as a metropolitan hub surrounded by farmland that supports administration, trading, and access to renowned annual industry events like Canadian Western Agribition, the Farm Progress Show and the Global AGTECH summit.

The GRA’s Agriculture Sector

2,700: Workers

\$336 million: Contribution to GDP

265: Firms located in the GRA

Insight: As Agriculture transitions to Agribusiness

Primary agriculture is undergoing a significant transformation towards agribusiness, signifying a shift in operational practices and industry scope.

Fueled by innovation, technology, and global integration, this transition is propelling agriculture towards a more sophisticated, market-oriented paradigm. Agribusiness now encompasses the entire agricultural value chain, with key players like Federated Cooperatives Ltd. (FCL) and AGT Foods contributing to its vitality. This sector stands as a linchpin for global food security and economic development, extending beyond traditional agriculture.

Nestled amidst approximately 80 million acres of prime cropland, the GRA emerges as a pivotal hub for agricultural production and innovation.

Major investments, such as the development of integrated biofuel complexes by FCL and AGT Foods, underscore the GRA’s role in shaping agribusiness.

With robust trade infrastructure and vital institutions like Farm Credit Canada, the GRA is positioned to spearhead Canada’s agribusiness transformation, setting the stage for future success.

Energy: GDP: 2022 \$486M (3.1% of total)

The GRA's energy sector, which includes traditional oil and gas and emerging sources (e.g. solar, wind, renewables), is another pillar of the local economy, delivering \$486M in GDP in 2022 (3.1% of the total GDP) and some 1.9% of total local employment. Home to 150 businesses and 2,450 employees (average income: \$95,000), energy is a driver of the GRA's, Saskatchewan's and Canada's economy.

In 2023, the industry saw continuing activity – total wells drilled grew 40% to 1,297 in 2022 – as local producers responded to demand from a global market recovering from the pandemic and the ongoing Russia-Ukraine conflict.

The GRA's Energy Sector

- 2,500:** Workers
- \$486 million:** Contribution to GDP
- \$95,000:** Average income
- 3.1%:** Portion of GRA economy

The sector is estimated to contribute almost \$500M to the GDP of the GRA. Larger firms such as SaskEnergy, SaskPower, Enbridge, TransGas and FCL hold a strong presence in the GRA, providing a range of services to the energy sector.

Recent events have seen oil prices jump from a pandemic low of \$40 USD per barrel to recent thresholds (\$80 USD) as Russia restricts supply and OPEC is reluctant to boost production to offset.

The local sector is set to benefit from major investments, namely the Integrated Agricultural Complex partnership by FCL and AGT Foods. The facility will begin construction in late 2024 / early 2025 and, when operational in 2028, see a biodiesel plant produce up to 15,000 barrels of biodiesel daily; during construction, the plant is likely to attract more than 3,300 jobs and inject up to \$1B into the GRA's economy.

Insight: Diversifying energy

Traditional energy (oil and gas) is a pillar of the GRA's economy, providing jobs, revenue and energy security. For the GRA and Saskatchewan, a top oil producing provinces in Canada, energy is significant. From upstream exploration and production to downstream refining and distribution, oil and gas is pivotal in driving economic growth locally.

Energy is also evolving. It is changing into a diversified arena with renewable and sustainable sources options. With carbon capture and storage (CCS) building momentum through local projects (e.g. Aquistore near Estevan), energy is committed to reducing greenhouse gas emissions (GHGs), while preserving output and economic benefits. Diversification enhances energy's environmental credentials, while opening up new avenues for innovation, investment, and job creation. All told, this shift will ensure energy's relevance and resilience as landscapes change.

The future is also new. The GRA is poised for new energy via the bioeconomy, including biomass, solar, wind, geothermal and more. With abundant resources, notably biomass (canola crush), and a rising focus on clean energy, the GRA could become a hub for diverse, sustainable energy solutions. By unlocking value and embracing diversity and innovation, the GRA's energy sector can meet evolving needs and contribute to future prosperity for the energy sector and stakeholders in the GRA.

Finance and Insurance: 2022 GDP: \$2.3B (14.5% of total)

The GRA is a centre of finance on the Canadian prairies. With head and regional offices for general and sector-specific finance and insurance firms, the GRA is home to major players including Farm Credit Canada, Public Employees Benefits Agency, The Cooperators, Workers Compensation Board, TD Greystone Asset Management, Saskatchewan Government Insurance, Group Medical Services, and Canada Life.

In total, finance and insurance delivered \$2.3B in GDP in 2022 (14.5% of total GDP for the GRA) through 324 businesses across the broader sector and their 7,400 professionals – 5.6% of all workers in the GRA. Growth in finance is also an indicator of population growth (it is largely driven by it), and Saskatchewan has experienced a bump in international in-migration offset by its historically negative net inter-provincial migration.

The GRA's Finance and Insurance Sector

\$2.27 billion: Contribution to GDP

7,400: Workers

14.5%: Portion of GRA economy

This sector's contribution to GRA's GDP in 2023 is estimated at almost \$2.4B – a slower growth rate compared to the previous year. With continued population growth (Saskatchewan's population surpassed 1.2M people in 2023), the sector outlook remains optimistic, particularly as a driver for professional level vacancies, economic benefits, and growth.

Manufacturing: 2022 GDP: \$837M (5.3% of total)

Fueled by agribusiness, but also construction, energy, and transport, manufacturing in the GRA is a robust, valuable, and diversified sector. With some 5,400 professionals involved in 204 businesses, manufacturing accounts for \$837M in GDP in the GRA, approximately 5.3% of its overall GDP in 2023. Manufacturing also accounts for 4.1% of total GRA regional employment and, in 2022, sales of approximately \$3.2B.

While fabricated metal and machinery manufacturing employ the most professionals, GDP is delivered through primary steel manufacturing, led by Evraz, which accounts for roughly 10% of all manufacturing GDP in the GRA. Estimates indicate that the manufacturing sector delivered \$860M in GDP in 2023.

The region is also home to the headquarters of several large agriculture manufacturers, indicating how the sector benefits from the GRA's centralized location amidst prime cropland and energy reserves – each providing key inputs to the sector.

The GRA's Manufacturing Sector

\$3.2 billion: Value of manufacturing sales

\$837 million: Contribution to GDP

5.3%: Portion of GRA economy

Manufacturing companies have contended with supply chain constraints and high interest rates of late, but demand remains strong given the sector's essential nature broadly and, in particular, to major construction and other infrastructure projects in the region.

Overall, the outlook for manufacturing is strong, particularly if firms are able to attract the workers they need, supply chain and building material challenges are alleviated, and technological advances continue to propel the sector forward.

Transport and Logistics: 2022 GDP \$676M (4.3% of total)

The GRA is also a North American transport, logistics and trade hub. Regina's location and infrastructure provide access to 270M consumers (within 48 hours) via road and rail, making the region a powerful transport and logistics centre. The sector employs 3.2% of the local workforce (4,156 employees in 342 businesses), delivering \$1.3B in sales and \$675M in GDP in 2022 (4.3% of the GRA's economic output) and \$700M of GDP in 2023 (4% of all GDP).

With the Global Transportation Hub (GTH) – a key inland port in Canada – the Regina Bypass, and Chuka Creek Business Park's intermodal terminal, the region is well-positioned to deliver goods across North America and the world. Recent activity, including a new transportation terminal by Rosenau Transport Ltd., will further boost potential for the sector in the GRA.

The GRA's Transport and Logistics Sector

\$676 million: Contribution to GDP

4.3%: Portion of GRA economy

3.2%: Portion of GRA employment



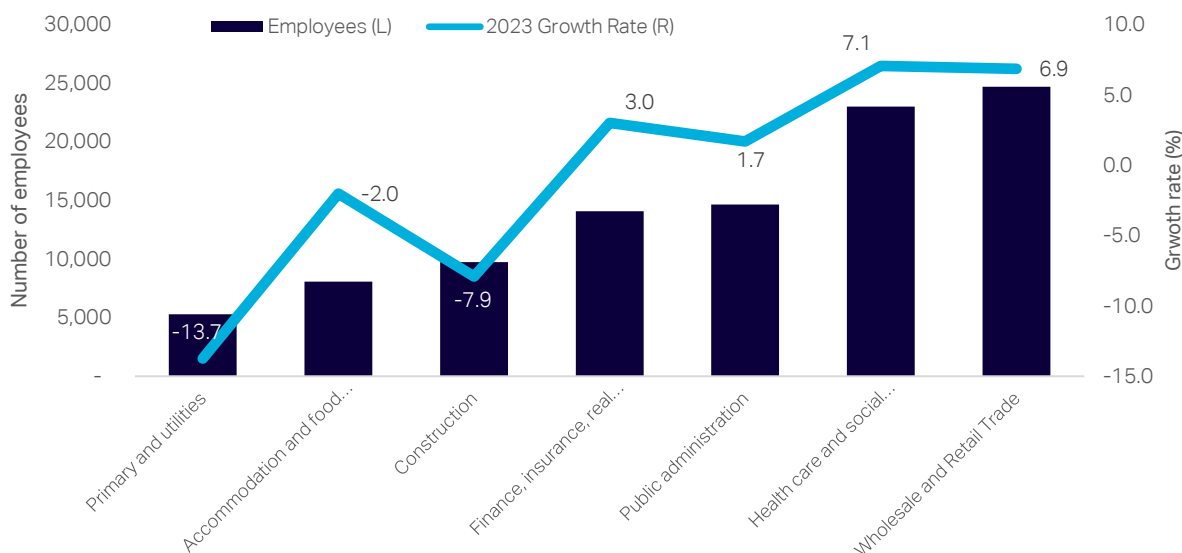
Employment and Labour Market

Employment

The GRA's labour market has had a strong recovery since the disruptions of the pandemic. The region's labour force grew 3.6% in 2023 with over 5,000 new jobs, leading Saskatchewan job growth (up 9,664, or 1.8% YoY for all communities).

- **Total workers** (2023: 145,000): The GRA had some 145,000 residents employed in 2023 with notable rises in healthcare and social assistance (as a result of the pandemic), professional (finance and insurance), and wholesale and retail roles. However, other sectors saw decreases, such as primary and utilities (down 13.7%) and construction (down 7.9%) – a development that is somewhat misaligned with major projects in progress and planned for the GRA.
- **Employment growth rate:** After a record employment growth rate in 2021 (5.4%), growth rates slowed to 2.1% in 2022 and 2.5% in 2023. Base year effects, high job vacancy ratios and harm from higher interest rates (resulting in businesses curtailing or cancelling new employment growth) were underlying reasons for lower employment growth in the GRA. That said, the GRA's estimated employment growth rate was above both provincial and national rates (2% for both in 2023). For details, see Figure 2 below.

Figure 2: Dominant Industry employment and growth rate



Source: Economic Development Regina, Conference Board of Canada.

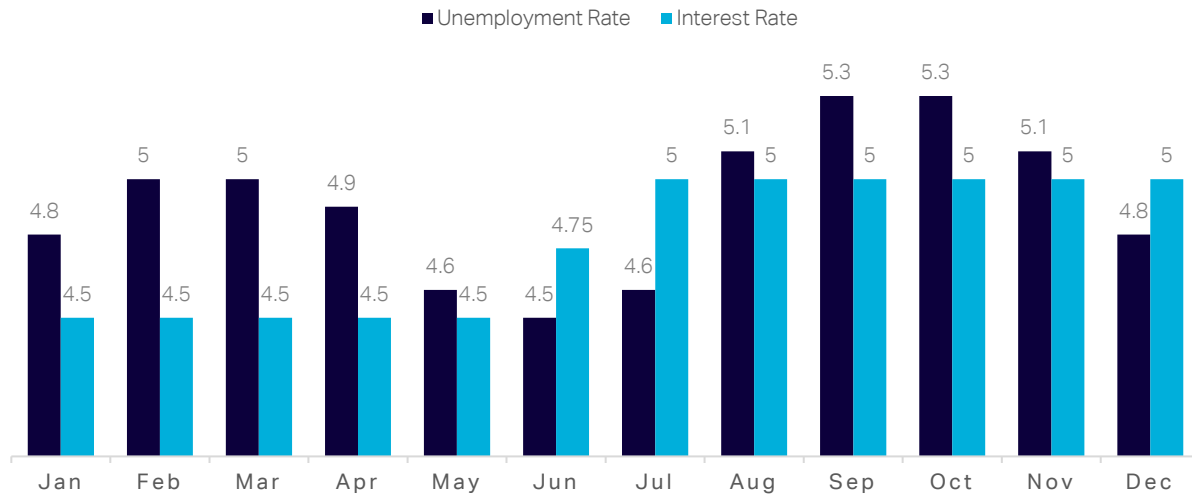
Unemployment

The GRA's 2023 unemployment rate was its lowest since the pandemic (4.7%), signalling a high demand for labour and indicating "full employment"¹. This happened despite constraints for businesses, including high interest rates that curbed or curtailed expansion. If the unemployment rate for 2022 (4.9%) is included, the GRA has experienced two consecutive years of full employment, presenting both an opportunity and a challenge:

- **A tight labour market:** The local labour market in 2023 was tight, similar across Canada. Higher than usual wage growth, when combined with the overall employment growth, produced a lower than anticipated fall in consumer spending, leading subsequently to the Bank of Canada keeping interest rates high.
- **Rising population, but steady unemployment:** The GRA's population is estimated to have grown significantly (mostly from high international immigration) of late, but the area's unemployment rate held steady at under 5%. This could suggest that those attracted to the GRA are a mix of working and non-working age new residents.
- **An inverse relationship:** Lower interest rates usually stimulate economic activity, lowering unemployment, while higher interest rates dampening growth and potentially contribute to increased unemployment. However, in the GRA, higher interest rates have limited business growth, but unemployment has stayed low. This suggests a mismatch between employer needs and worker expectations – where the type of jobs offered is different from the type of jobs wanted rather available and filled. See Figure 3 for 2023 unemployment and interest rate trends.

¹ Full employment: when the unemployment rate is at 5% or lower, indicating that all available labour resources (workers) are used efficiently without triggering inflation. Theoretically 100% (everyone is in employment), economists agree that some unemployment is necessary to avoid inflation, thus the figure is not 100% to allow movement.

Figure 3: 2023 unemployment trends for the GRA



Source: Economic Development Regina, Statistics Canada.

EDR's [State of Labour Market](#) (2023) revealed a potential mismatch between available jobs and workforce skills. The impact of those vacancies is significant:

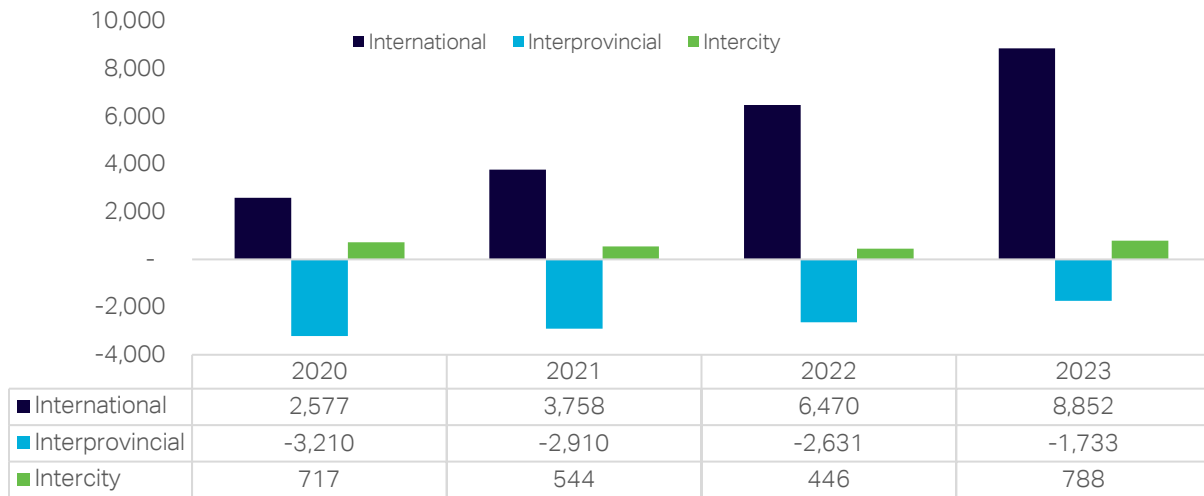
- **\$878M:** the potential boost to the GRA's GDP if all vacancies were filled
- **\$428M:** unrealized annual labour income
- **\$54M:** potential boost from lost provincial income tax due to unfilled vacancies

Population Growth

In 2023, the GRA population rose to 277,000 people, up 2.6% on 2022. The growth narrative underscores that population growth is not only a numerical metric, but a dynamic force that propels economic expansion to foster progress, innovation, and resilience. In particular:

- **Population and Growth:** The GRA's population increase in 2023, and earlier, emphasises the importance of strategy to understand and then harness the potential a larger community has to steer its economic course to sustained prosperity, while addressing the inherent challenges that such growth may bring
- **From abroad:** International migration – a key source of residents to the GRA – accounted for 8,900 new residents in 2023 (up 37% from 6,500 people in 2022).
- **More people, same housing:** The higher-than-expected population growth figures in 2023, though largely positive, also aggravated an already tight housing market in the GRA, a market experiencing elevated ownership and rent costs.

Figure 4: Sources of net migration for the GRA between 2020 and 2023



Source: Economic Development Regina, Conference Board of Canada.

Insight: From Province to Province

Like the rest of Saskatchewan, Regina has seen a significant increase in the flow of people in and out of its boundaries. Of particular note, the GRA has experienced a much-needed influx of people through international immigration, as denoted in Figure 4.

The same graph also shows a net outflow of people interprovincially. Much of that outflow is attributable to recent newcomers who landed in the GRA and eventually moved on to pursue personal and professional opportunities in other provinces. That said, a closer look shows that both sets of numbers are trending in Regina's favour.

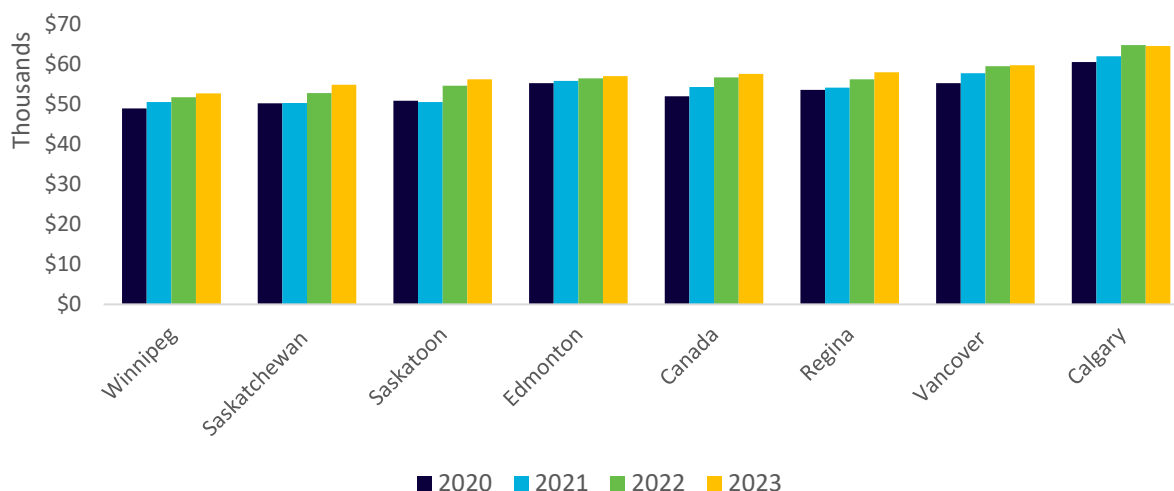
While that net outflow continued in 2023, the GRA's ability not just to attract, but retain immigrants has improved significantly. This improved retention rate for newcomers is the result of several factors, including career opportunities, cost of living, quality of life, and growing diasporas among multiple ethnic communities. More than ever, people are coming Regina and setting down roots. This is a vital trend to watch as the GRA seeks to address a labour shortage valued at almost \$500M.

Income and Inequality

In 2023, the average household income per capita in the GRA was \$57,941, up 3.2% from 2022 maintaining a consistent string of recent year-over-year increases. Of note:

- **Leading Canada:** Both per capita income and corresponding growth rate figures for the GRA in 2023 led Saskatoon (\$54,600), Saskatchewan (\$52,729) and Canada (\$56,634) results. Fundamentals elements like growth in productivity, economic diversification, and investment as well as technological advancements support this success.
- **Money left at the end of the month:** Fueled by strong average income and relatively low housing prices, the GRA ranks among Canada's top major cities for disposable income.

Figure 5. Household income per capita



Source: Economic Development Regina, Conference Board of Canada.

Housing

Canada's housing market was tight in 2023 as rising household debt, inflation, and constrained household budgets affected the sector. Higher borrowing costs impacted new housing construction and resale home prices nationwide and in the GRA, though non-residential permits outpacing 2022 levels reflect some activity in the sector. Regardless of other construction plans, new home sales in the GRA fell 29.8% year-over-year in 2023, bottoming out at the lowest levels seen in the last 30 years. Other facts of note include:

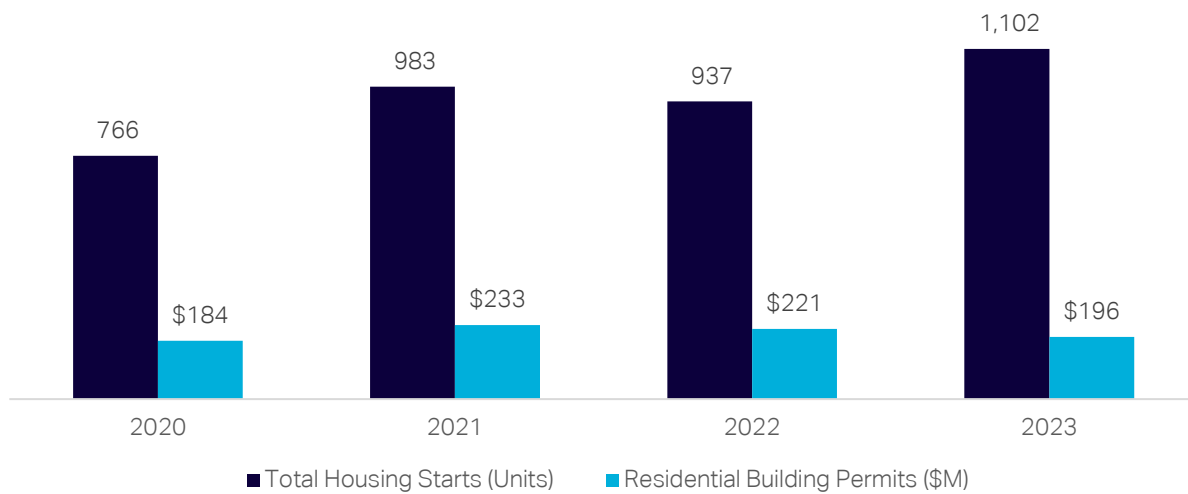
- **The GRA is affordable:** The region's existing housing market remains affordable in comparison to other Canadian centres. While average resale home prices were down, the new home market was uneven, with the inventory of unsold new units up (Conference Board of Canada). See Appendix 2.
- **New home starts:** Estimates for total housing starts in the GRA in 2023 rose 18% to 1,102 units (2022: 937 units). A sharp decline in 2022 occurred amidst interest rates hikes, supply chain constraints, and a tight labour market pushing construction costs up.
- **Deferred buying:** With interest rate expected to fall in 2024 (though there is no guarantee that such measures will occur), buyers have deferred purchases.

Figure 6: Housing statistics (2023 and YoY Changes)

Housing statistics	2022	YoY (%)	2023	YoY (%)
Residential sales	514	-9.8	361	-29.8
Building permits	850	1.7	1,365	60.6
Units under construction	944	31.5	1,246	32.0
New housing units started	937	4.7	1,177	25.6
Completed and unsold units	88	4.8	71	-19.3

Source: Regina & Region Home Builders' Association

Figure 7: Total housing starts vs the value of residential building permits



Source: Economic Development Regina, Conference Board of Canada.

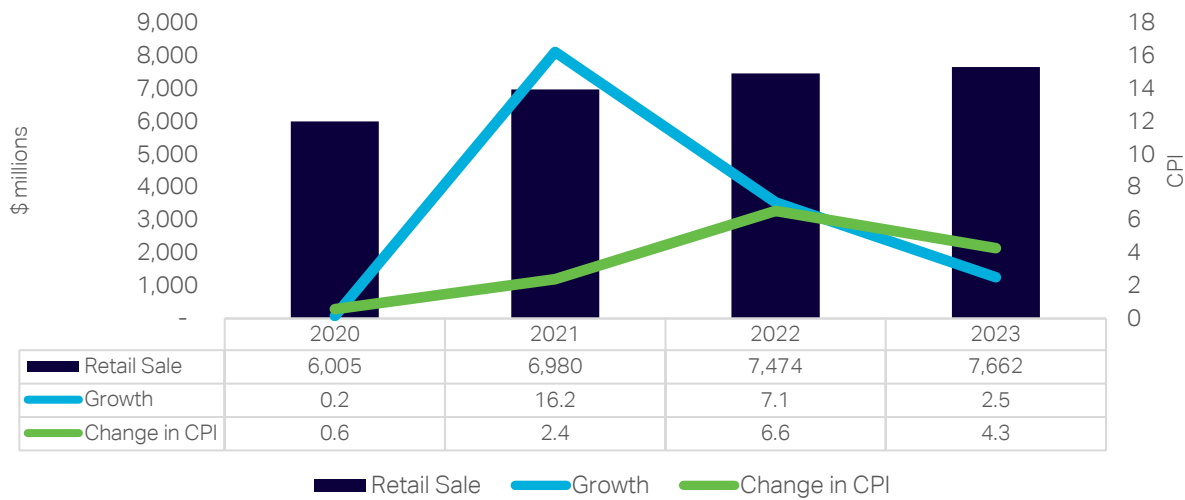
Retail Sales

Over the past four years, retail sales have grown noticeably, with a 16.2% surge in 2021 and more moderate values in 2022 (7.1% up) and 2023 (up 2.5%). Overall, this indicates a nuanced market evolution with annual fluctuations reflecting varying market conditions and changing consumer behaviours. Of note:

- **Spikes:** The spike in 2021 is attributed to post-pandemic demand, government stimulus and increased online shopping. This was followed in 2022 with moderate growth that suggests market normalization influenced by economic factors. The 2023 slowdown suggests market saturation, heightened competition, or other economic challenges, notably external factors like global conditions and technological shifts, that have contributed to this trend.
- **What to know:** Understanding these and other macroeconomic impacts on consumer spending is vital for informed decision-making in the evolving retail landscape. It is also important in estimating the overall health of the economy, which guides the central bank as it makes interest rate decisions.

- CPI and Retails Sales:** The positive relationship between retail sales growth and the Consumer Price Index (CPI) is indicative of increased consumer confidence and prosperity, especially during periods of moderate inflation and economic expansion. Although the norm shifted in 2022 with rising inflation across Canada, this is an important juxtaposition to watch in the coming months and years. See Figure 8 below for details.

Figure 6: Retail trade trends and the relationship with CPI changes



Source: Economic Development Regina, Conference Board of Canada.



2024 Forecast

The Greater Regina Area's economy is a dynamic landscape characterized by resilience, innovation, and opportunity. The economy is heavy on positives – rising GDP, population, and high levels of sustained employment – with fewer, though impactful negatives (e.g. \$500M in unrealized employment income, \$54M in lost provincial income tax revenue and nearly \$1B in potential additional annual GDP).

Overall, the GRA is well-positioned to capitalize on strengths and chart a course to sustained prosperity in 2024 and beyond. Leveraging partnerships, investing in workforce development and matching solutions, fostering innovation and embracing sustainability, will build on the GRA's position as a hub for economic growth, innovation and prosperity.

The global economy

The world in 2023 experienced a noticeable slowdown as growth decelerated to 3.0% in 2023 from a 3.5% in 2022. GDP growth will dip to below 3% in 2024 (2.9% predicted by Goldman Sachs), a marked drop from the historical average of 3.8% (2000 to 2019).

Advanced economies fell most quickly, with growth rates dropping from 2.6% in 2022 to 1.5% in 2023, and with 1.4% projected for 2024; emerging markets and developing economies declined more modestly from 4.1% in 2022 to 4.0% in 2023, with 3.8% GDP growth predicted in 2024 (S&P Global).

Global inflation, which reached multi-decade highs in 2022 and peaked at 6.8% in 2023, is set decline to 5.8%, while core inflation is projected to decrease more gradually and settle at approximately 3.0% worldwide.

The Canadian economy

Canada's economic performance in 2023 was stronger than projected, with nominal GDP reaching \$2.87T, \$32B higher than the budget projection (\$2.84T).

While Canada avoided a recession, growth was subdued due to the impacts of persistently higher interest rates. While some figures indicate that the national labour market remained healthy with strong population growth and higher labour force participation, labour force participation declined for much of 2023. This presents an interesting conundrum that requires further analysis.

While an increase in labour supply helped address demand nationwide, the pace of economic growth slowed, showing a modest decline in Q2 2023 (0.2%) after growth of 3.8% in 2022 and 2.6% in Q1 2023.

The GRA economy

The forecast for the Greater Regina Area in 2024 is cautiously optimistic, reflecting challenges and opportunities across key and new sectors as well as Indigenous business and technology. The region's economy is a pivotal part of Saskatchewan's economy, which is projected to see the second-highest GDP growth among Canadian provinces in 2024, at 1.3%. This follows a strong performance in 2022 (6.0% growth) and 1.6% (2023) and indicate a resilient, but cooling economy with challenges including lower resource prices and high interest rates.

Projections by key sector include:

- **Agriculture:** A cornerstone of the region's economy, agriculture is set to rebound in 2024 with a 26.9% increase in crop production, following a 20% decline due to drought conditions in 2023. This positive outlook is supported by a medium-term growth average of 1.8% annually from 2025 to 2028, highlighting the sector's potential for sustained growth.
- **Energy:** The sector, particularly oil, is forecast to face challenges as global demand continues to slowly decline and amidst price volatility, taxation and more. At the same time, investments in clean energy and technology (see Bloomberg NEF's report on investment in low-carbon energy transition) suggest the emergence of potential new markets and opportunities that the GRA and Saskatchewan can unlock and serve.
- **Manufacturing:** Emerging industries in food and technology are poised to benefit from key investments, driving innovation and diversification in the GRA's economy.

The GRA continues to see growing labour and migration numbers – indicators that underscore the region's economic resilience and appeal. Saskatchewan boasts Canada's lowest unemployment rate (4.7%) and significant population growth (2023: 30,685 new residents). The GRA is also a primary destination of workers into Saskatchewan, with almost half of all immigrants to the province in 2023 settling in the GRA. This influx sustains a vibrant labour market and consumer base, while also supporting housing demand and new business.

All told, the GRA's economic forecast for 2024 presents a balance of challenges and opportunities that includes sectors experiencing headwinds (energy), strengths (rising demand for agriculture, robust employment, and migration) and more that, combined, suggest a resilient and dynamic economy.

Furthermore, strategic investments in diversification and innovation, such as canola crush plants and bioeconomy prospects, alongside critical efforts to build inclusive economic and labour market growth with Indigenous and other underrepresented people position the GRA for prosperity in 2024 and beyond.

Key Issues

GDP Growth

Predictions for economic growth in Canada are mixed. Nationally, the economy is expected to slow down, but avoid recession, in 2024 despite forecasts that the national unemployment rate will rise to 6.5%. Forecasts also suggest economic growth will be flat (0.1%) in 2024 to then rebound to 2% by 2025.

Conversely, Saskatchewan will lead Canada in economic growth, primarily sustained by higher commodity prices, seeing real GDP growth hit 1.3% in 2024 – the second-highest growth among the provinces. In the GRA, real GDP is set to be 1.5% in 2024 and by 2.5% in 2025 (Conference Board of Canada).

Employment and Labour Market

The GRA's labour force enters 2024 with significant momentum as the region is expected to continue to lead Saskatchewan in employment demand due to overall economic growth and key investments, notably in the biomass and renewable energy sectors.

The GRA will also benefit from Saskatchewan having one of the most engaged workforces in Canada: its labour force participation rate² 67.4% (October 2023) is the second highest nationwide.

The GRA may see a rise in the local unemployment rate – from 4.9% in 2023 to a forecast 5.5% in 2024 – its rate is one of the lowest in Canada and near the *idea*/of 5% (suggesting full employment). Full employment, explained earlier, suggests a workforce sufficient to minimize inflation and allow workers to move between jobs as well as enable those wanting full-time work to find it (even if it is not in their preferred occupation).

Housing

The housing market across Canada faces similar and unique challenges. All markets saw higher interest rates slow economic growth, but at different tempos. Both federal and provincial governments announced important steps, including investments in infrastructure and elsewhere, that may bring short- and long-term benefits to communities, including economic growth, though these are long-term outcomes that will take years to achieve.

In 2023, the Government of Canada introduced measures to address the housing sector challenges, focusing on affordable housing, housing supply, first-time homebuyers, and the rental market. The 2023 Fall Economic Statement outlined Canada's Housing Action Plan included initiatives, such as:

- Providing an additional \$15B in new loan funding for apartment construction (from 2025-26);
- Repurposing federal lands for housing development;
- Providing an extra \$1B to 2028 for the Affordable Housing Fund to build over 7,000 new homes;
- Removing the GST from new purpose-built rental housing projects to incentivize construction; and
- Introducing the Canadian Mortgage Charter to support Canadians with mortgage payments amid high-interest rates.

² Labour force participation rate: an estimate of an economy's active workforce based on the number of people of working age (15 to 64 years of age) employed or seeking employment divided by the total working age population. The rate measures the people in the labour force who are working, willing to work or are actively looking for work.

In Saskatchewan, the provincial government, as part of its Housing Action Plan 2022-2025, committed to investing some \$585M of provincial and federal funding to protect, renew and expand community housing and support affordability. This is part of a 10-year National Housing Strategy (NHS) agreement with the federal government.

Forecasts for 2024 suggest that interest rates will continue to affect housing markets in Canada. H1 2024 could see slow activity and softer prices, but rate cuts mid-year may stimulate the market. Overall, a rebound in home resales is projected with 2024 up 9.2% on 2023 results. However, affordability may restrict or restrain a more rapid recovery, resulting in gradual improvement.

In Saskatchewan and the, the market will remain tight with low inventory levels. A positive economic outlook and an influx of new residents could also drive home sales.

The impact of these measures and forecasts on the housing sector will depend on various factors, including government policies, economic conditions, and interest rate movements. While the federal and provincial initiatives aim to increase housing supply and support affordability, actual outcomes will be clearer as policies take effect and the market responds to broader economic trends. Shelter costs in 2024 will remain the highest contributor to CPI changes in Canada and impact households significantly. Measures by government are expected to calm the housing sector, though communities must contend with defining factors in local markets.

The GRA's housing market will remain one of Canada's most affordable (see Figure 3) and a leader in Saskatchewan. While the provincial housing market will be stable, it will also see fewer housing starts (4,100 in 2023 to a projected 3,800 in 2024). Positively, the GRA received \$35M in February 2024 from the federal Housing Accelerator Fund to deliver 1,100 permit approvals for new, multi-unit housing builds by 2026, a positive impact to housing starts now and for the coming years.

People (Migration, Immigration, and Population)

International migration in 2023 was influenced by various factors: labour demands, political dynamics, opportunity, and conflicts. While Canada opened new pathways for 15,000 Western Hemisphere migrants (Colombia, Haiti, and Venezuela) – a move for largely humanitarian purposes – trends in immigrations are both aligned with those potentially best aligned to fill immediate economic and labour market needs (e.g.: higher earners and persons in in-demand job sectors) as well as for other qualitative reasons, such as the existence of well established immigrant communities of size and other factors. Furthermore, 2023 also saw a global slowdown with regional variation that included cautious policy to manage inflation and growth.

Canada's economy showed resilience, with nominal GDP exceeding expectations and a strong labour market, despite a modest contraction in economic growth. The federal government continued to invest in infrastructure and clean economy, which is expected to yield long-term benefits. Migration patterns evolved, with Canada taking steps to accommodate and attract migrants to support its labour market and economic growth.

Despite changes in particular immigration policies and thresholds, and their anticipated effects, Canada, Saskatchewan, and the GRA expect their populations to continue to grow in 2024. In particular:

- **Canada:** In 2023, Canada's population exceeded 40M people with one birth and one death every 91 seconds, one immigrant landing every 53 seconds, one emigrant leaving every 10 minutes 35 seconds according to Canada's population clock (see [here](#)). Though slowing, the population is expected to increase less than 1% in 2024.
- **Saskatchewan:** Long seeking to breach and remain over the 1M resident mark, Saskatchewan's population reached 1.2M in 2023, up more than 31,000 people from 2022 (a growth rate of under 1%). In 2024, population growth is expected to maintain around 1%, though the composition is expected to continue to shift. While the province's current average age is the third lowest in Canada, it is expected to increase over time. All told, Saskatchewan is projected to grow by up to 500,000 people by 2043.
- **The GRA:** With a population growth rate of 1.5% – surpassing Saskatchewan and Canada – the GRA's population is estimated to grow to 285,000 people by the end of 2024 (over 7,500 from international migration and 700 from inter-city migration) with longer term projects seeing the city reach 308,000 by 2030 and 380,000 residents by 2050.

Interest Rates

The Bank of Canada's first two rate decisions of 2024 held the overnight interest rate at 5%, and current predictions suggest rate cuts, with the Bank of Canada's first full rate cut on [June 5, 2024](#). Data shows that high interest rates have allowed the supply side to catch up with the demand side, causing inflation to slow down and have also revealed weaknesses in the economy including weaker productivity and falling GDP per capita. This could indicate further downward movement, and with policy indicating gradual declines to 3.75% by the end of 2024 and 2.9% in 2025. If achieved, this would curb cost constraints for businesses (e.g. investment, employment, overall expansion) and consumers (e.g. mortgages, borrowing). If inflation were to ease sooner, rate cuts could take place sooner.

Inflation

Throughout late 2023 and into early 2024, inflation has eased which, in turn, empowers the Bank of Canada to maintain policy and prioritize a 2% target to avoid recession. Inflation may reach that target by 2025, but more immediate effects of high inflation deserve attention. For the GRA, the City of Regina's proposal to boost mill rates 2.2% in its 2024 budget will impact residents and businesses sooner and directly.

In February 2024, inflation numbers were lower than expected, though shelter costs remained the sticky part of the consumer price index or CPI. Saskatchewan's inflation rate for February 2024 was 1.7%, down from 1.9% in January, and below the national rate (2.8% for February 2024).

Challenges

Looking ahead to 2024, it is imperative to anticipate and navigate the various challenges that may impact economic growth and development. Climate change stands at the forefront of such challenges with unpredictable effects posing risks to agriculture (drought, insurance claims), infrastructure (capacity, quality) and overall economic stability. Similarly, supply chain disruptions have risen in prominence recently, exacerbated by global events like the pandemic and geopolitical tensions. These and other triggers have spotlighted the need for robust strategies to mitigate potential disruptions in key sectors like agriculture, energy, manufacturing, and trade.

Also impactful, geopolitical issues continue to shape global economic dynamics, influence trade policies, alter market access, and complicate investment flows – all of which have profound implications for the GRA's and Saskatchewan's economic outlook. Additionally, uncertainty related to the fiscal positions of federal and provincial governments add layers of complexity as changes in policy and support can impact public spending, taxation, and overall economic confidence within the region and across the country.

The impacts of structural labour shortages and the weakening global demand both have implications for GRA's economy. The following discusses each of these issues in further depth, forecasting possibilities in 2024 to illustrate and then support preparation to mitigate these challenges and continue to foster a resilient, sustainable, and proactive economy in the GRA.

Climate change

In 2023, climate change dominated conversation about economy and strategy, highlighting how it is integral to growth. Policy leadership, whether led by federal, provincial or municipal governments, showed both challenges and opportunities – each to be navigated adeptly. Continuing into 2024, climate change will continue to be deliberated and strategized when considering the GRA's economic future. Local institutions like Economic Development Regina are leading this discussion with in-house expertise and support of new sectors, such as the emerging bioeconomy (biofuel and biomass), to best identify, understand, analyze, and then pursue sustainable opportunities that not only address climate change concerns, but new prospects for the GRA to lead.

Supply chain dynamics

Imports and exports into Canada declined in 2023 despite a surplus (exports outpacing imports) and key events, notably strike action at Canada's main ports that temporarily paused trade and resulted in overall declines as well as a slower return to normal volumes as slowdowns create not only backlog, but also require considerable momentum to return to pre-industrial action levels locally (domestic capacity and backlog) and abroad (importers choosing alternative options now taking time to revert to earlier agreements and processes). With Saskatchewan, and the GRA, heavily reliant on trade, the impact of this action is detrimental to business revenue and growth both in the short-term (lower sales, revenue, other) and, less directly, the long-term (concerns about investment, reduced or frozen hiring, limited or paused expansion). As major projects are nearing completion, such as the major expansion of the Fairview Container Terminal at the Port of Prince Rupert (a \$750M project to be completed by late 2026), to increase trade supply chain infrastructure and reduce challenges at the Port of Vancouver – the major exit terminal for much of Saskatchewan's products.

Geopolitical issues

Geopolitical issues, including global conflicts, impact the world and its economy constantly, differently, and most often, without warning. Supply of commodity, such as food and energy, are directly related to and impacted by geopolitical issues as rising concerns around food security and energy (from traditional oil and gas to new options) are at the forefront of many trading partners' concerns. They are also core to the GRA's economy. Rising oil prices amidst the post-pandemic restrictions, though lifted in 2020, persist and morph through international conflicts, global association's strategy and restrictions and other challenges. Coupled with issues listed above, geopolitical concerns, which percolate or erupt with different durations, present complex scenarios for the GRA and Saskatchewan contend with – even when delivering the food, fertilizer, and fuel that the world needs. While global events have translated into some success locally, specific concerns, such as changeable relations with major trading partners like India since late 2023, are concerning for the GRA's key sectors – both through immediate actions (embargoes, heightened tariffs) and long-term implications (finding alternative clients, rebuilding trust in India).

Government fiscal positions

The Government of Canada's 2023 Fall Economic Statement projects a \$51.2B deficit in 2024-25, following predictions in 2023 of a \$40B deficit. Global events, commodity price fluctuations and a weaker economic outlook contributed to these projections. Within Canada, planned federal spending may apply pressure to inflation and impact the Bank of Canada's efforts to tighten monetary policies, further exacerbating these and other issues. In Saskatchewan, revenue projections shifted considerably – from a \$1.3B budget surplus to a \$251M deficit for the 2023/24 fiscal year – and are equally impactful, highlighting reduced potash sales and drought as several of many reasons for the revenue decline. This forecast also emerged despite rising demand for key Saskatchewan agricultural products (owing to war in Ukraine) and a push to promote Saskatchewan globally through its international office network and key events.

Structural Labour Shortages

Labour shortages were one of the major business constraints throughout 2023. For a diverse and relatively small region like the GRA and spanning agriculture, energy, finance, manufacturing, and transport, structural labour shortages and global competition for labour pose a critical threat. The anticipated growth in major investments into GRA's dominant sectors will require skilled workers and could further exacerbate the existing high job vacancy ratio and skill mismatch. Construction delays and operational inefficiencies that may result from the unavailability of the required workforce will impact economic output. A collaborative approach, incorporating targeted training and workforce recruitment strategies, becomes imperative to bridge these workforce gaps and fortify the city's economic resilience amidst ambitious development plans. Industries may struggle to meet demand, potentially hampering growth and deterring further investments into GRA's economy.

Weakening Global Demand

A weakening global demand poses a threat to GRA's economy, which is heavily reliant on agriculture, energy, manufacturing, and transport. Declining demand, both locally and globally due to higher interest rates and a cost-of-living crisis may suppress export-oriented industries, dampening revenues. Simultaneously, high-interest rate policies may burden businesses with increased borrowing costs, hindering expansion and investment. Global inflation and the rising cost of living exacerbate challenges, impacting consumer spending and straining local businesses. Economic diversification strategies and adaptive economic policies are therefore crucial for the region to navigate the interconnected challenges, safeguard its industries, and fortify resilience against the unfolding global economic uncertainties.

EDR's Economic Forecast Report Card: B+

Based on data, analysis, and investigation, Economic Development Regina has created the following Economic Forecast Report Card for the Greater Regina Area for 2024. The Report Card grades the GRA's economy based on fundamental metrics, notably GDP growth, employment, housing, key sectors, and new sectors. All told, the GRA economy's forecast for 2024 is a solid B+, a grade that indicates the local economy will exceed expectations for the coming year.

EDR's Forecast Report Card for the GRA Economy: 2024		
Metric	Grade	Insight
GDP Growth	A Exceeding	Driven by a strong manufacturing and agriculture sectors, Saskatchewan's economy is set to grow by 1.3% in 2024, remaining among the leaders in Canada.
Employment	B+ Meeting	Employment in the GRA is strong with a record 145,000 workers and one of the lowest unemployment rates in Canada at 4.7% in 2023. Filling job vacancies to bridge the nearly \$500M labour income gap remains essential.
Housing Market	C+ Approaching	Regina's housing market is expected to see a modest 1.6% price drop in 2024 if interest rates hold steady, indicating a balanced market amid broader economic pressures. HAF measures are expected to ease pressures on availability and variability in the years ahead.
Key Sectors	A- Exceeding	The GRA's economy is expected to grow and remain resilient across key sectors due to strategic investments, technological advancements, and favorable market conditions. Agriculture, energy, food, and manufacturing sectors are poised for steady growth.
People	B Meeting	Saskatchewan's largest increase in over a century (+30,685) boosted the province's labour market and consumer base, indicating strong economic and social vitality. Regina remains the leading destination for newcomers to Saskatchewan, but long-term retention will be the next area of focus.
New Markets and Sectors	B+ Meeting	With major new capital investments, the GRA is signaling new market growth in agriculture, renewable energy, biomass, and creative industries. Realizing their full economic impact depends on successful integration, promotion, and support.
Overall Grade	B+ Meeting	The GRA's economic forecast for 2024 is positive, with strong employment, population growth, a stable housing market, and promising new sectors. Addressing the labour market skills mismatch, focusing on newcomer retention, and adapting to global challenges will be crucial for sustaining momentum, while continued projected decreases in interest rates should boost business confidence and investment.

Details of the grading for each metric are found below:

GDP Growth: A

Saskatchewan's economy is expected to have the [second highest growth](#) among Canadian provinces in 2024, with a real GDP growth set to reach 1.3% (2023: estimated at 1.2%). This follows a strong performance in 2022 (5.7%) and indicates a resilient economy. Agriculture is expected to continue to drive the economy, which is a positive sign for the GRA's GDP as it is heavily interlinked to primary agriculture and agribusiness. However, the growth rate has decelerated significantly since 2022, reflecting economic headwinds related to lower or volatile resource prices, climate change, and high interest rates.

Employment: B

The GRA's employment is robust with a record number of people working in Saskatchewan, and the GRA, in 2023. Housing Market: C+

The housing market in Regina is expected to see a modest 1.6% decrease in average residential sale prices in 2024 [3](#). While this indicates a cooling market, it also suggests a balanced market that does not heavily favor buyers or sellers. The slight price decrease could reflect broader economic pressures and high interest rates [3](#).

Housing Market: C+

The housing market in Regina is expected to see a modest 1.6% decrease in average residential sale prices in 2024 [3](#). While this indicates cooling, it also suggests a balanced market that does not heavily favor buyers or sellers. However, the Bank of Canada's first rate cut in 4+ years ([June 5, 2024](#)) may trigger additional activity as mortgage rates decline accordingly.

Key Sectors: B+

In 2024, the economic landscape of the Greater Regina Area (GRA) is poised for continued growth and resilience across key sectors, bolstered by strategic investments, technological advancements, and favorable market conditions.

Below is a concise overview of the outlook for each sector.

Agriculture: A-

The agriculture sector is expected to maintain its positive momentum in 2024, supported by ongoing investments in renewable energy and sustainable farming practices. Challenges such as price fluctuations and supply chain constraints are being addressed through innovative solutions and strategic initiatives.

Energy: B+

With rising oil prices and increased drilling activity, the energy sector is projected to sustain its growth trajectory in 2024. Strategic investments in renewable energy projects and innovative solutions further enhance the sector's prospects. Geopolitical uncertainties and regulatory changes pose potential risks.

Food: B

Steady growth is anticipated in the food sector, driven by resilient consumer demand and strategic investments in value-added production. Challenges like supply chain disruptions are being addressed through technological advancements and market opportunities.

Manufacturing: B

The manufacturing sector is poised for steady growth, supported by resilient demand and investments in advanced manufacturing technologies. Despite challenges, such as supply chain disruptions, the sector is well-positioned to capitalize on market opportunities.

Migration and Immigration: A

Saskatchewan experienced the largest annual population increase in over a century, with 30,685 more people making the province their new home 5. This growth is driven by both migration and immigration, contributing to a vibrant labour market and consumer base. The region's attractiveness to new residents is a strong indicator of economic and social vitality.

New Markets and Sectors: B

The Greater Regina Area is seeing significant investment in new and cutting-edge facilities, including canola crushing facilities, a renewable diesel plant⁴, and a non-wood pulp mill. These developments point to the emergence of new markets and sectors, particularly in agriculture and renewable energy. However, the full impact of these investments on the economy will depend on the successful integration and growth of these sectors.

Overall Grade: B+

Overall, the GRA's economic forecast for 2024 is positive, with strong performance in employment and migration, a stable housing market, and promising new markets and sectors. The GDP growth, while healthy, shows signs of slowing, which is an area to watch. GDP growth in the GRA (2.0 %) is expected to outpace that of Canada (0.6 %) and Saskatchewan (1.9%). The region will record moderate growth and the expected investments in the energy sector will drive most of this growth.

Further, the region's ability to address the skills mismatch in the labour market will be critical in sustaining its economic momentum and keeping its head above a forecasted recession which may result from the current high-interest rate regime. Analysts are forecasting a soft landing this year as opposed to a full recession, which was anticipated by many last year. Data from Statistics Canada indicates that job growth is particularly strong, even for non-farm payroll numbers.

In 2023, unemployment was below the 5.0% threshold in the GRA and is expected to stay low for most of 2024. Consumer spending is not slowing at the projected pace but inflation is showing a downward trend at least for the first few numbers reported so far this year. The Bank of Canada is now expected to continue reducing interest rates, although at a slower rate than they were increased. This is expected to bring back business confidence and boost private sector investments.

While global issues like supply chain disruptions, geopolitical conflicts and a weaker global demand are still expected to impact growth, the region's diversified economy, smaller size, and strategic positioning could shield it from severe repercussions. A tight labour market and the ongoing global competition for labour signal economic vibrancy, although ongoing challenges necessitate continuous monitoring and strategic responses for sustained growth in the face of economic uncertainties.



Call to Action

In closing, after reflecting on the economic landscape of the GRA in 2023 and looking ahead to the opportunities and challenges of 2024, it is evident that the region is poised for continued growth and resilience. Despite global uncertainties and local constraints, the GRA has demonstrated remarkable strength, with key sectors driving innovation, investment, and employment opportunities.

As stakeholders in the local economy, we have a collective opportunity to capitalize on these strengths, leverage emerging prospects, and address pressing issues such as climate change, supply chain dynamics, and workforce development. By fostering collaboration, innovation, and sustainable practices, we can ensure that the GRA remains a vibrant hub of economic activity and a place of prosperity for residents.

Together, we can achieve greatness and create lasting prosperity for generations to come.

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Appendices

Appendix 1: 2022 Sectorial Contribution to the GRA's economy

	Employment	Employment as % of Regina Total	Sales/Output (\$M)	Sales per Employee (\$M)	Gross Domestic Product (\$M)	GDP as % of GRA Total
Agriculture	2,645	2.0%	1,057.2	0.400	336.3	2.1%
Energy	2,449	1.9%	1,417.0	0.579	486.0	3.1%
Finance and Insurance	7,405	5.6%	3,719.3	0.502	2,271.3	14.5%
Manufacturing	5,384	0.2%	3,161.0	0.587	836.5	5.3%
Transport and Logistics	4,156	3.2%	1,329.6	0.320	675.5	4.3%

Source: Statistics Canada, Praxis Consulting

Appendix 2: 2022 Real Estate Market in the GRA

Appendix 2: 2022 Real Estate Market in the GRA	
New Housing Market (2022)	
Single-Detached Absorptions	359
Growth	-6.3%
Average Price of Absorbed Single-Detached Units	\$670,041
Growth	14.9%
Resale Housing Market (2022)	
Unit Sales	4,259
Growth	-5.8%
Average Price	\$321,612
Growth	-1.6%
Apartment Market (October 2022) (1)	
Two Bedroom Vacancy Rate	3.2%
Average Two Bedroom Rent	\$1,186

Source: Conference Board of Canada, Canadian Mortgage and Housing Corporation.

