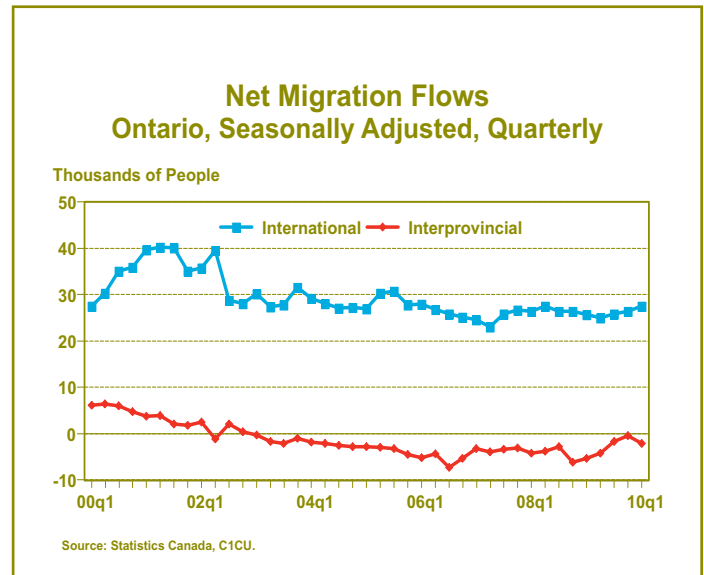


This week's indicators of Ontario's economic activity are positive. Population continued to grow steadily in the first quarter, while automotive manufacturing industries continued to see rising real GDP in April.

Ontario's **population** totalled 13,167,894 persons as of April 1 this year, according to Statistics Canada's latest estimates. That's a gain of 143,404 persons (1.1%) from one year earlier. After adjusting for seasonality, the population increased by 37,132 persons in the first quarter of 2010, an annualized growth rate of 1.1%. That is almost on par with growth in the fourth quarter last year, which was the highest quarterly increase since early 2004.

The main source of population growth remains net international in-migration, which totalled 27,527 persons in the first quarter, seasonally adjusted. Net natural increase (births minus deaths) added another 11,335 persons to Ontario's population in the first quarter, seasonally adjusted. Meanwhile, net inter-provincial out-migration subtracted 2,163 persons, seasonally adjusted.



Central 1 Credit Union forecasts Ontario's population will increase by 1.25% this year, or about 164,000 persons. That follows an increase of 1.11% (139,000 persons) in 2009. Population growth will continue to be concentrated in the largest metropolitan centres, while some northern and southwestern regions



will see growth rates below 1%, and in some cases negative.

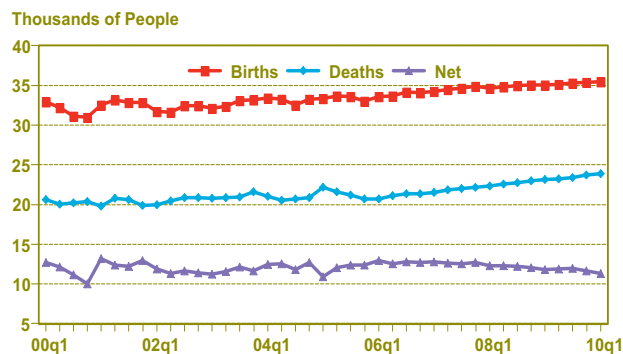
Real **gross domestic product (GDP)** in Canada's major **motor vehicle manufacturing** industries advanced in April, according to the latest estimates from Statistics Canada. That is the third straight month-over-month gain and maintains the upward trend from the recession low in January 2009. Both motor vehicle and related parts industries saw their real GDP grow by almost 2% from May, seasonally adjusted, well above long-term average growth rates. The vast majority of this production is based in Ontario.

Looking ahead, output in the auto manufacturing industries will be driven largely by final sales. So far this year, manufacturers' sales of motor vehicles and parts in Ontario are up 13% from the same period last year. Meanwhile, retail sales of motor vehicles in Ontario are up 9% year-over-year. Motor vehicle exports are weighed down by the high dollar and slow recovery of markets in the United States. Nonetheless, a cyclical upturn linked to the U.S. recovery will play out and lift vehicle exports.

Even with the unfolding and expected recovery in automotive manufacturing, it will likely take several more years before output returns to pre-recession levels. Central 1 Credit Union forecasts real GDP in Canada's motor vehicle and related parts manufacturing industries will rise by 9% this year and 5% in 2011, following sharp declines of 31% last year and 23% in 2008.

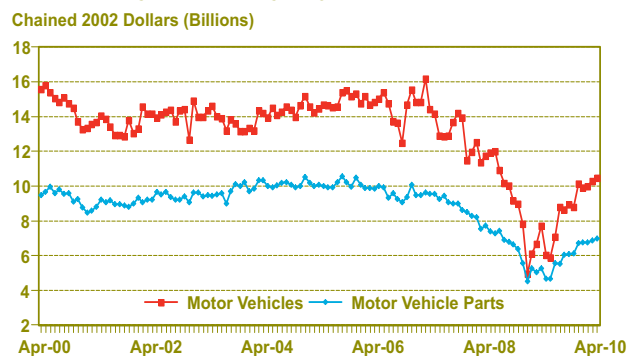
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Natural Population Flows Ontario, Seasonally Adjusted, Quarterly



Source: Statistics Canada, C1CU.

Real Gross Domestic Product*, Canada Selected Automobile Manufacturing Industries Monthly, Seasonally Adjusted at Annual Rates



Source: Statistics Canada. Note: * At basic prices.