Ontario Economic Accounts

Learn about Ontario's economic performance and outlook for the second quarter of 2021.

View the related data tables at Ontario's Open Data Catalogue.

Data tables

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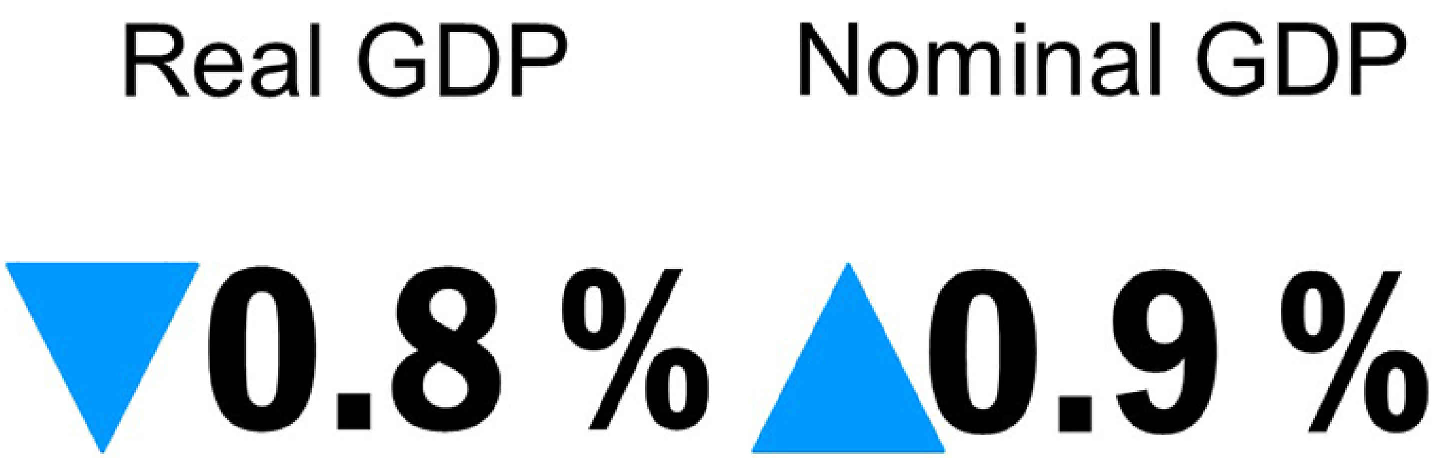
Economic accounts

Highlights

Ontario's Real GDP down in Q2

Ontario GDP, Second Quarter 2021



Source: Ontario Ministry of Finance.

Accessible description of chart 1: Ontario GDP, second quarter 2021

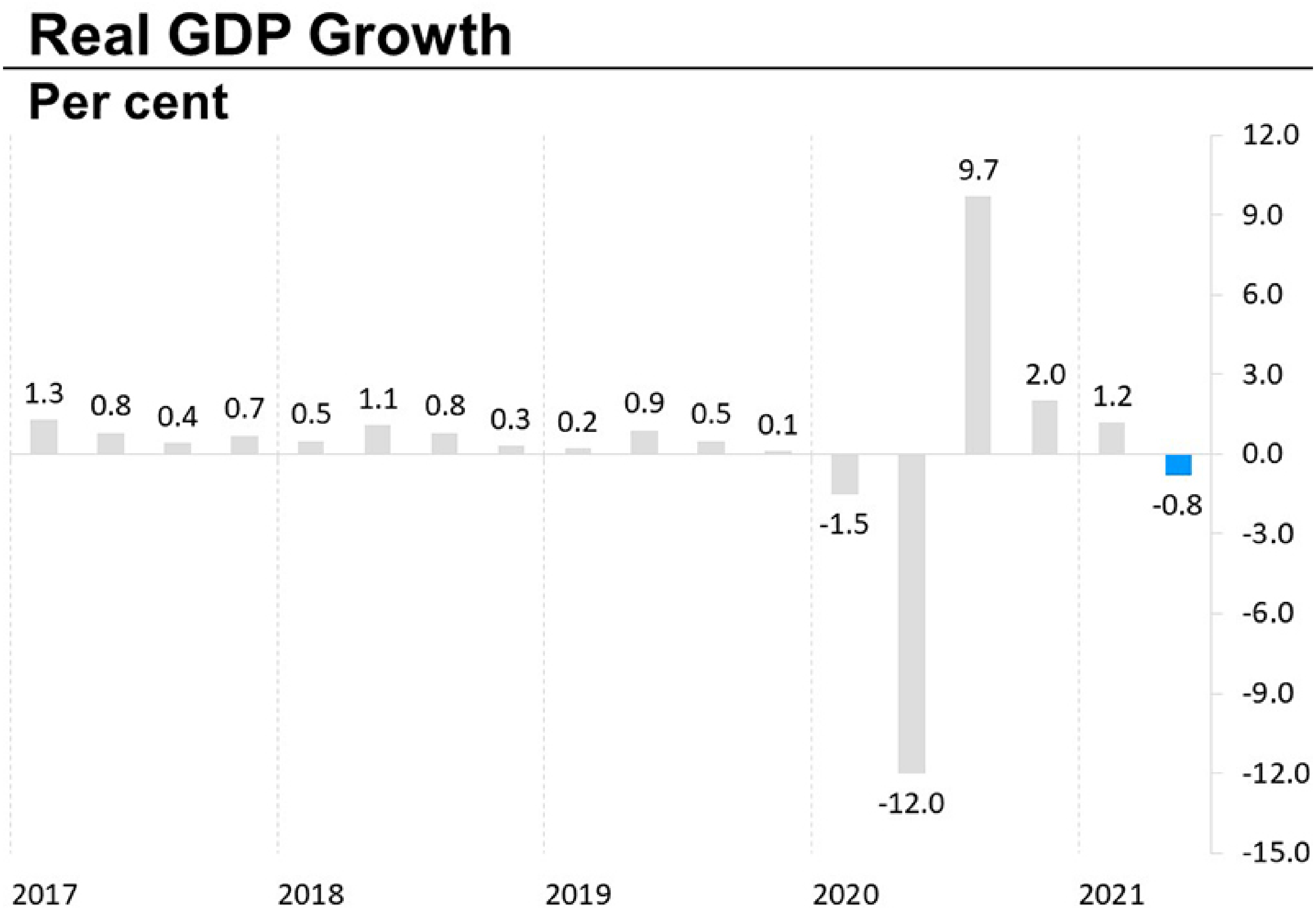
- Ontario's real gross domestic product (GDP) declined by 0.8% in the second quarter (April, May, June) of 2021 coinciding with the third wave of the COVID-19 pandemic, following three consecutive quarterly gains. Ontario's real GDP was 2.5% below the level prior to the pandemic in the fourth quarter of 2019.
- The decline in the second quarter was largely driven by lower exports, which were impacted by international supply chain disruptions. Household and residential investment spending also declined in the quarter.
- Nominal GDP advanced 0.9%, after rising 4.1% in the first quarter.
- Economy-wide prices, as measured by the implicit price index for GDP, rose 1.7% in the second quarter.
- Economic production, measured on an industry basis, decreased 0.7% in the second quarter.

Output in both goods-producing (−1.0%) and service-producing (−0.6%) industries declined.

Expenditure details

Real GDP declines in Q2

Ontario's **real GDP** declined 0.8% in the second quarter, following a 1.2% gain in the first quarter.

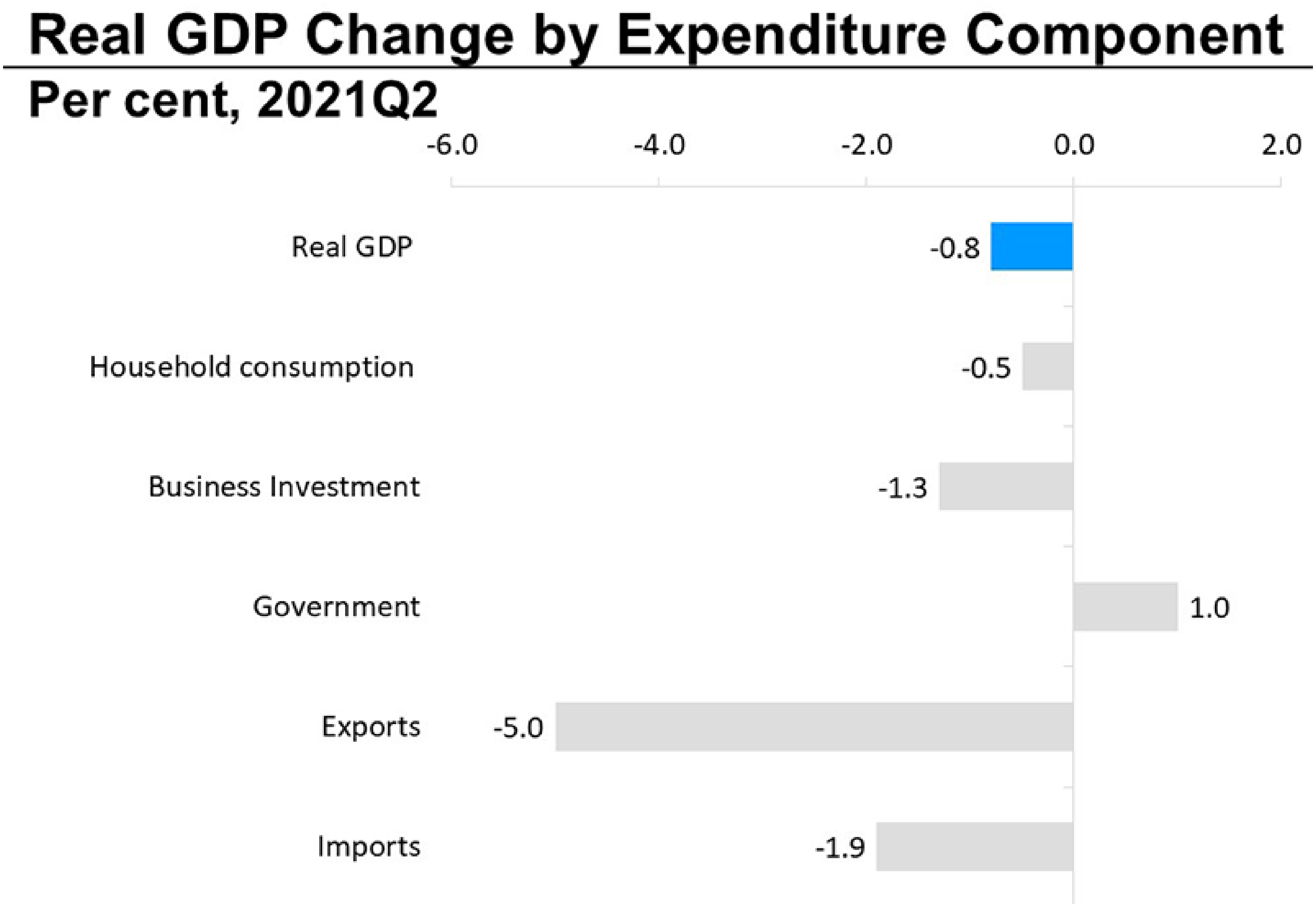


Source: Ontario Ministry of Finance.

[Accessible description of chart 2: Real GDP Growth](#)

Household consumption spending declined 0.5%, after rising 0.5% in the first quarter. Spending on semi-durable (−3.6%), durable (−2.1%) and non-durable (−1.1%) goods declined in the quarter. Spending on services rose 0.6%, matching first quarter growth.

Total business investment spending decreased by 1.3% in the second quarter, following three quarters of solid gains. The decline was concentrated in **residential construction** (−3.7%) due to lower ownership transfer costs as home resales eased from record high levels in the first quarter. Business investment in **machinery and equipment** (+5.6%), **non-residential structures** (+1.2 %) and **intellectual property products** (+0.6%) increased in the quarter.

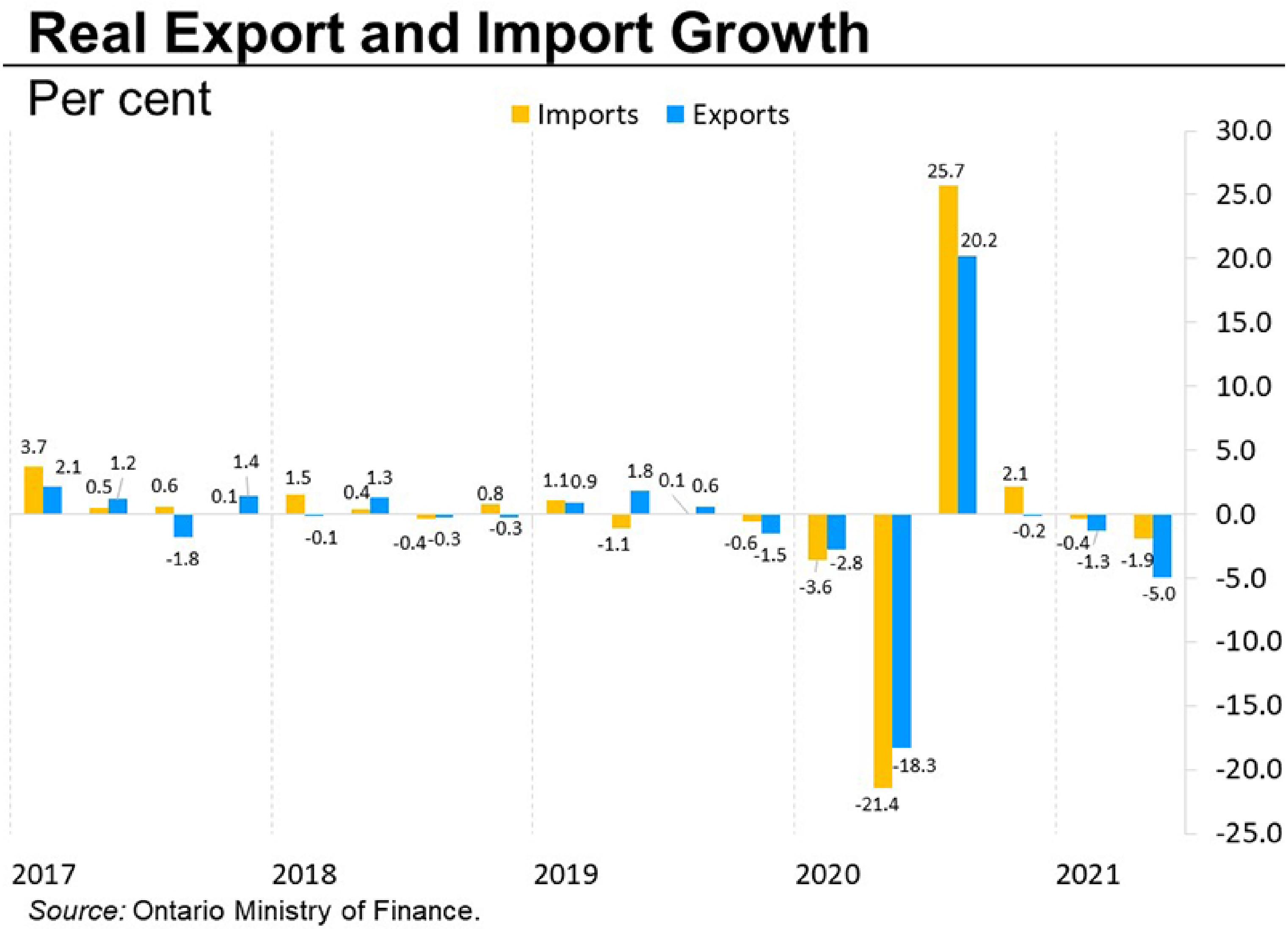


Source: Ontario Ministry of Finance.

[Accessible description of chart 3: Real GDP change by expenditure component]

Exports (−5.0%) and **imports** (−1.9%) declined in the second quarter. Trade in the quarter was impacted by international supply chain disruptions, notably in the automotive sector.

Businesses accumulated $4.1 billion worth of **inventories** in the second quarter, following a $2.5 billion drawdown in the previous quarter.

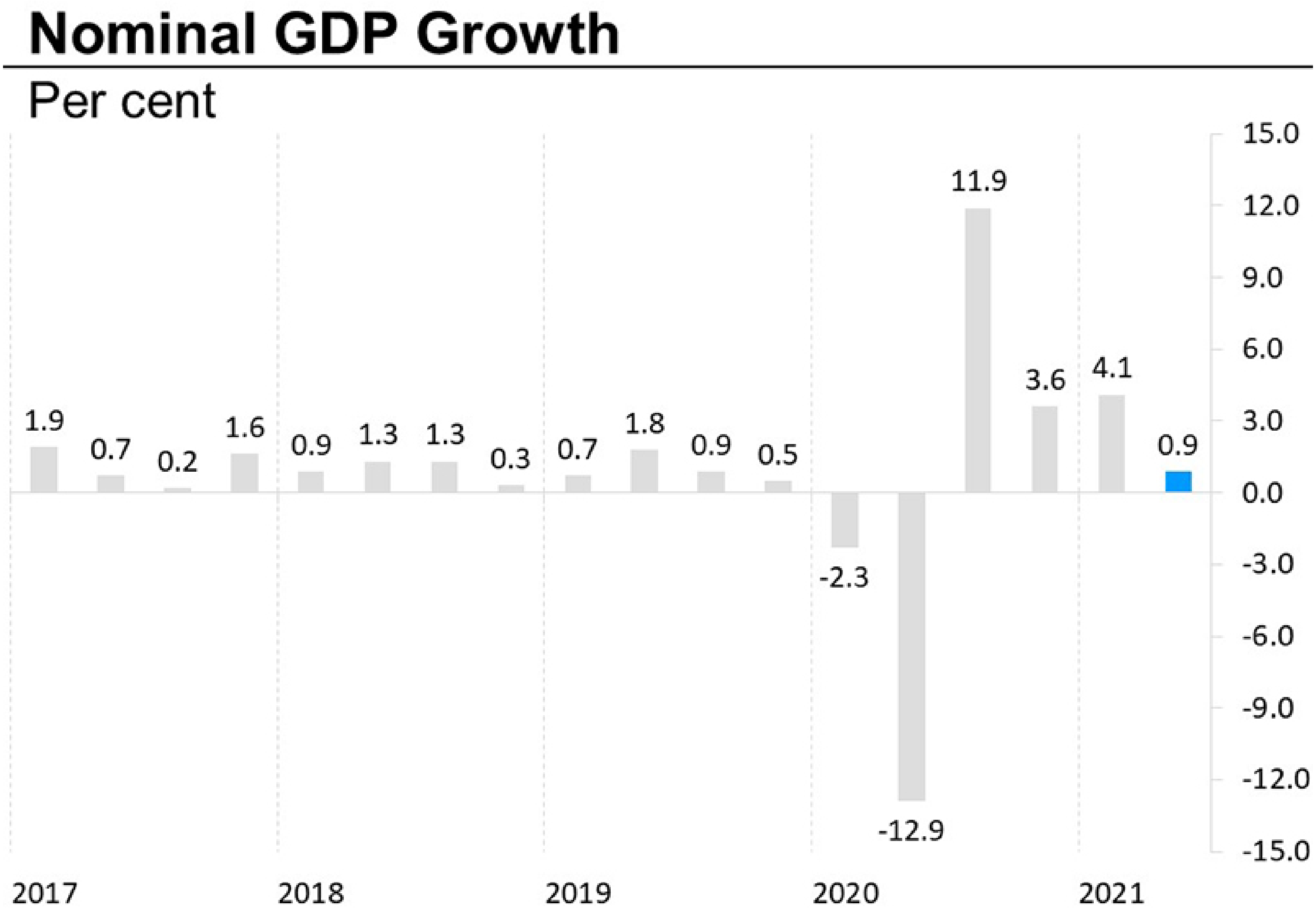


[Accessible description of chart 4: Real export and import growth]

Income details

Nominal GDP rises

Ontario's **nominal GDP** increased 0.9% in the second quarter, following a 4.1% gain in the first quarter.



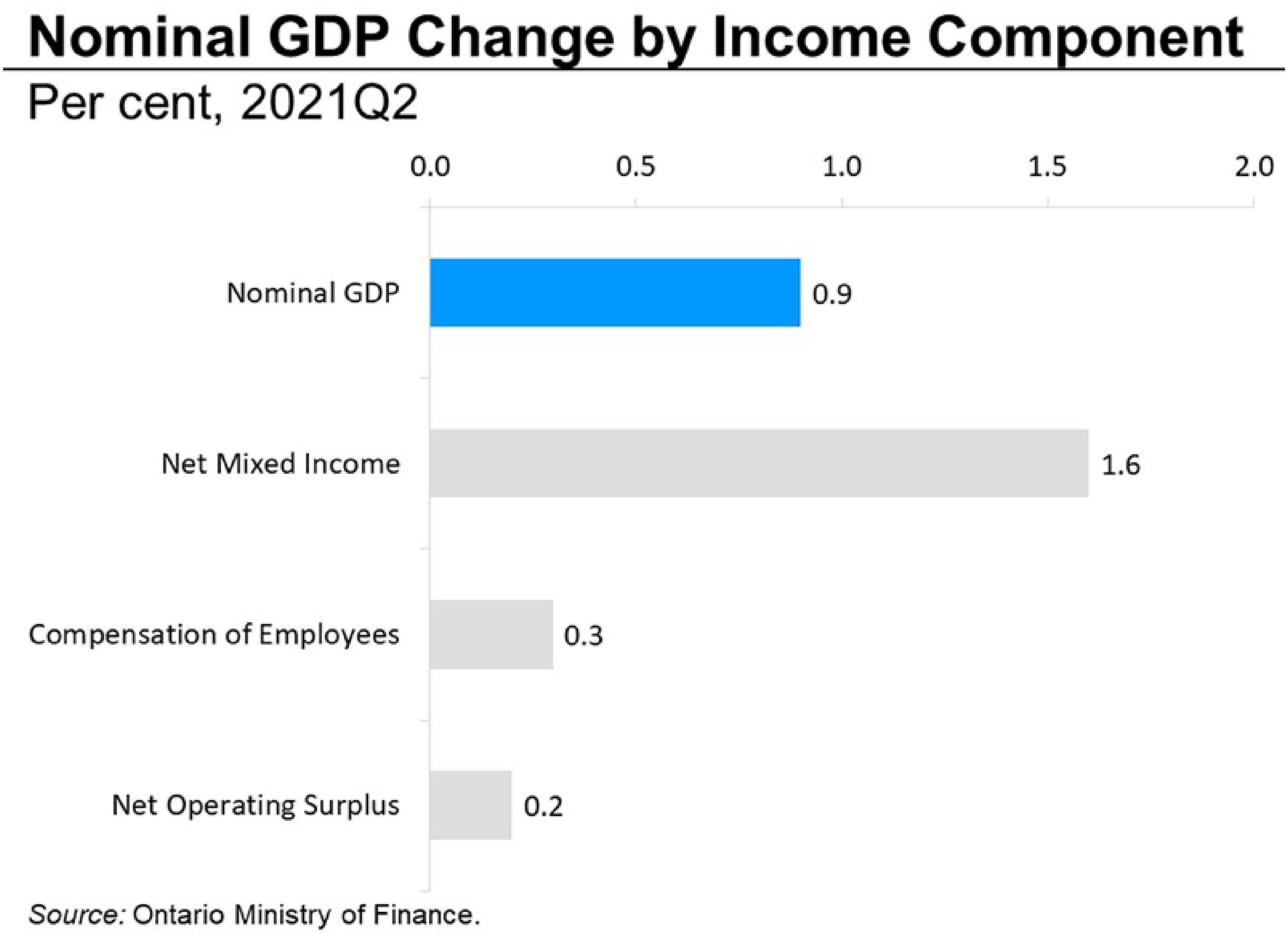
Source: Ontario Ministry of Finance.

Accessible description of chart 5: Nominal GDP growth

Compensation of employees, which includes both wages and salaries and supplementary labour income, increased 0.3%, after increasing 2.5% in the first quarter.

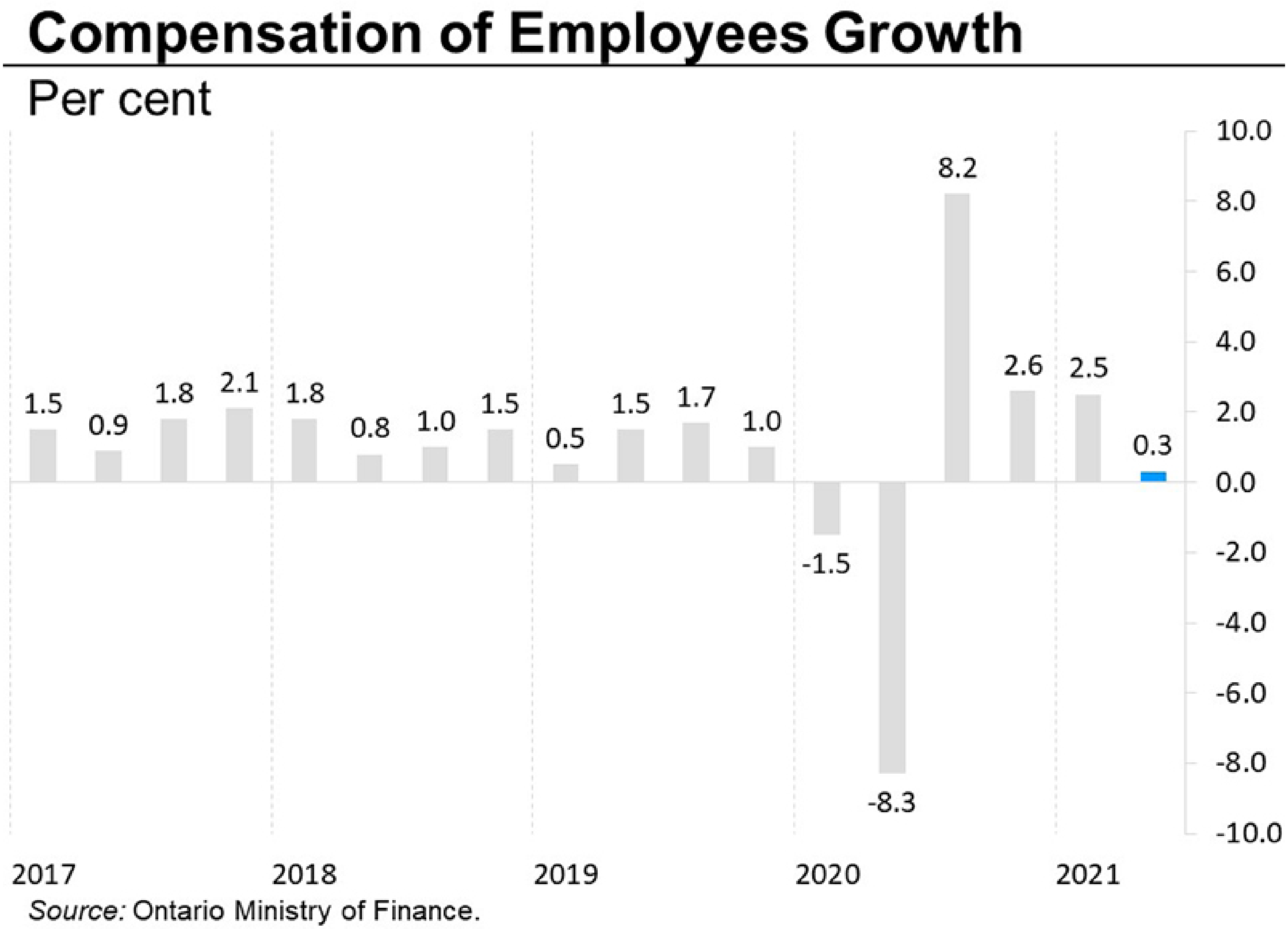
Net operating surplus of corporations edged up 0.2%, following a 19.7% gain in the first quarter.

Net mixed income, which is comprised of farm income, unincorporated business income and rental income, grew by 1.6%, after increasing 2.8% in the previous quarter.



[Accessible description of chart 6: Nominal GDP change by income component]

The **savings rate** rose from 12.7% in the first quarter to 13.5% in the second quarter of 2021.



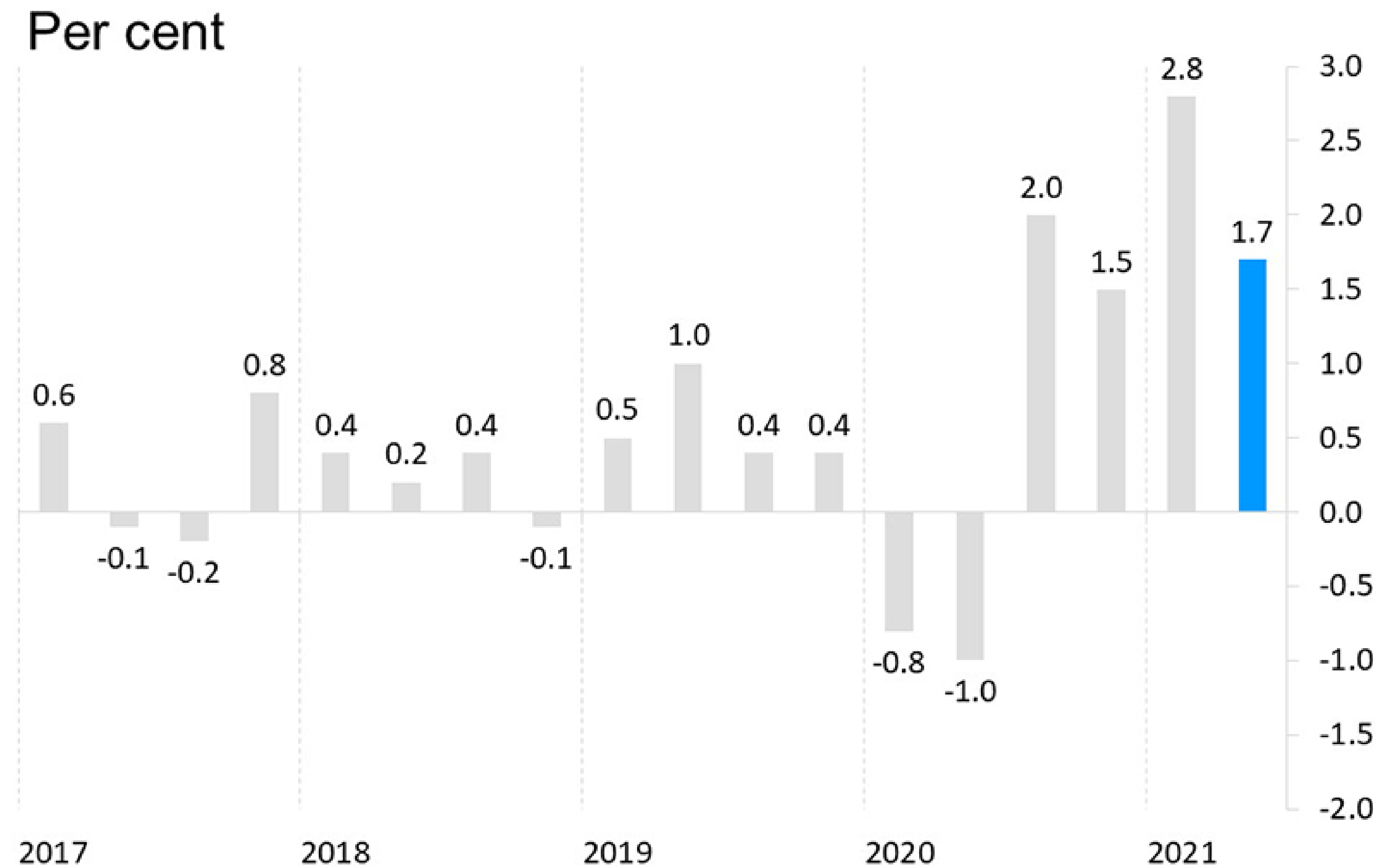
[Accessible description of chart 7: Compensation of employees growth]

Price details

Economy-wide prices

Economy-wide prices, as measured by the **implicit price index for GDP**, rose 1.7% in the second quarter following a 2.8% increase in the first quarter.

Economy-Wide Price Growth

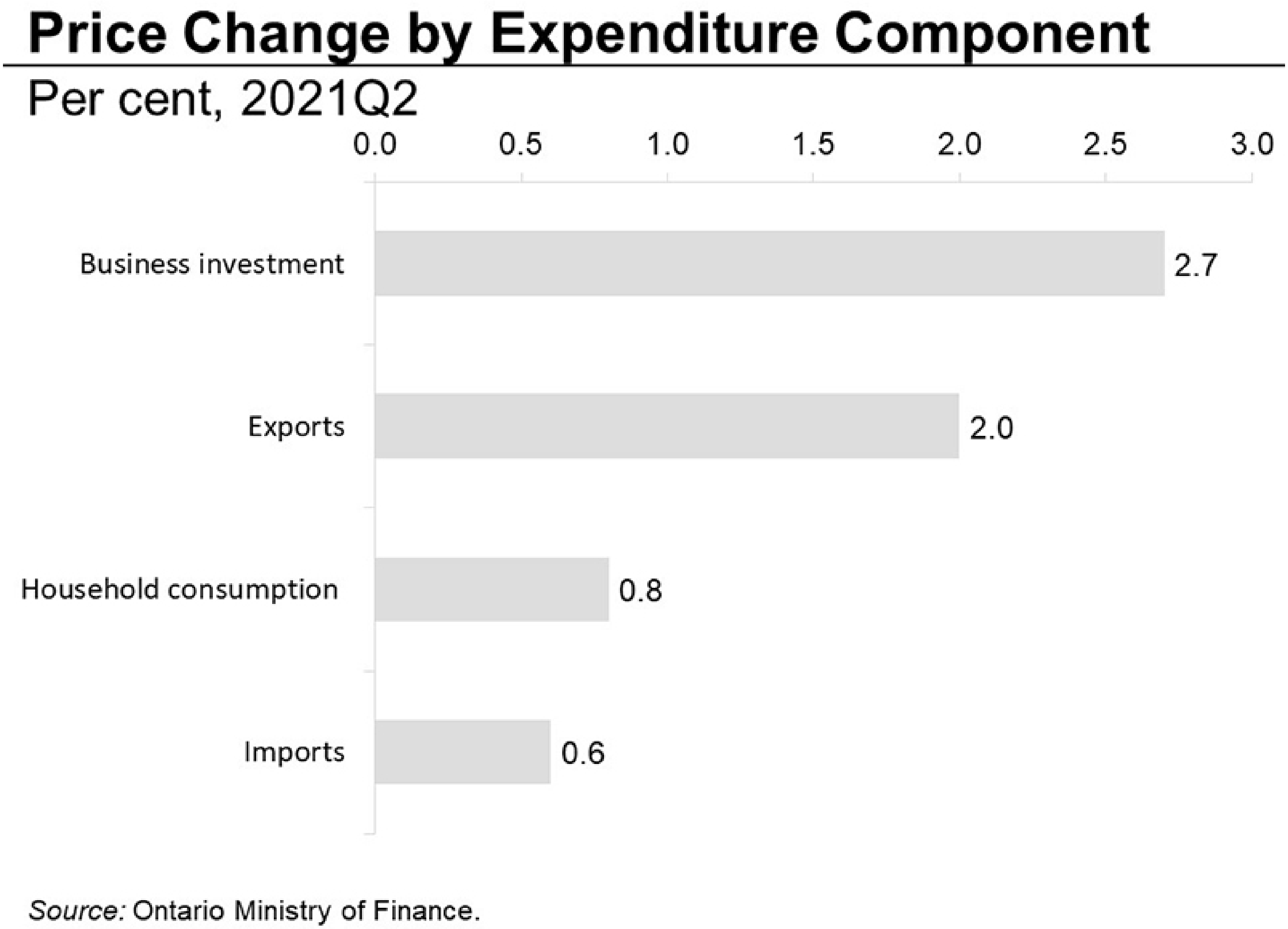


Source: Ontario Ministry of Finance.

Accessible description of chart 8: Economy-wide price growth

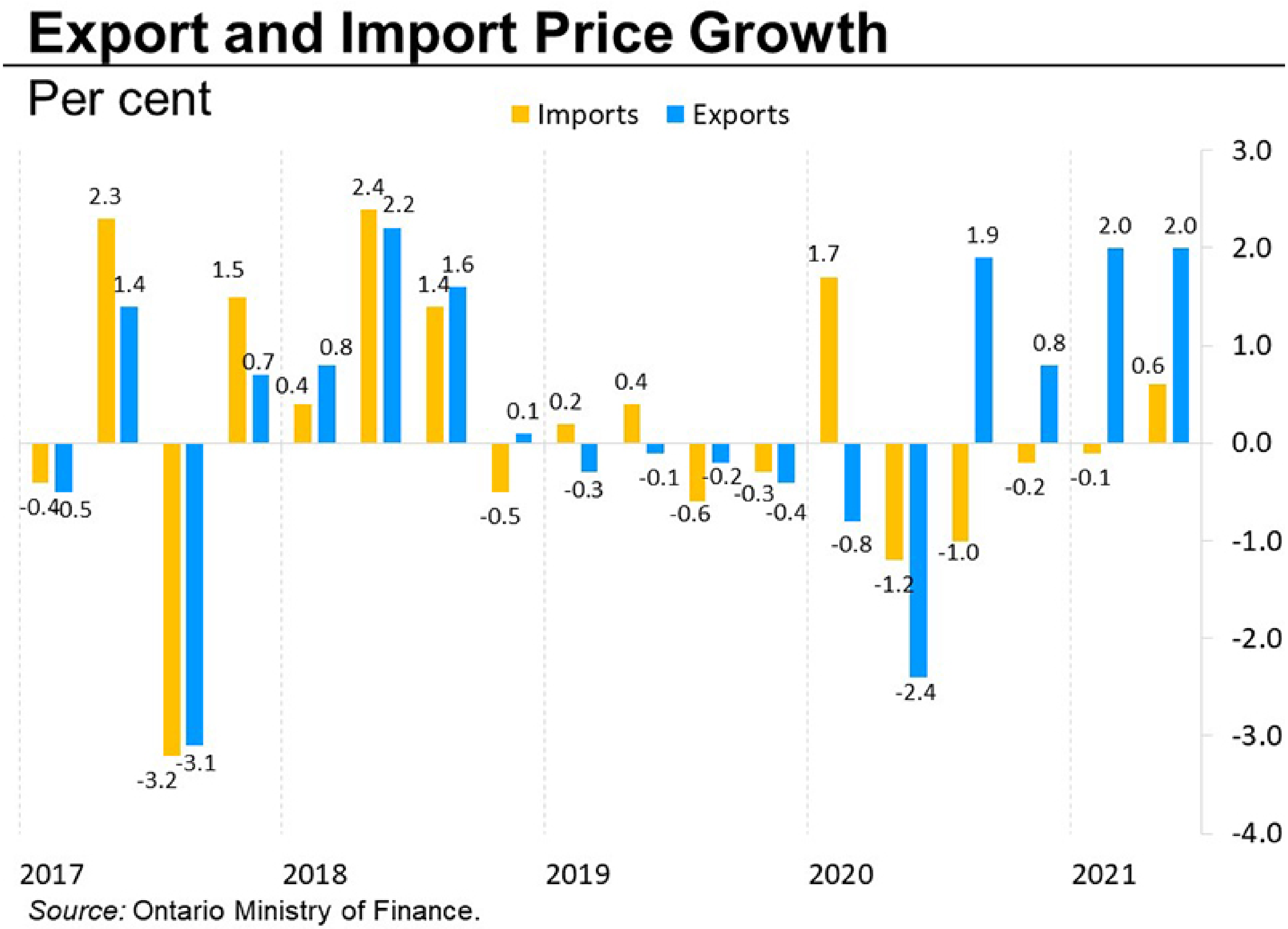
Prices for **household consumption expenditures** rose 0.8%, after increasing by 0.4% in the first quarter. Prices were higher for several expenditure components, including autos, gasoline and food.

Business investment prices increased 2.7%, following a 4.4% increase in the first quarter. **Non-residential construction** (+4.0%) and **residential construction** (+3.9%) prices were higher in the quarter.



[Accessible description of chart 9: Price change by expenditure component]

Export prices increased by 2.0%, matching the rise in the first quarter, while **import prices** increased 0.6%, following four consecutive quarterly declines.

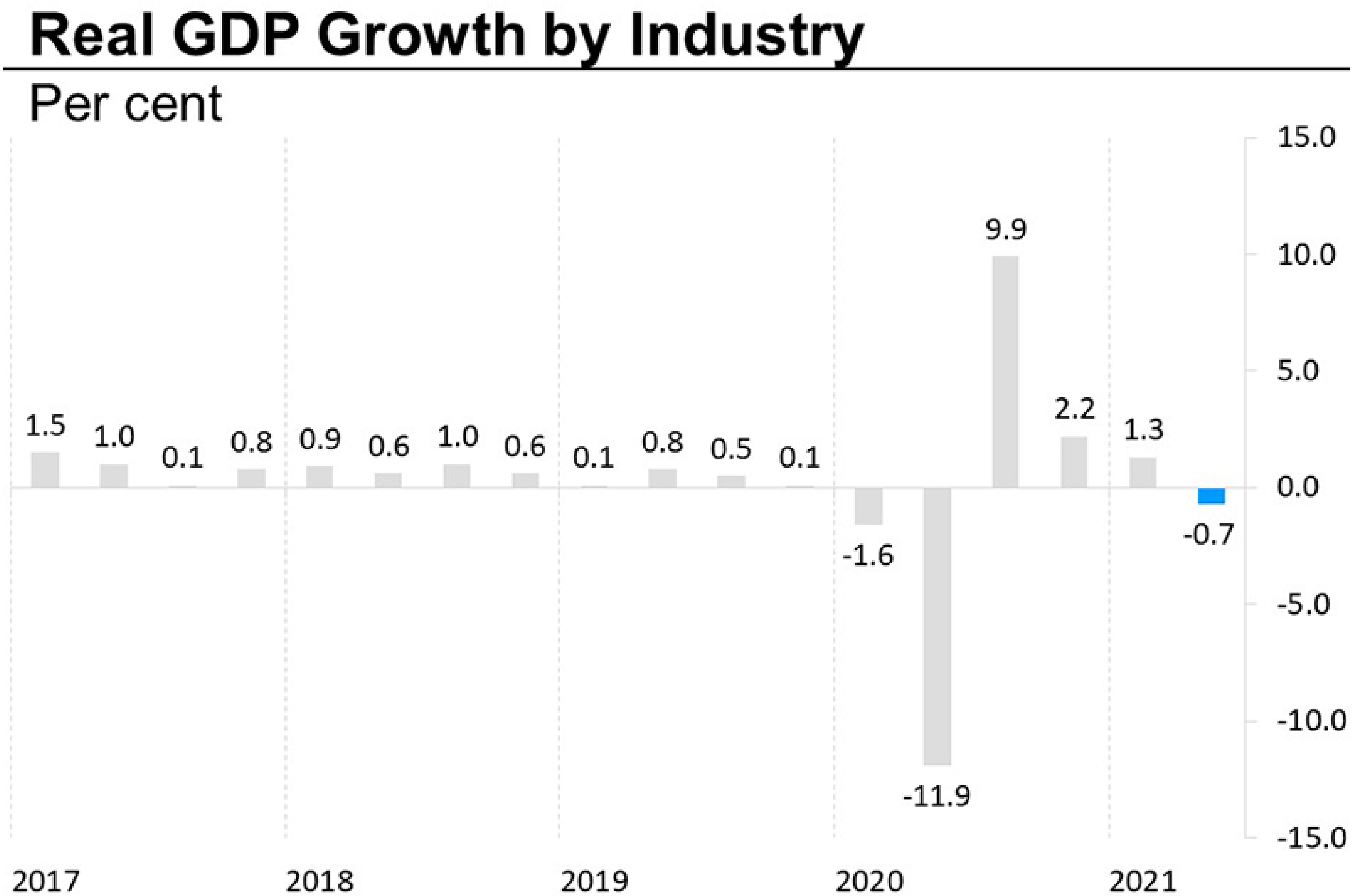


[Accessible description of chart 10: Export and import price growth]

Industry details

GDP by industry

Ontario **real GDP**, measured as value-added by industry, declined 0.7% in the second quarter of 2021. Output in both goods-producing (−1.0%) and service-producing (−0.6%) industries decreased.

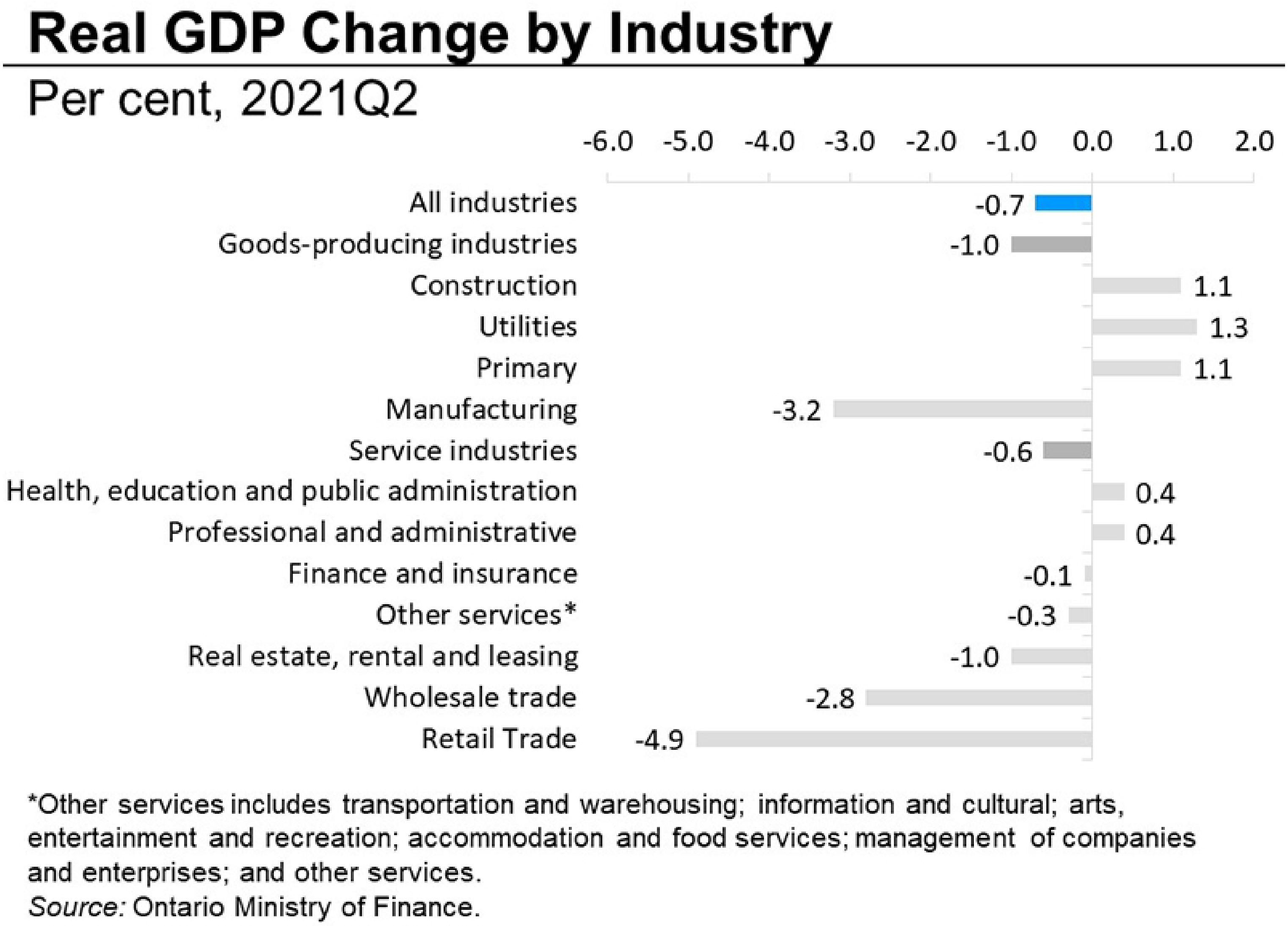


Source: Ontario Ministry of Finance.

Accessible description of chart 11: Real GDP growth by industry

Manufacturing output declined 3.2% in the quarter. This was due largely to transportation equipment (−12.0%) which was significantly impacted by international supply chain disruptions. Machinery (+3.5%) and chemical and petroleum product (+3.5%) manufacturing output increased in the quarter.

Construction output was 1.1% higher. Residential construction rose 2.8%, while non-residential structures and engineering declined 0.4%.

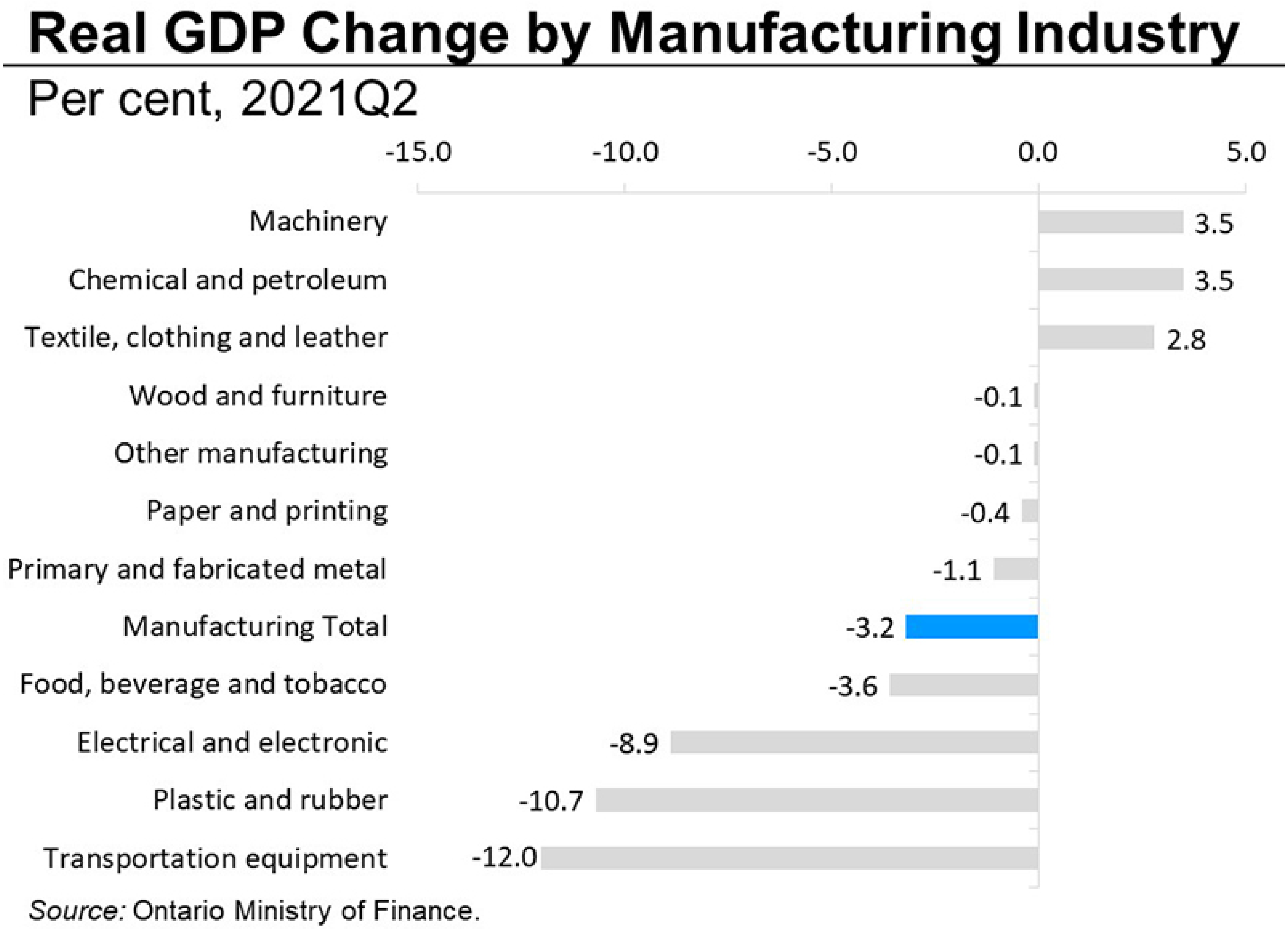


Accessible description of chart 12: Real GDP change by industry

Primary industry output rose 1.1%, with increases in both mining (+2.0%) and agriculture and forestry (+0.6%).

Utilities output increased 1.3%, following a 1.2% decline in the first quarter.

Service-producing industries output declined 0.6% following three consecutive quarterly gains. The largest declines were in retail trade (−4.9%), wholesale trade (−2.8%) and real estate, rental and leasing (−1.0%).

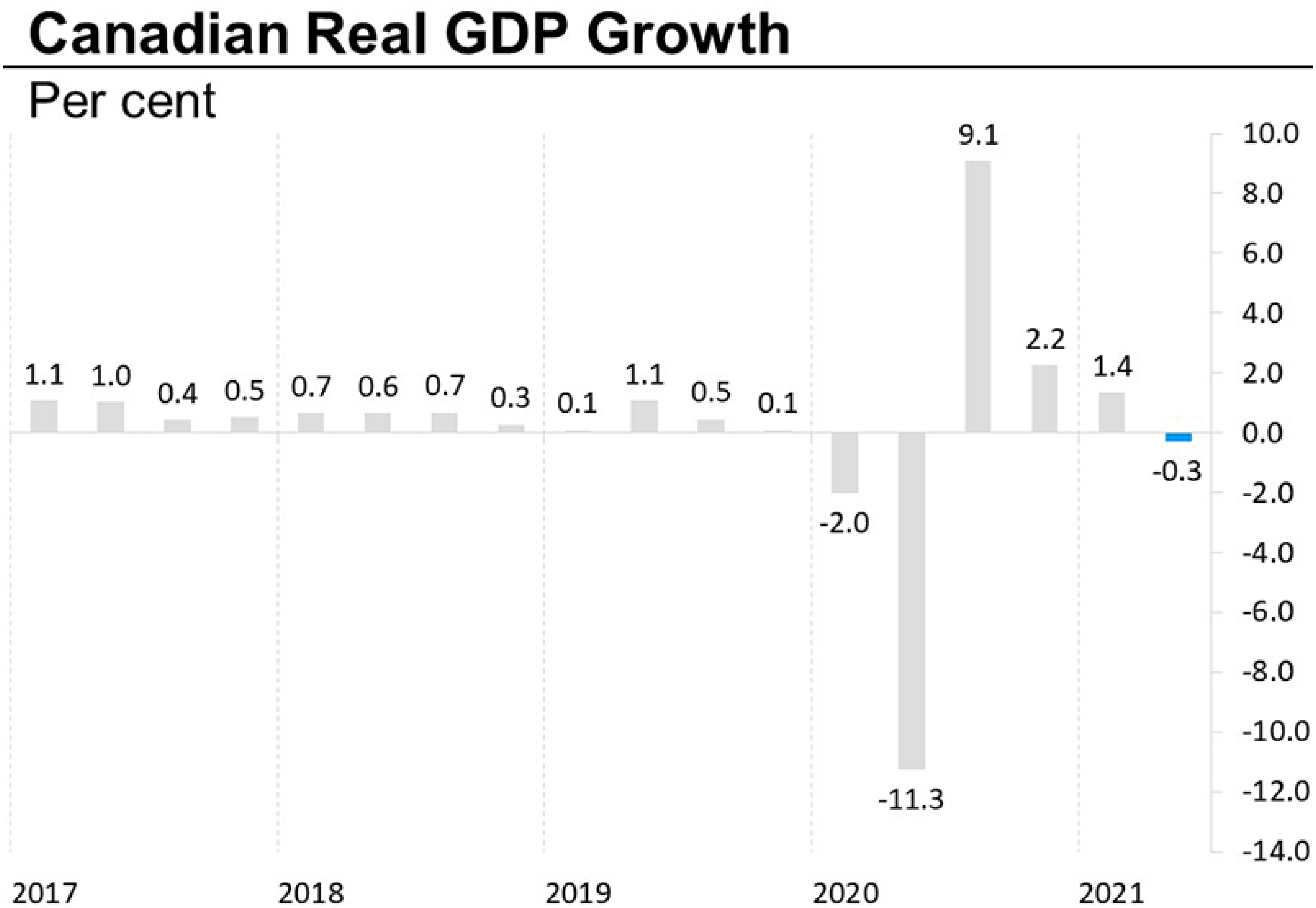


[Accessible description of chart 13: Real GDP change by manufacturing industry]

Jurisdictional comparisons

Ontario growth in context

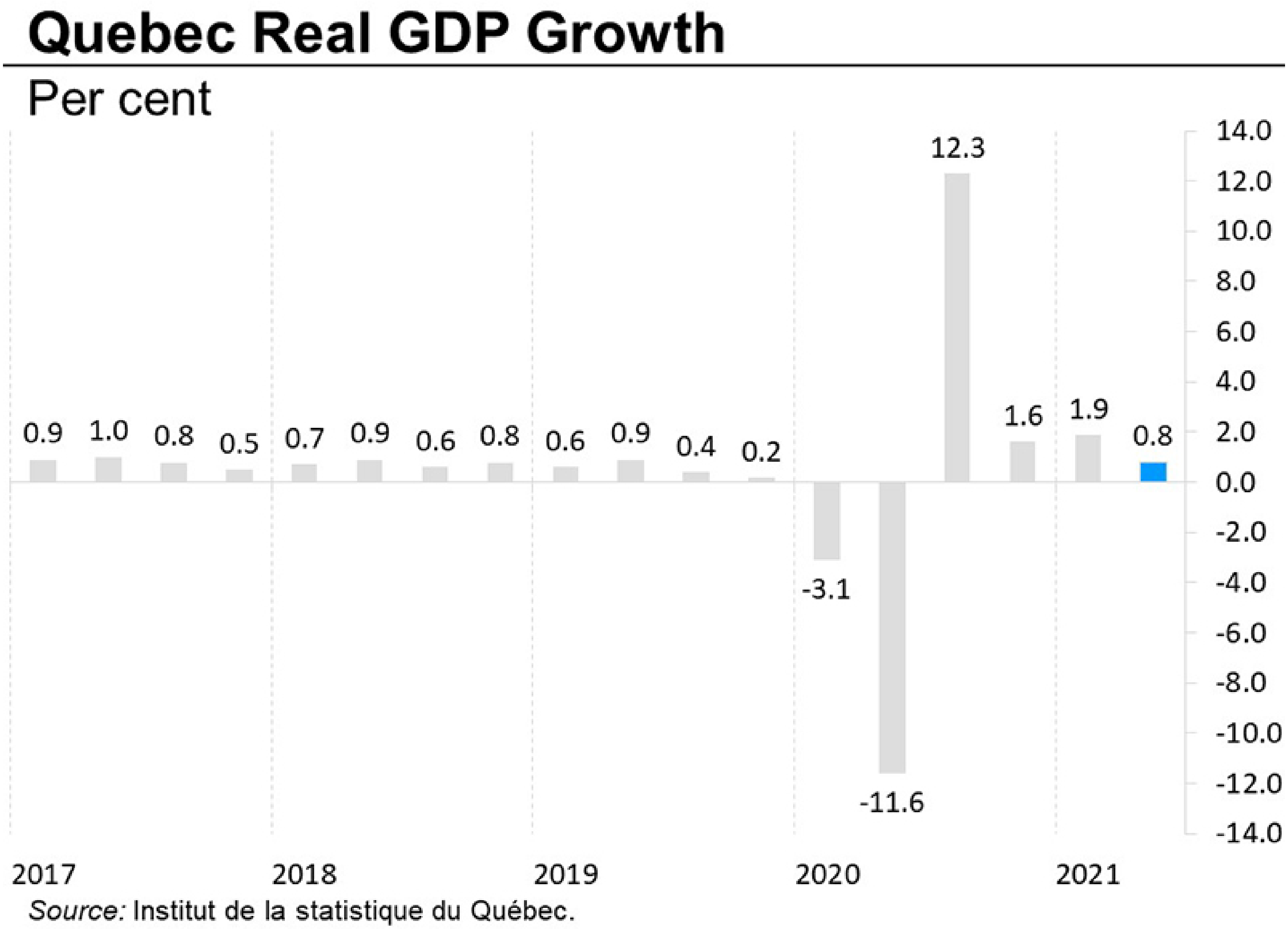
Canadian real GDP declined 0.3% in the second quarter of 2021, following advances in the previous three quarters. The second quarter decline was concentrated in exports (−4.0%) and residential construction (−3.3%). As of the second quarter, Canada’s real GDP was 2.0% below its level in 2019Q4.



Source: Statistics Canada.

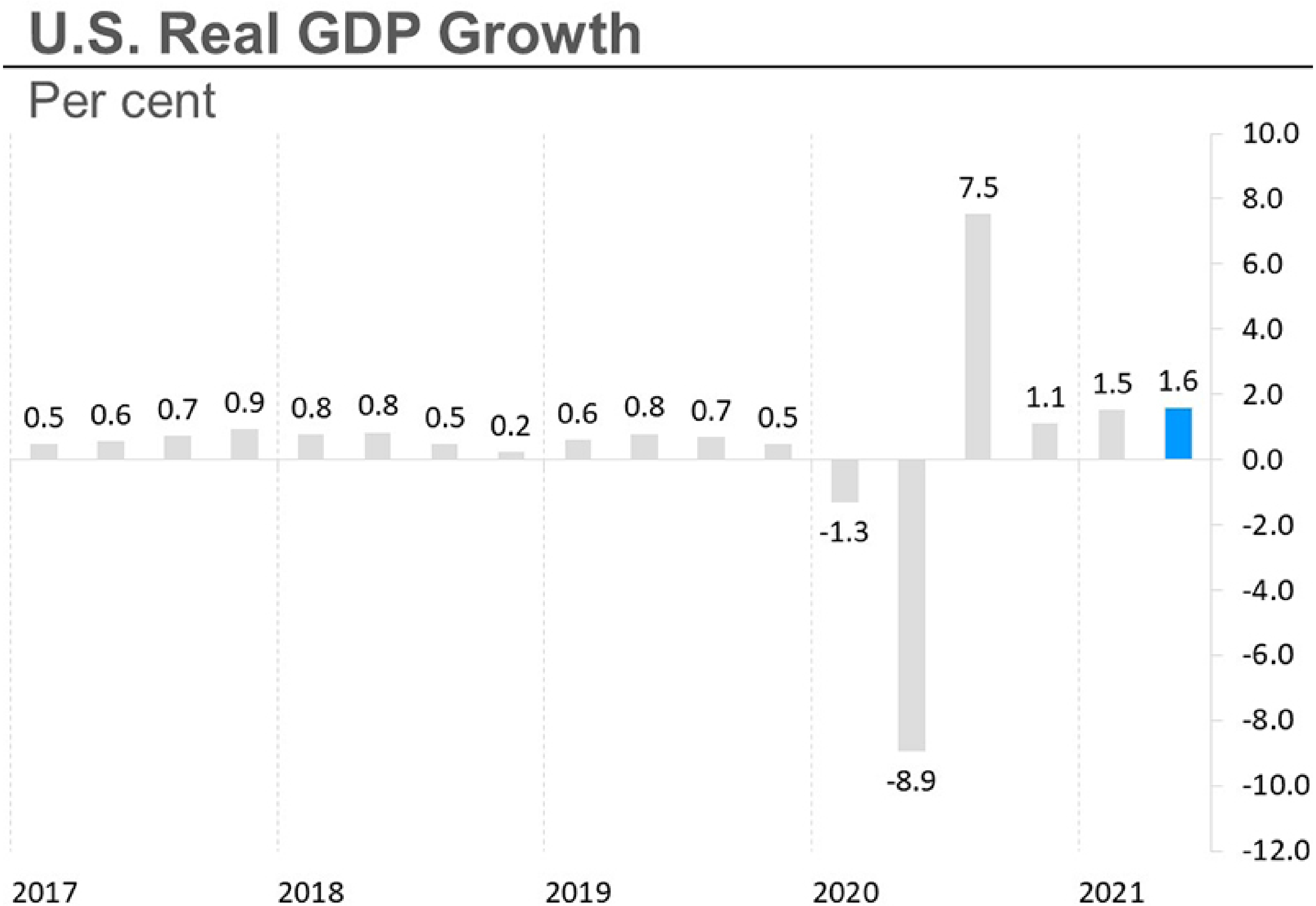
[Accessible description of chart 14: Canadian real GDP growth]

Quebec's real GDP increased 0.8% in the second quarter of 2021, following a gain of 1.9% in the first quarter. As of the second quarter, Quebec's real GDP was 0.4% above the level in 2019Q4.



[Accessible description of chart 15: Quebec Real GDP growth]

In the **U.S.** , real GDP increased 1.6% in the second quarter of 2021, following a 1.5% increase in the first quarter. As of the second quarter, U.S. real GDP was 0.9% above its level in 2019Q4.



Source: United States Bureau of Economic Analysis.

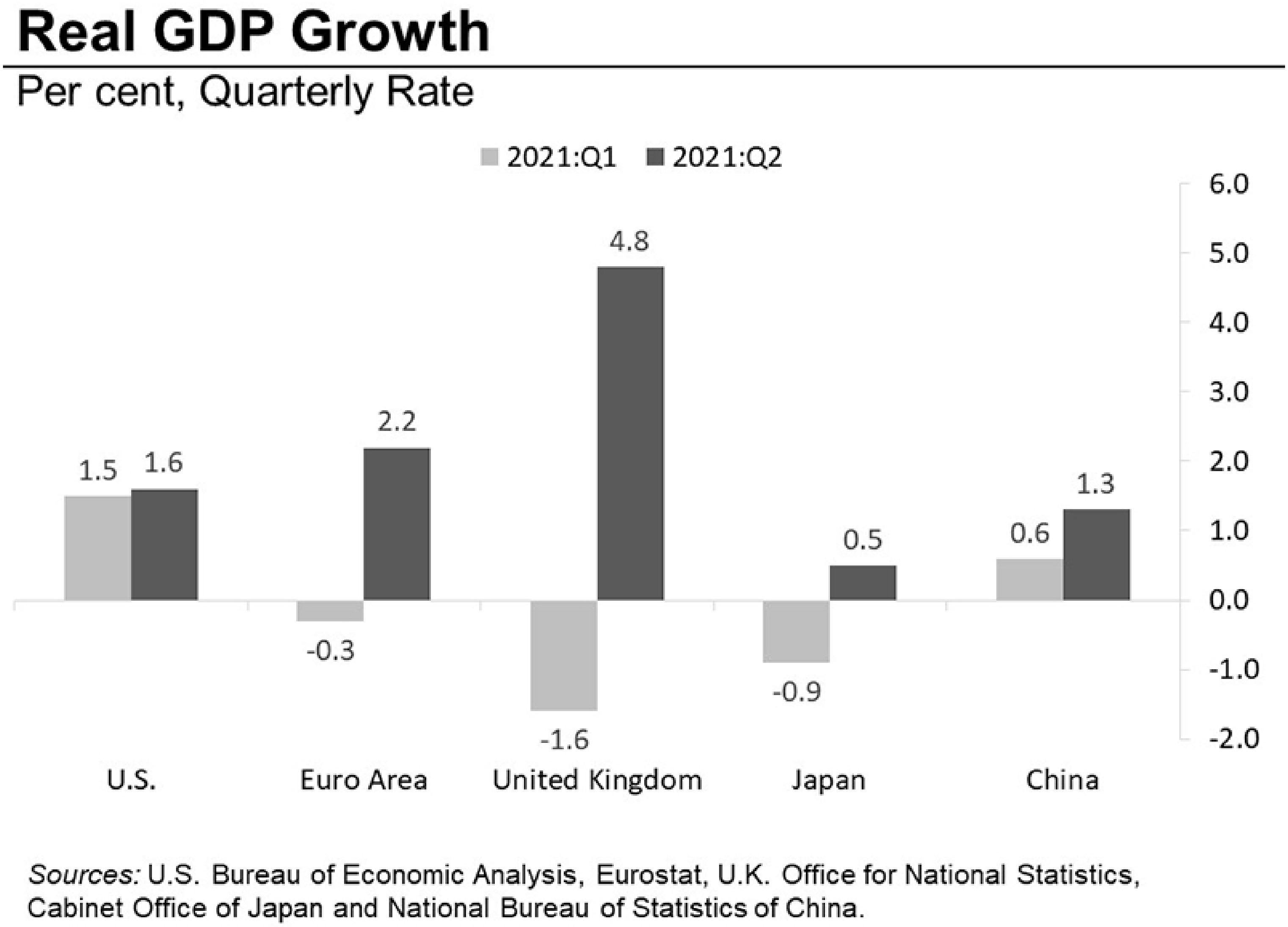
[Accessible description of chart 16: U.S. Real GDP growth]

Recent economic developments

Global economic developments

Improving U.S. economy

U.S. real GDP rose 1.6% in the second quarter of 2021, supported by fiscal and monetary policy and a rapid vaccination roll-out. As of the second quarter, U.S. real GDP has exceeded its pre-pandemic level.



Accessible description of chart 17: Real GDP growth

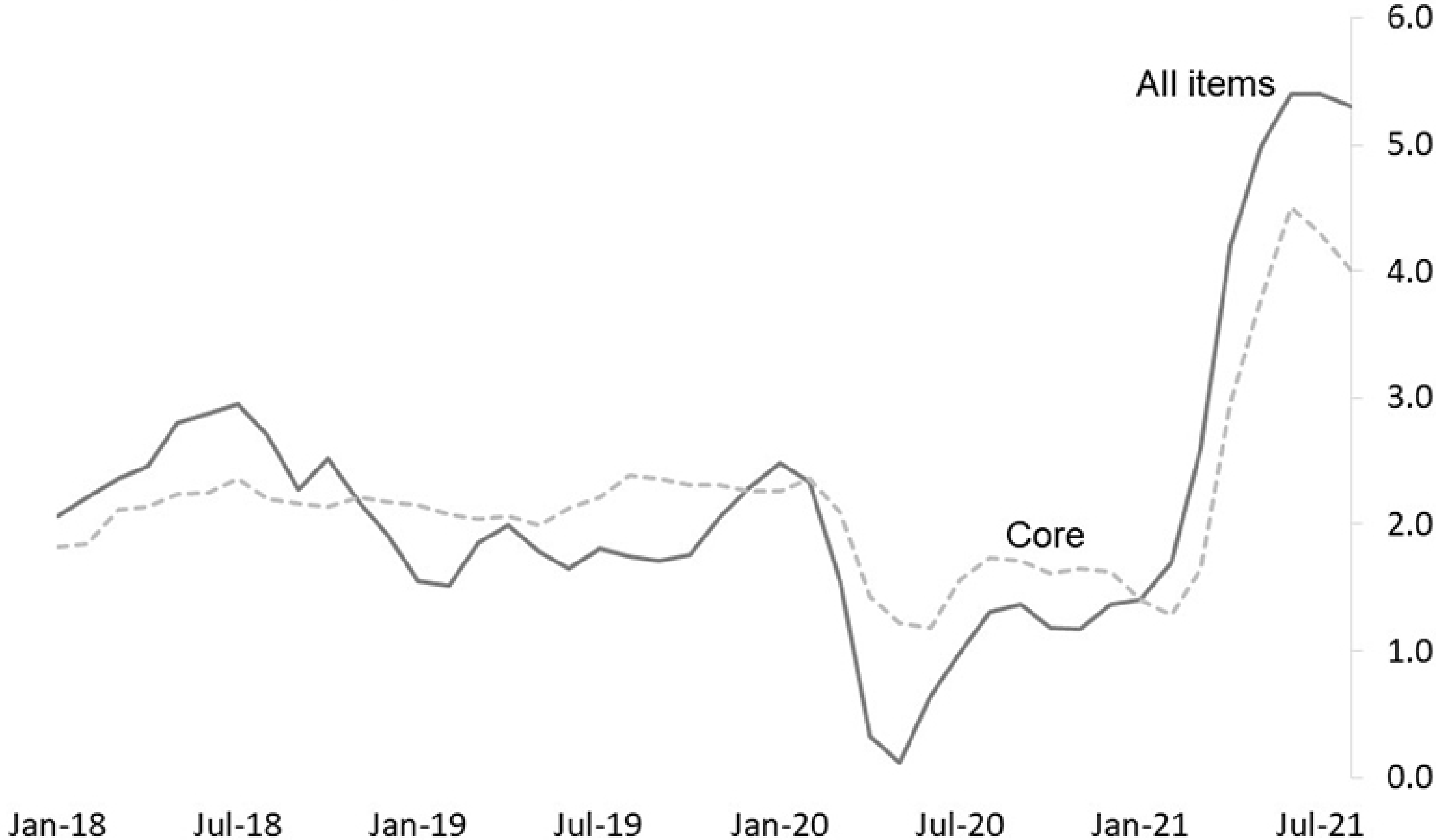
Real GDP in the **euro area** increased 2.2% in the second quarter of 2021, after declining 0.3% in the previous quarter. The **United Kingdom's** real GDP rose 4.8% in the second quarter, while **Japan's** real GDP increased 0.5%.

China's economy expanded at a faster pace in the second quarter, with real GDP rising 1.3% following a 0.6% increase in the first quarter of 2021.

Consumer prices have been rising in many countries in recent months, in part due to rising commodity prices and supply-chain disruptions. The U.S. Consumer Price Index (CPI) increased 5.3% year-over-year in August, after rising 5.4% in June and in July. CPI excluding food and energy prices rose 4.0% in August, following rises of 4.5% in June and 4.3% in July.

U.S. Consumer Price Index

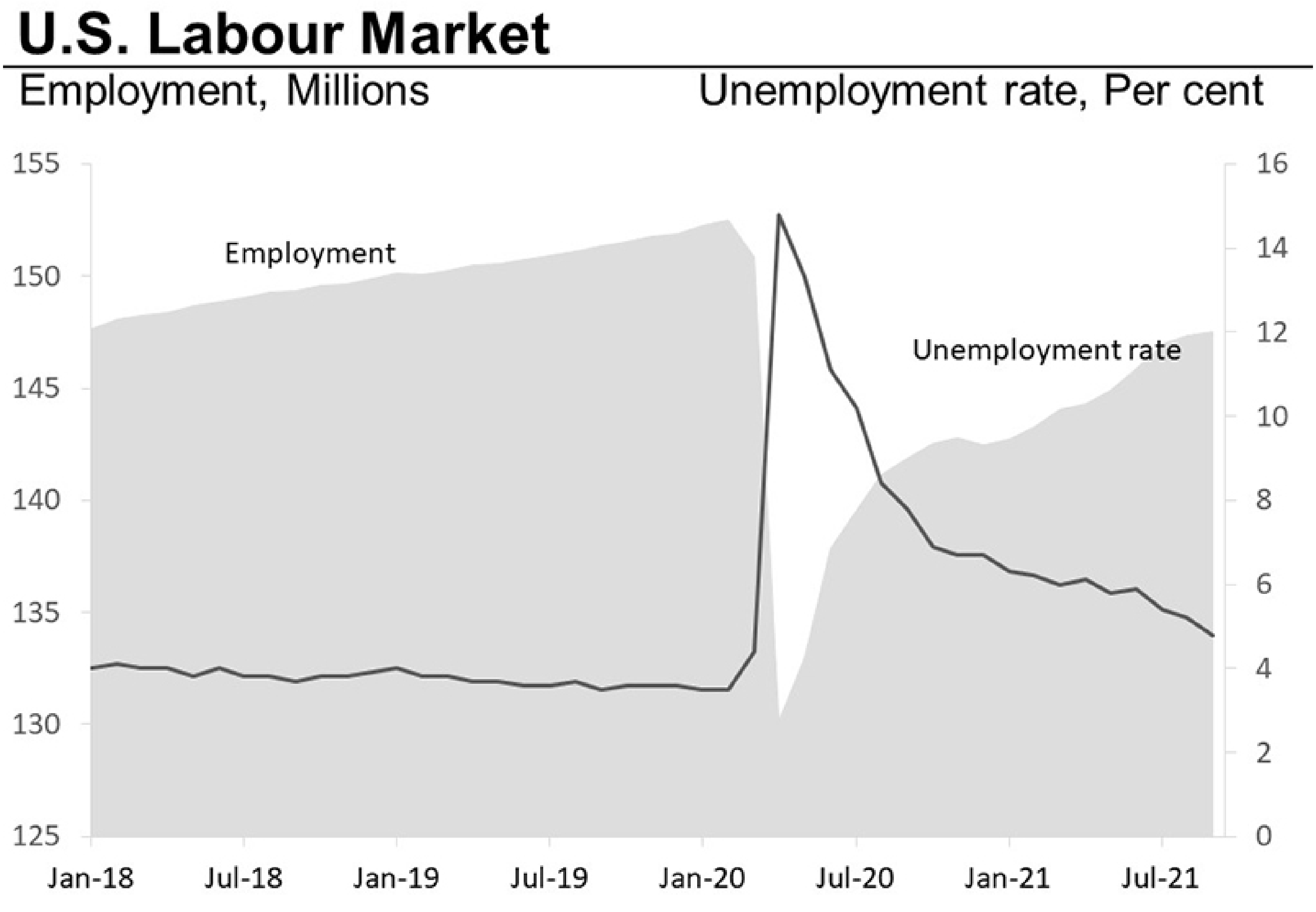
Per cent change, year-over-year



Source: U.S. Bureau of Labor Statistics

Accessible description of chart 18: U.S. Consumer price index

U.S. employment continued to recover, with non-farm payrolls rising 194,000 in September. As of September 2021, the level of U.S. employment remained 3.3% lower than the February 2020 level. The U.S. **unemployment rate** continued to decline from the peak of 14.8% in April 2020 to 4.8% in September 2021 but remains above the pre-pandemic rate of 3.5%.



Source: U.S. Bureau of Labor Statistics.

[Accessible description of chart 19: U.S. Labour market]

Central banks signal tightening

As economies continue to recover and consumer price inflation rises, central banks are signalling future tightening of monetary policy.

Government of Canada 10-Year Bond Rate

Per cent

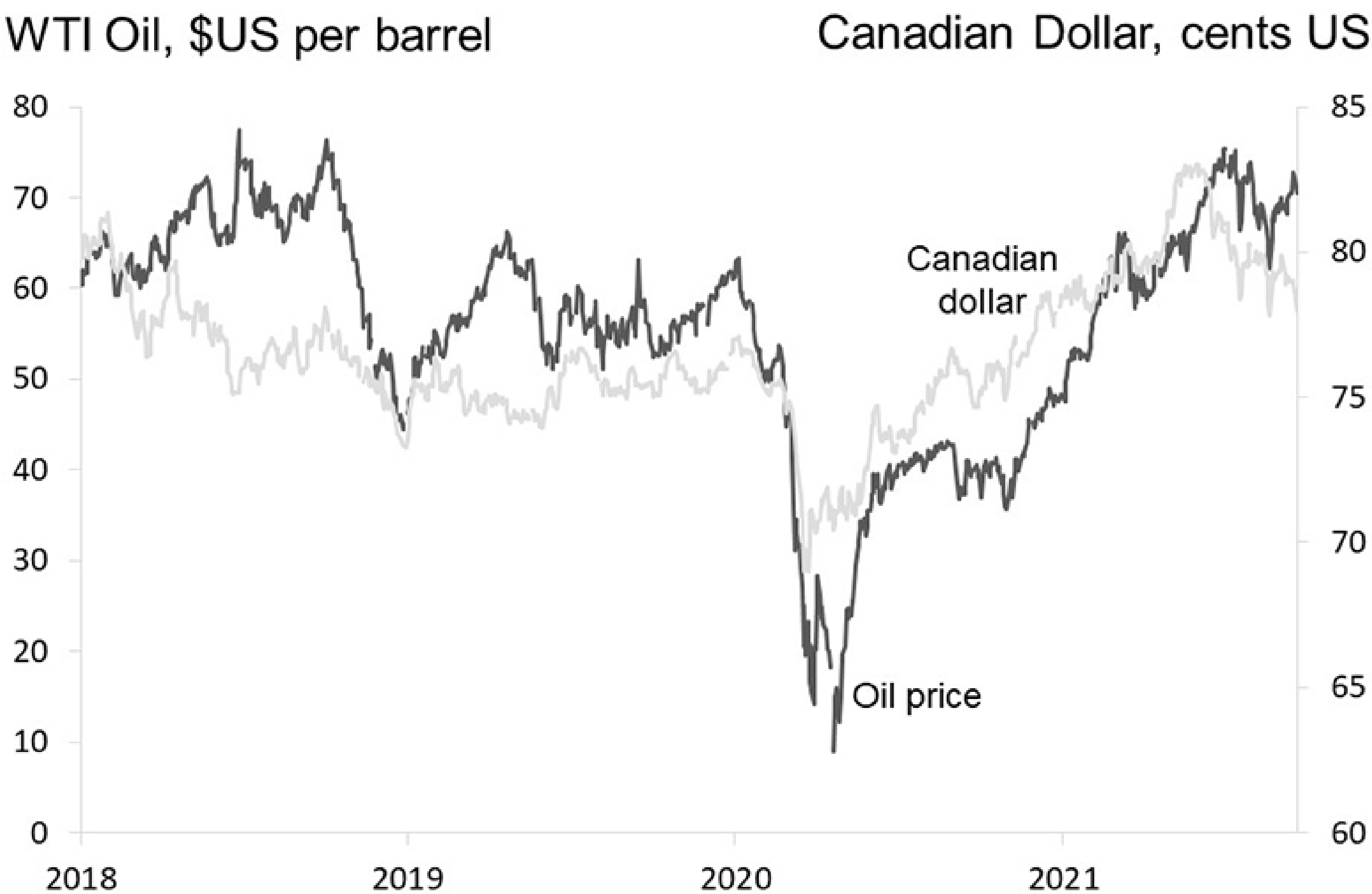
Source: Bank of Canada.

[Accessible description of chart 20: Government of Canada 10-year bond rate]

The **U.S. Federal Reserve** (Fed) has continued with the target range for the federal funds rate at 0% to 0.25% and asset purchases of US$120 billion per month. However, recent public statements by Fed officials indicate that a tapering of asset purchases is under discussion. At the latest meeting of the Fed's policy committee in September 2021, half of the members indicated that they expected an increase in the policy interest rate in 2022 and almost all expected increases by 2023.

The **Bank of Canada** continues to maintain its key policy interest rate target at 0.25% as well as its quantitative easing program. The Bank of Canada continues to view current high rates of inflation to be transitory while the economy requires monetary policy to support the economic recovery.

Oil Prices and the Canadian Dollar

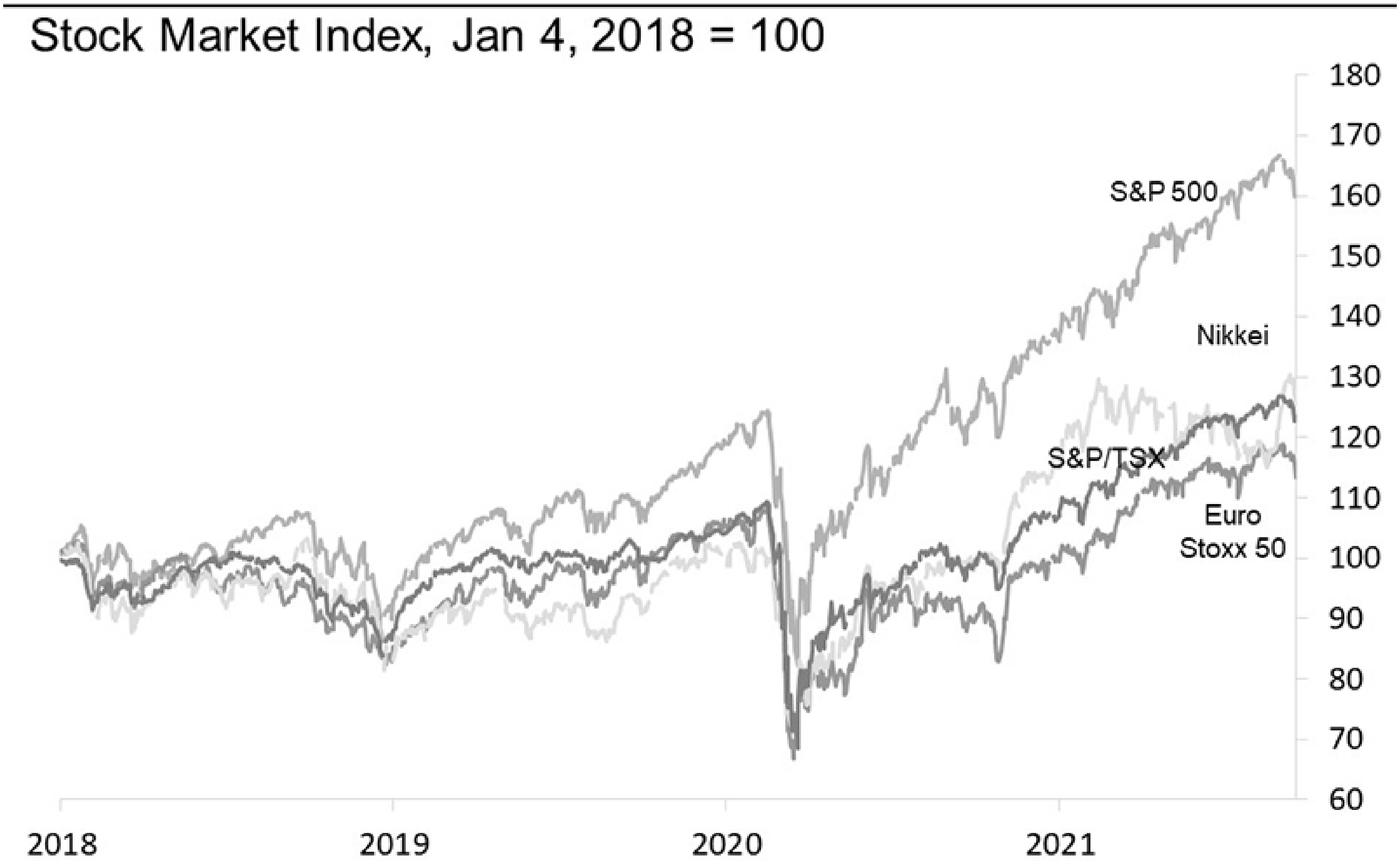


Sources: Bank of Canada and U.S. Energy Information Administration.

[Accessible description of chart 21: Oil prices and the Canadian dollar]

U.S. and Canadian longer-term government bond yields were relatively stable over most of the third quarter of 2021, following declines in late-June and early-July. The **Canadian 10-year government bond yield** was 1.2% in late-September, down from 1.4% at the end of June.

Stock Market Indices



Sources: Yahoo! Finance and STOXX.

[Accessible description of chart 22: Stock market indices]

The **Canadian dollar** traded at slightly below 80 cents U.S. by mid-September, after briefly rising above 80 cents U.S. in late-July.

Global oil prices continued to rise, with WTI crude oil prices trading near US$70 per barrel in mid-September as strengthening economic activity supported oil demand.

Major stock indices also trended higher, with the U.S. S&P 500 reaching record highs in the third quarter and rising 1.3% by late-September compared to the end of June. Canada’s S&P/ TSX Composite index rose 0.3% by late September compared to the end of June.

Employment

Labour market rebound

Ontario's **employment** increased by 73,600 jobs in September, following strong gains in the previous three months, coinciding with the staged reopening of the economy. Since June 2020, employment has risen by 1.1 million jobs. As of September 2021, employment was 8,600 (+0.1%) above the February 2020 pre-pandemic level.

Ontario's Labour Force

Employment:
+1,143,300 net new jobs since June 2020

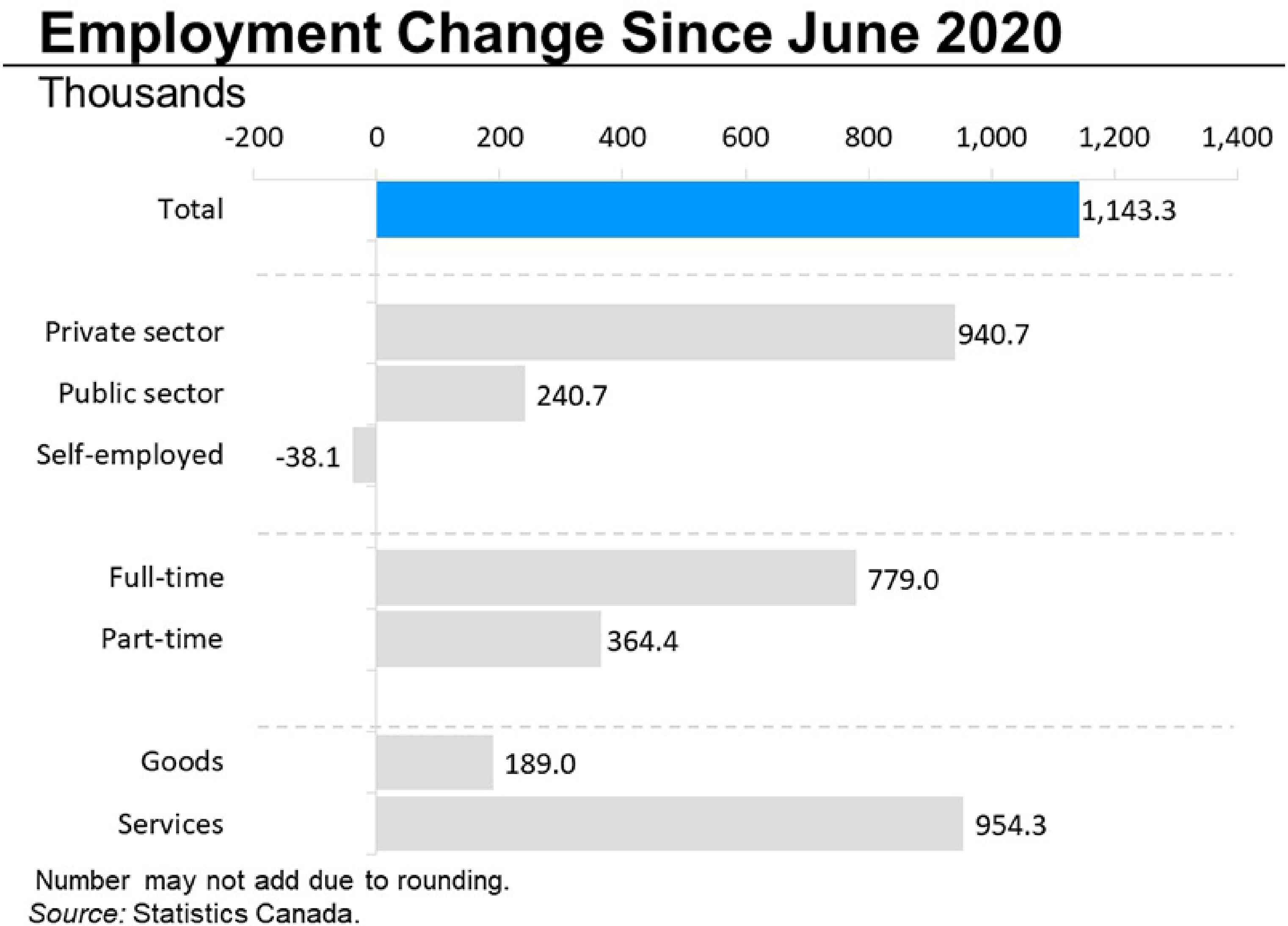
Unemployment Rate:
7.3% in September 2021

Source: Statistics Canada.

[Accessible description of chart 23: Ontario's labour force]

The recovery in employment included increases in both full-time (+779,000) and part-time (+364,400) jobs since June 2020.

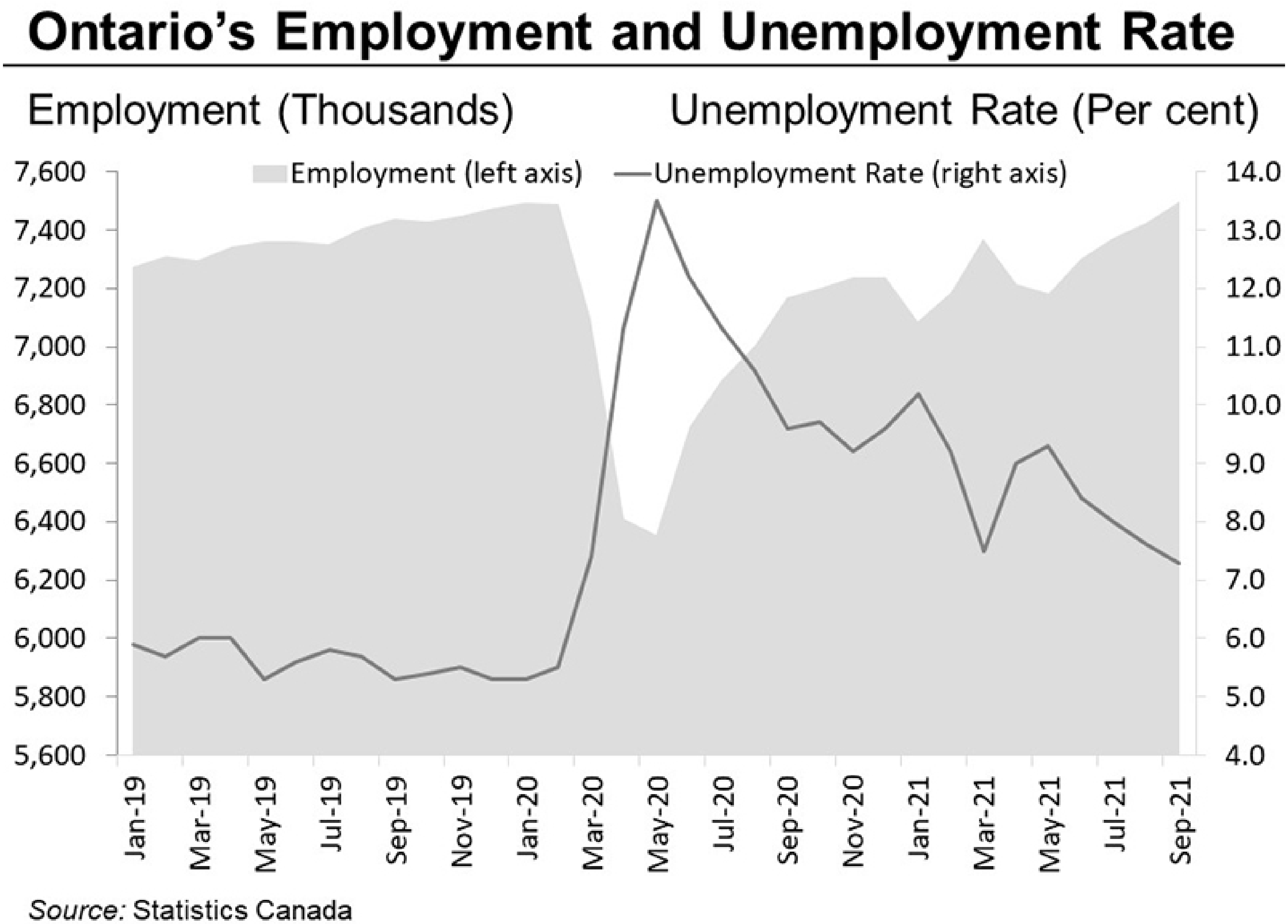
Most of the increase in employment since June 2020 was in the private sector (+940,700). Public sector employment (+240,700) also increased, while self-employment (-38,100) decreased over the period.



[Accessible description of chart 24: Employment change since June 2020]

Employment increased in both service-producing (+954,300) and goods-producing (+189,000) industries since June 2020.

In September 2021, the **unemployment rate** was 7.3%, down from a high of 13.5% in May 2020.



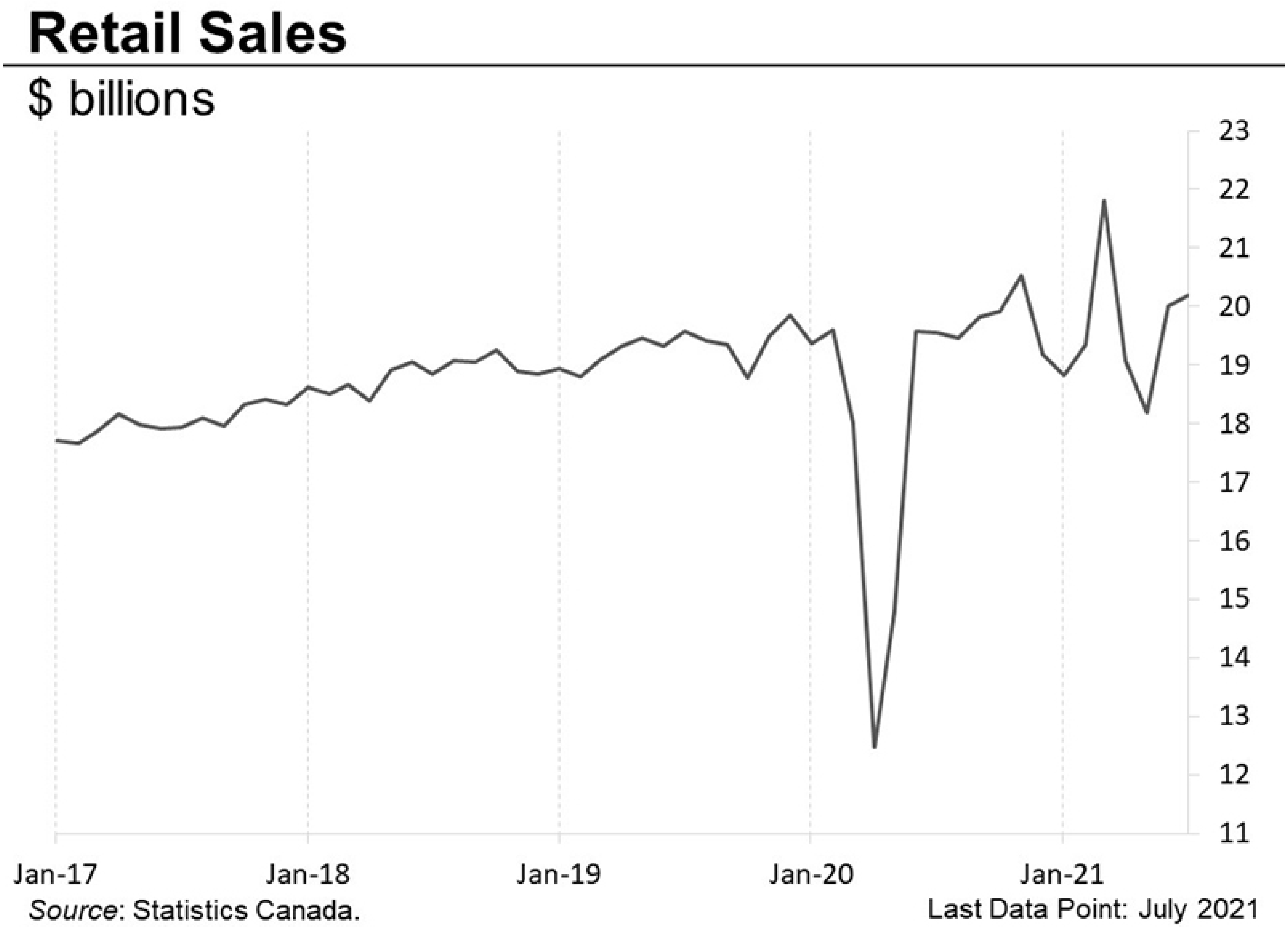
[Accessible description of chart 25: Ontario's employment and unemployment rate]

Note: More information on Ontario labour market performance can be found in the Quarterly Ontario Employment Report at:
https://www.ontario.ca/document/ontario-employment-reports

Consumer and business activity

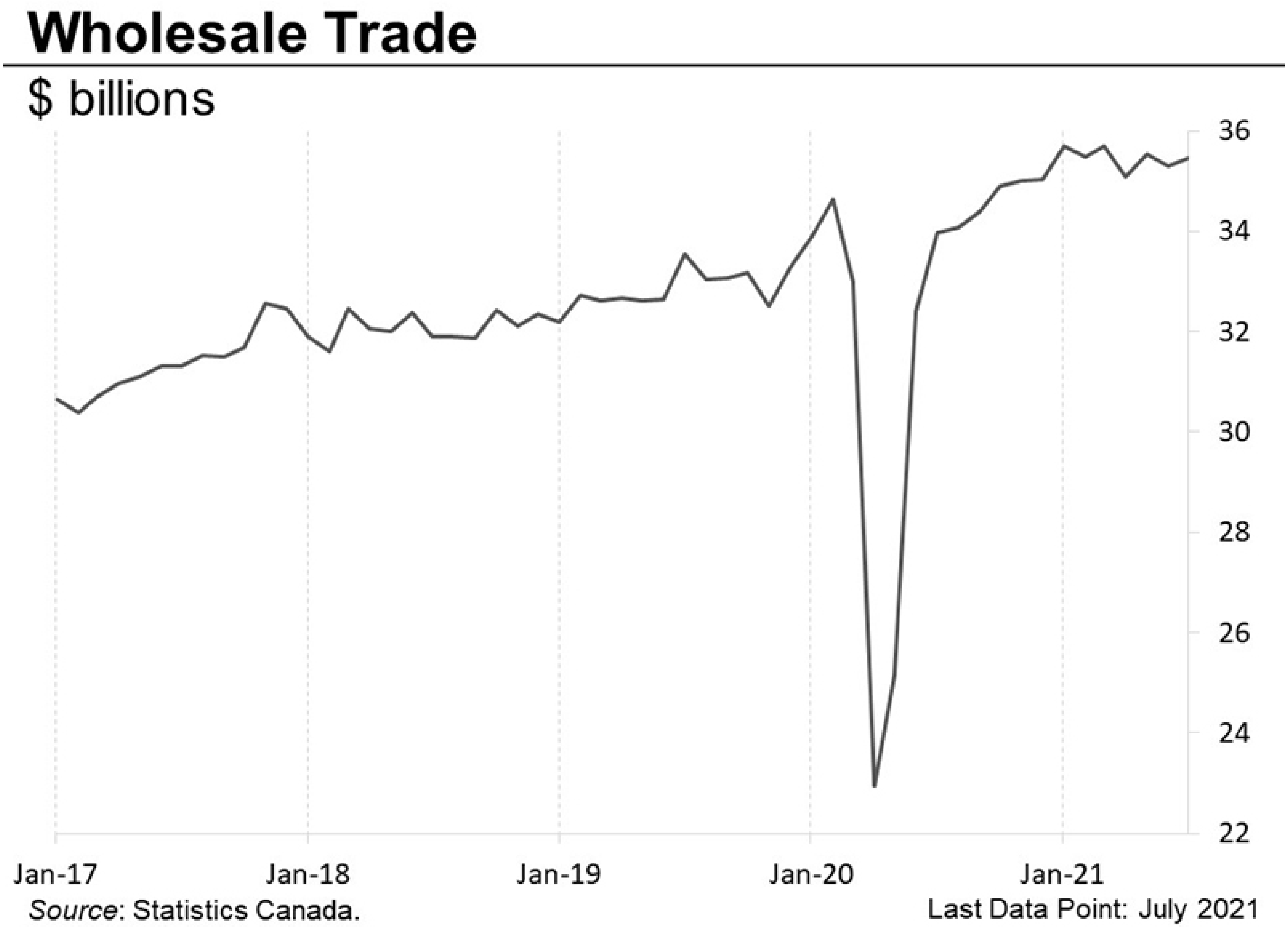
Retail and wholesale trade and manufacturing sales

Ontario retail sales rose 0.9% in July, following a 10.0% increase in June. The gains in June and July were led by clothing stores and general merchandise stores, coinciding with the staged reopening of the Ontario economy.



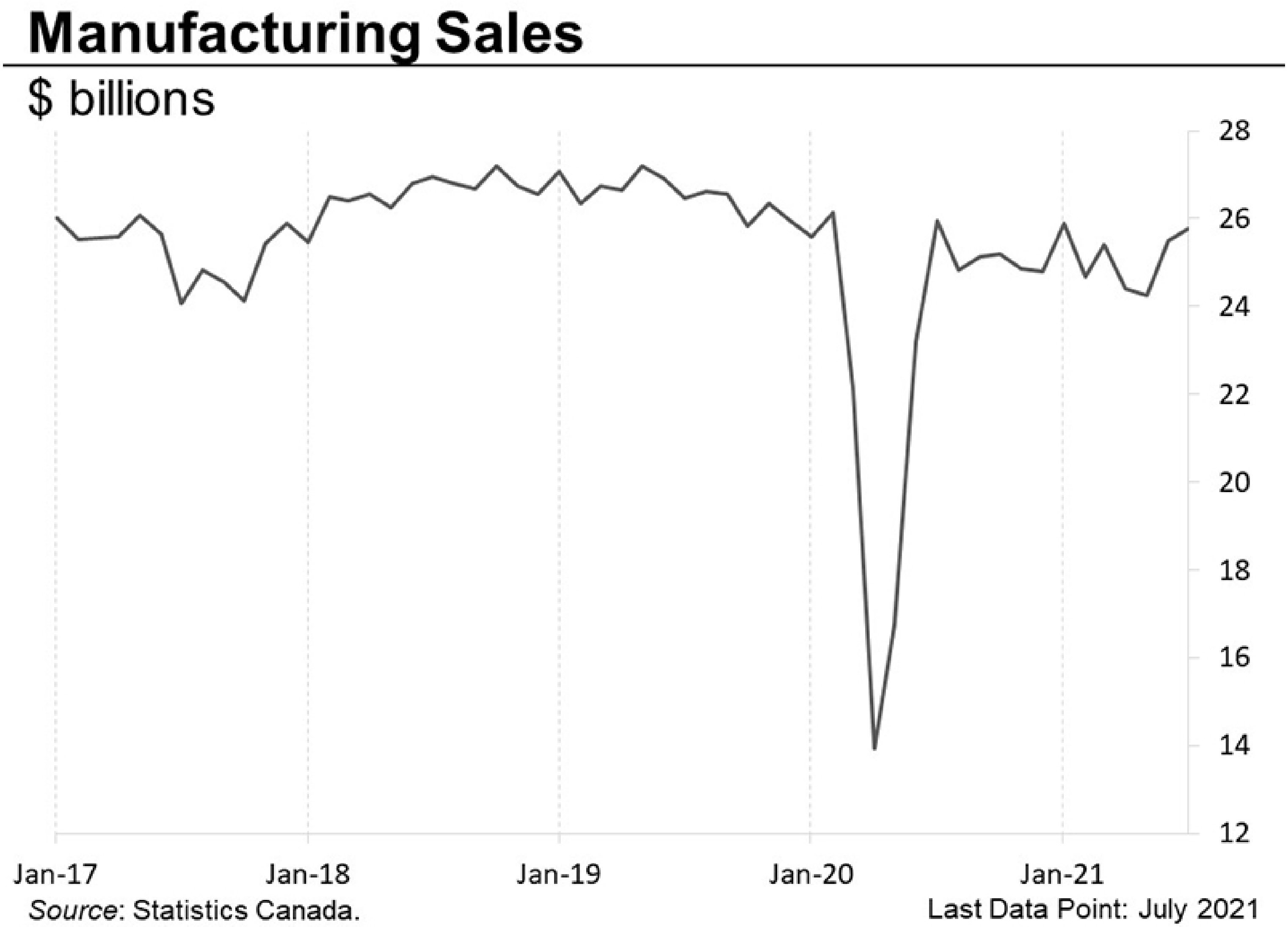
Accessible description of chart 26: Retail sales

Wholesale trade increased by 0.4% in July, following a 0.7% decline in June. In July, gains in motor vehicles and parts (+10.7%) were largely offset by a decline in building material and supplies (−9.0%).



[Accessible description of chart 27: Wholesale trade]

Manufacturing sales increased by 1.1% in July, following a 5.1% increase in June. The increase in the month was led by transportation equipment (+8.4%) and plastics and rubber (+6.8%). Gains were partially offset by declines in chemical (−6.4%) and wood product (−17.3%) manufacturing.



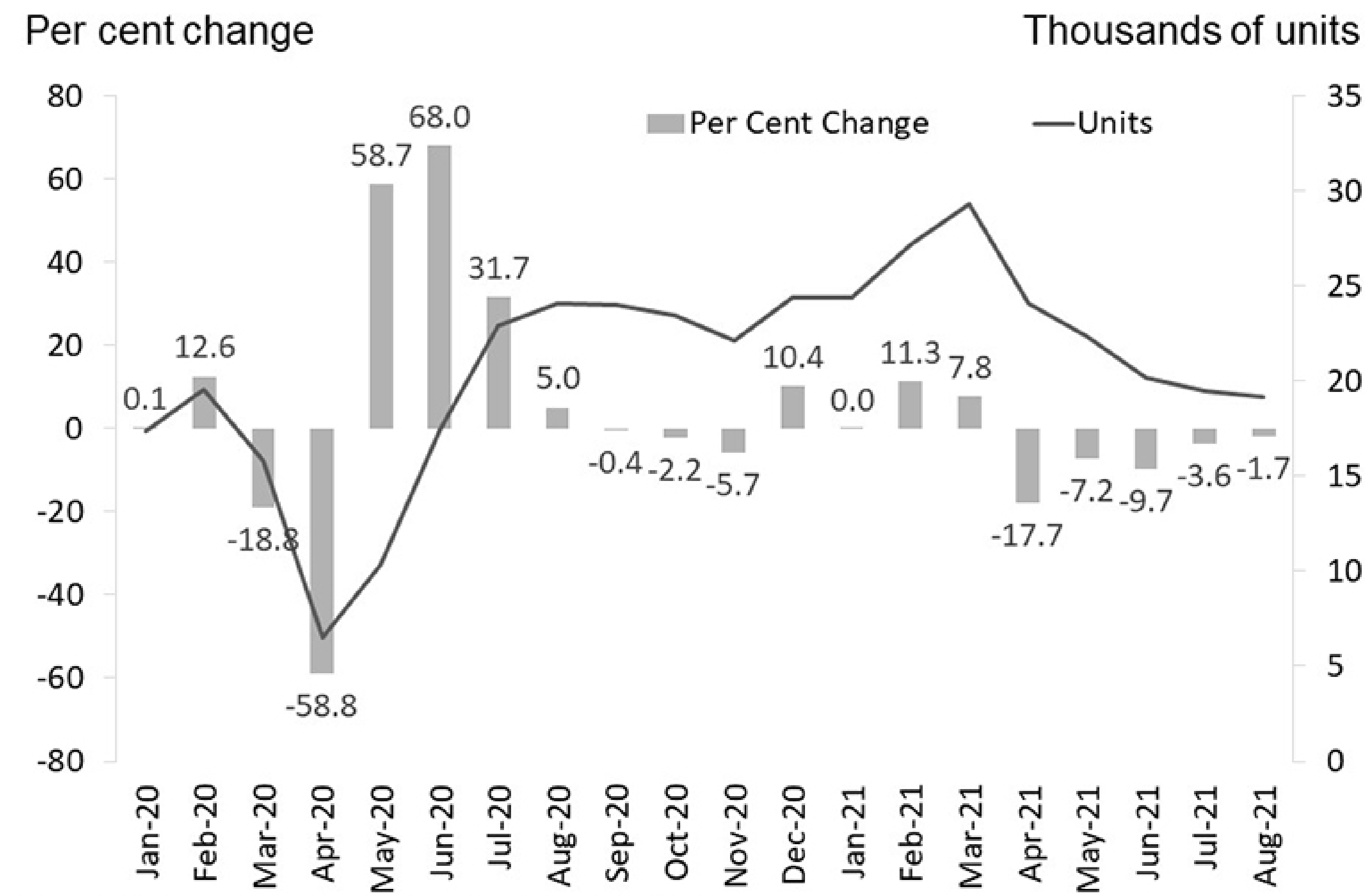
[Accessible description of chart 28: Manufacturing sales]

Housing

Housing market overview

Sales of existing homes in Ontario deceased by 1.7% in August, the fifth consecutive monthly decline. The recent downward trend follows a strong acceleration at the beginning of the year when the volume of sales reached a peak in March 2021.

Ontario Home Resales

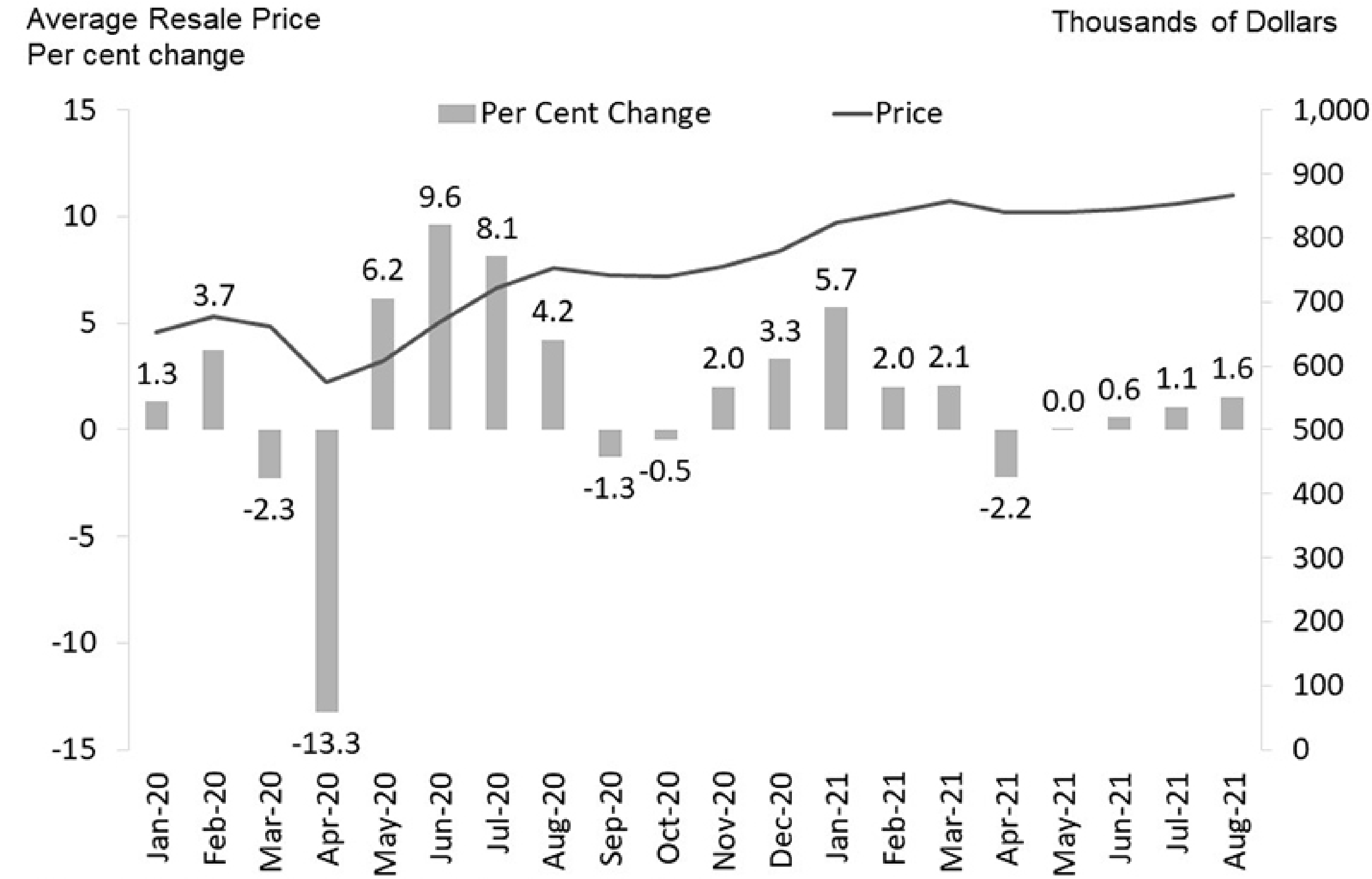


Source: Canadian Real Estate Association (CREA).

Accessible description of chart 29: Ontario Home Resales

Ontario **average home resale prices** continued to trend upwards, increasing 1.6% in August, after rising 1.1% in July.

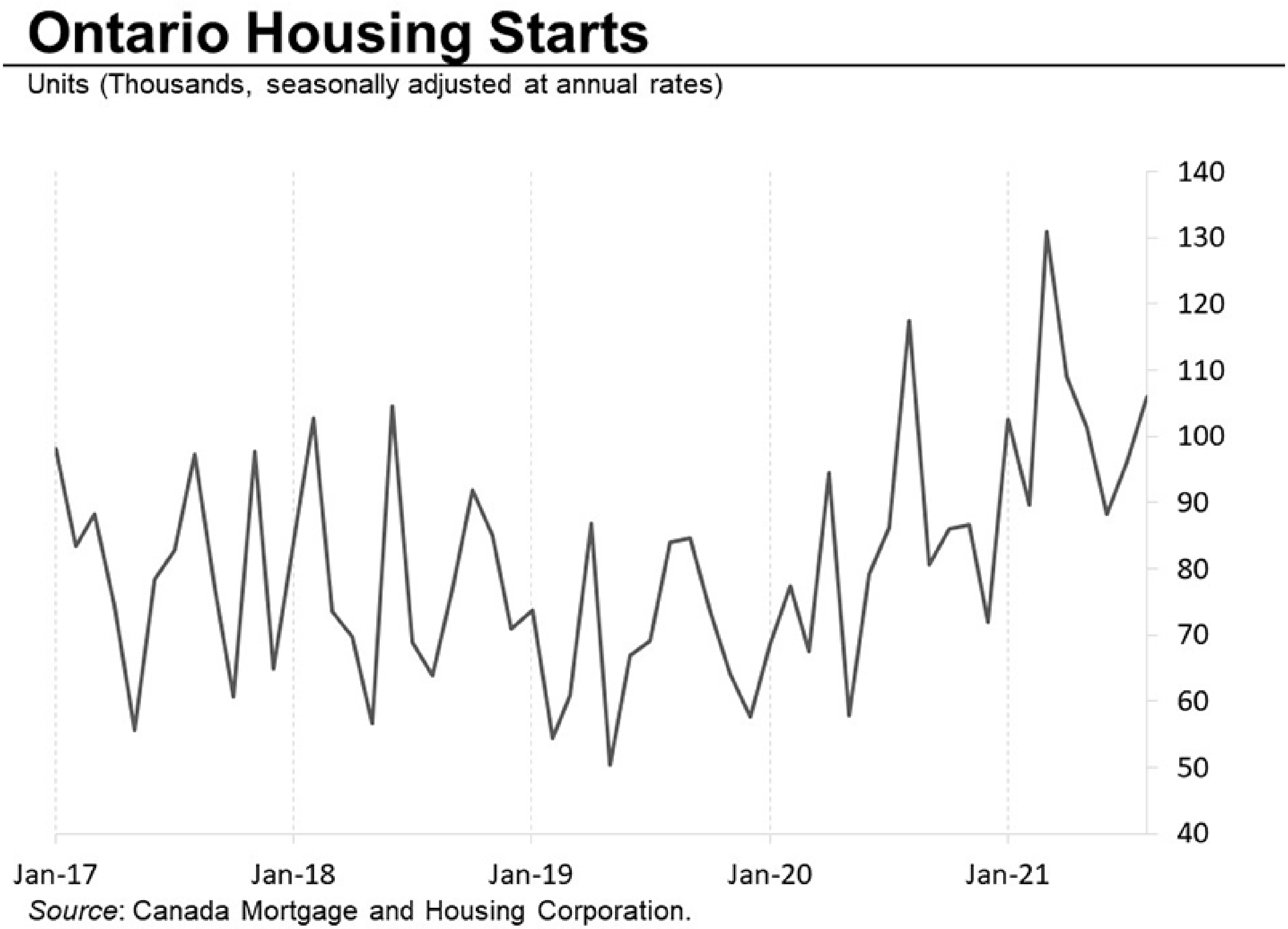
Ontario Home Resale Prices



Source: Canadian Real Estate Association (CREA).

[Accessible description of chart 30: Ontario Home Resale Prices]

Housing starts in Ontario increased 10.3% in August, following a 9.0% decline in July. On a year-to-date basis, **housing starts** increased 18.5% in the first eight months of 2021, compared to the same period in 2020. Both single-detached (+41.4%) and multiple-unit (+11.1%) starts rose over the period.



[Accessible description of chart 31: Ontario Housing Starts]

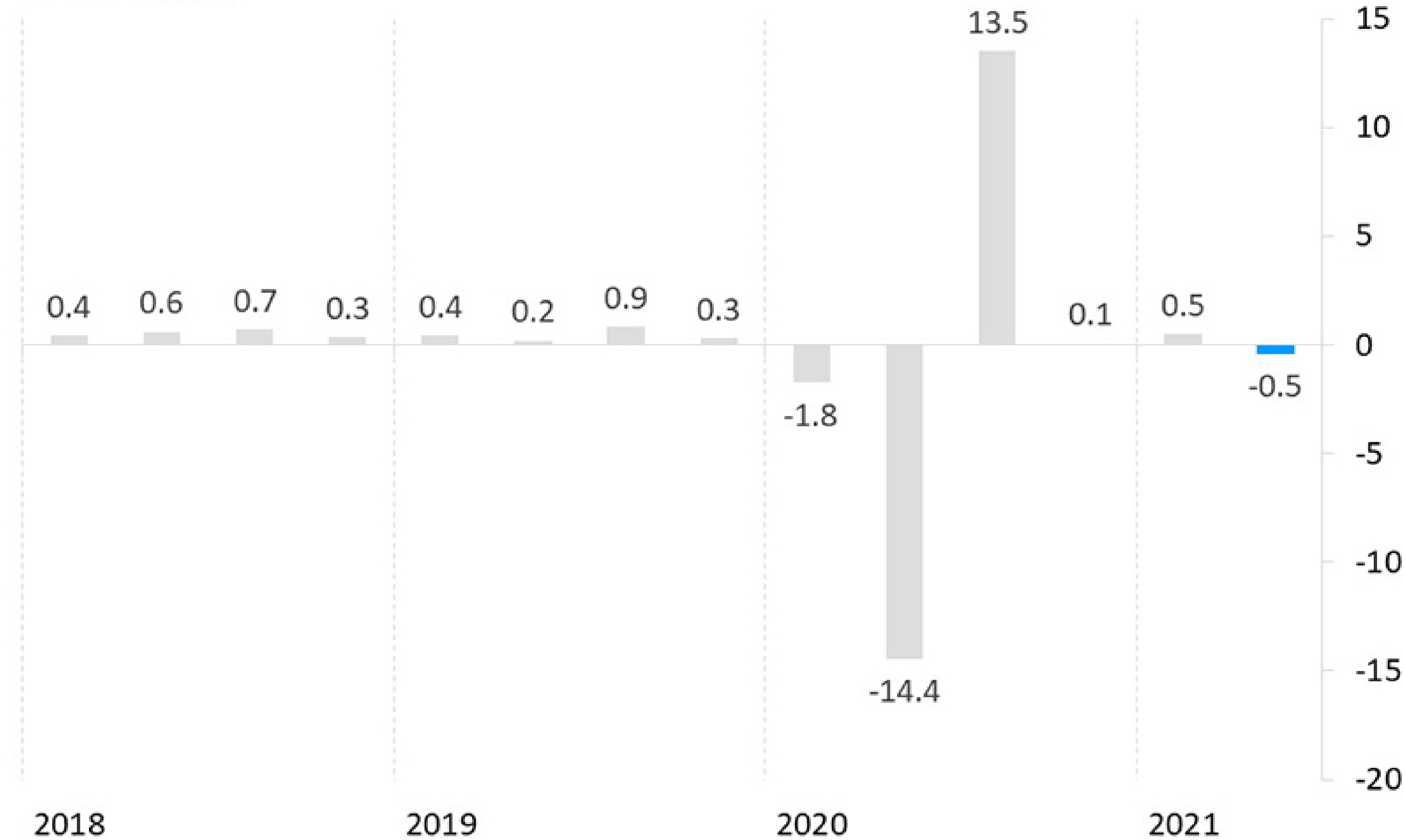
In focus

Household consumption in Ontario

Ontario’s real household consumption declined sharply at the beginning of the COVID-19 pandemic, decreasing 15.9% between the fourth quarter of 2019 and second quarter of 2020. After quickly rebounding by 13.5% in the third quarter of 2020, household consumption spending has been relatively steady, and remains 4.5% below the pre-pandemic level.

Household Consumption Growth

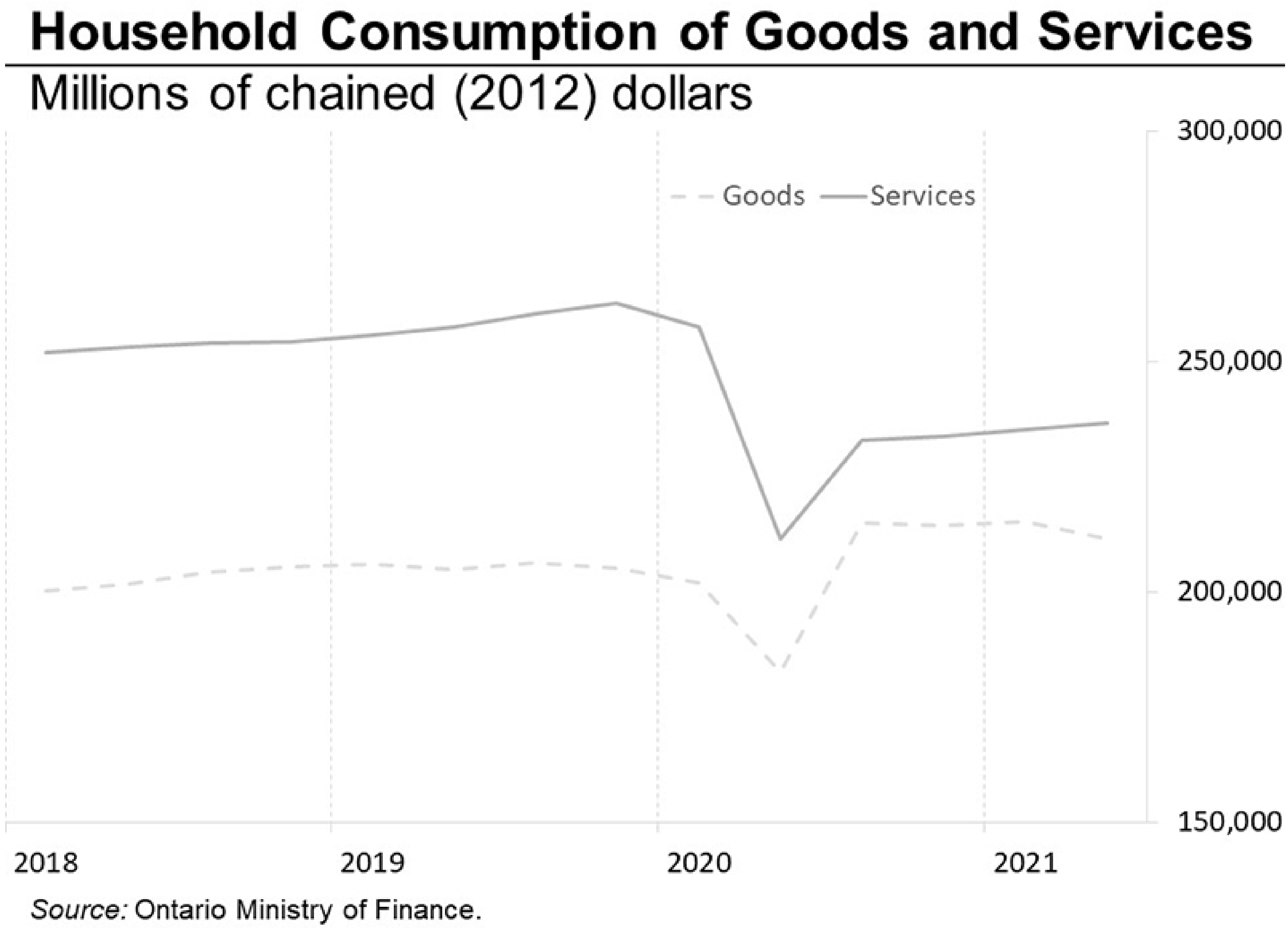
Per cent



Source: Ontario Ministry of Finance.

[Accessible description of chart 32: Household Consumption Growth]

Spending on services, which accounts for over half of total spending, declined more sharply than goods, and remains below pre-pandemic levels, while goods spending has surpassed its pre-pandemic level. Spending on services declined 19.5% between the fourth quarter of 2019 and second quarter of 2020 and remains 10.0% below the pre-pandemic level as of the second quarter of 2021.

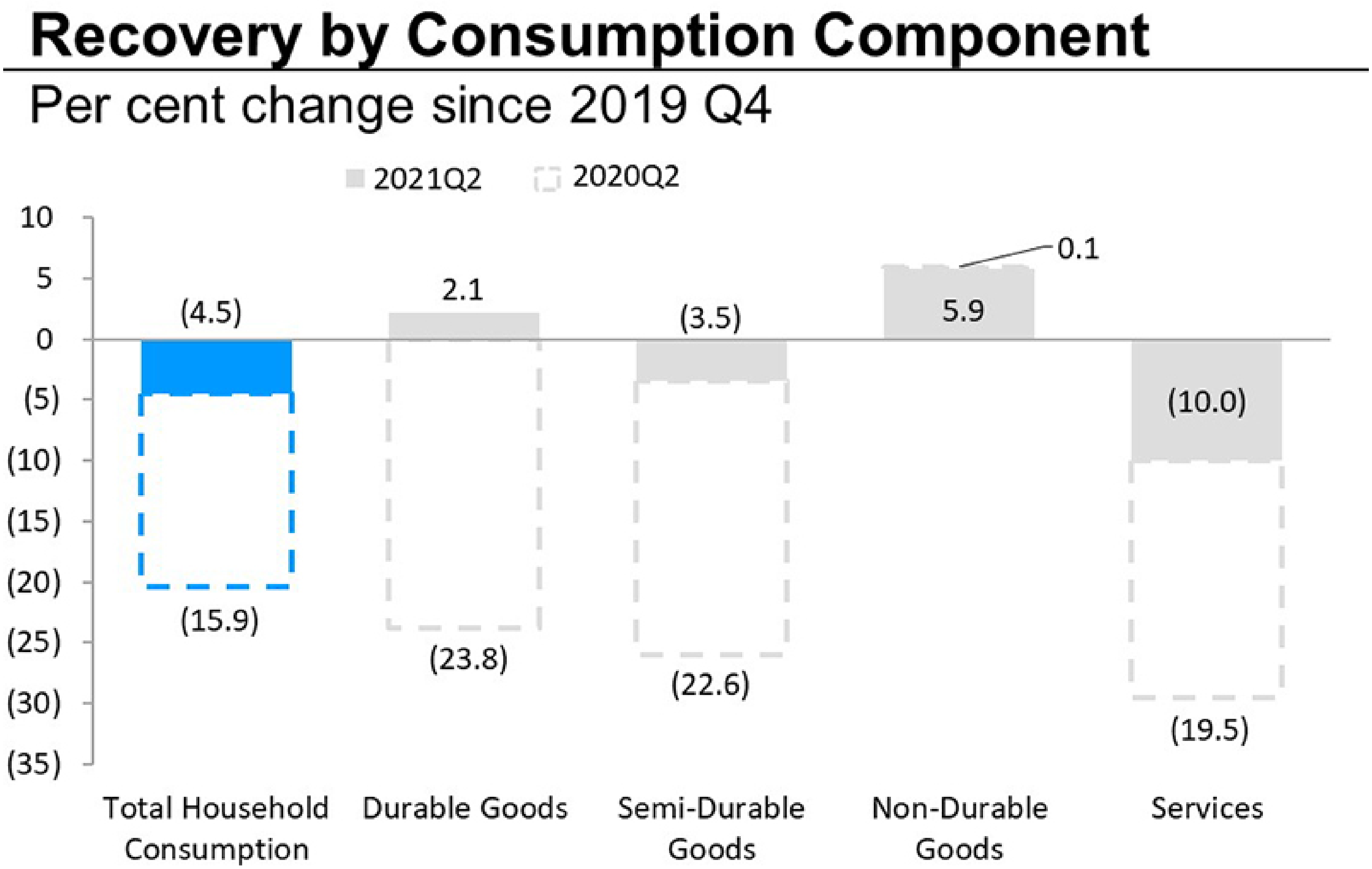


Accessible description of chart 33: Household consumption of goods and services

Spending on durable goods declined 23.8% between the fourth quarter of 2019 and second quarter of 2020, but by the second quarter of 2021, was 2.1% above the pre-pandemic level. The decline and recovery were largely concentrated in spending on motor vehicles.

Semi-durable goods spending declined 22.6% between the fourth quarter of 2019 and second quarter of 2020 and remained 3.5% below the pre-pandemic level in the second quarter of 2021. The decline can be largely tied to spending at clothing stores.

Spending on non-durable goods edged up slightly between the fourth quarter of 2019 and second quarter of 2020 and was 5.9% above the pre-pandemic level as of the second quarter of 2021. The increases were largely concentrated in food spending.



Source: Ontario Ministry of Finance.

Accessible description of chart 34: Recovery by consumption component

Appendix

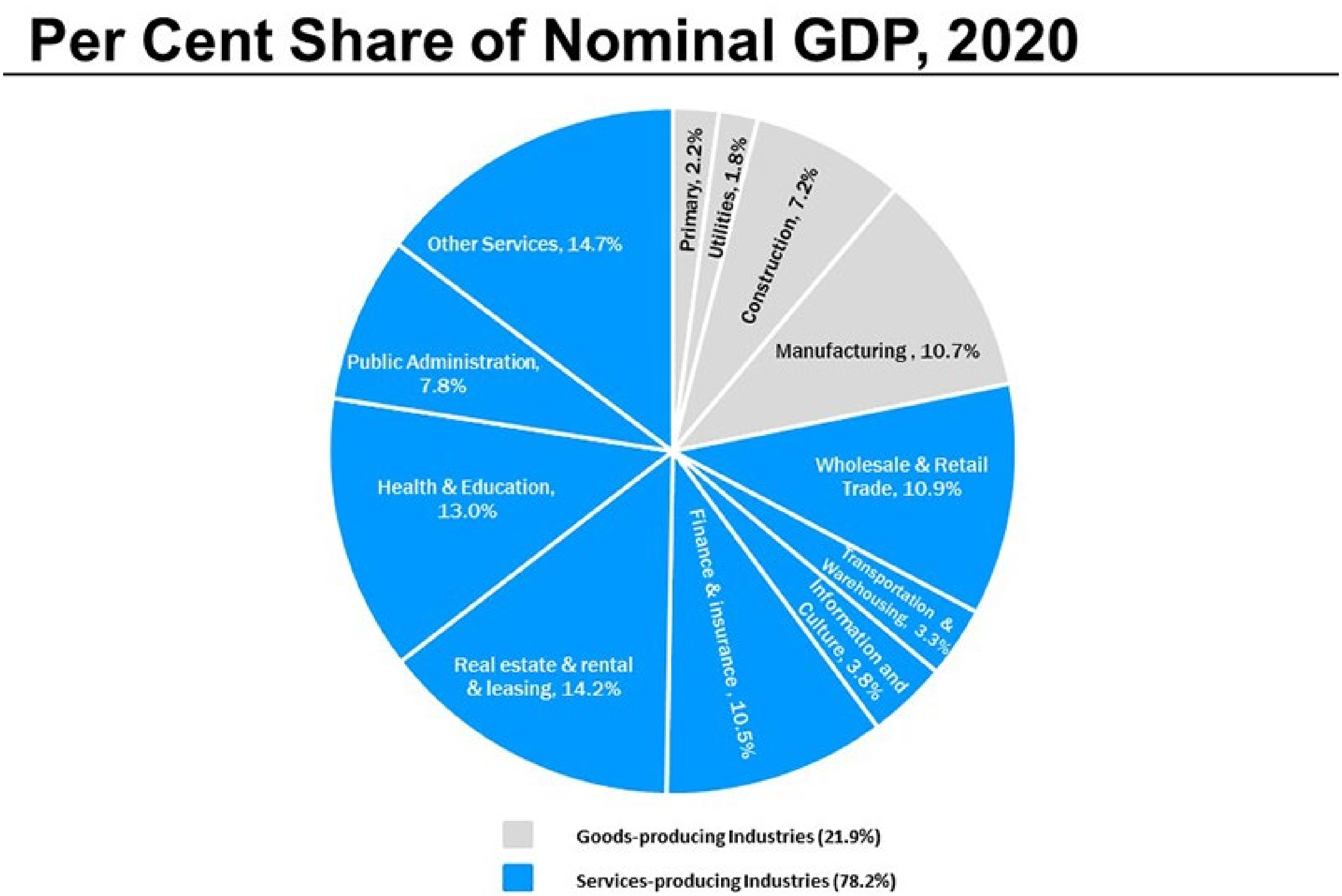
Appendix: Ontario Economic Accounts release dates

The *Fiscal Sustainability, Transparency and Accountability Act, 2019* states that the quarterly Ontario Economic Accounts should be released within 45 days of the Statistics Canada release of the National Income and Expenditure Accounts.

In compliance with the legislation, the OEA will be released according to the following schedule:

Reference period	Expected Statistics Canada release of National Income and Expenditure Accounts	Corresponding deadline for the release of Ontario Economic Accounts
Third Quarter (July-September) 2021	November 30, 2021	By January 14, 2022
Fourth Quarter (October-December) 2021	March 1, 2022	By April 14, 2022

Appendix: Structure of the Ontario economy



[Accessible description of chart 35: Per cent share of nominal GDP, 2020]

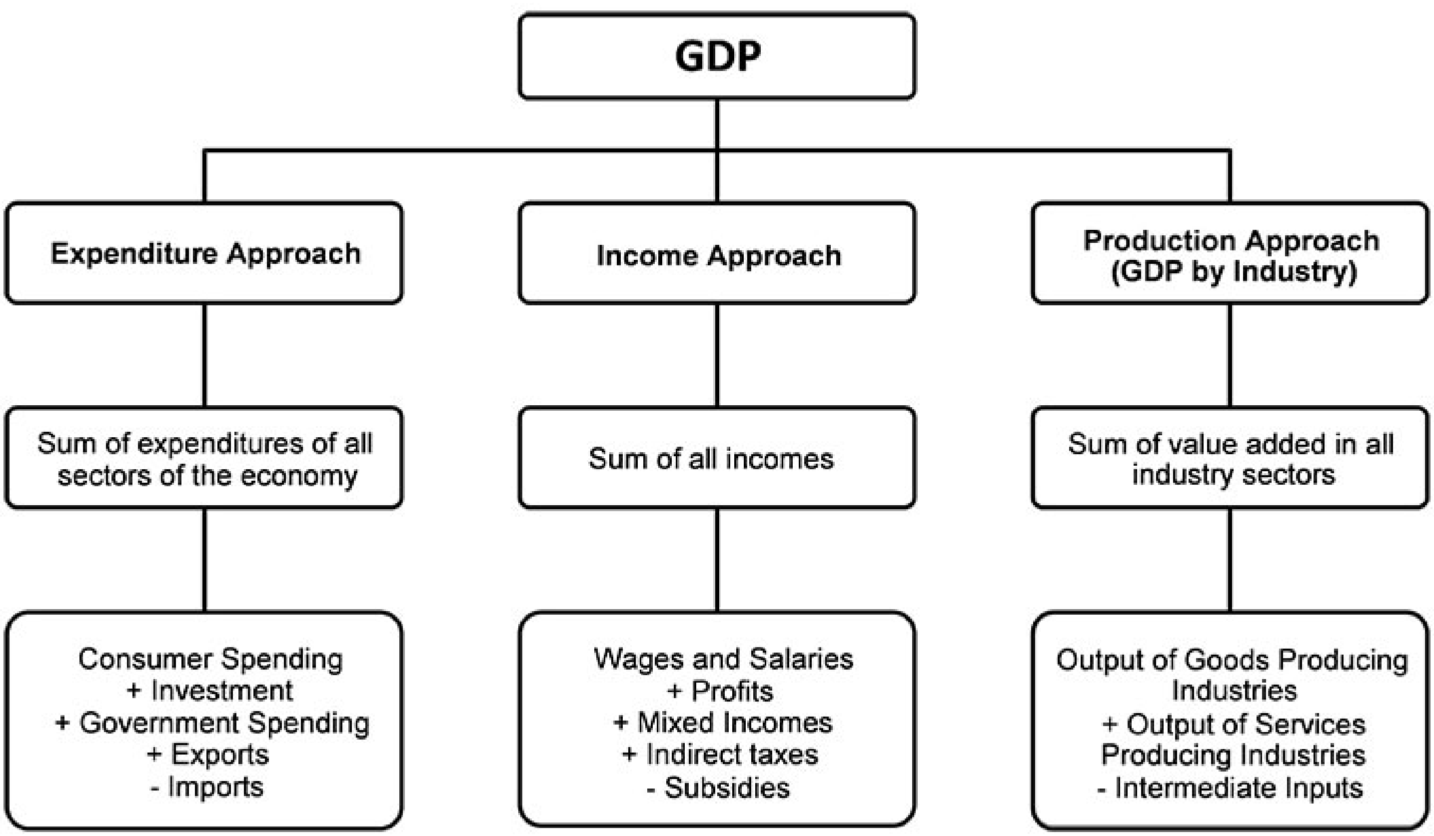
Appendix: How GDP is measured

The Ontario Economic Accounts provide measurements of GDP using three different methodologies, by expenditure, income and industry.

The **GDP by expenditure** approach defines GDP as the aggregate of all expenditures on final consumption, gross capital formation and net trade by consumers, governments and businesses that occur within Ontario's economy over a given time period. This measurement of GDP can also be defined as the sum of consumer spending, gross investment, government spending and net trade.

The **GDP by income** approach equates GDP to the total income earned through contributions to production within Ontario's economy by labour and capital over a given time period. That is, GDP is the sum of all wages and salaries paid to employees, the gross operating surplus of businesses, gross mixed income and indirect taxes less subsidies.

The **GDP by industry** approach measures GDP by calculating the total output of the goods and services producing industries within Ontario's economy and subtracting the cost of intermediate inputs used in final production. This approach can also be referred to as the value-added approach as it quantifies the additional value generated by industries through the production of final products within the economy.



Accessible description of chart 36: Appendix, How GDP is measured

For a full list of definitions used in the Ontario Economic Accounts, please see Statistics Canada's System of Macroeconomic Accounts Glossary.

List of data tables

View the related data tables at Ontario's Open Data Catalogue

Accessible image descriptions:

Chart 1: Ontario GDP, second quarter 2021

The chart indicates the per cent change in real and nominal GDP in the second quarter of 2021. Real GDP declined by 0.8% and nominal GDP increased 0.9% in the quarter.

Source: Ontario Ministry of Finance.

Return to chart

Chart 2: Real GDP growth

The bar chart illustrates Ontario's quarterly per cent real GDP growth from the first quarter of 2017 to the second quarter of 2021. Ontario has experienced real GDP growth over the entire period up until the first quarter of 2020 when real growth decreased by 1.5% followed by a steeper 12.0% decline in the second quarter. Real GDP rebounded by 9.7% in the third quarter of 2020 followed by smaller gains of 2.0% in the fourth quarter of 2020, and 1.2% in the first quarter of 2021. In the second quarter of 2021, real GDP declined by 0.8%.

Source: Ontario Ministry of Finance.

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Chart 3: Real GDP change by expenditure component

The horizontal bar chart depicts the per cent change in Ontario's real GDP and its components for the second quarter of 2021. Real GDP decreased by 0.8% in the quarter, with declines in household consumption (−0.5%), business investment (−1.3%), exports (−5.0%) and imports (−1.9%). Government spending rose 1.0% in the quarter.

Source: Ontario Ministry of Finance.

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Chart 4: Real export and import growth

The bar chart shows the quarterly per cent change in real exports and imports from the first quarter of 2017 to the second quarter of 2021. Exports decreased by 5.0% in the second quarter of 2021, after declining 1.3% in the first quarter, while imports declined 1.9% in the second quarter, after decreasing 0.4% in the first quarter.

Source: Ontario Ministry of Finance.

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Chart 5: Nominal GDP growth

The bar chart illustrates Ontario's quarterly per cent nominal GDP growth from the first quarter of 2017 to the second quarter of 2021. Ontario has experienced nominal GDP growth over the entire period, except for the first two quarters of 2020. Nominal GDP declined a record 12.9% in the second quarter of 2020, following a decrease of 2.3% in the first quarter of 2020. This was followed by a record 11.9% rebound in the third quarter of 2020, followed by more modest gains of 3.6% in the fourth quarter of 2020, 4.1% in the first quarter of 2021 and 0.9% in the second quarter of 2021.

Source: Ontario Ministry of Finance.

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Chart 6: Nominal GDP change by income component

The horizontal bar chart depicts the per cent change in nominal GDP and its components for the second quarter of 2021. Nominal GDP advanced 0.9% in the second quarter of 2021 with gains in net mixed income (+1.6%), compensation of employees (+0.3%) and net operating (+0.2%).

Source: Ontario Ministry of Finance.

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Chart 7: Compensation of employees growth

The bar chart shows Ontario's quarterly growth of employee compensation in per cent from the first quarter of 2017 to the second quarter of 2021. Compensation of employees has risen in every quarter over the period, except for the first and second quarters of 2020. Compensation of employees decreased by 8.3% in the second quarter of 2020, after declining 1.5% in the first quarter of 2020. This was followed by an 8.2% rebound in the third quarter and smaller gains of 2.6% in the fourth quarter of 2020, 2.5% in the first quarter of 2021 and 0.3% in the second quarter of 2021.

Source: Ontario Ministry of Finance.

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Chart 8: Economy-wide price growth

The bar chart illustrates Ontario's quarterly growth of economy-wide prices in per cent from the first quarter of 2017 to the second quarter of 2021. Economy-wide prices decreased in both the first (−0.8%) and second (−1.0%) quarters of 2020. This was followed by gains in the next four quarters with the GDP deflator rising by 2.0% in the third quarter of 2020, 1.5% in the fourth quarter of 2020, 2.8% in the first quarter of 2021 and 1.7% in the second quarter of 2021.

Source: Ontario Ministry of Finance.

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Chart 9: Price change by expenditure component

The horizontal bar chart shows the per cent change in prices by expenditure component for the second quarter of 2021. Prices increased in the second quarter for business investment (+2.7%), exports (+2.0%), household consumption (+0.8%) and imports (+0.6%).

Source: Ontario Ministry of Finance.

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Chart 10: Export and import price growth

The bar chart illustrates Ontario's quarterly growth of export and import prices in per cent from the first quarter of 2017 to the second quarter of 2021. Both export prices (−2.4%) and import prices (−1.2%) declined sharply in the second quarter of 2020. Export prices rebounded by 1.9% in the third quarter while import prices declined by 1.0% in the quarter. Export prices increased by 0.8% in the fourth quarter of 2020, while import prices declined by 0.2% in the quarter. Export prices increased by 2.0% in the first quarter of 2021, while import prices edged down 0.1%. In the second quarter of 2021, export (+2.0%) and import (+0.6%) prices increased. Since 2017, the largest gain in export prices occurred in the second quarter of 2018 when they rose 2.2%. The largest gain in import prices since 2017, occurred in the second quarter of 2018 when they rose 2.4%. The largest fall in import (−3.2%) and export (−3.1%) prices was in the third quarter of 2017.

Source: Ontario Ministry of Finance.

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Chart 11: Real GDP growth by industry

The bar chart depicts Ontario's quarterly growth of real GDP by industry in per cent from the first quarter of 2017 to the second quarter of 2021. Ontario real GDP declined by 0.7% in the second quarter of 2021, following a 1.3% increase in the first quarter. Real GDP by industry has grown over the entire period, except the first two quarters of 2020. The strongest gain was recorded in the third quarter of 2020 (+9.9%).

Source: Ontario Ministry of Finance.

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Chart 12: Real GDP change by industry

The horizontal bar chart illustrates the per cent change in real GDP by industry for the second quarter of 2021. The output of all industries declined 0.7% in the quarter. Output decreased in goods-producing industries (−1.0%), with industry changes as follows: construction (+1.1%); utilities (+1.3%); primary (+1.1%) and manufacturing (−3.2%). Output in the service industries decreased 0.6%, including industry changes as follows: health, education and public administration (+0.4%); professional and administrative services (+0.4%); finance and insurance (−0.1%); other services (−0.3%); real estate, rental and leasing (−1.0%); wholesale trade (−2.8%) and retail trade (−4.9%).

*Other services includes transportation and warehousing; information and cultural; arts, entertainment and recreation; accommodation and food services; management of companies and enterprises; and other services.

Source: Ontario Ministry of Finance.

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Chart 13: Real GDP change by manufacturing industry

The horizontal bar chart shows the per cent change in real GDP by the manufacturing industry for the second quarter of 2021. In total, output by manufacturing industries decreased 3.2% in the quarter. The change in output of each manufacturing industry is as follows: machinery (+3.5%); chemical and petroleum (+3.5%); textile, clothing and leather (+2.8%); wood and furniture (−0.1%); other manufacturing (−0.1%); paper and printing (−0.4%); primary and fabricated metal (−1.1%); food, beverage and tobacco (−3.6%); electrical and electronic (−8.9%); plastic and rubber (−10.7%) and transportation equipment (−12.0%).

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Chart 14: Canadian real GDP growth

The bar chart illustrates Canada’s quarterly per cent real GDP growth from the first quarter of 2017 to the second quarter of 2021. Canada has experienced real GDP growth over the entire period up until the first quarter of 2020 when real growth decreased by 2.0% followed by a steeper 11.3% decline in the second quarter. Real GDP rebounded by 9.1% in the third quarter, followed by a 2.2% increase in the fourth quarter of 2020, and a 1.4% advance in the first quarter of 2021. Real GDP declined 0.3% in the second quarter of 2021.

Source: Statistics Canada.

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Chart 15: Quebec Real GDP growth

The bar chart illustrates Quebec’s quarterly per cent real GDP growth from the first quarter of 2017 to the second quarter of 2021. Quebec has experienced real GDP growth over the entire period, with the exception of the first and second quarters of 2020. Quebec real GDP declined 11.6% in the second quarter of 2020, following a decrease of 3.1% in the first quarter. Real GDP rebounded by 12.3% in the third quarter, followed by a 1.6% increase in the fourth quarter of 2020, a 1.9% advance in the first quarter of 2021 and 0.8% increase in the second quarter of 2021.

Source: Institut de la statistique du Queábec.

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Chart 16: U.S. Real GDP growth

The bar chart illustrates the U.S.'s quarterly per cent real GDP growth from the first quarter of 2017 to the second quarter of 2021. The U.S. has experienced real GDP growth over the entire period up until the first quarter of 2020 when real growth decreased by 1.3% followed by a steeper 9.0% decline in the second quarter. Real GDP rebounded by 7.5% in the third quarter of 2020 followed by a 1.1% increase in the fourth quarter of 2020, a 1.5% advance in the first quarter of 2021 and 1.6% increase in the second quarter of 2021.

Source: United States Bureau of Economic Analysis.

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Chart 17: Real GDP growth

This bar chart shows quarterly percentage changes in real GDP for the U.S. , the euro area, the United Kingdom, Japan, and China for the first and second quarter of 2021. U.S. real GDP increased 1.5% in the first quarter and 1.6% in the second quarter. Euro area real GDP decreased 0.3% in the first quarter and increased 2.2% in the second quarter. Real GDP in the United Kingdom decreased 1.6% in the first quarter and increased 4.8% in the second quarter. Japan's real GDP decreased 0.9% in the first quarter and increased 0.5% in the second quarter. China's real GDP advanced 0.6% in the first quarter and increased 1.3% in the second quarter.

Sources: U.S. Bureau of Economic Analysis, Eurostat, U.K. Office for National statistics, Cabinet Office of Japan and National Bureau of Statistics of China.

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Chart 18: U.S. Consumer Price Index

This line chart shows year-over-year percentage changes in the U.S. Consumer Price Index (CPI) from January 2018 to August 2021. Total and core CPI year-over-year growth was near 2% from January 2018 to March 2020 and then was weaker than 2% for the rest of 2020. Total and core CPI year-over-year growth rose above 2% in early 2021. In August 2021, total CPI increased 5.3% year-over-year and core CPI increased 4.0% year-over-year.

Source: U.S. Bureau of Labor Statistics

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Chart 19: U.S. labour market

This chart shows the U.S. employment level in millions and unemployment rate in per cent from January 2018 to September 2021. The employment level steadily rose from 147.6 million in January 2018 to 152.5 million in February 2020. Employment then declined to 130.2 million by April 2020 before rising to 147.6 million by September 2021.

The unemployment rate declined from 4.0% in January 2018 to 3.5% in February 2020. It then rose to 14.8% in April 2020 before gradually easing to 4.8% in September 2021.

Source: U.S. Bureau of Labor Statistics

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Chart 20: Government of Canada 10-year bond rate

This line chart shows rates for Government of Canada 10-year bonds from January 2018 to mid-September 2021. The rate was around 2.0% throughout 2018 and then declined to a low of 0.4% in August 2020. The rate then rapidly increased to a peak of 1.6% in mid-March before falling to 1.2% in mid-September 2021.

Source: Bank of Canada.

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Chart 21: Oil prices and the Canadian Dollar

The line chart shows the daily West Texas Intermediate (WTI) oil price ($US per barrel) and Canadian dollar exchange rate (cents U.S.) between January 2018 and September 2021. The Canadian dollar declined from over 80 cents U.S. in January 2018 to 77 cents U.S. by the end of 2019 before sharply declining to below 70 cents U.S. by March 2020. The Canadian dollar traded at slightly below 80 cents U.S. by mid-September, after briefly rising above 80 cents U.S. in late-July.

WTI oil prices rose to a peak US$77 per barrel in June 2018, before declining to around US$45 per barrel at the end of 2018. Prices trended up slightly in 2019 to about US$60 per barrel in December before declining sharply and briefly reaching below US$10 per barrel in late April 2020. Prices traded near US$70 per barrel in mid-September.

Sources: Bank of Canada and U.S. Energy Information Administration.

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Chart 22: Stock market indices

The line chart shows the daily value of the S&P 500, Nikkei, S&P/ TSX Composite and Euro Stoxx 50 stock indexes from January 2018 to September 2021. All are indexed to January 4, 2018 equaling 100. All indices trended upwards in 2019 and early 2020, peaking in late February 2020, before declining sharply and reaching a trough in March 2020. All indices have recovered strongly and are well above their February 2020 peaks, particularly the S&P 500.

Sources: Yahoo! Finance and STOXX.

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Chart 23: Ontario's labour force

The chart indicates that Ontario has added 1,143,300 net new jobs since June 2020 and that the unemployment rate was 7.3% in September 2021.

Source: Statistics Canada.

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Chart 24: Employment change since June 2020

The bar chart illustrates the breakdown in the change in employment measured in thousands of jobs since

June 2020. As of September 2021, total employment has risen by 1,143,300 net new jobs. Changes were as follows: private sector, a gain of 940,700 jobs; public sector, a gain of 240,700 jobs; self-employed, a decline of 38,100 jobs; full-time, a gain of 779,000 jobs; part-time, a gain of 364,400 jobs; goods, a gain of 189,000 jobs; and services, a gain of 954,300 jobs.

Number may not add due to rounding.

Source: Statistics Canada.

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Chart 25: Ontario's Employment and Unemployment rate

The chart shows Ontario's monthly employment level as a shaded area and unemployment rate as a line from January 2019 to September 2021. The unemployment rate trended down from 5.9% in early 2019 to 5.5% in February 2020 and had increased to 13.5% in May 2020 and has since trended down to 7.5% in March 2021 before rising to 9.3% in May 2021 and declining to 7.3% in September 2021. Employment increased steadily from about 7.3 million in January 2019 to about 7.5 million in February 2020. Employment declined to 6.4 million in May 2020 before rising throughout 2020, rebounding to 7.5 million in September 2021.

Source: Statistics Canada.

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Chart 26: Retail sales

The line chart shows Ontario's retail sales in billions of dollars from January 2017 to July 2021. Ontario's retail sales have trended upwards from $17.7 billion in January 2017 to $19.6 billion in February 2020. There was a sharp decline to $12.5 billion in April 2020. This was followed by a sharp rebound in May and June of 2020. Retail sales increased to $21.8 billion in March 2021 but declined to $20.2 billion in July 2021.

Last Data Point: July 2021

Source: Statistics Canada.

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Chart 27: Wholesale trade

The line chart shows Ontario’s wholesale trade in billions of dollars from January 2017 to July 2021. Ontario’s wholesale trade has trended upwards from $30.6 billion in January 2017 to $34.6 billion in February 2020. There was a sharp decline to $23.0 billion in April 2020, followed by a sharp rebound between May 2020 and July 2020. Wholesale trade increased to $35.7 billion in March 2021 but declined to $35.5 billion in July 2021.

Last Data Point: July 2021

Source: Statistics Canada.

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Chart 28: Manufacturing sales

The line chart shows Ontario’s manufacturing sales in billions of dollars from January 2017 to July 2021. Ontario’s manufacturing sales have fluctuated over the period, largely remaining between $24 billion and $27 billion. Manufacturing sales sharply declined to $14.0 billion in April followed by a sharp rebound to $26.0 billion in July 2020. Manufacturing sales have fluctuated since and were $25.8 billion in July 2021.

Last Data Point: July 2021

Source: Statistics Canada.

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Chart 29: Ontario home resales

The combination line and bar chart shows Ontario’s home resales in both thousands of units (right axis) and per cent change (left axis) from January 2020 to August 2021. Home resales declined in March and April 2020, before rebounding strongly in May, June, and July 2020. Sales continued to trend upwards until March 2021 and were well above pre-pandemic levels. Since March, resales have trended downwards and were roughly in line with pre-pandemic levels as of August 2021.

Source: Canadian Real Estate Association (CREA).

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Chart 30: Ontario home resale prices

The combination line and bar chart shows the average resale price on an Ontario home in thousands of dollars (right axis) and per cent change (left axis) from May 2019 to August 2021. The average resale price was $676,600 in February 2020 and declined to $573,500 in April 2020. Since, the average price has trended higher and was $866,600 in August 2021.

Source: Canadian Real Estate Association (CREA).

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Chart 31: Ontario housing starts

The line shows Ontario's housing starts in units (seasonally adjusted at annual rates) from January 2017 to August 2021. Ontario's housing starts were volatile over the period, with a high of 130,000 units in March 2021. There were 106,100 housing starts in August 2021.

Source: Canadian Real Estate Association (CREA).

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Chart 32: Household consumption growth

The bar graph depicts the per cent change in real household consumption from the first quarter of 2018 to the second quarter of 2021. Household consumption increased in all quarters of 2018 and 2019 before declining by 1.8% in the first quarter of 2020 and 14.4% in the second quarter of 2020. Consumption rebounded by 13.5% in the third quarter of 2020. In the fourth quarter of 2020, household consumption rose 0.1%, followed by a 0.5% gain in the first quarter and 0.5% decline in the second quarter of 2021.

Source: Ontario Ministry of Finance.

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Chart 33: Household consumption of goods and services

The line graph depicts household consumption of goods and services from the first quarter of 2018 to the second quarter of 2021. The level of services remained above goods for the entire period. Both lines declined in the first and second quarter of 2020. Consumption of goods rebounded to above the fourth quarter of 2019 level and has since remained relatively flat. Consumption of services increased in the third quarter of 2020 but remains well below the fourth quarter of 2019 level.

Source: Canadian Real Estate Association (CREA).

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Chart 34: Recovery by consumption component

The bar chart depicts the percent change of household consumption and its components between the fourth quarter of 2019 and second quarter of 2020 as well as the percent change between the fourth quarter of 2019 and second quarter of 2021. Total household consumption declined 15.9% between the fourth quarter of 2019 and second quarter of 2020 and in the second quarter of 2021 remained 4.5% below the fourth quarter of 2019 level. Durable goods consumption declined 23.8% between the fourth quarter of 2019 and second quarter of 2020 and in the second quarter of 2021 was 2.1% above the fourth quarter of 2019 level. Semi durable goods consumption declined 22.6% between the fourth quarter of 2019 and second quarter of 2020 and in the second quarter of 2021 remained 3.5% below the fourth quarter of 2019 level. Non-durable goods consumption increased 0.1% between the fourth quarter of 2019 and second quarter of 2020 and in the second quarter of 2021 was 5.9% above the fourth quarter of 2019 level. Services consumption declined 19.5% between the fourth quarter of 2019 and second quarter of 2020 and in the second quarter of 2021 remained 5.9% below the fourth quarter of 2019 level.

Source: Ontario Ministry of Finance.

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Chart 35: Appendix, structure of the Ontario economy

This pie chart shows the percent share of nominal GDP by industry for 2020. Goods-producing industries accounted for 21.9% of Ontario's nominal GDP with industry shares as follows: manufacturing (10.7%), construction (7.2%), utilities (1.8%) and primary industries (2.2%). Services-producing industries accounted for 78.2% of Ontario's nominal GDP with industry shares as follows: real estate, rental and leasing (14.2%), health and education (13.0%), wholesale and retail trade (10.9%), finance and insurance (10.5%), public administration (7.8%) transportation and warehousing (3.3%), information and culture (3.8%) and other services (14.7%).

Note: Numbers may not add due to rounding.

Source: Statistics Canada

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Chart 36: Appendix, GDP measurement methods

- Expenditure approach
  - Sum of expenditures of all sectors of the economy
  - Consumer spending + investment + government spending + exports – imports
- Income approach
  - Sum of all incomes
  - Wage and salaries + profits + mixed incomes + indirect taxes – subsidies
- Production approach (GDP by industry)
  - Sum of value added in all industry sectors
  - Output of goods producing industries + output of services producing industries – intermediate inputs

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variety of roles, all focused on supporting a strong economic, fiscal and investment climate for Ontario, while ensuring accountability with respect to the use of public funds.

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