Ontario Economic Accounts

Learn about Ontario’s economic performance and outlook for the third quarter of 2021.

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

Data tables

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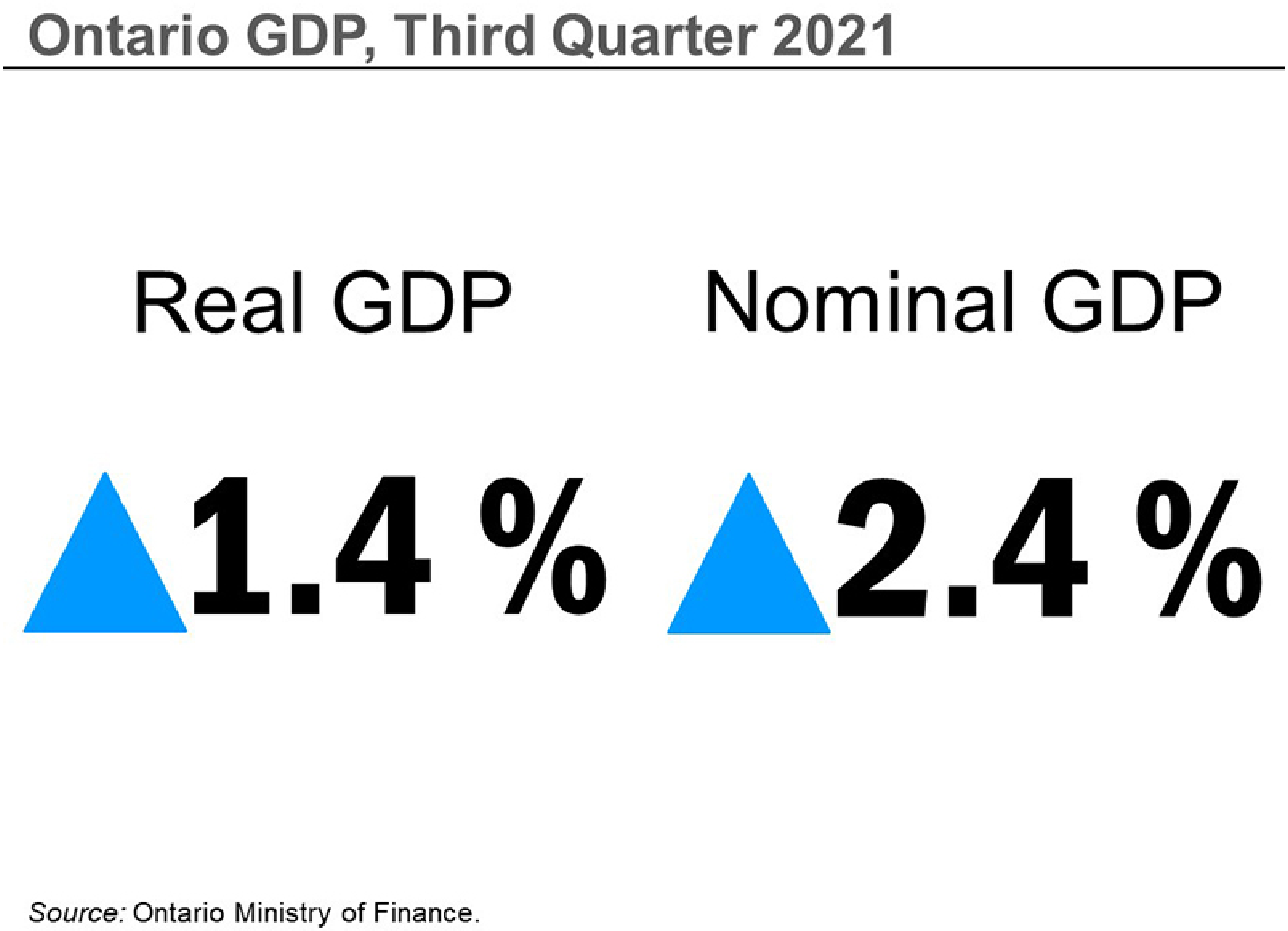
Economic accounts

Highlights

Ontario's Real GDP up in Q3



[Accessible description of chart 1: Ontario GDP, third quarter 2021]

- Ontario's real gross domestic product (GDP) advanced by 1.4% in the third quarter (July, August, September) of 2021.
- The gain in the third quarter was largely driven by household consumption and exports.
- Nominal GDP advanced 2.4%, after increasing 0.4% in the second quarter.
- Economy-wide prices, as measured by the implicit price index for GDP, rose 0.9% in the third quarter.
- Economic production, measured on an industry basis, increased 1.5% in the third quarter. Output in service-producing industries advanced 2.6%, while output in goods-producing industries declined 2.1%.

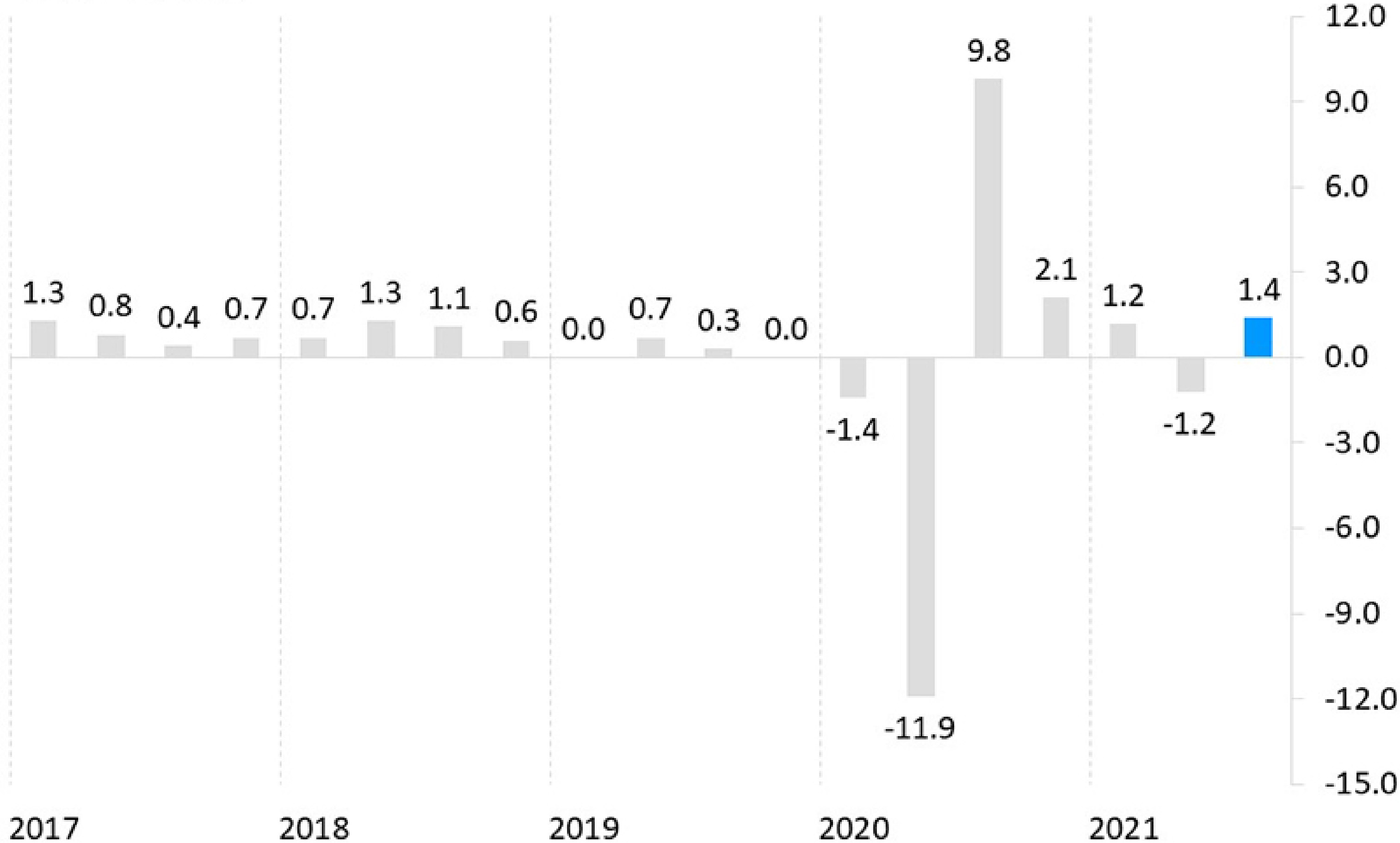
Expenditure details

Real GDP rises in Q3

Ontario's **real GDP** increased 1.4% in the third quarter, after a 1.2% decline in the second quarter. As of the third quarter, Ontario's real GDP was 1.2% below its level in 2019 Q4.

Real GDP Growth

Per cent

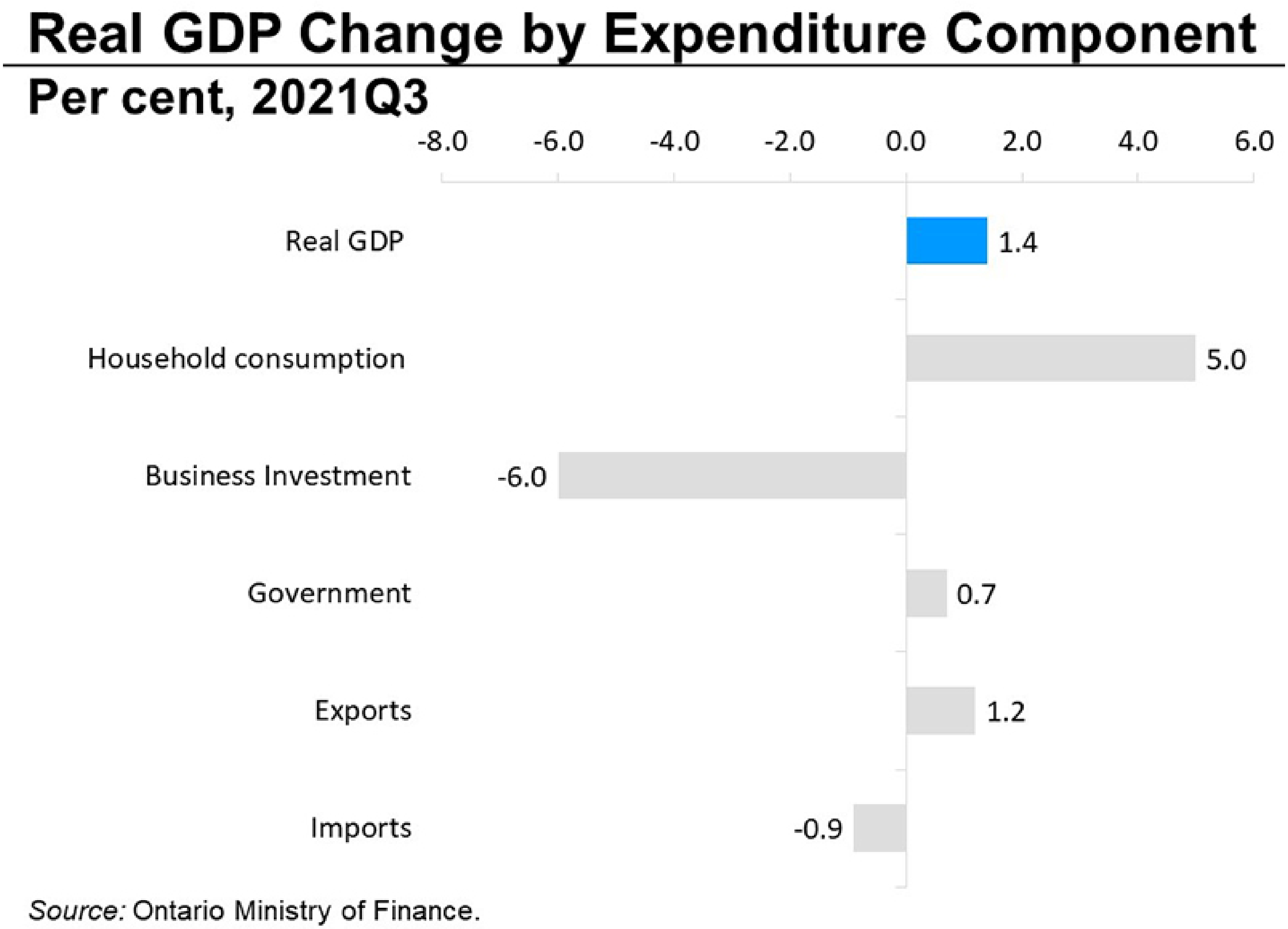


Source: Ontario Ministry of Finance.

[Accessible description of chart 2: Real GDP growth]

Household consumption spending rose 5.0%, after declining 0.5% in the second quarter. Spending on semi-durable goods increased 19.5%, led by clothing and footwear. Spending on services (+6.6%) and non-durable goods (+1.1%) also increased in the quarter, while spending on durables goods (−0.9%) declined for the fourth consecutive quarter.

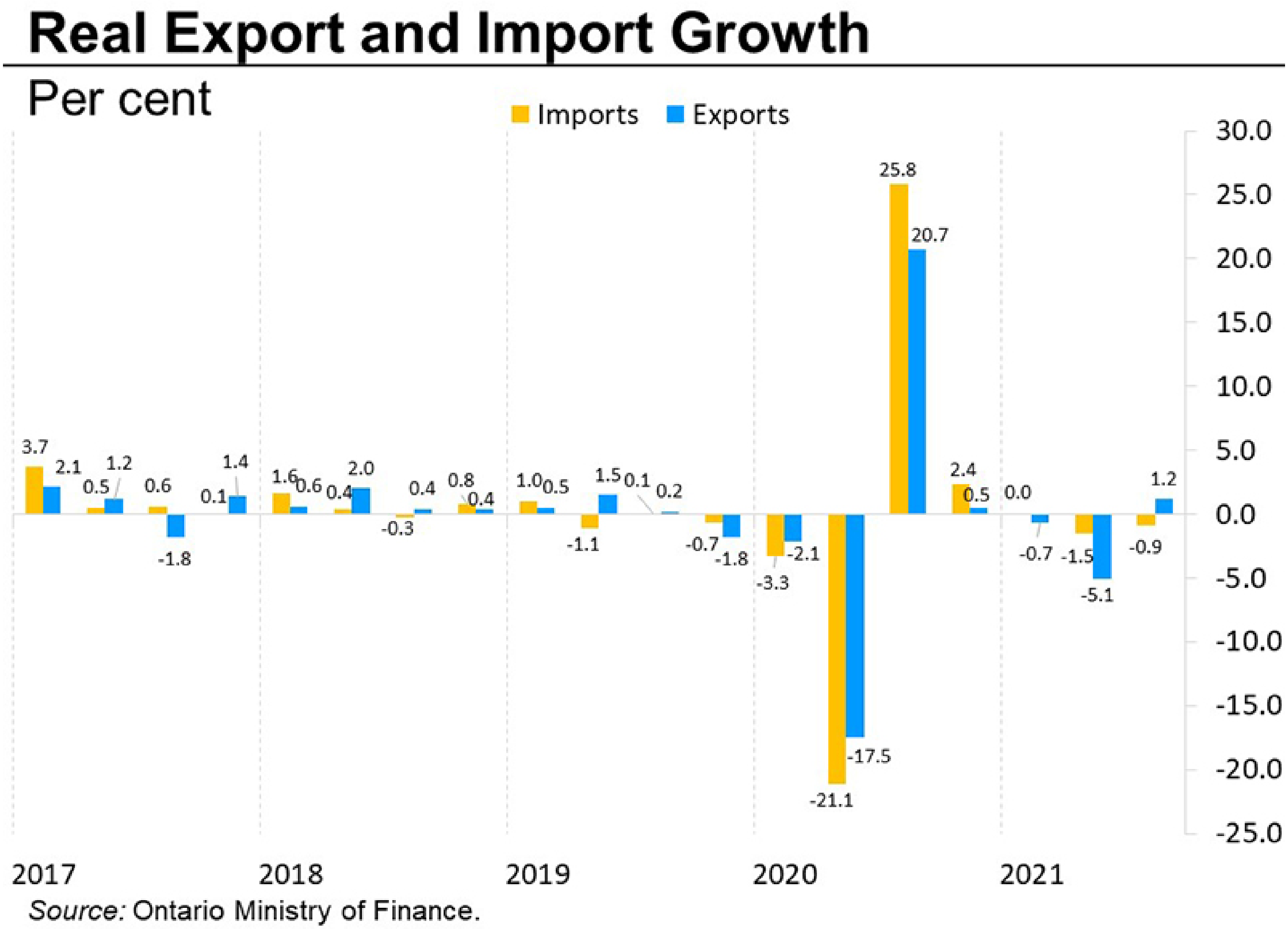
Total business investment spending decreased by 6.0%, following a 1.3% decline in the second quarter. The decline was concentrated in **residential construction** (−10.2%), while investment in **non-residential structures** (−0.2%), **machinery and equipment** (−0.2%), and **intellectual property products** (−1.4%) also decreased in the quarter.



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

Exports increased by 1.2% in the third quarter, while **imports** were 0.9% lower. International exports rose 1.4%, while international imports declined 1.6%. Interprovincial exports (+1.0%) and imports (+1.3%) both increased in the quarter.

Businesses drew down $2.2 billion worth of **inventories** in the third quarter, following a $4.2 billion accumulation in the previous quarter.

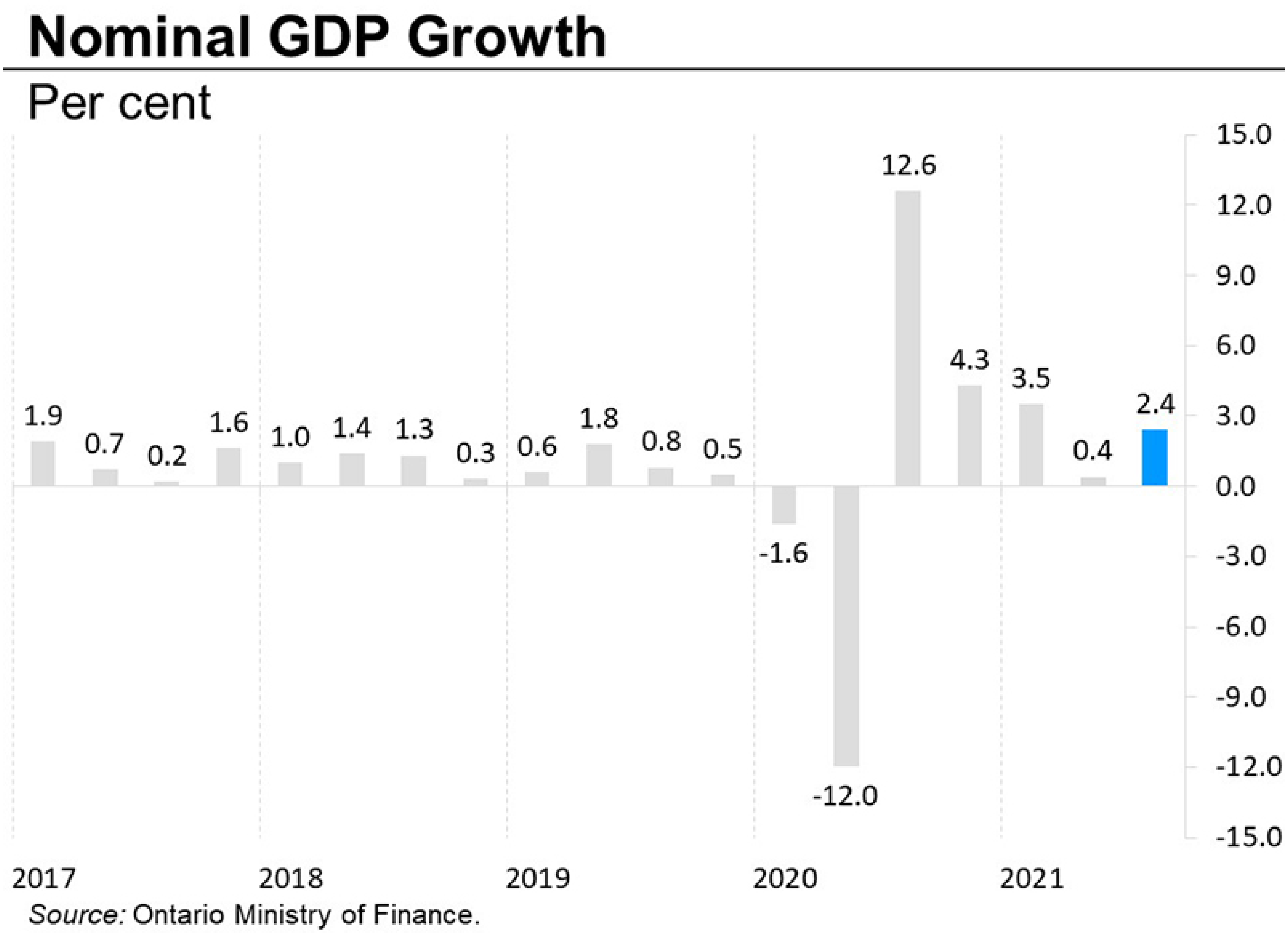


Accessible description of chart 4: Real export and import growth

Income details

Nominal GDP rises

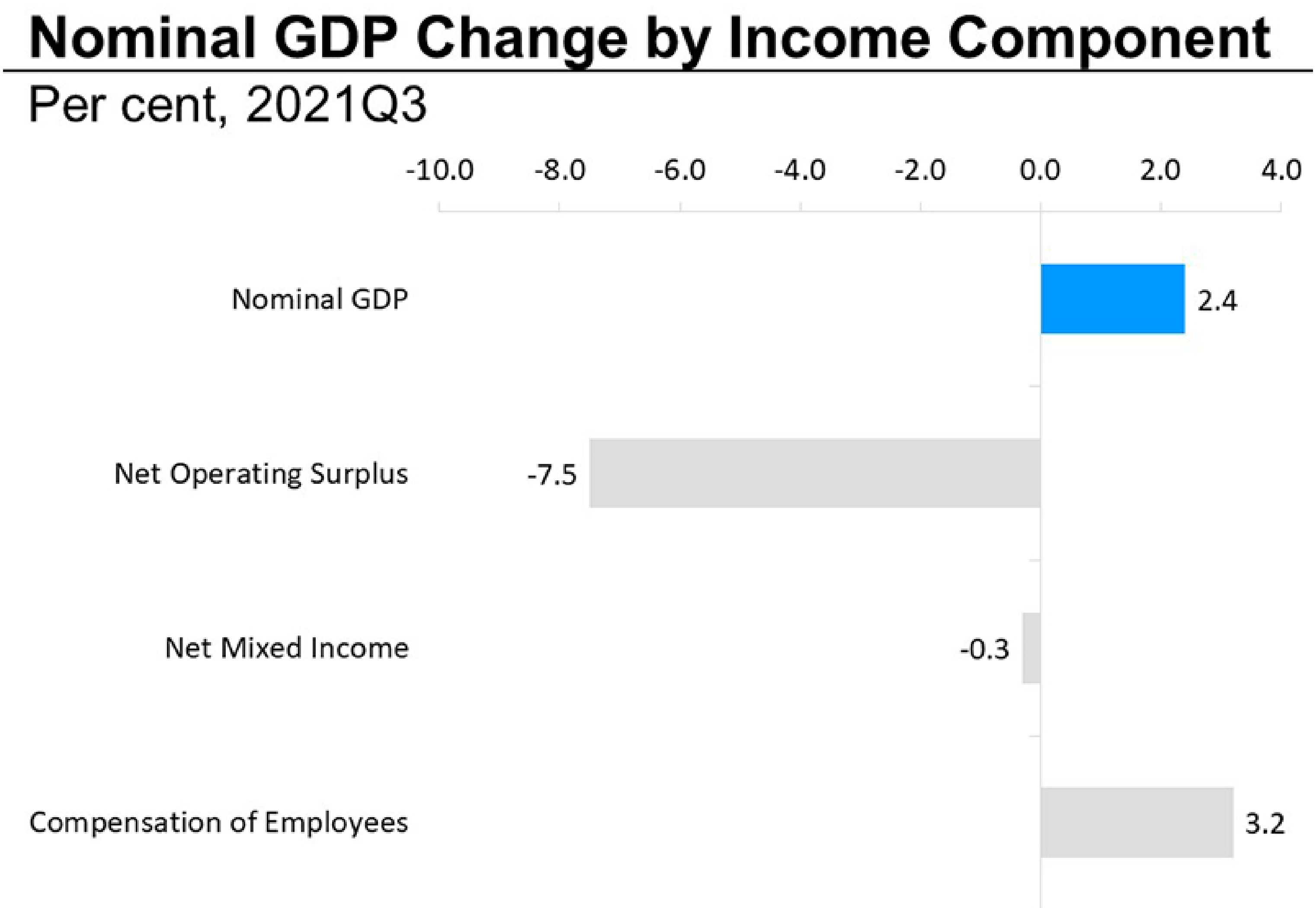
Ontario's **nominal GDP** increased 2.4% in the third quarter, following a 0.4% gain in the second quarter.



[Accessible description of chart 5: Nominal GDP growth](#)

Compensation of employees, which includes both wages and salaries and supplementary labour income, increased 3.2%, after increasing 0.5% in the second quarter.

Net operating surplus of corporations decreased 7.5%, following a 3.6% decrease in the second quarter.



Source: Ontario Ministry of Finance.

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

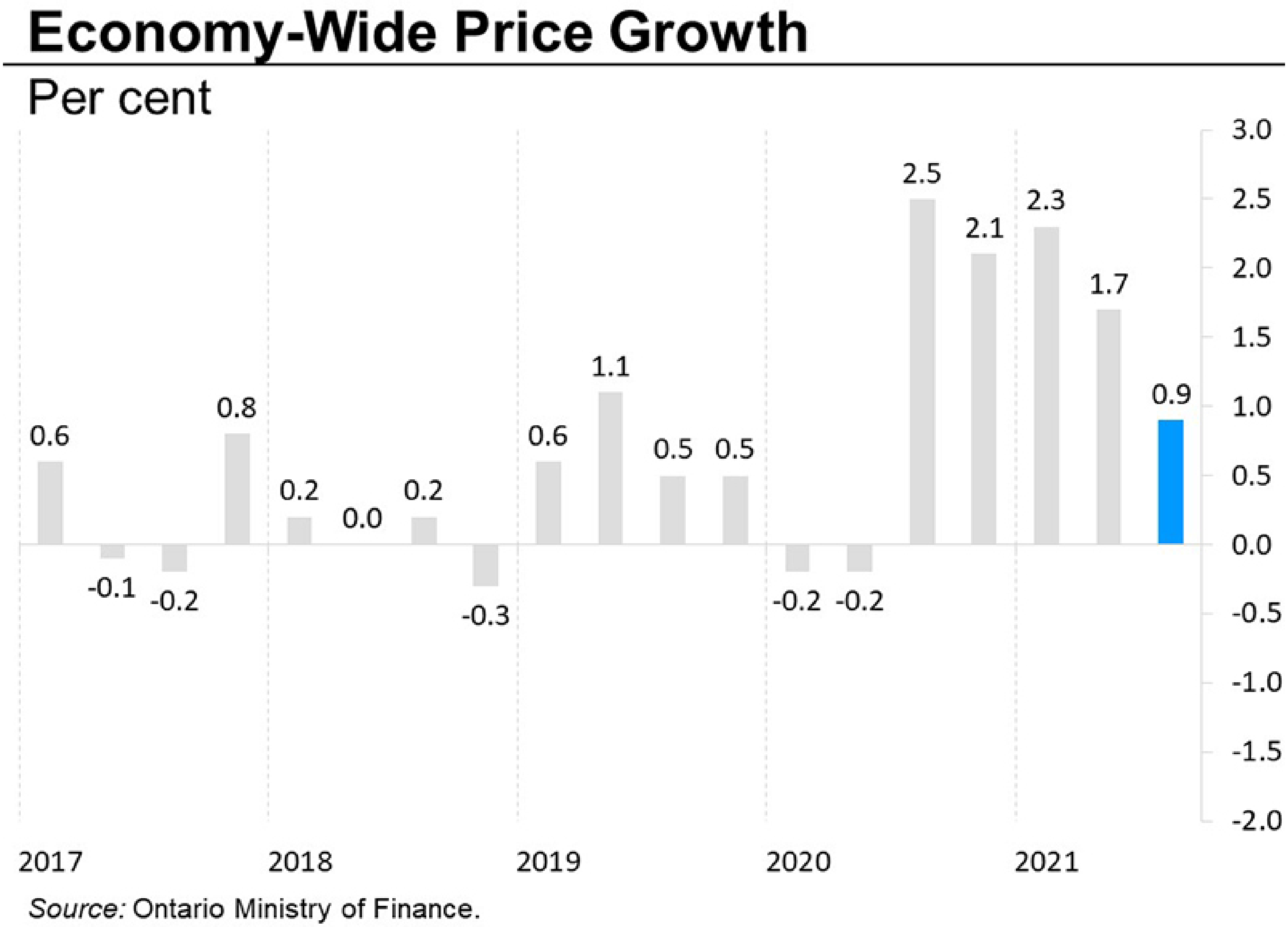
Net mixed income, which is comprised of farm income, unincorporated business income and rental income, declined 0.3%, after increasing 0.4% in the previous quarter.

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

Price details

Economy-wide prices

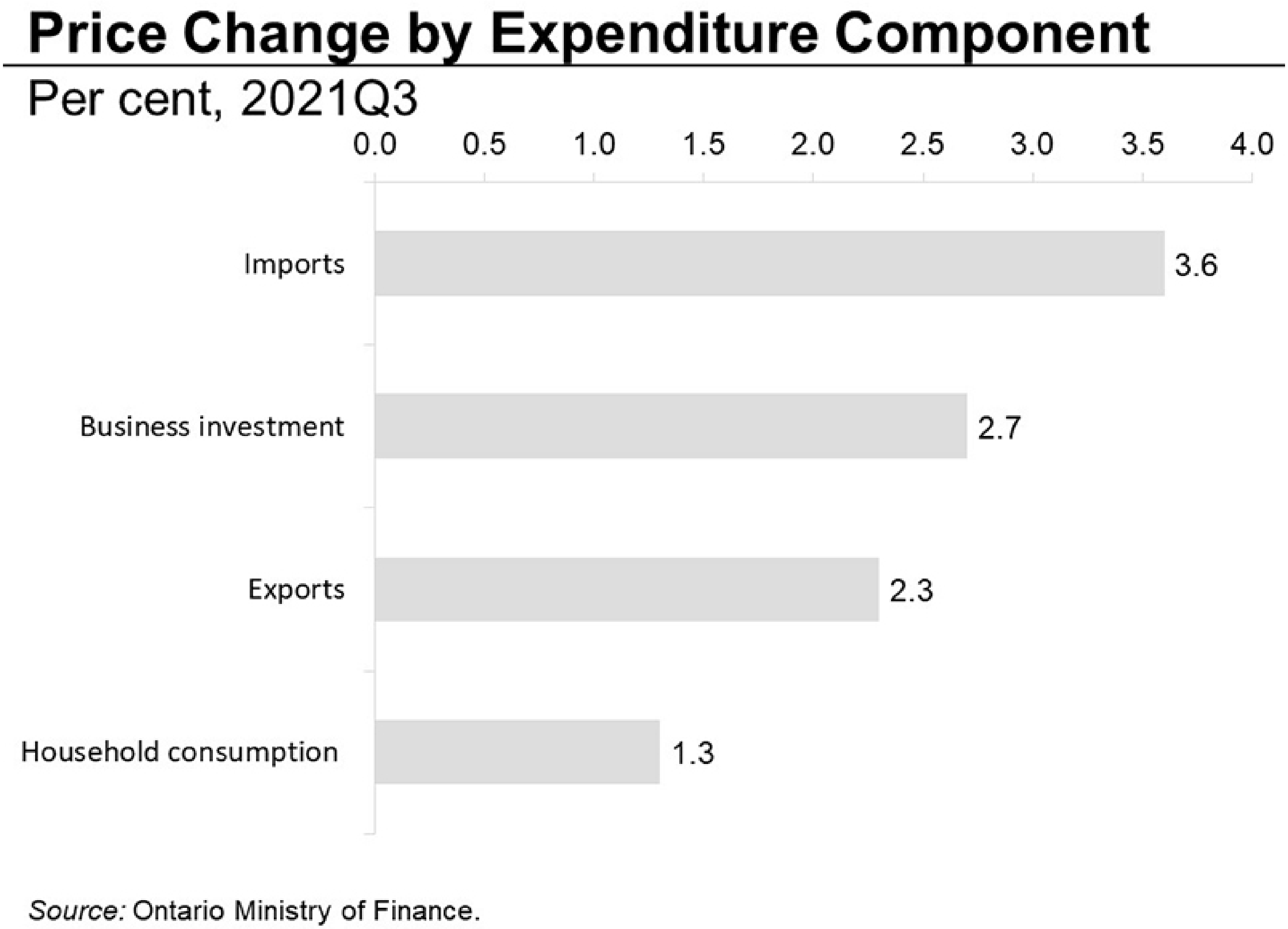
Economy-wide prices, as measured by the **implicit price index for GDP**, rose 0.9% in the third quarter following a 1.7% increase in the second quarter.



[Accessible description of chart 8: Economy-wide price growth]

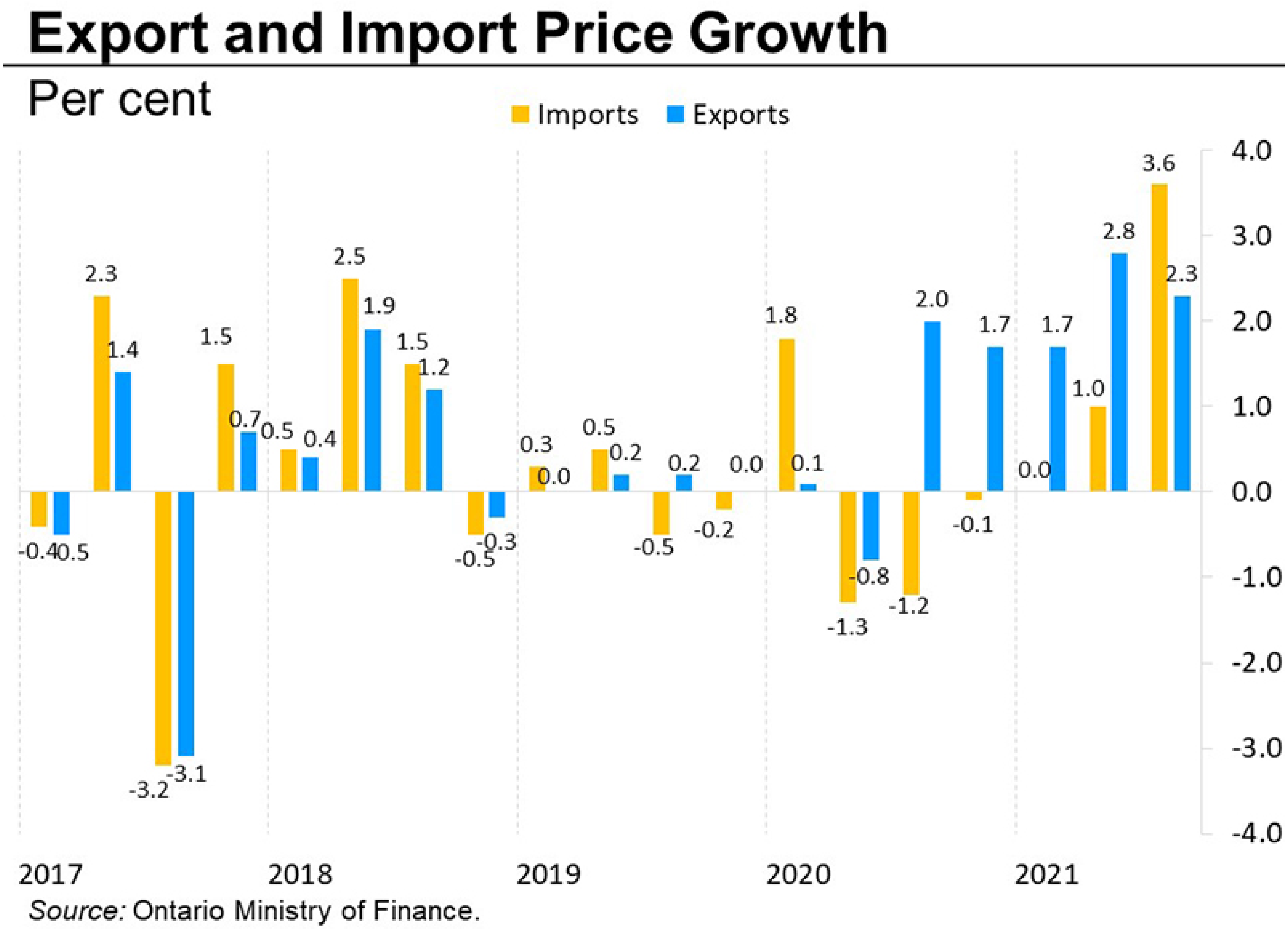
Prices for **household consumption expenditures** rose 1.3%, after increasing by 0.8% in the previous two quarters. Prices were higher for several expenditure components, including gasoline and food.

Business investment prices increased 2.7%, following a 2.4% increase in the second quarter. **Non-residential construction** (+3.5%) and **residential construction** (+2.9%) prices were higher in the quarter.



Accessible description of chart 9: Price change by expenditure component

Export prices increased by 2.3%, following a 2.8% increase in the second quarter, while **import prices** increased 3.6%, following a 1.0% increase in the second quarter.



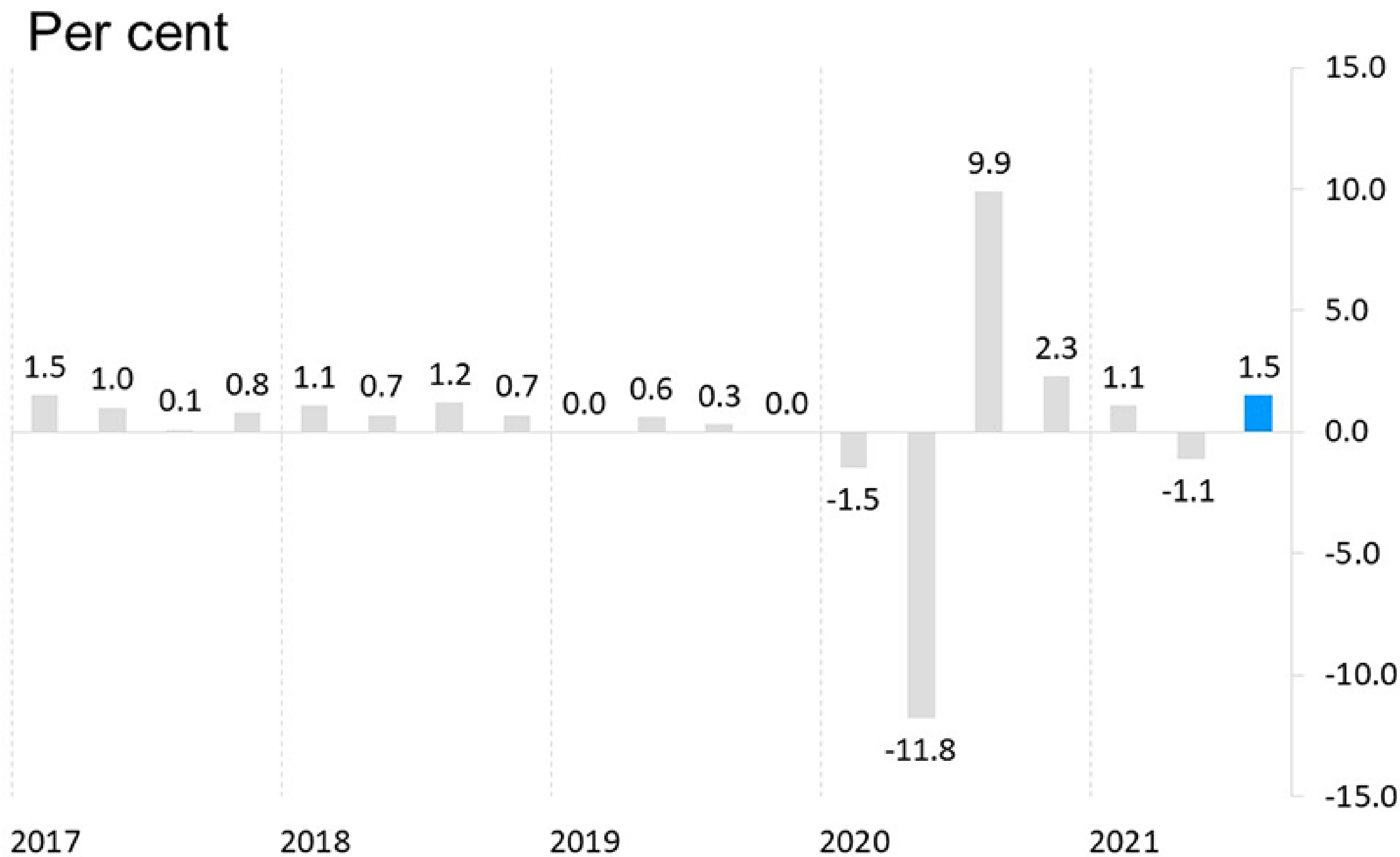
Accessible description of chart 10: Export and import price growth

Industry details

GDP by industry

Ontario **real GDP**, measured as value-added by industry, increased 1.5% in the third quarter of 2021. Service industry output advanced 2.6%, while output in the goods-producing industries declined 2.1%.

Real GDP Growth by Industry

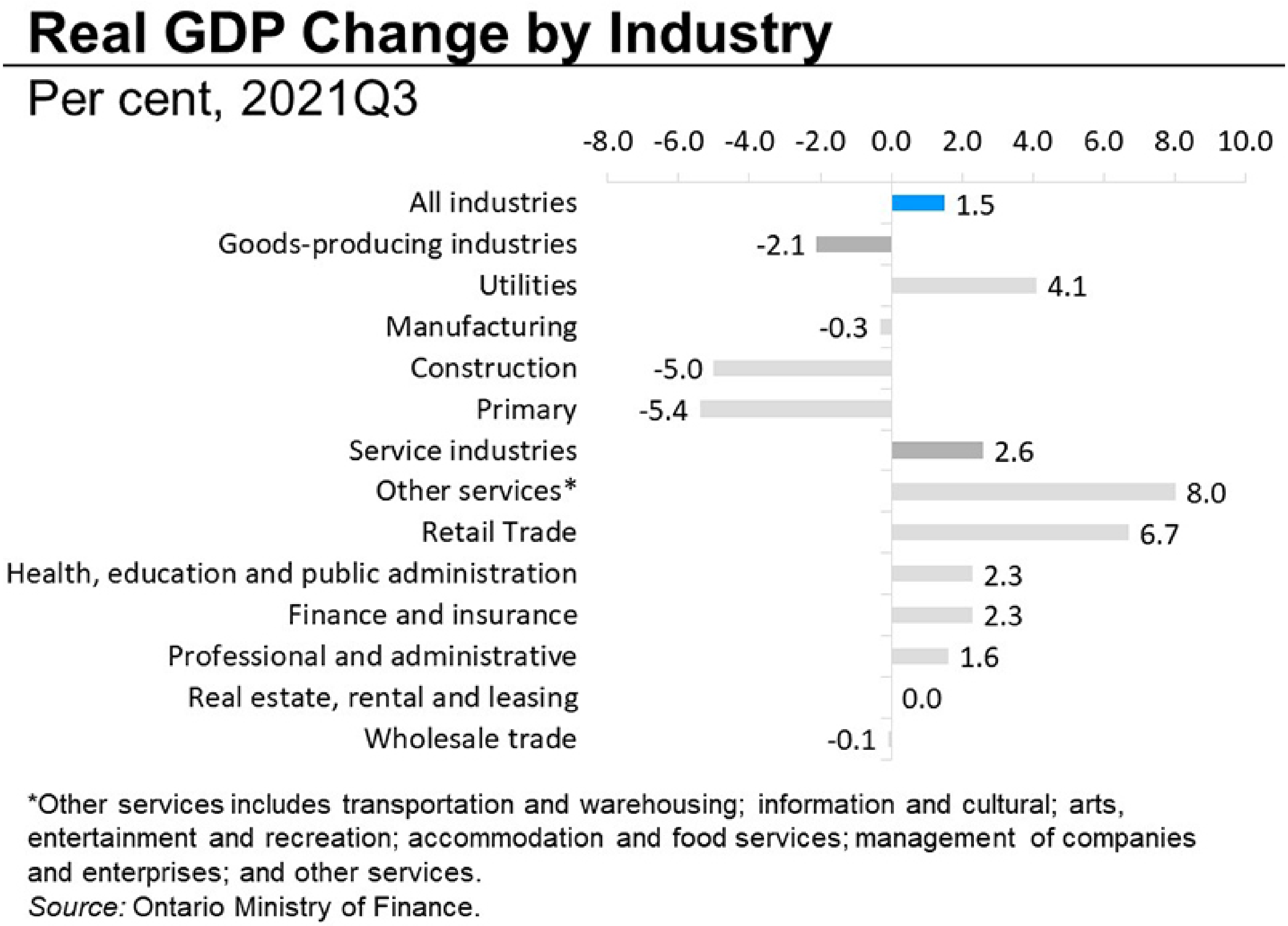


Source: Ontario Ministry of Finance.

[Accessible description of chart 11: Real GDP growth by industry](#)

Manufacturing output edged down 0.3% in the quarter. This was due largely to transportation equipment (−4.6%) which was significantly impacted by international supply chain disruptions. Plastic and rubber (+7.5%), wood product and furniture (+7.4%) and food and beverage (+1.8%) manufacturing output increased in the quarter.

Construction output declined 5.0%. Both residential (−9.2%) and non-residential structures and engineering (−1.7%) declined in the quarter.

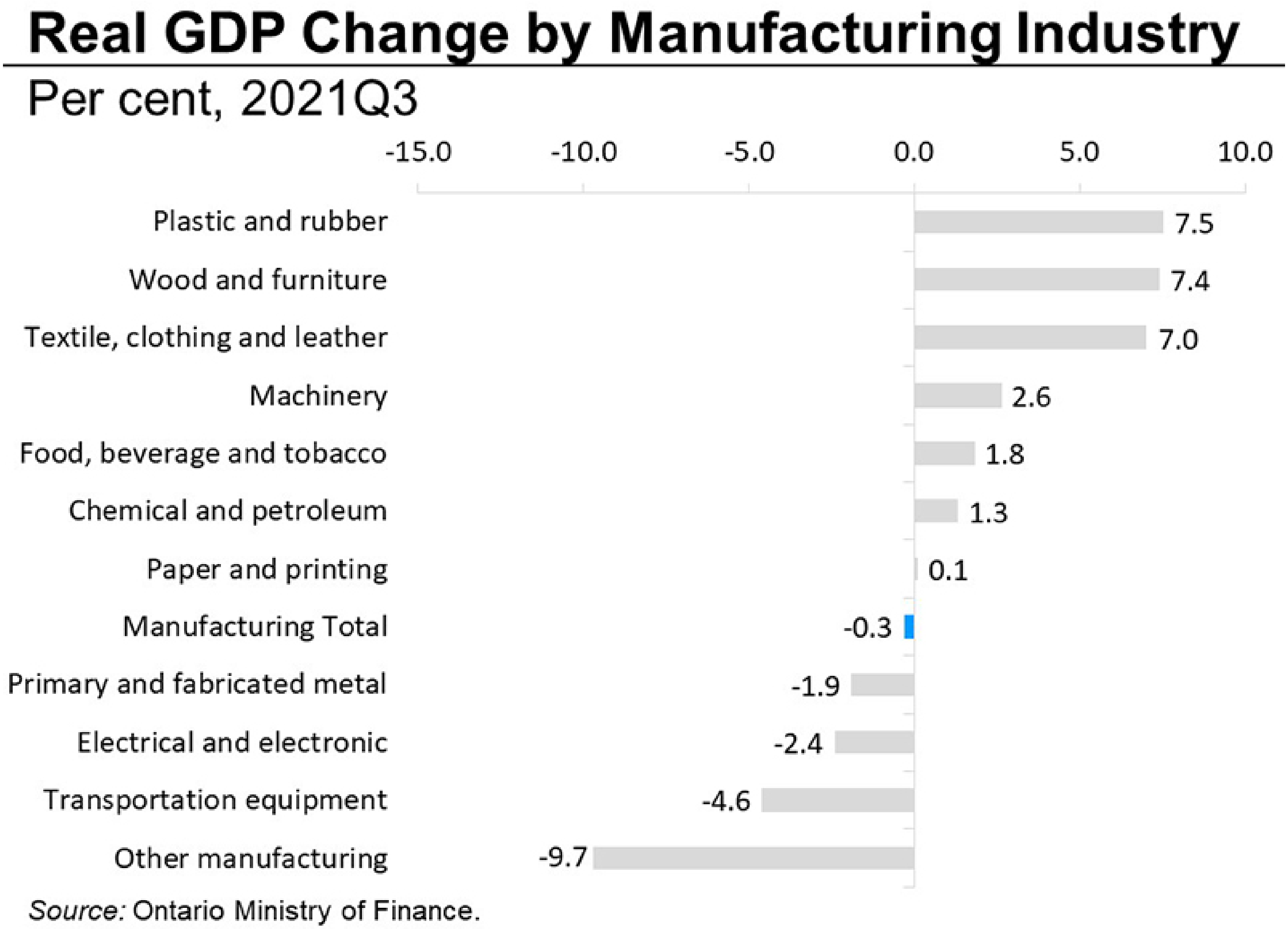


Accessible description of chart 12: Real GDP change by industry

Primary industry output was 5.4% lower, as agriculture and forestry declined 12.5%. This was partially offset by a 3.6% increase in mining output.

Utilities output increased 4.1%, following a 0.3% increase in the second quarter.

Service-producing industries output rose 2.6%, after declining 0.8% in the second quarter. Gains in the third quarter were in a number of sectors including accommodation and food services (+32.2%), retail trade (+6.7%) and arts, entertainment and recreation (+27.8%).



Source: Ontario Ministry of Finance.

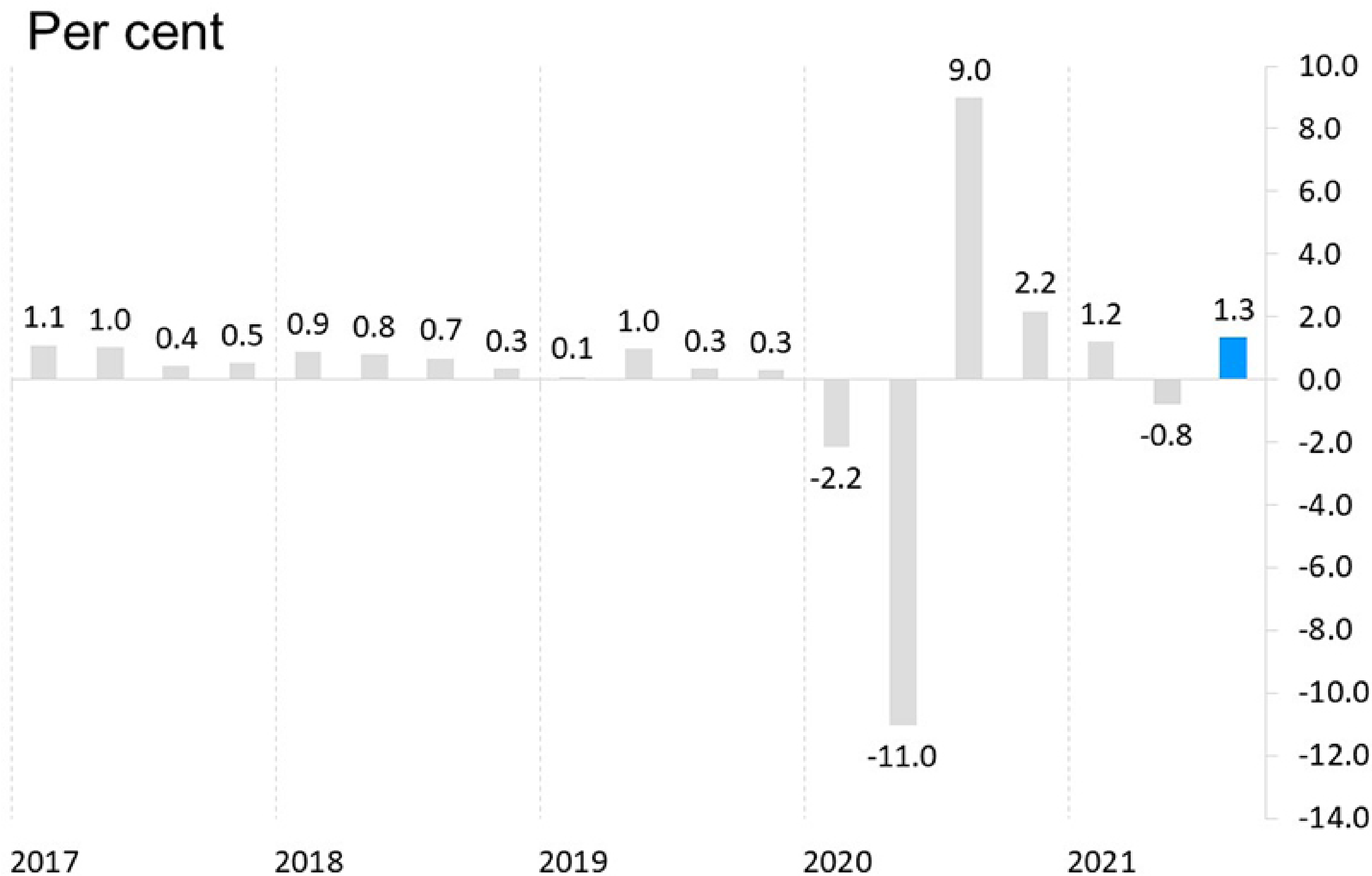
[Accessible description of chart 13: Real GDP change by manufacturing industry]

Jurisdictional comparisons

Ontario growth in context

Canadian real GDP increased 1.3% in the third quarter of 2021, following a decline of 0.8% in the second quarter. The third quarter increase was driven by household spending (+4.2%) and exports (+1.9%). As of the third quarter, Canada's real GDP was 1.4% below its level in 2019 Q4.

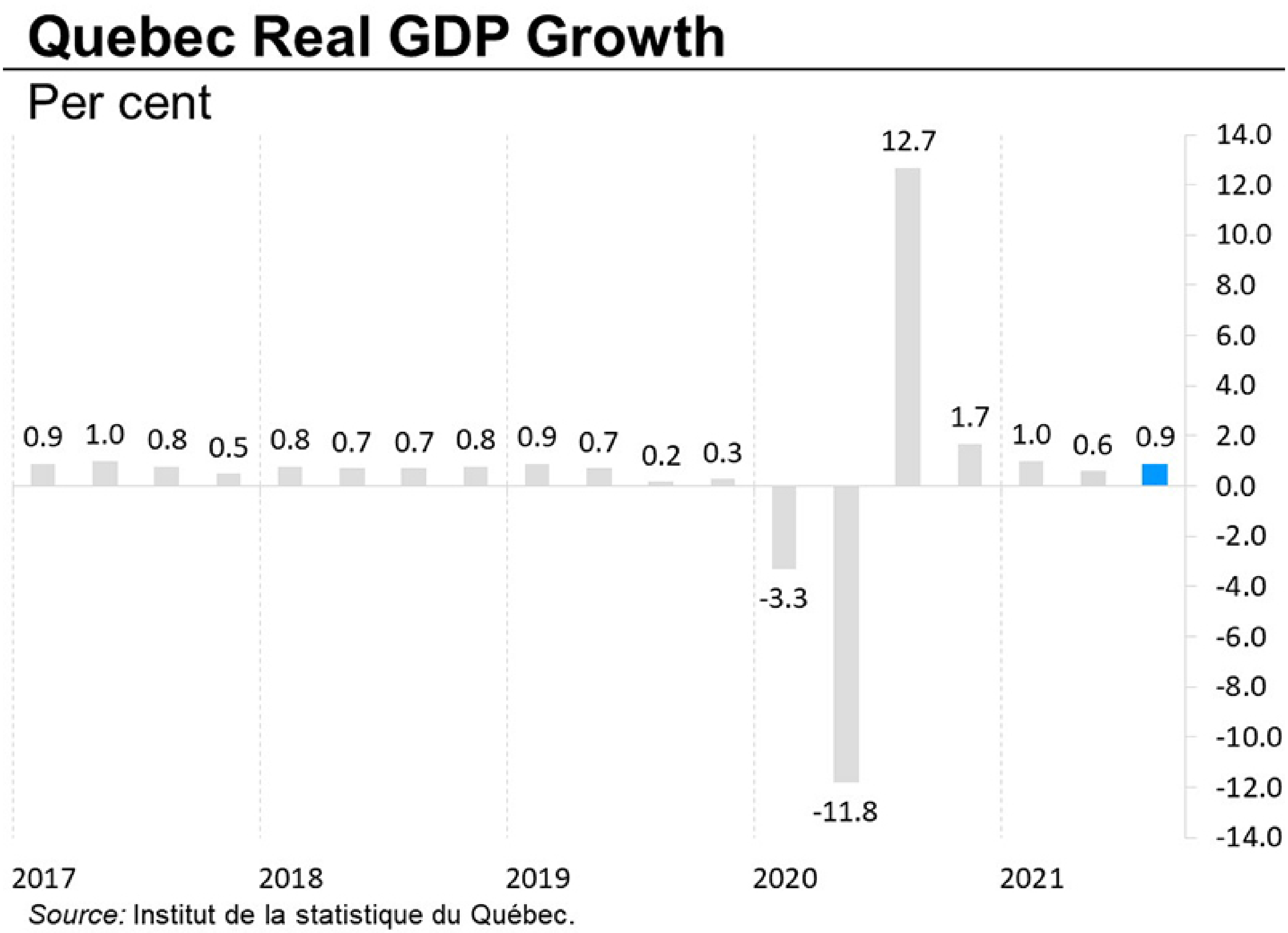
Canadian Real GDP Growth



Source: Statistics Canada.

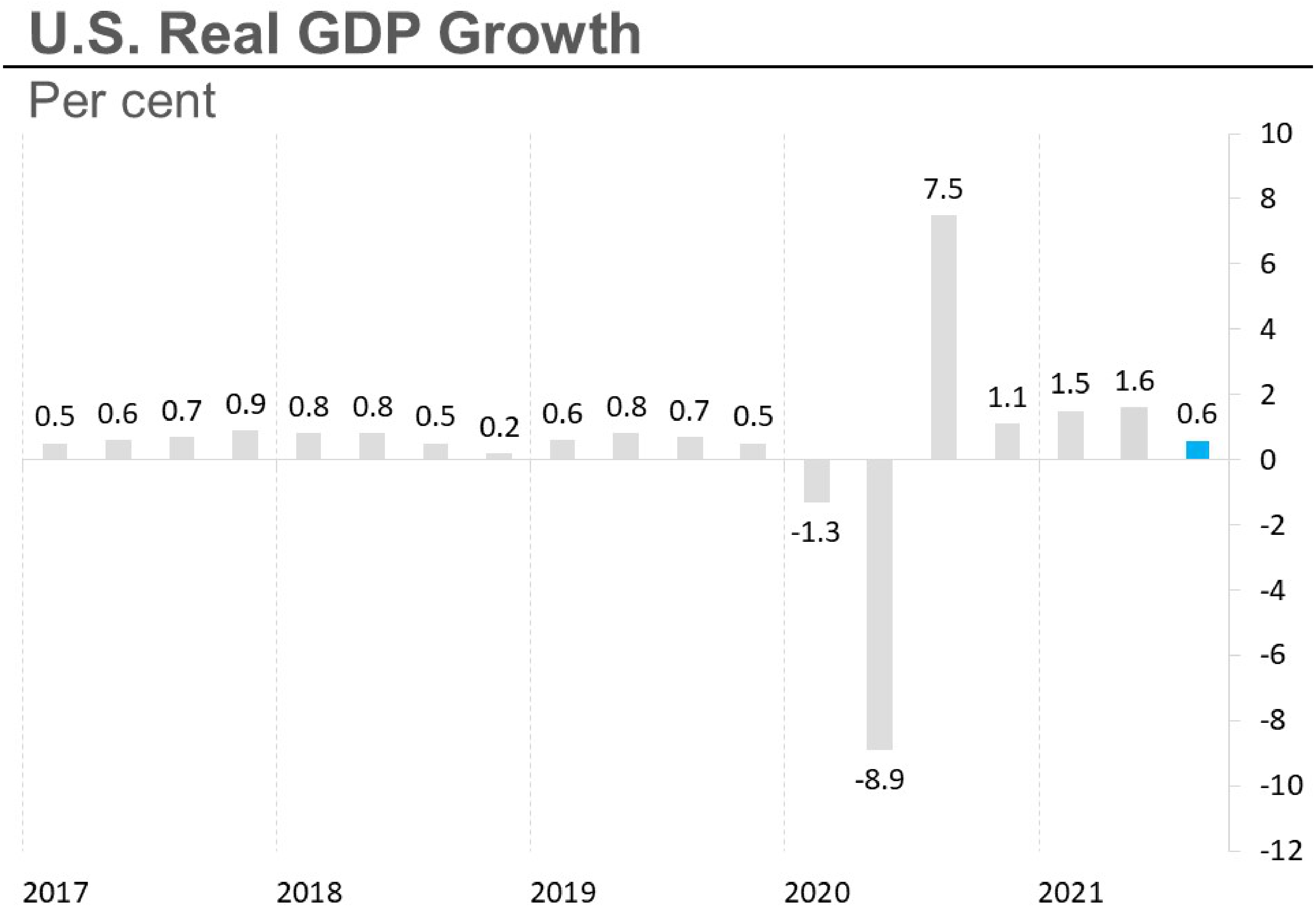
[Accessible description of chart 14: Canadian real GDP growth]

Quebec's real GDP increased 0.9% in the third quarter of 2021, following a gain of 0.6% in the second quarter. As of the third quarter, Quebec's real GDP was 0.4% above its level in 2019 Q4.



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

In the **U.S.**, real GDP increased 0.6% in the third quarter of 2021, following a 1.6% increase in the second quarter. As of the third quarter, U.S. real GDP was 1.4% above its level in 2019 Q4.



Source: United States Bureau of Economic Analysis.

Accessible description of chart 16: U.S. real GDP growth

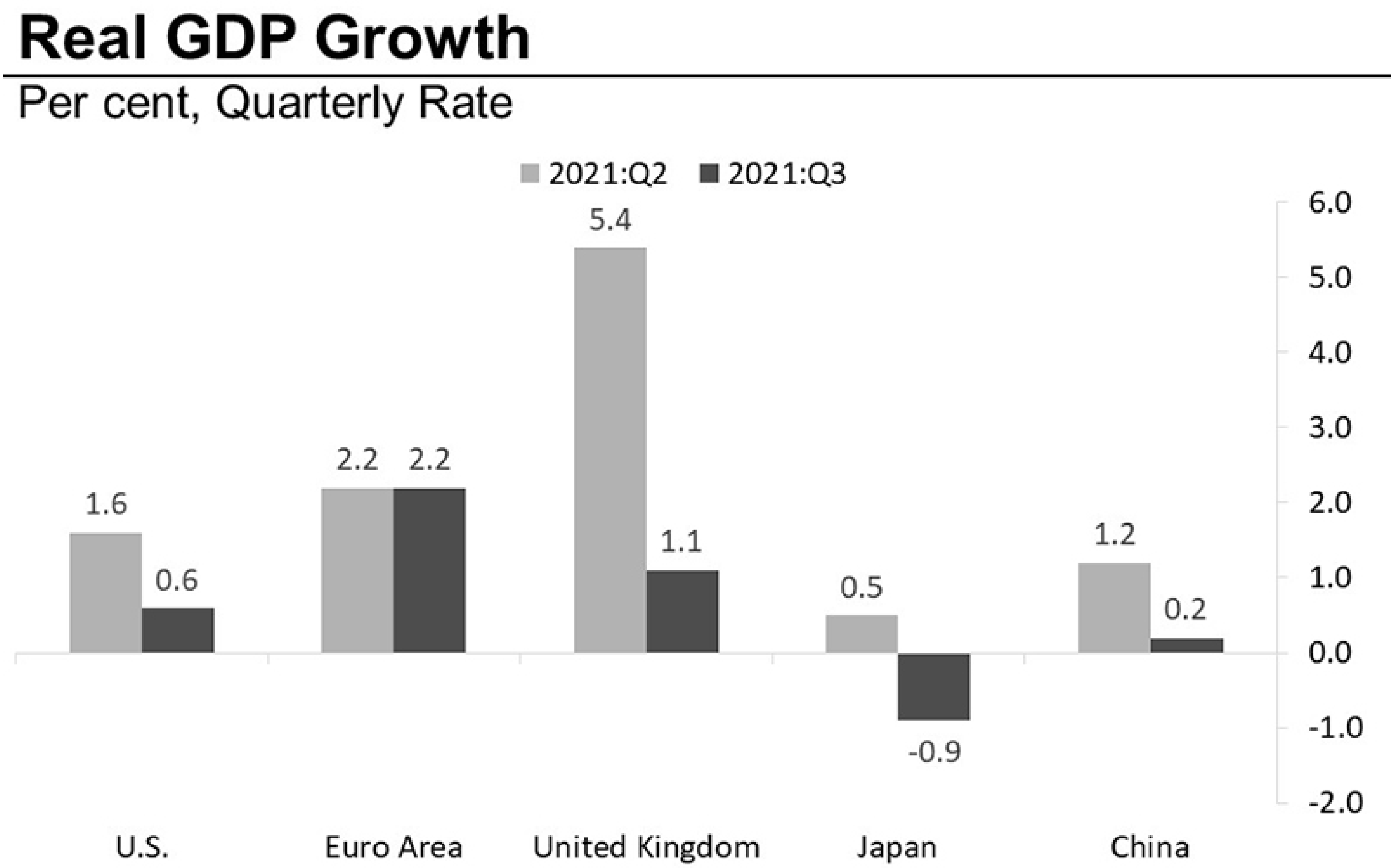
Recent economic developments

Global economic developments

Global growth slows in Q3

Amid resurging global COVID-19 cases and continuing supply chain disruptions, real GDP growth slowed in the third quarter of 2021 in several major economies, including the United States, China, and the United

Kingdom. **U.S.** real GDP rose 0.6% in the third quarter of 2021, after increasing 1.6% in the second quarter. The deceleration in real GDP growth was led by slowing growth in consumer spending.

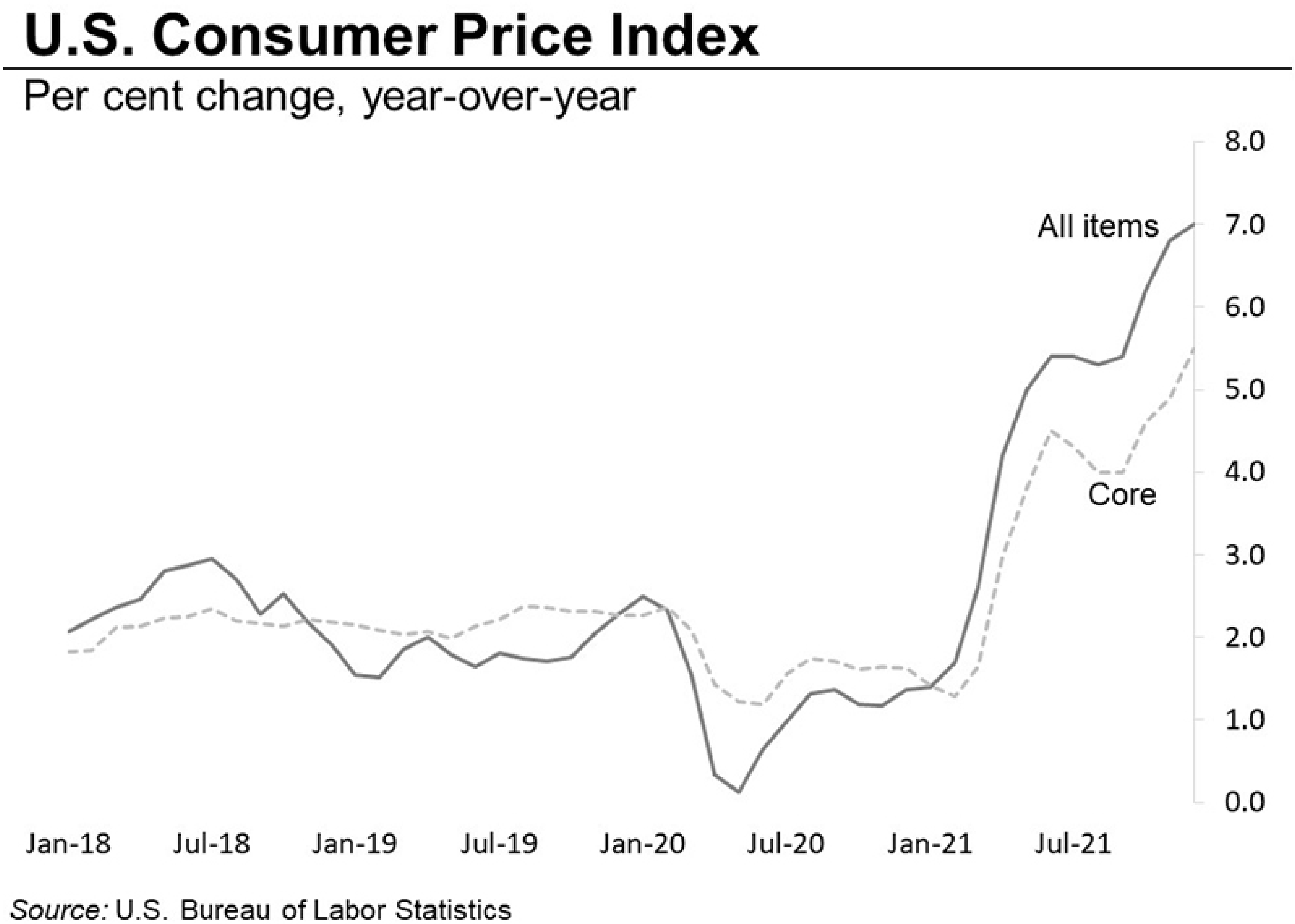


Sources: U.S. Bureau of Economic Analysis, Eurostat, U.K. Office for National Statistics, Cabinet Office of Japan and National Bureau of Statistics of China.

Accessible description of chart 17: Real GDP growth

The **United Kingdom**'s real GDP growth slowed from 5.4% in the second quarter to 1.1% in the third quarter. **China**'s real GDP growth slowed from 1.2% in the second quarter to 0.2% in the third quarter, partly due to the impacts of power disruptions and easing global demand. In **Japan**, real GDP declined 0.9% in the third quarter following a 0.5% increase in the second quarter. **Euro area** real GDP increased 2.2% in the third quarter, matching growth in the second quarter, as household consumption contributed strongly to growth.

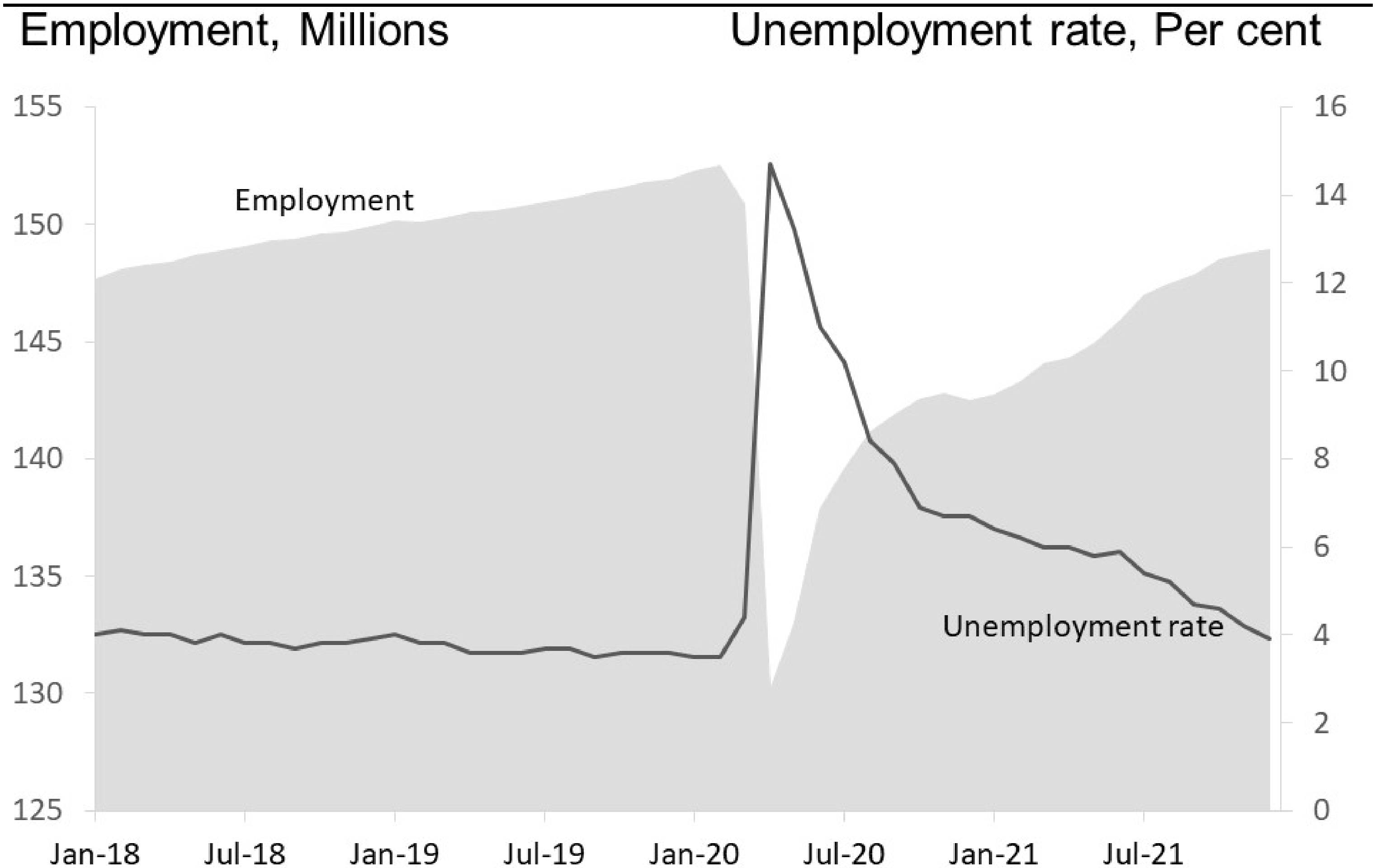
Inflation has continued to rise in recent months in jurisdictions around the world. The U.S. Consumer Price Index (CPI) increased 7.0% year-over-year in December, the fastest rate of growth since June 1982. The broad-based increase in prices was led by higher energy prices. A measure of core inflation, which excludes food and energy prices, rose 5.5% year-over-year in December.



[Accessible description of chart 18: U.S. consumer price index]

U.S. employment continues to recover, with non-farm payrolls rising by 199,000 in December. As of December 2021, the level of U.S. employment remained 2.3% below the February 2020 level. The U.S. **unemployment rate** reached 3.9% in December, significantly below the peak of 14.7% in April 2020 but still above the pre-pandemic rate of 3.5%.

U.S. Labour Market



Source: U.S. Bureau of Labor Statistics.

Accessible description of chart 19: U.S. labour market

Central banks begin tightening

Continuing economic recovery and rising inflation have prompted key central banks to begin tightening monetary policy. The **U.S. Federal Reserve** (Fed) maintained the target range for the federal funds rate at 0% to 0.25% at its December meeting. However, the Fed began to reduce the pace of its monthly net asset purchases in November. At the current pace of tapering, net asset purchases would be anticipated to end in March 2022. Additionally, most Fed policy committee members now expect the policy interest rate to be increased by 75 basis points over the course of 2022.

Government of Canada 10-Year Bond Rate

Per cent

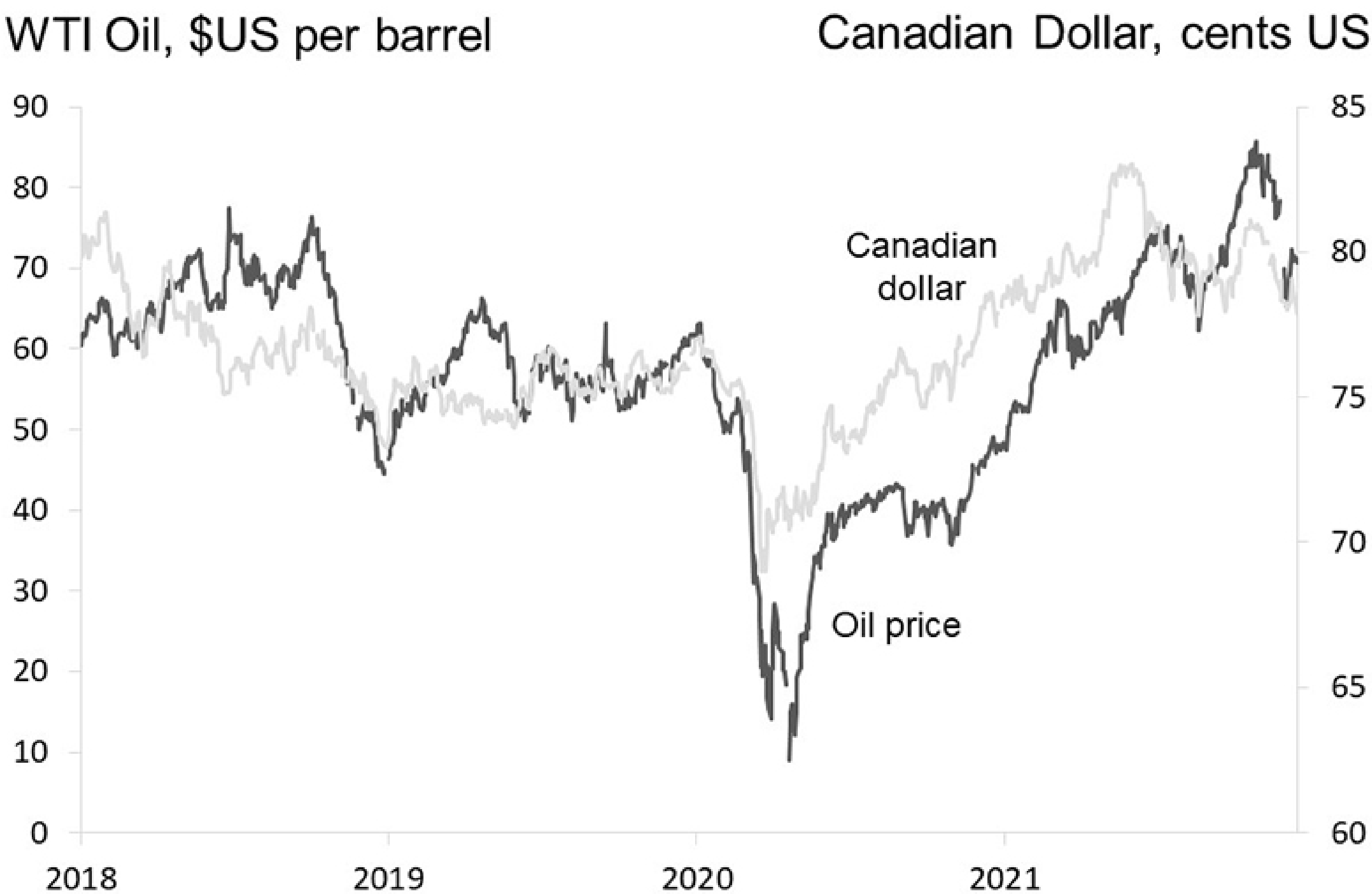
Source: Bank of Canada.

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

At its December meeting, the **European Central Bank** announced that it would continue to reduce asset purchases under the Pandemic Emergency Purchase Program and net asset purchases will stop at the end of March 2022. Meanwhile, the **Bank of England** announced in December that its policy interest rate will rise from 0.1% to 0.25%, the first increase in over three years.

The **Bank of Canada** continues to maintain its key policy interest rate target at 0.25%. In October, the Bank of Canada ended quantitative easing (QE) and moved into the reinvestment phase, in which it only purchases Government of Canada bonds to replace maturing ones.

Oil Prices and the Canadian Dollar



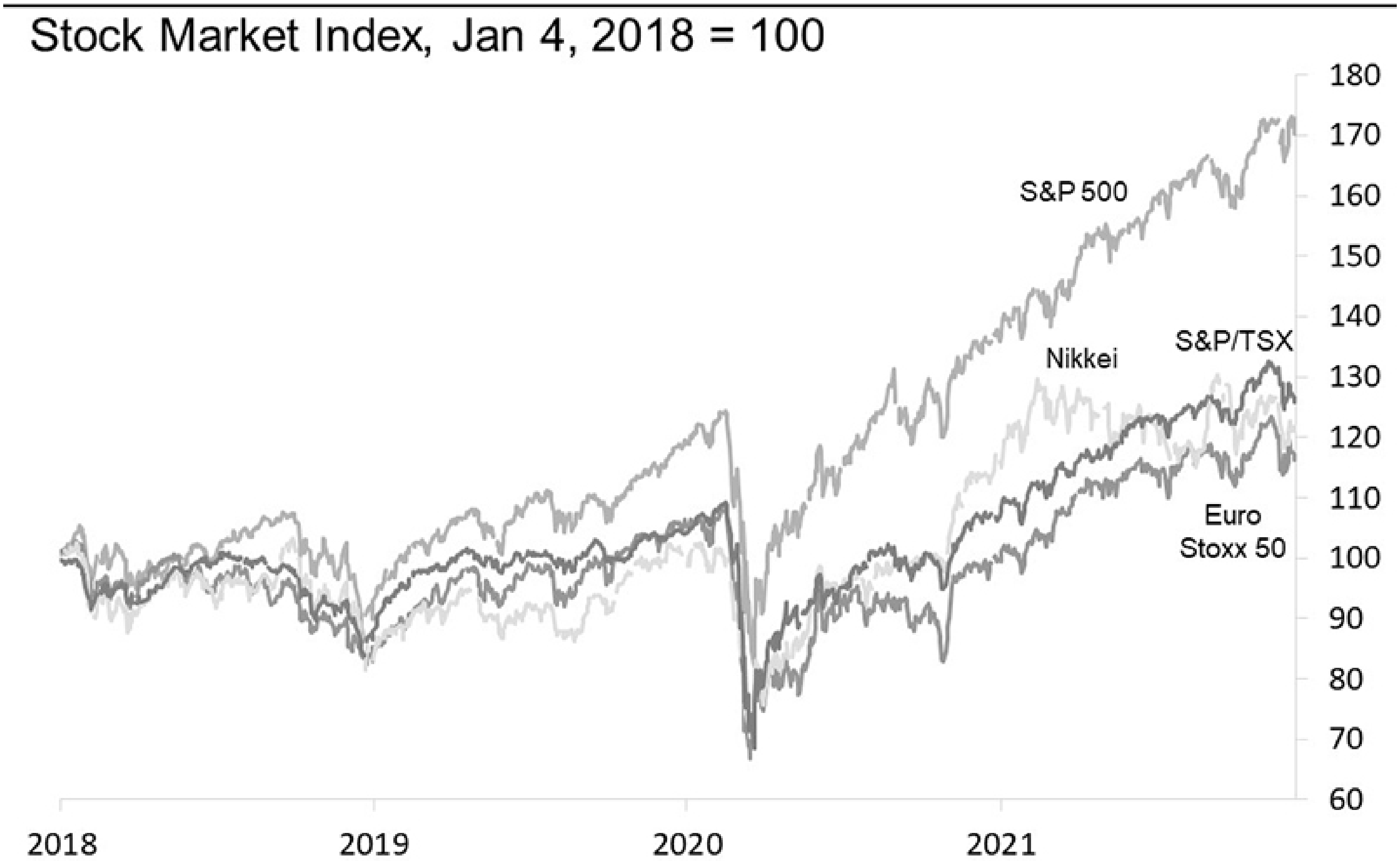
Sources: Bank of Canada and U.S. Energy Information Administration.

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

Rising investor fears over the Omicron variant of COVID-19 impacted markets in late November and December. The Canadian 10-year **government bond yield** was near 1.5% in mid-December, below the 1.8% reached in late November. The **WTI crude oil price** declined to close to US$70 per barrel in mid-December after reaching US$85 per barrel in late October as the Omicron variant weighed on the outlook for oil demand. The **Canadian dollar** traded at around 78 cents U.S. in mid-December, little changed from September.

In the last quarter of 2021, major **stock indices** trended higher before rising COVID-19 fears increased volatility. Canada's S&P/TSX Composite index was up 3.5% by mid-December compared to the end of September.

Stock Market Indices



Sources: Yahoo! Finance and STOXX.

[Accessible description of chart 22: Stock market indices]

Employment

Labour market rebound

Ontario's employment advanced 344,800 jobs in 2021 or 4.9%, following a decline of 355,300 in 2020. As of December 2021, employment was 160,600 (+2.1%) above the February 2020 pre-pandemic level.

Ontario’s Labour Force

Employment:
+344,800 net jobs in 2021

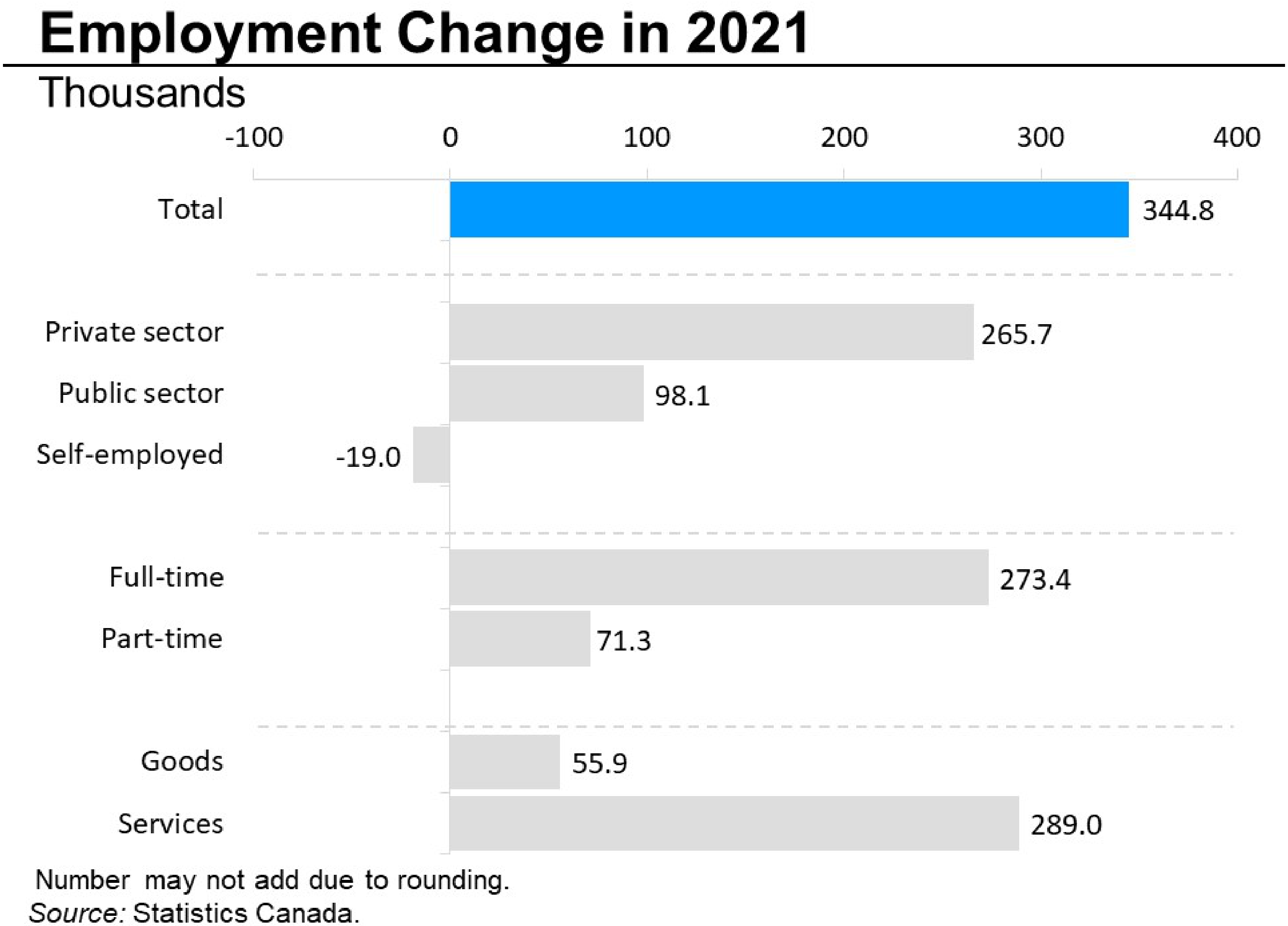
Unemployment Rate:
6.0% in December 2021

Source: Statistics Canada.

Accessible description of chart 23: Ontario's labour force

The 2021 gain was concentrated in full-time employment (+273,400), while part-time positions increased by 71,300. Private sector (+265,700) and public sector (+98,100) employment rose in the year, while self-employment (−19,000) declined.

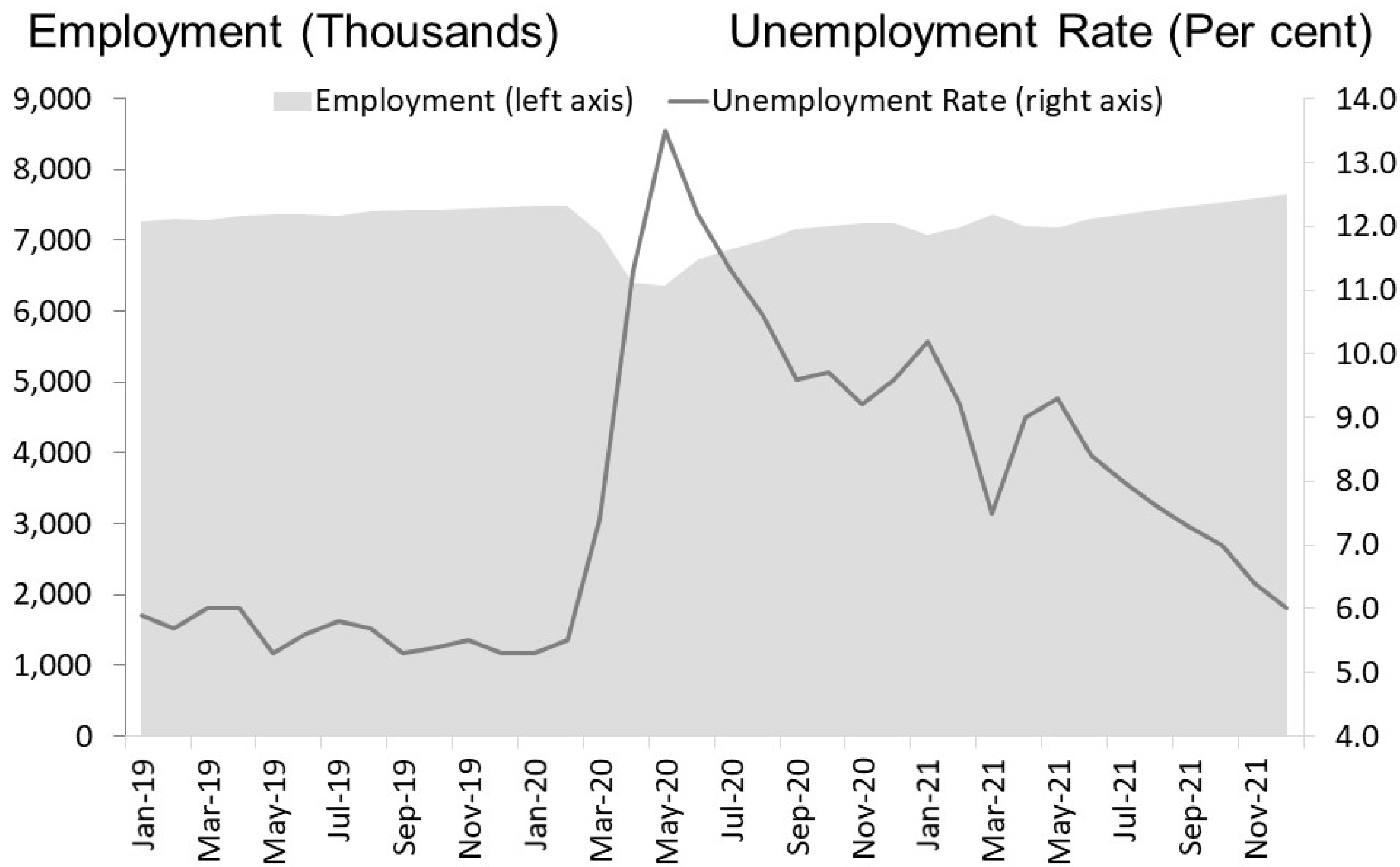
There were also notable gains in services-producing industries (+289,000), while employment in goods-producing industries increased by 55,900 in 2021.



Accessible description of chart 24: Employment change in 2021

Ontario's unemployment rate trended down through most of 2021 and was 6.0% in December 2021. For 2021 as a whole, the unemployment rate averaged 8.0%, down from 9.6% in 2020.

Ontario's Employment and Unemployment Rate



Source: Statistics Canada

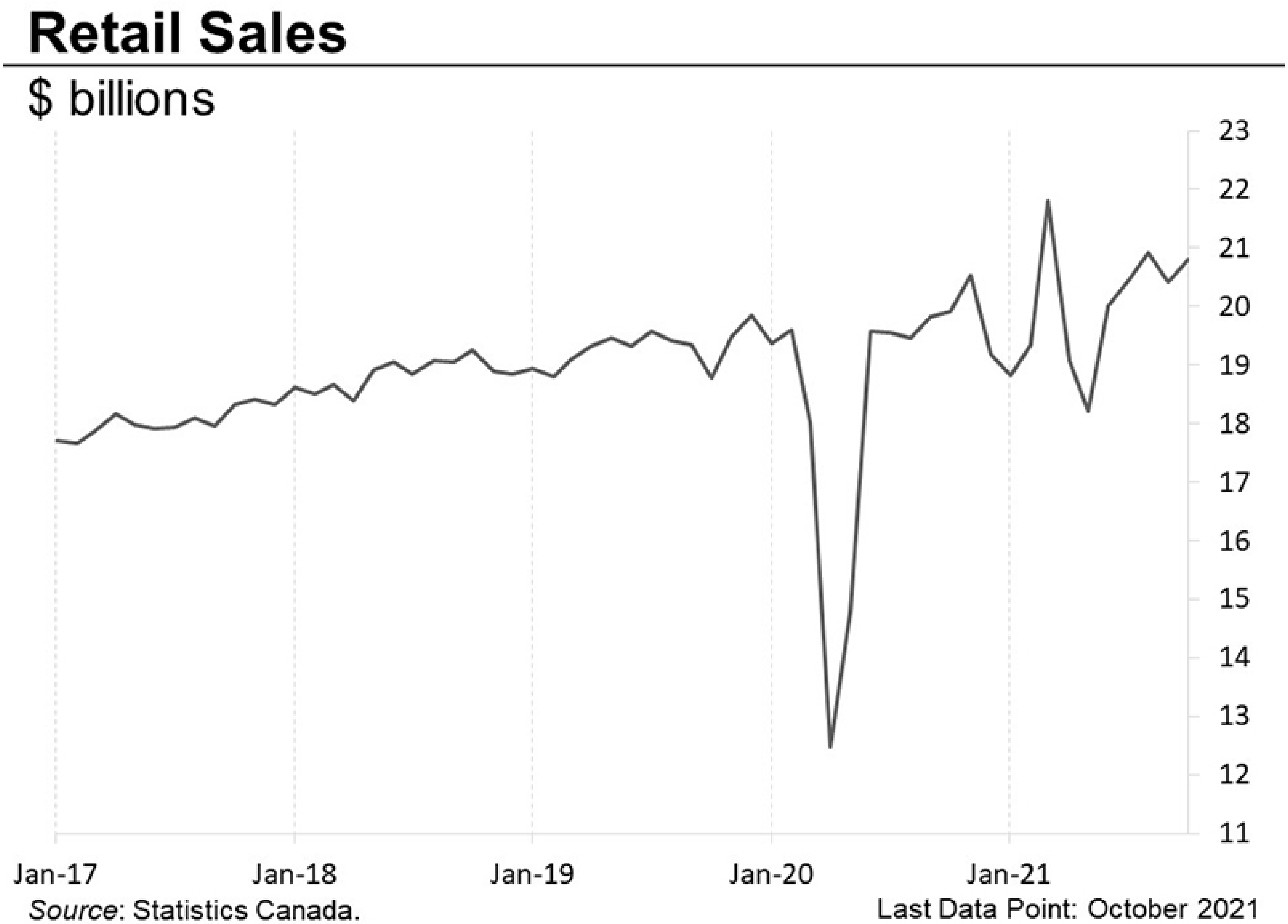
[Accessible description of chart 25: Ontario's employment and unemployment rate]

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

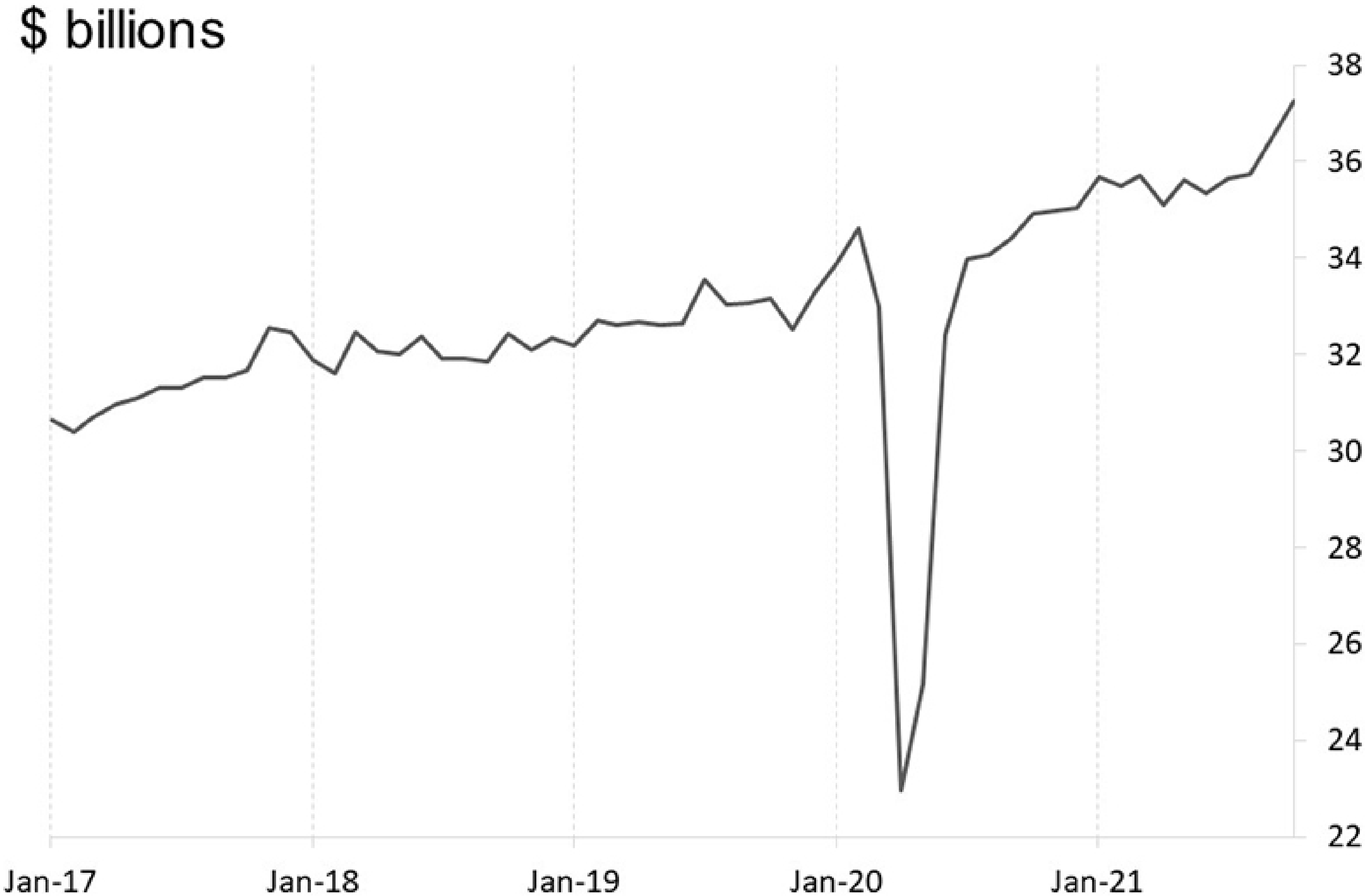
Ontario retail sales increased 1.9% in October, following a 2.4% decline in September. The increase in October was led by motor vehicle and parts dealers and general merchandise stores.



[Accessible description of chart 26: Retail sales]

Wholesale trade increased by 2.1% in October, following a 2.1% increase in September. The increase in the month was led by motor vehicles and parts (+9.9%), food and beverage (+5.5%) and machinery and equipment (+2.2%).

Wholesale Trade

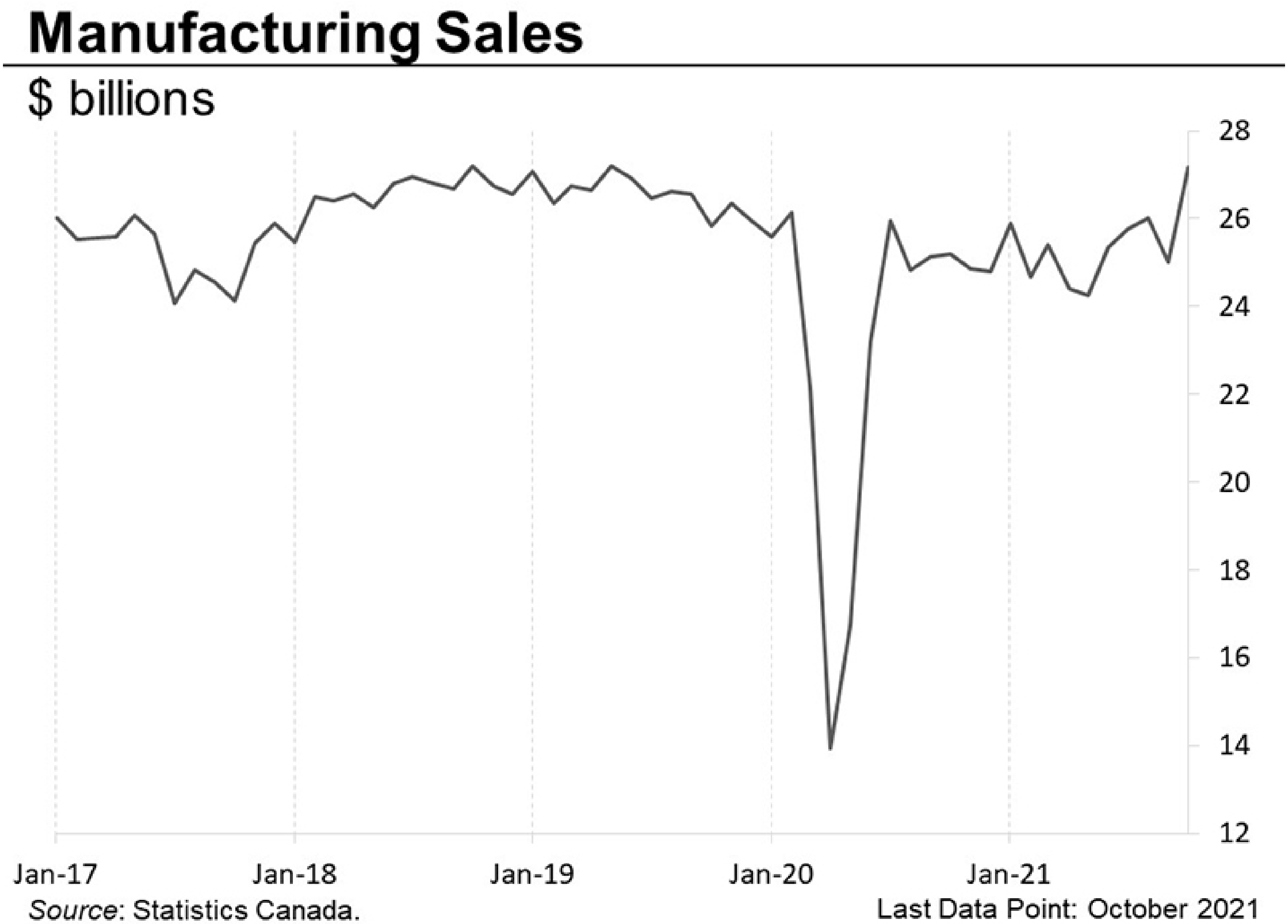


Source: Statistics Canada.

Last Data Point: October 2021

Accessible description of chart 27: Wholesale trade

Manufacturing sales increased by 8.6% in October, following a 3.9% decline in September. The increase in the month was led by transportation equipment (+35.7%), primary metal (+8.2%) and plastics and rubber products (+9.2%) manufacturing.



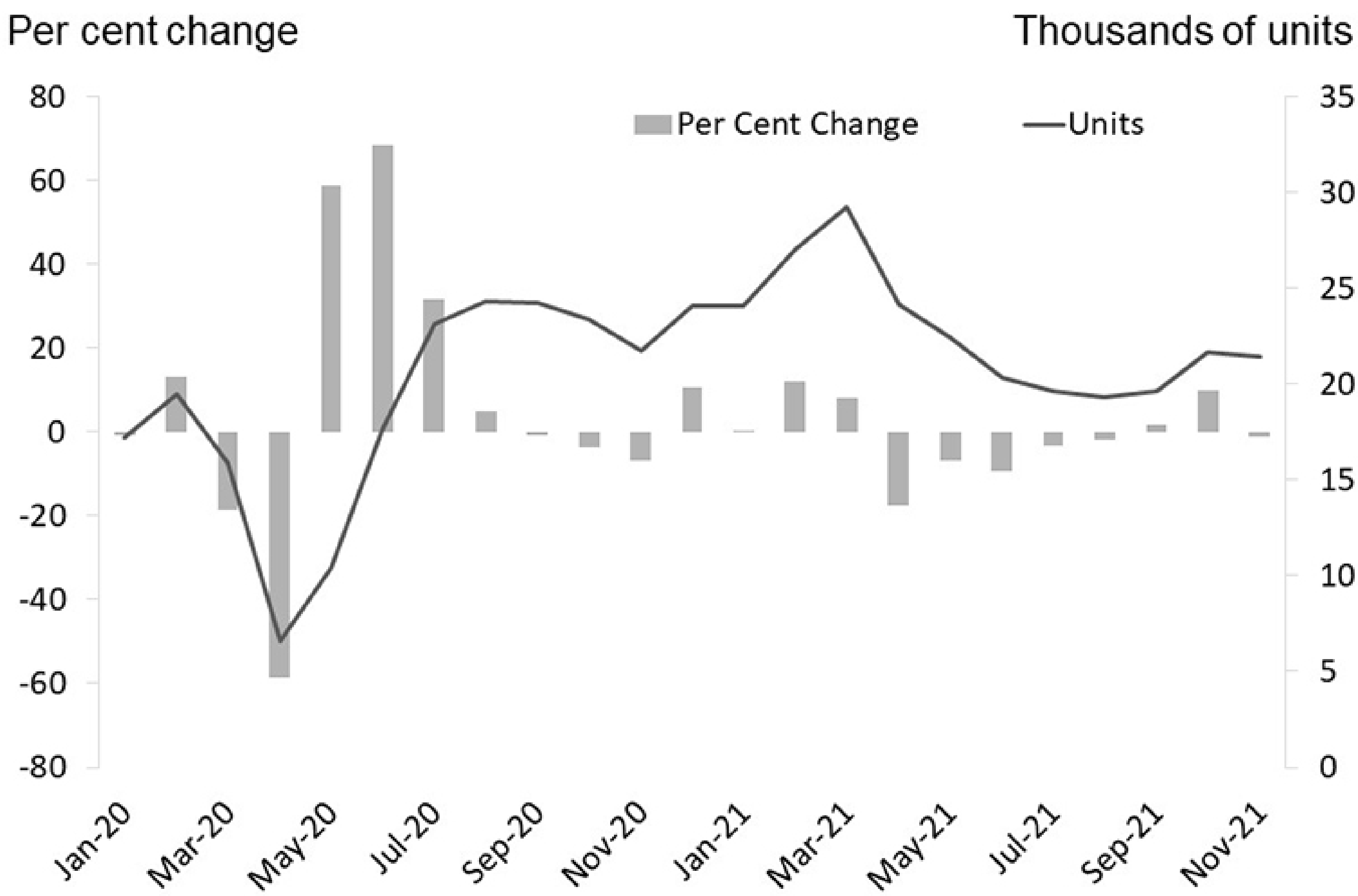
Accessible description of chart 28: Manufacturing sales

Housing

Housing market overview

Sales of existing Ontario homes decreased by 1.0% in November, following a 10.1% increase in October. While home resales have declined significantly from the peak reached in March 2021, the level of sales remains elevated compared to pre-pandemic levels. On a year-to-date basis, sales of existing Ontario homes increased by 20.7% over the first eleven months of 2021.

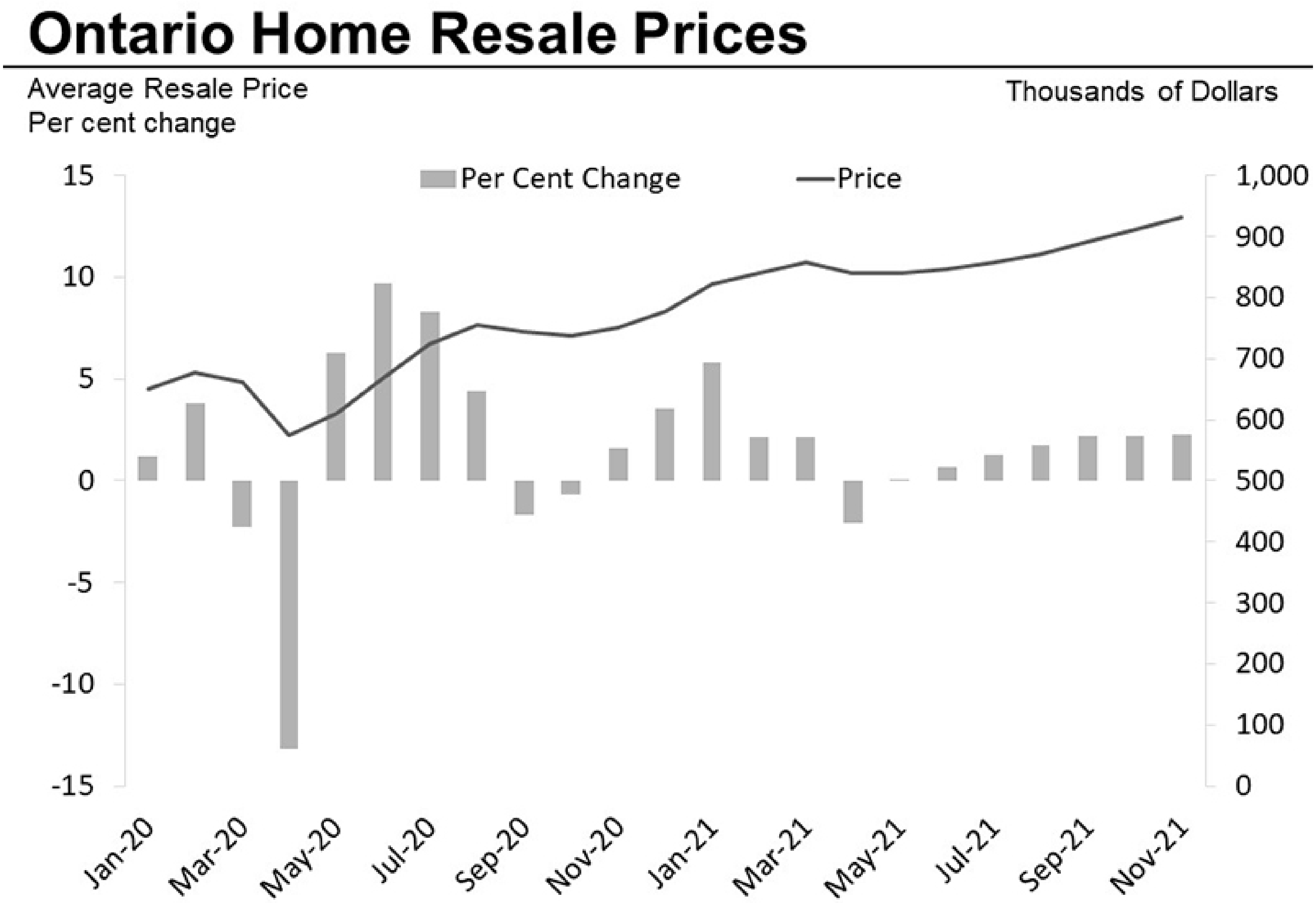
Ontario Home Resales



Source: Canadian Real Estate Association (CREA).

Accessible description of chart 29: Ontario home resales

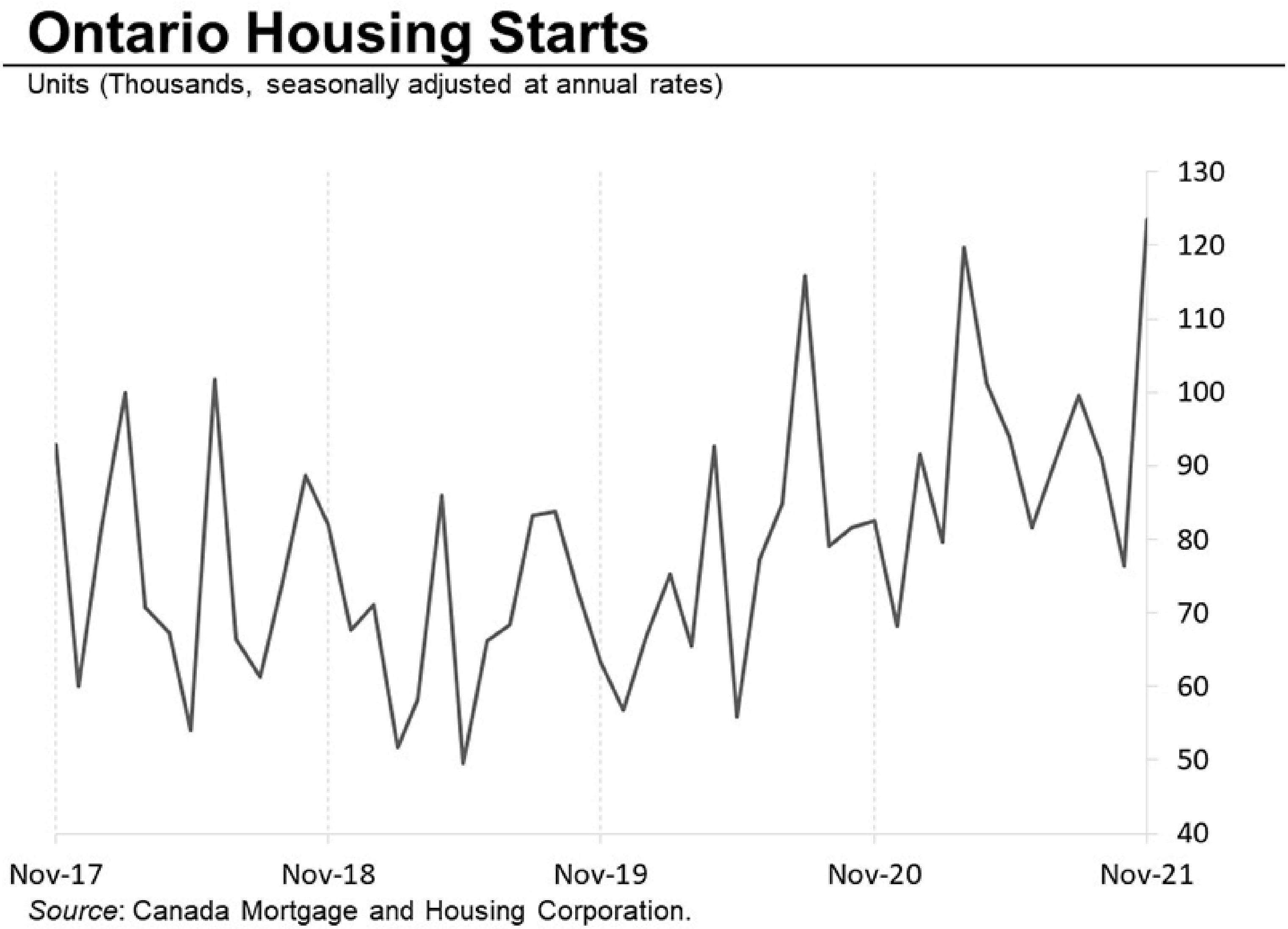
Ontario **average home resale prices** continued to trend upwards, increasing 2.3% in November to $931,324.



Source: Canadian Real Estate Association (CREA).

[Accessible description of chart 30: Ontario home resale prices]

Housing starts in Ontario increased 55.7% in November, following a 16.5% decline in October. Both single-detached (+12.1%) and multiple-unit (+81.2%) starts increased in November. On a year-to-date basis, Ontario housing starts increased 19.6% over the first eleven months of 2021.



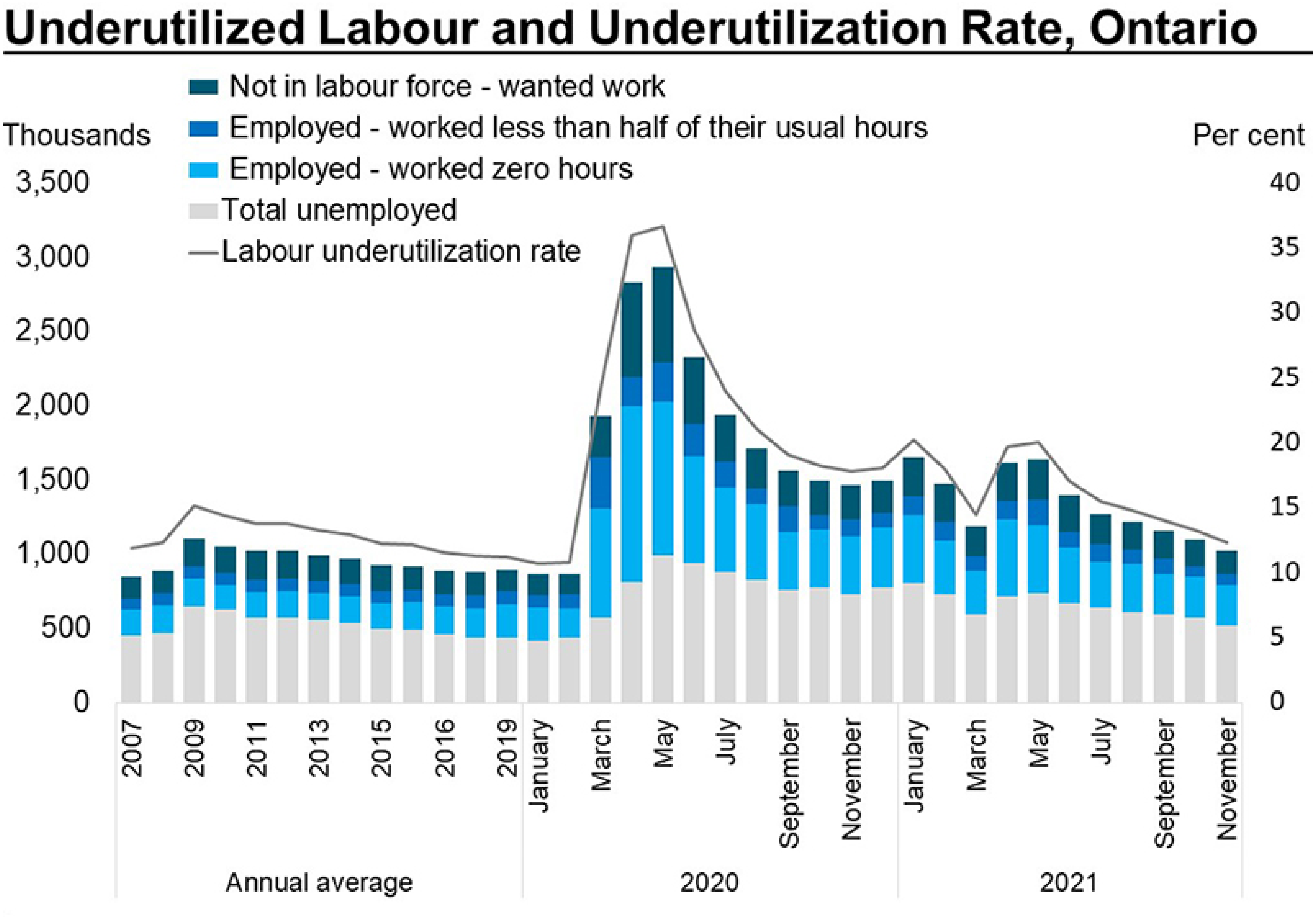
Accessible description of chart 31: Ontario housing starts

In focus

Underutilized Labour in Ontario

In November 2021, over a million people (1,022,000) were underutilized in Ontario. This includes 519,100 unemployed persons, 346,800 people working reduced hours for reasons likely related to COVID-19, and 156,100 individuals not in labour force but wanting work.

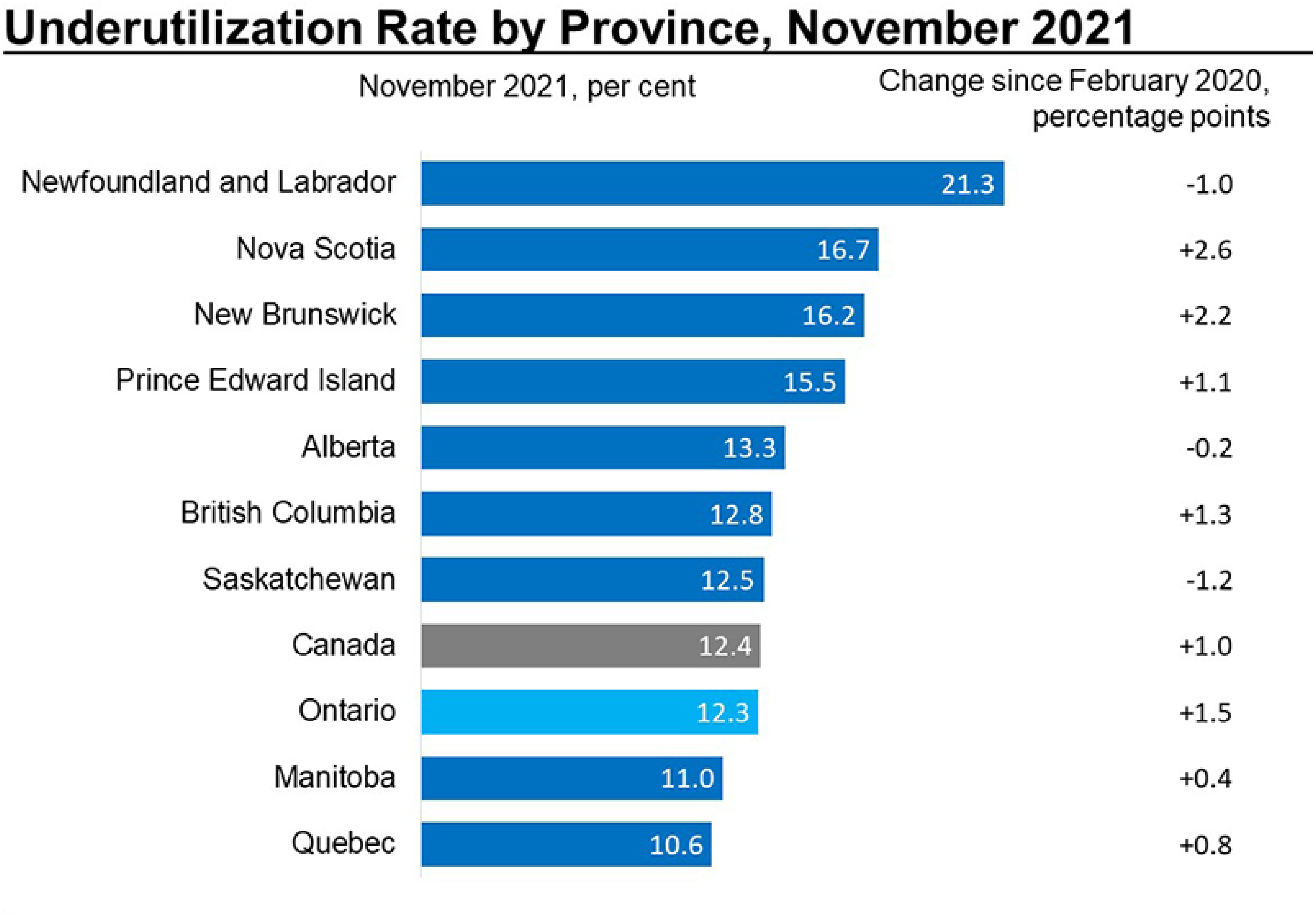
The underutilization rate in Ontario reached a peak of 36.7% (which corresponded to nearly 3 million people) in May 2020. As of November 2021, the underutilization rate was 12.3%, significantly lower than its peak in May 2020 but higher than its pre-pandemic rate in February 2020 (10.8%).



Source: Statistics Canada

[Accessible description of chart 32: Underutilized labour and underutilization rate, Ontario]

In November 2021, Ontario's underutilization rate was the third lowest among provinces, after Quebec (10.6%) and Manitoba (11.0%). Newfoundland and Labrador had the highest rate at 21.3%.



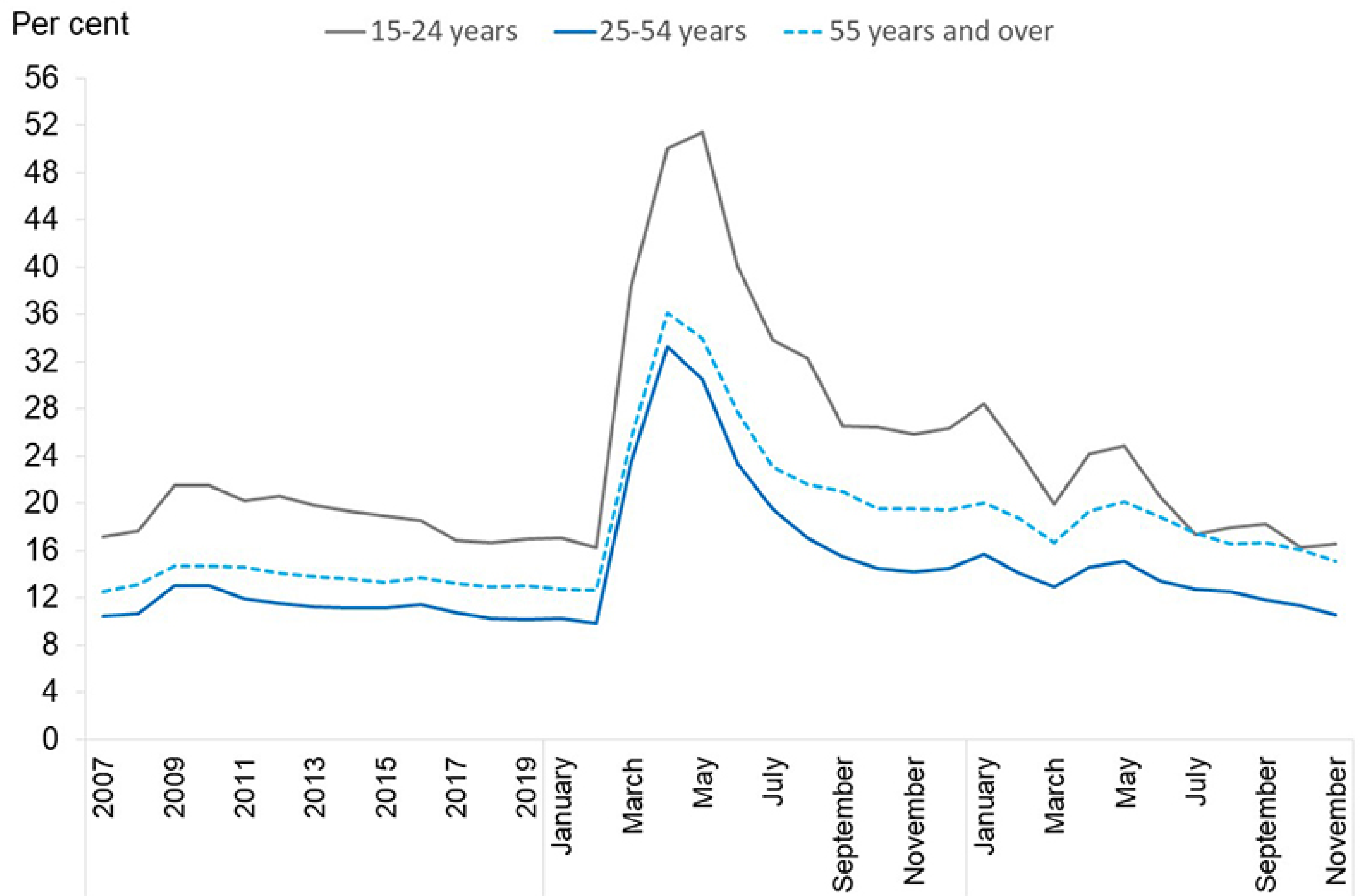
Source: Statistics Canada

Accessible description of chart 33: Underutilization rate by province, November 2021

Women and youth have been more severely impacted by the pandemic as they are more likely to work in public-facing service industries affected by public health measures. In Canada, the underutilization rate of women peaked at 38.4% in April 2021, compared to 34.2% for men. The underutilization rate for women and men has since declined and converged to 12.4% in November 2021.

After peaking at 51.5% in May of 2020, the underutilization rate of Canadian youth aged 15 to 24 declined to 16.6% in November 2021 (+0.3 percentage points compared to February 2020). In November 2021, the underutilization rates for youth and older people aged 55 years and over (16.6% and 15.1%, respectively) exceeded that of the core-aged population aged 25 to 54 (10.5%).

Underutilization Rate by Age Group, Canada



Source: Statistics Canada

[Accessible description of chart 34: Underutilization rate by age group, Canada]

Appendix

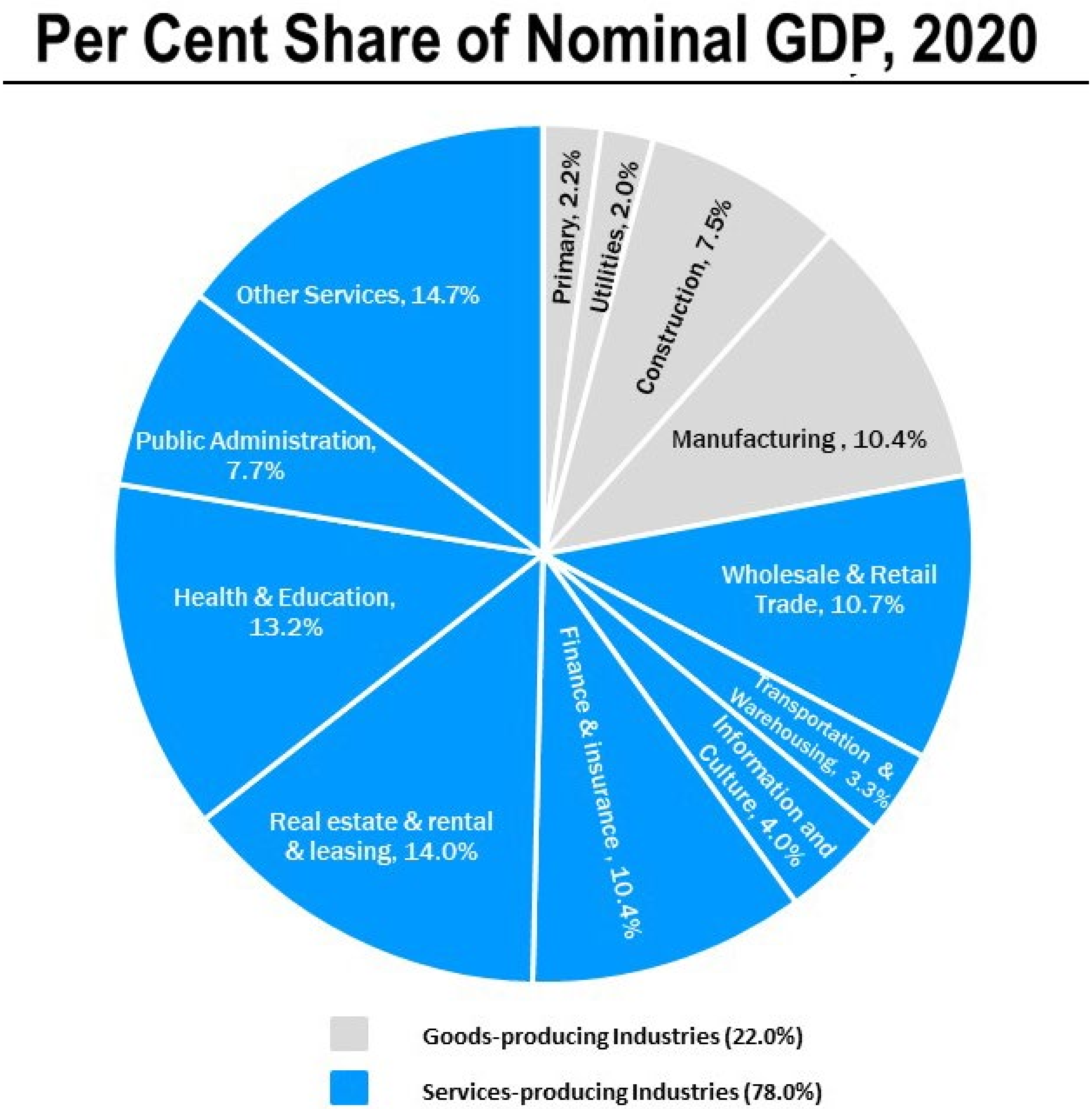
OEA release dates

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
Fourth Quarter (October-December) 2021	March 1, 2022	By April 14, 2022

Structure of the Ontario economy



Note: Numbers may not add due to rounding.
Source: Statistics Canada
[Accessible description of chart 35: Per cent share of nominal GDP, 2020]

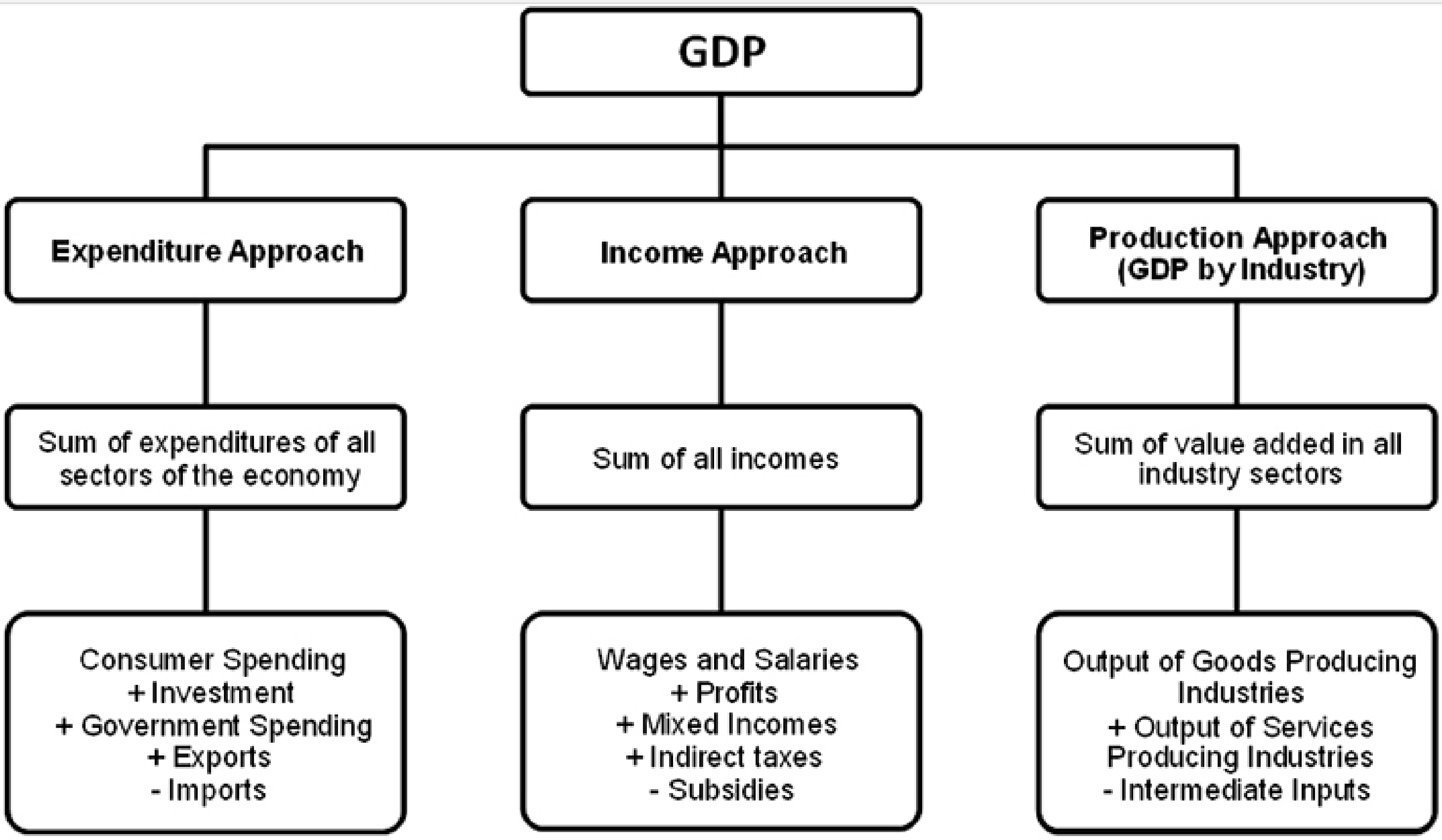
Appendix: How GDP is measured

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: 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

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Accessible image descriptions:

Chart 1: Ontario GDP, third quarter 2021

The chart indicates the per cent change in real and nominal GDP in the third quarter of 2021. Real GDP increased by 1.4% and nominal GDP increased 2.4% 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 third 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 1.4% followed by a steeper 11.9% decline in the second quarter. Real GDP rebounded by 9.8% in the third quarter of 2020 followed by smaller gains of 2.1% 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 1.2%. In the third quarter of 2021, real GDP increased by 1.4%.

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 third quarter of 2021. Real GDP rose by 1.4% in the quarter, with increases in household consumption (+5.0%), government spending (+0.7%) and exports (+1.2%). Business investment (−6.0%) and imports (−0.9%) declined 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 third quarter of 2021. Exports increased by 1.2% in the third quarter of 2021, after declining 5.1% in the second quarter, while imports declined 0.9% in the third quarter, after decreasing 5.1% in the second 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 third quarter of 2021. Ontario has experienced nominal GDP growth over the entire period, except for the first two quarters of 2020. Nominal GDP declined 12.0% in the second quarter of 2020, following a decrease of 1.6% in the first quarter of 2020. This was followed by a 12.6% rebound in the third quarter of 2020, followed by more modest in the proceeding quarters. In the third quarter of 2021, nominal GDP increased 2.4%.

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 third quarter of 2021. Nominal GDP advanced 2.4% in the third quarter of 2021. Compensation of employees (+3.2%) increased while net operating surplus (−7.5%) and next mixed income (−0.3%) declined.

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 third 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 8.0% in the second quarter of 2020, after declining 0.9% in the first quarter of 2020. This was followed by an 8.3% rebound in the third quarter and smaller gains in the proceeding quarters. In the third quarter of 2021, compensation of employees rose 3.2%.

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 third quarter of 2021. Economy-wide prices decreased 0.2% in both the first and second quarters of 2020. This was followed by gains between 1.7% and 2.5% in the next four quarters. In the third quarter of 2021, prices rose 0.9%.

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 third quarter of 2021. Prices increased for imports (+3.6%), business investment (+2.7%), exports (+2.3%) and household consumption (+1.3%).

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 third quarter of 2021. Export prices increased 2.3% in the third quarter of 2021, following a 2.8% increase in the second quarter. Import prices increased 3.6% in the third quarter of 2021, following a 1.0% increase.

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 third quarter of 2021. Ontario real GDP increased by 1.5% in the third quarter of 2021, following a 1.1% decline in the second 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 third quarter of 2021. The output of all industries increased 1.5% in the quarter. Output decreased in goods-producing industries (−2.1%), with industry changes as follows: utilities (+4.1%); manufacturing (−0.3%); construction (−5.0%) and primary (−5.4%). Output in the service industries increased 2.6%, including industry changes as follows: other services (+8.0%); retail trade (+6.7%); health, education and public administration (+2.3%); finance and insurance (+2.3%); professional and administrative services (+1.6%); real estate, rental and leasing (0.0%) and wholesale trade (−0.1%).

*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 third quarter of 2021. In total, output by manufacturing industries decreased 0.3% in the quarter. The change in output of each manufacturing industry is as follows: plastic and rubber (+7.5%); wood and furniture (+7.4%); textile, clothing and leather (+7.0%); machinery (+2.6%); food, beverage and tobacco (+1.8%); chemical and petroleum (+1.3%); paper and printing (+0.1%); primary and fabricated metal (−1.9%); electrical and electronic (−2.4%); transportation equipment (−4.6%) and other manufacturing (−9.7%).

Source: Ontario Ministry of Finance.

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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 third 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 2.2% followed by a steeper 11.0% decline in the second quarter. Real GDP rebounded by 9.0% in the third quarter, followed by a 2.2% increase in the fourth quarter of 2020, and a 1.2% advance in the first quarter of 2021. Real GDP declined 0.8% in the second quarter of 2021 before increasing 1.3% in the third quarter.

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 third 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 11.8% in the second quarter of 2020, following a decrease of 3.3% in the first quarter. Real GDP rebounded by 12.7% in the third quarter, followed by a 1.7% increase in the fourth quarter of 2020, a 1.0% advance in the first quarter of 2021, a 0.6% increase in the second quarter of 2021 and 0.9% increase in the third quarter of 2021.

Source: Institut de la statistique du Québec.

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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 third 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 8.9% 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, 1.6% increase in the second quarter of 2021 and 0.6% increase in the third 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 second and third quarter of 2021. U.S. real GDP increased 1.6% in the second quarter and 0.6% in the third quarter. Euro area real GDP increased 2.2% in the second and third quarter. Real GDP in the United Kingdom increased 5.4% in the second quarter and increased 1.1% in the third quarter. Japan's real GDP increased 0.5% in the second quarter and declined 0.9% in the third quarter. China's real GDP advanced 1.2% in the second quarter and increased 0.2% in the third 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 December 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 December 2021, total CPI increased 7.0% year-over-year and core CPI increased 5.5% 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 December 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 149.0 million by December 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 3.9% in December 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-December 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 about 1.2% in August and September. The rate was about 1.4% in mid-December.

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 December 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 has since trended upwards and was at about 78 cents in mid-December.

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. The WTI crude oil price declined to close to US$70 per barrel in mid-December after reaching US$85 per barrel in late October.

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 December 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 added 344,800 net jobs in 2021 and that the unemployment rate was 6.0% in December 2021.

Source: Statistics Canada.

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Chart 24: Employment change in 2021

The bar chart illustrates the breakdown in the change in employment measured in thousands of jobs in 2021. In 2021, total employment rose by 344,800 net new jobs. Changes were as follows: private sector, a gain of 265,700 jobs; public sector, a gain of 98,100 jobs; self-employed, a decrease of 19,000 jobs; full-time, a gain of 273,400 jobs; part-time, a gain of 71,300 jobs; goods, a gain of 55,900 jobs; and services, a gain of 289,000 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 December 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 6.0% in December 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 7.7 million in December 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 October 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. In October 2021 retail sales were $20.8 billion.

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 October 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 $22.9 billion in April 2020, followed by a sharp rebound between May 2020 and July 2020. Wholesale trade increased to $37.2 billion in October 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

October 2021. Ontario's manufacturing sales have fluctuated over the period, largely remaining between $24 billion and $27 billion. Manufacturing sales sharply declined to $13.9 billion in April followed by a sharp rebound to $26.0 billion in July 2020. Manufacturing sales have fluctuated since and were $27.2 billion in October 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 November 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 slightly above pre-pandemic levels as of November 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 January 2020 to November 2021. The average resale price was $676,200 in February 2020 and declined to $573,700 in April 2020. Since, the average price has trended higher and was $931,300 in November 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 November 2021. Ontario's housing starts were volatile over the period. Prior to November 2021, the high was 120,000 units in March 2021. There were 124,000 housing starts in November 2021.

Source: Canada Mortgage and Housing Corporation.

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Chart 32: Underutilized labour and underutilization rate, Ontario

The combination line and stacked vertical bar chart shows Ontario's underutilization rate (line chart) and the components of underutilized labour which include those not in labour force and wanted work; employed and worked less than half of their usual hours; employed and worked zero hours; and unemployed (stacked vertical bars) from 2007 to 2019 and from January 2020 to November 2021. Ontario's underutilization rate has trended downwards since the 2008/09 recession, reaching 10.8% in February 2020, before rising to 36.7% in May 2020, and falling to 12.3% in November 2021. The components of underutilized labour moved in tandem with the underutilization rate. In February 2020, the total underutilized labour comprised almost 900,000 individuals, increasing to almost 3 million in May 2020, and falling to about 1 million in November 2021. The unemployed persons have typically been the largest component of the underutilized labour, comprising about half of the total. However, in March 2020, its share fell to about a third of the total, while those working less than half of usual hours or working zero hours comprised more than half of the total underutilized labour.

Source: Statistics Canada.

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Chart 33: Underutilization rate by province, November 2021

The horizontal bar chart shows underutilization rates by province and for Canada in November 2021, measured in per cent, as well as the respective percentage point changes from February 2020. In November 2021, the underutilization rate was the lowest in Quebec at 10.6% (+0.8 percentage point since February 2020), followed by Manitoba (11.0%; +0.4 p.p.), Ontario (12.3%; +1.5 p.p.), Canada (12.4%; +1.0 p.p.), Saskatchewan (12.5%; −1.2 p.p.); British Columbia (12.8%; +1.3 p.p.), Alberta (13.3%; −0.2 p.p.), Prince Edward Island (15.5%, +1.1 p.p.), New Brunswick (16.2%, +2.2 p.p.), Nova Scotia (16.7%, +2.6 p.p.), and Newfoundland and Labrador (21.3%, −1.0 p.p.).

Source: Statistics Canada.

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Chart 34: Underutilization rate by age group, Canada

The line chart shows underutilization rates by age group for Canada from 2007 to 2019 and from January 2020 to November 2021, measured in per cent. The underutilization rate of youth aged 15 to 24 years has been typically the highest and that of core-aged population aged 25 to 54 years has been the lowest throughout the whole period. The underutilization rates of the three age groups have trended downwards since the 2008/09 recession, reaching 16.3% for youth, 12.6% for core-aged population and 9.9% for older people aged 55 years and over in February 2020. The underutilization rate of youth peaked at 51.5% in May 2020, that of cored-aged population peaked at 33.3% in April 2021 and that of older population peaked at 36.1% in April 2021. The rates have been declining since then, reaching 16.6% for youth, 15.1% for older persons and 10.5% for core-aged population in November 2021.

Source: Statistics Canada.

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Chart 35: 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: How GDP is measured

- 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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Ontario Fact Sheet (gov.on.ca)

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Ministry of Finance

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