Ontario (https://www.ontario.ca/page/government-ontario)

Ontario Economic Accounts

Learn about Ontario's economic performance and outlook for the first quarter of 2022.

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

Data Tables (https://data.ontario.ca/dataset/ontario-economic-accounts)

Highlights

- Ontario's real gross domestic product (GDP) advanced 1.1% in the first quarter (January, February, March) of 2022, following an increase of 1.5% in the previous quarter.
- As of the first quarter, Ontario's real GDP was 1.3% above the pre-pandemic level in 2019 Q4.
- Growth in the quarter was widespread with gains in household spending, investment and exports.
- Nominal GDP advanced 3.6%, after increasing 3.3% in the fourth quarter.
- Economy-wide prices, as measured by the implicit price index for GDP, rose 2.4% in the first quarter.
- Economic production, measured on an industry basis, increased 1.1% in the first quarter. Output in goods-producing industries (+2.8%) and service-producing industries (+0.6%) advanced in the quarter.

Table 1.1
Ontario Economic Accounts summary
(per cent change)

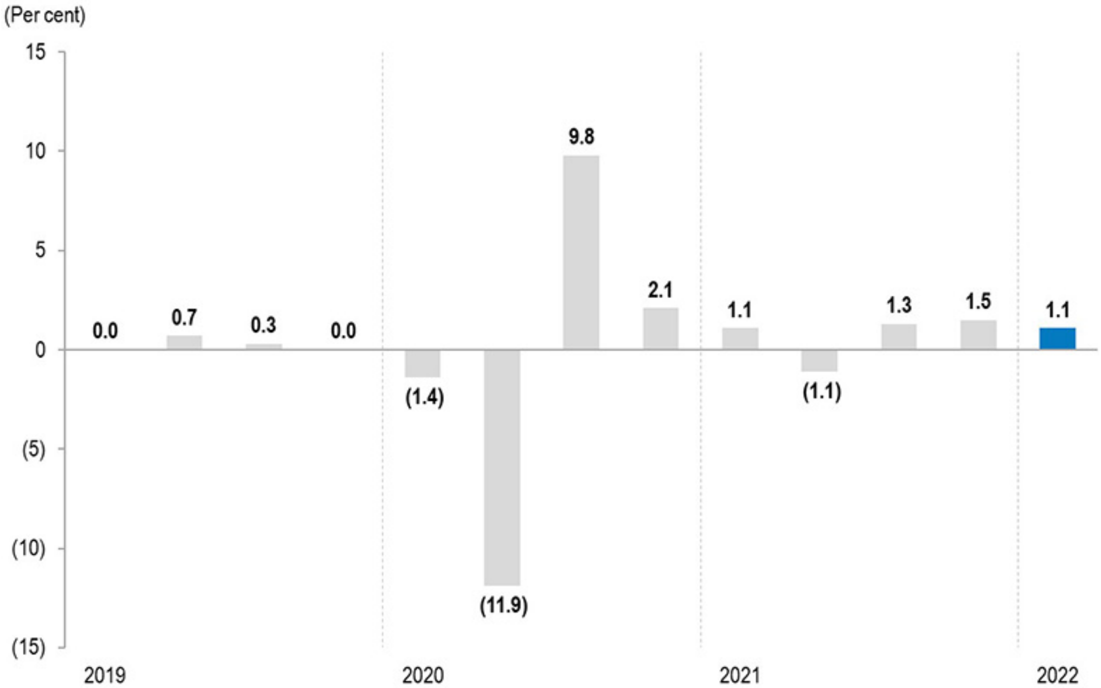
Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Real GDP	(5.1)	4.3	(1.1)	1.3	1.5	1.1
Nominal GDP	(2.8)	11.9	0.5	2.7	3.3	3.6

Sources: Statistics Canada and Ontario Ministry of Finance.

Expenditure details

Ontario's **real GDP** increased 1.1% in the first quarter of 2022, after a 1.5% advance in the fourth quarter of 2021. As of the first quarter, Ontario's real GDP was 1.3% above the pre-pandemic level in 2019 Q4.

Chart 1.1
Real GDP Growth



Source: Ontario Ministry of Finance.

Accessible description of Chart 1.1: Real GDP growth

Household consumption spending rose 1.2%, after edging up 0.2% in the fourth quarter. Spending on durables (+4.7%), semi-durables (+2.4%), non-durables (+0.3%) and services (+0.7%) all advanced in the quarter.

Total business investment spending rose 2.8%, following a 1.5% increase in the fourth quarter. Investment in **residential construction** (+4.0%), **non-residential structures** (+3.3%) and **machinery and equipment** (+0.1%) increased, while investment in **intellectual property products** (−0.6%) declined in the quarter.

Exports increased by 1.1% in the first quarter, while **imports** declined 0.4%. International exports rose 0.6%, while international imports declined 0.7%. Interprovincial exports (+2.0%) and imports (+0.5%) both increased in the quarter.

Businesses drew down **inventories** by $0.2 billion in the first quarter, after accumulating $6.8 billion worth of inventories in the previous quarter.

Table 1.2
Real GDP by expenditure
(Per cent change)

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Real GDP	(5.1)	4.3	(1.1)	1.3	1.5	1.1
Household consumption	(7.8)	4.0	(0.4)	5.4	0.2	1.2

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Business investment	0.9	11.4	(0.6)	(6.1)	1.5	2.8
Government	0.3	6.4	0.7	1.1	0.7	0.5
Exports	(7.3)	1.1	(5.4)	1.0	2.5	1.1
Imports	(8.9)	6.0	(2.1)	(1.0)	4.6	(0.4)
Investment in inventories ($ billions)	(5.9)	1.9	6.3	(4.4)	6.8	(0.2)

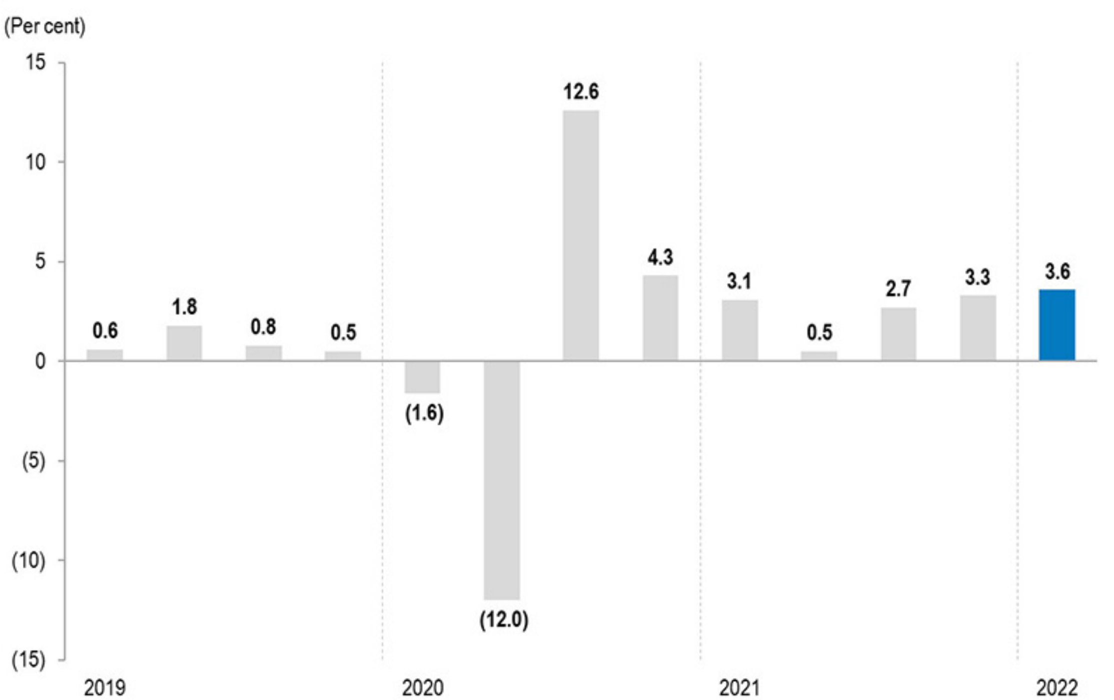
Sources: Statistics Canada and Ontario Ministry of Finance.

Income details

Ontario's **nominal GDP** increased 3.6% in the first quarter, following a 3.3% gain in the fourth quarter.

Chart 1.2

Nominal GDP Growth



Source: Ontario Ministry of Finance.

Accessible description of Chart 1.2: Nominal GDP growth

Compensation of employees, which includes both wages and salaries and supplementary labour income, increased 3.9%, after rising 2.1% in the fourth quarter.

Net operating surplus of corporations rose 7.1%, following a 6.8% increase in the fourth quarter.

Net mixed income, which is comprised of farm income, unincorporated business income and rental income, increased 3.9%, after increasing 0.5% in the previous quarter.

Table 1.3
Nominal GDP by income
(Per cent change)

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Nominal GDP	(2.8)	11.9	0.5	2.7	3.3	3.6
Compensation of employees	(0.3)	9.3	0.6	3.0	2.1	3.9
Net operating surplus	10.2	24.2	(3.5)	(7.1)	6.8	7.1
Net mixed income	(2.1)	1.6	1.4	(0.2)	0.5	3.9

Sources: Statistics Canada and Ontario Ministry of Finance.

Price details

Economy-wide prices, as measured by the **implicit price index for GDP**, rose 2.4% in the first quarter, following a 1.8% increase in the fourth quarter.

Prices for **household consumption expenditures** rose 1.8%, following a 1.4% increase in the fourth quarter. Prices were higher for several expenditure components, including gasoline and food.

Business investment prices increased 2.9%, following a 3.1% increase in the fourth quarter. **Non-residential construction** (+1.2%) and **residential construction** (+4.5%) prices were higher in the quarter.

Export prices increased by 3.0%, while **import prices** increased 2.7% in the quarter.

Table 1.4
Implicit price indexes, gross domestic product
(Per cent change)

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1
GDP	2.3	7.3	1.6	1.3	1.8	2.4
Household consumption	0.4	2.8	0.9	1.3	1.4	1.8
Business investment	3.5	10.6	2.6	2.9	3.1	2.9
Exports	1.1	7.9	2.9	2.4	2.0	3.0
Imports	(0.1)	2.1	1.3	3.9	1.8	2.7

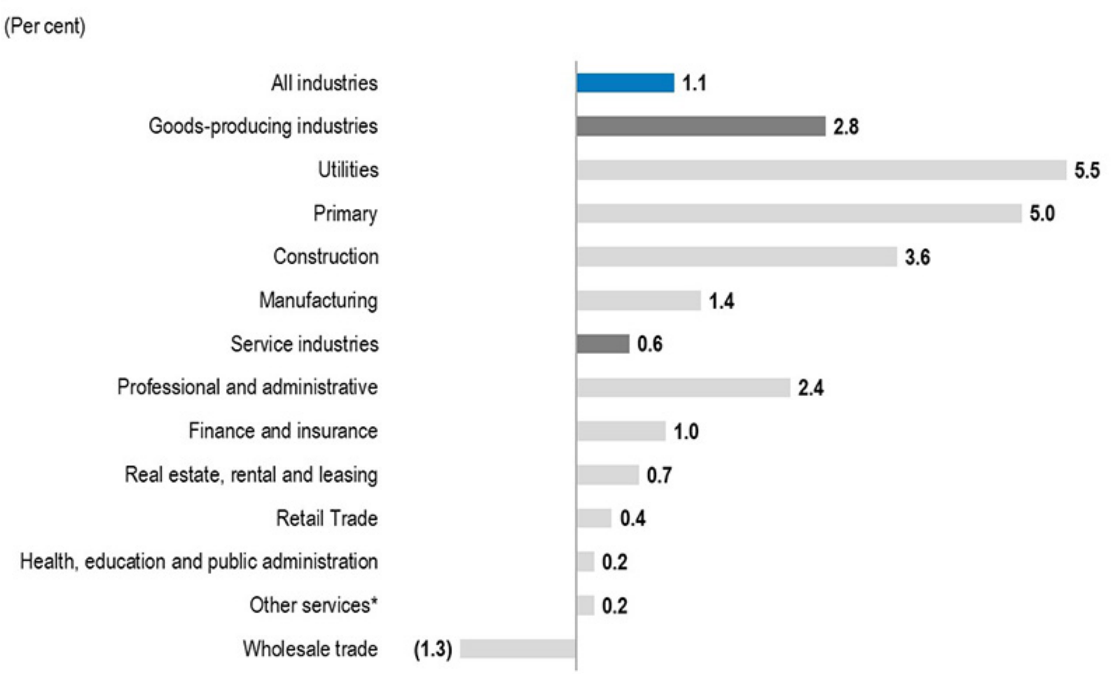
Sources: Statistics Canada and Ontario Ministry of Finance.

Industry details

Ontario **real GDP**, measured as value-added by industry, increased 1.1% in the first quarter of 2022. Output in the goods-producing industries advanced 2.8%, while service industry output increased 0.6%.

Chart 1.3

Real GDP Change by Industry, 2022Q1



*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.

Accessible description of Chart 1.3: Real GDP change by industry, 2022 Q1

Manufacturing output rose 1.4% in the quarter, led by growth in automotive production (+6.2%). Plastic and rubber products (+5.1%) and machinery (+2.9%) manufacturing also contributed to the gain in the quarter.

Construction output advanced 3.6% in the quarter as both residential (+4.9%) and non-residential structures and engineering (+2.7%) construction increased.

Primary industry output was 5.0% higher, as an increase in agriculture and forestry (+8.7%) was partially offset by a decline in mining (−2.1%).

Utilities output increased 5.5%, following a 2.1% decline in the fourth quarter.

Service-producing industries output rose 0.6%, following a 1.7% increase in the fourth quarter. Gains were recorded in professional and administrative services (+2.4%), finance and insurance (+1.0%) and real estate and leasing (+0.7%). Wholesale trade output declined 1.3%, following a 2.7% increase in the fourth quarter.

Table 1.5
Real GDP by industry
(Per cent change)

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Total output	(5.0)	4.6	(1.4)	1.7	1.7	1.1
Total goods producing industries	(5.1)	3.8	(2.4)	(2.0)	2.0	2.8
Primary	(1.0)	3.3	(0.5)	(4.6)	5.2	5.0
Utilities	(2.9)	(3.1)	(0.8)	3.3	(2.1)	5.5
Construction	2.4	6.6	(1.9)	(6.2)	(1.1)	3.6
Manufacturing	(10.7)	3.6	(3.1)	1.0	4.3	1.4
Total service producing industries	(4.9)	4.9	(1.0)	2.9	1.7	0.6
Wholesale trade	(1.3)	3.1	(3.8)	(0.3)	2.7	(1.3)
Retail trade	(4.2)	5.8	(5.6)	9.5	1.2	0.4
Transportation and warehousing	(24.3)	0.3	0.3	4.3	3.2	0.0

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Information and culture	(2.1)	4.9	1.1	2.7	2.8	0.8
Finance and insurance	5.2	4.3	(0.7)	2.2	1.5	1.0
Real estate, rental and leasing	1.3	2.8	(1.3)	(0.2)	1.5	0.7
Management of companies and enterprises	(29.3)	(26.6)	(5.4)	(2.6)	(2.8)	(6.1)
Professional and administrative services	(5.7)	6.0	(0.2)	1.7	2.2	2.4
Education	(6.8)	6.6	(2.2)	4.8	(0.6)	0.3
Health care and social services	(5.4)	8.4	1.1	0.8	0.5	(0.7)
Arts, entertainment and recreation	(47.1)	1.4	4.1	34.9	20.4	0.9
Accommodation and food	(36.6)	13.8	2.3	30.7	2.7	(1.4)
Other services	(16.1)	8.2	(4.8)	11.5	4.7	0.6
Public administration	(2.0)	4.4	0.6	1.1	0.2	1.0

Sources: Statistics Canada and Ontario Ministry of Finance.

Jurisdictional comparison

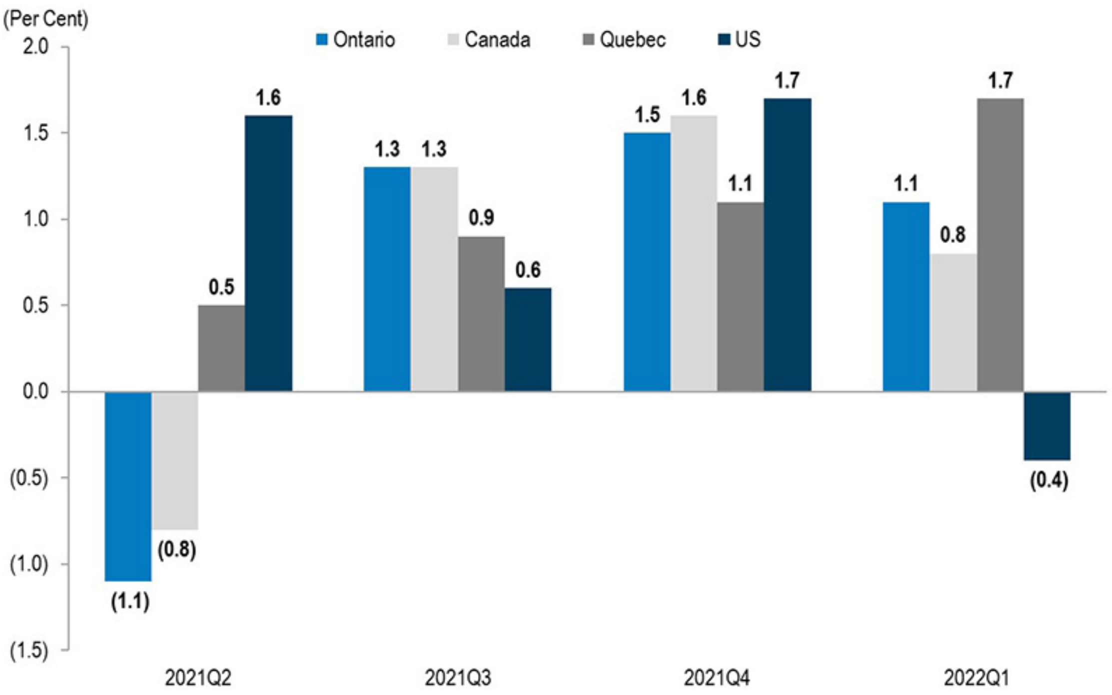
Canadian real GDP rose 0.8% in the first quarter of 2022, following an increase of 1.6% in the fourth quarter. The first quarter increase was driven by business investment (+3.0%) and household consumption (+0.8%). As of the first quarter, Canada's real GDP was 0.8% above its level in 2019 Q4.

Quebec's real GDP increased 1.7% in the first quarter of 2022, following an increase of 1.1% in the fourth quarter. As of the first quarter, Quebec's real GDP was 2.4% above its level in 2019 Q4.

In the **U.S.**, real GDP decreased 0.4% in the first quarter of 2022, following a 1.7% increase in the fourth quarter. The decrease in the first quarter reflected declines in exports and government spending. As of the first quarter, U.S. real GDP was 2.7% above its level in 2019 Q4.

Chart 1.4

Real GDP Growth Across Jurisdictions



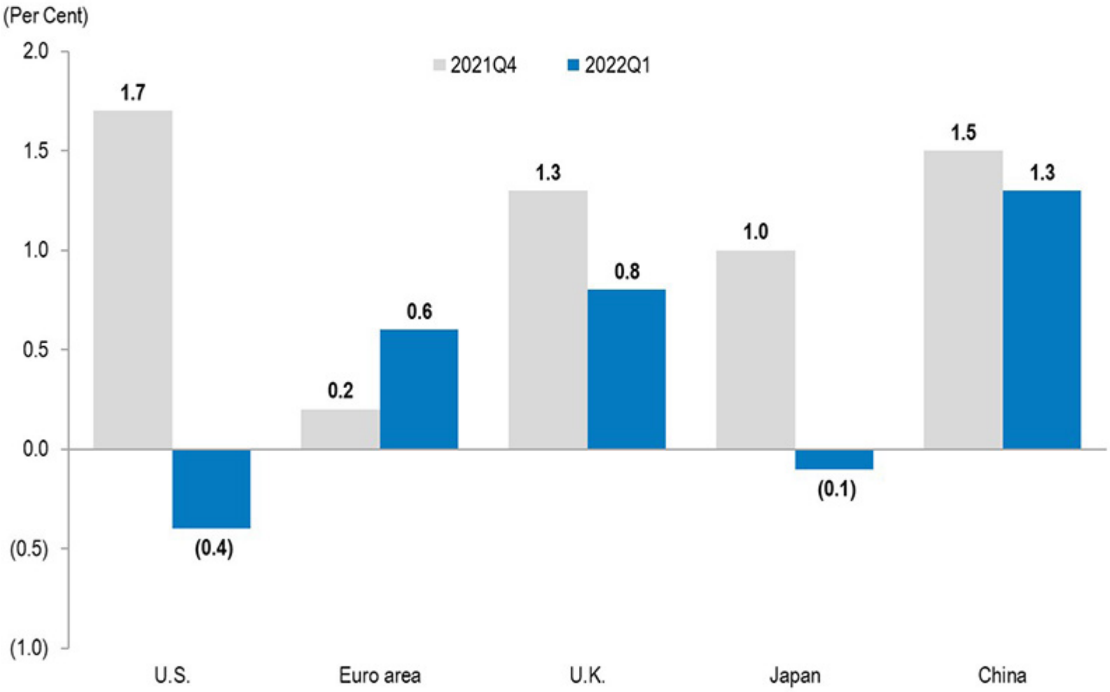
Sources: Ontario Ministry of Finance, Statistics Canada, U.S. Bureau of Economic Analysis and Institut de la statistique du Québec.

Accessible description of Chart 1.4: Real GDP growth across jurisdictions

Global economic environment

In the first quarter of 2022, **real GDP** decreased by 0.4% in the U.S. and 0.1% in Japan and increased by 0.6% in the euro area, 0.8% in the U.K., and 1.3% in China.

Chart 1.5
Real GDP Growth



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 1.5: Real GDP growth

Oil prices rose steeply in the first quarter of 2022, reflecting supply concerns, including the impacts of Russia's invasion of Ukraine. Oil prices rose further in the second quarter on continued supply uncertainty. The WTI crude oil price averaged US$94 per barrel in the first quarter of 2022 before rising to an average of US$109 in the second quarter.

The **Canadian dollar** exchange rate was 78.7 cents U.S. in the first quarter of 2022, down slightly from the previous quarter. The exchange rate edged down to 78.3 cents U.S. in the second quarter.

The **Bank of Canada** raised its target for the overnight rate to 0.50% at its March 2022 policy setting meeting, after keeping the rate steady at 0.25% since March 2020. The Bank of Canada subsequently increased its overnight rate to 1.00% at the April meeting and to 1.50% at the June meeting.

The **Canadian 3-month government treasury bill interest rate** was 0.4% in the first quarter of 2022 and rose to 1.4% in the second quarter, as monetary policy tightened to address rising consumer price inflation.

Canadian 10-year government bond interest rate rose from 1.6% in the fourth quarter of 2021 to 2.1% in the first quarter of 2022. In the second quarter, the 10-year government bond interest rate rose further to 3.0%.

Table 1.6
External Factors

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2[1]
U.S. real GDP growth (per cent)	(3.4)	5.7	1.6	0.6	1.7	(0.4)	–

Component	2020	2021	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2[1]
West Texas Intermediate (WTI) crude oil ($US per barrel)	39	68	66	71	77	94	109
Canadian dollar (cents US)	74.5	79.8	81.4	79.4	79.4	78.7	78.3
Three-month treasury bill rate[2] (per cent)	0.4	0.1	0.1	0.2	0.1	0.4	1.4
10-year government bond rate[3] (per cent)	0.7	1.4	1.5	1.3	1.6	2.1	3.0

[1] Data up to June 30, 2022.

[2], [3] Government of Canada interest rates.

Sources: U.S. Bureau of Economic Analysis; U.S. Energy Information Administration, and Bank of Canada

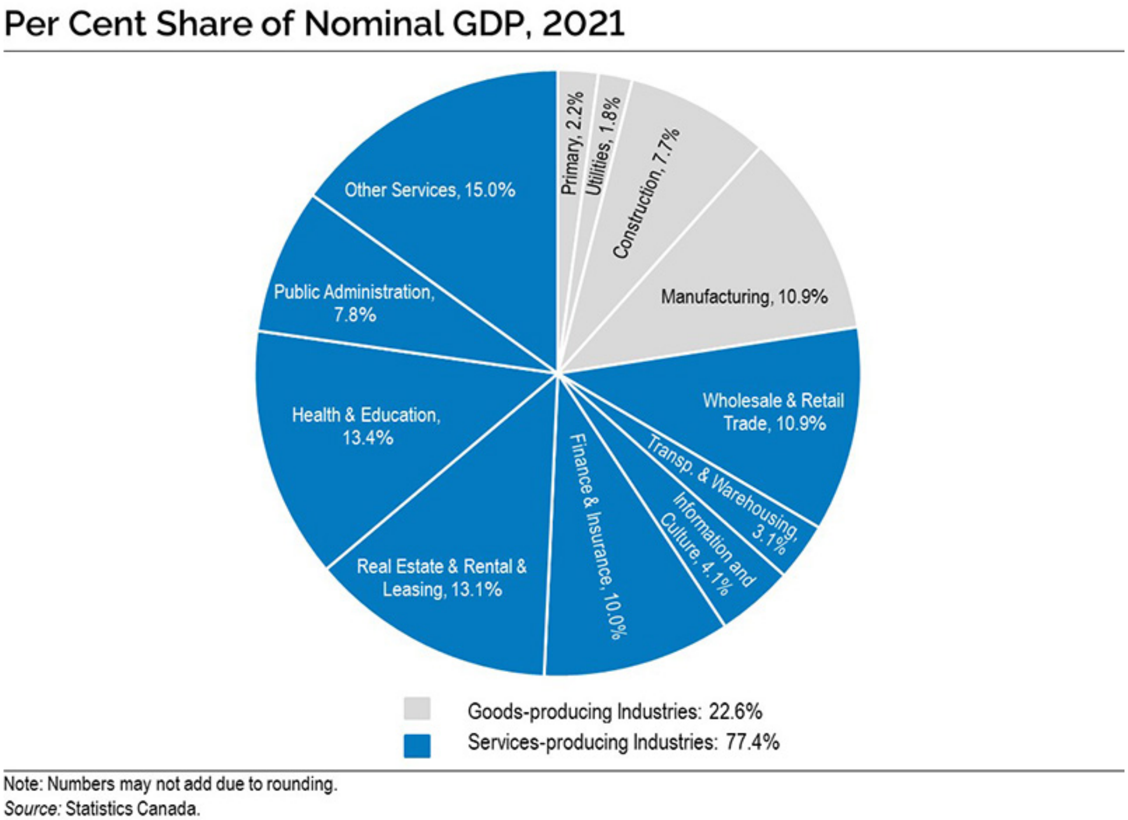
Appendix A: OEA release dates

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
Second quarter (April-June) 2022	August 31, 2022	By October 14, 2022
Third quarter (July-September) 2022	November 29, 2022	By January 13, 2023
Fourth quarter (October-December) 2022	February 28, 2023	By April 14, 2023

Appendix B: Structure of the Ontario economy



Accessible description of Chart: Appendix B, Per cent share of nominal GDP, 2021

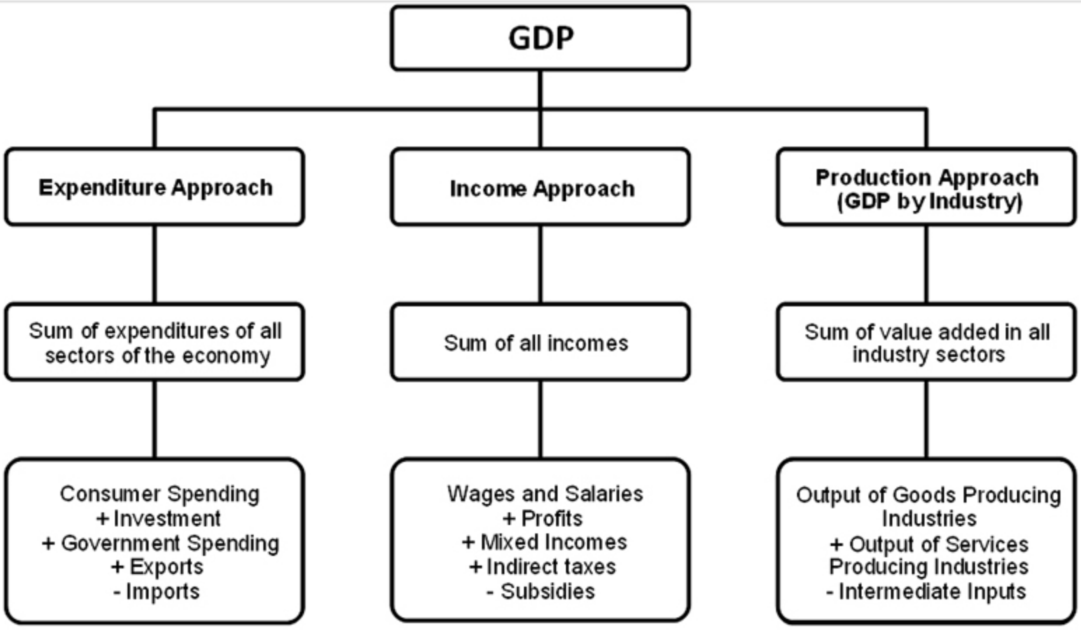
Appendix C: How GDP is measured

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: Appendix C, GDP measurement methods

For a full list of definitions used in the Ontario Economic Accounts, please see Statistics Canada's System of Macroeconomic Accounts Glossary at https://www150.statcan.gc.ca/n1/pub/13-605-x/gloss/gloss-a-eng.htm (https://www150.statcan.gc.ca/n1/pub/13-605-x/gloss/gloss-a-eng.htm) .

Accessible chart descriptions

Chart 1.1: Real GDP growth

The bar chart illustrates Ontario's quarterly per cent real GDP growth from the first quarter of 2019 to the first quarter of 2022. In the four quarters of 2019, real GDP growth was 0.0%, 0.7%, 0.3% and 0.0% respectively. In the four quarters of 2020, real GDP growth was −1.4%, −11.9%, 9.8% and 2.1% respectively. In the four quarters of 2021, real GDP growth was 1.1%, −1.1%, 1.3% and 1.5% respectively. In the first quarter of 2022, Ontario real GDP grew by 1.1%.

Source: Ontario Ministry of Finance.

Return to chart 1.1

Chart 1.2: Nominal GDP growth

The bar chart illustrates Ontario's quarterly per cent nominal GDP growth from the first quarter of 2019 to the first quarter of 2022. In the four quarters of 2019, GDP growth was 0.6%, 1.8%, 0.8% and 0.5% respectively. In the four quarters of 2020, GDP growth was −1.6%, −12.0%, 12.6% and 4.3% respectively. In the four quarters of 2021, GDP growth was 3.1%, 0.5%, 2.7% and 3.3% respectively. In the first quarter of 2022, Ontario nominal GDP grew by 3.6%.

Source: Ontario Ministry of Finance.

Return to chart 1.2

Chart 1.3: Real GDP change by industry, 2022 Q1

The horizontal bar chart illustrates the per cent change in real GDP by industry for the first quarter of 2022. The output of all industries increased 1.1% in the quarter. Output increased in goods-producing industries (+2.8%), with industry changes as follows: utilities (+5.5%); primary (+5.0%); construction (+3.6%) and manufacturing (+1.4%). Output in the service industries increased 0.6%, including industry changes as follows: professional and administrative services (+2.4%); finance and insurance (+1.0%); real estate, rental and leasing (+0.7%); retail trade (+0.4%); health, education and public administration (+0.2%); other services (+0.2%) and wholesale trade (−1.3%).

*Other services include 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.

Return to chart 1.3

Chart 1.4: Real GDP growth across jurisdictions

The bar chart illustrates quarterly per cent real GDP growth for Ontario, Canada, Quebec and the U.S. from the second quarter of 2021 to the first quarter of 2022. In the second quarter of 2021, real GDP declined by 1.1% in Ontario and 0.8% in Canada, while real GDP grew by 0.5% in Quebec and 1.6% in the U.S. In the third quarter of 2021, real GDP grew by 1.3% in Ontario and Canada, 0.9% in Quebec and 0.6% in the U.S. In the fourth quarter of 2021, real GDP grew by 1.5% in Ontario, 1.6% in Canada, 1.1% in Quebec and 1.7% in the U.S. In the first quarter of 2022, real GDP grew by 1.1% in Ontario, 0.8% in Canada and 1.7% in Quebec and declined by 0.4% in the U.S.

Sources: Ontario Ministry of Finance, Statistics Canada, U.S. Bureau of Economic Analysis and Institut de la statistique du Québec.

Return to chart 1.4

Chart 1.5: 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 fourth quarter of 2021 and first quarter of 2022. U.S. real GDP increased 1.7% in the fourth quarter and declined 0.4% in the first quarter. Euro area real GDP increased 0.2% in the fourth and 0.6% in the first quarter. Real GDP in the United Kingdom increased 1.3% in the fourth and 0.8% in the first quarter. Japan's real GDP increased 1.0% in the fourth quarter and declined 0.1% in the first quarter. China's real GDP advanced 1.5% in the fourth quarter and 1.3% in the first 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.

Return to chart 1.5

Chart: Appendix B, Per cent share of nominal GDP, 2021

This pie chart shows the percent share of nominal GDP by industry for 2021. Goods-producing industries accounted for 22.6% of Ontario's nominal GDP with industry shares as follows: manufacturing (10.9%); construction (7.7%); utilities (1.8%) and primary industries (2.2%). Services-producing industries accounted for 77.4% of Ontario's nominal GDP with industry shares as follows: real estate, rental and leasing (13.1%); health and education (13.4%); wholesale and retail trade (10.9%); finance and insurance (10.0%); public administration (7.8%); transportation and warehousing (3.1%); information and culture (4.1%) and other services (15.0%).

Note: Numbers may not add due to rounding.
Source: Statistics Canada

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Chart : Appendix C, 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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Updated: July 14, 2022
Published: October 15, 2021