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

Ontario Economic Accounts

Learn about Ontario's economic performance and outlook for the first quarter of 2024.

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 0.7% in the first quarter (January, February, March) of 2024, after remaining unchanged in the fourth quarter of 2023.
- Nominal GDP rose 0.8%, following a 1.1% increase in the previous quarter.
- Economy-wide prices, as measured by the implicit price index for GDP, edged up 0.1% in the first quarter.
- Economic production, measured on an industry basis, rose 0.8% in the first quarter as a gain in service sector output (+1.1%) was partially offset by a decline in the goods sector (-0.3%).

Table 1.1
Ontario Economic Accounts summary
(per cent change)

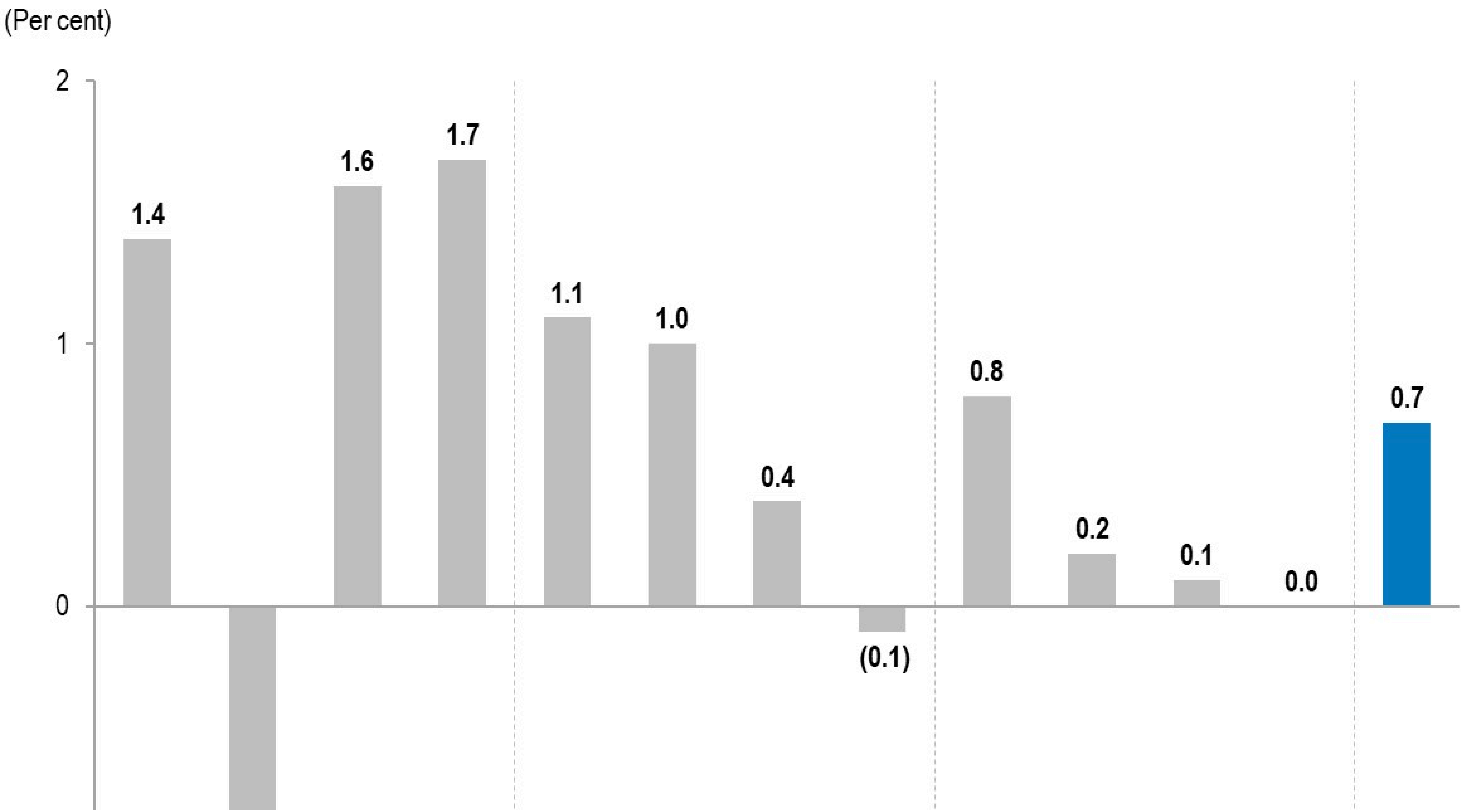
Component	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Real GDP	3.9	1.4	0.2	0.1	0.0	0.7
Nominal GDP	9.2	4.3	1.7	1.2	1.1	0.8

Sources: Statistics Canada and Ontario Ministry of Finance.

Expenditure details

Ontario’s **real GDP** rose 0.7% in the first quarter of 2024, after remaining unchanged in the previous quarter.

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%, following a 0.7% gain in the previous quarter. Spending was higher for semi-durables (+2.9%), services (+1.4%), non-durables (+0.5%) and durables (+0.3%).

Total business investment increased 0.4% following two consecutive quarterly declines. Investment in intellectual property products (+2.2%), machinery and equipment (+0.5%) and non-residential construction (+0.3%) increased, while residential investment edged down 0.1% in the quarter.

Spending at all three levels of **government** combined rose 0.3% in the first quarter, after remaining unchanged in the previous quarter.

Exports rose 1.4%, while **imports** edged down 0.1% in the first quarter. International exports increased 2.8%, while international imports were 0.8% lower. Interprovincial exports declined 1.4%, while interprovincial imports rose 2.0% in the quarter.

Businesses accumulated $14.4 billion worth of **inventories** in the first quarter, down from an accumulation of $19.9 billion in the previous quarter.

Table 1.2
Real GDP by expenditure
(Per cent change)

Component	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Real GDP	3.9	1.4	0.2	0.1	0.0	0.7
Household consumption	7.1	1.7	0.2	0.0	0.7	1.2
Business investment	(9.2)	(5.1)	1.1	(1.5)	(1.3)	0.4
Government	3.5	4.1	0.2	1.6	0.0	0.3
Exports	4.1	4.6	2.8	(1.5)	(1.1)	1.4
Imports	5.2	2.8	2.1	(0.2)	(0.6)	(0.1)

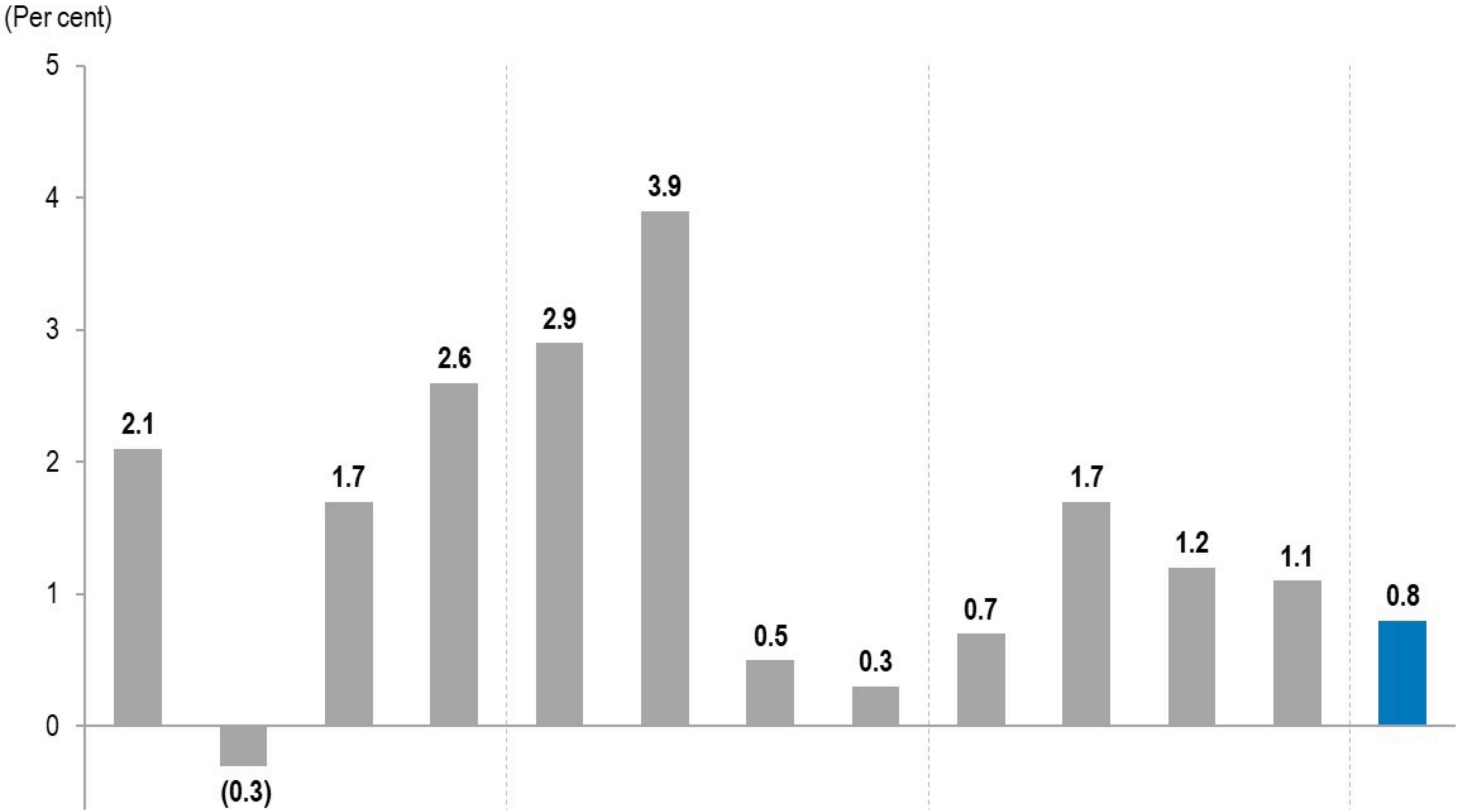
Component	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Investment in inventories ($ billions)	18.6	18.0	14.1	21.0	19.9	14.4

Sources: Statistics Canada and Ontario Ministry of Finance.

Income details

Ontario’s **nominal GDP** increased 0.8% in the first quarter of 2024, after increasing 1.1% 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 1.5%, after rising 0.8% in the fourth quarter.

Net operating surplus of corporations declined 8.0%, after increasing 4.6% in the fourth quarter.

Net mixed income, which is comprised of farm income, unincorporated business income and rental income, increased 1.8%, following a 3.6% gain in the previous quarter.

Table 1.3
Nominal GDP by income
(Per cent change)

Component	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Nominal GDP	9.2	4.3	1.7	1.2	1.1	0.8
Compensation of employees	8.8	6.6	2.3	1.2	0.8	1.5
Net operating surplus	(5.9)	(12.8)	(3.9)	4.7	4.6	(8.0)
Net mixed income	9.5	9.5	2.3	3.0	3.6	1.8

Sources: Statistics Canada and Ontario Ministry of Finance.

Price details

Economy-wide prices, as measured by the **implicit price index for GDP**, edged up 0.1% in the first quarter, following a 1.1% increase in the fourth quarter.

Prices for **household consumption expenditures** rose 0.3%, following a 1.0% increase in the fourth quarter.

Business investment prices edged down 0.2%, following a 0.3% increase in the previous quarter. Prices for intellectual property products (-0.8%), residential construction (-0.4%) and non-residential construction (-0.2%) all declined in the first quarter, while machinery and equipment (+0.8%) increased.

Export prices increased 0.3% while **import** prices edged down 0.2% in the quarter.

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

Component	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1
GDP	5.1	2.9	1.4	1.1	1.1	0.1
Household consumption	5.8	3.5	0.9	0.8	1.0	0.3
Business investment	11.8	4.0	1.4	0.7	0.3	(0.2)
Exports	9.1	2.5	(0.4)	0.9	0.2	0.3

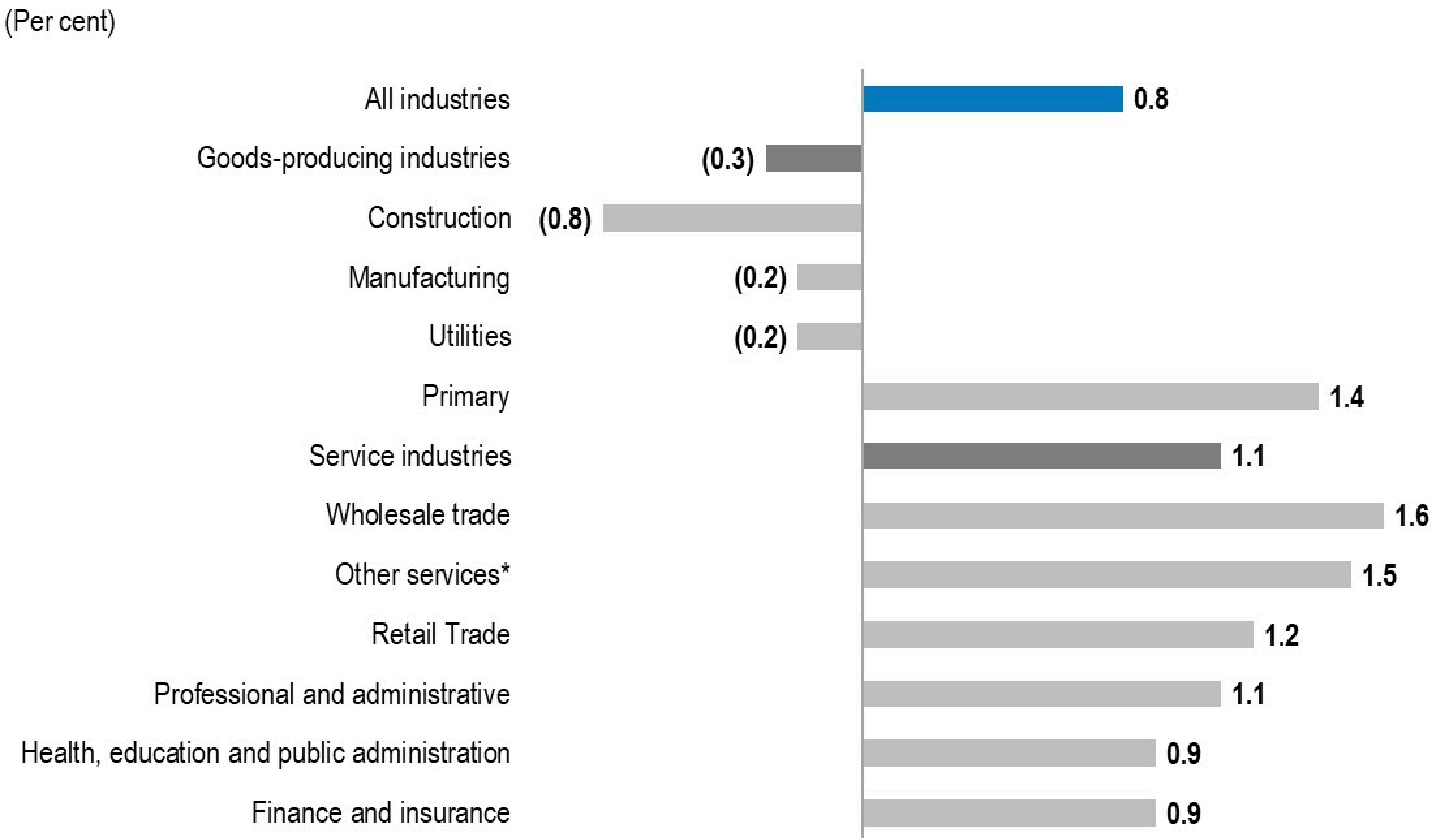
Component	2022	2023	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Imports	12.2	2.3	(0.3)	0.0	0.6	(0.2)

Sources: Statistics Canada and Ontario Ministry of Finance.

Industry details

Ontario **real GDP**, measured as value-added by industry, rose 0.8% in the first quarter of 2024. An increase to service sector output (+1.1%) was partially offset by a decline in the goods sector (-0.3%).

Chart 1.3
Real GDP change by industry, 2024Q1



*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, 2024Q1

Manufacturing output decreased 0.2% in the quarter including a 6.2% decline in transportation equipment manufacturing.

Construction output decreased 0.8% due to a decline in residential construction (-2.5%). Non-residential structures and engineering construction output increased 0.3% in the quarter.

Primary industry output was 1.4% higher, as an increase in agriculture (+2.6%) was partially offset by a decline in mining (-0.3%).

Utilities output edged down 0.2%, as lower natural gas, water, and other production (-2.1%) was partially offset by higher electric power production (+0.6%).

Service industry output increased 1.1% in the quarter, including gains in professional and administrative services (+1.1%), retail trade (+1.2%) and wholesale trade (+1.6%).

Table 1.5
Real GDP by industry
(Per cent change)

Component	2022	2023	2023 Q 2	2023 Q 3	2023 Q 4	2024 Q 1
Total output	3.7	1.6	0.4	0.1	0.1	0.8
Total goods producing industries	2.0	(0.4)	0.3	(2.1)	(1.4)	(0.3)
Primary	3.3	1.3	(0.8)	(0.6)	3.3	1.4
Utilities	1.3	1.4	1.3	3.3	0.0	(0.2)
Construction	(1.8)	(1.7)	(2.5)	(1.5)	(0.9)	(0.8)
Manufacturing	4.7	0.0	2.2	(3.4)	(2.6)	(0.2)
Total service producing industries	4.2	2.2	0.5	0.8	0.5	1.1

Component	2022	2023	2023 Q 2	2023 Q 3	2023 Q 4	2024 Q 1
Wholesale trade	0.4	1.3	0.4	2.0	(0.4)	1.6
Retail trade	3.5	0.0	1.5	0.1	1.5	1.2
Transportation and warehousing	16.8	5.8	(0.1)	(0.6)	0.9	1.4
Information and culture	4.6	(0.7)	1.4	(1.1)	0.5	2.6
Finance and insurance	1.2	0.4	0.2	0.9	1.3	0.9
Real estate, rental and leasing	(1.2)	0.8	1.4	1.0	0.6	0.6
Management of companies and enterprises	(27.6)	(33.0)	(6.1)	(6.1)	(7.5)	(7.2)
Professional and administrative services	9.3	2.9	0.0	(0.6)	0.0	1.1

Component	2022	2023	2023 Q 2	2023 Q 3	2023 Q 4	2024 Q 1
Education	2.1	2.0	0.9	1.8	(1.2)	1.5
Health care and social services	3.3	3.1	(0.3)	0.8	0.6	1.0
Arts, entertainment and recreation	47.7	18.6	2.9	3.4	1.3	(0.6)
Accommodation and food	23.4	6.7	(0.3)	0.9	2.9	1.4
Other services	10.4	2.2	0.3	0.1	0.3	1.0
Public administration	2.5	4.3	(0.4)	2.2	0.4	0.4

Sources: Statistics Canada and Ontario Ministry of Finance.

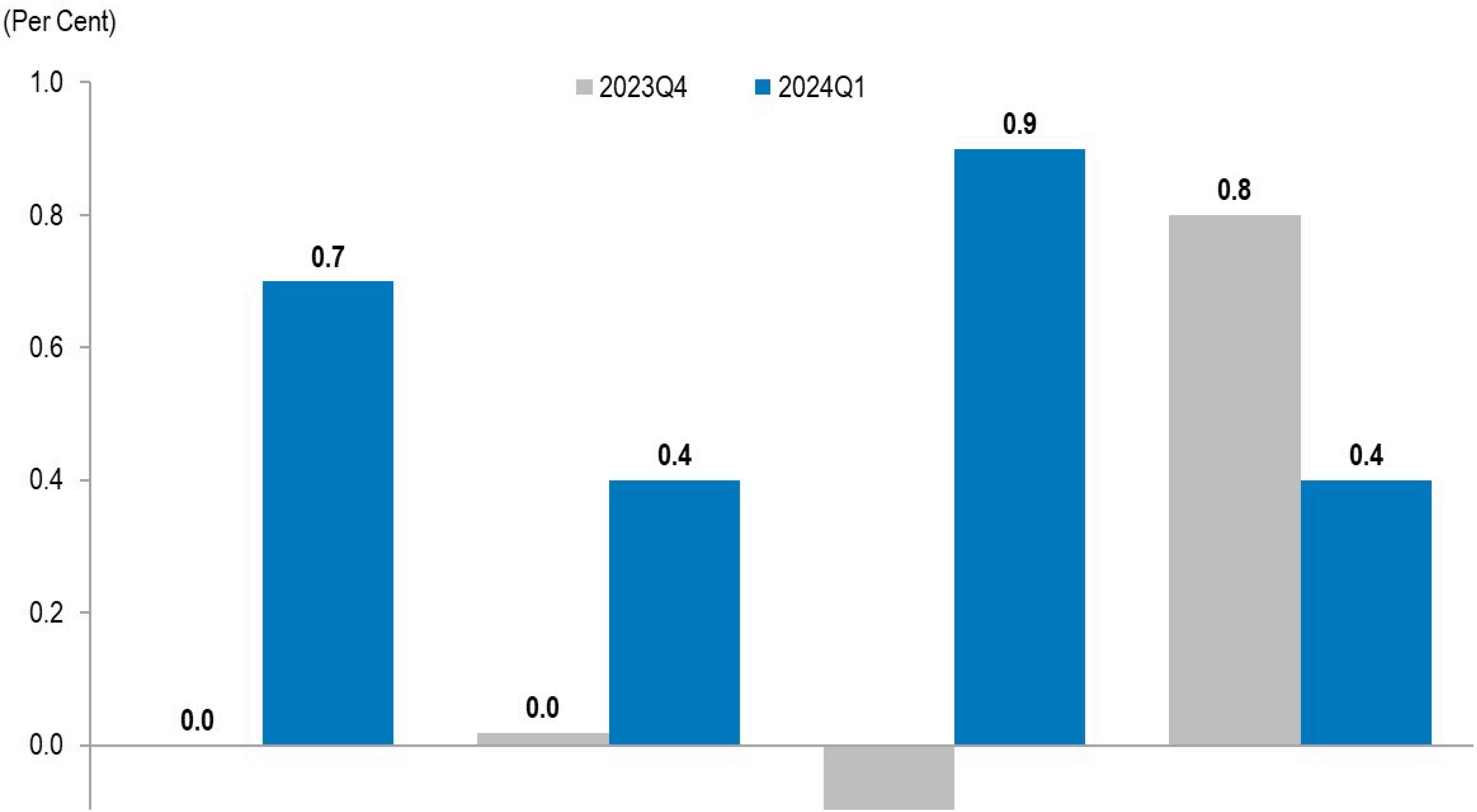
Jurisdictional comparison

Canadian real GDP increased 0.4% in the first quarter, after remaining unchanged in the previous quarter. First quarter growth was led by higher household spending on services. Slower inventory accumulation moderated overall growth.

Quebec's real GDP advanced 0.9% in the first quarter, after edging down 0.1% in the previous quarter. The first quarter gain was primarily supported by higher household spending.

In the **U.S.**, real GDP increased 0.4% in the first quarter, following a 0.8% gain in the previous quarter. The first quarter gain primarily reflected an increase in consumer spending and residential and non-residential investment.

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

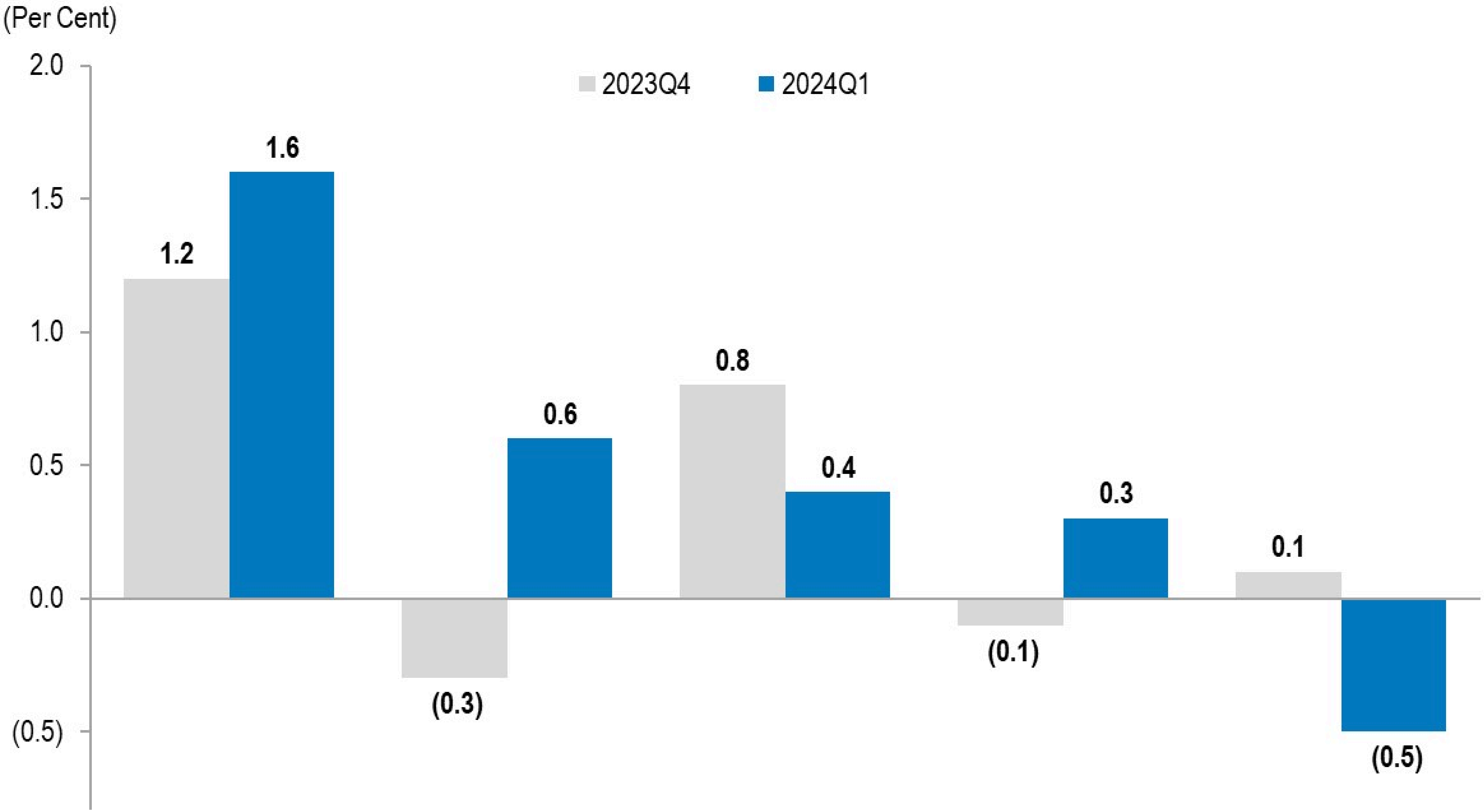
Global economic environment

Real GDP growth in the U.S. continued to moderate in the first quarter of 2024, rising 0.4% compared to an increase of 0.8% in the fourth quarter of 2023. The easing in U.S. real GDP growth reflected decelerations in consumer spending, exports and government spending.

Real GDP growth in China increased 1.6% in the first quarter of 2024 after rising 1.2% in the fourth quarter of 2023, supported in part by solid external demand. Real GDP in Japan was 0.5% lower in the first quarter, following a modest increase of 0.1% in the fourth quarter. The contraction in Japan's economic activity was broad-based, including declines in household consumption, residential investment and non-residential investment.

The U.K. economy grew 0.6% in the first quarter of 2024, rebounding from two consecutive quarterly declines in the second half of 2023. Real GDP in the euro area also rebounded, growing by 0.3% in the first quarter following a decline of 0.1% in the fourth quarter.

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

In June, the **Bank of Canada** reduced its target for the overnight rate by 25 basis points to 4.75%. The Bank of Canada noted continued evidence that underlying inflation is easing and is moving towards its 2% target. The U.S. Federal Reserve maintained its key policy rate at 5.25-5.50% in June amid modest progression in inflation towards its 2% target.

The **Canadian 3-month government treasury bill yield** averaged 4.8% in the second quarter of 2024, down from 5.0% in the first quarter. The **Canadian 10-year government bond** yield averaged 3.7% in the second quarter, up from 3.4% in the first quarter.

The **Canadian dollar** weakened in the second quarter of 2024, reflecting wider difference between Canadian and U.S. policy interest rates. On a quarterly basis, the Canada-US exchange rate averaged 73.1 cents US in the second quarter of 2024, down from 74.1 cents US in the first quarter.

The **West Texas Intermediate (WTI) crude oil price** increased to US$83 per barrel in the second quarter of 2024 from US$78 per barrel in the first quarter as the oil demand outlook strengthened. The WTI oil price has rebounded from a recent low of US$68 per barrel in December 2023 to reach US$83 per barrel at the end of June 2024.

Table 1.6
External factors

Component	2022	2023	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
U.S. real GDP growth (per cent)	1.9	2.5	0.6	0.5	1.2	0.8	0.4	–
West Texas Intermediate (WTI) crude oil ($US per barrel)	95	78	76	74	82	78	78	83
Canadian dollar (cents US)	76.8	74.1	74.0	74.5	74.6	73.4	74.1	73.1
Three-month treasury bill rate[1] (per cent)	2.3	4.8	4.4	4.6	5.1	5.0	5.0	4.8
10-year government bond rate (per cent)	2.8	3.3	3.0	3.1	3.7	3.6	3.4	3.7

[1] 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

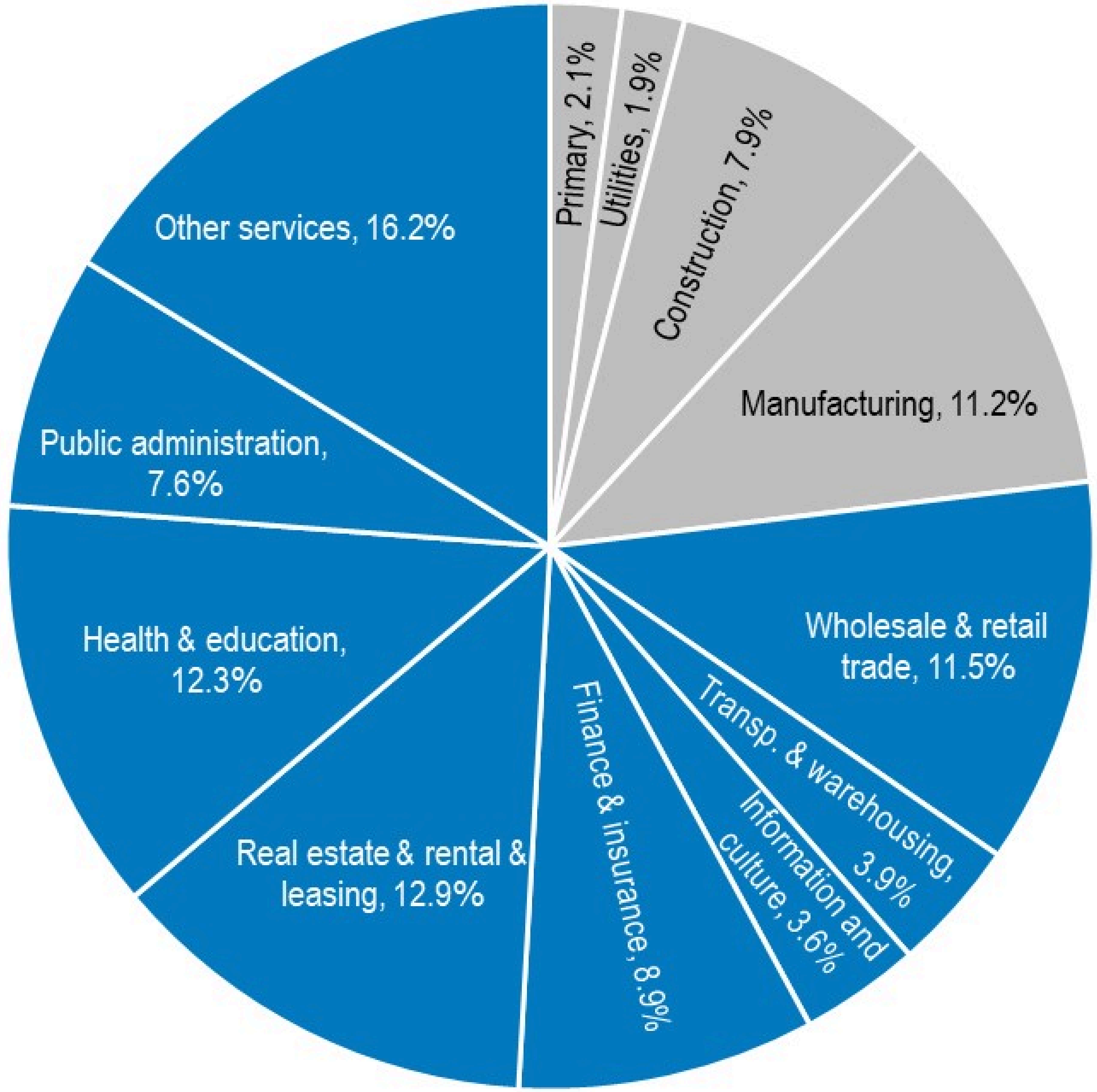
The *Fiscal Sustainability, Transparency and Accountability Act, 2019* states that the quarterly Ontario Economic Accounts should be released within 45 days of the Statistics Canada release of the National Income and Expenditure Accounts.

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) 2024	August 30, 2024	By October 15, 2024
Third quarter (July-September) 2024	November 29, 2024	By January 13, 2025
Fourth quarter (October-December) 2024	February 28, 2025	By April 14, 2025

Appendix B: Structure of the Ontario economy

Per cent share of nominal GDP, 2023



Accessible description of Chart: Appendix B, Per cent share of nominal GDP, 2023

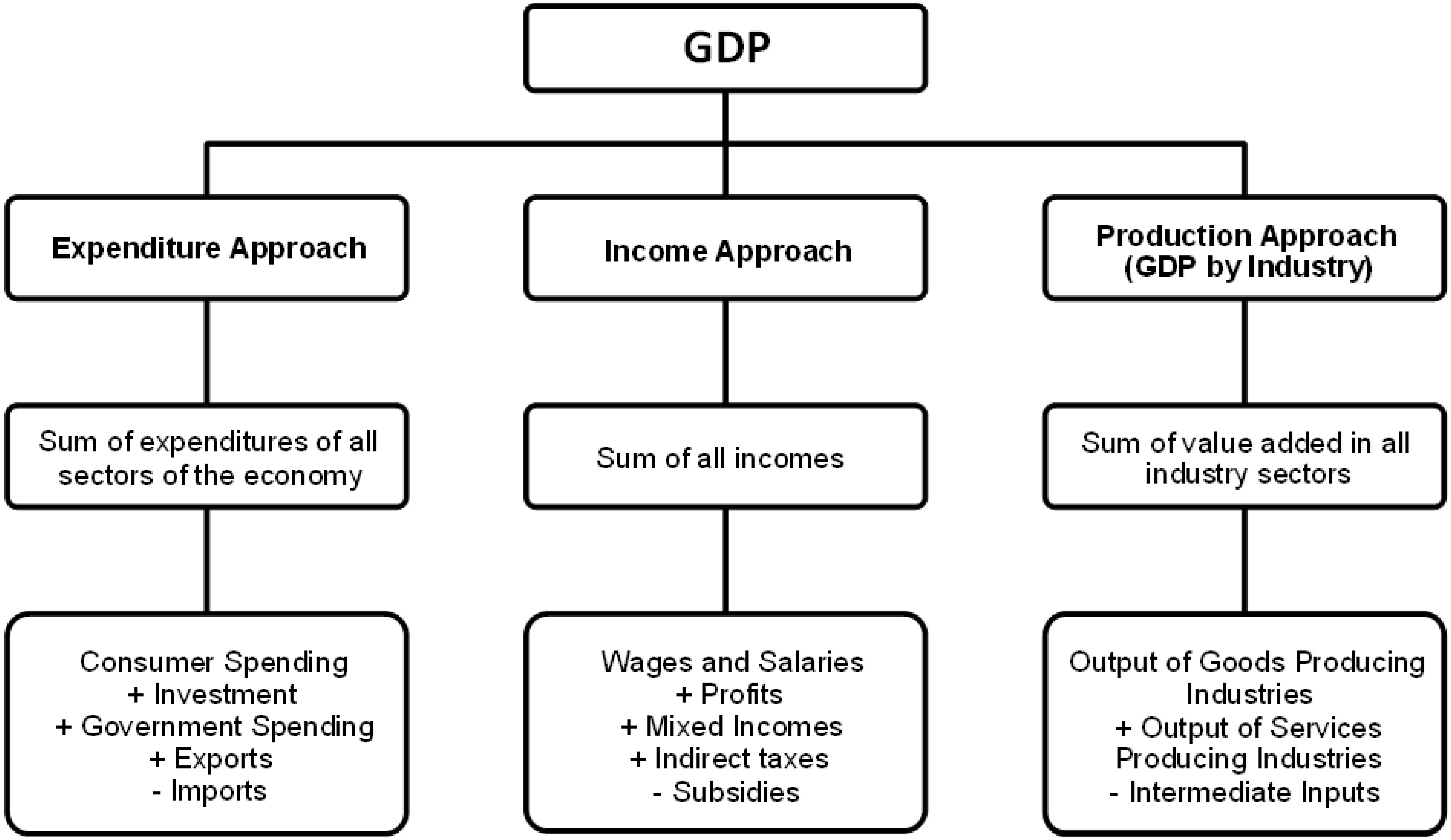
Appendix C: How GDP is measured

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 2021 to the first quarter of 2024. In the four quarters of 2021, real GDP growth was 1.4%, -0.8%, 1.6% and 1.7%, respectively. In the four quarters of 2022, real GDP growth was 1.1%, 1.0%, 0.4% and -0.1%, respectively. In the four quarters of 2023, real GDP growth was 0.8%, 0.2%, 0.1% and 0.0%, respectively. In the first quarter of 2024, real GDP growth was 0.7%.

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 2021 to the first quarter of 2024. In the four quarters of 2021, GDP growth was 2.1%, -0.3%, 1.7% and 2.6%, respectively. In the four quarters of 2022, GDP growth was 2.9%, 3.9%, 0.5% and 0.3%, respectively. In the four quarters of 2023, GDP growth was 0.7%, 1.7%, 1.2% and 1.1%, respectively. In the first quarter of 2024, GDP growth was 0.8%.

Source: Ontario Ministry of Finance.

Return to chart 1.2

Chart 1.3: Real GDP Change by Industry, 2024Q1

The horizontal bar chart illustrates the per cent change in real GDP by industry for the first quarter of 2024. The output of all industries rose 0.8% in the quarter. Output declined in goods-producing industries (-0.3%), with industry changes as follows: construction (-0.8%); manufacturing (-0.2%); utilities (-0.2%); and primary (+1.4%). Output in the service industries increased 1.1%, including industry changes as follows: wholesale trade (+1.6%); other services* (+1.5%); retail trade

(+1.2%); professional and administrative services (+1.1%); health, education and public administration (+0.9%); finance and insurance (+0.9%); and real estate, rental and leasing (+0.6%).

*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

This bar chart shows quarterly percentage changes in real GDP for Ontario, Canada, Quebec and the U.S. for the fourth quarter of 2023 and first quarter of 2024. Ontario real GDP was unchanged in the fourth quarter and increased 0.7% in the first quarter. Canadian real GDP was unchanged in the fourth quarter and increased 0.4% in the first quarter. Quebec real GDP decreased 0.1% in the fourth quarter and increased 0.9% in the first quarter. U.S. real GDP increased 0.8% in the fourth quarter and increased 0.4% in the first quarter.

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 China, the United Kingdom, the U.S., the euro area and Japan for the fourth quarter of 2023 and first quarter of 2024. China's real GDP increased 1.2% in the fourth quarter and increased 1.6% in the first quarter. Real GDP in the United Kingdom decreased 0.3% in the fourth quarter and increased 0.6% in the first quarter. U.S. real GDP increased 0.8% in the fourth quarter and increased 0.4% in the first quarter. Euro area real GDP decreased by 0.1% in the fourth quarter and increased 0.3% in the first quarter. Japan's real GDP increased 0.1% in the fourth quarter and declined 0.5% 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, 2023

This pie chart shows the percent share of nominal GDP by industry for 2023. Goods-producing industries accounted for 23.1% of Ontario's nominal GDP with industry shares as follows: manufacturing (11.2%); construction (7.9%); utilities (1.9%) and primary industries (2.1%). Services-producing industries accounted for 76.9% of Ontario's nominal GDP with industry shares as follows: wholesale and retail trade (11.5%); transportation and warehousing (3.9%); information and culture (3.6%); finance and insurance (8.9%); real estate, rental and leasing (12.9%); health and education (12.3%); public administration (7.6%); and other services (16.2%).

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

Return to chart

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

Return to chart

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