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

Ontario Economic Accounts

Learn about Ontario's economic performance and outlook for the second 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) increased 0.3% in the second quarter (April, May, June) of 2024, after advancing 0.7% in the first quarter.
- Nominal GDP rose 1.5%, following a 0.8% increase in the previous quarter.
- Economy-wide prices, as measured by the implicit price index for GDP, increased 1.2% in the second quarter.
- Economic production, measured on an industry basis, rose 0.4% in the second quarter as a gain in service sector output (+0.7%) was partially offset by a decline in the goods sector (-0.6%).

Table 1.1
Ontario Economic Accounts summary
(per cent change)

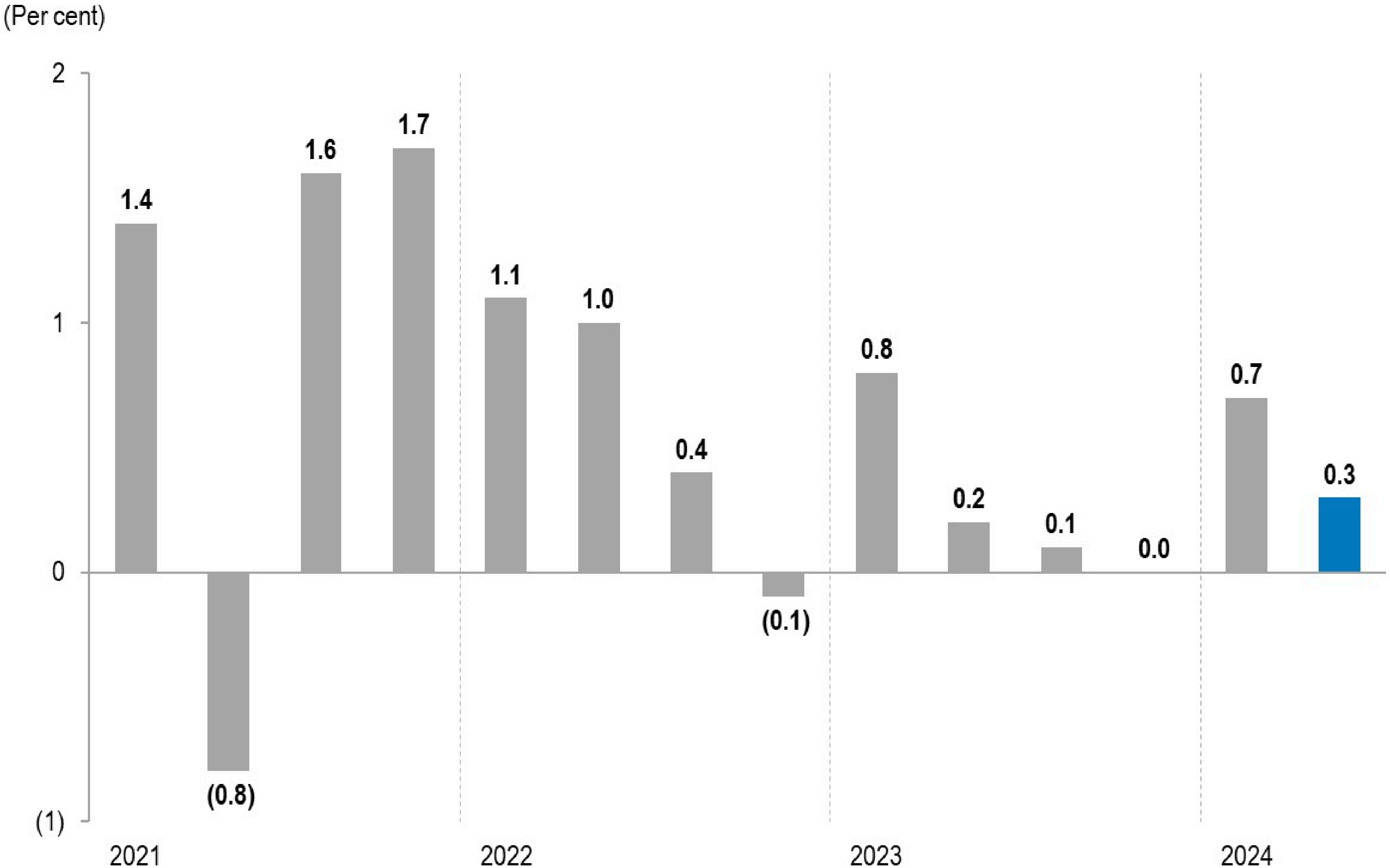
Component	2022	2023	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Real GDP	3.9	1.4	0.1	0.0	0.7	0.3
Nominal GDP	9.2	4.3	1.2	1.1	0.8	1.5

Sources: Statistics Canada and Ontario Ministry of Finance.

Expenditure details

Ontario's **real GDP** advanced 0.3% in the second quarter of 2024, after increasing 0.7% 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 declined 0.2%, following a 1.3% gain in the previous quarter. Higher spending on services (+0.6%) and semi-durables (+0.1%) was offset by declines in durables (-3.4%) and non-durables (-0.5%).

Total business investment edged down 0.1%, following a 0.3% increase in the previous quarter. Residential construction investment declined for the fourth consecutive quarter, down 2.4%. Investment in machinery and equipment (+5.4%), non-residential construction (+0.6%) and intellectual property products (+0.3%) increased in the quarter.

Spending at all three levels of **government** combined rose 2.1% in the second quarter, after increasing 0.5% in the previous quarter.

Exports (-1.4%) and **imports** (-0.5%) declined in the second quarter. International exports declined 2.3%, while international imports were 0.5% lower. Interprovincial exports rose 0.7%, while interprovincial imports declined 0.4% in the quarter.

Businesses accumulated $12.6 billion worth of **inventories** in the second quarter, up from an accumulation of $11.6 billion in the previous quarter.

Table 1.2
Real GDP by expenditure
(Per cent change)

Component	2022	2023	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Real GDP	3.9	1.4	0.1	0.0	0.7	0.3
Household consumption	7.1	1.7	0.0	0.7	1.3	(0.2)
Business investment	(9.2)	(5.1)	(1.5)	(1.3)	0.3	(0.1)

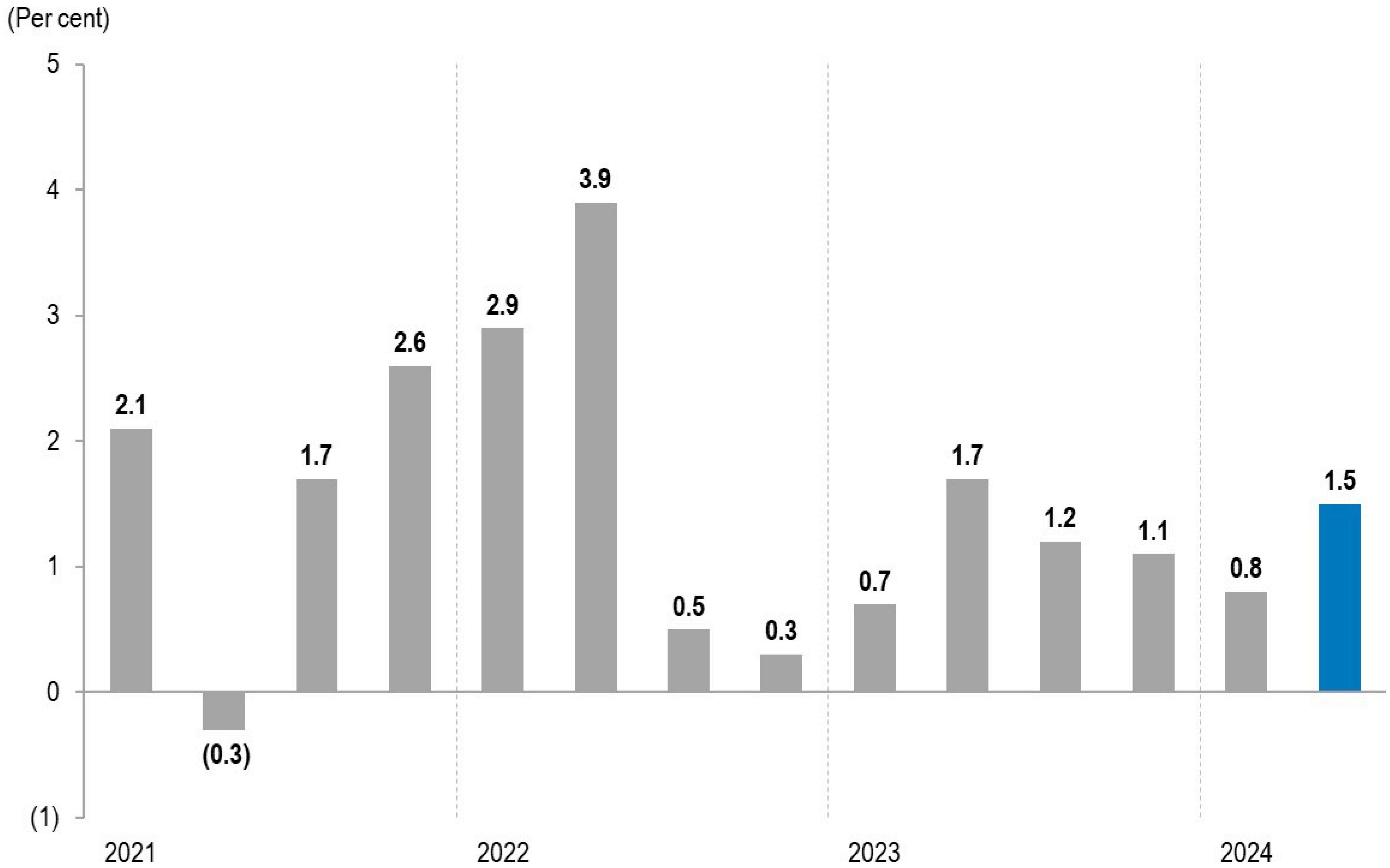
Component	2022	2023	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Government	3.5	4.1	1.6	0.0	0.5	2.1
Exports	4.1	4.6	(1.5)	(1.1)	1.5	(1.4)
Imports	5.2	2.8	(0.2)	(0.6)	(0.2)	(0.5)
Investment in inventories ($ billions)	18.6	18.0	21.0	19.9	11.6	12.6

Sources: Statistics Canada and Ontario Ministry of Finance.

Income details

Ontario's **nominal GDP** increased 1.5% in the second quarter of 2024, after increasing 0.8% in the first 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 2.0%, after rising 1.3% in the first quarter.

Net operating surplus of corporations increased 3.3%, after decreasing 8.6% in the first quarter.

Net mixed income, which is comprised of farm income, unincorporated business income and rental income, increased 2.6%, following a 1.9% gain in the previous quarter.

Table 1.3
Nominal GDP by income
(Per cent change)

Component	2022	2023	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Nominal GDP	9.2	4.3	1.2	1.1	0.8	1.5
Compensation of employees	8.8	6.6	1.2	0.8	1.3	2.0
Net operating surplus	(5.9)	(12.8)	4.7	4.6	(8.6)	3.3
Net mixed income	9.5	9.5	3.0	3.6	1.9	2.6

Sources: Statistics Canada and Ontario Ministry of Finance.

Price details

Economy-wide prices, as measured by the **implicit price index for GDP**, increased 1.2% in the second quarter, following a 0.1% increase in the first quarter.

Prices for **household consumption expenditures** rose 1.1%, following a 0.3% increase in the first quarter.

Business investment prices increased 1.2%, following no change in the previous quarter. Prices for non-residential construction (+2.6%), machinery and equipment (+1.5%), intellectual property products (+1.2%) and residential construction (+0.5%) all increased in the quarter.

Export prices (+1.6%) and **import** prices (+1.5%) both increased in the quarter.

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

Component	2022	2023	2023 Q3	2023 Q4	2024 Q1	2024 Q2
GDP	5.1	2.9	1.1	1.1	0.1	1.2
Household consumption	5.8	3.5	0.8	1.0	0.3	1.1
Business investment	11.8	4.0	0.7	0.3	0.0	1.2
Exports	9.1	2.5	0.9	0.2	0.2	1.6
Imports	12.2	2.3	0.0	0.6	0.1	1.5

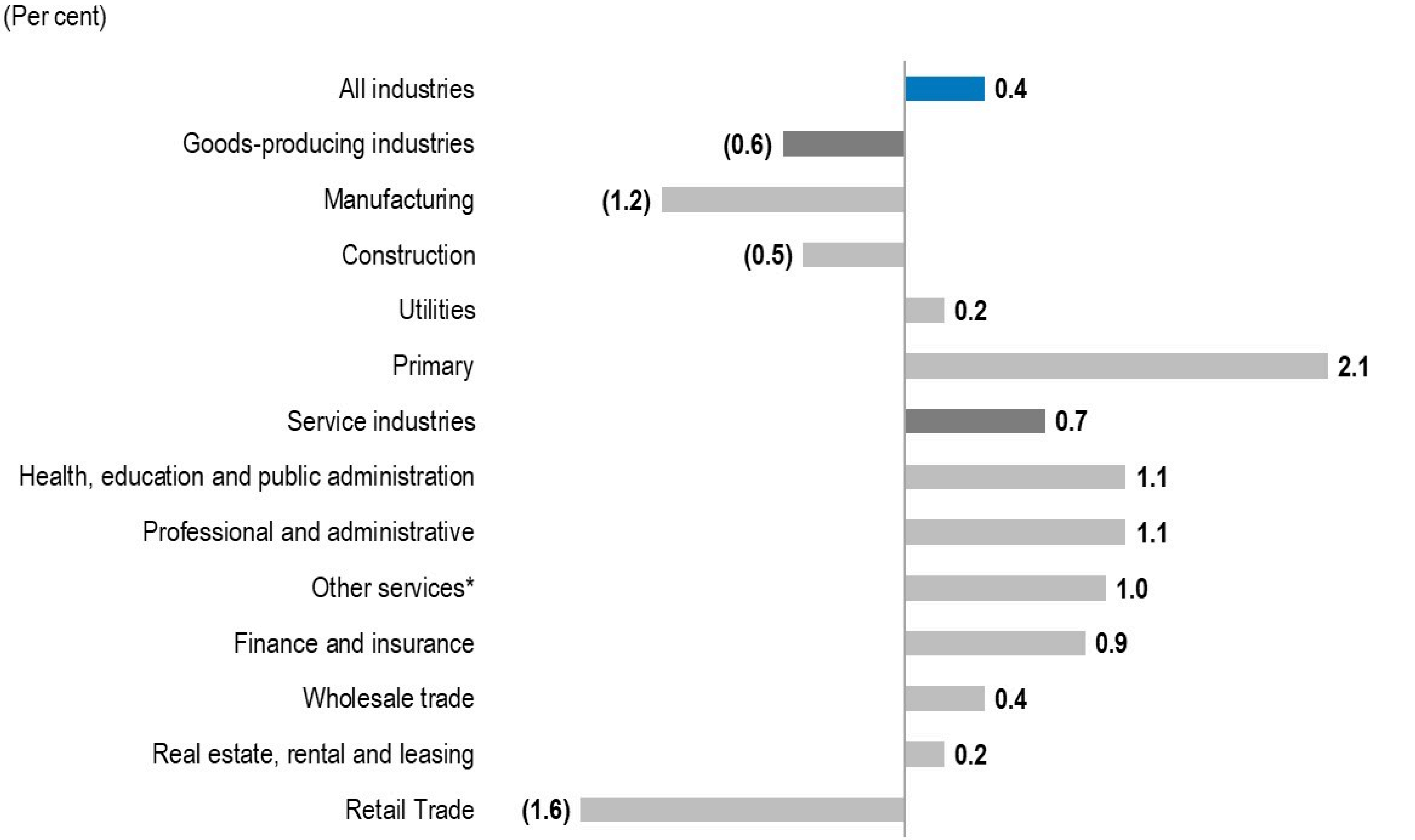
Sources: Statistics Canada and Ontario Ministry of Finance.

Industry details

Ontario **real GDP**, measured as value-added by industry, rose 0.4% in the second quarter of 2024. An increase to service sector output (+0.7%) was partially offset by a decline in the goods sector (-0.6%).

Chart 1.3

Real GDP change by industry, 2024Q2



*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, 2024Q2

Manufacturing output decreased 1.2% in the quarter, following a 0.6% decline in the previous quarter.

Construction output decreased 0.5% due to a decline in residential construction (-1.4%). Non-residential structures and engineering construction output increased 0.1% in the quarter.

Primary industry output was 2.1% higher, as agriculture (+2.2%) and mining production (+1.9%) increased in the quarter.

Utilities output edged up 0.2%, as higher electric power production (+0.4%) was partially offset by lower natural gas, water, and other production (-0.5%).

Service industry output increased 0.7% in the quarter, including gains in health, education and public administration (+1.1%), professional and administrative services (+1.1%) and finance and insurance (+0.9%).

Table 1.5
Real GDP by industry
(Per cent change)

Component	2022	2023	2023 Q 3	2023 Q 4	2024 Q 1	2024 Q 2
Total output	3.7	1.6	0.1	0.1	0.7	0.4
Total goods producing industries	2.0	(0.4)	(2.1)	(1.4)	(0.5)	(0.6)
Primary	3.3	1.3	(0.6)	3.3	1.4	2.1
Utilities	1.3	1.4	3.3	0.0	(0.5)	0.2
Construction	(1.8)	(1.7)	(1.5)	(0.9)	(0.7)	(0.5)

Component	2022	2023	2023 Q 3	2023 Q 4	2024 Q 1	2024 Q 2
Manufacturing	4.7	0.0	(3.4)	(2.6)	(0.6)	(1.2)
Total service producing industries	4.2	2.2	0.8	0.5	1.0	0.7
Wholesale trade	0.4	1.3	2.0	(0.4)	1.0	0.4
Retail trade	3.5	0.0	0.1	1.5	0.8	(1.6)
Transportation and warehousing	16.8	5.8	(0.6)	0.9	1.2	1.0
Information and culture	4.6	(0.7)	(1.1)	0.5	2.4	1.0
Finance and insurance	1.2	0.4	0.9	1.3	0.9	0.9
Real estate, rental and leasing	(1.2)	0.8	1.0	0.6	0.7	0.2
Management of companies and enterprises	(27.6)	(33.0)	(6.1)	(7.5)	(7.5)	(6.8)
Professional and administrative services	9.3	2.9	(0.6)	0.0	1.0	1.1
Education	2.1	2.0	1.8	(1.2)	1.5	2.2

Component	2022	2023	2023 Q 3	2023 Q 4	2024 Q 1	2024 Q 2
Health care and social services	3.3	3.1	0.8	0.6	1.1	0.7
Arts, entertainment and recreation	47.7	18.6	3.4	1.3	(0.4)	0.7
Accommodation and food	23.4	6.7	0.9	2.9	1.0	1.1
Other services	10.4	2.2	0.1	0.3	0.9	1.0
Public administration	2.5	4.3	2.2	0.4	0.4	0.7

Sources: Statistics Canada and Ontario Ministry of Finance.

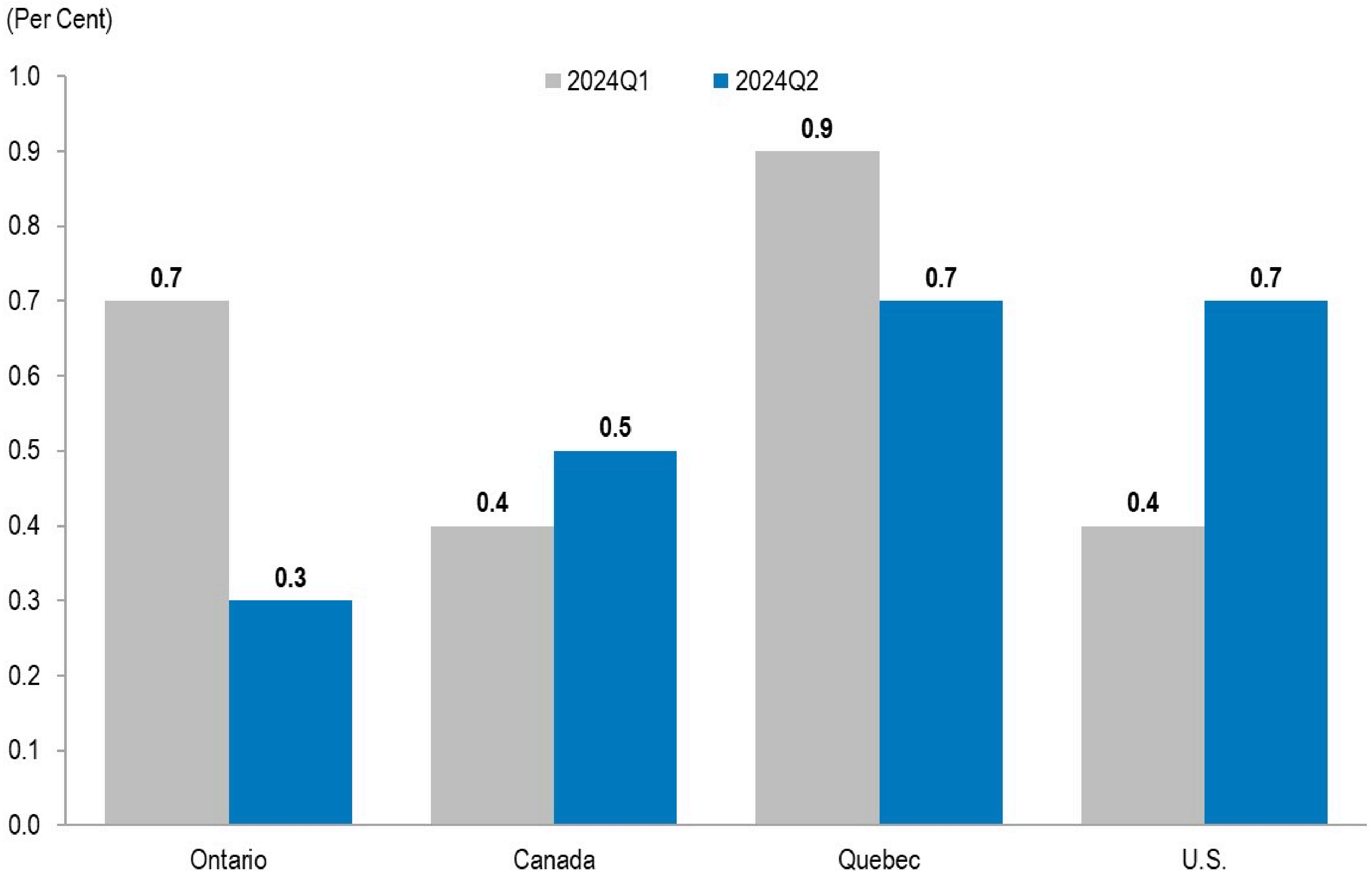
Jurisdictional comparison

Canadian real GDP increased 0.5% in the second quarter, after increasing 0.4% in the previous quarter. Second quarter growth was driven by higher government spending, and to a lesser extent, household consumption and business investment. Overall growth was moderated by declines in exports.

Quebec's real GDP advanced 0.7% in the second quarter, following a 0.9% gain in the previous quarter. The second quarter gain was primarily supported by an increase in exports, government spending and household consumption.

In the **U.S.**, real GDP increased 0.7% in the second quarter, following a 0.4% gain in the previous quarter. The second quarter gain primarily reflected an increase in consumer spending, private inventory investment and non-residential fixed 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

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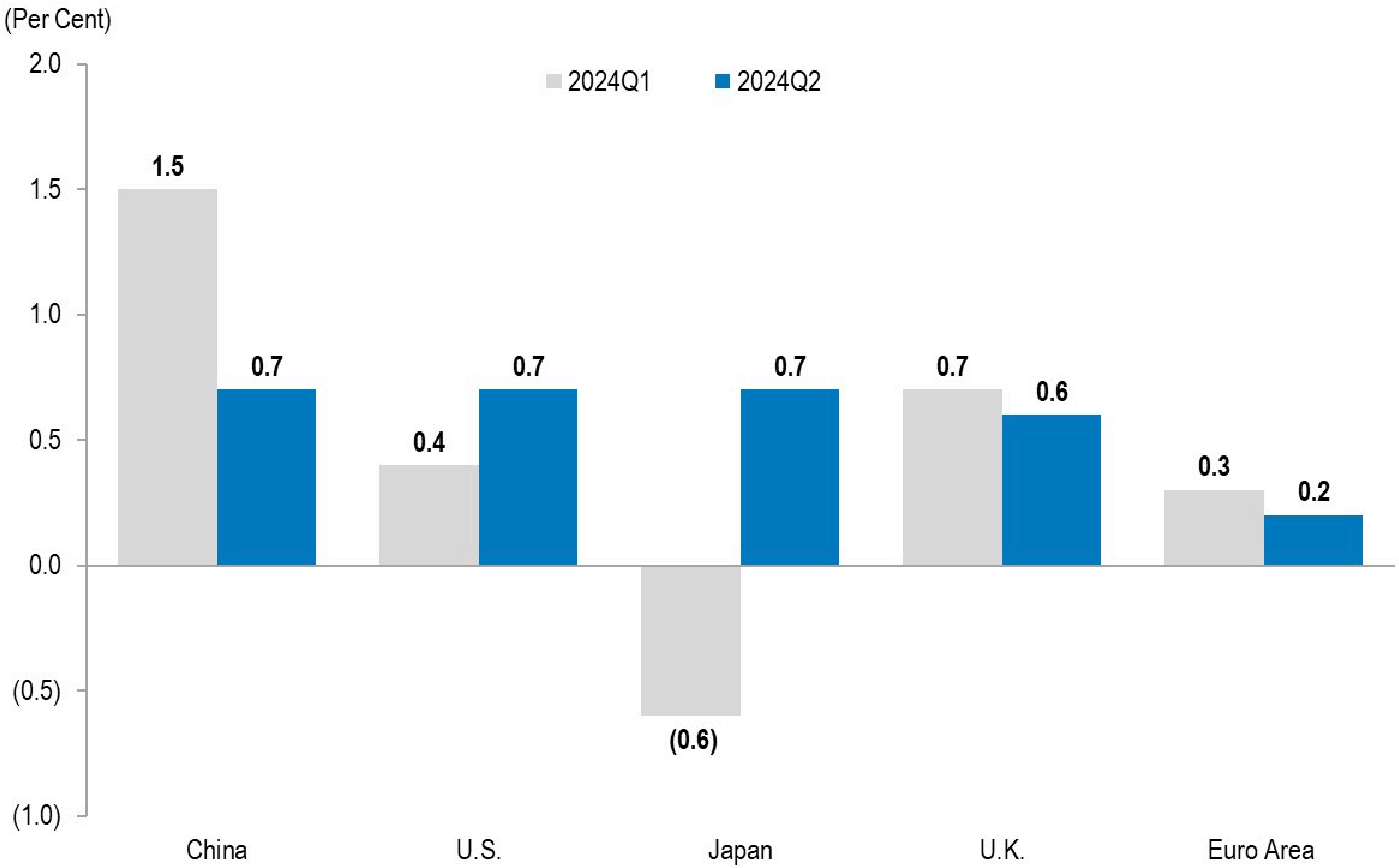
Global economic environment

Real GDP in the U.S. increased 0.7% in the second quarter of 2024, accelerating from growth of 0.4% in the first quarter. The increase in the second quarter primarily reflected gains in consumer spending, private inventory investment and non-residential fixed investment.

Real GDP in Japan rebounded in the second quarter, rising 0.7% from a 0.6% decline in the first quarter. The rebound was driven primarily by strong private consumption growth. Real GDP growth in China softened to 0.7% in the second quarter following an increase of 1.5% in the first quarter.

U.K. real GDP grew 0.6% in the second quarter compared to a gain of 0.7% in the first quarter. The increase reflected growth in gross capital formation, government consumption and household spending which was partially offset by a decline in net trade. Real GDP growth in the euro area remained subdued, rising 0.2% in the second quarter following growth of 0.3% in the first 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

As inflation continues to ease and move sustainably towards the 2% target, the **Bank of Canda** has further decreased its key policy interest rate. In September, the Bank of Canada reduced its target for the overnight rate by 25 basis points to 4.25%, following 25 basis point reductions in both June and July. The **U.S. Federal Reserve** decreased its key policy interest rate by 50 basis points to a range of 4.75-5.00% in September, the first decrease since 2020, as confidence increased that inflation is moving sustainably towards the 2% target.

Canadian government bond yields declined over the third quarter of 2024. The **Canadian 3-month government treasury bill yield** averaged 4.2% in the third quarter, down from 4.8% in the second quarter. The **Canadian 10-year government bond** yield averaged 3.1% in the third quarter, down from 3.7% in the second quarter.

The **Canadian dollar** appreciated modestly over the third quarter, mainly reflecting a weakening US dollar. The Canada-US exchange rate averaged 73.3 cents US in the third quarter, up from 73.1 cents US in the second quarter.

In recent months, global oil demand has been slowing, in large part due to weakening demand in China, which has resulted in lower oil prices. The **West Texas Intermediate (WTI)** crude oil price decreased to US$76 per barrel in the third quarter from US$82 per barrel in the second quarter.

Table 1.6
External factors

Component	2022	2023	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
U.S. real GDP growth (per cent)	2.5	2.9	1.1	0.8	0.4	0.7	–
West Texas Intermediate (WTI) crude oil ($US per barrel)	95	78	82	78	78	82	76
Canadian dollar (cents US)	76.8	74.1	74.6	73.4	74.1	73.1	73.3
Three-month treasury bill rate[1] (per cent)	2.3	4.8	5.1	5.0	5.0	4.8	4.2

Component	2022	2023	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
10-year government bond rate (per cent)	2.8	3.3	3.7	3.6	3.4	3.7	3.1

[1] Government of Canada interest rates.

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

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Appendix A: OEA release dates

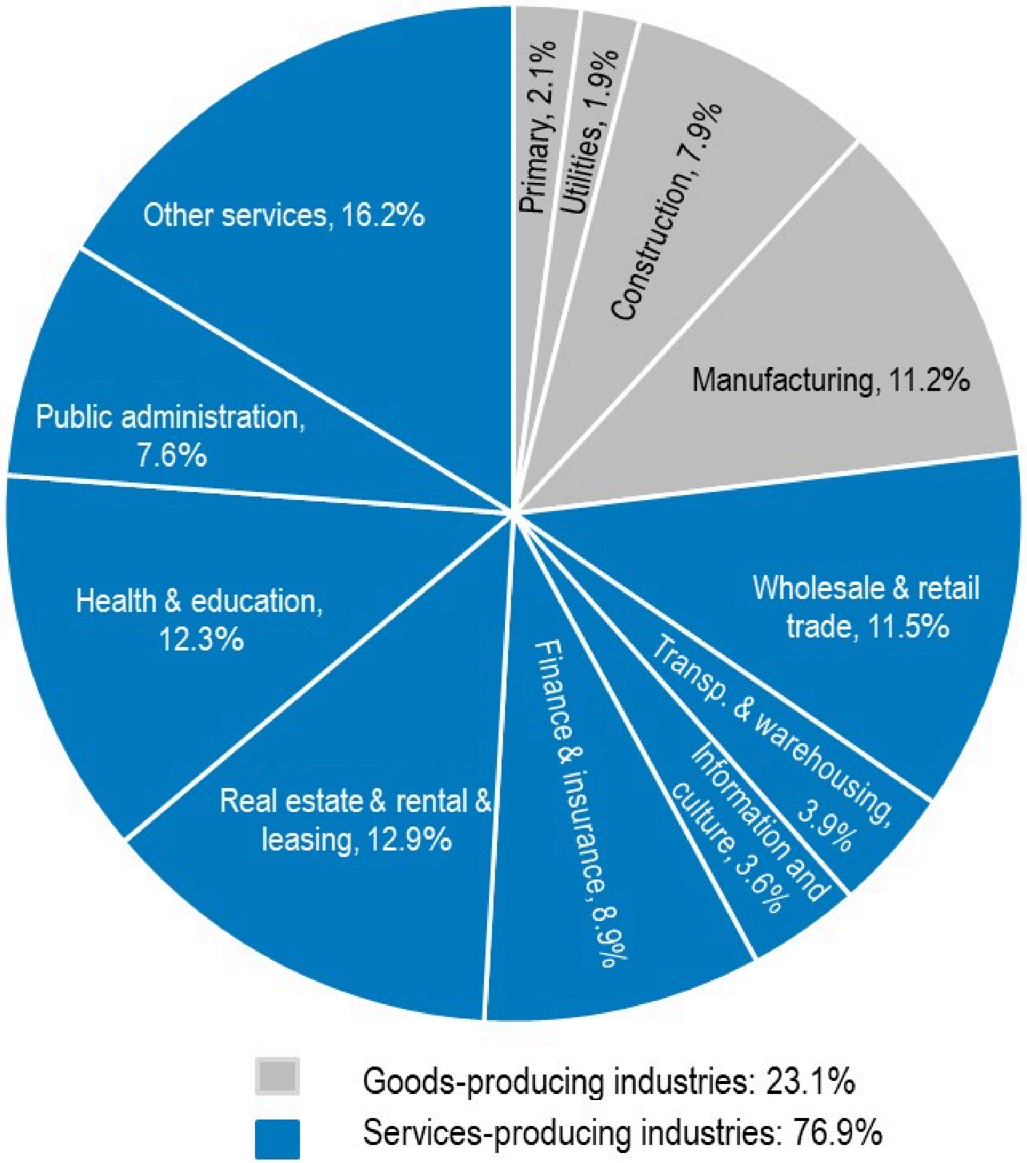
The *Fiscal Sustainability, Transparency and Accountability Act, 2019* states that the quarterly Ontario Economic Accounts should be released within 45 days of the Statistics Canada release of the National Income and Expenditure Accounts.

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
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



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

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

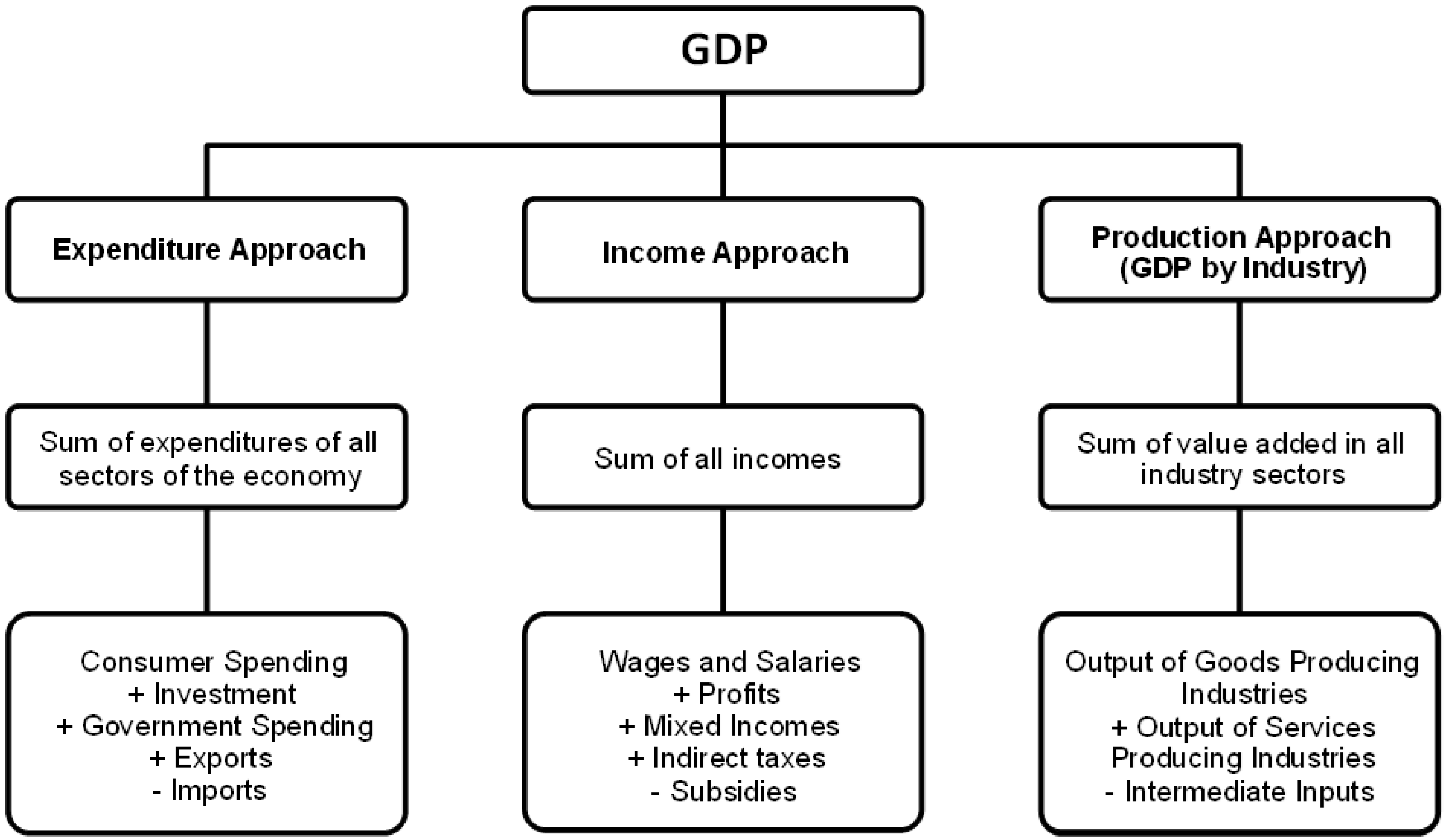
Appendix C: How GDP is measured

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 second 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 2024, real GDP growth was 0.7% in the first quarter and 0.3% in the second quarter.

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 second 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 2024, GDP growth was 0.8% in the first quarter and 1.5% in the second quarter.

Source: Ontario Ministry of Finance.

Return to chart 1.2

Chart 1.3: Real GDP Change by Industry, 2024Q2

The horizontal bar chart illustrates the per cent change in real GDP by industry for the second quarter of 2024. The output of all industries rose 0.4% in the quarter. Output declined in goods-producing industries (-0.6%), with industry changes as follows: manufacturing (-1.2%); construction (-0.5%); utilities (+0.2%); and primary (+2.1%). Output in the service industries increased 0.7%, including industry changes as follows: health, education and public administration (+1.1%); professional and administrative services (+1.1%); other services* (+1.0%); finance and insurance (+0.9%); wholesale trade (+0.4%); real estate, rental and leasing (+0.2%); and retail trade (-1.6%).

*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 first and second quarter of 2024. Ontario real GDP increased 0.7% in the first quarter and 0.3% in the second quarter. Canadian real GDP increased 0.4% in the first quarter and 0.5% in the second quarter. Quebec real GDP increased 0.9% in the first quarter and 0.7% in the second quarter. U.S. real GDP increased 0.4% in the first quarter and 0.7% in the second 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 U.S., Japan, the United Kingdom and the euro area for the first and second quarter of 2024. China's real GDP increased 1.5% in the first quarter and increased 0.7% in the second quarter. U.S. real GDP increased 0.4% in the first quarter and increased 0.7% in the second quarter. Japan's real GDP declined 0.6% in the first quarter and increased 0.7% in the second quarter. Real GDP in the United Kingdom increased 0.7% in the first quarter and increased 0.6% in the second quarter. Euro area real GDP increased 0.3% in the first quarter and increased 0.2% 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.

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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