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

Ontario Economic Accounts

Learn about Ontario's economic performance and outlook for the third 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 0.2% in the third quarter (July, August, September) of 2024, after advancing 0.3% in the second quarter.
- Nominal GDP rose 0.8%, following a 1.7% increase in the previous quarter.
- Economy-wide prices, as measured by the implicit price index for GDP, increased 0.7% in the third quarter.
- Economic production, measured on an industry basis, rose 0.1% in the third quarter as a gain in service sector output (+0.4%) was partially offset by a decline in the goods sector (−1.2%).

Table 1.1
Ontario Economic Accounts summary
(per cent change)

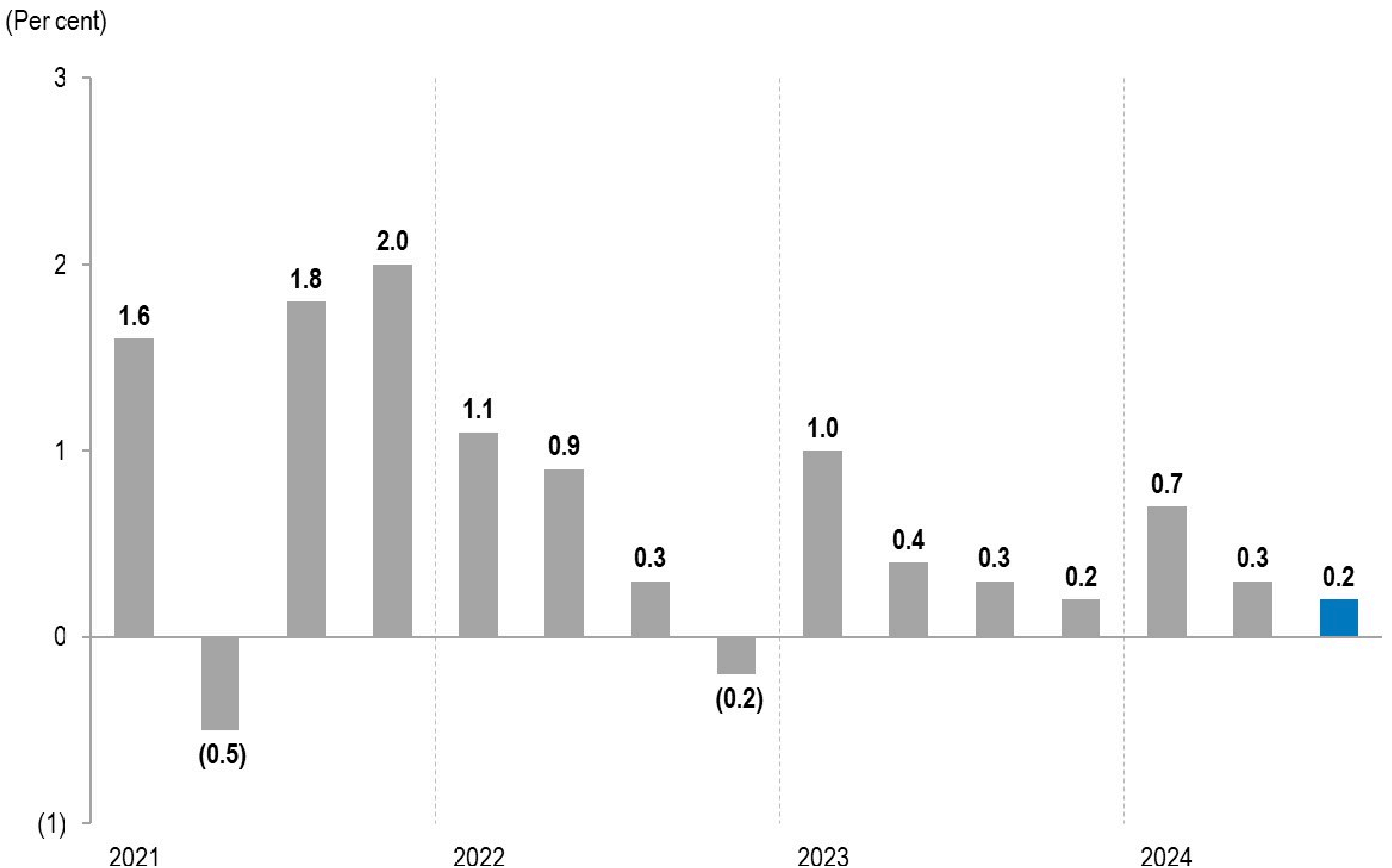
Component	2022	2023	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Real GDP	4.1	1.7	0.2	0.7	0.3	0.2
Nominal GDP	9.4	5.4	1.6	0.8	1.7	0.8

Sources: Statistics Canada and Ontario Ministry of Finance.

Expenditure details

Ontario’s **real GDP** advanced 0.2% in the third quarter of 2024, after increasing 0.3% 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 0.3%, after remaining unchanged in the previous quarter. Higher spending on durables (+0.7%) and services (+0.6%) was partially offset by declines in semi-durables (−1.6%) and non-durables (−0.4%).

Total business investment declined 0.7%, following a 0.7% gain in the previous quarter. Investment in machinery and equipment declined (−7.9%) while investment in residential construction (+0.6%), non-residential construction (+0.9%) and intellectual property products (+1.3%) increased in the quarter.

Spending at all three levels of **government** combined rose 1.3% in the third quarter, after increasing 1.5% in the previous quarter.

Exports (−0.5%) and **imports** (−0.5%) declined in the third quarter. International exports declined 1.4%, while international imports were 0.4% lower. Interprovincial exports rose 1.2%, while interprovincial imports declined 0.9% in the quarter.

Businesses accumulated $10.8 billion worth of **inventories** in the third quarter, down from an accumulation of $12.1 billion in the previous quarter.

Table 1.2
Real GDP by expenditure
(Per cent change)

Component	2022	2023	2023 Q4	2024 Q1	2024 Q2	2024 Q3

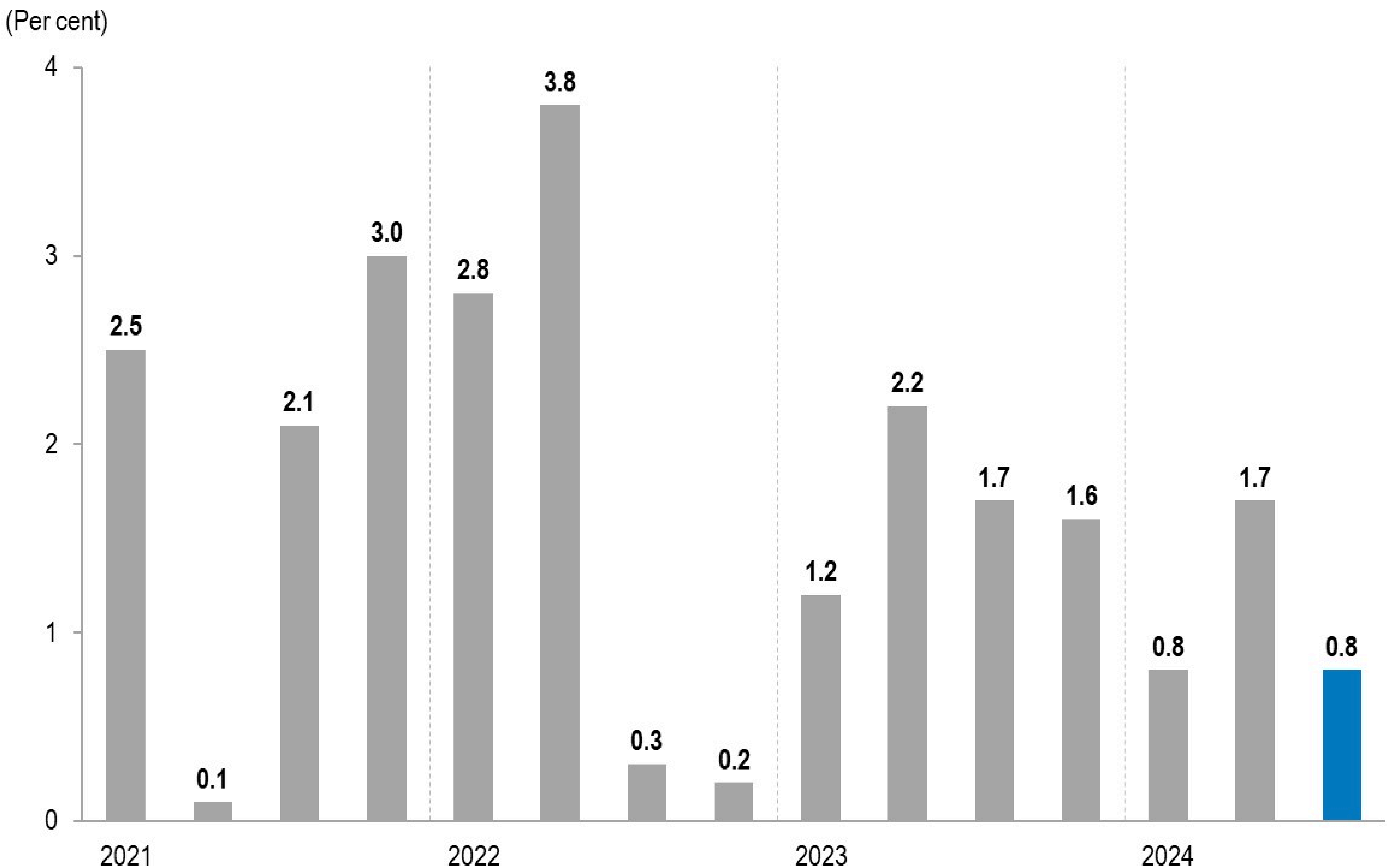
Component	2022	2023	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Real GDP	4.1	1.7	0.2	0.7	0.3	0.2
Household consumption	7.8	1.5	0.5	1.2	0.0	0.3
Business investment	(7.7)	(2.1)	(0.5)	0.0	0.7	(0.7)
Government	2.6	1.2	(1.0)	0.8	1.5	1.3
Exports	5.3	4.4	(1.5)	1.8	(2.0)	(0.5)
Imports	5.6	0.7	(1.5)	(0.2)	(0.2)	(0.5)
Investment in inventories ($ billions)	16.7	8.7	9.2	7.9	12.1	10.8

Sources: Statistics Canada and Ontario Ministry of Finance.

Income details

Ontario's **nominal GDP** increased 0.8% in the third quarter of 2024, after increasing 1.7% in the second 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 1.6%, after rising 2.5% in the second quarter.

Net operating surplus of corporations decreased 3.1%, after increasing 1.8% in the second quarter.

Net mixed income, which is comprised of farm income, unincorporated business income and rental income, increased 2.1%, following a 3.1% gain in the previous quarter.

Table 1.3
Nominal GDP by income
(Per cent change)

Component	2022	2023	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Nominal GDP	9.4	5.4	1.6	0.8	1.7	0.8
Compensation of employees	8.8	6.7	0.7	1.3	2.5	1.6

Component	2022	2023	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Net operating surplus	(5.0)	(4.2)	8.5	(10.0)	1.8	(3.1)
Net mixed income	7.6	11.5	4.4	2.1	3.1	2.1

Sources: Statistics Canada and Ontario Ministry of Finance.

Price details

Economy-wide prices, as measured by the **implicit price index for GDP**, increased 0.7% in the third quarter, following a 1.4% increase in the second quarter.

Prices for **household consumption expenditures** rose 0.4%, following a 1.0% increase in the second quarter.

Business investment prices increased 0.2%, following an increase of 0.7% in the previous quarter. Prices in the third quarter increased for intellectual property products (+1.0%) and non-residential construction (+0.4%). Prices for machinery and equipment (−0.4%) declined, while residential construction prices were unchanged.

Export prices (+0.3%) and **import** prices (+0.2%) both increased in the quarter.

Table 1.4

Implicit price indexes, gross domestic product

(Per cent change)

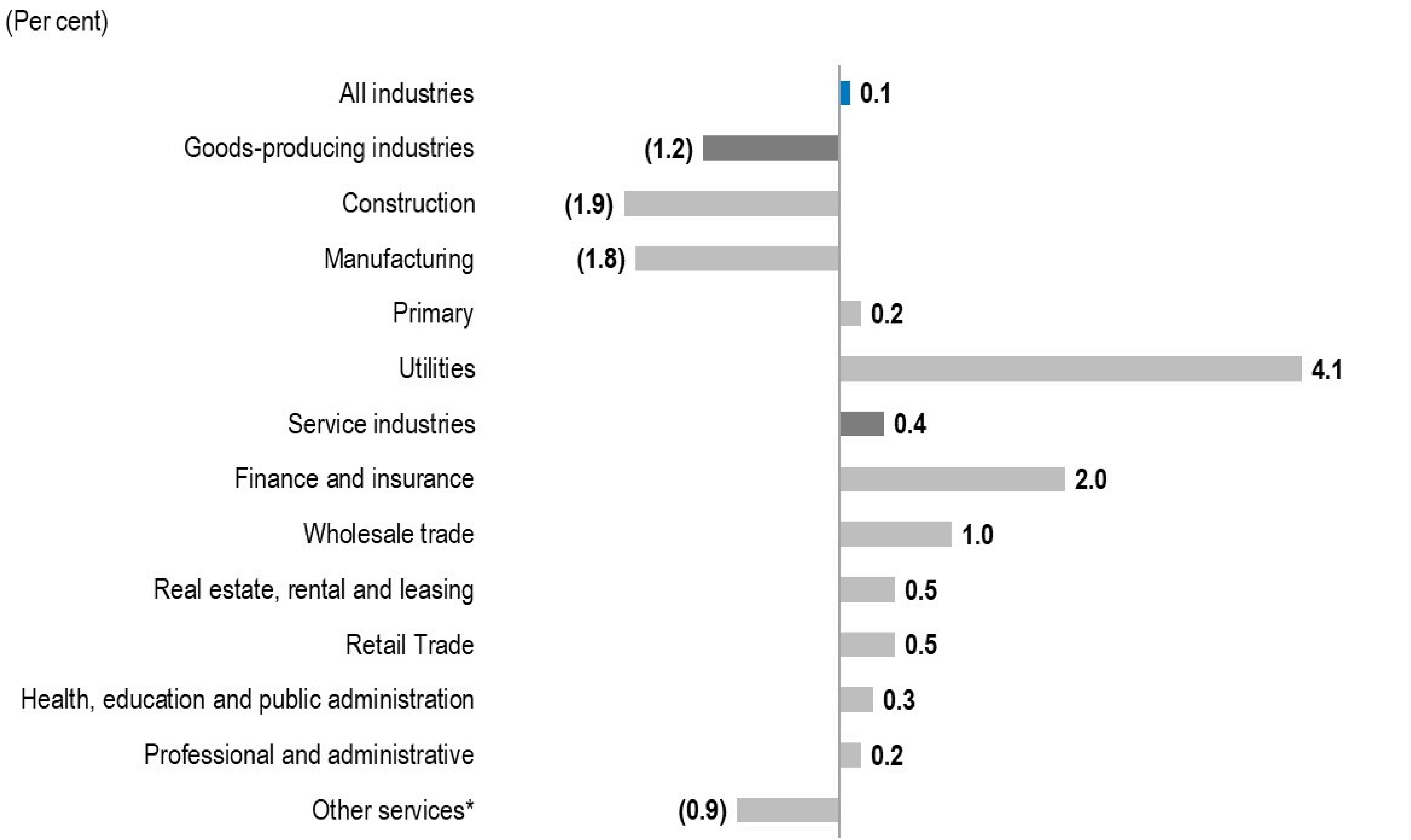
Component	2022	2023	2023 Q4	2024 Q1	2024 Q2	2024 Q3
GDP	5.1	3.7	1.4	0.1	1.4	0.7
Household consumption	5.9	3.6	1.1	0.4	1.0	0.4
Business investment	10.9	3.4	0.2	0.4	0.7	0.2
Exports	8.6	3.5	0.7	(0.1)	2.0	0.3
Imports	12.3	1.5	0.3	0.4	1.6	0.2

Sources: Statistics Canada and Ontario Ministry of Finance.

Industry details

Ontario **real GDP**, measured as value-added by industry, rose 0.1% in the third quarter of 2024. An increase to service sector output (+0.4%) was partially offset by a decline in the goods sector (−1.2%).

Chart 1.3
Real GDP change by industry, 2024Q3



*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, 2024 Q3

Manufacturing output decreased 1.8% in the quarter, following a 1.2% decline in the previous quarter.

Construction output decreased 1.9% due to a decline in residential construction (−5.1%). Non-residential structures and engineering construction output increased 0.3% in the quarter.

Primary industry output increased 0.2%, led by higher mining production (+0.7%).

Utilities output increased 4.1%, with gains in natural gas, water and electrical power production.

Service industry output increased 0.4% in the quarter, led by gains in finance and insurance (+2.0%) and real estate, rental and leasing (+0.5%).

Table 1.5
Real GDP by industry
(Per cent change)

Component	2022	2023	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Total output	4.1	1.8	0.2	0.6	0.3	0.1

Component	2022	2023	2023 Q 4	2024 Q 1	2024 Q 2	2024 Q 3
Total goods producing industries	2.5	(0.3)	(1.3)	(0.2)	(0.6)	(1.2)
Primary	7.8	1.8	2.5	1.6	1.6	0.2
Utilities	2.6	2.0	0.1	(0.9)	(0.6)	4.1
Construction	(2.1)	(2.0)	(0.8)	(0.4)	(0.3)	(1.9)
Manufacturing	4.9	0.1	(2.4)	(0.4)	(1.2)	(1.8)
Total service producing industries	4.5	2.4	0.6	0.8	0.5	0.4
Wholesale trade	0.6	1.4	(0.4)	0.6	(0.1)	1.0
Retail trade	4.0	(0.2)	1.1	0.4	(1.8)	0.5
Transportation and warehousing	19.5	8.9	2.0	0.9	0.7	(0.5)
Information and culture	4.8	1.3	1.5	1.4	(0.2)	(1.9)

Component	2022	2023	2023 Q 4	2024 Q 1	2024 Q 2	2024 Q 3
Finance and insurance	1.6	(0.2)	1.4	1.1	1.1	2.0
Real estate, rental and leasing	(0.7)	0.4	0.1	0.2	0.2	0.5
Management of companies and enterprises	(27.5)	(34.9)	(10.2)	(6.7)	(5.8)	(5.4)
Professional and administrative services	8.7	3.2	0.7	1.0	1.0	0.2
Education	2.1	3.6	(0.6)	1.3	2.2	0.1
Health care and social services	4.2	4.1	0.8	1.1	0.6	(0.1)
Arts, entertainment and recreation	39.9	14.8	1.5	(0.2)	(0.1)	0.3
Accommodation and food	21.7	6.4	3.4	0.4	0.3	(1.1)
Other services	10.7	3.8	0.6	0.7	0.5	0.0
Public administration	2.4	3.3	(0.1)	0.4	0.7	0.9

Sources: Statistics Canada and Ontario Ministry of Finance.

Jurisdictional comparison

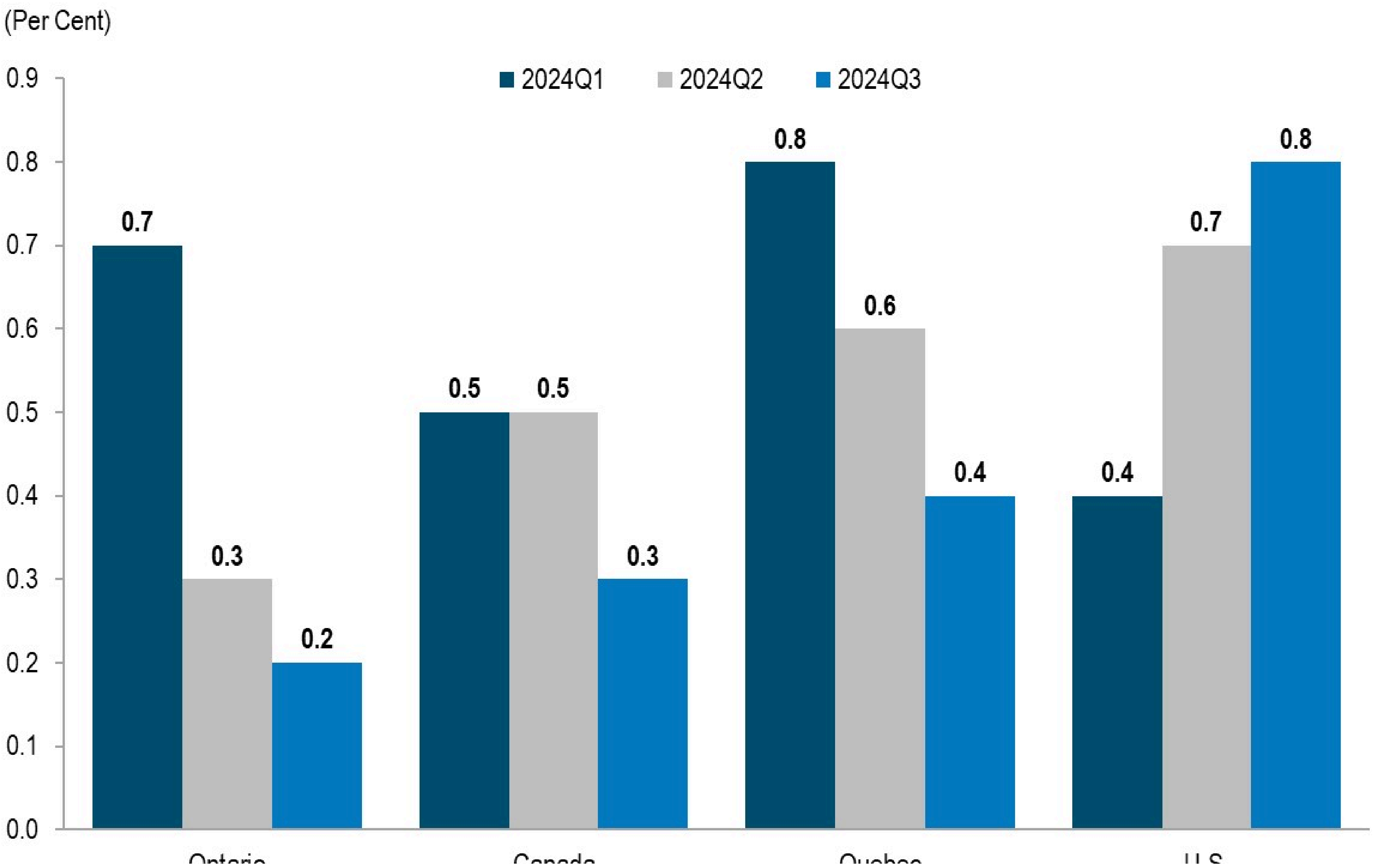
Canadian real GDP increased 0.3% in the third quarter, following increases of 0.5% in the previous two quarters. Third quarter growth was driven by higher household and government spending. Overall growth was moderated by slower inventory accumulation and declines in business investment and exports.

Quebec's real GDP advanced 0.4% in the third quarter, following a 0.6% gain in the previous quarter. The third quarter gain was supported by an increase in household consumption and government spending.

In the **U.S.**, real GDP increased 0.8% in the third quarter, following a 0.7% increase in the previous quarter. The third quarter gain reflected increases in consumer spending, exports, non-residential fixed investment and federal government spending.

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

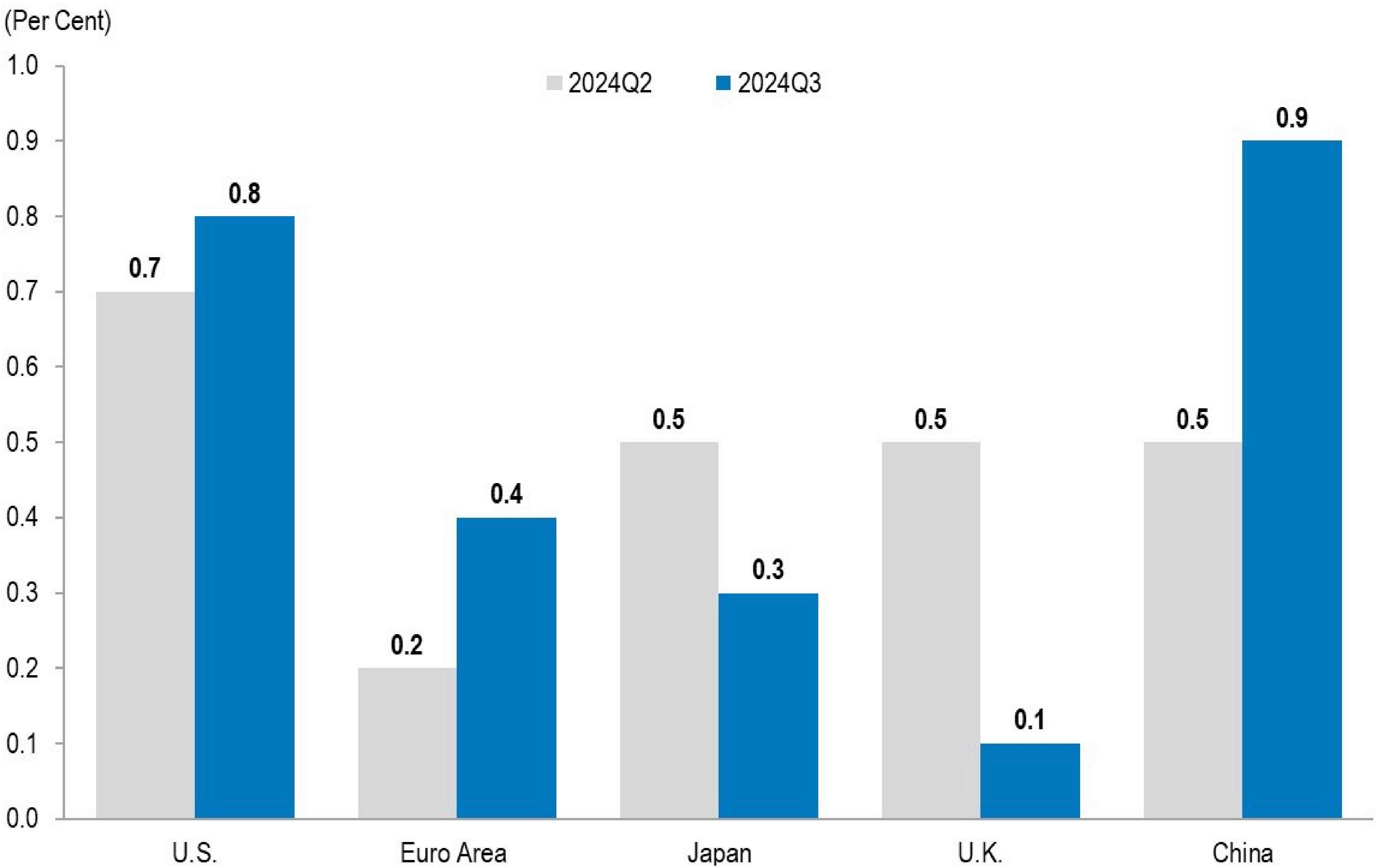
Real GDP in the U.S. increased 0.8% in the third quarter of 2024, following a 0.7% increase in the second quarter. Third quarter growth primarily reflected increases in consumer spending, exports, non-residential fixed investment and federal government spending.

Euro area real GDP grew 0.4% in the third quarter, accelerating from growth of 0.2% in the second quarter. Household consumption, fixed capital formation and faster inventory accumulation contributed to growth.

Real GDP in Japan increased 0.3% in the third quarter following 0.5% growth in the second quarter. U.K. real GDP growth decelerated to 0.1% in the third quarter following growth of 0.5% in the second quarter.

China's real GDP growth accelerated to 0.9% in the third quarter of 2024 from a 0.5% rise in the second quarter. The increase was supported by renewed fiscal and monetary initiatives aimed at strengthening local government finances, lowering borrowing costs and mitigating effects of the downturn in the property sector.

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

The **Bank of Canada** continues to ease monetary policy, lowering the target for the overnight rate by 50 basis points in October and by another 50 basis points in December. The Bank has reduced its target for the overnight rate by a total of 175 basis points since it began the current easing cycle in June. The **U.S. Federal Reserve** reduced the target range of the federal funds rate by 25 basis points to 4.25-4.5% in December, following a 25-basis-point reduction in November. The U.S. Federal Reserve has reduced its key policy interest rate target by a total of 100 basis points since the start of the current easing cycle.

The yield on short-term Canadian government bonds eased in the fourth quarter while that on long-term bonds was steady. The **Canadian 3-month government treasury bill yield** averaged 3.5% in the fourth quarter of 2024, down from 4.2% in the third quarter. The **Canadian 10-year government bond** yield averaged 3.2% in the fourth quarter, up slightly from 3.1% in the third quarter.

The **Canadian dollar** depreciated over the fourth quarter, reflecting divergent paths of economic growth and monetary policy between the U.S. and Canada. The Canada-US exchange rate averaged 71.5 cents US in the fourth quarter, down from 73.3 cents US in the third quarter.

Geopolitical uncertainty coupled with slowing global oil demand contributed to weaker crude oil prices in the fourth quarter. The **West Texas Intermediate (WTI)** crude oil price decreased to US$71 per barrel in the fourth quarter from US$76 per barrel in the second quarter.

Table 1.6
External factors

Component	2023	2024	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4

Component	2023	2024	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
U.S. real GDP growth (per cent)	2.9	–	0.8	0.4	0.7	0.8	–
West Texas Intermediate (WTI) crude oil ($US per barrel)	78	77	78	78	82	76	71
Canadian dollar (cents US)	74.1	73.0	73.4	74.1	73.1	73.3	71.5
Three-month treasury bill rate[1] (per cent)	4.8	4.4	5.0	5.0	4.8	4.2	3.5
10-year government bond rate (per cent)	3.3	3.4	3.6	3.4	3.7	3.1	3.2

[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

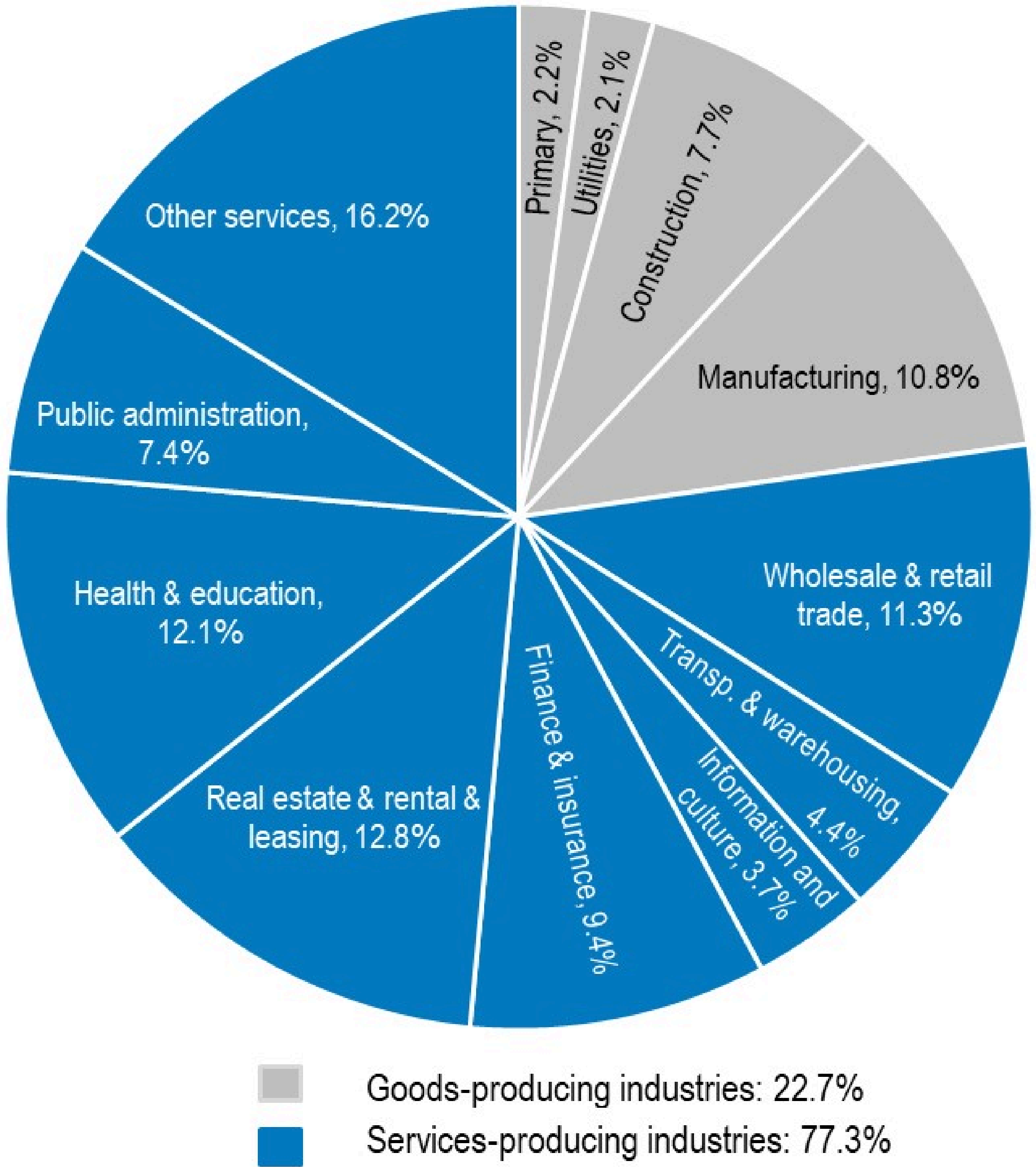
The *Fiscal Sustainability, Transparency and Accountability Act, 2019* states that the quarterly Ontario Economic Accounts should be released within 45 days of the Statistics Canada release of the National Income and Expenditure Accounts.

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
Fourth quarter (October-December) 2024	February 28, 2025	By April 14, 2025
First quarter (January-March) 2025	May 30, 2025	By July 14, 2025
Second quarter (April-June) 2025	August 29, 2025	By October 14, 2025
Third quarter (July-September) 2025	November 28, 2025	By January 12, 2026
Fourth quarter (October-December) 2025	February 27, 2026	By April 13, 2026

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

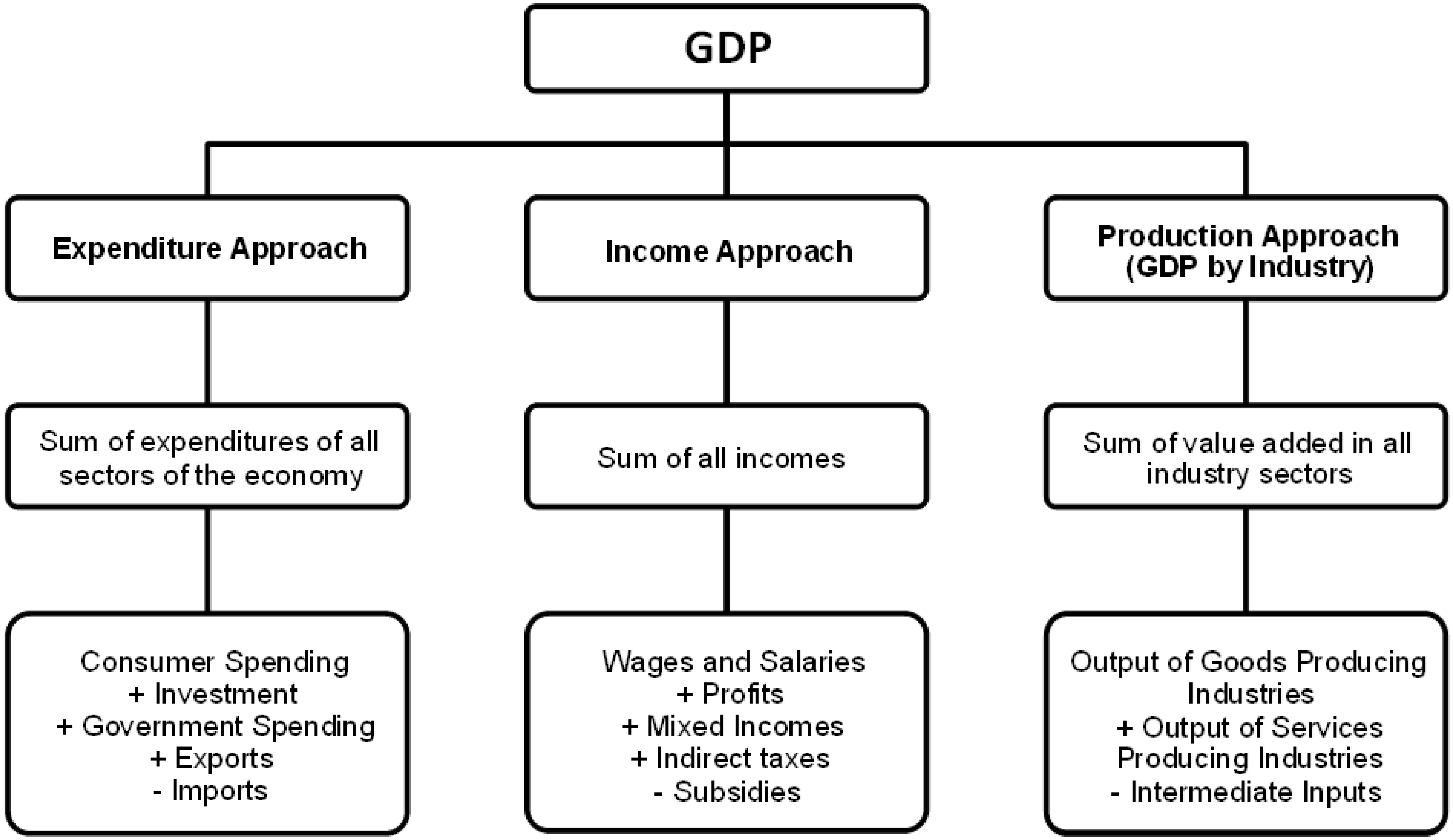
Appendix C: How GDP is measured

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 third quarter of 2024. In the four quarters of 2021, real GDP growth was 1.6%, -0.5%, 1.8% and 2.0%, respectively. In the four quarters of 2022, real GDP growth was 1.1%, 0.9%, 0.3% and -0.2%, respectively. In the four quarters of 2023, real GDP growth was 1.0%, 0.4%, 0.3% and 0.2%, respectively. In 2024, real GDP growth was 0.7% in the first quarter, 0.3% in the second quarter and 0.2% in the third 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 third quarter of 2024. In the four quarters of 2021, GDP growth was 2.5%, 0.1%, 2.1% and 3.0%, respectively. In the four quarters of 2022, GDP growth was 2.8%, 3.8%, 0.3% and 0.2%, respectively. In the four quarters of 2023, GDP growth was 1.2%, 2.2%, 1.7% and 1.6%, respectively. In 2024, GDP growth was 0.8% in the first quarter, 1.7% in the second quarter and 0.8% in the third quarter.

Source: Ontario Ministry of Finance.

Return to chart 1.2

Chart 1.3: Real GDP Change by Industry, 2024 Q3

The horizontal bar chart illustrates the per cent change in real GDP by industry for the third quarter of 2024. The output of all industries rose 0.1% in the quarter. Output declined in goods-producing industries (−1.2%), with industry changes as follows: construction (−1.9%); manufacturing (−1.8%); primary (+0.2%); and utilities (+4.1%). Output in the service industries increased 0.4%, including industry changes as follows: finance and insurance (+2.0%); wholesale trade (+1.0%); real estate, rental and leasing (+0.5%); retail trade (+0.5%); health, education and public administration (+0.3%); professional and administrative services (+0.2%); and other services* (−0.9%).

*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, second and third quarter of 2024. Ontario real GDP increased 0.7% in the first quarter, 0.3% in the second quarter and 0.2% in the third quarter. Canadian real GDP increased 0.5% in the first quarter, 0.5% in the second quarter and 0.3% in the third quarter. Quebec real GDP increased 0.8% in the first quarter, 0.6% in the second quarter and 0.4% in the third quarter. U.S. real GDP increased 0.4% in first quarter, 0.7% in the second quarter and 0.8% in the third 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 the U.S., the euro area, Japan, the United Kingdom and China for the second and third quarter of 2024. U.S. real GDP increased 0.7% the second quarter and 0.8% in the third quarter. Euro area real GDP increased 0.2% in the second quarter and increased 0.4% in the third quarter. Japan's real GDP increased 0.5% in the second quarter and increased 0.3% in the third quarter. Real GDP in the United Kingdom increased 0.5% in the second quarter and increased 0.1% in the third quarter. China's real GDP increased 0.5% in the second quarter and increased 0.9% 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.

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 22.7% of Ontario's nominal GDP with industry shares as follows: manufacturing (10.8%); construction (7.7%); utilities (2.1%) and primary industries (2.2%). Services-producing industries accounted for 77.3% of Ontario's nominal GDP with industry shares as follows: wholesale and retail trade (11.3%); transportation and warehousing (4.4%); information and culture (3.7%); finance and insurance (9.4%); real estate, rental and leasing (12.8%); health and education (12.1%); public administration (7.4%); 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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