

Economic Development Winnipeg

# WEEKLY ECONOMIC DIGEST



## CANADIAN GDP - 2021-Q1 AND MARCH 2021 RESIDENTIAL INVESTMENT DRIVING GAINS IN GDP

*Chris Ferris, Senior Economist*

### Bottom Line

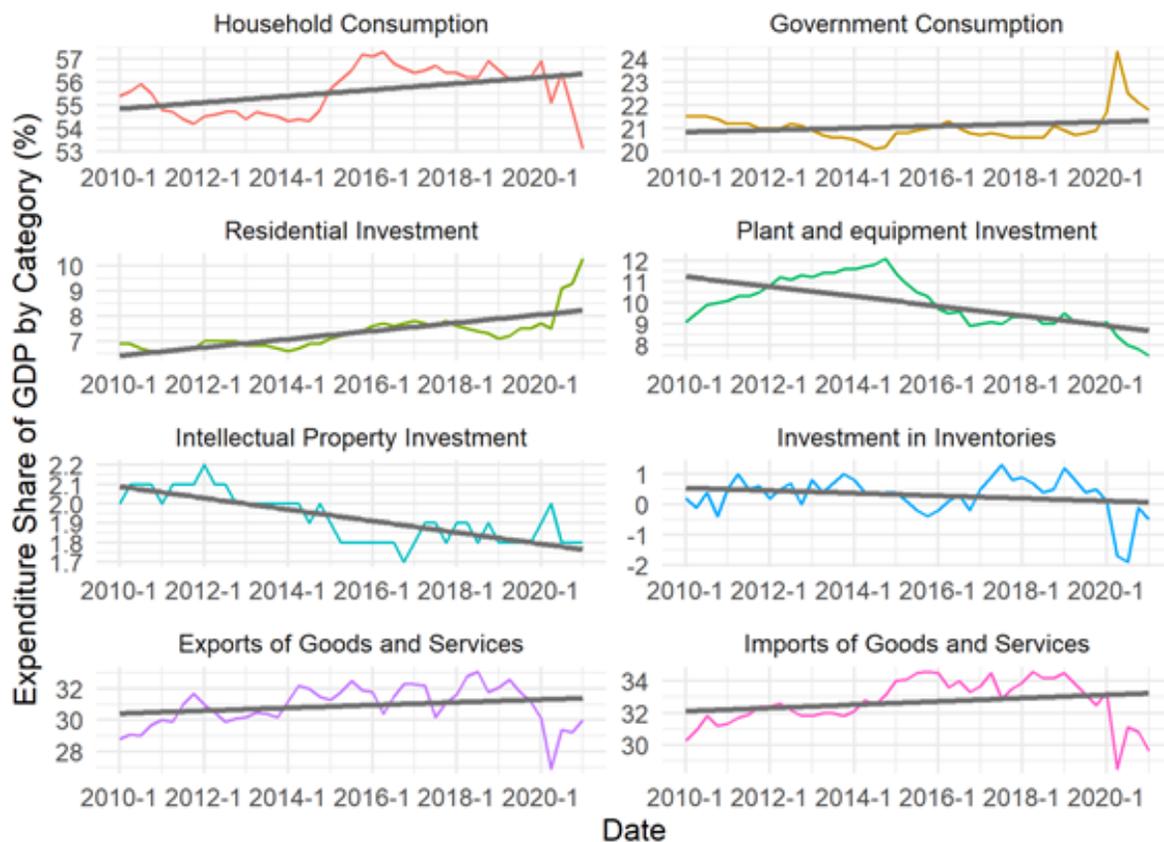
On June 1, 2021, Statistics Canada released Canada's Quarterly GDP by Expenditure (for 2021-Q1), Monthly GDP by industry (for March 2021), and the monthly wages, salaries and employers' social contributions by province (for March 2021). Canada's 2021-Q1 GDP by expenditure when compared to 2019-Q1 shows **residential investment** up 41.9%, and **government consumption** up 7.3%. **Imports of goods and services** are down 6.1%, and **plant and equipment investment** are down 13.1%.

Canada's monthly GDP by industry when compared to February 2020 shows **agriculture, forestry, fishing and hunting** up 8.6%, and **retail trade** up 7.7% per cent compared to February 2020. The two sectors lagging the most are: **Accommodation and food services**, down 32.9%, and **Arts, culture and recreation** down 52%.

While provincial GDP is not released monthly, wages, salaries and employers' social contributions by province is released monthly. This typically represents 50% or more of GDP, so this gives us a sense of how each province is doing. In March 2021 Manitoba labour compensation was up 3.5% above February 2020. This is slightly higher with the Canadian composite, up 3.2%.

# ANALYSIS OF QUARTERLY GDP

## Canada's Quarterly GDP Expenditure Shares, Seasonally Adjusted



Source: Statistics Canada, GDP, Income and Expenditure, Quarterly Seasonally Adjusted, Current Prices, Tables 36-10-0104-01, Chart by Chris Ferris

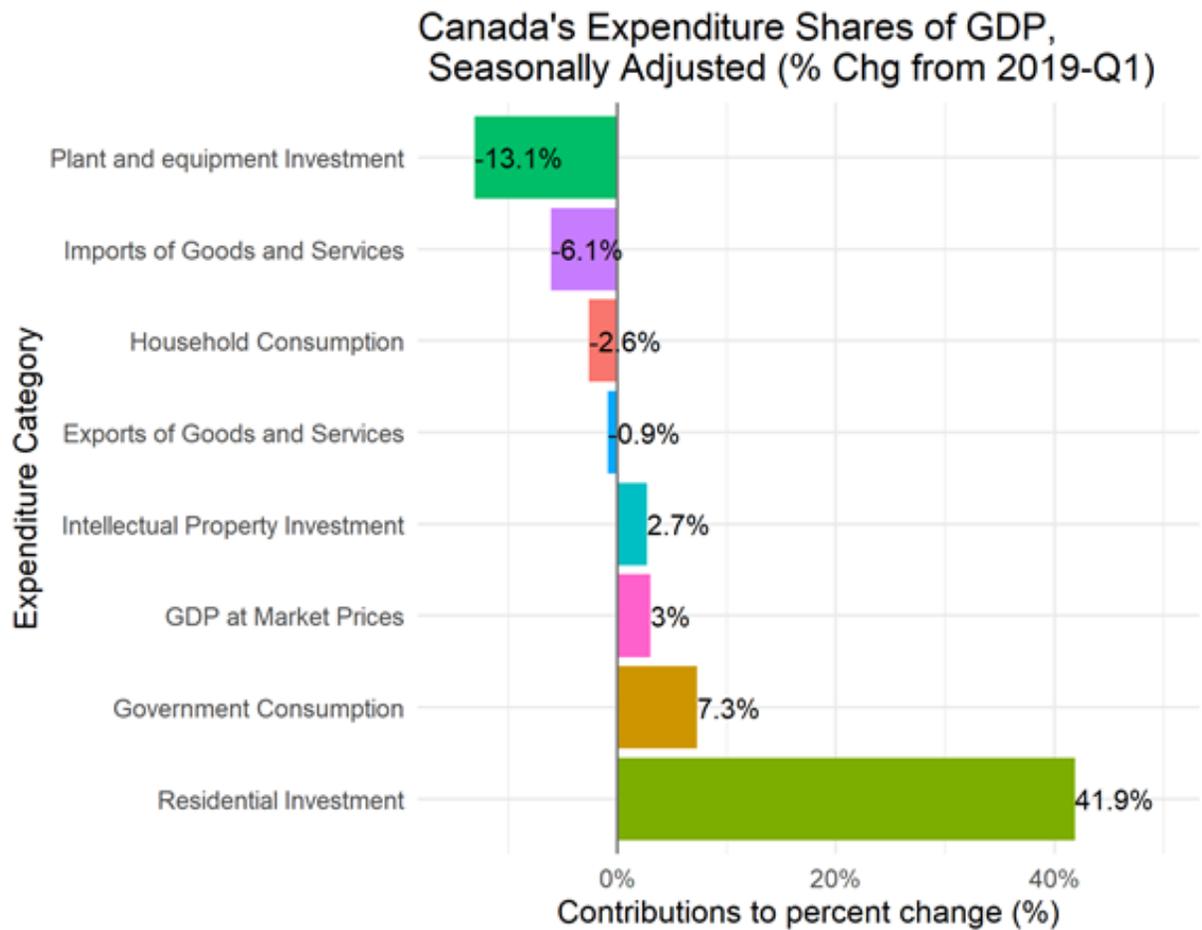
## Canadian Quarterly GDP by Expenditure Category

These charts show the trend in the quarterly GDP expenditure category shares of total GDP since 2010. **Residential investment** has been surging during the pandemic, along with **government consumption**. **Imports of goods and services** and **plant and equipment investment** are both declining.

Sources:

Statistics Canada, Table 34-10-0104-01: Gross domestic product, expenditure-based, Canada, quarterly.

# ANALYSIS OF QUARTERLY GDP



Source: Statistics Canada, Real GDP, Income and Expenditure, Quarterly Seasonally Adjusted, Current Prices, Tables 36-10-0104-01, Chart by Chris Ferris

## Canadian GDP by Expenditure (2021-Q1/2019-Q1) % change

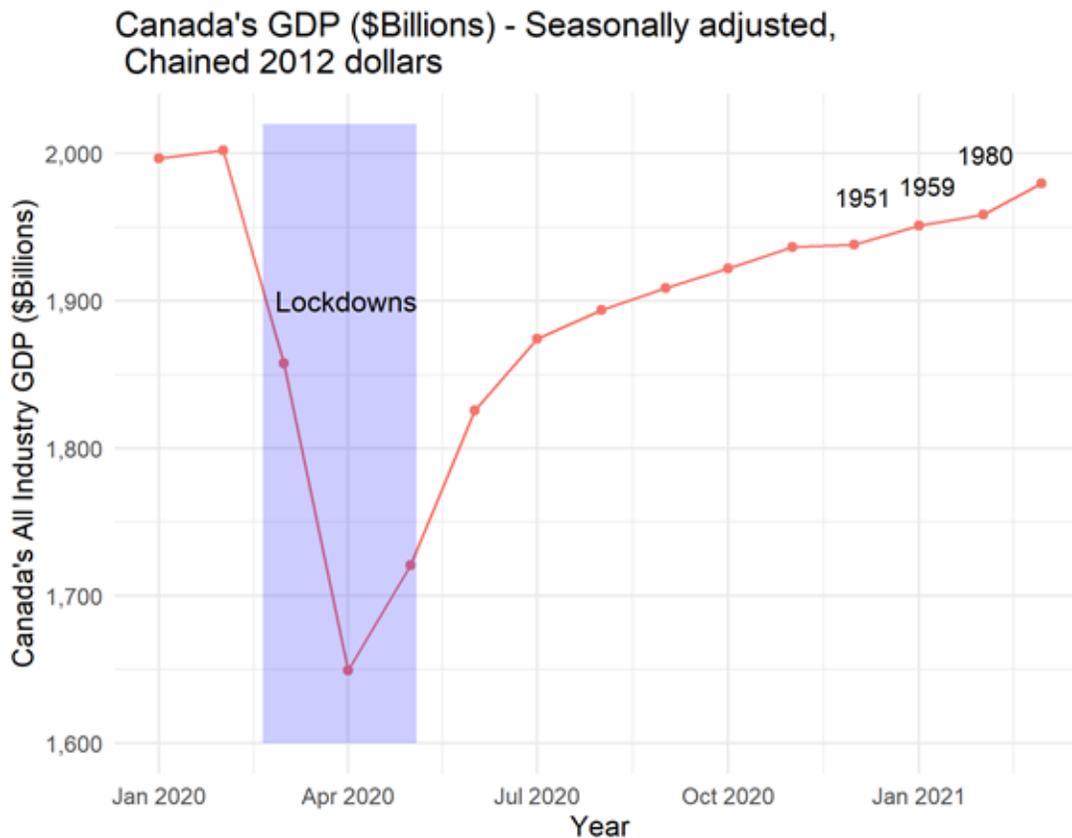
When we compare the expenditure categories in 2021-Q1 to their levels in 2019-Q1:

- **Residential investment** is up 41.9 per cent,
- **Government consumption** is up 7.3 per cent.
- **Imports of goods and services** are down 6.1 per cent, and
- **Plant and equipment investment** is down 13.1 per cent.

Sources:

Statistics Canada, Table 34-10-0104-01: Gross domestic product, expenditure-based, Canada, quarterly.

# ANALYSIS OF MONTHLY GDP



Source: Statistics Canada, GDP by Industry, Monthly, Seasonally Adjusted Chained 2012 dollars, Tables 36-10-0434-01, Chart by Chris Ferris

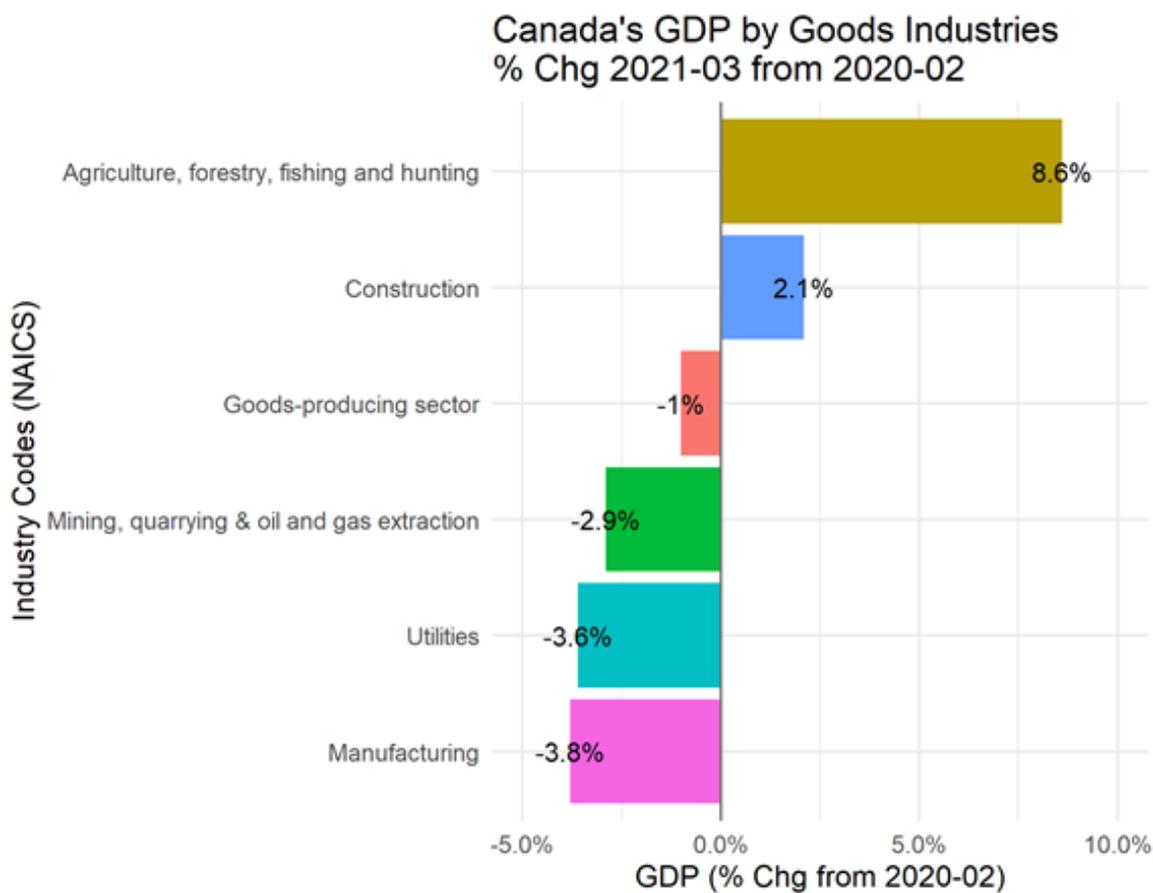
## Canadian Monthly GDP (\$ Billions)

A sharp contraction occurred during the initial COVID-19 lockdowns in March and April 2020. Since then, Canada's monthly GDP continues to creep up month over month, reaching \$1,980 billion in March 2021.

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Sources:  
Statistics Canada, Table 34-10-0434-01: Gross domestic product (GDP) at basic prices, by industry, monthly.

# ANALYSIS OF MONTHLY GDP



Source: Statistics Canada, GDP, Monthly, Seasonally Adjusted Chained 2012 dollars, Tables 36-10-0434-01, Chart by Chris Ferris

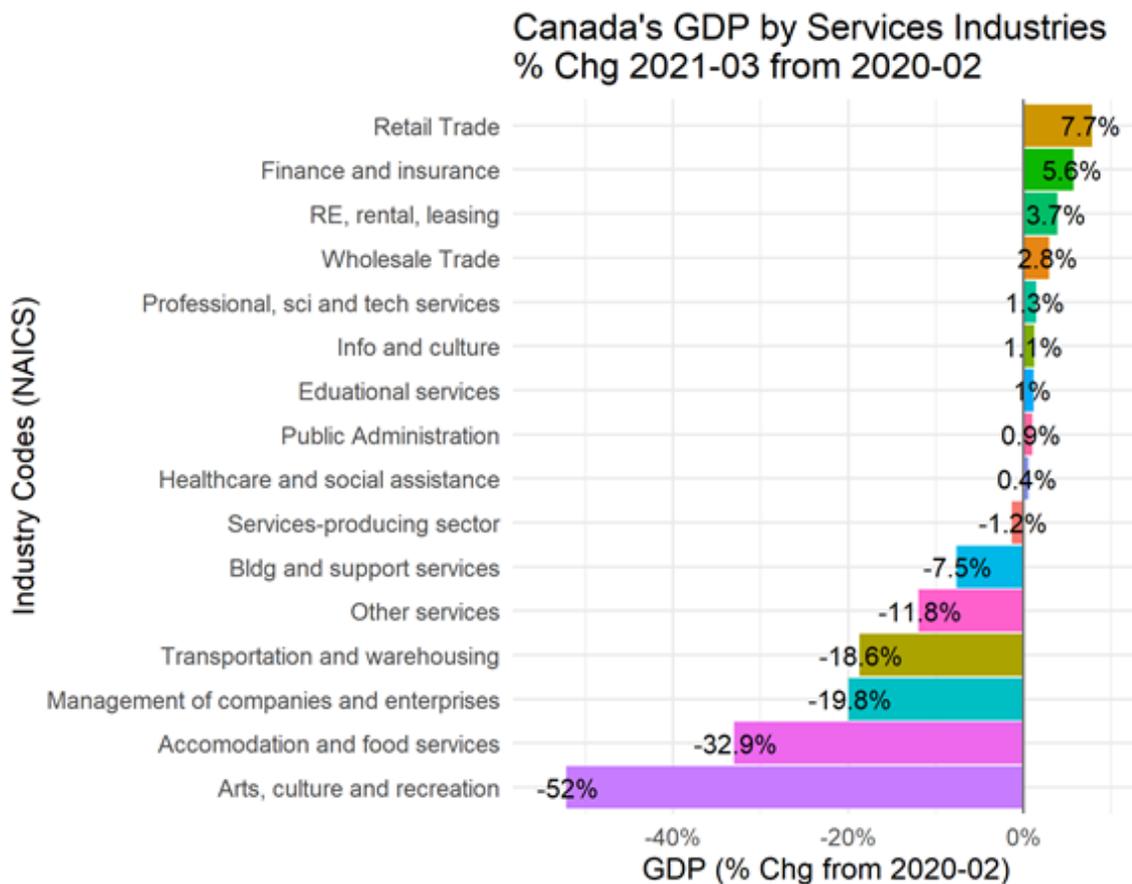
## Monthly Canadian GDP by Goods Producing Industries (Mar-2021/Feb-2020) % change

A sharp contraction occurred during the initial COVID-19 lockdowns in March and April 2020. Since then, Canada's monthly GDP continues to creep up month over month, reaching \$1,980 billion in March 2021.

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Sources:  
Statistics Canada, Table 34-10-0104-01: 34-10-0434-01: Gross domestic product (GDP) at basic prices, by industry, monthly.

# ANALYSIS OF MONTHLY GDP



Source: Statistics Canada, GDP, Monthly, Seasonally Adjusted Chained 2012 dollars, Tables 36-10-0434-01, Chart by Chris Ferris

## Monthly Canadian GDP by Service Producing Industries (Mar-2021/Feb-2020) % change

Monthly GDP in March 2021 compared to February 2020 (pre-pandemic) for services producing industries reveals that:

- **Retail trade** is up 7.7 per cent,
- **Finance and insurance** are up 5.6 per cent.

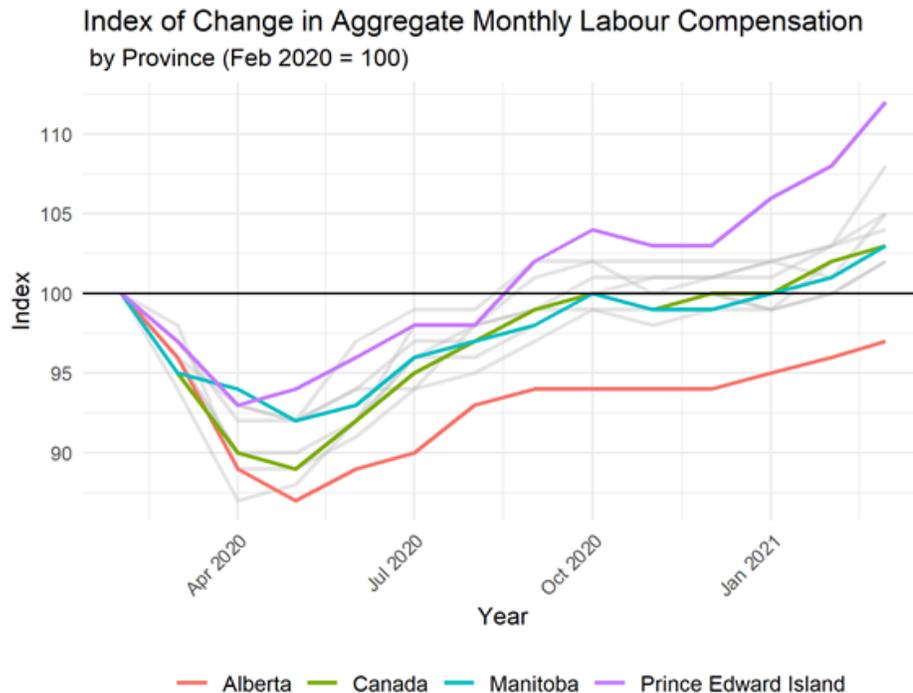
The two services sectors experiencing the greatest declines are:

- **Accommodation and food services** down 32.9 per cent, and
- **Arts, culture and recreation** is down 52 per cent.

Sources:

Statistics Canada, Table 34-10-0104-01: 34-10-0434-01: Gross domestic product (GDP) at basic prices, by industry, monthly.

# ANALYSIS OF LABOUR COMPENSATION



Source: Statistics Canada, Table 36-10-0205-01,  
Chart by Chris Ferris

## Index of Change in Aggregate Monthly Labour Compensation by Province

When we compare March 2021 to February 2020 (pre-pandemic) we see that Canada is up 3.2%, and Manitoba is up 3.5%, essentially neck-and-neck. Alberta is still down 2.8%, while Prince Edward Island has the largest gain at 12.1%.

## INQUIRIES AND CONTACTS

If you require help accessing government programs, contact our YES! Winnipeg team through the [Help us help you form](#).

General inquires: [wpginfo@edwinnipeg.com](mailto:wpginfo@edwinnipeg.com)

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