

# Provincial Economic Outlook for Feb. 6, 2026

A Publication of BMO Capital Markets Economic Research • Douglas Porter, CFA, Chief Economist, BMO Financial Group

|                                             | Canada           | British Columbia | Alberta       | Saskatchewan  | Manitoba      | Ontario        | Quebec         | New Brunswick | Nova Scotia   | P.E.I.       | Nfld & Labrador |
|---------------------------------------------|------------------|------------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|--------------|-----------------|
| <b>Real GDP Growth</b><br>(y/y % chng)      |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2024                                        | 2.0              | 1.1              | 3.0           | 3.0           | 1.7           | 1.6            | 1.7            | 2.7           | 3.1           | 3.8          | 2.7             |
| 2025                                        | <b>1.7</b>       | <b>2.0</b>       | <b>2.6</b>    | <b>2.2</b>    | <b>1.7</b>    | <b>1.4</b>     | <b>1.0</b>     | <b>1.2</b>    | <b>1.6</b>    | <b>2.2</b>   | <b>2.1</b>      |
| 2026                                        | <b>1.4</b>       | <b>1.7</b>       | <b>2.3</b>    | <b>2.0</b>    | <b>1.2</b>    | <b>1.2</b>     | <b>0.9</b>     | <b>1.2</b>    | <b>1.5</b>    | <b>1.4</b>   | <b>1.2</b>      |
| 2027                                        | <b>2.2</b>       | <b>2.4</b>       | <b>2.5</b>    | <b>1.6</b>    | <b>2.0</b>    | <b>2.3</b>     | <b>1.8</b>     | <b>1.5</b>    | <b>1.8</b>    | <b>1.5</b>   | <b>1.3</b>      |
| <b>Employment Growth</b><br>(y/y % chng)    |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2024                                        | 1.9              | 2.4              | 2.9           | 2.6           | 2.6           | 1.7            | 0.9            | 2.8           | 3.1           | 3.6          | 2.7             |
| 2025                                        | 1.4              | 1.2              | 2.8           | 2.5           | 1.6           | 1.0            | 1.7            | 1.3           | 0.5           | 1.0          | -0.2            |
| 2026                                        | <b>0.7</b>       | <b>0.5</b>       | <b>2.7</b>    | <b>0.7</b>    | <b>1.0</b>    | <b>0.4</b>     | <b>0.4</b>     | <b>0.9</b>    | <b>0.2</b>    | <b>0.9</b>   | <b>-0.2</b>     |
| 2027                                        | <b>0.6</b>       | <b>0.8</b>       | <b>1.5</b>    | <b>1.0</b>    | <b>0.9</b>    | <b>0.5</b>     | <b>0.3</b>     | <b>0.5</b>    | <b>0.6</b>    | <b>0.5</b>   | <b>0.0</b>      |
| <b>Unemployment Rate</b><br>(percent)       |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2024                                        | 6.4              | 5.6              | 7.1           | 5.5           | 5.5           | 7.0            | 5.4            | 7.1           | 6.5           | 7.9          | 10.1            |
| 2025                                        | 6.8              | 6.2              | 7.2           | 5.2           | 5.9           | 7.7            | 5.6            | 7.2           | 6.6           | 8.0          | 10.3            |
| 2026                                        | <b>6.5</b>       | <b>6.0</b>       | <b>6.4</b>    | <b>5.8</b>    | <b>5.8</b>    | <b>7.4</b>     | <b>5.4</b>     | <b>6.8</b>    | <b>6.6</b>    | <b>7.8</b>   | <b>10.3</b>     |
| 2027                                        | <b>6.3</b>       | <b>5.6</b>       | <b>5.9</b>    | <b>5.7</b>    | <b>5.5</b>    | <b>7.2</b>     | <b>5.4</b>     | <b>6.6</b>    | <b>6.5</b>    | <b>7.7</b>   | <b>10.3</b>     |
| <b>Housing Starts</b><br>(thousands)        |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2024                                        | 245              | 45.8             | 47.8          | 4.3           | 7.2           | 74.5           | 48.8           | 6.2           | 7.4           | 1.2          | 1.7             |
| 2025                                        | 259              | 44.5             | 57.0          | 6.0           | 8.0           | 63.0           | 59.5           | 8.0           | 9.5           | 1.8          | 1.4             |
| 2026                                        | <b>240</b>       | <b>40.0</b>      | <b>53.0</b>   | <b>5.0</b>    | <b>8.0</b>    | <b>62.0</b>    | <b>55.0</b>    | <b>6.0</b>    | <b>8.5</b>    | <b>1.2</b>   | <b>1.2</b>      |
| 2027                                        | <b>230</b>       | <b>38.0</b>      | <b>50.0</b>   | <b>4.8</b>    | <b>7.5</b>    | <b>62.0</b>    | <b>52.0</b>    | <b>5.8</b>    | <b>8.0</b>    | <b>1.1</b>   | <b>1.0</b>      |
| <b>Consumer Price Index</b><br>(y/y % chng) |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2024                                        | 2.4              | 2.6              | 2.9           | 1.5           | 1.1           | 2.4            | 2.4            | 2.3           | 2.4           | 2.0          | 1.9             |
| 2025                                        | 2.1              | 2.1              | 1.9           | 2.1           | 2.7           | 1.9            | 2.5            | 1.7           | 2.0           | 1.4          | 1.4             |
| 2026                                        | <b>2.5</b>       | <b>2.4</b>       | <b>2.4</b>    | <b>2.5</b>    | <b>2.8</b>    | <b>2.4</b>     | <b>2.9</b>     | <b>2.7</b>    | <b>2.6</b>    | <b>2.0</b>   | <b>2.5</b>      |
| 2027                                        | <b>2.2</b>       | <b>2.2</b>       | <b>2.3</b>    | <b>1.7</b>    | <b>2.0</b>    | <b>2.2</b>     | <b>2.1</b>     | <b>2.1</b>    | <b>2.2</b>    | <b>2.0</b>   | <b>2.1</b>      |
| <b>Budget Balance</b><br>(\$ mlns)          |                  |                  |               |               |               |                |                |               |               |              |                 |
| FY24/25                                     | <b>-36,300</b>   | <b>-7,347</b>    | <b>8,320</b>  | <b>-249</b>   | <b>-1,149</b> | <b>-1,090</b>  | <b>-5,175</b>  | <b>-104</b>   | <b>265</b>    | <b>-164</b>  | <b>-297</b>     |
| % of GDP                                    | <b>-1.2</b>      | <b>-1.7</b>      | <b>1.8</b>    | <b>-0.2</b>   | <b>-1.2</b>   | <b>-0.1</b>    | <b>-0.8</b>    | <b>-0.2</b>   | <b>0.4</b>    | <b>-1.5</b>  | <b>-0.7</b>     |
| FY25/26                                     | <b>-78,300</b>   | <b>-11,187</b>   | <b>-6,437</b> | <b>-427</b>   | <b>-1,661</b> | <b>-13,500</b> | <b>-9,898</b>  | <b>-835</b>   | <b>-1,425</b> | <b>-184</b>  | <b>-948</b>     |
| % of GDP                                    | <b>-2.4</b>      | <b>-2.5</b>      | <b>-1.3</b>   | <b>-0.4</b>   | <b>-1.7</b>   | <b>-1.1</b>    | <b>-1.5</b>    | <b>-1.7</b>   | <b>-2.1</b>   | <b>-1.6</b>  | <b>-2.2</b>     |
| <b>Net Debt<sup>1</sup></b><br>(\$ mlns)    |                  |                  |               |               |               |                |                |               |               |              |                 |
| FY25/26                                     | <b>1,480,400</b> | <b>108,632</b>   | <b>42,004</b> | <b>17,457</b> | <b>38,060</b> | <b>465,600</b> | <b>254,500</b> | <b>13,600</b> | <b>22,620</b> | <b>3,562</b> | <b>19,900</b>   |
| % of GDP                                    | <b>42.4</b>      | <b>24.3</b>      | <b>8.8</b>    | <b>14.9</b>   | <b>38.2</b>   | <b>37.7</b>    | <b>39.7</b>    | <b>27.3</b>   | <b>33.4</b>   | <b>30.9</b>  | <b>45.2</b>     |

Bolded values represent forecasts; <sup>1</sup> federal = accumulated deficit

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