

# Provincial Economic Outlook for May 26, 2023

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)      |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2021  | 5.0              | 6.1              | 4.8           | -0.9          | 1.8           | 5.2            | 6.0            | 5.9           | 6.2           | 7.9          | 0.6             |
| 2022  | 3.4              | 3.6              | 5.1           | 5.7           | 3.9           | 3.6            | 2.6            | 1.8           | 2.6           | 2.9          | -1.7            |
| 2023  | <b>1.0</b>       | <b>0.9</b>       | <b>2.0</b>    | <b>1.6</b>    | <b>1.2</b>    | <b>0.7</b>     | <b>0.8</b>     | <b>1.2</b>    | <b>1.4</b>    | <b>1.5</b>   | <b>1.8</b>      |
| 2024  | <b>1.3</b>       | <b>1.3</b>       | <b>1.7</b>    | <b>1.3</b>    | <b>1.2</b>    | <b>1.5</b>     | <b>1.2</b>     | <b>1.5</b>    | <b>1.6</b>    | <b>1.8</b>   | <b>0.5</b>      |
| <b>Employment Growth</b><br>(y/y % chng)    |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2021  | 5.3              | 6.2              | 5.5           | 2.6           | 3.7           | 5.2            | 4.4            | 3.2           | 5.6           | 4.1          | 3.6             |
| 2022  | 4.0              | 3.1              | 5.2           | 3.5           | 3.2           | 4.6            | 3.1            | 2.7           | 3.6           | 5.3          | 4.3             |
| 2023  | <b>2.0</b>       | <b>1.5</b>       | <b>2.7</b>    | <b>1.5</b>    | <b>1.7</b>    | <b>2.2</b>     | <b>1.8</b>     | <b>2.6</b>    | <b>2.8</b>    | <b>1.7</b>   | <b>1.8</b>      |
| 2024  | <b>1.5</b>       | <b>1.6</b>       | <b>1.6</b>    | <b>1.5</b>    | <b>1.5</b>    | <b>1.8</b>     | <b>1.1</b>     | <b>1.0</b>    | <b>1.0</b>    | <b>1.0</b>   | <b>0.3</b>      |
| <b>Unemployment Rate</b><br>(percent)       |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2021  | 7.5              | 6.5              | 8.5           | 6.6           | 6.4           | 8.1            | 6.1            | 9.1           | 8.6           | 9.9          | 13.1            |
| 2022  | 5.3              | 4.6              | 5.8           | 4.7           | 4.5           | 5.6            | 4.3            | 7.2           | 6.6           | 7.5          | 11.2            |
| 2023  | <b>5.3</b>       | <b>4.6</b>       | <b>5.9</b>    | <b>4.9</b>    | <b>5.1</b>    | <b>5.5</b>     | <b>4.6</b>     | <b>6.8</b>    | <b>5.8</b>    | <b>7.4</b>   | <b>10.9</b>     |
| 2024  | <b>5.5</b>       | <b>4.8</b>       | <b>5.8</b>    | <b>5.0</b>    | <b>5.5</b>    | <b>5.7</b>     | <b>4.8</b>     | <b>6.9</b>    | <b>5.9</b>    | <b>7.5</b>   | <b>11.0</b>     |
| <b>Housing Starts</b><br>(thousands)        |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2021  | 275              | 47.6             | 31.9          | 4.2           | 8.0           | 100.5          | 69.9           | 3.9           | 6.3           | 1.2          | 1.2             |
| 2022  | 266              | 46.7             | 36.4          | 4.2           | 8.1           | 96.2           | 58.6           | 4.7           | 8.5           | 1.0          | 1.7             |
| 2023  | <b>230</b>       | <b>43.2</b>      | <b>37.1</b>   | <b>4.0</b>    | <b>6.8</b>    | <b>75.3</b>    | <b>48.9</b>    | <b>3.9</b>    | <b>8.5</b>    | <b>1.1</b>   | <b>1.1</b>      |
| 2024  | <b>220</b>       | <b>39.0</b>      | <b>42.0</b>   | <b>3.8</b>    | <b>6.0</b>    | <b>68.0</b>    | <b>47.0</b>    | <b>4.5</b>    | <b>7.8</b>    | <b>1.2</b>   | <b>0.8</b>      |
| <b>Consumer Price Index</b><br>(y/y % chng) |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2021  | 3.4              | 2.8              | 3.2           | 2.6           | 3.2           | 3.5            | 3.8            | 3.8           | 4.1           | 5.1          | 3.7             |
| 2022  | 6.8              | 6.9              | 6.5           | 6.6           | 7.9           | 6.8            | 6.7            | 7.3           | 7.5           | 8.9          | 6.4             |
| 2023  | <b>3.8</b>       | <b>4.0</b>       | <b>3.0</b>    | <b>3.7</b>    | <b>4.1</b>    | <b>3.9</b>     | <b>4.0</b>     | <b>3.8</b>    | <b>4.0</b>    | <b>3.5</b>   | <b>3.3</b>      |
| 2024  | <b>2.5</b>       | <b>2.5</b>       | <b>2.7</b>    | <b>2.6</b>    | <b>2.4</b>    | <b>2.5</b>     | <b>2.4</b>     | <b>2.4</b>    | <b>2.5</b>    | <b>2.3</b>   | <b>2.5</b>      |
| <b>Budget Balance</b><br>(\$ mlns)          |                  |                  |               |               |               |                |                |               |               |              |                 |
| FY22/23 e                                   | -43,000          | 3,592            | 10,390        | 1,147         | -378          | -2,170         | -1,670         | 863           | -259          | -95          | 784             |
| % of GDP                                    | -1.5             | 0.9              | 2.2           | 1.1           | -0.4          | -0.2           | -0.3           | 1.9           | -0.5          | -1.1         | 1.9             |
| FY23/24                                     | <b>-40,100</b>   | <b>-4,216</b>    | <b>2,371</b>  | <b>1,017</b>  | <b>-363</b>   | <b>-1,313</b>  | <b>-1,625</b>  | <b>40</b>     | <b>-279</b>   | <b>-52</b>   | <b>-160</b>     |
| % of GDP                                    | <b>-1.4</b>      | <b>-1.1</b>      | <b>0.5</b>    | <b>1.0</b>    | <b>-0.4</b>   | <b>-0.1</b>    | <b>-0.3</b>    | <b>0.1</b>    | <b>-0.5</b>   | <b>-0.6</b>  | <b>-0.4</b>     |
| <b>Net Debt<sup>1</sup></b><br>(\$ mlns)    |                  |                  |               |               |               |                |                |               |               |              |                 |
| FY23/24                                     | <b>1,220,800</b> | <b>71,146</b>    | <b>46,505</b> | <b>14,128</b> | <b>31,057</b> | <b>406,441</b> | <b>214,444</b> | <b>11,797</b> | <b>19,544</b> | <b>2,724</b> | <b>16,226</b>   |
| % of GDP                                    | <b>43.5</b>      | <b>17.8</b>      | <b>10.2</b>   | <b>13.2</b>   | <b>34.2</b>   | <b>37.8</b>    | <b>37.7</b>    | <b>24.9</b>   | <b>33.6</b>   | <b>29.3</b>  | <b>39.9</b>     |

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

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