

# Provincial Economic Outlook for Jan. 17, 2025

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)      |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2023  | 1.5              | 2.4              | 2.3           | 2.3           | 1.7           | 1.7            | 0.6            | 1.6           | 2.0           | 2.2          | -2.6            |
| 2024  | <b>1.3</b>       | <b>1.3</b>       | <b>1.7</b>    | <b>1.0</b>    | <b>1.0</b>    | <b>1.4</b>     | <b>1.2</b>     | <b>1.2</b>    | <b>1.3</b>    | <b>1.8</b>   | <b>2.3</b>      |
| 2025  | <b>1.9</b>       | <b>2.0</b>       | <b>2.3</b>    | <b>1.7</b>    | <b>1.6</b>    | <b>2.1</b>     | <b>1.5</b>     | <b>1.6</b>    | <b>1.7</b>    | <b>1.8</b>   | <b>2.0</b>      |
| 2026  | <b>1.9</b>       | <b>1.9</b>       | <b>2.2</b>    | <b>1.6</b>    | <b>1.5</b>    | <b>2.0</b>     | <b>1.5</b>     | <b>1.2</b>    | <b>1.3</b>    | <b>1.4</b>   | <b>0.9</b>      |
| <b>Employment Growth</b><br>(y/y % chng)    |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2023  | 2.4              | 1.6              | 3.6           | 1.8           | 2.5           | 2.4            | 2.3            | 3.4           | 2.7           | 5.7          | 1.7             |
| 2024  | 1.7              | 1.8              | 3.0           | 2.2           | 2.5           | 1.6            | 0.6            | 2.9           | 3.3           | 4.1          | 2.7             |
| 2025  | <b>1.7</b>       | <b>1.2</b>       | <b>2.3</b>    | <b>1.5</b>    | <b>1.9</b>    | <b>1.9</b>     | <b>1.5</b>     | <b>1.4</b>    | <b>1.2</b>    | <b>2.1</b>   | <b>-0.6</b>     |
| 2026  | <b>1.5</b>       | <b>1.7</b>       | <b>1.6</b>    | <b>0.9</b>    | <b>1.0</b>    | <b>1.8</b>     | <b>1.4</b>     | <b>0.8</b>    | <b>1.0</b>    | <b>0.6</b>   | <b>0.2</b>      |
| <b>Unemployment Rate</b><br>(percent)       |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2023  | 5.4              | 5.2              | 5.9           | 4.8           | 4.8           | 5.7            | 4.5            | 6.6           | 6.4           | 7.4          | 9.9             |
| 2024  | 6.3              | 5.6              | 7.0           | 5.5           | 5.3           | 6.9            | 5.3            | 7.1           | 6.4           | 7.9          | 10.0            |
| 2025  | <b>6.9</b>       | <b>6.0</b>       | <b>7.3</b>    | <b>6.1</b>    | <b>6.1</b>    | <b>7.5</b>     | <b>6.0</b>     | <b>7.3</b>    | <b>6.5</b>    | <b>9.0</b>   | <b>10.7</b>     |
| 2026  | <b>6.7</b>       | <b>5.8</b>       | <b>7.0</b>    | <b>6.0</b>    | <b>6.1</b>    | <b>7.3</b>     | <b>5.8</b>     | <b>7.3</b>    | <b>6.4</b>    | <b>8.9</b>   | <b>10.6</b>     |
| <b>Housing Starts</b><br>(thousands)        |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2023  | 242              | 50.6             | 35.9          | 4.6           | 7.1           | 90.0           | 39.9           | 4.7           | 11.5          | 0.9          | 1.0             |
| 2024  | 245              | 45.8             | 47.8          | 4.3           | 7.2           | 74.6           | 48.7           | 6.2           | 14.5          | 1.2          | 1.7             |
| 2025  | <b>235</b>       | <b>43.0</b>      | <b>45.0</b>   | <b>4.2</b>    | <b>6.7</b>    | <b>72.0</b>    | <b>43.5</b>    | <b>6.0</b>    | <b>12.0</b>   | <b>1.1</b>   | <b>1.4</b>      |
| 2026  | <b>225</b>       | <b>40.5</b>      | <b>45.0</b>   | <b>4.2</b>    | <b>6.7</b>    | <b>68.5</b>    | <b>42.0</b>    | <b>5.5</b>    | <b>10.0</b>   | <b>1.0</b>   | <b>1.2</b>      |
| <b>Consumer Price Index</b><br>(y/y % chng) |                  |                  |               |               |               |                |                |               |               |              |                 |
| 2023  | 3.9              | 4.0              | 3.3           | 3.9           | 3.6           | 3.8            | 4.5            | 3.5           | 4.0           | 2.9          | 3.3             |
| 2024  | <b>2.4</b>       | <b>2.6</b>       | <b>2.9</b>    | <b>1.5</b>    | <b>1.1</b>    | <b>2.4</b>     | <b>2.4</b>     | <b>2.3</b>    | <b>2.4</b>    | <b>2.0</b>   | <b>1.9</b>      |
| 2025  | <b>2.0</b>       | <b>1.9</b>       | <b>2.4</b>    | <b>1.8</b>    | <b>1.9</b>    | <b>2.1</b>     | <b>1.9</b>     | <b>2.4</b>    | <b>2.1</b>    | <b>2.3</b>   | <b>2.1</b>      |
| 2026  | <b>2.3</b>       | <b>2.2</b>       | <b>2.5</b>    | <b>1.8</b>    | <b>1.9</b>    | <b>2.3</b>     | <b>1.9</b>     | <b>2.3</b>    | <b>2.1</b>    | <b>2.2</b>   | <b>2.0</b>      |
| <b>Budget Balance</b><br>(\$ mlns)          |                  |                  |               |               |               |                |                |               |               |              |                 |
| FY23/24 e                                   | -61,876          | -5,035           | 4,285         | 182           | -1,971        | -647           | -5,994         | 501           | 144           | -15          | -459            |
| % of GDP                                    | -2.1             | -1.2             | 0.9           | 0.2           | -2.1          | -0.1           | -1.0           | 1.1           | 0.2           | -0.1         | -1.2            |
| FY24/25                                     | <b>-48,300</b>   | <b>-9,408</b>    | <b>4,563</b>  | <b>-744</b>   | <b>-1,309</b> | <b>-6,637</b>  | <b>-8,755</b>  | <b>-92</b>    | <b>-654</b>   | <b>-85</b>   | <b>-218</b>     |
| % of GDP                                    | <b>-1.6</b>      | <b>-2.2</b>      | <b>1.0</b>    | <b>-0.7</b>   | <b>-1.4</b>   | <b>-0.6</b>    | <b>-1.4</b>    | <b>-0.2</b>   | <b>-1.1</b>   | <b>-0.8</b>  | <b>-0.5</b>     |
| <b>Net Debt<sup>1</sup></b><br>(\$ mlns)    |                  |                  |               |               |               |                |                |               |               |              |                 |
| FY24/25                                     | <b>1,281,500</b> | <b>90,759</b>    | <b>38,061</b> | <b>15,969</b> | <b>34,591</b> | <b>429,012</b> | <b>236,600</b> | <b>12,206</b> | <b>20,217</b> | <b>3,064</b> | <b>18,300</b>   |
| % of GDP                                    | <b>41.9</b>      | <b>21.4</b>      | <b>8.0</b>    | <b>14.0</b>   | <b>36.4</b>   | <b>36.9</b>    | <b>39.0</b>    | <b>25.1</b>   | <b>32.7</b>   | <b>29.0</b>  | <b>44.4</b>     |

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

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