



ECONOMIC FORECAST DETAIL – CANADA

September 2017

Real growth in the economy (Quarter-over-quarter annualized % change unless otherwise indicated)

	Actuals						Forecast						Actual		Forecast	
	2016				2017		2018				year-over-year % change		year-over-year % change			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015	2016	2017	2018
Household Consumption	2.4	2.3	3.0	3.0	4.8	4.6	2.3	1.7	1.5	1.4	1.4	1.5	1.9	2.4	3.5	1.8
Durables	5.9	-3.1	0.2	10.2	13.6	9.4	2.5	1.0	1.5	1.3	1.3	1.3	2.8	4.1	7.1	1.9
Semi-Durables	6.0	-2.3	2.9	5.0	7.1	16.5	3.0	1.8	1.4	1.3	1.4	1.5	2.3	3.4	6.4	2.5
Non-durables	3.6	5.2	2.1	0.9	2.9	4.5	3.0	2.0	1.4	1.3	1.3	1.5	0.8	2.1	2.8	1.9
Services	0.7	2.9	4.1	2.0	3.4	2.1	1.9	1.8	1.7	1.5	1.5	1.6	2.1	2.0	2.6	1.7
NPISH consumption	1.2	-0.8	1.3	0.8	-1.7	0.4	2.5	1.7	1.5	1.4	1.4	1.5	2.0	0.8	0.3	1.6
Government expenditures	3.9	4.7	-1.7	1.3	1.1	2.5	1.5	1.5	2.5	2.5	2.5	2.5	1.5	2.0	1.3	2.2
Government fixed investment	4.2	-2.9	4.7	6.5	-1.3	0.5	7.0	5.0	2.5	3.5	3.5	3.5	4.5	1.1	2.5	3.8
Residential investment	9.8	1.1	-5.1	6.3	12.3	-4.7	-0.4	-4.2	-3.0	-5.0	-3.0	-1.1	3.8	3.0	2.3	-3.3
Non-residential investment	-10.3	-4.4	9.5	-22.0	13.7	7.1	7.3	3.6	3.9	3.7	2.6	2.4	-11.5	-8.6	1.8	4.1
Non-residential structures	-14.7	-8.4	30.5	-32.5	3.9	9.8	6.0	4.0	4.4	4.2	3.0	2.7	-16.0	-10.8	-0.9	4.5
Machinery & equipment	-3.6	1.4	-15.8	-3.2	28.9	3.6	9.0	3.0	3.2	3.1	2.0	2.0	-3.3	-5.3	5.7	3.6
Intellectual property	-2.3	2.1	-17.0	-9.8	14.7	8.7	4.5	3.5	3.5	3.0	2.0	2.0	-9.0	-4.1	1.6	3.6
Final domestic demand	1.8	1.8	1.7	0.1	5.1	3.5	2.6	1.6	1.7	1.5	1.5	1.7	0.3	1.0	2.7	1.8
Exports	8.4	-13.6	9.2	0.8	1.5	9.6	-2.5	8.0	4.3	3.5	2.3	2.0	3.4	1.0	2.6	3.9
Imports	3.5	1.4	4.3	-11.3	15.6	7.4	1.5	0.4	1.8	2.5	2.1	1.9	0.3	-0.9	3.6	2.0
Inventories (change in \$b)	-5.9	1.3	5.4	-2.5	10.6	11.1	16.5	7.1	5.0	5.2	6.0	6.0	3.9	-0.4	11.3	5.6
Real gross domestic product	2.8	-1.4	4.2	2.7	3.7	4.5	2.5	2.0	2.0	1.8	1.7	1.7	0.9	1.5	3.1	2.2

Other indicators (Year-over-year % change unless otherwise indicated)

Business and labour																
Productivity	-0.3	0.4	1.2	1.3	2.1	2.3	1.5	1.5	0.8	1.1	1.1	1.2	-0.2	0.7	1.9	1.0
Pre-tax corporate profits	-11.1	-16.6	-3.3	14.6	25.8	38.5	18.8	9.2	-0.4	2.2	0.8	0.0	-19.5	-4.5	22.1	0.7
Unemployment rate (%)*	7.2	6.9	7.0	6.9	6.7	6.5	6.3	6.2	6.2	6.2	6.1	6.1	6.9	7.0	6.4	6.2
Inflation																
Headline CPI	1.5	1.6	1.2	1.4	1.9	1.3	1.4	1.3	1.0	1.7	1.9	2.0	1.1	1.4	1.5	1.7
CPI ex. food and energy	1.7	2.0	2.0	1.8	2.0	1.4	1.6	1.7	1.6	1.9	1.9	2.0	1.8	1.9	1.7	1.9
External trade																
Current account balance (\$b)*	-70.8	-75.4	-74.6	-47.1	-51.7	-65.3	-60.5	-51.9	-51.2	-47.6	-47.6	-47.0	-67.6	-67.0	-57.3	-48.3
% of GDP*	-3.5	-3.8	-3.7	-2.3	-2.4	-3.1	-2.8	-2.4	-2.3	-2.1	-2.1	-2.1	-3.4	-3.3	-2.7	-2.2
Housing starts (000s)*	199	198	199	197	223	207	213	202	194	185	181	178	196	198	211	185
Motor vehicle sales (mill., saar)*	2.00	1.99	1.95	2.00	2.09	2.10	2.05	2.00	1.97	1.95	1.90	1.90	1.94	1.98	2.06	1.93

The material contained in this report is the property of Royal Bank of Canada and may not be reproduced in any way, in whole or in part, without express authorization of the copyright holder in writing. The statements and statistics contained herein have been prepared by RBC Economics Research based on information from sources considered to be reliable. We make no representation or warranty, express or implied, as to its accuracy or completeness. This publication is for the information of investors and business persons and does not constitute an offer to sell or a solicitation to buy securities.