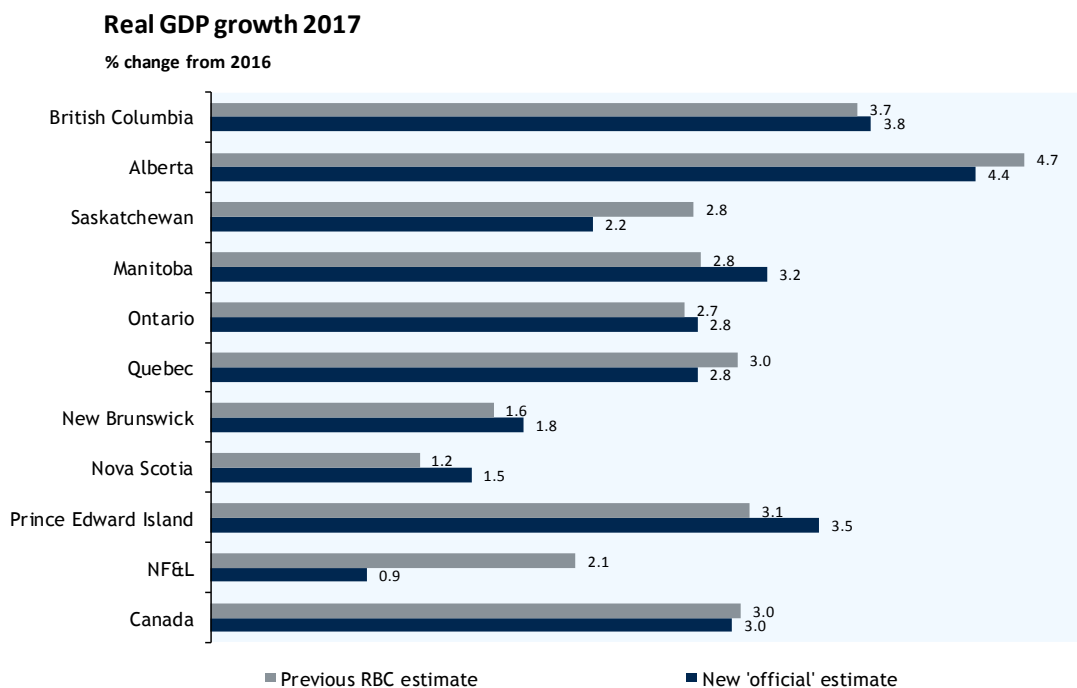


2017 Provincial economic accounts: Growth from coast to coast confirmed

Statistics Canada released the provincial accounts for 2017 this morning that provide official expenditure based growth numbers for the provinces. Real GDP grew in every province in 2017, with the largest gain recorded in Alberta (4.4%). Prince Edward Island led the way in Atlantic Canada with a rate of 3.5%, mostly benefiting from higher business growth fixed capital formation. Ontario and Quebec both expanded at a rate of 2.8%. Manitoba came in second in the Prairies with growth doubling from the year before to 3.2% led by household spending.

The official tallies for 2017 were mostly consistent with our own provincial estimates; however the big surprise was Newfoundland and Labrador which posted a weaker growth of 0.9%, compared to 2.1% in the previous release. On the upside, PEI did modestly better than we expected, expanding by 3.5% last year (versus our previous estimate of 3.1%). Also Manitoba's growth came in stronger at 3.2%, relative to our forecast of 2.8%. On the downside, while our original forecast prior to the April release was a contraction in Newfoundland's economy, we revised our expectations based on the industry add-up. However, the latest numbers paint a more subdued growth picture. Saskatchewan's growth also came in lower than estimated at 2.2%, however still showing progress by crossing back into positive territory after two consecutive declines. Elsewhere, our previous estimates were quite close, particularly in the case of Ontario and British Columbia; while being identical in the case of Canada overall.



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In addition to 2017 estimates, Statistics Canada also revised their provincial economic accounts for 2015 and 2016. Growth in national real GDP was revised downward for both years owing to the downturn being more broad-based in 2015 and the recovery slower in 2016. Real GDP growth was scaled back in eight out of the 13 provinces and territories in 2015. The quarterly detail behind those revisions as well as any changes to the 2018 data to-date will be released along with the Q3 national accounts data later this month.