RBC Economics

ECONOMIC FORECAST DETAIL — CANADA

January 2023

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

	2022			Forecast	2023				2024					Forecast		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021	2022F	2023F	2024F
Household Consumption	2.3	9.5	-1.0	2.0	0.0	-1.0	-0.8	0.3	1.5	2.0	2.2	2.6	5.1	4.8	0.5	1.1
Durables	8.0	-14.4	-8.2	-1.0	-2.5	-1.5	-1.0	0.5	1.2	2.3	2.5	3.5	8.5	-3.2	-3.2	1.1
Semi-Durables	-2.4	24.3	-12.4	1.5	0.0	-2.0	-1.5	1.0	1.1	1.5	1.4	2.3	14.1	8.2	-0.5	0.7
Non-durables	3.2	2.5	-3.9	0.0	1.0	-1.3	-1.0	0.0	1.5	1.9	1.5	2.3	1.1	0.0	-0.5	0.9
Services	1.1	17.8	3.8	3.7	0.1	-0.7	-0.5	0.3	1.6	2.0	2.6	2.5	5.1	8.8	2.0	1.2
NPISH consumption	-0.6	4.6	2.1	2.5	0.0	-1.0	-0.8	0.3	1.5	2.0	2.2	2.6	5.1	3.7	0.7	1.1
Government expenditures	0.5	-2.0	5.3	4.2	1.5	1.0	1.5	1.5	1.3	2.2	2.7	3.3	6.4	1.7	2.2	1.8
Government fixed investment	2.2	-3.5	-4.0	0.2	2.5	2.0	2.5	2.5	2.6	2.6	2.6	2.6	0.9	0.0	0.8	2.5
Residential investment	8.8	-31.5	-15.4	-4.5	-5.0	-1.8	-1.0	0.5	3.8	4.5	5.3	5.9	14.9	-10.3	-7.0	2.7
Non-residential investment	7.7	17.0	4.3	-3.4	2.8	-0.6	-0.4	1.5	2.2	2.3	2.6	2.9	4.3	9.9	1.5	1.7
Non-residential structures	13.3	13.8	11.7	3.1	3.0	1.0	0.0	2.0	2.3	2.5	2.8	3.2	0.8	11.6	3.8	2.0
Machinery & equipment	-1.3	23.1	-7.6	-14.2	2.5	-3.5	-1.0	0.5	2.1	2.0	2.2	2.5	9.9	6.9	-2.7	1.1
Intellectual property	5.1	7.4	1.0	2.0	1.0	1.0	2.5	1.0	2.0	1.7	2.1	2.2	4.0	0.1	1.8	1.8
Final domestic demand	3.0	2.4	-0.6	1.4	0.2	-0.5	-0.1	0.8	1.8	2.3	2.6	3.0	5.8	2.7	0.3	1.5
Exports	-7.6	8.1	8.6	-0.5	4.0	2.2	1.3	2.0	1.0	1.3	2.0	2.5	1.4	2.5	3.1	1.6
Imports	0.2	29.5	-1.5	-5.2	1.6	-1.1	0.0	1.9	2.0	2.7	3.0	3.1	7.8	7.8	0.7	1.9
Inventories (change in $b)	20.1	54.7	56.4	47.5	39.0	30.0	29.0	27.5	28.0	29.3	31.1	31.0	-4.1	44.7	31.4	29.8
Real gross domestic product	**2.8**	**3.2**	**2.9**	**1.5**	**-0.5**	**-1.0**	**0.2**	**0.5**	**1.5**	**2.0**	**2.6**	**2.8**	**5.0**	**3.6**	**0.6**	**1.3**

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

Business and labour																
Productivity	-1.7	-1.6	-0.2	-0.4	0.8	0.7	0.3	0.1	0.4	0.8	1.1	1.4	-5.7	-1.0	0.5	0.9
Pre-tax corporate profits	7.0	21.2	16.3	3.3	1.1	-10.4	-1.9	2.1	-0.1	1.5	2.1	2.1	35.8	11.8	-2.5	1.4
Unemployment rate (%)*	5.8	5.1	5.2	5.1	5.3	5.8	6.4	6.8	6.8	6.8	6.8	6.7	7.4	5.3	6.1	6.8
Inflation																
Headline CPI	5.8	7.5	7.2	6.7	5.2	3.1	2.4	2.1	2.5	2.5	2.3	2.2	3.4	6.8	3.2	2.4
CPI ex. food and energy	4.0	5.1	5.4	5.4	4.8	3.9	3.1	3.0	2.9	2.7	2.6	2.4	2.4	5.0	3.7	2.7
External trade																
Current account balance ($b)*	3.7	10.6	-44.4	-50.9	-33.2	-29.0	-26.7	-24.5	-28.8	-32.8	-36.0	-38.5	-6.7	-20.3	-28.3	-34.0
% of GDP*	0.1	0.4	-1.6	-1.8	-1.2	-1.0	-0.9	-0.9	-1.0	-1.1	-1.2	-1.3	-0.3	-0.8	-1.0	-1.2
Housing starts (000s)*	244	271	283	270	276	275	268	264	273	280	288	288	271	267	271	283
Motor vehicle sales (mill., saar)*	1.62	1.58	1.51	1.50	1.49	1.49	1.48	1.48	1.49	1.50	1.51	1.52	1.68	1.55	1.49	1.50

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