

## ECONOMIC FORECAST DETAIL – CANADA

November 2022

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

	Forecast												Forecast		
	2021				2022				2023				2021	2022F	2023F
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Household Consumption	0.9	-0.8	20.1	1.8	2.6	9.7	1.6	2.0	0.0	-0.7	-0.8	0.3	5.0	5.4	0.9
Durables	-9.2	-7.9	-1.9	1.2	8.8	-12.0	-3.5	1.8	-2.5	-1.5	-1.0	0.5	7.3	-1.1	-1.9
Semi-Durables	8.0	-13.9	72.7	-0.1	0.8	24.4	-2.0	2.0	0.0	-2.0	-1.5	1.0	13.9	10.4	1.0
Non-durables	1.7	-6.9	2.8	-1.7	2.1	4.6	1.5	2.0	1.0	-1.3	-1.0	0.0	1.5	1.3	0.7
Services	2.4	6.4	29.8	3.9	1.5	16.3	3.3	2.0	0.1	0.0	-0.5	0.3	5.0	8.4	1.7
NPISH consumption	-9.1	1.2	7.4	7.6	1.7	8.2	1.6	2.0	0.0	-0.7	-0.8	0.3	5.0	4.7	0.8
Government expenditures	8.2	3.2	1.7	2.3	2.5	0.0	1.0	0.7	1.5	2.0	1.5	1.5	5.8	1.6	1.3
Government fixed investment	4.7	-9.8	8.3	6.6	4.5	-7.9	3.0	3.0	2.5	2.0	2.5	2.5	4.4	1.7	1.9
Residential investment	43.9	-12.7	-30.3	12.4	7.3	-27.6	-7.8	-5.5	-3.5	-1.8	-1.0	0.5	15.3	-8.5	-5.4
Non-residential investment	-0.6	16.8	2.3	10.2	9.0	13.9	-4.9	1.1	2.8	-0.6	-0.4	1.5	2.3	7.4	1.0
Non-residential structures	15.7	9.4	4.0	13.9	12.7	11.1	-8.1	1.5	3.0	1.0	0.0	2.0	-0.3	7.8	0.9
Machinery & equipment	-21.6	30.5	-0.5	3.8	2.5	19.3	1.4	0.5	2.5	-3.5	-1.0	0.5	6.6	6.6	1.2
Intellectual property	6.3	0.5	-7.8	-2.2	-2.3	2.3	5.0	2.5	1.0	1.0	2.5	1.0	0.6	-0.8	2.0
Final domestic demand	6.0	-0.3	7.3	3.7	3.5	2.9	0.1	1.0	0.3	-0.1	-0.1	0.8	5.6	3.1	0.5
Exports	2.5	-17.1	6.6	13.6	-9.0	10.9	12.6	2.7	1.7	-0.2	0.8	2.0	1.4	3.3	3.3
Imports	5.6	2.4	-1.2	16.9	-1.4	30.5	-2.7	0.9	1.2	-1.2	0.0	1.5	7.7	7.6	1.6
Inventories (change in \$b)	-10.4	8.6	-12.9	5.3	14.7	46.2	22.5	16.5	11.0	4.0	3.8	1.3	-2.4	25.0	5.0
<b>Real gross domestic product</b>	<b>4.4</b>	<b>-3.1</b>	<b>5.3</b>	<b>6.6</b>	<b>3.1</b>	<b>3.3</b>	<b>1.0</b>	<b>0.5</b>	<b>-0.5</b>	<b>-1.0</b>	<b>0.2</b>	<b>0.5</b>	<b>4.5</b>	<b>3.2</b>	<b>0.2</b>

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

Business and labour															
Productivity	-1.9	-12.8	-5.0	-3.9	-2.1	-1.6	0.0	0.5	0.8	0.6	0.1	0.1	-6.1	-0.8	0.4
Pre-tax corporate profits	49.0	62.9	13.4	15.7	6.5	21.4	22.0	14.9	5.6	-7.6	-2.2	-1.9	32.3	16.1	-1.7
Unemployment rate (%)*	8.4	7.9	7.2	6.3	5.8	5.1	5.2	5.4	5.9	6.4	6.6	6.8	7.4	5.4	6.4
Inflation															
Headline CPI	1.4	3.3	4.1	4.7	5.8	7.5	7.2	6.7	5.4	3.2	2.6	2.2	3.4	6.8	3.3
CPI ex. food and energy	1.0	2.1	3.0	3.2	4.0	5.1	5.4	5.5	5.1	4.1	3.4	3.1	2.4	5.0	3.9
External trade															
Current account balance (\$b)*	1.3	-1.5	5.0	-0.5	10.6	10.8	12.2	15.9	12.2	11.7	13.4	16.7	1.1	12.4	13.5
% of GDP*	0.1	-0.1	0.2	0.0	0.4	0.4	0.4	0.6	0.4	0.4	0.5	0.6	0.0	0.5	0.5
Housing starts (000s)*	304	279	262	261	244	271	276	250	249	243	236	235	271	260	241
Motor vehicle sales (mill., saar)*	1.78	1.74	1.63	1.55	1.62	1.59	1.66	1.66	1.65	1.65	1.64	1.64	1.68	1.63	1.65

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.