

RBC Economics

Interest rate outlook



September 2026

Forecast details

% change unless otherwise indicated

	Real GDP				Nominal GDP				Employment				Unemployment rate, %				Housing starts, (000s)				Retail sales				CPI			
	24	25F	26F	27F	24	25F	26F	27F	24	25F	26F	27F	24	25F	26F	27F	24	25F	26F	27F	24	25F	26F	27F	24	25F	26F	27F
N.&L.	2.7	3.5	4.0	1.3	4.6	4.7	12.3	2.6	2.8	-0.2	0.4	0.2	10.0	10.2	9.7	10.7	1.7	1.6	1.6	1.0	6.7	2.4	2.5	2.2	1.8	1.4	3.3	2.5
P.E.I.	3.8	2.8	2.2	1.7	7.5	5.7	5.9	4.8	3.5	1.0	2.8	0.6	7.9	8.0	7.5	7.6	1.7	1.8	1.8	1.2	1.5	2.2	6.9	2.0	1.9	1.4	3.2	2.6
N.S.	3.1	2.3	1.2	1.6	8.0	5.7	5.2	4.6	3.2	0.3	1.5	0.7	6.5	6.6	6.7	6.5	7.4	9.8	7.1	6.0	2.5	3.3	4.5	2.0	2.3	2.0	4.0	2.7
N.B.	2.7	2.0	1.4	1.4	4.0	5.3	5.1	4.4	2.9	1.3	1.0	0.5	7.0	7.1	7.1	6.9	6.2	7.6	6.0	4.1	3.2	4.8	4.8	2.8	2.2	1.7	3.7	2.6
QUE.	1.7	0.8	0.5	1.3	5.9	4.6	4.0	4.1	1.0	1.7	-0.6	0.1	5.3	5.6	5.5	5.4	48.7	59.9	55.9	44.3	2.1	3.4	3.6	2.6	2.3	2.5	3.0	2.3
ONT.	1.6	1.3	0.7	1.3	5.1	4.5	3.8	3.9	1.7	1.0	0.3	0.2	7.0	7.7	7.0	6.0	74.6	65.4	64.0	53.8	4.2	3.1	3.7	2.5	2.4	1.9	2.3	2.2
MAN.	1.7	1.3	0.9	1.4	3.3	4.1	5.0	3.9	2.5	1.7	1.9	0.6	5.4	5.9	5.4	5.4	7.2	7.9	8.4	7.3	1.4	4.1	3.3	2.0	1.0	2.7	3.7	2.4
SASK.	3.0	2.2	1.9	2.0	0.0	4.0	8.8	2.7	2.6	2.5	0.5	0.7	5.4	5.2	5.7	5.3	4.3	6.2	6.3	5.3	2.1	2.5	1.4	2.2	1.4	2.1	3.7	2.8
AB	3.0	2.7	2.3	2.4	5.1	3.7	10.9	3.2	3.1	2.8	3.2	1.5	7.0	7.2	6.6	6.0	47.8	54.9	47.5	48.0	1.7	3.0	6.9	3.7	2.9	1.9	3.0	2.0
B.C.	1.1	2.0	0.8	1.5	3.5	4.9	5.7	3.6	2.3	1.1	-0.6	0.4	5.6	6.2	6.6	6.3	45.8	44.2	40.1	36.0	0.6	6.4	1.6	1.9	2.6	2.1	2.7	1.9
CANADA	2.0	1.9	1.0	1.6	4.8	4.4	5.7	3.9	1.9	1.4	0.4	0.4	6.3	6.9	6.5	6.0	245	259	239	207	2.8	3.6	3.8	2.6	2.4	2.1	2.7	2.2

Key provincial comparisons

(2024 unless otherwise stated)

	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Population (000s, 2025)	41,652	550	183	1,093	870	9,058	16,258	1,510	1,267	5,029	5,698
Gross domestic product (\$ billions)	3,108.6	42.2	10.9	65.3	48.3	616.8	1,197.0	96.1	112.8	473.9	429.1
Real GDP (\$2012 billions)	2,456.3	32.4	8.5	51.4	39.9	484.1	957.0	78.3	88.5	367.7	341.0
Share of provincial GDP of Canadian GDP (%)	100.0	1.4	0.4	2.1	1.6	19.8	38.5	3.1	3.6	15.2	13.8
Real GDP growth (CAGR, 2019-24, %)	1.8	-1.1	3.3	2.4	1.7	1.8	1.9	1.3	1.7	1.6	2.6
Real GDP per capita (\$ 2012)	59,529	59,155	47,199	47,451	46,467	53,812	59,276	52,480	70,921	74,907	60,131
Real GDP growth rate per capita (CAGR, 2019-24, %)	0.0	-1.8	0.4	0.3	-0.3	0.6	-0.1	-0.4	0.3	-0.8	0.5
Personal disposable income per capita (\$)	41,650	41,396	38,807	38,475	38,113	38,426	41,526	37,099	41,163	46,308	45,350
Employment growth (CAGR, 2019-24, %)	1.7	1.2	3.4	2.4	2.0	1.2	1.9	1.8	0.9	1.8	1.7
Employment rate (August 2026, %)	60.8	51.5	61.2	58.3	56.0	60.6	60.2	63.5	63.0	64.0	60.9
Discomfort index (inflation + unemp. rate, July 2026)	9.4	13.5	10.8	11.2	11.6	8.9	8.8	9.2	10.1	11.2	9.1
Manufacturing industry output (% of GDP)	9.0	3.2	12.6	6.9	9.3	12.6	9.5	9.8	6.4	6.9	5.3
Personal expenditures on goods & services (% of GDP)	54.1	52.9	63.4	67.4	68.7	55.5	55.0	57.8	43.8	43.6	59.8
International exports (% of GDP)	17.6	37.7	25.1	17.5	40.1	28.9	34.5	24.2	39.8	42.1	22.4

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British Columbia

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	7.7	4.8	2.8	1.1	2.0	0.8	1.5
Nominal GDP	16.1	12.1	3.6	3.5	4.9	5.7	3.6
Employment	6.2	3.4	2.6	2.3	1.1	-0.6	0.4
Unemployment Rate (%)	6.6	4.6	5.2	5.6	6.2	6.6	6.3
Retail Sales	12.6	3.1	-0.1	0.6	6.4	1.6	1.9
Housing Starts (Thousands of Units)	47.6	46.7	50.5	45.8	44.2	40.1	36.0
Consumer Price Index	2.8	6.9	4.0	2.6	2.1	2.7	1.9

Alberta

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	5.2	5.9	2.5	3.0	2.7	2.3	2.4
Nominal GDP	26.1	23.7	-4.0	5.1	3.7	10.9	3.2
Employment	5.1	4.9	3.7	3.1	2.8	3.2	1.5
Unemployment Rate (%)	8.6	5.8	5.9	7.0	7.2	6.6	6.0
Retail Sales	11.7	6.9	4.3	1.7	3.0	6.9	3.7
Housing Starts (Thousands of Units)	31.9	36.5	36.0	47.8	54.9	47.5	48.0
Consumer Price Index	3.2	6.5	3.3	2.9	1.9	3.0	2.0

Saskatchewan

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	-2.6	10.1	3.1	3.0	2.2	1.9	2.0
Nominal GDP	13.6	32.7	-3.7	0.0	4.0	8.8	2.7
Employment	2.4	3.5	1.6	2.6	2.5	0.5	0.7
Unemployment Rate (%)	6.5	4.6	4.7	5.4	5.2	5.7	5.3
Retail Sales	14.7	7.6	0.3	2.1	2.5	1.4	2.2
Housing Starts (Thousands of Units)	4.2	4.2	4.6	4.3	6.2	6.3	5.3
Consumer Price Index	2.6	6.6	3.9	1.4	2.1	3.7	2.8

Manitoba

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	1.4	4.8	2.8	1.7	1.3	0.9	1.4
Nominal GDP	8.7	11.3	5.4	3.3	4.1	5.0	3.9
Employment	4.5	3.6	2.7	2.5	1.6	1.9	0.6
Unemployment Rate (%)	6.5	4.5	4.9	5.4	5.9	5.4	5.4
Retail Sales	13.3	8.6	1.6	1.4	4.1	3.3	2.0
Housing Starts (Thousands of Units)	8.0	8.1	7.1	7.2	7.9	8.4	7.3
Consumer Price Index	3.2	7.9	3.6	1.0	2.7	3.7	2.4

Ontario

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	6.1	4.4	2.4	1.6	1.3	0.7	1.3
Nominal GDP	11.0	9.8	6.9	5.1	4.5	3.8	3.9
Employment	5.1	4.9	3.1	1.7	1.0	0.3	0.2
Unemployment Rate (%)	8.1	5.6	5.6	7.0	7.7	7.0	6.0
Retail Sales	9.6	10.9	0.7	4.2	3.1	3.7	2.5
Housing Starts (Thousands of Units)	99.6	96.1	89.3	74.6	65.4	64.0	53.8
Consumer Price Index	3.5	6.8	3.8	2.4	1.9	2.3	2.2

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Quebec

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	7.3	4.5	0.7	1.7	0.8	0.5	1.3
Nominal GDP	12.4	9.6	4.7	5.9	4.6	4.0	4.1
Employment	4.3	3.1	3.0	1.0	1.7	-0.6	0.1
Unemployment Rate (%)	6.1	4.3	4.5	5.3	5.6	5.5	5.4
Retail Sales	14.4	8.5	3.7	2.1	3.4	3.6	2.6
Housing Starts (Thousands of Units)	67.8	57.1	38.9	48.7	59.9	55.9	44.3
Consumer Price Index	3.8	6.7	4.5	2.3	2.5	3.0	2.3

New Brunswick

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	5.3	2.2	2.0	2.7	2.0	1.4	1.4
Nominal GDP	10.5	8.8	3.5	4.0	5.3	5.1	4.4
Employment	3.7	3.0	3.5	2.9	1.3	1.0	0.5
Unemployment Rate (%)	9.2	7.2	6.6	7.0	7.1	7.1	6.9
Retail Sales	12.8	7.8	4.8	3.2	4.8	4.8	2.8
Housing Starts (Thousands of Units)	3.8	4.7	4.5	6.2	7.6	6.0	4.1
Consumer Price Index	3.8	7.3	3.5	2.2	1.7	3.7	2.6

Nova Scotia

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	6.4	5.1	2.4	3.1	2.3	1.2	1.6
Nominal GDP	11.3	9.4	7.6	8.0	5.7	5.2	4.6
Employment	6.3	3.5	2.7	3.2	0.4	1.5	0.7
Unemployment Rate (%)	8.6	6.5	6.4	6.5	6.6	6.7	6.5
Retail Sales	16.6	7.0	3.2	2.5	3.3	4.5	2.0
Housing Starts (Thousands of Units)	6.0	5.7	7.2	7.4	9.8	7.1	6.0
Consumer Price Index	4.1	7.5	4.0	2.3	2.0	4.0	2.7

Prince Edward Island

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	7.8	5.1	2.9	3.8	2.8	1.6	1.6
Nominal GDP	14.8	10.9	6.7	7.5	5.7	3.4	3.4
Employment	4.9	5.2	6.2	3.5	1.2	3.2	3.2
Unemployment Rate (%)	9.9	7.7	7.2	7.9	8.0	8.3	8.3
Retail Sales	19.2	8.3	4.1	1.5	2.2	2.1	2.1
Housing Starts (Thousands of Units)	1.3	1.3	1.1	1.7	1.8	1.3	1.3
Consumer Price Index	5.1	8.9	2.9	1.9	1.4	1.8	1.8

Newfoundland and Labrador

	2021	2022	2023	2024	2025F	2026F	2027F
Real GDP	1.0	-1.1	-3.0	2.7	3.5	4.0	1.3
Nominal GDP	20.2	8.7	-4.0	4.6	4.7	12.3	2.6
Employment	3.6	4.0	1.8	2.8	-0.1	0.4	0.2
Unemployment Rate (%)	13.0	11.3	10.0	10.0	10.1	9.7	10.7
Retail Sales	11.1	7.7	1.9	6.7	2.4	2.5	2.2
Housing Starts (Thousands of Units)	1.0	1.4	1.0	1.7	1.6	1.6	1.0
Consumer Price Index	3.7	6.4	3.3	1.8	1.4	3.3	2.5