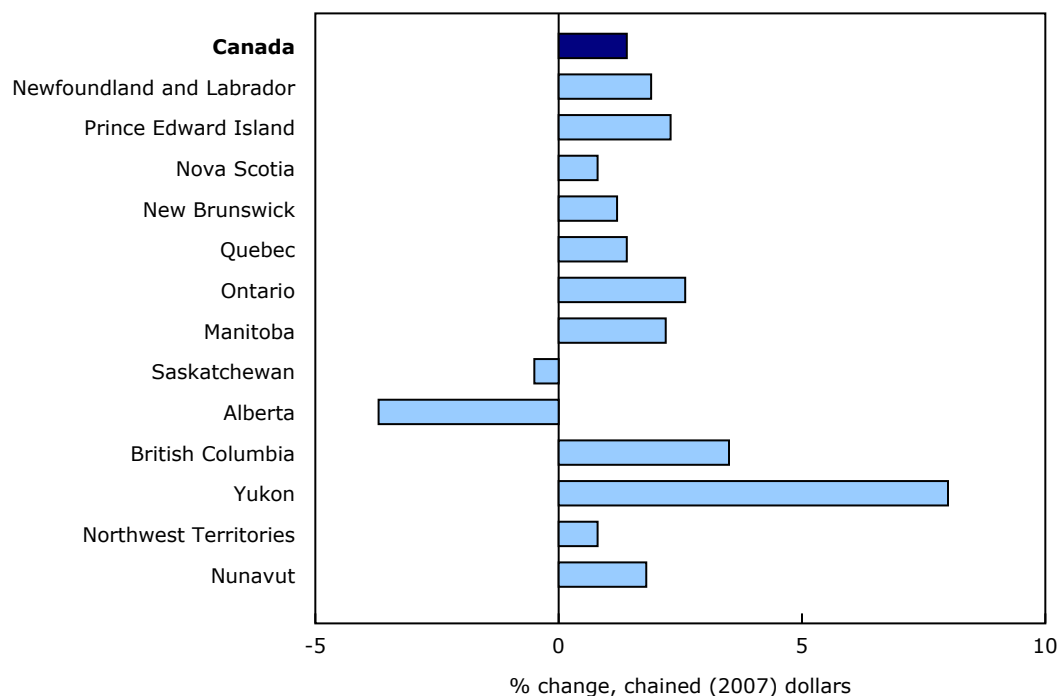


Provincial and territorial economic accounts, 2016

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, November 8, 2017

Real gross domestic product (GDP) in Canada rose 1.4% in 2016, following a 1.0% gain in 2015. Economic growth in British Columbia (+3.5%) outpaced the national average for a third consecutive year and Ontario increased 2.6%. Alberta (-3.7%) and Saskatchewan (-0.5%) posted declines.

Chart 1
Real gross domestic product, 2016



Source(s): CANSIM table [384-0038](#).

Strong business gross fixed capital formation in Atlantic Canada was stimulated by large investments in the Hebron Project and the Muskrat Falls generating facility in Newfoundland and Labrador, the Interconnection Upgrade Project in Prince Edward Island and the Maritime Transmission Link and Touquoy gold mine in Nova Scotia.

However, lower oil prices negatively affected business investment in Western Canada. Business gross fixed capital formation in Alberta was further reduced as a result of the wildfires and maintenance shutdowns at upgrader facilities. The completion of the Gahcho Kué diamond mine in Northwest Territories also led to contractions in business investment.

Robust housing markets in Vancouver and Toronto led to strong growth in residential investment in British Columbia (+15.0%) and Ontario (+7.5%).

Economic growth was strongest in Yukon (+8.0%) and British Columbia (+3.5%), while the Alberta (-3.7%) and Saskatchewan (-0.5%) economies contracted for the second consecutive year.



In nominal terms, Canadian household disposable income grew 2.2% in 2016 following a 4.7% gain in 2015 and increased in every province and territory except Alberta (-7.4%) and Saskatchewan (-0.8%). Prince Edward Island (+6.1%) had the strongest gain. Growth in household disposable income weakened in most jurisdictions, the exceptions being Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Nunavut.

Atlantic Canada

In Newfoundland and Labrador, real GDP increased 1.9% in 2016 following a contraction of 1.7% in 2015. Business gross fixed capital formation in non-residential structures (+22.8%) was boosted by a large one-time investment in the Hebron offshore oil project and ongoing work on the Muskrat Falls generating facility, while investment declines were evidenced in all other components. Exports (+8.1%) rebounded following two consecutive annual declines, driven by higher volumes of conventional oil.

Real GDP in Prince Edward Island rose 2.3%, the largest increase in 10 years. Household final consumption expenditure (+3.1%) largely contributed to the gain. Business investment in non-residential structures (+34.4%) rose sharply as work continued on the Interconnection Upgrade Project. Government final consumption expenditure increased 2.1% following five years of annual contractions.

Real GDP in Nova Scotia rose 0.8%, following a 1.4% increase in 2015. Business gross fixed capital formation (+7.9%) was boosted by engineering construction activity on the Maritime Transmission Link and the Touquoy gold mine. Housing investment posted strong growth (+5.5%). Household final consumption expenditure grew 1.3%. Final domestic demand rose 2.4%, while exports fell 0.7% on account of lower exports of goods to other countries.

New Brunswick's real GDP rose 1.2% following a 2.4% increase in 2015. Growth was driven by household final consumption expenditure (+1.5%). Business gross fixed capital formation fell 2.3%, the seventh decline in eight years. The 2016 decline was largely attributable to lower outlays on machinery and equipment (-9.2%).

Central Canada

Real GDP in Quebec rose 1.4% in 2016, following a 1.0% increase in 2015. Growth was driven by strong household spending (+2.7%), while investment in housing rose 3.0% following three consecutive years of contraction. Electric power engineering construction contributed to increased business investment in non-residential structures (+4.4%). Final domestic demand grew 2.3% following three relatively flat years, with imports of goods and services increasing 3.1%. Exports rose 1.7%.

Real GDP in Ontario grew 2.6%, following a 2.9% gain in 2015. Increased household spending (+3.0%) and exports to other countries (+3.1%) largely contributed to the economic growth. A robust housing market led to increased business investment in residential structures (+7.5%), which posted strong growth for a second consecutive year, and contributed to increased outlays on banking, real estate and insurance services.

Western Canada

In Manitoba, real GDP increased 2.2% in 2016 following a 1.3% gain in 2015. Household final consumption expenditure (+2.5%) was the main contributor, as households increased outlays on both services and goods. Business investment in non-residential structures rose 13.6%, as work on major electric power generation and transmission projects progressed. Exports grew 1.2% following a 3.6% decline in 2015.

Real GDP in Saskatchewan fell 0.5%, following a 1.0% decline in 2015. Business investment in residential structures contracted 8.8% as 2016 saw the fewest housing starts since 2009. Non-residential structures' business investment fell 20.4% in the wake of low oil and commodity prices. Household consumption expenditure increased 1.5%. Final domestic demand fell 3.1% following a 5.6% decline in 2015.

Alberta's real GDP fell 3.7% for the second consecutive year. The decline was led by lower business gross fixed capital formation (-17.5%), as low oil prices discouraged investment in the oil and gas sector. Energy prices rose in the second half of 2016, and export volumes of crude oil and crude bitumen grew in tandem, as businesses drew down inventories by \$2.0 billion. Exports grew 0.3% on the year, despite maintenance shutdowns and wildfires in northern Alberta.

In British Columbia, real GDP rose 3.5%, the same rate as in 2015. Household final consumption expenditure grew 3.2%, while housing demand led to higher business gross fixed capital formation in residential structures (+15.0%). Although housing starts slowed considerably following the introduction of a new transfer tax in August 2016 for residential purchases by foreign nationals in the Metro Vancouver area, residential construction remained a driver of growth on the year.

The territories

Yukon's real GDP expanded 8.0% in 2016 after falling 7.8% in 2015. Exports of goods and services (+15.1%), rebounding from a 19.0% decline in 2015, was the main contributor to economic growth in 2016. Increased outputs of metal ores contributed to a rise in exports. Household final consumption expenditure increased 2.5%.

In the Northwest Territories, real GDP increased 0.8% in 2016 after rising 1.3% in 2015. Increased government gross fixed capital formation (+34.2%), driven by capital spending on territorial government administration and public health, largely contributed to the growth.

Real GDP in Nunavut grew 1.8% following a 0.5% decline in 2015. Exports of goods and services (+7.1%), reflecting higher volumes of iron ore, was the largest contributor to growth in 2016. Household final consumption expenditure rose 1.6%.

Note to readers

This release incorporates revisions to the provincial and territorial economic accounts for 2014 and 2015 and an update to 2016 data. The provincial-territorial gross domestic product by industry data from 2014 to 2016 were also revised. Both data series incorporate the new 2014 benchmark provincial and territorial supply and use tables, revisions to the national income and expenditure accounts released today, as well as revised provincial-territorial source data.

Percentage changes for expenditure-based statistics (such as household final consumption expenditure, gross fixed capital formation, exports and imports) are calculated from volume measures that are adjusted for price variations. Percentage changes for income-based statistics (such as compensation of employees and net operating surplus of corporations) are calculated from nominal values; that is, they are not adjusted for price variations.

Available in CANSIM: tables [026-0009](#), [379-0028](#), [379-0030](#), [384-0037 to 384-0045](#) and [384-0047](#).

Definitions, data sources and methods: survey numbers [1303](#) and [1902](#).

Provincial and territorial gross domestic product by income and expenditure accounts

This release also presents new 2016 as well as revised 2014 and 2015 data on provincial and territorial gross domestic product (GDP) by income and expenditure.

Provincial and territorial GDP by income and expenditure accounts includes estimates of income- and expenditure-based GDP, real GDP, contributions to percent change in real GDP, implicit price indexes, the current accounts for the household sector, the property income of households and other selected indicators for the household sector.

More detailed analysis on today's release from the national accounts, including additional charts and tables, is presented in the 2016 issue of *Provincial and Territorial Economic Accounts Review*, Vol. 11, no. 1 ([13-016-X](#)), now available.

The Methodological Guide: Canadian System of Macroeconomic Accounts ([13-607-X](#)) is also available.

The User Guide: Canadian System of Macroeconomic Accounts ([13-606-G](#)) is also available.

Gross domestic product by industry – Provincial and territorial (annual)

Revised data for 2014 to 2016 on provincial and territorial GDP by industry are included with this release.

To enquire about the concepts, methods or data quality of provincial and territorial GDP by industry data, contact Guillaume Dubé (613-863-0782; guillaume.dube2@canada.ca), Industry Accounts Division

Detailed analysis and tables

The [System of Macroeconomic Accounts](#) module, accessible from the *Browse by key resource* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).