

# Gross domestic product, income and expenditure, first quarter 2021

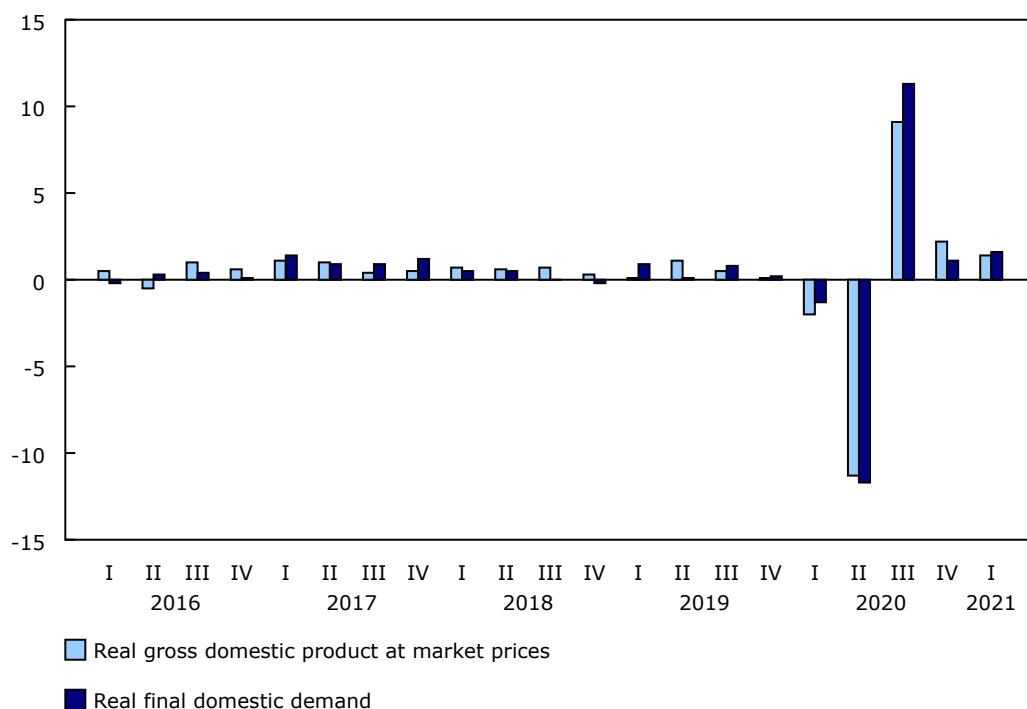
Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, June 1, 2021

Real gross domestic product (GDP) grew 1.4% in the first quarter of 2021, following increases of 9.1% in the third quarter and 2.2% in the fourth quarter of 2020. These gains more than offset the sharp drop (-11.3%) in the second quarter of 2020. Real GDP was up 0.3% compared with the first quarter of 2020.

Real gross national income rose 2.7%, largely fuelled by higher prices of exported products, including crude oil, crude bitumen and refined petroleum. Final domestic demand rose 1.6%, primarily because of higher housing investment and consumer spending.

**Chart 1**  
**Real gross domestic product and final domestic demand**

quarterly % change, chained (2012) dollars

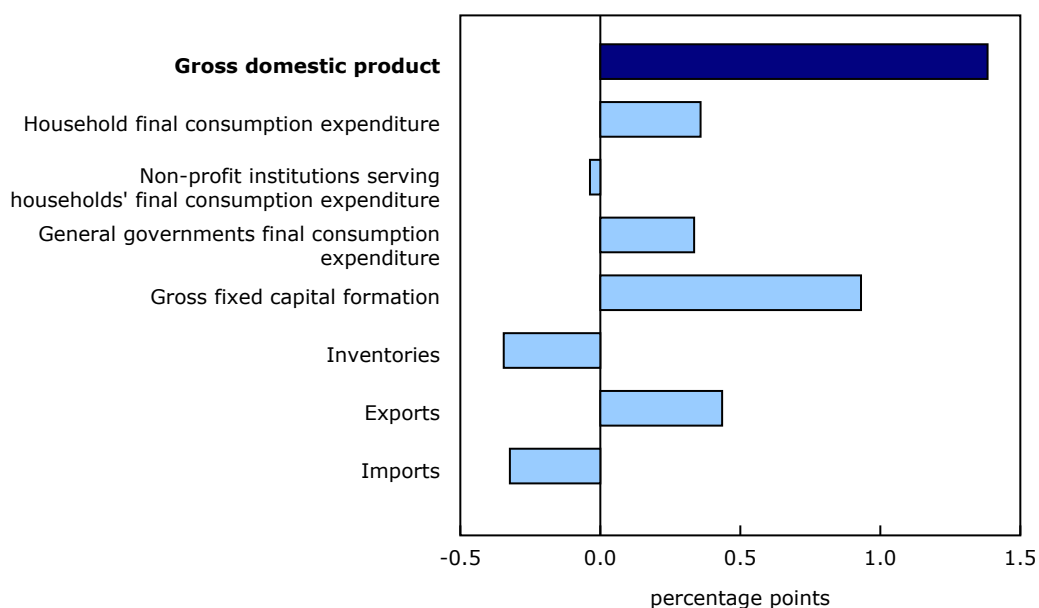


Source(s): Table 36-10-0104-01.

The increase in GDP in the first quarter of 2021 reflected the continued strength of the economy, influenced by favourable mortgage rates, continued government transfers to households and businesses, and an improved labour market. These factors boosted the demand for housing investment, while rising input costs heightened construction costs.



**Chart 2**  
**Contributions to percentage change in real gross domestic product, first quarter of 2021**



Source(s): Table 36-10-0104-01.

### Record gains in prices and nominal gross domestic product

The GDP implicit price index, which reflects the overall price of domestically produced goods and services, rose 2.9% in the first quarter, driven by higher prices for construction materials and for energy used in Canada and exported. The sharp increase in prices boosted nominal GDP (+4.3%). Compensation of employees rose 2.1%, led by construction and information and cultural industries, and surpassed the pre-pandemic level recorded at the end of 2019.

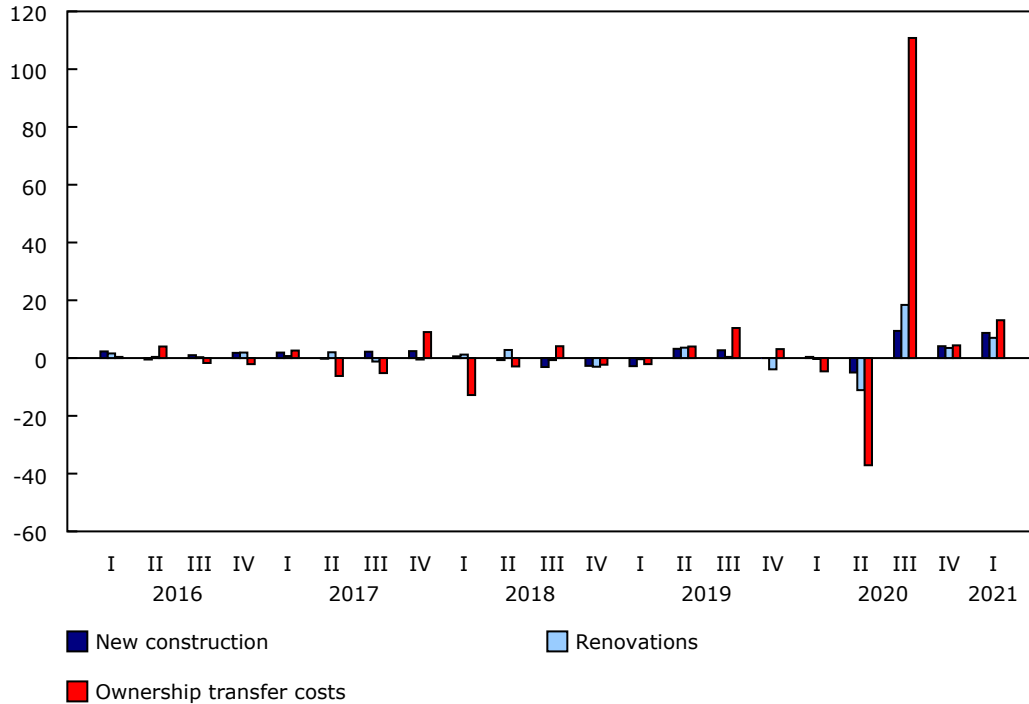
Strength in oil and gas extraction, manufacturing of petroleum products, and construction industries led to a higher gross operating surplus for non-financial corporations (+11.5%). Higher earnings from commissions and fees bolstered the operating surplus of financial corporations (+3.9%), coinciding with the sizeable increases in the value and volume of stocks traded on the Toronto Stock Exchange (TSX).

### Strong growth in housing for the third consecutive quarter

On a real basis, housing investment rose 9.4%, after increasing 29.6% in the third quarter and rising 4.0% in the fourth quarter of 2020. Compared with the first quarter of 2020, housing investment was up 26.5% and led the recovery. Growth in housing was attributable to an improved job market, higher compensation of employees, and low mortgage rates. After adding \$63.6 billion of residential mortgage debt in the last half of 2020, households added \$29.6 billion more in the first quarter of 2021.

### Chart 3 Housing investment

quarterly % change, chained (2012) dollars



Source(s): Table 36-10-0108-01.

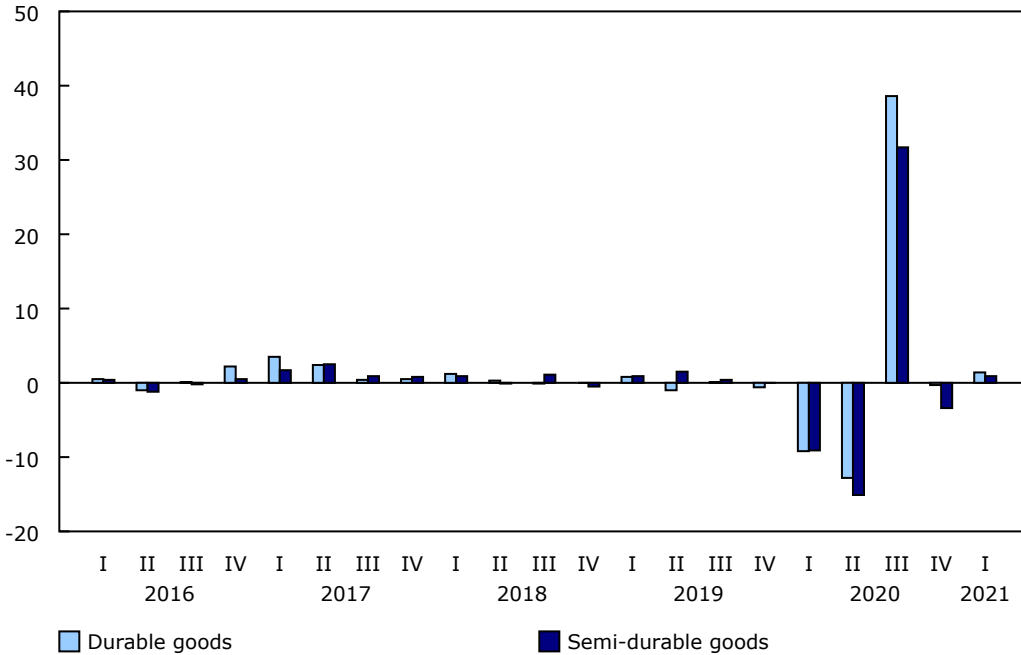
Growth in housing investment was broad-based. New construction rose 8.7%, largely driven by detached units in Ontario and Quebec. Ownership transfer costs increased 13.1%, with the rise in resale activities. Working from home and extra savings from reduced travel heightened the demand for, and scope of, home renovations, which grew 7.0% in the first quarter.

### Household spending rises

On a real basis, household spending increased 0.7% in the first quarter. Spending was down 1.9% compared with the first quarter of 2020.

**Chart 4**  
**Household final consumption expenditures: durable and semi-durable goods**

quarterly % change, chained (2012) dollars



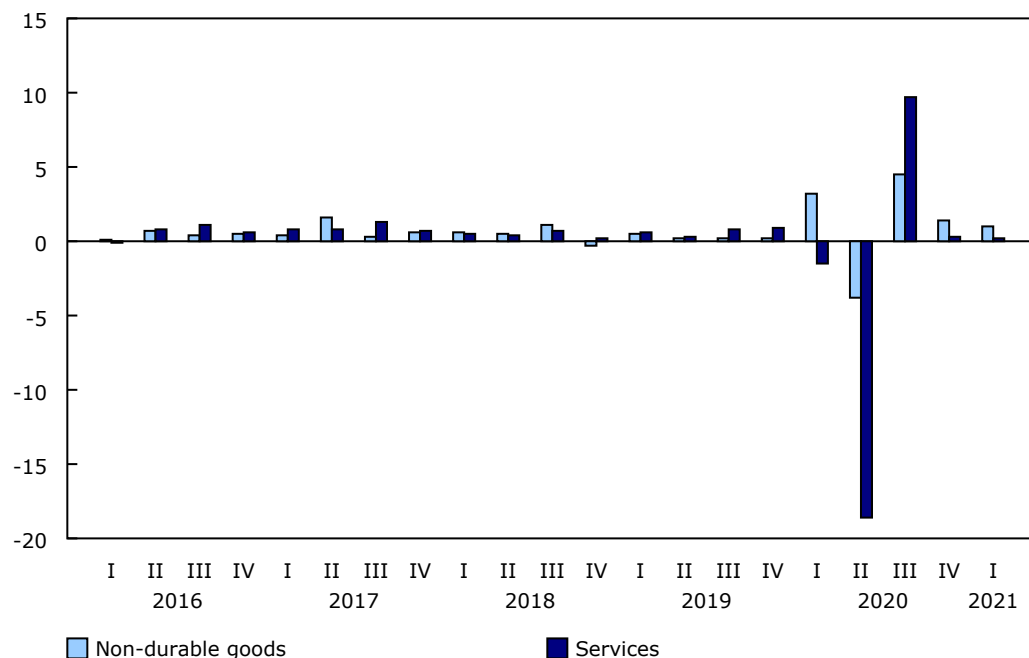
Source(s): Table 36-10-0104-01.

Outlays for durable goods rose 1.4%, led by increases in purchases of new trucks, vans and sport utility vehicles (+2.8%), information processing equipment (+18.7%) and major tools and equipment (+13.8%). Spending on durable goods was up 22.3% compared with the first quarter of 2020.

Outlays for semi-durable goods rose 0.9%, following a 3.4% drop in the previous quarter. A decline in clothing and footwear (-6.1%) was offset by increases in games, toys and hobbies (+25.0%), and equipment for sports, camping and open-air recreation (+9.8%). These opposing movements reflect pandemic-induced shifts in spending patterns. Spending on semi-durable goods was up 9.0% compared with the first quarter of 2020.

## Chart 5 Household final consumption expenditures: non-durable goods and services

quarterly % change, chained (2012) dollars



Source(s): Table 36-10-0104-01.

Outlays for non-durable goods rose 1.0%, after increasing 1.4% in the fourth quarter of 2020. As consumers spent more time at home, spending on food (+2.5%) and alcoholic beverages (+4.2%) rose. Overall, spending on non-durable goods was up 3.0% compared with the first quarter of 2020.

Outlays on services edged up 0.2% in the first quarter, following a 0.3% gain in the previous quarter. Increases in outpatient services (+4.3%) and insurance and financial services (+1.7%) were largely offset by lower spending on games of chance (-20.5%) and transport services (-8.9%). Overall, spending on services was down 10.2% compared with the first quarter of 2020.

### Business investment in machinery and equipment falls

On a real basis, business investment in machinery and equipment fell 2.7% in the first quarter, because of a sharp decline in investment in aircraft (-98.7%), as a large number of used aircraft were disposed of through international exports. All other categories of machinery and equipment, such as industrial machinery and equipment, computers, and medium and heavy trucks and buses, rose.

Business investment in non-residential structures increased 0.6%, following three consecutive quarterly declines. Investment in intellectual property products rose 3.3%, with a substantial gain in investment in research and development.

Businesses drew down \$8.7 billion of inventories. Larger drawdowns of inventories in manufacturing and retail industries were slightly offset by an accumulation of inventories in the wholesale of durable and non-durable goods. Consequently, the economy-wide stock-to-sales ratio fell from 0.831 in the fourth quarter of 2020 to 0.813 in the first quarter of 2021.

## **Exports and imports rise**

Export volumes rose 1.5% in the first quarter, but were down 3.0% compared with the first quarter of 2020. Increased exports of aircraft (+33.9%), other transportation equipment including ships and boats (+124.6%), and crude oil and crude bitumen (+5.2%) were partly offset by declines in exports of passenger cars and light trucks (-9.9%).

Import volumes increased 1.1% in the first quarter, but were down 2.8% compared with the first quarter of 2020. Intermediate metal products (+9.3%) posted a notable gain, driven by computers and computer peripherals (+9.1%), and commercial services (+3.3%).

## **Terms of trade improve**

The ratio of the price of exports to the price of imports—the terms of trade—rose 6.1% in the first quarter, primarily because of a 25.5% increase in the price of exported crude oil and crude bitumen, which spurred strong growth in the operating surplus of oil and gas extraction industries. The price of imported products edged down 0.6% in the first quarter, coinciding with the appreciation of the Canadian dollar. The terms of trade was up 12.4% compared with the first quarter of 2020.

## **Double-digit household savings rate**

Household disposable income rose 2.3% in the first quarter of 2021, following two consecutive quarterly declines. Government transfers to households were up 1.8%, mainly from expanded Employment Insurance and other benefits as Canadians grappled with a third wave of COVID-19 infections, regional stay-at-home orders, and the potential for future economic disruption. This modest increase in government transfers contrasts with the considerable expansion and subsequent reductions in benefits over the course of 2020. However, in the first quarter of 2021, government transfers were 36.2% higher than their pre-pandemic levels. This continued support, coupled with a third consecutive quarter of rising employee compensation, pushed disposable income \$32.3 billion higher.

Nominal household consumption was up 1.1%, but was outpaced by growth in disposable income, leaving households with more net savings compared with the previous quarter. The savings rate rose from 11.9% in the fourth quarter of 2020 to 13.1% in the first quarter of 2021, more than double the rate of 5.1% in the first quarter of 2020. This was the fourth consecutive quarter during which the savings rate has been in double-digit territory. The household savings rate is aggregated across all income brackets; in general, savings rates are higher for higher income brackets.

## Note to readers

### Revisions

Data on gross domestic product (GDP) for the first quarter of 2021 have been released along with revised data from the first quarter to the fourth quarter of 2020. These releases incorporate new and revised data, as well as updates of seasonal trends.

### Support measures by governments

To alleviate the economic impact of the COVID-19 pandemic, governments implemented a number of programs, including the Canada Emergency Wage Subsidy and the Canada Emergency Response Benefit. For a comprehensive explanation of how government support measures were treated in the compilation of the estimates, see "[Recording COVID-19 measures in the national accounts](#)" and "[Recording new COVID measures in the national accounts](#)."

Details of some of the more significant government measures can be found in the footnotes of tables 36-10-0103-01, 36-10-0112-01, 36-10-0115-01, 36-10-0118-01, and 36-10-0477-01.

For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

For more information on GDP, see the video "[What is Gross Domestic Product \(GDP\)?](#)"

### Percentage change

Percentage changes for expenditure-based statistics (such as household spending, investment and exports) are calculated from volume measures that are adjusted for price variations. Percentage changes for income-based statistics (such as compensation of employees and operating surplus) are calculated from nominal values; that is, they are not adjusted for price variations.

Unless otherwise stated, growth rates represent the percentage change in the series from one quarter to the next; for instance, from the fourth quarter of 2020 to the first quarter of 2021.

### Real-time tables

Real-time tables 36-10-0430-01 and 36-10-0431-01 will be updated on June 7.

### Next release

Data on GDP by income and expenditure for the second quarter of 2021 will be released on August 31, 2021.

## Sustainable development goals

On January 1, 2016, the world officially began implementing the [2030 Agenda for Sustainable Development](#)—the United Nations' transformative plan of action that addresses urgent global challenges over the following 15 years. The plan is based on 17 specific sustainable development goals.

Data on gross domestic product, income and expenditure are an example of how Statistics Canada supports the reporting on the global sustainable development goals. This release will be used to measure the following goals:



**Table 1**  
**Gross domestic product by income account – Seasonally adjusted at annual rates**

	Fourth quarter 2019	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Fourth quarter 2020	First quarter 2021	
	quarter-to-quarter % change					millions of dollars			
Compensation of employees	1.3	-1.3	-8.6	7.8	2.6	2.1	1,196,248	1,221,244	
Gross operating surplus	0.6	-4.8	-5.1	14.1	0.8	9.5	633,080	693,532	
Gross mixed income	1.8	0.6	-2.4	3.2	1.5	2.3	286,532	293,000	
Taxes less subsidies on production	-0.3	-19.4	-127.6	147.3	380.7	9.2	52,112	56,888	
Taxes less subsidies, on products and imports	-0.4	-6.5	-18.8	22.9	0.9	2.6	144,888	148,620	
Statistical discrepancy (millions of dollars)	-416	412	2,692	568	-220	-628	1,692	1,064	
<b>Gross domestic product at market prices</b>	<b>1.0</b>	<b>-3.1</b>	<b>-11.8</b>	<b>11.6</b>	<b>3.6</b>	<b>4.3</b>	<b>2,314,552</b>	<b>2,414,348</b>	

Source(s): Table 36-10-0103-01.

**Table 2**  
**Real gross domestic product by expenditure account, quarterly change – Seasonally adjusted at annual rates, chained (2012) dollars**

	Fourth quarter 2019	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Fourth quarter 2020	First quarter 2021	
	quarter-to-quarter % change					millions of dollars			
Final consumption expenditure	0.5	-1.5	-11.3	10.6	0.6	0.8	1,606,821	1,620,397	
Household final consumption expenditure	0.5	-1.9	-14.0	13.1	0.2	0.7	1,140,757	1,148,288	
Non-profit institutions serving households' final consumption expenditure	0.6	0.8	-12.1	7.5	3.7	-2.4	31,680	30,928	
General governments final consumption expenditure	0.5	-0.7	-4.1	5.1	1.4	1.5	433,693	440,315	
Gross fixed capital formation	-0.9	-0.5	-13.2	13.6	2.5	4.0	445,821	463,686	
Business gross fixed capital formation	-1.0	-1.1	-15.4	15.3	2.7	4.7	359,128	376,074	
Residential structures	-0.7	-1.0	-14.2	29.6	4.0	9.4	163,130	178,493	
Non-residential structures, machinery and equipment	-1.5	-1.2	-18.0	4.8	1.4	-0.7	157,490	156,424	
Intellectual property products	-0.0	-1.0	-7.9	5.5	1.7	3.3	36,514	37,722	
General governments gross fixed capital formation	-0.3	2.3	-3.4	6.7	2.0	0.9	84,833	85,628	
Investment in inventories (millions of dollars)	36	-8,400	-33,838	-7,075	36,862	-8,176	-287	-8,463	
Exports of goods and services	-1.1	-3.2	-17.4	14.6	1.0	1.5	622,798	631,947	
Less: imports of goods and services	-0.7	-2.1	-22.9	21.4	2.8	1.1	628,247	634,951	
Statistical discrepancy (millions of dollars)	361	-354	-2,464	-482	218	582	-1,498	-916	
<b>Gross domestic product at market prices</b>	<b>0.1</b>	<b>-2.0</b>	<b>-11.3</b>	<b>9.1</b>	<b>2.2</b>	<b>1.4</b>	<b>2,049,436</b>	<b>2,077,771</b>	
Final domestic demand	0.2	-1.3	-11.7	11.3	1.1	1.6	2,051,519	2,083,799	

Source(s): Table 36-10-0104-01.



**Table 3**  
**Real gross domestic product by expenditure account, annualized change – Seasonally adjusted at annual rates, chained (2012) dollars**

	Fourth quarter 2019	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Fourth quarter 2020	First quarter 2021	
	quarter-to-quarter % change, annualized					millions of dollars			
Final consumption expenditure	2.0	-6.0	-38.0	49.8	2.5	3.4	1,606,821	1,620,397	
Household final consumption expenditure	2.0	-7.5	-45.4	63.9	0.9	2.7	1,140,757	1,148,288	
Non-profit institutions serving households' final consumption expenditure	2.5	3.4	-40.3	33.6	15.6	-9.2	31,680	30,928	
General governments final consumption expenditure	1.9	-2.7	-15.5	22.0	5.7	6.2	433,693	440,315	
Gross fixed capital formation	-3.6	-2.0	-43.3	66.3	10.6	17.0	445,821	463,686	
Business gross fixed capital formation	-4.1	-4.2	-48.9	76.9	11.2	20.3	359,128	376,074	
Residential structures	-2.9	-3.9	-45.8	181.9	16.9	43.3	163,130	178,493	
Non-residential structures, machinery and equipment	-5.9	-4.6	-54.8	20.4	5.9	-2.7	157,490	156,424	
Intellectual property products	-0.1	-3.9	-28.1	24.0	6.9	13.9	36,514	37,722	
General governments gross fixed capital formation	-1.3	9.5	-12.8	29.6	8.2	3.8	84,833	85,628	
Investment in inventories (millions of dollars)	36	-8,400	-33,838	-7,075	36,862	-8,176	-287	-8,463	
Exports of goods and services	-4.2	-12.0	-53.4	72.3	4.1	6.0	622,798	631,947	
Less: imports of goods and services	-2.9	-8.3	-64.7	117.4	11.6	4.3	628,247	634,951	
Statistical discrepancy (millions of dollars)	361	-354	-2,464	-482	218	582	-1,498	-916	
<b>Gross domestic product at market prices</b>	<b>0.4</b>	<b>-7.9</b>	<b>-38.0</b>	<b>41.7</b>	<b>9.3</b>	<b>5.6</b>	<b>2,049,436</b>	<b>2,077,771</b>	
Final domestic demand	0.7	-5.1	-39.2	53.3	4.3	6.4	2,051,519	2,083,799	

Source(s): Table 36-10-0104-01.

**Table 4**  
**Real gross domestic product by expenditure account – Seasonally adjusted at annual rates**

	Fourth quarter 2020	First quarter 2021	First quarter 2021		
			Contributions to percent change in real gross domestic product	Contributions to percent change in implicit price indexes	Annualized contributions to percent change in real gross domestic product
	millions of chained (2012) dollars		percentage points		
Final consumption expenditure	1,606,821	1,620,397	0.656	0.505	2.680
Household final consumption expenditure	1,140,757	1,148,288	0.358	0.225	1.463
Goods	560,261	566,571	0.292	0.207	1.193
Durable goods	170,281	172,747	0.116	0.081	0.474
Semi-durable goods	87,210	87,998	0.035	-0.010	0.143
Non-durable goods	302,115	305,147	0.141	0.136	0.576
Services	583,494	584,859	0.066	0.018	0.270
Non-profit institutions serving households' final consumption expenditure	31,680	30,928	-0.037	0.017	-0.151
General governments final consumption expenditure	433,693	440,315	0.335	0.263	1.368
Gross fixed capital formation	445,821	463,686	0.931	0.666	3.801
Business gross fixed capital formation	359,128	376,074	0.894	0.594	3.650
Residential structures	163,130	178,493	0.886	0.505	3.618
Non-residential structures, machinery and equipment	157,490	156,424	-0.052	0.093	-0.213
Non-residential structures	95,856	96,444	0.029	0.148	0.118
Machinery and equipment	61,105	59,480	-0.081	-0.056	-0.331
Intellectual property products	36,514	37,722	0.060	-0.004	0.245
Non-profit institutions serving households' gross fixed capital formation	1,968	1,935	-0.002	0.001	-0.008
General governments gross fixed capital formation	84,833	85,628	0.039	0.071	0.159
Investment in inventories	-287	-8,463	-0.345	-0.056	-1.409
Exports of goods and services	622,798	631,947	0.435	1.591	1.776
Goods	521,187	530,245	0.431	1.598	1.760
Services	101,722	101,806	0.004	-0.007	0.016
Less: imports of goods and services	628,247	634,951	0.323	-0.184	1.324
Goods	541,965	547,659	0.269	-0.117	1.099
Services	90,576	91,624	0.055	-0.067	0.225
Statistical discrepancy	-1,498	-916	0.028	-0.002	0.114
<b>Gross domestic product at market prices</b>	<b>2,049,436</b>	<b>2,077,771</b>	<b>1.383</b>	<b>2.889</b>	<b>5.638</b>
Final domestic demand	2,051,519	2,083,799	1.587	1.172	6.481

Source(s): Tables 36-10-0104-01 and 36-10-0106-01.

**Table 5**  
**Canadian economic accounts key indicators – Seasonally adjusted**

	Fourth quarter 2019	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021
<b>Economy-wide</b>						
Real gross domestic income (index 2012=100)	113.8	109.8	96.6	107.3	110.5	114.0
Gross domestic product deflator (index 2012=100)	110.9	109.6	108.9	111.4	112.9	116.2
Terms of trade (index 2012=100)	95.2	90.5	88.0	93.7	95.9	101.7
<b>Household sector</b>						
Household disposable income (millions of dollars)	1,297,208	1,315,224	1,488,732	1,411,844	1,402,708	1,435,000
Household net saving (millions of dollars)	26,048	67,372	407,964	190,848	167,468	188,396
Household saving rate (%)	2.0	5.1	27.4	13.5	11.9	13.1
<b>Government sector</b>						
General government disposable income (millions of dollars)	525,284	454,316	55,492	263,504	361,696	412,936
General government net saving (millions of dollars)	35,140	-38,028	-431,868	-239,448	-150,284	-113,036
<b>Corporate sector</b>						
Non-financial corporations' net operating surplus (millions of dollars)	249,884	218,492	191,872	269,768	276,860	332,904
Financial corporations' net operating surplus (millions of dollars)	41,176	41,080	37,912	40,548	41,540	43,652
Non-financial corporations' net saving (millions of dollars)	-9,556	-30,604	-57,868	26,740	32,368	83,464
Financial corporations' net saving (millions of dollars)	41,072	38,564	34,212	33,644	30,308	-17,396
<b>National</b>						
National net saving (millions of dollars)	90,440	33,116	-40,400	18,812	82,900	142,116
National saving rate (%)	4.7	1.8	-2.6	1.0	4.4	7.2

Source(s): Tables [36-10-0105-01](#), [36-10-0106-01](#), [36-10-0111-01](#), [36-10-0112-01](#), [36-10-0118-01](#) and [36-10-0116-01](#).

**Table 6**  
**Real gross domestic product by expenditure account, year-over-year change – Seasonally adjusted at annual rates, chained (2012) dollars**

	2015	2016	2017	2018	2019	2020	2019	2020
	year-over-year % change						millions of dollars	
Final consumption expenditure	2.1	2.0	3.3	2.6	1.7	-4.4	1,640,706	1,568,394
Household final consumption expenditure	2.3	1.9	3.8	2.5	1.6	-6.0	1,184,887	1,113,687
Non-profit institutions serving households' final consumption expenditure	4.7	9.0	0.4	3.3	3.0	-3.0	31,699	30,745
General governments final consumption expenditure	1.4	1.8	2.1	2.9	2.0	-0.3	424,474	423,213
Gross fixed capital formation	-5.2	-4.7	3.3	1.8	0.3	-3.7	442,650	426,117
Business gross fixed capital formation	-6.4	-5.4	2.7	1.3	0.3	-5.4	362,266	342,661
Residential structures	3.8	3.9	2.3	-1.7	-0.2	4.1	139,772	145,542
Non-residential structures, machinery and equipment	-11.3	-12.3	1.9	3.1	1.1	-13.6	185,783	160,437
Intellectual property products	-11.5	-1.7	8.8	5.2	-1.9	-3.5	37,142	35,847
General governments gross fixed capital formation	1.5	-0.1	6.5	4.3	0.3	4.1	78,457	81,653
Investment in inventories (millions of dollars)	-9,178	-779	18,014	-3,714	3,280	-34,703	18,766	-15,937
Exports of goods and services	3.4	1.4	1.4	3.7	1.3	-10.0	675,019	607,194
Less: imports of goods and services	0.8	0.1	4.6	3.4	0.4	-11.2	674,511	599,005
Statistical discrepancy (millions of dollars)	-300	2,116	-2,039	1,275	-374	-942	137	-805
<b>Gross domestic product at market prices</b>	<b>0.7</b>	<b>1.0</b>	<b>3.0</b>	<b>2.4</b>	<b>1.9</b>	<b>-5.3</b>	<b>2,102,304</b>	<b>1,990,610</b>
Final domestic demand	0.3	0.5	3.3	2.5	1.4	-4.3	2,081,607	1,992,997

Source(s): Table [36-10-0104-01](#).

**Available tables:** [12-10-0134-01](#), [12-10-0135-01](#), [34-10-0163-01](#), [36-10-0103-01](#) to [36-10-0109-01](#) , [36-10-0111-01](#), [36-10-0112-01](#), [36-10-0114-01](#) to [36-10-0118-01](#) , [36-10-0121-01](#) to [36-10-0132-01](#) , [36-10-0135-01](#), [36-10-0205-01](#), [36-10-0369-01](#), [36-10-0477-01](#), [36-10-0484-01](#), [36-10-0608-01](#), [36-10-0610-01](#) and [36-10-0611-01](#).

**Definitions, data sources and methods:** survey numbers [1901](#), [2602](#), [2820](#) and [5169](#).

The data visualization product "[Gross Domestic Product by Income and Expenditure: Interactive tool](#)," which is part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is now available.

The data visualization product "[Infrastructure Statistics Hub](#)," which is part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is now available.

The document, "[Recording new COVID measures in the national accounts](#)," which is part of *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is available.

The document, "[Recording COVID-19 measures in the national accounts](#)," which is part of *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is available.

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

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

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

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](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).