

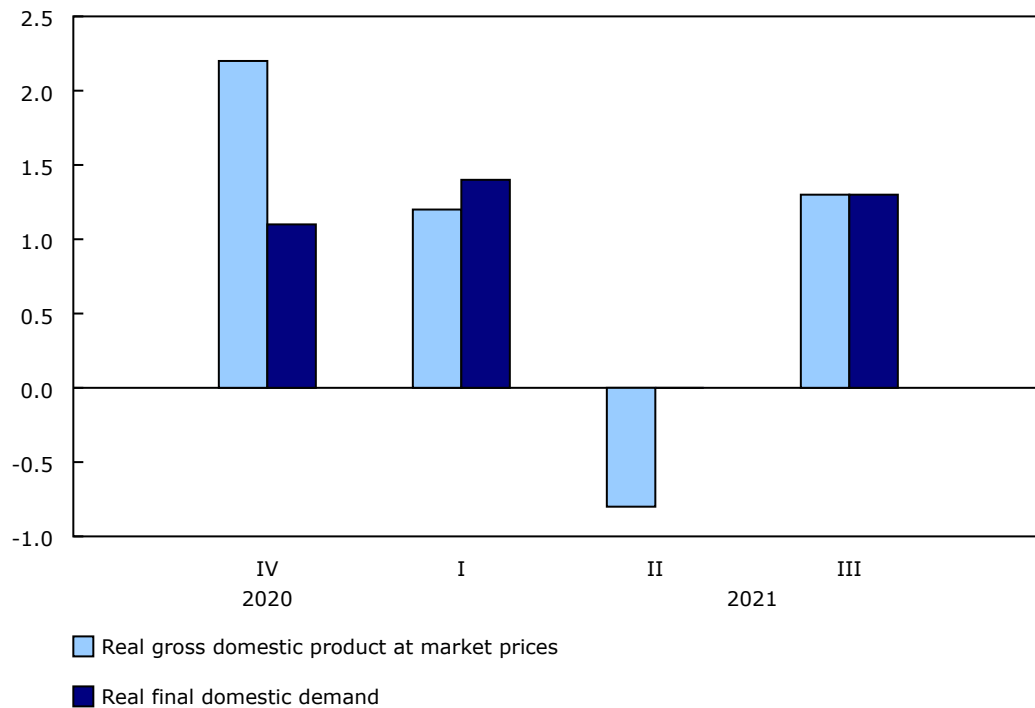
Gross domestic product, income and expenditure, third quarter 2021

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

Real gross domestic product (GDP) rose 1.3% in the third quarter, driven by household spending and exports. As pandemic restrictions were phased out, households and businesses, in Canada and elsewhere resumed normal operations. This raised household spending and created a greater demand for exports.

Chart 1
Real gross domestic product and final domestic demand

quarterly change (in %), chained (2012) dollars



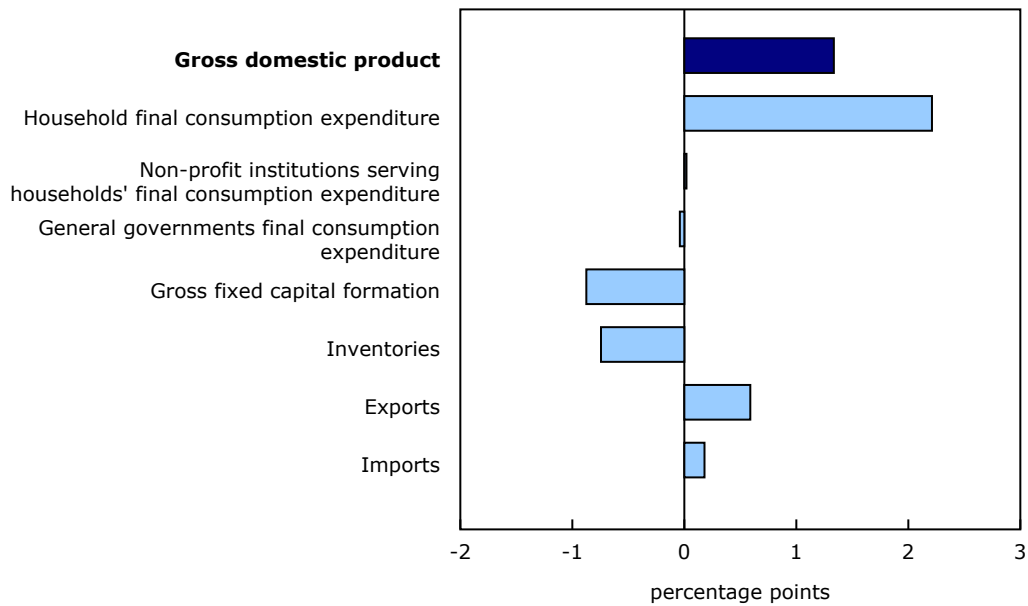
Source(s): Table [36-10-0104-01](#).

These increases were softened by a substantial decline in housing investments and increased withdrawals of inventories in the quarter.



Chart 2

Contributions to percentage change in real gross domestic product, third quarter of 2021



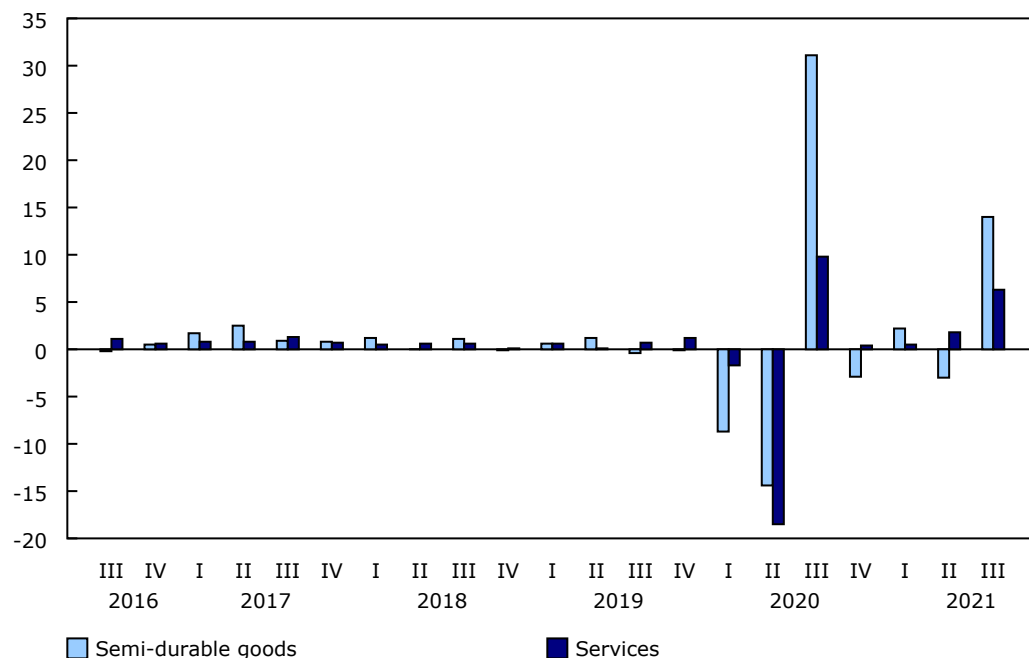
Source(s): Table [36-10-0104-01](#).

Household spending rises

Driven by higher income and greater demand, household spending on semi-durable goods (+14.0%) and services (+6.3%) sharply increased.

Chart 3 Household final consumption of semi-durable goods and services

quarterly change (in %), chained (2012) dollars



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

As restrictions eased, increased spending on semi-durable goods and services reflected the increase in activities outside the home. Expenditures on clothing (+26.8%) and footwear (+30.3%) surpassed pre-pandemic spending. Outlays for services rose sharply. Transport services (+40.3%), recreation and culture services (+26.1%), food, beverages and accommodation services (+29.0%), and personal grooming services (+35.8%) all showed significant increases.

Real expenditures on durable goods (-1.4%) fell in the quarter. Higher prices, resulting partly from supply chain disruptions, constrained demand and spending.

Exports rebound

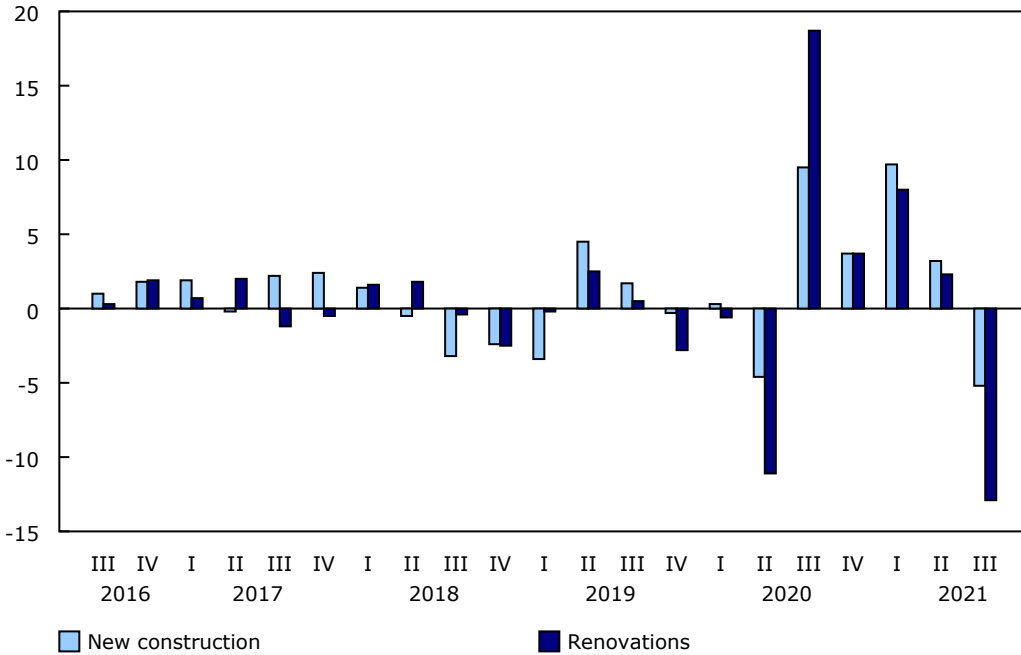
After declining in the second quarter, exports (+1.9%) increased in the third quarter, led by crude oil exports. Imports decreased, with lower imports of pharmaceutical products and toys, games and small appliances leading the decline. The terms of trade fell, as higher growth in import prices outpaced export prices, reversing the marked increases in the previous four quarters.

Housing investment declines

After four consecutive quarters of strong growth, new construction and renovations fell in the third quarter. The 5.2% drop in new construction was the largest drop since the second quarter of 2009. The decrease in investments for the new construction of detached and multiple-unit dwellings was substantial, especially in Newfoundland and Labrador and Prince Edward Island. Nationally, there were \$96.3 billion additions to the stock of dwellings in the third quarter.

Chart 4
Housing investment in new construction and renovations

quarterly change (in %), chained (2012) dollars



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

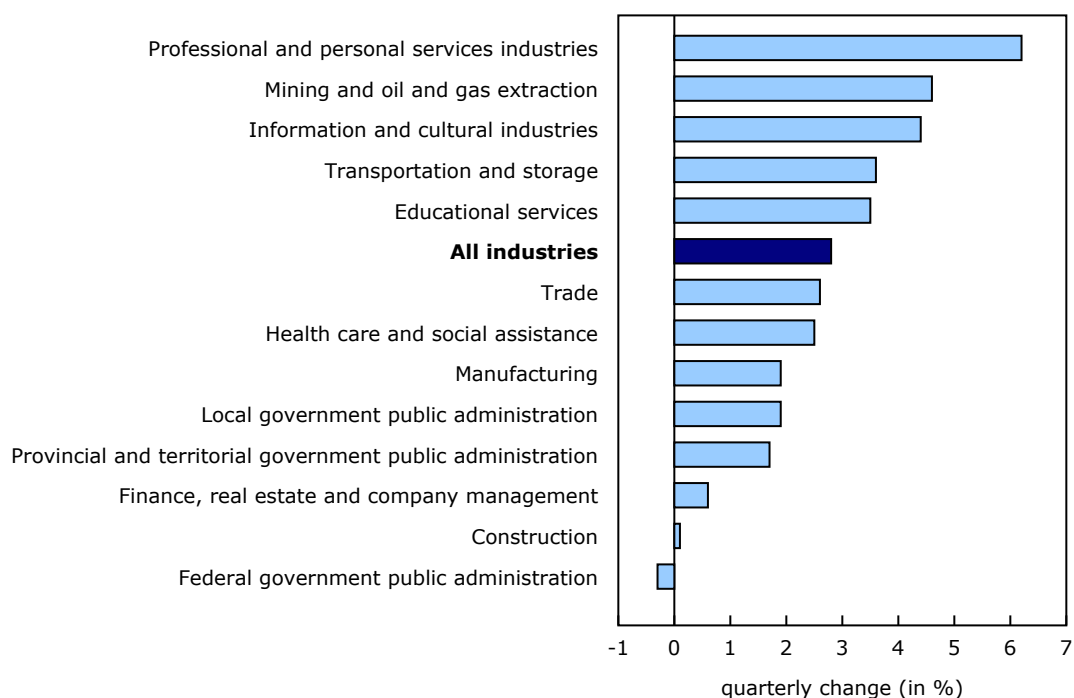
Ownership transfer costs (-10.0%) fell for the second consecutive quarter, as activity in the resale market slowed. The decrease was widespread, and only Newfoundland and Labrador and Yukon posted increased ownership transfer costs.

Remarkable accumulation of residential mortgage liabilities in the previous quarter continued, with households adding \$38 billion in the third quarter, more than double that of two years earlier.

Compensation of employees rises

Growth in nominal GDP (+2.1%) was led by compensation of employees.

Chart 5
Compensation of employees, major industries, third quarter of 2021



Source(s): Table 36-10-0114-01.

Compensation of employees rose 2.9%, the largest increase since the second quarter of 2000, excluding the large rebound recorded in the third quarter of 2020. Growth in professional and personal services accounted for almost half the overall increase in wages and was driven by accommodation and food services. Other major contributors to the increase were trade, health and education. The estimates of compensation of employees also reflect wages associated with the federal election and the census, and the implementation of various collective bargaining agreements.

Wage growth was highest in British Columbia (+3.8%), followed by Alberta (+3.2%), Ontario (+3.1%) and Quebec (+2.2%).

Double-digit household savings rate continues

Growth in household spending (+5.4% in nominal terms) exceeded growth in household disposable income (+1.7%). Consequently, the household saving rate fell from 14.0% in the second quarter to 11.0% in the third quarter. Although spending surpassed income this quarter, this was the sixth consecutive quarter with a double-digit savings rate. The rate also remained higher than in the pre-pandemic period. The household savings rate is aggregated across all income brackets. In general, savings rates are greater in higher income brackets.

Note to readers

Revisions to GDP

In this release, new benchmark values from the supply and use tables for the 2018 reference year have been incorporated into the gross domestic product (GDP) by the Income and Expenditure Accounts. Revisions for the 2019 and 2020 reference years incorporated up-to-date information from the Annual Survey of Manufacturing and Logging, the Annual Survey of Research and Development in Canadian Industry, the Annual Census of Mines, Quarries and Sand Pits, government public accounts, administrative data, and farm crop data. These revisions also reflect incorporation of T4 data for 2019 and preliminary T4 data for 2020. Revisions also occurred due to seasonal adjustment.

As a result, Canada's real GDP growth rate was revised up from 2.43% to 2.78% for 2018, from 1.86% to 1.88% for 2019, and from -5.31% to -5.23% for 2020. This release also provides revised data for the first and second quarter of 2021, and new data for the third quarter of 2021.

Estimates for the first and second quarters of 2021 were revised to incorporate revisions from sub-annual surveys. Revisions from programs such as the Quarterly Financial Statements Survey, the Monthly Survey of Manufacturing, the Survey of Employment, Payroll and Hours, and the Monthly Retail Trade affected the data that feed into these estimates. Updated data on government revenue and expense components (including those on government support measures related to the COVID-19 pandemic), international trade as well as updated crop yield projections were also incorporated.

With the estimation of the third quarter, the seasonal adjustment pattern will change the previous quarters. Given the volatility in some series over the course of the pandemic and ongoing recovery, larger-than-normal revisions due to seasonal adjustment are expected in those series.

Real GDP growth was revised down from 1.4% to 1.2% for the first quarter of 2021, and from -0.3% to -0.8% for the second quarter of 2021.

GDP estimates by income and by expenditure are subject to various types of revisions that take place with each quarterly release depending on the availability of data and the practicality of implementation. [The 2018 to 2020 revisions of the Income and Expenditure Accounts](#) summarizes them and tracks revisions from one cycle to another. For information on the GDP revision cycle, see [GDP revision cycle](#).

Support measures by governments

To alleviate the economic impact of the pandemic, governments implemented programs, such as the Canada Emergency Wage Subsidy, and the recently ended Canada Emergency Rent Subsidy and the Canada Recovery Benefit. A comprehensive explanation of how government support measures were treated in the compilation of the estimates is available in "[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 on the page [Federal government expenditures on COVID-19 response measures](#).

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 \(GDP\)?](#)"

General

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 second quarter of 2021 to the third quarter of 2021.

With this release, data for the first quarter of 1961 to the fourth quarter of 1980 have been re-estimated to fully align with the expenditure categories and sector detail of government final consumption expenditures thereby producing a consistent time series back to 1961.

Real-time tables

Real-time tables 36-10-0430-01 and 36-10-0431-01 will be updated on December 6.

Next release

Data on GDP by income and expenditure for the fourth quarter of 2021 will be released on March 1, 2022.

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 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

	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Second quarter 2021	Third quarter 2021	Second quarter 2021	Third quarter 2021
	quarter-to-quarter % change						millions of dollars	
Compensation of employees	-8.5	7.8	2.6	2.2	1.6	2.9	1,245,160	1,280,732
Gross operating surplus	-3.9	14.4	1.8	9.6	-0.3	-2.2	708,656	693,020
Gross mixed income	-3.5	2.8	0.8	2.8	1.3	1.0	294,152	297,200
Taxes less subsidies on production	-127.1	141.1	327.0	5.4	17.5	60.1	49,056	78,544
Taxes less subsidies, on products and imports	-19.5	20.4	3.1	2.0	6.8	-0.0	156,016	156,000
Statistical discrepancy (millions of dollars)	1,160	1,052	1,144	-156	-2,984	128	-1,280	-1,152
Gross domestic product at market prices	-11.7	11.4	3.6	4.4	1.5	2.1	2,451,760	2,504,344

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

	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Second quarter 2021	Third quarter 2021	Second quarter 2021	Third quarter 2021
	quarter-to-quarter % change						millions of dollars	
Final consumption expenditure	-11.2	10.5	0.7	0.8	0.1	2.9	1,620,363	1,667,206
Household final consumption expenditure	-13.9	12.9	0.3	0.6	-0.1	4.2	1,141,947	1,189,996
Non-profit institutions serving households' final consumption expenditure	-12.3	7.4	2.9	-2.6	0.6	1.3	30,672	31,080
General governments final consumption expenditure	-4.2	5.3	1.7	1.6	0.7	-0.2	446,599	445,787
Gross fixed capital formation	-13.1	13.7	2.3	3.4	-0.5	-3.6	464,437	447,648
Business gross fixed capital formation	-15.4	15.5	2.4	3.9	-0.1	-4.8	382,428	364,210
Residential structures	-13.6	29.4	3.8	9.4	-3.0	-8.9	174,409	158,802
Non-residential structures, machinery and equipment	-18.2	6.3	1.2	-2.2	3.6	-0.2	166,379	165,988
Intellectual property products	-8.9	3.4	1.1	2.4	0.9	-1.5	39,580	38,999
General governments gross fixed capital formation	-2.5	5.9	2.0	1.2	-2.5	2.1	80,146	81,827
Investment in inventories (millions of dollars)	-35,264	-6,506	36,402	-4,140	13,874	-14,537	6,247	-8,290
Exports of goods and services	-16.4	14.3	0.9	0.7	-4.5	1.9	608,113	619,913
Less: imports of goods and services	-22.5	21.2	2.7	1.1	0.5	-0.6	641,149	637,383
Statistical discrepancy (millions of dollars)	-1,051	-958	-1,006	185	2,541	-112	1,075	963
Gross domestic product at market prices	-11.0	9.0	2.2	1.2	-0.8	1.3	2,066,339	2,093,927
Final domestic demand	-11.6	11.2	1.1	1.4	-0.0	1.3	2,084,315	2,111,754

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

	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Second quarter 2021	Third quarter 2021	Second quarter 2021	Third quarter 2021
	quarter-to-quarter % change, annualized						millions of dollars	
Final consumption expenditure	-37.8	49.0	3.0	3.4	0.5	12.1	1,620,363	1,667,206
Household final consumption expenditure	-45.1	62.2	1.2	2.5	-0.5	17.9	1,141,947	1,189,996
Non-profit institutions serving households' final consumption expenditure	-40.9	32.9	12.0	-10.1	2.3	5.4	30,672	31,080
General governments final consumption expenditure	-15.7	22.8	7.1	6.5	2.9	-0.7	446,599	445,787
Gross fixed capital formation	-43.0	66.9	9.7	14.2	-1.9	-13.7	464,437	447,648
Business gross fixed capital formation	-48.7	78.1	9.9	16.5	-0.2	-17.7	382,428	364,210
Residential structures	-44.2	180.7	16.0	43.2	-11.3	-31.3	174,409	158,802
Non-residential structures, machinery and equipment	-55.2	27.7	4.8	-8.4	15.3	-0.9	166,379	165,988
Intellectual property products	-31.1	14.2	4.6	10.1	3.4	-5.7	39,580	38,999
General governments gross fixed capital formation	-9.6	25.5	8.4	4.8	-9.6	8.7	80,146	81,827
Investment in inventories (millions of dollars)	-35,264	-6,506	36,402	-4,140	13,874	-14,537	6,247	-8,290
Exports of goods and services	-51.2	70.5	3.7	2.7	-17.0	8.0	608,113	619,913
Less: imports of goods and services	-63.9	115.7	11.3	4.6	2.1	-2.3	641,149	637,383
Statistical discrepancy (millions of dollars)	-1,051	-958	-1,006	185	2,541	-112	1,075	963
Gross domestic product at market prices	-37.4	41.1	9.1	4.9	-3.2	5.4	2,066,339	2,093,927
Final domestic demand	-39.0	52.8	4.5	5.8	-0.1	5.4	2,084,315	2,111,754

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

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

	Second quarter 2021	Third quarter 2021	Third 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	1,620,363	1,667,206	2.190	0.762	8.938
Household final consumption expenditure	1,141,947	1,189,996	2.211	0.594	9.023
Goods	546,684	556,634	0.449	0.425	1.833
Durable goods	161,264	159,044	-0.102	0.090	-0.416
Semi-durable goods	86,989	99,138	0.506	0.002	2.065
Non-durable goods	297,958	298,934	0.045	0.333	0.184
Services	597,647	635,418	1.762	0.169	7.190
Non-profit institutions serving households' final consumption expenditure	30,672	31,080	0.019	0.010	0.078
General governments final consumption expenditure	446,599	445,787	-0.040	0.158	-0.163
Gross fixed capital formation	464,437	447,648	-0.875	0.502	-3.570
Business gross fixed capital formation	382,428	364,210	-0.960	0.452	-3.921
Residential structures	174,409	158,802	-0.914	0.193	-3.730
Non-residential structures, machinery and equipment	166,379	165,988	-0.019	0.241	-0.077
Non-residential structures	100,313	100,048	-0.013	0.175	-0.053
Machinery and equipment	65,727	65,605	-0.006	0.066	-0.024
Intellectual property products	39,580	38,999	-0.028	0.018	-0.114
Non-profit institutions serving households' gross fixed capital formation	1,791	1,854	0.003	0.002	0.012
General governments gross fixed capital formation	80,146	81,827	0.083	0.048	0.339
Investment in inventories	6,247	-8,290	-0.744	0.035	-3.036
Exports of goods and services	608,113	619,913	0.589	0.852	2.399
Goods	497,901	507,787	0.500	0.711	2.040
Services	110,256	112,151	0.088	0.140	0.359
Less: imports of goods and services	641,149	637,383	-0.180	1.353	-0.735
Goods	539,867	529,486	-0.489	1.244	-1.996
Services	104,380	110,658	0.309	0.109	1.261
Statistical discrepancy	1,075	963	-0.005	0.000	-0.020
Gross domestic product at market prices	2,066,339	2,093,927	1.335	0.799	5.446
Final domestic demand	2,084,315	2,111,754	1.316	1.264	5.368

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

Table 5
Canadian economic accounts key indicators – Seasonally adjusted

	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2021	Second quarter 2021	Third quarter 2021
Economy-wide						
Real gross domestic income (index 2012=100)	96.8	107.4	110.6	114.0	114.6	115.6
Gross domestic product deflator (index 2012=100)	108.6	111.0	112.4	116.0	118.7	119.6
Terms of trade (index 2012=100)	87.1	92.6	94.9	101.0	105.5	103.8
Household sector						
Household disposable income (millions of dollars)	1,478,476	1,401,072	1,388,204	1,425,932	1,446,564	1,471,864
Household net saving (millions of dollars)	401,436	188,440	159,260	187,012	202,324	161,204
Household saving rate (%)	27.2	13.4	11.5	13.1	14.0	11.0
Government sector						
General government disposable income (millions of dollars)	50,796	255,884	350,448	397,900	394,244	435,472
General government net saving (millions of dollars)	-436,656	-248,656	-164,724	-133,916	-139,992	-101,680
Corporate sector						
Non-financial corporations' net operating surplus (millions of dollars)	196,968	276,164	287,596	344,252	335,752	309,164
Financial corporations' net operating surplus (millions of dollars)	37,544	40,188	42,700	45,408	45,536	46,904
Non-financial corporations' net saving (millions of dollars)	-42,296	33,664	44,936	100,360	82,144	48,380
Financial corporations' net saving (millions of dollars)	35,824	35,396	36,624	-14,252	30,036	31,964
National						
National net saving (millions of dollars)	-32,348	17,260	83,960	145,820	177,848	144,088
National saving rate (%)	-2.0	1.0	4.4	7.3	8.7	6.9

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	2.8	1.5	-4.5	1,639,313	1,565,896
Household final consumption expenditure	2.3	1.9	3.8	2.6	1.4	-6.2	1,183,595	1,109,844
Non-profit institutions serving households' final consumption expenditure	4.7	9.0	0.4	2.6	3.0	-2.8	31,496	30,619
General governments final consumption expenditure	1.4	1.8	2.1	3.2	1.7	0.0	424,569	424,664
Gross fixed capital formation	-5.2	-4.7	3.3	2.5	-0.0	-2.8	444,491	431,853
Business gross fixed capital formation	-6.4	-5.4	2.7	2.5	0.9	-4.6	368,939	351,794
Residential structures	3.8	3.9	2.3	-1.1	-0.2	4.3	140,633	146,621
Non-residential structures, machinery and equipment	-11.3	-12.3	1.9	3.5	2.5	-12.1	189,252	166,371
Intellectual property products	-11.5	-1.7	8.8	12.4	-2.2	-3.3	39,561	38,265
General governments gross fixed capital formation	1.5	-0.1	6.5	2.7	-4.2	6.2	73,734	78,291
Investment in inventories (millions of dollars)	-9,178	-779	18,014	-2,590	1,767	-37,097	18,377	-18,720
Exports of goods and services	3.4	1.4	1.4	3.8	2.3	-9.7	682,482	616,342
Less: imports of goods and services	0.8	0.1	4.6	3.3	0.4	-10.8	674,390	601,271
Statistical discrepancy (millions of dollars)	-300	2,116	-2,039	838	137	-366	211	-155
Gross domestic product at market prices	0.7	1.0	3.0	2.8	1.9	-5.2	2,109,813	1,999,406
Final domestic demand	0.3	0.5	3.3	2.7	1.2	-4.1	2,082,110	1,996,456

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](#), [36-10-0611-01](#) and [36-10-0655-01](#).

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 document, "[The 2018 to 2020 revisions of the Income and Expenditure Accounts](#)," which is part of *Latest Developments in the Canadian Economic Accounts* ([13-605-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 data visualization product "[Overview of the stock and consumption of fixed capital program: Interactive tool](#)," 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 [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@statcan.gc.ca) or Media Relations (STATCAN.mediahotline-ligneinfomedias.STATCAN@statcan.gc.ca).