

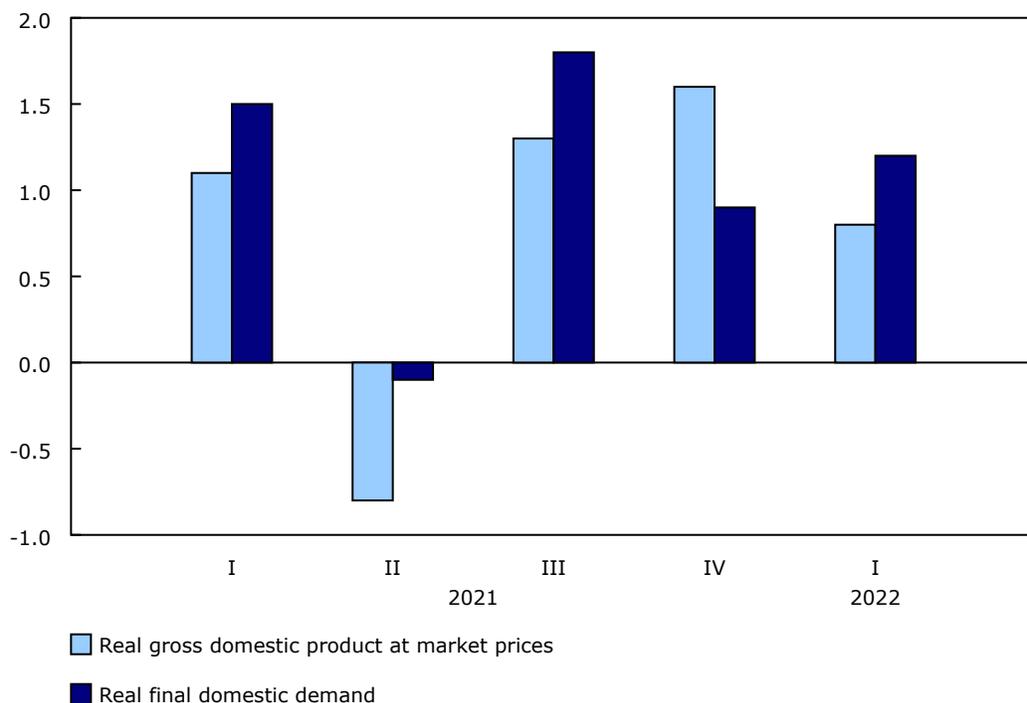
Gross domestic product, income and expenditure, first quarter 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, May 31, 2022

Real gross domestic product (GDP) grew 0.8% in the first quarter of 2022, a third consecutive quarterly increase, mainly on the strength of increased business investment and household consumption. Growth slowed in the first quarter compared with the previous two quarters due to a drop in international exports volumes. Final domestic demand rose by 1.2%, following a 0.9% increase in the fourth quarter of 2021.

Chart 1
Real gross domestic product and final domestic demand

quarterly change (%), chained (2012) dollars



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

Export volumes declined 2.4% in the first quarter, following two consecutive quarterly increases. Decreased international trade of energy products contributed to overall declines in both exports (-2.4%) and imports (-0.7%).

Residential investment and mortgages continue to rise

Investment in residential construction rose for a second consecutive quarter, up 4.3%, as renovations (+9.3%), resale costs (+4.6%) and new construction (+0.2%) all increased in the first quarter of 2022. Aside from Alberta and the territories, new construction increased in every province, led by the Atlantic provinces. Home resale activity was particularly robust in Alberta (+27.4%) and Prince Edward Island (+15.0%).



While new construction and notable renovation activity pushed the value of residential structures to \$3.5 trillion, Canadians added \$33.9 billion in household residential mortgage debt in the first quarter of 2022, down from the \$44.8 billion recorded in the fourth quarter of 2021. The Bank of Canada raised the policy interest rate in the first quarter to 0.5% from 0.25%, where it had remained since the first quarter of 2020.

Business investment in non-residential structures (+2.9%) and in machinery and equipment (+0.9%) also increased in the first quarter of 2022. Investment in engineering structures rose 3.5%, as spending on the Kitimat LNG project in British Columbia and oil and gas activity increased.

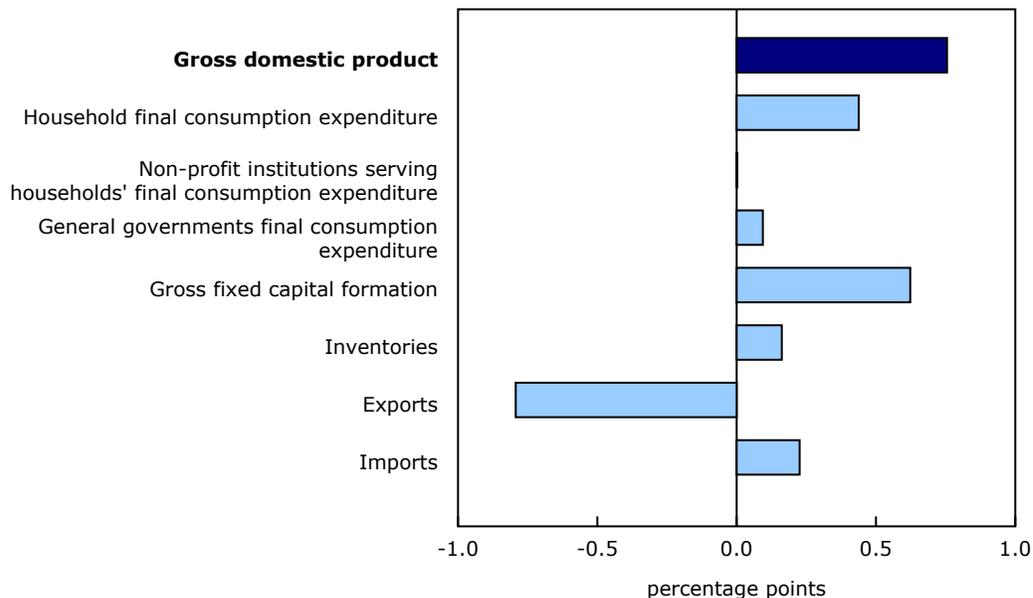
Higher household spending spurs growth

Household spending rose 0.8% in the first quarter, a third consecutive quarterly increase, as outlays on most goods and services expanded, even with limited capacity restrictions throughout Canada on in-person shopping and services.

Outlays for durable goods increased 2.6% in the first quarter, following a 0.3% increase in the fourth quarter of 2021. Aside from the third quarter of 2020, this was the largest quarterly increase of durable goods outlays in five years. Higher outlays on new passenger cars (+16.1%) and new trucks, vans and sport utility vehicles (+3.5%) led the growth. Despite the increases, spending on automobiles remained lower than pre-pandemic levels, as lagging supply chain issues continue to impact the auto industry.

Outlays for services rose 0.7% in the first quarter, a seventh consecutive quarterly increase. Even with consecutive increases, outlays on services remained lower than the pre-pandemic high, set in the fourth quarter of 2019.

Chart 2
Contributions to percentage change in real gross domestic product, first quarter of 2022



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

Gross domestic product implicit price index continues to rise, as terms-of-trade improve

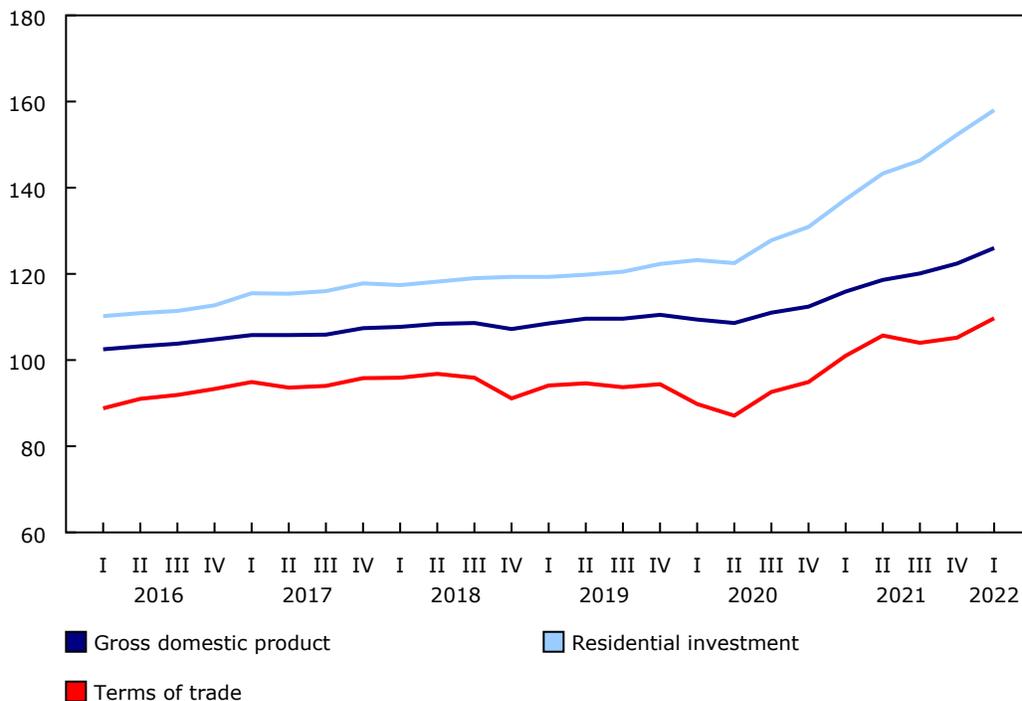
The GDP implicit price index, which reflects the overall price of domestically produced goods and services, increased 2.9% in the first quarter, primarily due to higher export prices of crude oil and bitumen (+23.0%). Household consumption prices for fuels and lubricants (+10.4%) and prices of housing investment (+3.9%) also contributed to a higher GDP implicit price in the first quarter. Household consumption prices were up by a significant amount in the quarter and have risen by 4.8% since the first quarter of 2021. By comparison, the Consumer Price Index also saw significant increases in the first quarter of 2022.

The terms-of-trade (ratio of price of exports to price of imports) reached 109.7 for the first quarter, as the index grew 4.2%. Strengthening export prices (+7.1%) were again heavily influenced by the rising price of crude oil. Significant increases in the prices of other exports, such as lumber (+25.0%), electricity (+24.8%) and refined petroleum products (+21.2%), reflecting continued price pressures due to supply constraints, also impacted the terms-of-trade in the first quarter.

Comparatively, the total imports deflator increased 2.7%, a fourth consecutive quarterly increase. Although higher prices were seen in imports, such as pharmaceuticals and medicinal products (+7.8%) and refined petroleum energy products (+8.4%), these boosts were not enough to offset the higher export prices.

Chart 3
Gross domestic product price indexes, selected components

price index (2012=100)



Source(s): Tables [36-10-0106-01](#) and [36-10-0105-01](#).

Significant growth in compensation of employees

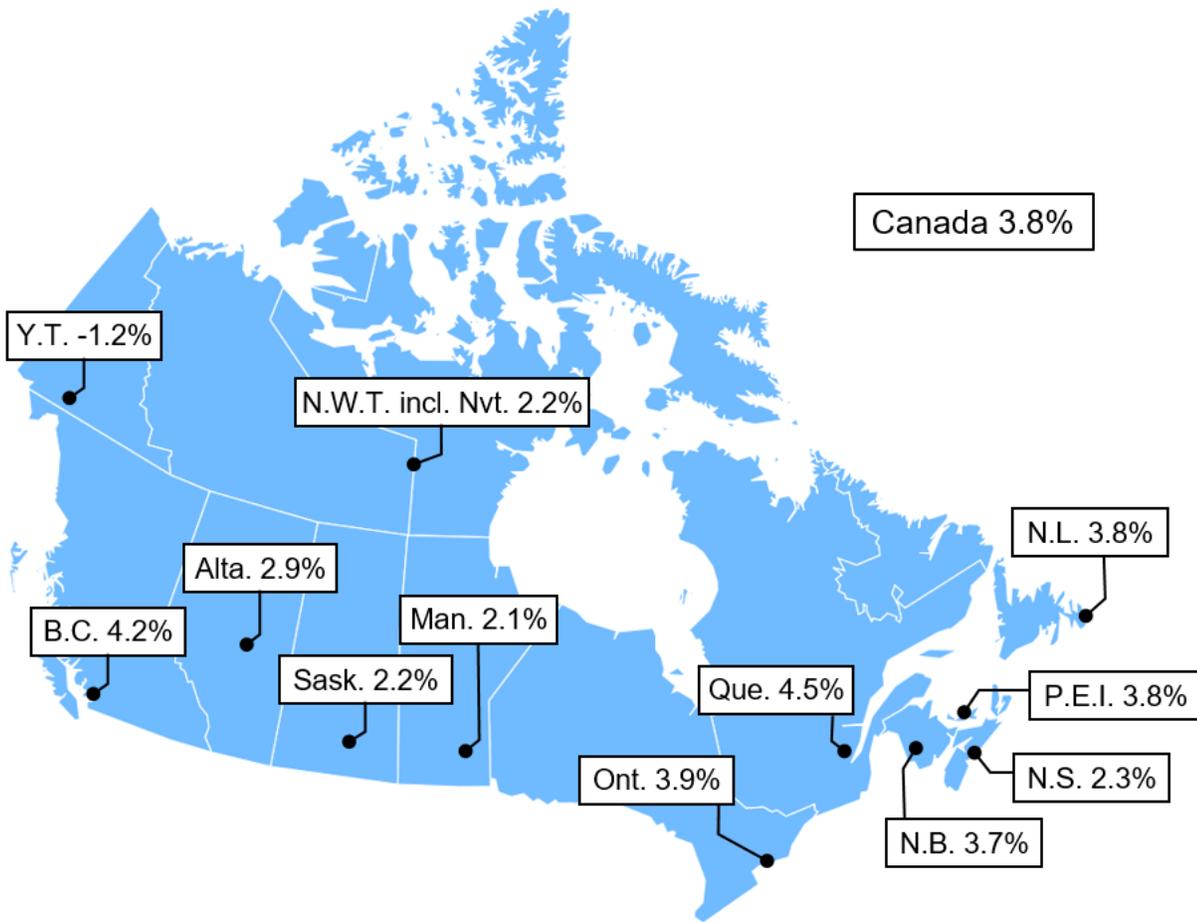
Growth in nominal GDP (+3.7%) in the first quarter was led by higher compensation of employees.

Compensation of employees rose 3.8% on a nominal basis, following a 2.0% increase in the fourth quarter of 2021. Excluding the third quarter of 2020, this was the largest quarterly growth in compensation of employees since the second quarter of 1981.

Increases in compensation of employees were due mainly to average wages, which almost double the rate of growth for employment. Average wages rose along with increased economic activity and employers' efforts to attract qualified workers by offering higher salaries. Significant wage growth was recorded throughout the economy, including in professional and personal services, trade, manufacturing, health care and social assistance and construction industries.

Gains in employee compensation occurred across most parts of the country, with growth for the first quarter strongest in Quebec (+4.5%; representing one-quarter of the increase for Canada), British Columbia (+4.2%; representing 15% of the increase for Canada), and Ontario (+3.9%; representing 42% of the increase for Canada).

Map 1 – Compensation of employees, quarter-to-quarter growth, seasonally adjusted



Source: Table 36-10-0205-01, May 2022.

Household savings rate climbs on higher disposable income

Within the household sector (nominal terms at quarterly rates), compensation of employees increased by \$12.4 billion in the first quarter, while mixed incomes and property incomes (i.e., interest and dividends) were up a further \$3.9 billion combined. Government transfers to households edged down 0.4% in the first quarter, accounting for 67.6% of all transfers received by households, the same share as the first quarter of 2020. By the end of 2021, the bulk of government measures to support households had ended. Households increased their payments to government for both personal income taxes and social insurance plan contributions, but this only slightly dampened the growth in disposable income, which increased \$11.9 billion over the quarter.

Increases in nominal household disposable income, combined with a boost to employer-sponsored pension entitlements (+13.2%) outweighed higher household spending (+2.4%), which was bolstered by rising prices. This resulted in an 8.1% household savings rate in the first quarter of 2022. This rate followed a 6.9% household savings rate in the fourth quarter of 2021. By comparison, the average household savings rate over the decade prior to 2020 was 3.5%. The household savings rate is aggregated across all income brackets. In general, savings rates are greater in higher income brackets.

Household net saving remained elevated relative to pre-pandemic levels despite ongoing increases in the cost of living. Persistently high increases in the costs for such items as fuels and lubricants, as noted above, tend to filter through to household consumption prices for a range of goods and services. While these estimates indicate ongoing resiliency in household net saving up to the first quarter of 2022, these trends may not be sustainable over time if inflationary pressures on consumption persist, and if recent gains in employee compensation are not maintained.

Federal government support measures largely wound down

Several targeted federal government support programs continued in the first quarter, such as the Canadian Hiring Recovery Program, the Hardest-Hit Business Recovery Program (HHBRP), the Tourism and Hospitality Recovery Program (THRP), and the Canadian Worker Lockdown Benefit. However, other programs that supported both households and businesses were over by the end of 2021. Federal transfers to households continued to decline in the first quarter of 2022. The introduction of the THRP and HHBRP resulted in a small increase in federal subsidies, but levels remained well below those recorded in 2020 and 2021.

As part of the Canadian Emergency Business Account, borrowers were entitled to have a portion of their loan forgiven if they repaid the balance by the specified deadline. In the first quarter, these forgiven amounts were reflected as capital transfers from the federal government to corporations and households (i.e., unincorporated businesses).

Note to readers

Accounting for e-commerce transactions with non-resident vendors

Please note that the indicators used to estimate Household Final Consumption Expenditure have been adjusted to account for non-resident e-commerce sales. The Monthly Retail Trade Survey collects data on resident vendor e-commerce sales. This non-resident vendor e-commerce adjustment, which is applied to the indicators employed to estimate household consumption, mainly the Retail Commodity Survey, is a non-seasonally adjusted, quarterly value. This adjustment has been in place since the fourth quarter of 2019. For the first quarter, the adjustment represents \$685.6 million applied to the household consumption indicators. The adjustment is derived using data sources such as detail customs transactions, GST remittances and financial statements for certain enterprises.

Updates to 2021 quarters

With this release, data have been updated from the first quarter of 2021 to the fourth quarter. These updates include new source data, such as an early version of the preliminary T4 data as well as Office of the Superintendent of Financial Institutions Insurance data. In addition, several source surveys have undergone historical and/or annual revisions, such as the Survey of Employment Payroll and Hours and the New Motor Vehicle Survey.

For information on the GDP revision cycle, see [GDP revision cycle](#).

Support measures by governments

To alleviate the economic impact of the COVID-19 pandemic, governments implemented programs, such as the Canada Emergency Wage Subsidy, 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 federal government measures can be found on the page [Federal government expenditures on COVID-19 response measures](#).

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 fourth quarter of 2021 to the first quarter of 2022.

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

Real-time tables

Real-time tables 36-10-0430-01 and 36-10-0431-01 will be updated on June 6, 2022.

Next release

Data on GDP by income and expenditure for the second quarter of 2022 will be released on August 31, 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:

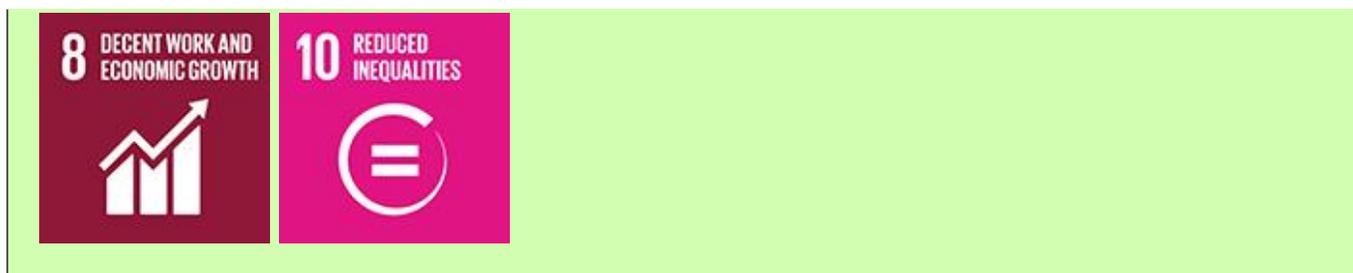


Table 1
Gross domestic product by income account – Seasonally adjusted at annual rates

	Fourth quarter 2020	First quarter 2021	Second quarter 2021	Third quarter 2021	Fourth quarter 2021	First quarter 2022	Fourth quarter 2021	First quarter 2022
	quarter-to-quarter % change						millions of dollars	
Compensation of employees	2.6	2.2	1.7	2.8	2.0	3.8	1,305,716	1,355,212
Gross operating surplus	1.8	9.0	0.3	-2.1	4.4	4.9	723,720	759,232
Gross mixed income	0.8	2.4	2.0	1.3	1.0	4.4	301,852	315,220
Taxes less subsidies on production	327.0	10.4	-4.1	82.3	35.4	-5.2	103,496	98,096
Taxes less subsidies, on products and imports	3.1	1.9	7.4	3.1	2.4	2.1	165,464	168,868
Statistical discrepancy (millions of dollars)	1,144	-1,588	920	-160	408	-40	1,440	1,400
Gross domestic product at market prices	3.6	4.2	1.6	2.6	3.6	3.7	2,601,688	2,698,028

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 2020	First quarter 2021	Second quarter 2021	Third quarter 2021	Fourth quarter 2021	First quarter 2022	Fourth quarter 2021	First quarter 2022
	quarter-to-quarter % change						millions of dollars	
Final consumption expenditure	0.7	0.7	0.1	3.4	0.5	0.7	1,680,734	1,692,654
Household final consumption expenditure	0.3	0.2	-0.2	4.7	0.4	0.8	1,195,185	1,205,133
Non-profit institutions serving households' final consumption expenditure	2.9	-2.4	0.3	1.8	1.8	0.1	31,800	31,836
General governments final consumption expenditure	1.7	2.0	0.8	0.4	0.6	0.4	453,114	455,125
Gross fixed capital formation	2.3	4.1	-0.6	-3.3	2.3	2.6	462,135	474,338
Business gross fixed capital formation	2.4	4.7	-0.2	-4.3	2.4	3.0	377,438	388,613
Residential structures	3.8	9.5	-3.3	-8.6	3.0	4.3	163,649	170,612
Non-residential structures, machinery and equipment	1.2	-0.1	4.0	0.6	2.5	2.2	175,544	179,387
Intellectual property products	1.1	1.5	0.1	-2.0	-0.6	-0.6	37,952	37,731
General governments gross fixed capital formation	2.0	1.1	-2.5	2.0	1.6	1.2	82,998	84,013
Investment in inventories (millions of dollars)	36,402	-6,930	19,048	-21,547	18,175	2,405	5,259	7,664
Exports of goods and services	0.9	0.6	-4.6	1.6	3.2	-2.4	637,600	622,005
Less: imports of goods and services	2.7	1.4	0.6	-0.3	4.0	-0.7	666,689	661,907
Statistical discrepancy (millions of dollars)	-1,006	1,416	-770	149	-320	68	-1,176	-1,108
Gross domestic product at market prices	2.2	1.1	-0.8	1.3	1.6	0.8	2,124,709	2,140,751
Final domestic demand	1.1	1.5	-0.1	1.8	0.9	1.2	2,140,589	2,165,640

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 2020	First quarter 2021	Second quarter 2021	Third quarter 2021	Fourth quarter 2021	First quarter 2022	Fourth quarter 2021	First quarter 2022	
	quarter-to-quarter % change, annualized					millions of dollars			
Final consumption expenditure	3.0	2.7	0.4	14.3	2.0	2.9	1,680,734	1,692,654	
Household final consumption expenditure	1.2	0.9	-0.8	20.1	1.8	3.4	1,195,185	1,205,133	
Non-profit institutions serving households' final consumption expenditure	12.0	-9.1	1.2	7.4	7.6	0.5	31,800	31,836	
General governments final consumption expenditure	7.1	8.2	3.2	1.7	2.3	1.8	453,114	455,125	
Gross fixed capital formation	9.7	17.2	-2.3	-12.4	9.4	11.0	462,135	474,338	
Business gross fixed capital formation	9.9	20.2	-0.6	-16.1	10.0	12.4	377,438	388,613	
Residential structures	16.0	43.9	-12.7	-30.3	12.4	18.1	163,649	170,612	
Non-residential structures, machinery and equipment	4.8	-0.6	16.8	2.3	10.2	9.0	175,544	179,387	
Intellectual property products	4.6	6.3	0.5	-7.8	-2.2	-2.3	37,952	37,731	
General governments gross fixed capital formation	8.4	4.7	-9.8	8.3	6.6	5.0	82,998	84,013	
Investment in inventories (millions of dollars)	36,402	-6,930	19,048	-21,547	18,175	2,405	5,259	7,664	
Exports of goods and services	3.7	2.5	-17.1	6.6	13.6	-9.4	637,600	622,005	
Less: imports of goods and services	11.3	5.6	2.4	-1.2	16.9	-2.8	666,689	661,907	
Statistical discrepancy (millions of dollars)	-1,006	1,416	-770	149	-320	68	-1,176	-1,108	
Gross domestic product at market prices	9.1	4.4	-3.1	5.3	6.6	3.1	2,124,709	2,140,751	
Final domestic demand	4.5	6.0	-0.3	7.3	3.7	4.8	2,140,589	2,165,640	

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

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

	Fourth quarter 2021	First quarter 2022	First quarter 2022		
			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	1,680,734	1,692,654	0.534	1.439	2.160
Household final consumption expenditure	1,195,185	1,205,133	0.438	0.810	1.772
Goods	553,989	559,195	0.228	0.539	0.922
Durable goods	158,478	162,591	0.182	0.104	0.736
Semi-durable goods	98,757	97,997	-0.030	0.033	-0.121
Non-durable goods	297,283	298,961	0.076	0.402	0.307
Services	643,142	647,905	0.210	0.271	0.850
Non-profit institutions serving households' final consumption expenditure	31,800	31,836	0.002	0.025	0.008
General governments final consumption expenditure	453,114	455,125	0.094	0.604	0.380
Gross fixed capital formation	462,135	474,338	0.623	0.531	2.521
Business gross fixed capital formation	377,438	388,613	0.579	0.458	2.343
Residential structures	163,649	170,612	0.409	0.367	1.655
Non-residential structures, machinery and equipment	175,544	179,387	0.180	0.071	0.728
Non-residential structures	108,988	112,120	0.153	0.067	0.619
Machinery and equipment	66,032	66,652	0.027	0.004	0.109
Intellectual property products	37,952	37,731	-0.010	0.019	-0.040
Non-profit institutions serving households' gross fixed capital formation	1,852	1,763	-0.004	0.002	-0.016
General governments gross fixed capital formation	82,998	84,013	0.048	0.071	0.194
Investment in inventories	5,259	7,664	0.162	-0.396	0.655
Exports of goods and services	637,600	622,005	-0.793	2.206	-3.208
Goods	519,559	505,510	-0.733	2.134	-2.965
Services	118,345	117,007	-0.060	0.072	-0.243
Less: imports of goods and services	666,689	661,907	-0.226	0.852	-0.914
Goods	552,430	547,206	-0.246	0.691	-0.995
Services	117,140	117,555	0.020	0.161	0.081
Statistical discrepancy	-1,176	-1,108	0.003	-0.001	0.012
Gross domestic product at market prices	2,124,709	2,140,751	0.755	2.926	3.054
Final domestic demand	2,140,589	2,165,640	1.157	1.969	4.681

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

Table 5
Canadian economic accounts key indicators – Seasonally adjusted

	Fourth quarter 2020	First quarter 2021	Second quarter 2021	Third quarter 2021	Fourth quarter 2021	First quarter 2022
Economy-wide						
Real gross domestic income (index 2012=100)	110.6	113.9	114.6	115.5	117.8	120.3
Gross domestic product deflator (index 2012=100)	112.4	115.9	118.6	120.1	122.4	126.0
Terms of trade (index 2012=100)	94.9	101.0	105.7	104.0	105.2	109.7
Household sector						
Household disposable income (millions of dollars)	1,388,204	1,427,836	1,449,872	1,449,424	1,433,004	1,480,976
Household net saving (millions of dollars)	159,260	195,884	210,404	138,212	98,368	119,556
Household saving rate (%)	11.5	13.7	14.5	9.5	6.9	8.1
Government sector						
General government disposable income (millions of dollars)	350,448	388,932	380,252	459,896	526,380	532,240
General government net saving (millions of dollars)	-164,724	-145,000	-155,324	-82,256	-25,760	-38,156
Corporate sector						
Non-financial corporations' net operating surplus (millions of dollars)	287,596	339,844	335,208	311,704	335,256	362,864
Financial corporations' net operating surplus (millions of dollars)	42,700	45,548	46,740	47,064	46,848	48,052
Non-financial corporations' net saving (millions of dollars)	44,936	96,896	82,788	47,092	82,836	106,368
Financial corporations' net saving (millions of dollars)	36,624	-3,972	36,376	34,636	28,940	26,744
National						
National net saving (millions of dollars)	83,960	149,464	178,068	142,488	188,548	219,036
National saving rate (%)	4.4	7.5	8.8	6.9	8.7	9.8

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

	2016	2017	2018	2019	2020	2021	2020	2021
	year-over-year % change						millions of dollars	
Final consumption expenditure	2.0	3.3	2.8	1.5	-4.5	5.1	1,565,896	1,646,490
Household final consumption expenditure	1.9	3.8	2.6	1.4	-6.2	5.0	1,109,844	1,165,086
Non-profit institutions serving households' final consumption expenditure	9.0	0.4	2.6	3.0	-2.8	1.5	30,619	31,069
General governments final consumption expenditure	1.8	2.1	3.2	1.7	0.0	5.8	424,664	449,405
Gross fixed capital formation	-4.7	3.3	2.5	-0.0	-2.8	7.1	431,853	462,672
Business gross fixed capital formation	-5.4	2.7	2.5	0.9	-4.6	7.8	351,794	379,159
Residential structures	3.9	2.3	-1.1	-0.2	4.3	15.3	146,621	169,126
Non-residential structures, machinery and equipment	-12.3	1.9	3.5	2.5	-12.1	2.3	166,371	170,281
Intellectual property products	-1.7	8.8	12.4	-2.2	-3.3	0.6	38,265	38,493
General governments gross fixed capital formation	-0.1	6.5	2.7	-4.2	6.2	4.4	78,291	81,731
Investment in inventories (millions of dollars)	-779	18,014	-2,590	1,767	-37,097	16,359	-18,720	-2,361
Exports of goods and services	1.4	1.4	3.8	2.3	-9.7	1.4	616,342	624,929
Less: imports of goods and services	0.1	4.6	3.3	0.4	-10.8	7.7	601,271	647,570
Statistical discrepancy (millions of dollars)	2,116	-2,039	838	137	-366	-663	-155	-818
Gross domestic product at market prices	1.0	3.0	2.8	1.9	-5.2	4.5	1,999,406	2,090,196
Final domestic demand	0.5	3.3	2.7	1.2	-4.1	5.6	1,996,456	2,107,738

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](#) and [36-10-0484-01](#).

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 the *Statistics Canada – Data Visualization Products* series ([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 the Statistics Canada 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).