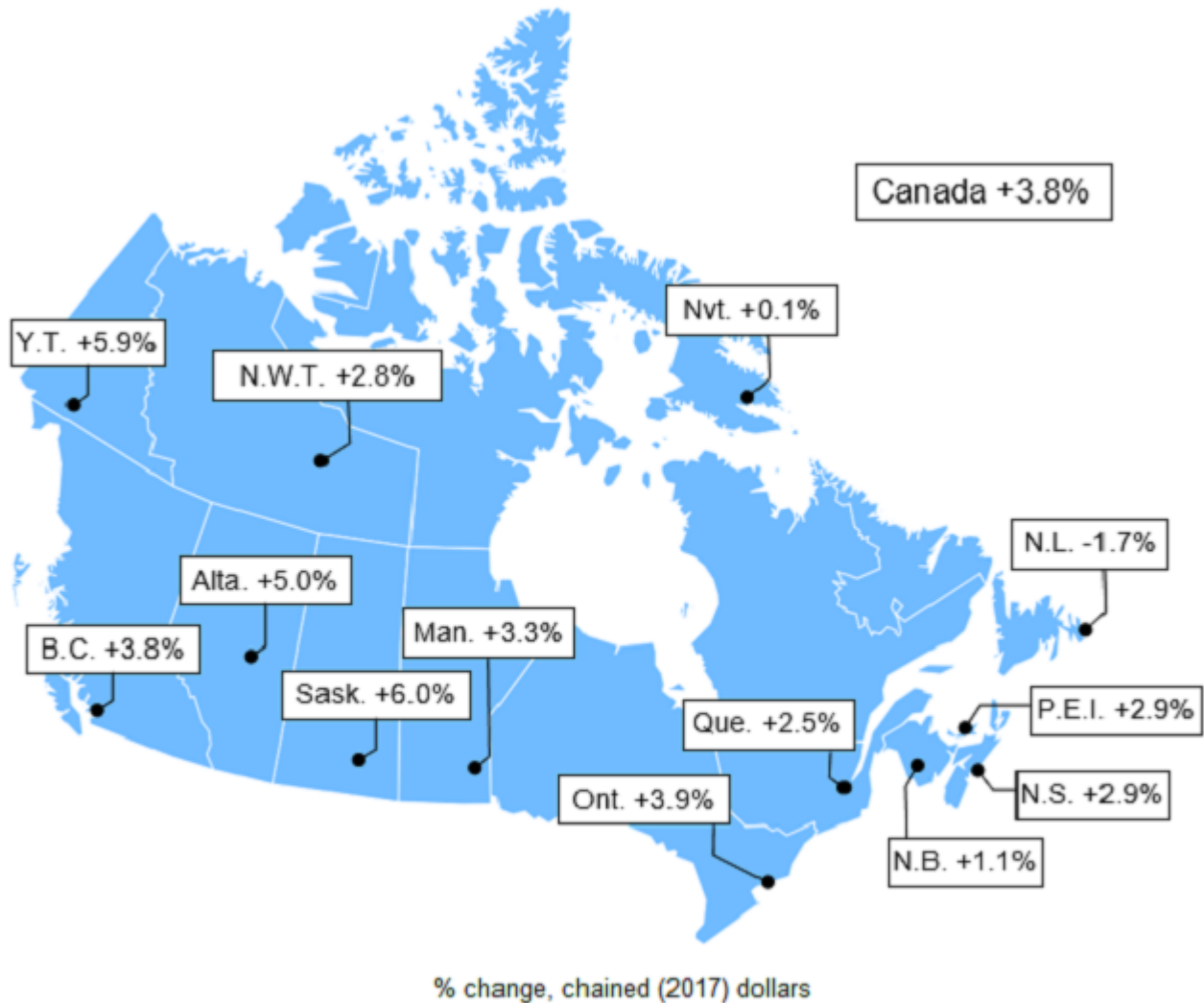


Provincial and territorial economic accounts, 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, November 8, 2023

Canada's real gross domestic product (GDP) grew 3.8% in 2022, following a 5.3% increase in 2021. Growth in real GDP was driven by household spending, inventory accumulation and exports.

Map 1 – Real gross domestic product in 2022



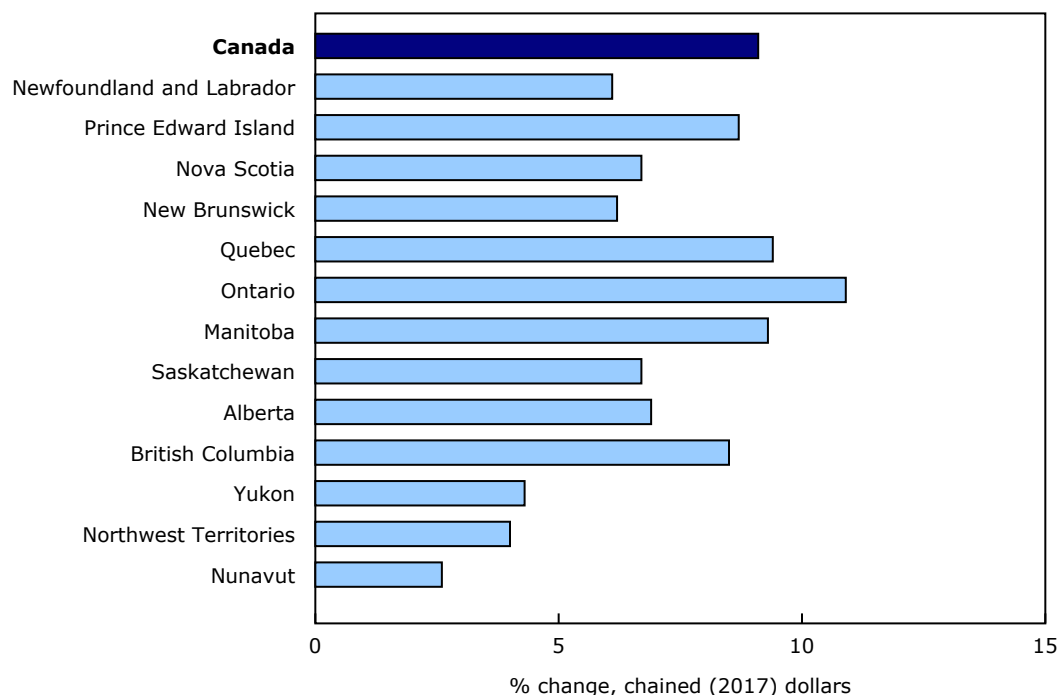
Source(s): Table 36-10-0222-01.

Real GDP rose in nine provinces and in each of the territories, with Newfoundland and Labrador (-1.7%) recording the lone decline. Among the provinces, Saskatchewan (+6.0%), Alberta (+5.0%) and Ontario (+3.9%) had the largest annual increases in GDP.

Household spending on services leads growth

Higher spending on services (+9.1%) drove the 5.1% increase in real household spending. As COVID-19 restrictions eased throughout 2022, households spent more on travelling abroad, air transport, and food and non-alcoholic beverage services.

Chart 1
Real household spending on services in 2022



Source(s): Table 36-10-0222-01.

Among the provinces, Ontario (+7.1%) had the highest growth in household spending, followed by Quebec (+4.9%) and Manitoba (+4.5%).

Non-farm and farm inventories accumulate at quicker pace

After a period of substantial inventory reductions, business non-farm inventories rose in most provinces and territories, stemming from the manufacturing, wholesale trade and retail trade sectors. These accumulations contributed significantly to the rise in real GDP of Prince Edward Island, New Brunswick and Quebec.

Conditions for crop production throughout the Prairies substantially improved in 2022, following a drought in 2021, which led to greater farm inventories in Saskatchewan, Manitoba and Alberta.

Growth of imports exceeds that of exports

Canada's imports of goods and services rose 7.6%, exceeding the 3.2% growth of exports, resulting in a negative impact on GDP in 2022. Imports grew in all provinces and territories except Nunavut (-13.7%) and New Brunswick (-1.1%). Prince Edward Island (+8.1%), British Columbia (+8.0%) and the Northwest Territories (+7.8%) had the highest growths in imports, driven by international trade rather than interprovincial trade. Yukon (+6.6%), the Northwest Territories (+6.5%) and British Columbia (+6.4%) recorded the highest growths in exports.

Non-residential construction and intellectual property products boost economy

Construction of non-residential structures increased 6.7% in 2022. Alberta and British Columbia were major contributors to this growth, which was led by oil and gas engineering projects, utilities and pipeline construction.

Business investment in intellectual property products rose 6.0%, reflecting higher expenditures on mineral exploration and evaluation and increased business investment in software. Alberta and Newfoundland and Labrador were the largest contributors to increased mineral exploration and evaluation expenditures. Ontario recorded a substantial increase in business investment in software.

Lower housing investment weighs on gross domestic product

Following a record-high housing investment in 2021, housing investment declined 12.1% in 2022, coinciding with increased interest rates. The decline was more pronounced in Ontario and British Columbia, where ownership transfer costs, which represent resale activity, fell sharply.

Rising prices lead nominal gross domestic product growth

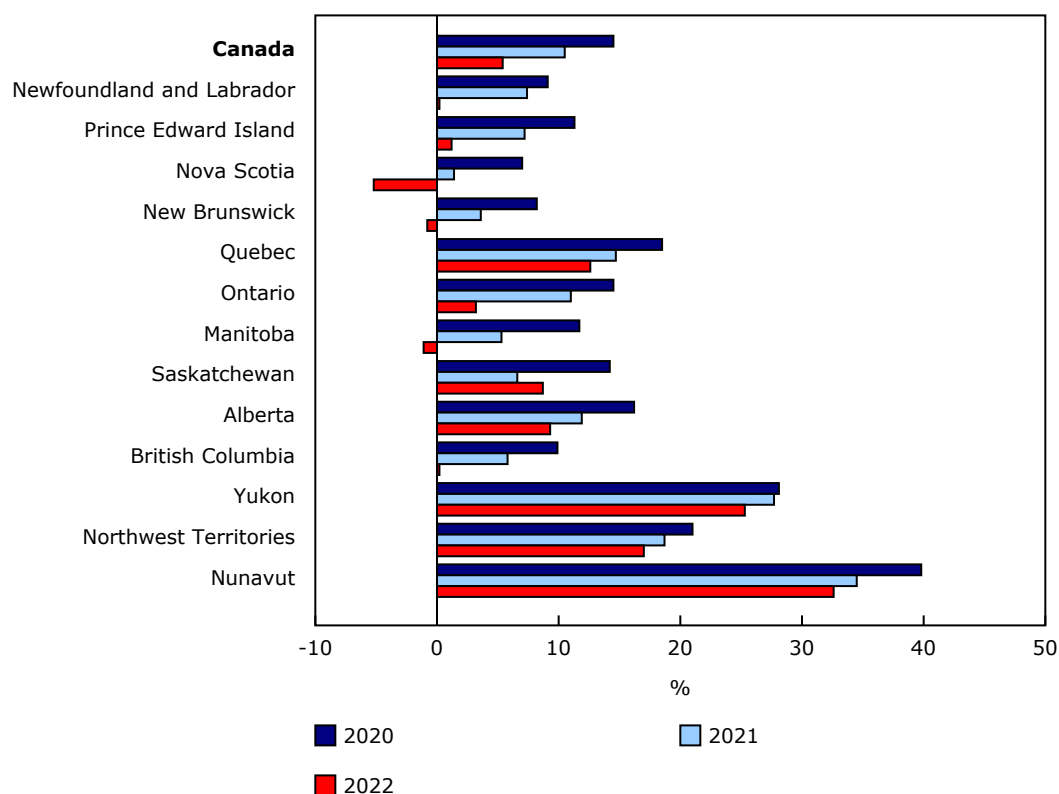
Canada's nominal GDP rose 11.8% in 2022, following a 13.4% increase in 2021. Saskatchewan (+29.2%) and Alberta (+22.0%) recorded the largest increases among the provinces. Wages and salaries (+9.5%) rose in each province and territory in 2022. Growth was highest in Alberta (+10.8%), driven by professional and personal services and mining, and in New Brunswick (+10.8%), led by professional and personal services and construction. The slowest wage growth was in Newfoundland and Labrador (+5.4%) and the Northwest Territories (+5.4%).

The implicit price for household spending was up 5.3% in 2022, with Prince Edward Island, the Northwest Territories and New Brunswick recording the largest increases among the provinces. Growth in nominal GDP far surpassed growth in real GDP, resulting in a 7.7% rise in the GDP implicit price index. Prices rose in every province and territory. Saskatchewan, Alberta and the Northwest Territories recorded the largest increases.

Household saving drops as higher spending offsets employment income gains

Nationally, the household saving rate dropped from 10.5% in 2021 to 5.4% in 2022, approaching rates observed before the pandemic. The drop in the saving rate was attributable to higher household spending that more than offset gains in disposable income.

Chart 2
Household saving rate, 2020, 2021 and 2022



Source(s): Table 36-10-0224-01.

Among the provinces, saving rates were highest in Quebec (12.6%) and in Alberta (9.3%). Ontario recorded the steepest drop in net saving in 2022, mainly due to higher interest payments on consumer credit. In fact, households in this province had the highest debt service ratio in the country (8.1% compared with 6.8% for Canada), mainly because of [increases in mortgage debt](#). Households in Ontario had the fastest increase in overall spending (+13.2%). Conversely, Saskatchewan was the only province to improve its net saving (+2.4 percentage points), as gains in farm self-employment income rebounded owing to improved growing conditions and higher grain prices.

Government expenditures continue growth

Government expenditures rose 7.9% in 2022, up from 7.1% in 2021. A series of retroactive payments and collective bargaining agreements with government employees contributed to this increase. Growth in government intermediate consumption was lower in 2022 than in 2021, as expenses related to COVID-19 relief programs decreased.

Note to readers

This release incorporates revisions to the Provincial and Territorial Economic Accounts for 2020 and 2021 and provides new data for 2022. Estimates of provincial and territorial gross domestic product (GDP) by industry from 1997 to 2022 were also revised. Both incorporate 2020 benchmark provincial and territorial supply and use tables, as well as revisions to the national income and expenditure accounts.

In addition to incorporating the 2020 benchmark provincial and territorial supply and use tables, this release also includes various updated source data, including, but not limited to: T4 benchmark data for 2021 and preliminary estimates for 2022, revised data from the Retail Commodity Survey and the International Trade in Services Survey, and the actual 2021 and the preliminary 2022 estimates of capital expenditures from the Annual Capital and Repair Expenditures Survey.

Revised volume estimates and updated international trade classification

With this release, the reference year for all GDP volume and price estimates has been updated to 2017=100. Subsequent releases, including the quarterly GDP program and Capital stock program, will follow the new 2017=100 reference year. In addition, the international trade classification has been updated to the 2022 North American Product Classification System.

At certain times of the year, Canada totals in the provincial and territorial GDP by Income and Expenditure Accounts (IEA) do not correspond to the national GDP by IEA estimates. The two accounts are brought back in line when annual revisions are incorporated with the third quarter release (November 30, 2023).

Percentage changes for expenditure-based statistics (such as household spending, exports and imports) are calculated from volume measures adjusted for price variations.

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

Available tables: [34-10-0095-01](#), [36-10-0221-01](#) to [36-10-0226-01](#) , [36-10-0400-01](#), [36-10-0402-01](#), [36-10-0432-01](#), [36-10-0450-01](#), [36-10-0481-01](#), [36-10-0482-01](#) and [36-10-0658-01](#).

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

Provincial and territorial gross domestic product by income and expenditure accounts

Provincial and territorial gross domestic product (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.

The data visualization product "[Provincial and territorial economic accounts: Interactive tool](#)," which is part of *Statistics Canada—Data Visualization Products* ([71-607-X](#)), is now available.

The *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)) is available.

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.

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

Revised figures from 1997 to 2022 provincial and territorial GDP by industry are included with this release.

The data visualization product "[Gross domestic product \(GDP\) by industry, provinces and territories: Interactive tool](#)" was also revised for the 1997 to 2022 period. This tool makes it easier for users to consult GDP data as part of Statistics Canada's corporate vision to make data more accessible in useful ways.

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).