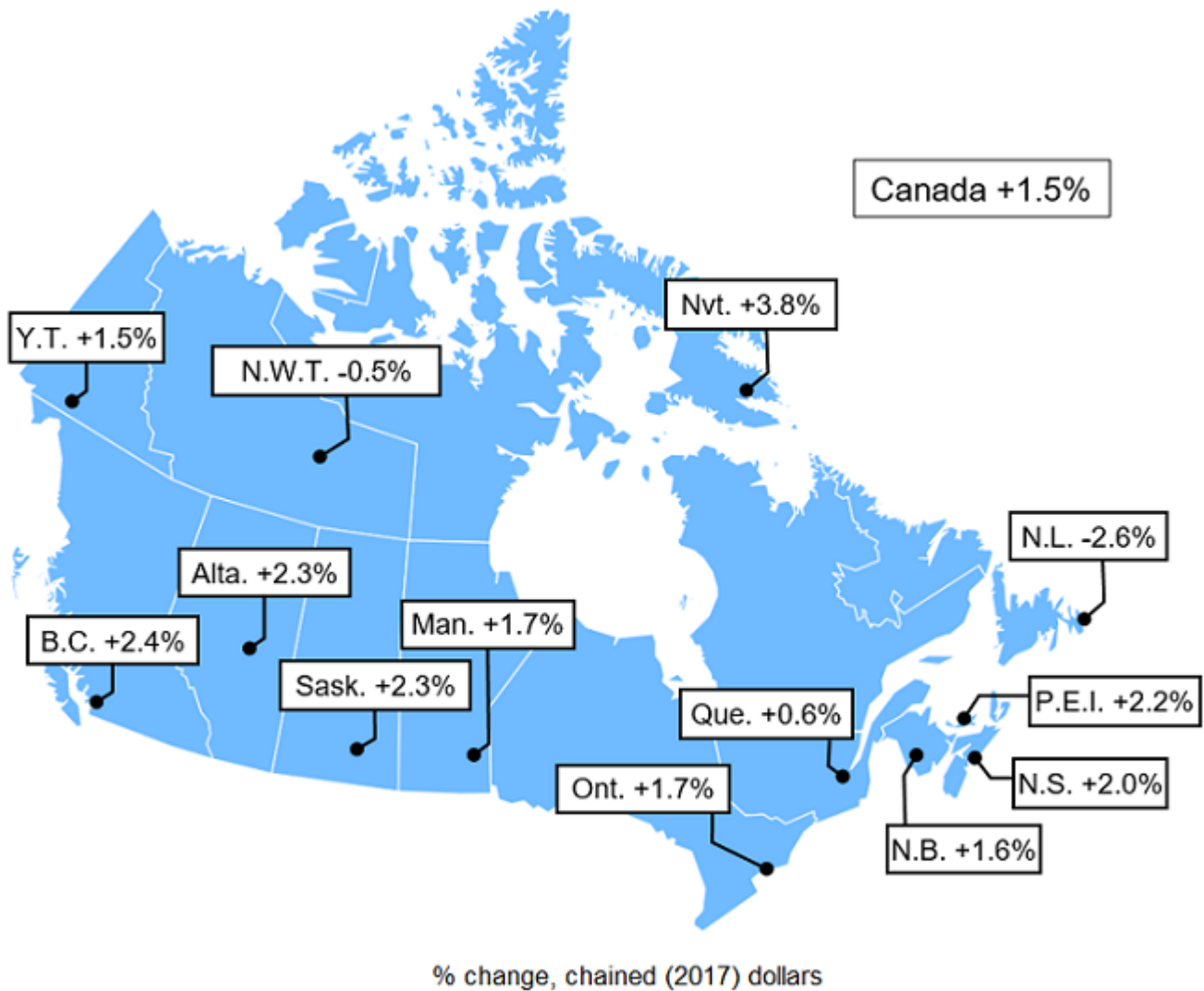


Provincial and territorial economic accounts, 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, November 7, 2024

Canada's gross domestic product (GDP) grew 1.5% in 2023, following a 4.2% increase in 2022 and a 6.0% growth in 2021. The rise in GDP in 2023 was driven by higher exports and household spending on services.

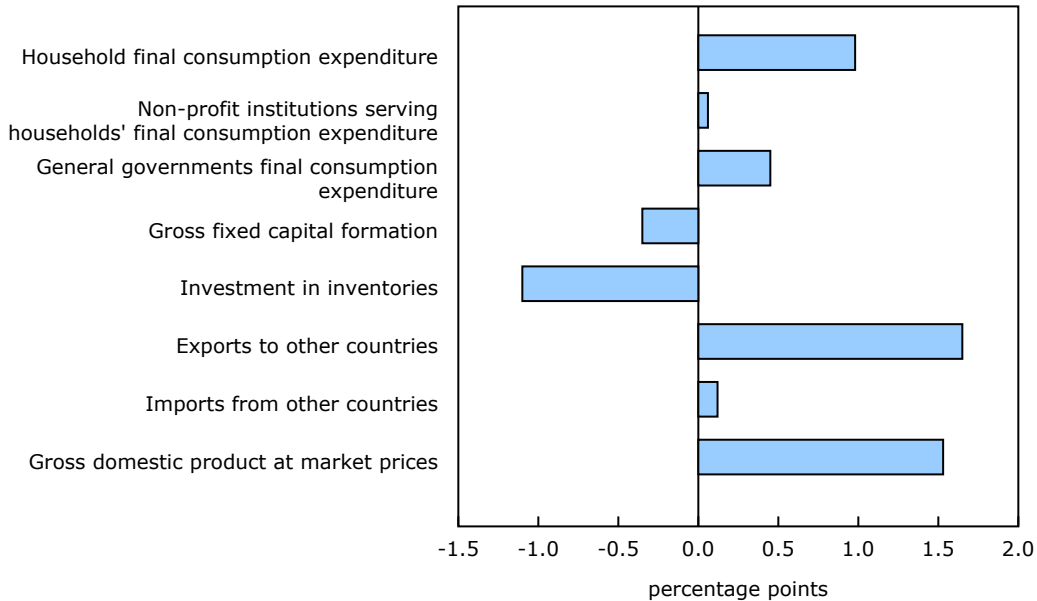
Map 1 – Gross domestic product in 2023



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

In 2023, GDP rose in nine provinces and two territories, with Newfoundland and Labrador (-2.6%) and the Northwest Territories (-0.5%) recording declines. British Columbia (+2.4%), Saskatchewan (+2.3%) and Alberta (+2.3%) had the largest annual increases in GDP, while Nunavut (+3.8%) posted the largest increase among the territories.

Chart 1
Contributions to percent change in real gross domestic product, expenditure-based, 2023



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

Growth in gross domestic product fuelled by expanding exports that outpace imports

In 2023, Canada's exports of goods and services rose 5.0%, outpacing the 0.3% increase in imports. Exports grew in 10 jurisdictions, while they declined in Newfoundland and Labrador, Yukon and the Northwest Territories. For imports, growth varied across the country, with Newfoundland and Labrador (+7.9%) posting the largest increase among the provinces, while Yukon (-2.1%), Quebec (-0.8%) and Alberta (-0.2%) registered declines.

Household spending rises but at slower pace than previous year

In 2023, household spending increased 1.8%, following strong growth in 2022 (+5.5%). The increase in 2023 was driven by higher spending on services (+2.7%). Household spending on goods (+0.7%) was up slightly.

Among the provinces, Newfoundland and Labrador (+3.8%) had the highest growth in household spending in 2023, followed by Alberta (+3.3%). Population growth outpaced the rise in household spending in all provinces and territories except for Newfoundland and Labrador and Nunavut. The Northwest Territories was the only jurisdiction where both population and household spending fell in 2023.

Slower growth in government final consumption expenditure

General government final consumption expenditure on goods and services rose 2.2% in 2023, following a 3.2% increase the previous year. Higher provincial, territorial and local government expenditures more than offset a decline in federal government spending in 2023.

General government final consumption expenditure increased in all provinces and territories in 2023, except for Quebec (-1.7%) and Yukon (-1.6%), which recorded declines. Growth was highest in British Columbia (+6.9%) and Manitoba (+6.0%).

Housing investment continues to decline

Housing investment (-8.5%) continued to fall in 2023, after a decline of 10.6% in 2022. Investment was lower in 2023 in all three components of housing: new construction, renovations to existing homes, and ownership transfer costs. Nunavut was the only region to post an increase in housing investment. Among the provinces, the largest declines were in Newfoundland and Labrador (-16.8%), Prince Edward Island (-16.3%) and Quebec (-15.1%).

Business investment in non-residential structures and software up, while spending on machinery and equipment falls

Business investment in non-residential structures increased 3.2% in 2023. Nunavut, the Northwest Territories, Newfoundland and Labrador and Saskatchewan recorded the largest increases, with higher spending in the mining, utilities and oil and gas sectors.

Business investment in intellectual property products rose 4.0% in 2023. This rise was due to an increase in expenditures on software, which more than offset lower expenditures on mineral exploration and evaluation and on research and development. Ontario was the largest contributor to the increase in business software investment.

In 2023, business investment in machinery and equipment declined 2.7%, following two consecutive years of growth. Most provinces and territories registered declines, while Newfoundland and Labrador (+23.6%), Yukon (+16.7%) and Saskatchewan (+2.3%) recorded increased investment in machinery and equipment.

Non-farm inventories

Business non-farm inventory (+\$28.2 billion) accumulated at a slower pace in 2023 compared with the record high build-up in 2022 (+\$46.7 billion). Nearly all provinces and territories recorded smaller inventory accumulations in 2023, with the largest slowdowns occurring in Ontario and Quebec.

Nominal gross domestic product growth slows in 2023

Nominal GDP grew 2.9% in 2023, after rising 12.4% in 2022 and 14.2% in 2021, which were rebounds from the COVID-19 pandemic-related decline in 2020. In 2023, a similar trend was observed across most provinces and territories, except for Nunavut (+11.7%), which recorded the highest growth in after declining the previous year.

Compensation of employees continues to rise

Compensation of employees rose in every province and territory in 2023, the third consecutive annual increase since the pandemic-induced decline in 2020. Nationally, wages and salaries rose 6.5% in 2023, led by strong growth in professional and personal services, health care and social assistance and construction.

Wages increased the most in Yukon (+9.9%) in 2023, followed by Nova Scotia (+9.4%) and Prince Edward Island (+9.4%). Wage growth was lowest in Quebec (+5.2%), the Northwest Territories (+5.3%) and Nunavut (+5.3%).

Gross operating surplus declines

Gross operating surplus decreased 5.9% in 2023 after growing significantly in the previous two years. Those were the largest growths since the early 80s. The drop in 2023 was attributable to lower energy and other natural resource prices declining from two-year highs. Higher gross operating surplus in the wholesale, retail and manufacturing sectors tempered the overall decline.

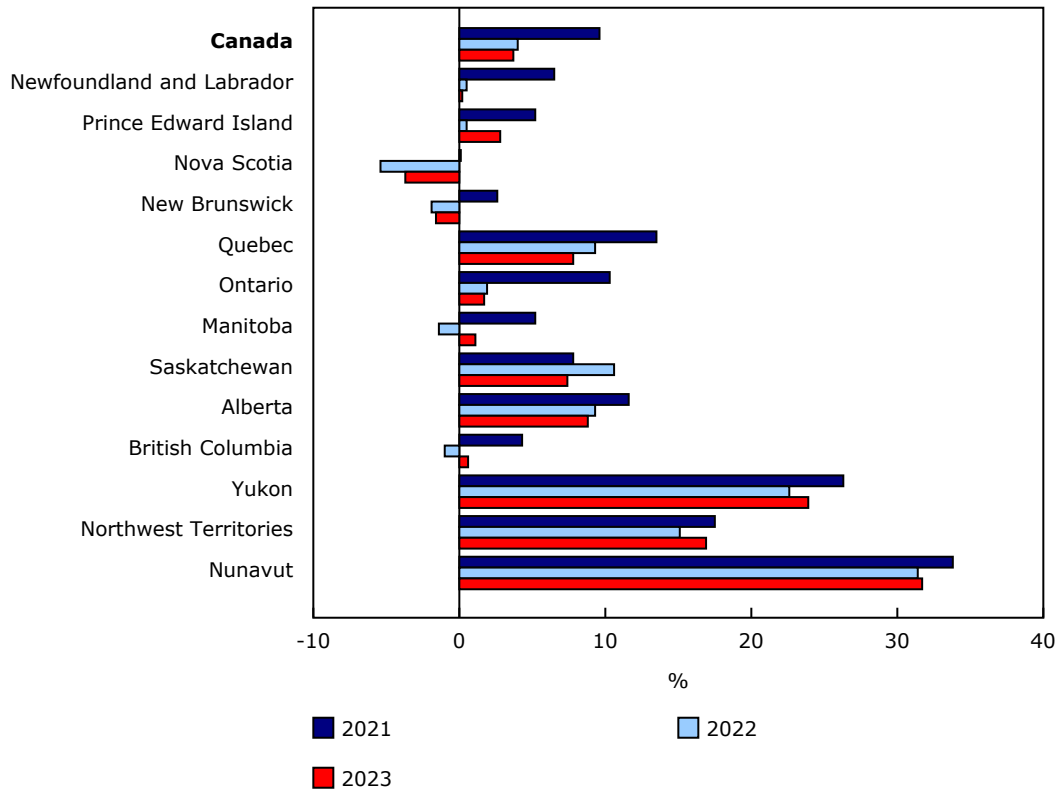
Newfoundland and Labrador (-21.1%) and Alberta (-16.0%) registered the steepest declines in gross operating surplus due to lower prices in the natural resource sectors. Growth in Quebec (+4.3%) and Ontario (+0.9%) helped temper the national decline, as the surplus in services industries increased.

Household saving rate slows alongside increased debt service burden

The household saving rate was 3.7% in 2023, down slightly from 4.0% in 2022. The three territories posted the highest household saving rates in 2023, with Nunavut at 31.7%, Yukon at 23.9% and the Northwest Territories at 16.9%. However, three provinces, Quebec, Ontario and Alberta, accounted for a combined share of over 90% of Canadian households' net saving.

Total interest paid by households on mortgage and non-mortgage debt increased sharply by 42.5% in 2023, as rising interest rates that began in early 2022 continued to raise the cost of borrowing. As a result, the interest-only debt service ratio, which measures the interest paid on debt as a share of household disposable income, reached 9.1% in 2023. This was the highest level since 1995. Among the provinces and territories, Ontario and British Columbia recorded the largest debt service burdens in 2023, with each province surpassing 10%.

Chart 2
Household saving rate, 2021, 2022 and 2023



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

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Note to readers

This release incorporates updates to the Provincial and Territorial Gross Domestic Product (GDP) by Income and by Expenditure Accounts for 2021 and 2022, as well as new data for 2023. Estimates of Gross Domestic Product by Industry - Provincial and Territorial from 2021 to 2023 have also been revised. Both programs incorporate the 2021 benchmark provincial and territorial supply and use tables, as well as updates to the national income and expenditure accounts.

This release also includes various updated source data, including, but not limited to: T4 wages and salaries benchmark data for 2022 and preliminary estimates for 2023; revised data from the Retail Commodity Survey, the International Trade in Services Survey, and the 2022 actual estimates and 2023 major project updates from the Annual Capital and Repair Expenditures Survey.

With this release, estimates of travel exports and of compensation of employees to non-residents have been revised for 2022 and 2023 to reflect an updated methodology of capturing the increase in temporary foreign workers and international students in Canada. A paper explaining these changes in more detail will be released on November 12 in [Latest Developments in the Canadian Economic Accounts](#).

At certain times of the year, Canada totals in the Provincial and Territorial Gross Domestic Product (GDP) by Income and by Expenditure Accounts do not correspond to the National Gross Domestic Product (GDP) by Income and by Expenditure Accounts estimates. The two accounts are brought back in line when annual revisions are incorporated with the third quarter release on November 29, 2024.

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

The Provincial and Territorial Gross Domestic Product (GDP) by Income and by Expenditure Accounts for 2024 will be released on November 6, 2025.

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

For more information on revisions to GDP, see the article "[Revisions to Canada's 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 document "[Revisions to Canada's GDP](#)," which is part of *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is 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 2021 to 2023 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 2021 to 2023 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).