



# Ontario Economic Monitor

October 2023 to March 2024

**Briefing Deck**



**FAO**

Financial Accountability  
Office of Ontario

# Overview

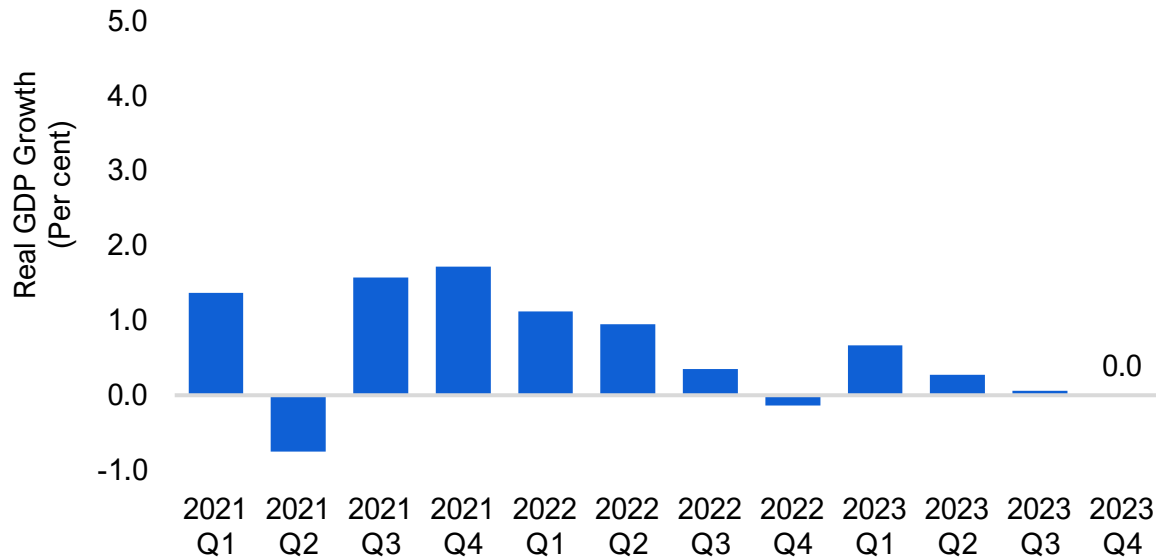
- This report presents the latest trends in the Ontario economy over the October 2023 to March 2024 period based on the most recent data from the Ontario Economic Accounts (OEA), Statistics Canada and other organizations.
- The report also provides an assessment of the FAO's latest economic forecast given these recent trends.



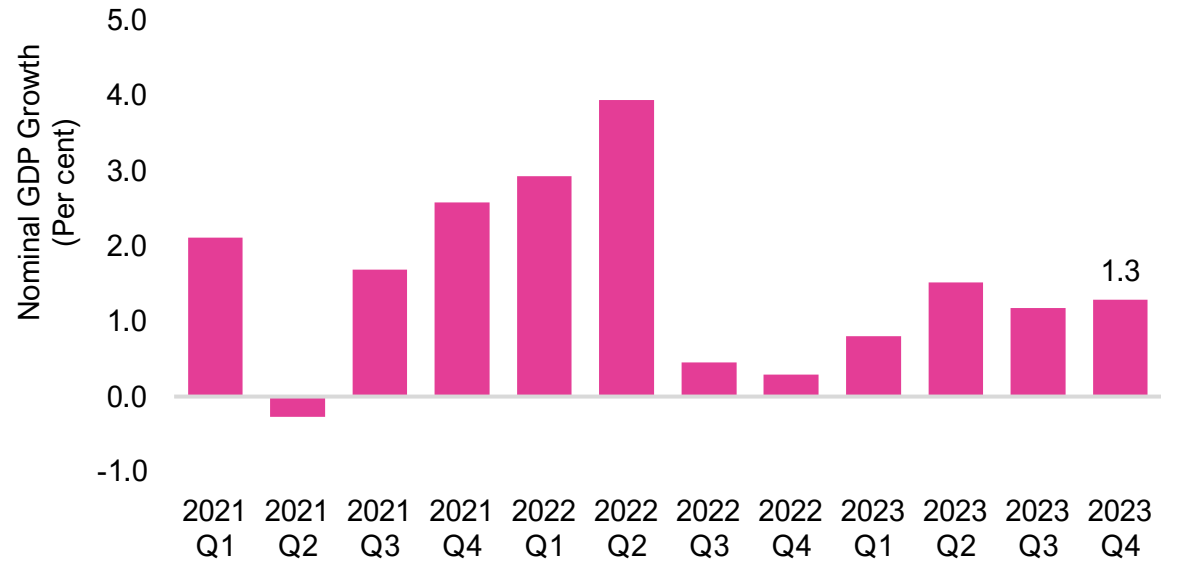
# 2023 Q4 – Ontario Gross Domestic Product

- Ontario’s real Gross Domestic Product (GDP), the most comprehensive measure of economic activity, was unchanged in 2023 Q4, continuing a trend of slow growth underway since mid-2022.
- Nominal GDP, the broadest measure of the tax base, grew by 1.3% in 2023 Q4.

Real GDP



Nominal GDP



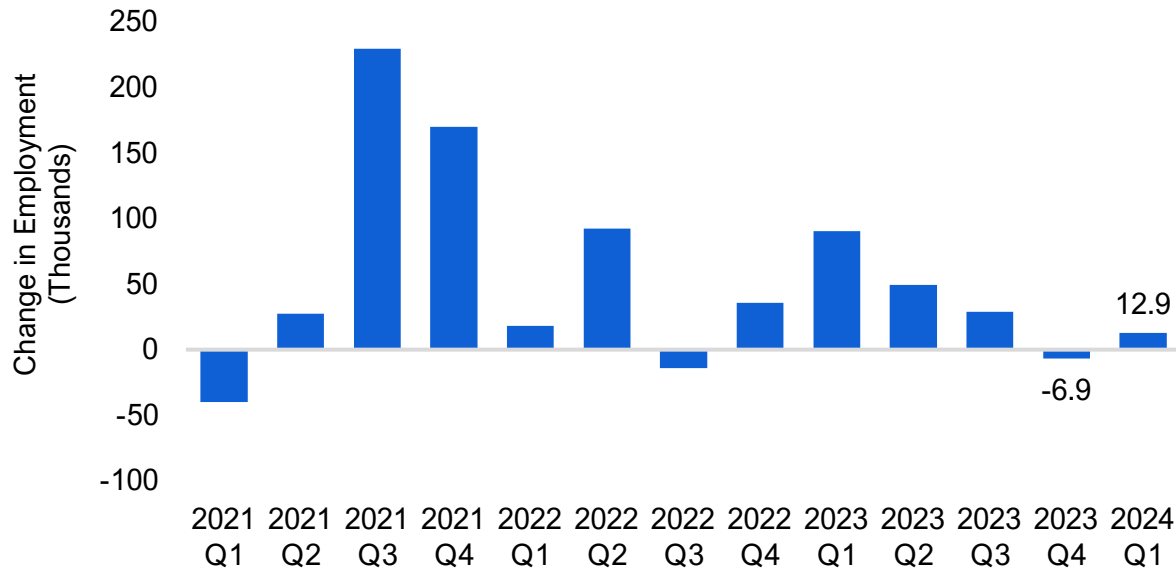
Source: Ontario Economic Accounts and FAO.



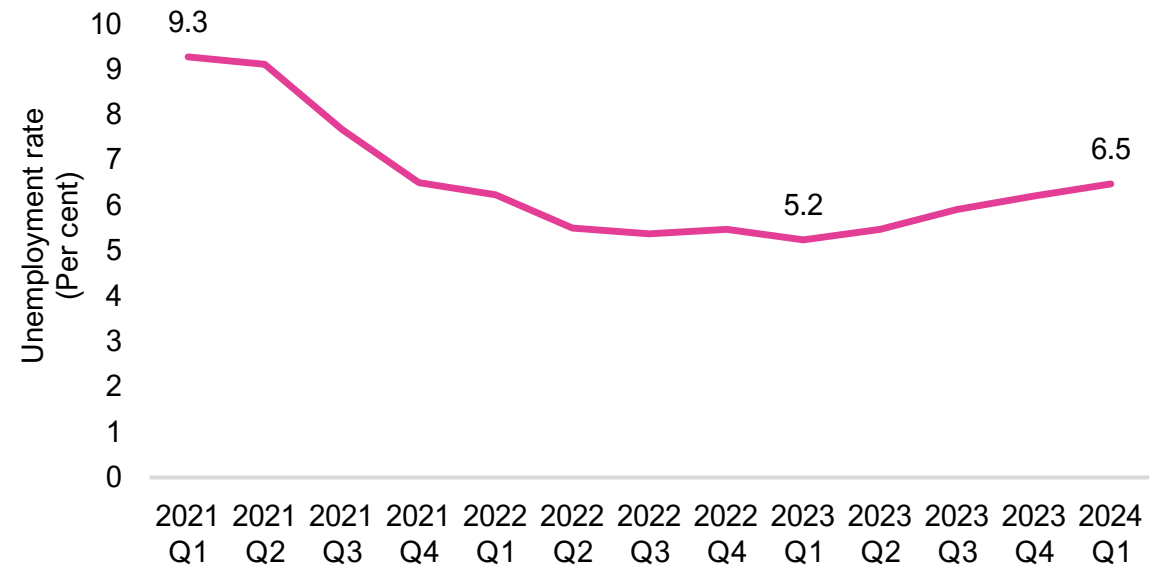
# 2024 Q1 – Labour Market

- Employment in Ontario rose by 12,900 jobs in 2024 Q1, an increase of 0.2%, after a decline of 0.1% in 2023 Q4.
- With weak job creation, Ontario’s unemployment rate has increased from 5.2% in 2023 Q1 to 6.5% in 2024 Q1.

Change in Employment



Unemployment Rate

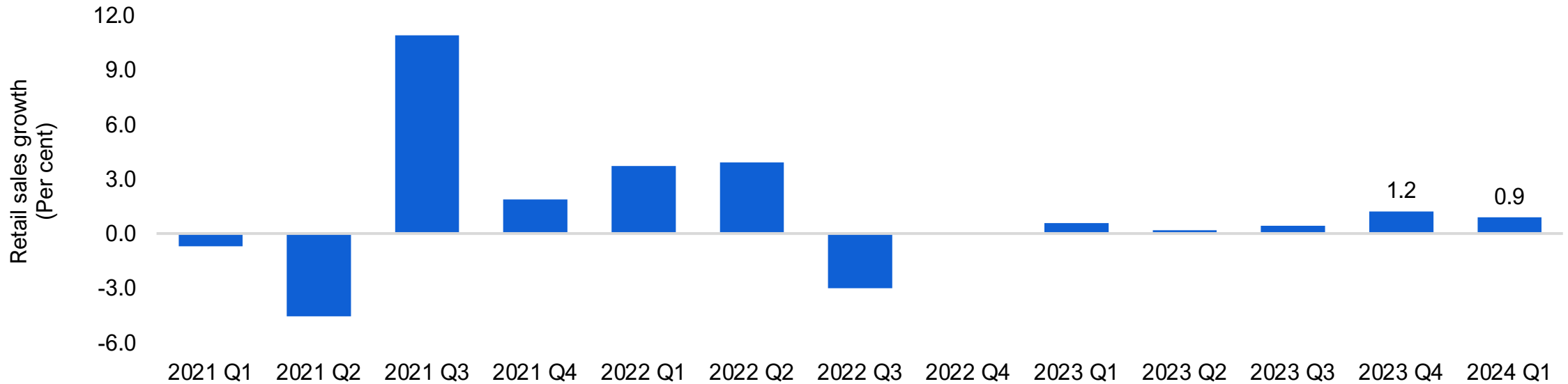


Source: Statistics Canada [Table 14-10-0287-01](#) and FAO.



# 2024 Q1 – Retail Sales

- Retail sales, the value of finished goods sold by retailers to the general public, grew 0.9% in 2024 Q1, following an increase of 1.2% in 2023 Q4.
- Retail sales growth has been slow since mid-2022, reflecting the impact of high interest rates, which has prompted some consumers to postpone or cut back on discretionary spending.



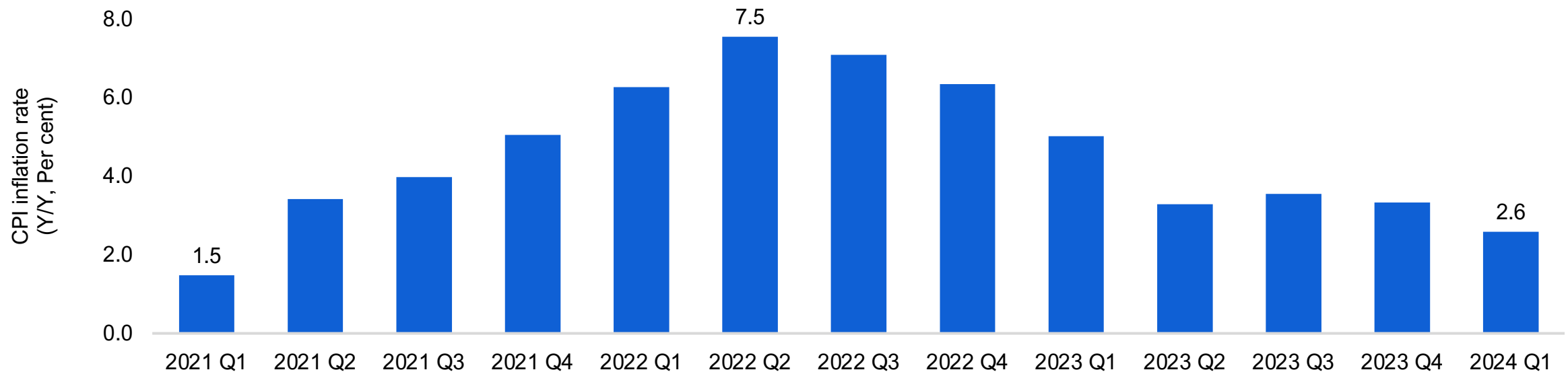
Note: March data was not available at the time of publication, so the Canadian indicator provided by Statistics Canada was used to calculate the 2024 Q1 Ontario value. See Statistics Canada's [Retail trade, February 2024](#).

Source: Statistics Canada [Table 20-10-0056-01](#) and FAO.



# 2024 Q1 – CPI Inflation

- The Ontario CPI inflation rate was 2.6% in 2024 Q1, down from a peak of 7.5% in 2022 Q2 and the lowest rate since 2021 Q1.
- The decline in inflation coincided with a rapid increase in interest rates by the Bank of Canada, improved supply chains and easing consumer demand.

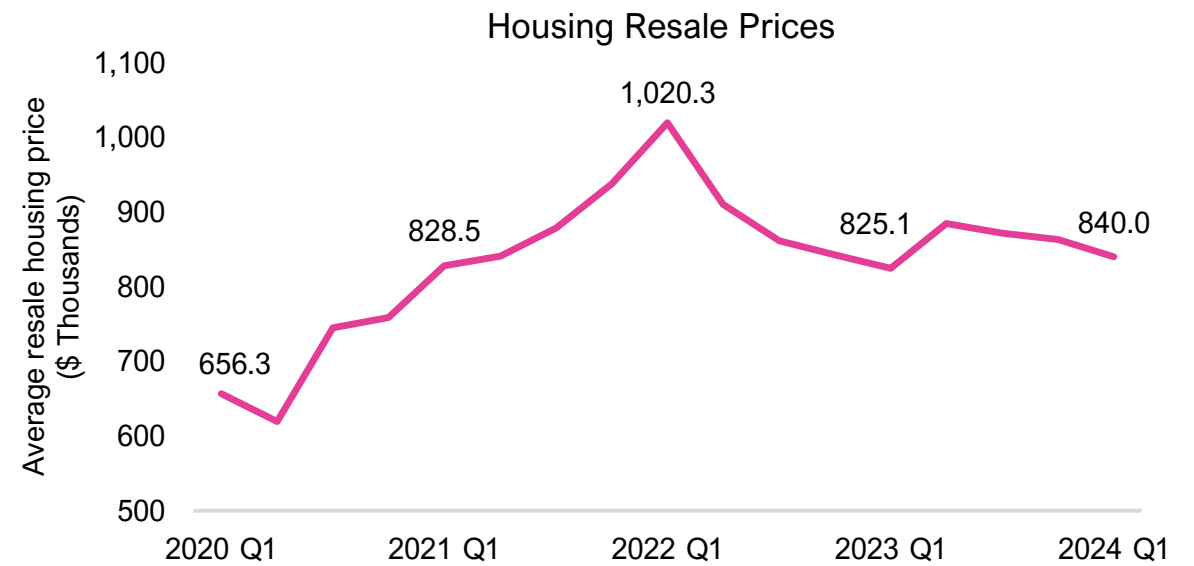
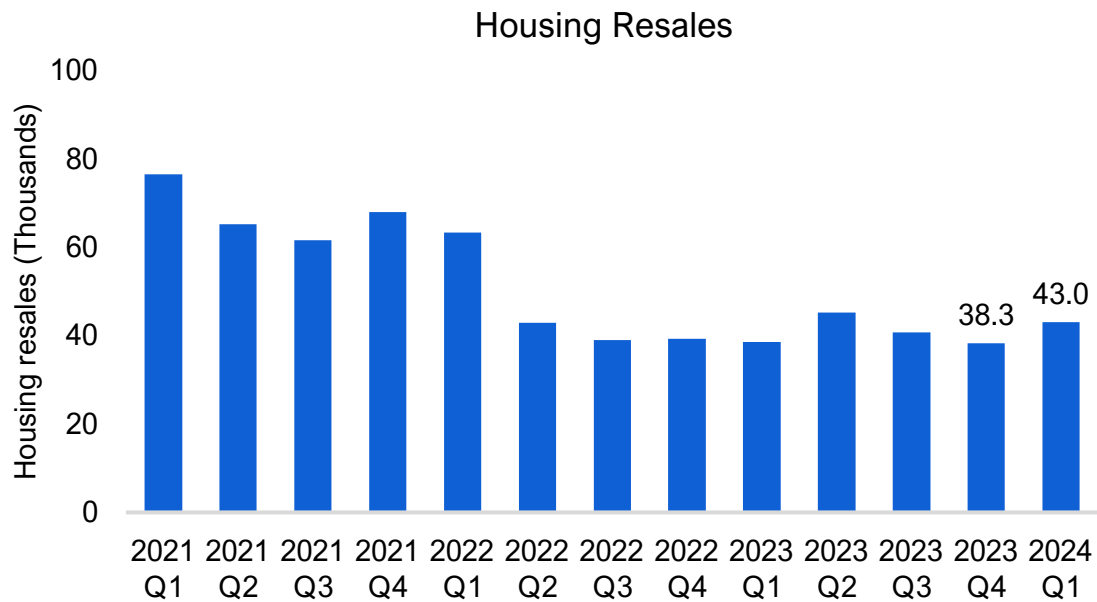


Source: Statistics Canada [Table 18-10-0004-01](#) and FAO.



# 2024 Q1 – Housing Market

- Ontario home resales rose 12.4% in 2024 Q1 to 43,000, but remain much lower than average resales seen from 2017 to 2019, reflecting the impact of higher mortgage rates starting in early 2022 which has caused home carrying costs to rise rapidly.
- Home resale prices in Ontario averaged \$840,000 in 2024 Q1, which is 17.7% below the peak of \$1,020,300 reached in 2022 Q1.

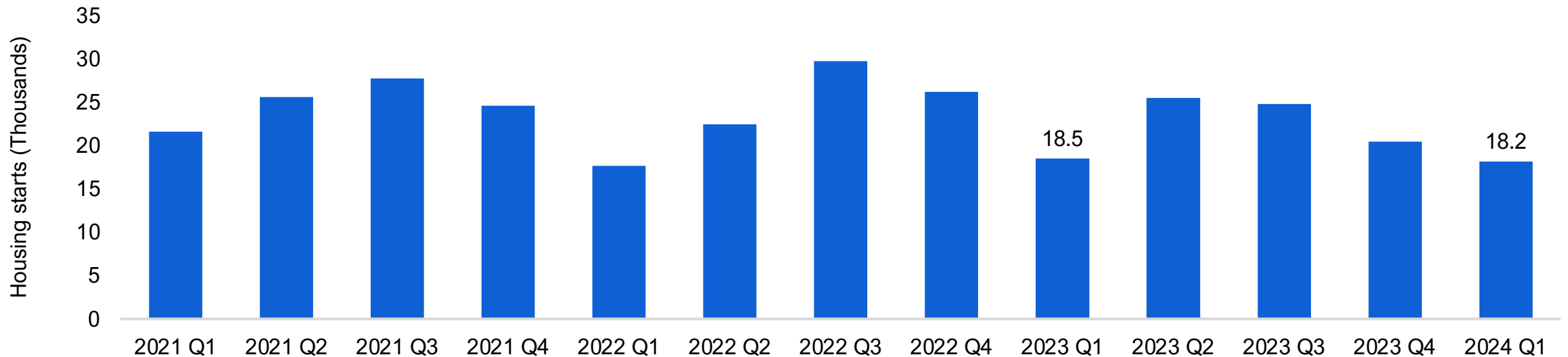


Source: Canadian Real Estate Association and FAO.



# 2024 Q1 – Housing Starts

- Housing starts in 2024 Q1 totaled 18,200 units in Ontario, a 1.7% decline from the 18,500 units started in 2023 Q1.
- From 2021 Q1 to 2024 Q1, Ontario has added 303,112 units, an average of 23,300 units per quarter. To reach the government’s 1.5 million housing target by 2031, an average of 38,600 units would need to be started each quarter, or a 66% increase in the recent pace of starts.



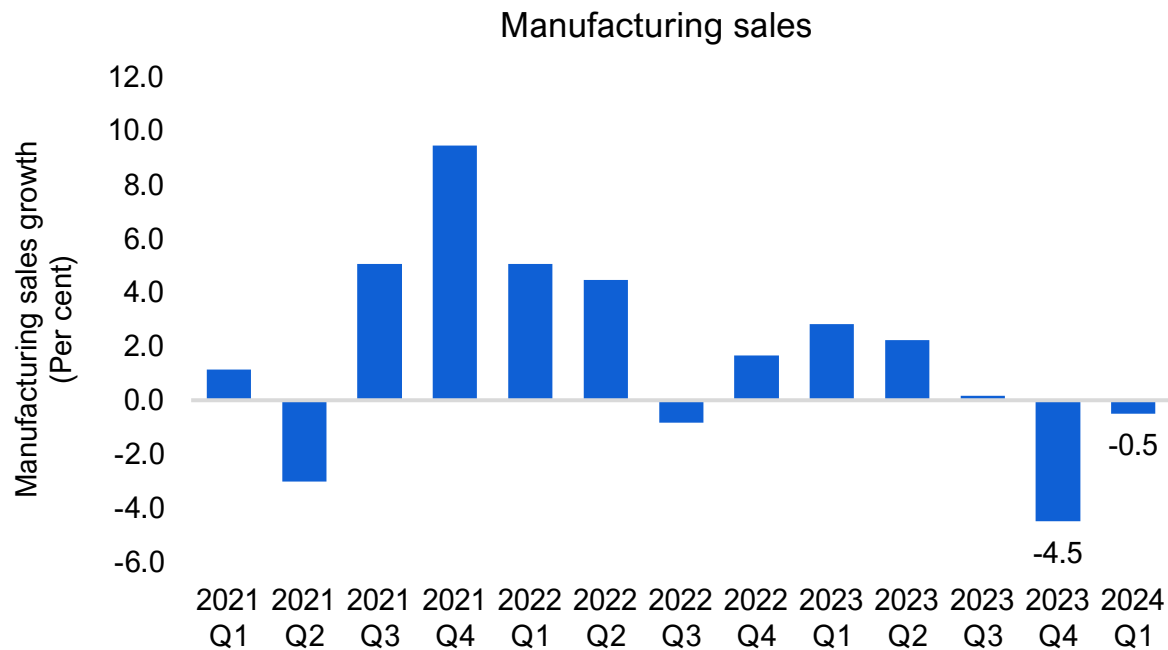
Source: Statistics Canada [Table 34-10-0135-01](#) and FAO.





# 2024 Q1 – Manufacturing Sales and Wholesale Trade

- Manufacturing sales declined 0.5% in 2024 Q1 after a 4.5% decline in 2023 Q4, which was affected by plant shutdowns in the auto sector and labour strikes in the United States.
- Wholesale trade, which measures sales of bulk items, declined by 0.3% in 2024 Q1, following a 3.0% drop in 2023 Q4.

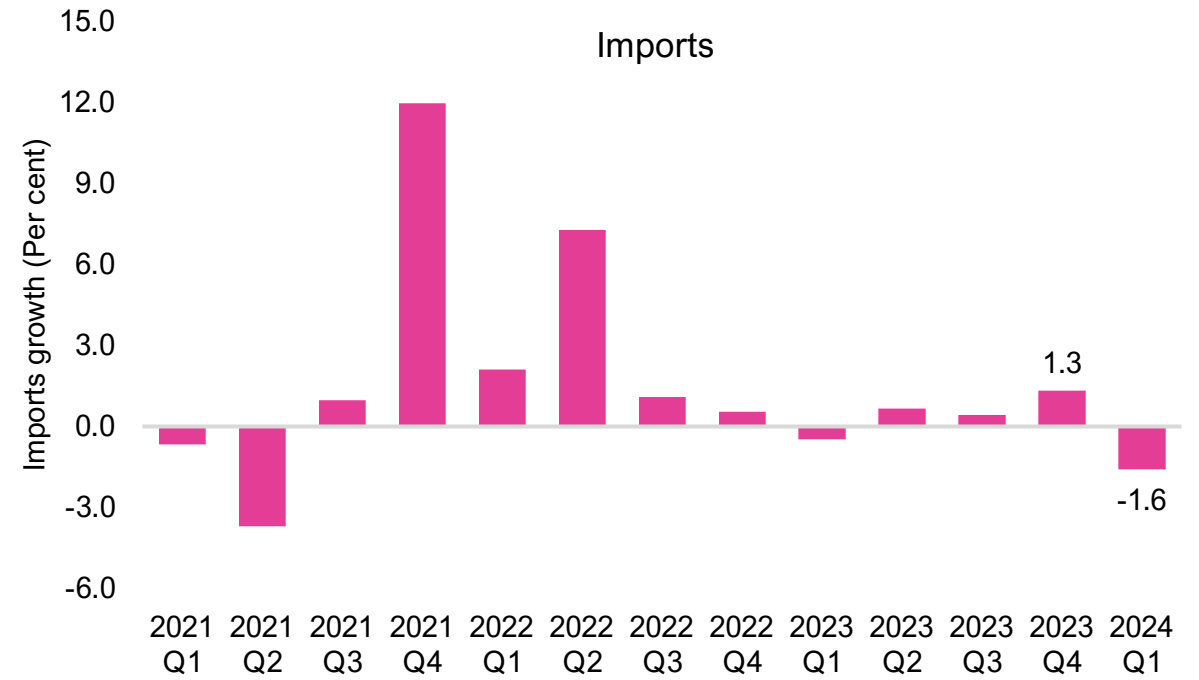
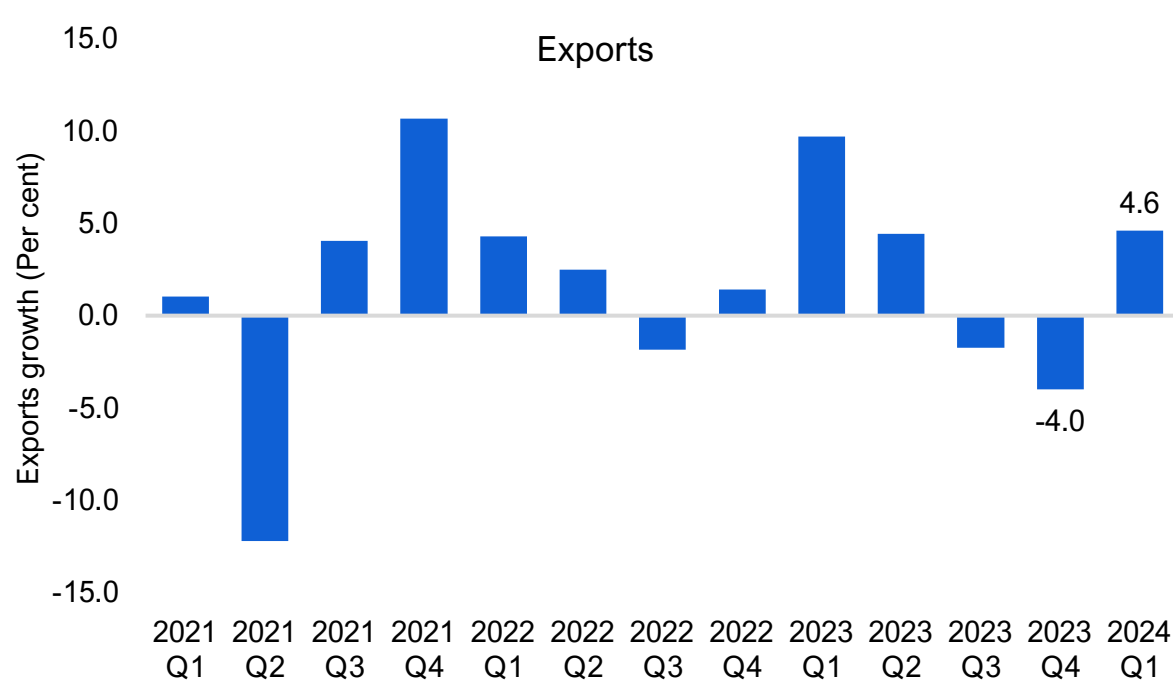


Source: Statistics Canada [Table 16-10-0048-01](#), [Table 20-10-0074-01](#) and FAO.



# 2024 Q1 – International Merchandise Trade

- International merchandise exports, which account for all goods leaving the country through Ontario, increased by 4.6% in 2024 Q1, following two consecutive quarterly declines.
- International merchandise imports, which measures international goods entering Ontario, declined 1.6% in 2024 Q1, after rising for three consecutive quarters.

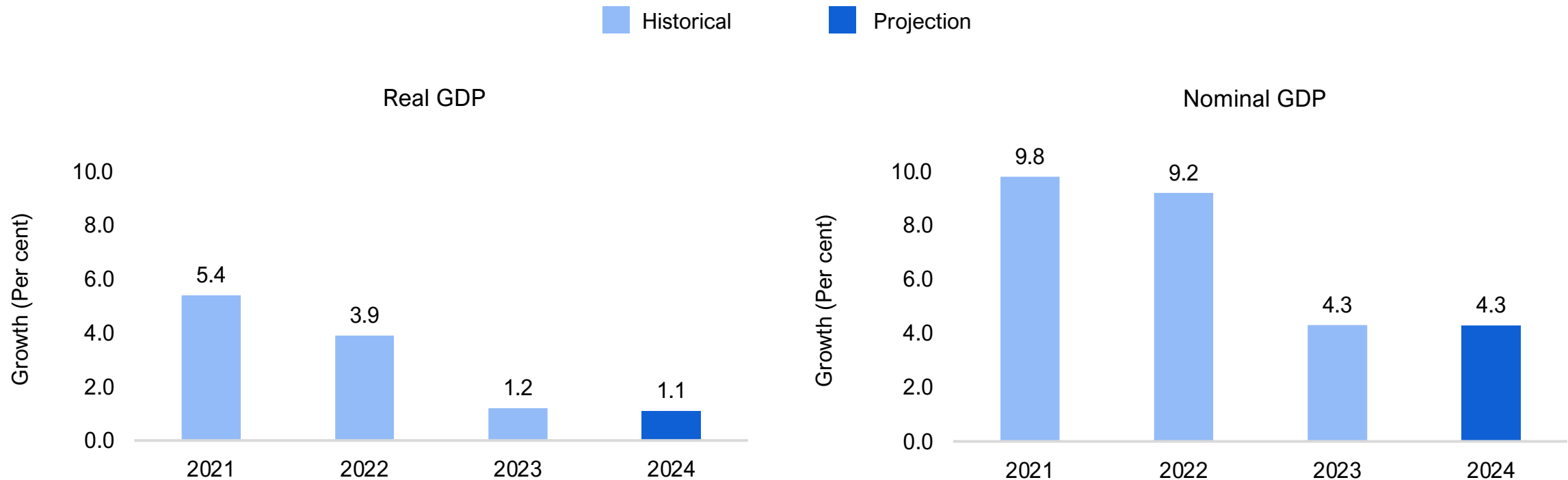


Note: International merchandise export and import growth is based on FAO estimates using Statistics Canada [Table 12-10-0175-01](#) and [Table 12-10-0163-01](#).  
 Source: Statistics Canada [Table 12-10-0175-01](#), [Table 12-10-0163-01](#) and FAO.



# Implications of Recent Economic Trends

- The weakness in Ontario's economic growth in the last quarter of 2023 and the modest gains in the first quarter of 2024 are consistent with the FAO's latest economic forecast published in its Spring 2024 Economic and Budget Outlook (EBO).



Source: Ontario Economic Accounts and FAO, [Spring 2024 Economic and Budget Outlook](#).



# Thank you!



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