



Ontario Economic Monitor

April to September 2024

Briefing Deck



FAO

Financial Accountability
Office of Ontario

Overview

- This report presents the latest trends in the Ontario economy over the April to September 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 the recent economic performance.

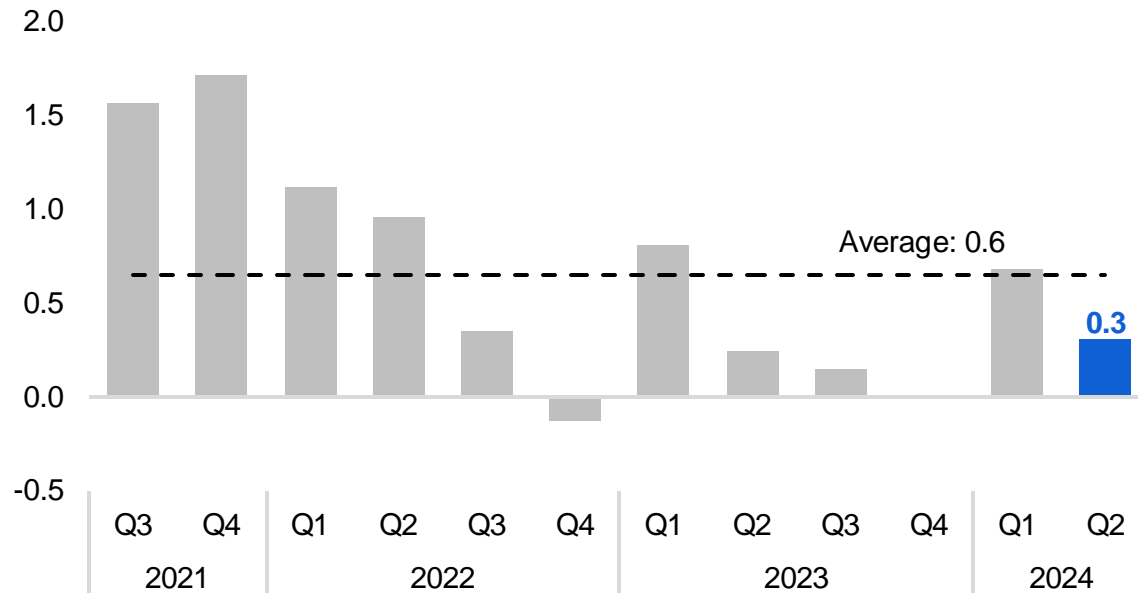


2024 Q2 – Ontario Gross Domestic Product

- Ontario’s real Gross Domestic Product (GDP), the most comprehensive measure of economic activity, grew by a slow 0.3% in 2024 Q2, moderating from a gain of 0.7% in 2024 Q1.
- Nominal GDP, the broadest measure of the tax base and which includes inflation, increased by a strong 1.5% in 2024 Q2, a pickup from growth of 0.8% in 2024 Q1.

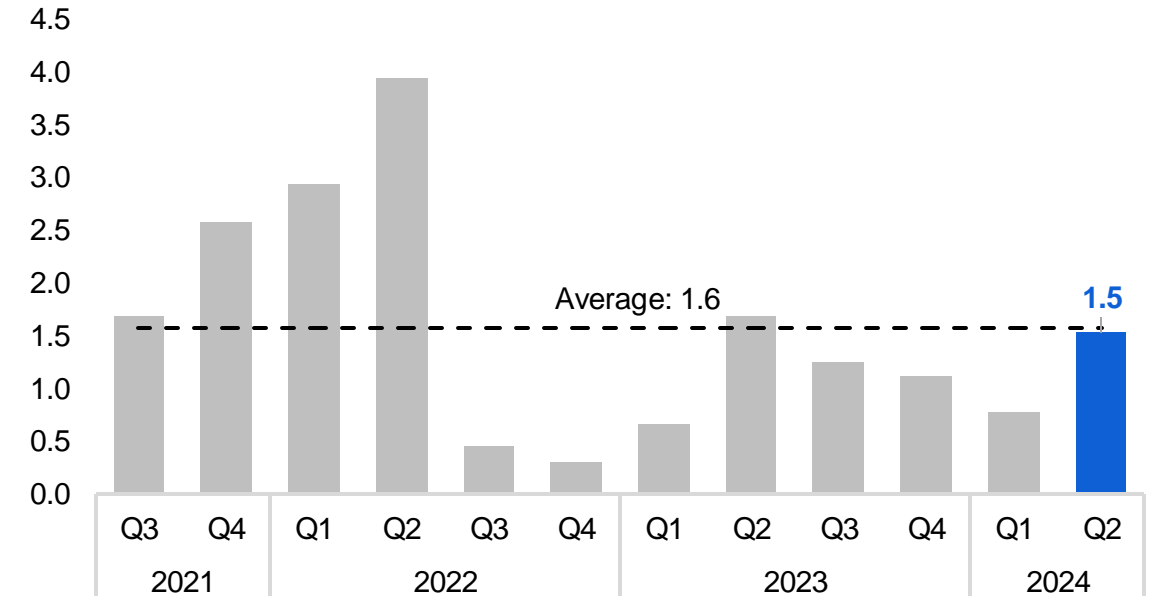
Real GDP

Seasonally adjusted, quarter-over-quarter growth, %



Nominal GDP

Seasonally adjusted, quarter-over-quarter growth, %



Source: Ontario Economic Accounts and FAO.

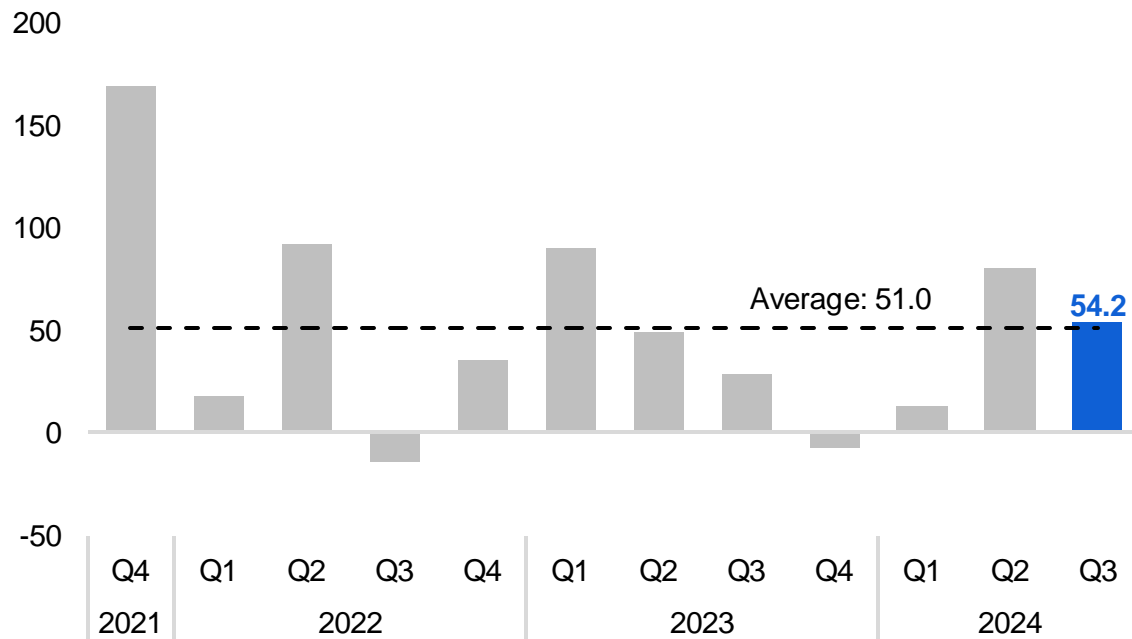


2024 Q3 – Labour Market

- Employment in Ontario rose by 54,200 jobs in 2024 Q3, moderating from a gain of 80,900 in 2024 Q2.
- Despite growth in employment, Ontario’s unemployment rate increased for the sixth consecutive quarter, reaching 6.9% as more people entered the labour market than were hired.

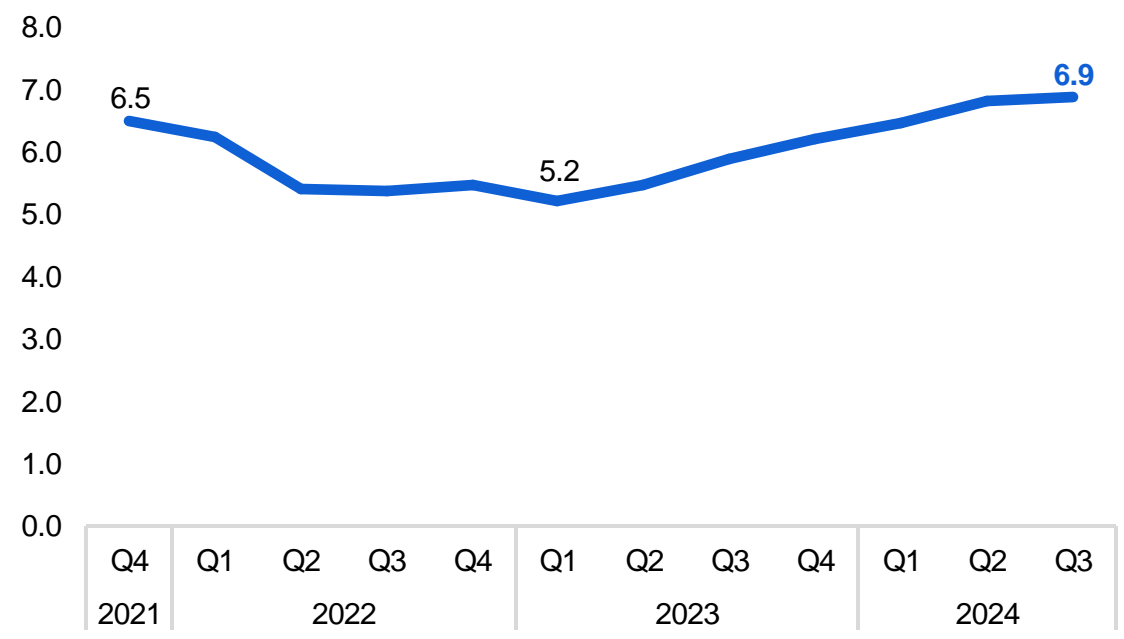
Employment

Seasonally adjusted, quarter-over-quarter change, thousands



Unemployment Rate

Seasonally adjusted, quarterly, %



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

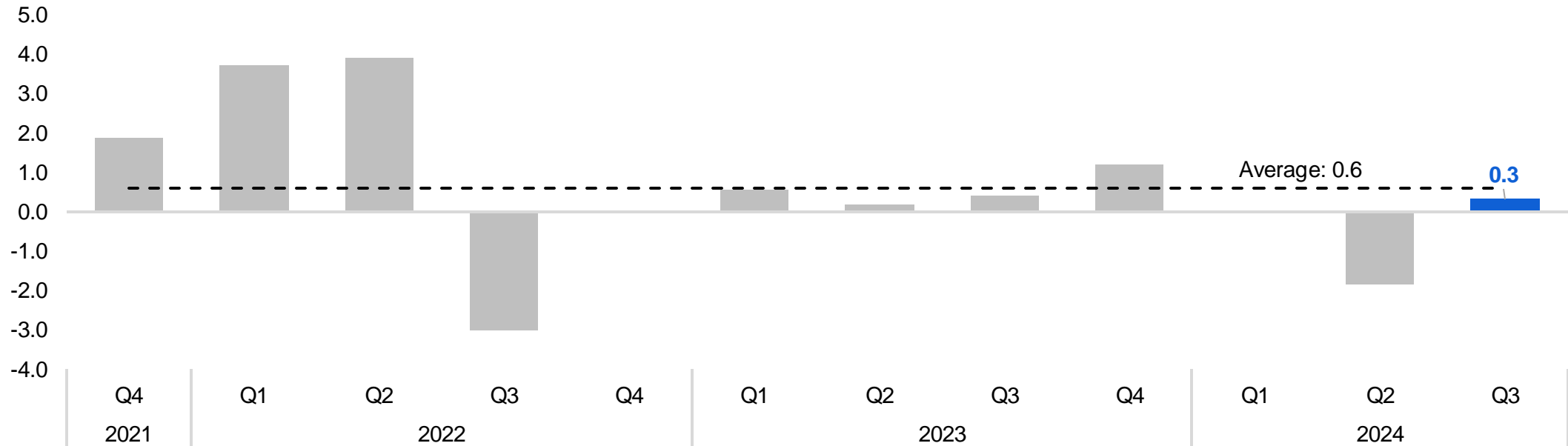


2024 Q3 – Retail Sales

- Retail sales rose 0.3% in 2024 Q3, after declining by 1.9% in 2024 Q2.
- Retail sales have been weak since 2022 Q3, reflecting the impact of high interest rates, which has caused many households to reduce spending and increase savings in anticipation of higher mortgage payments.

Retail sales

Seasonally adjusted, quarter-over-quarter growth, %



Note: September data was not available at the time of publication, so the Canadian advance retail indicator provided by Statistics Canada was used to calculate the 2024 Q3 Ontario value.
See Statistics Canada's [Retail trade, August 2024](#).
Source: Statistics Canada [Table 20-10-0056-01](#) and FAO.

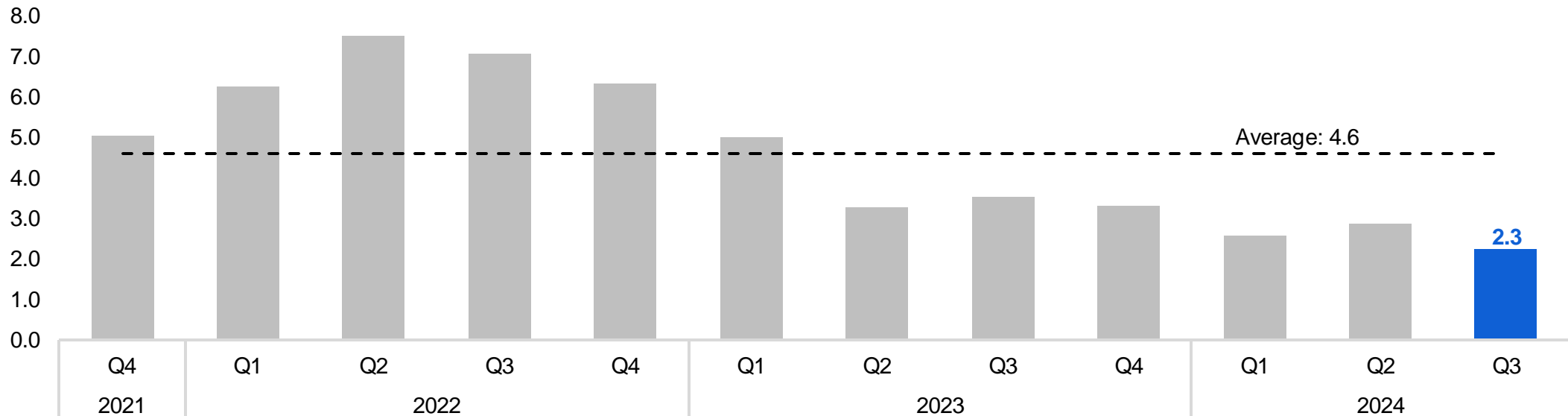


2024 Q3 – CPI Inflation

- The Ontario CPI inflation rate was 2.3% in 2024 Q3, down from 2.9% in 2024 Q2 and the lowest rate since early 2021.
- Inflation has generally slowed after reaching 7.5% in 2022 Q2. The decline in inflation coincided with a rapid increase in interest rates by the Bank of Canada, improved supply chains and easing consumer demand.

CPI inflation rate

Non-seasonally adjusted, year-over-year, %



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

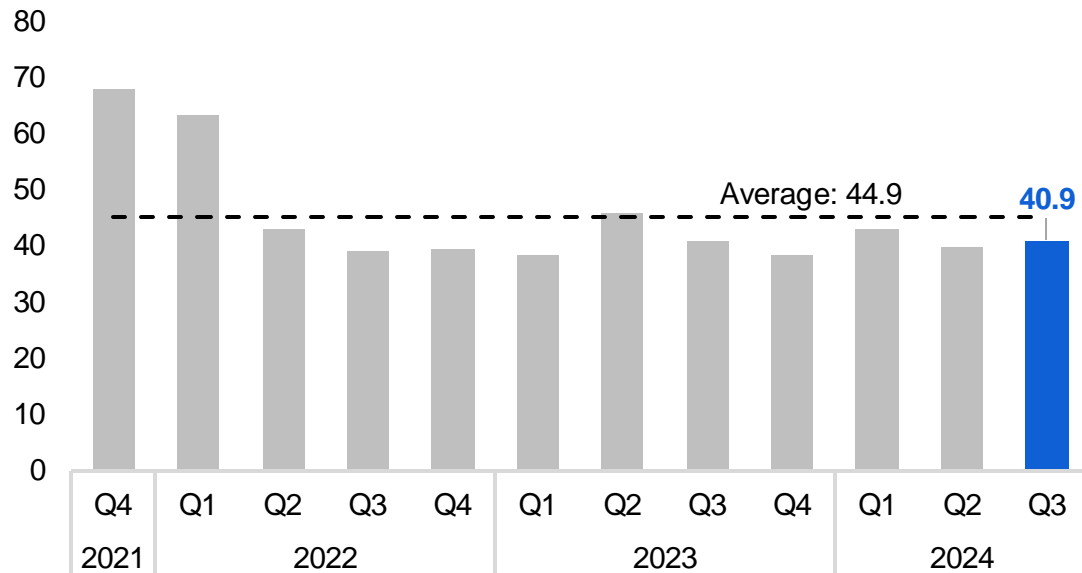


2024 Q3 – Housing Market

- Ontario home resales increased 2.9% in 2024 Q3 to 40,900. Despite robust population growth, home resales activity remains subdued since mortgage rates began rising in early 2022, as home carrying costs rose rapidly.
- Home resale prices in Ontario averaged \$864,800 in 2024 Q3, which is 15.2% below the peak of \$1,020,300 reached in 2022 Q1.

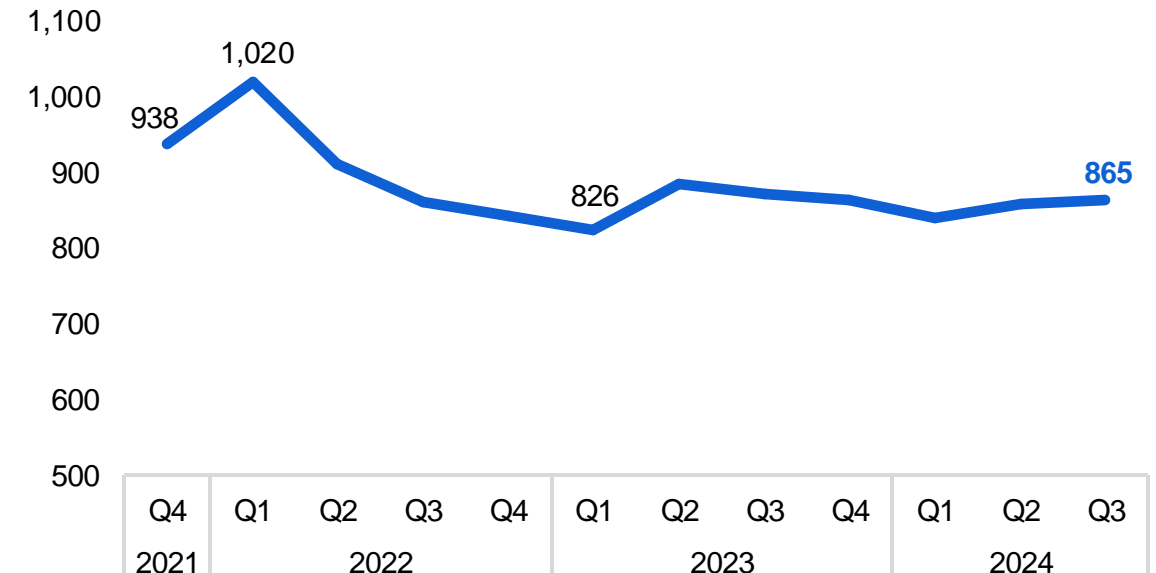
Housing Resales

Seasonally adjusted, thousands of units



Housing Prices

Seasonally adjusted, \$ thousands



Source: Canadian Real Estate Association and FAO.

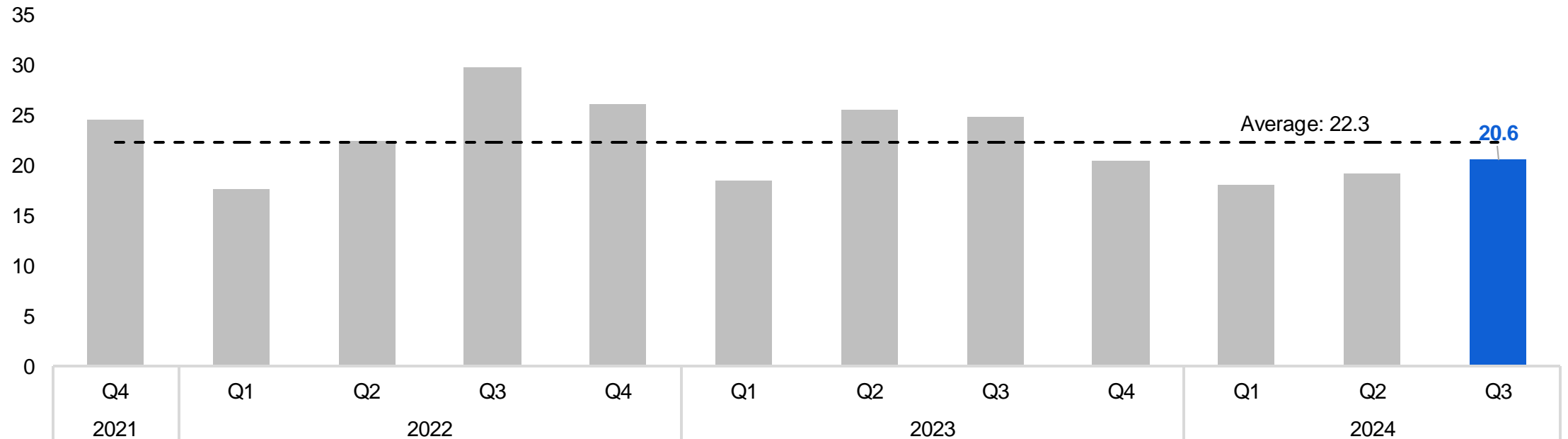


2024 Q3 – Housing Starts

- Housing starts in 2024 Q3 totaled 20,600 units in Ontario, a 16.9% decline from the 24,800 units started in 2023 Q3.
- 77% of total housing starts were multiple unit dwellings, while 23% were single detached homes.

Housing Starts

Non-seasonally adjusted, thousands of units



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

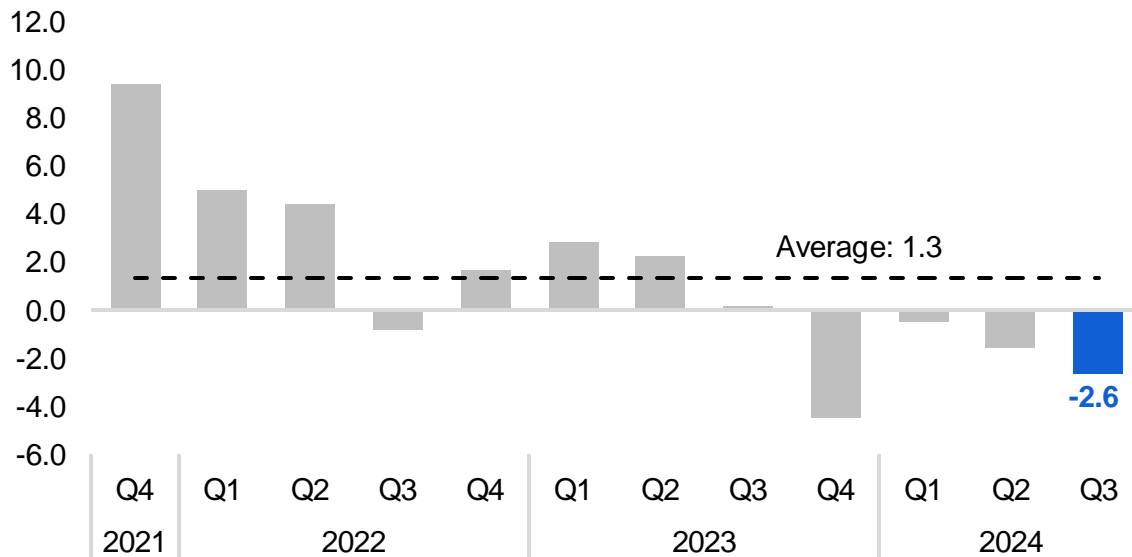


2024 Q3 – Manufacturing Sales and Wholesale Trade

- Manufacturing sales declined 2.6% in 2024 Q3, with weakness broad-based as 11 of 18 major industries recorded lower sales. Manufacturing sales have fallen for four consecutive quarters.
- Wholesale trade, which measures sales of bulk items, increased by 0.3% in 2024 Q3.

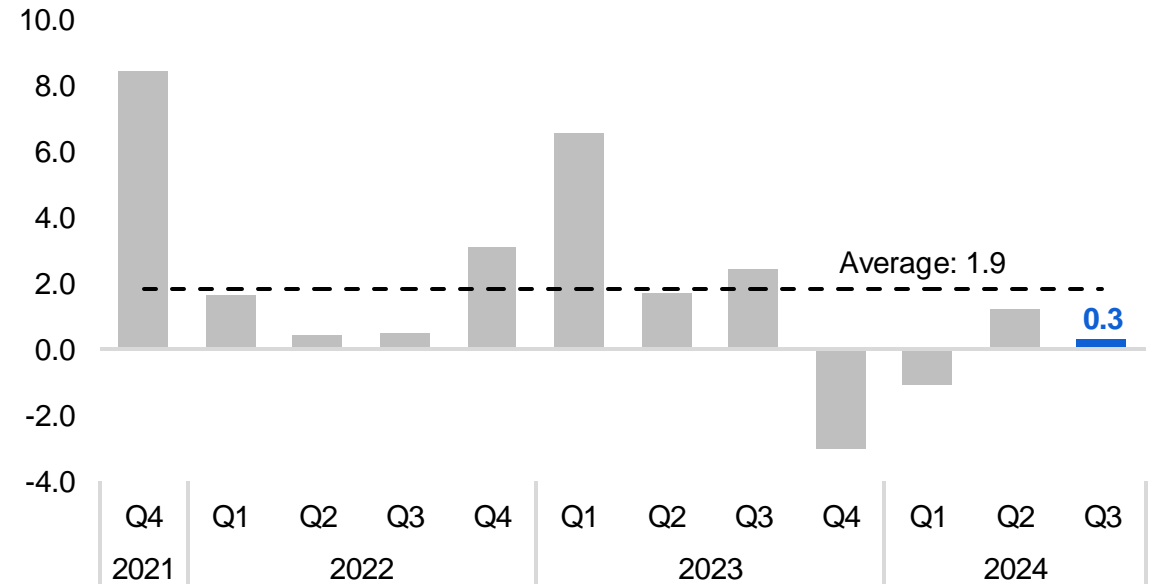
Manufacturing Sales

Seasonally adjusted, quarter-over-quarter growth, %



Wholesale trade

Seasonally adjusted, quarter-over-quarter growth, %



Note: September data was not available at the time of publication, so the Canadian flash estimate provided by Statistics Canada was used to calculate the 2024 Q3 Ontario value. See Statistics Canada's [Monthly Survey of Manufacturing: Flash estimate, September 2024](#). September data was not available at the time of publication, so the Canadian early indicator provided by Statistics Canada was used to calculate the 2024 Q3 Ontario value. See Statistics Canada's [Wholesale trade: Early indicator, September 2024](#).
 Source: Statistics Canada [Table 16-10-0048-01](#), [Table 20-10-0074-01](#) and FAO.

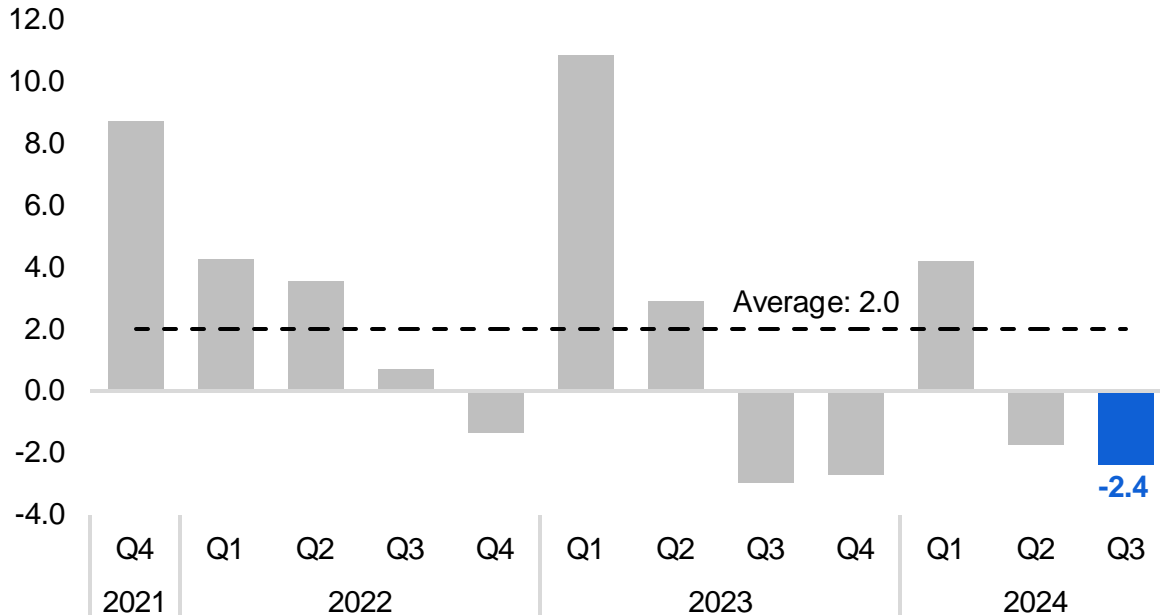


2024 Q3 – International Merchandise Trade

- International merchandise exports declined by 2.4% in 2024 Q3, the fourth decline in the past five quarters. Ontario’s auto exports have been weak, affected by plant shutdowns and labour strikes in the United States.
- International merchandise imports decreased 0.2% in 2024 Q3, after a 1.3% increase the previous quarter.

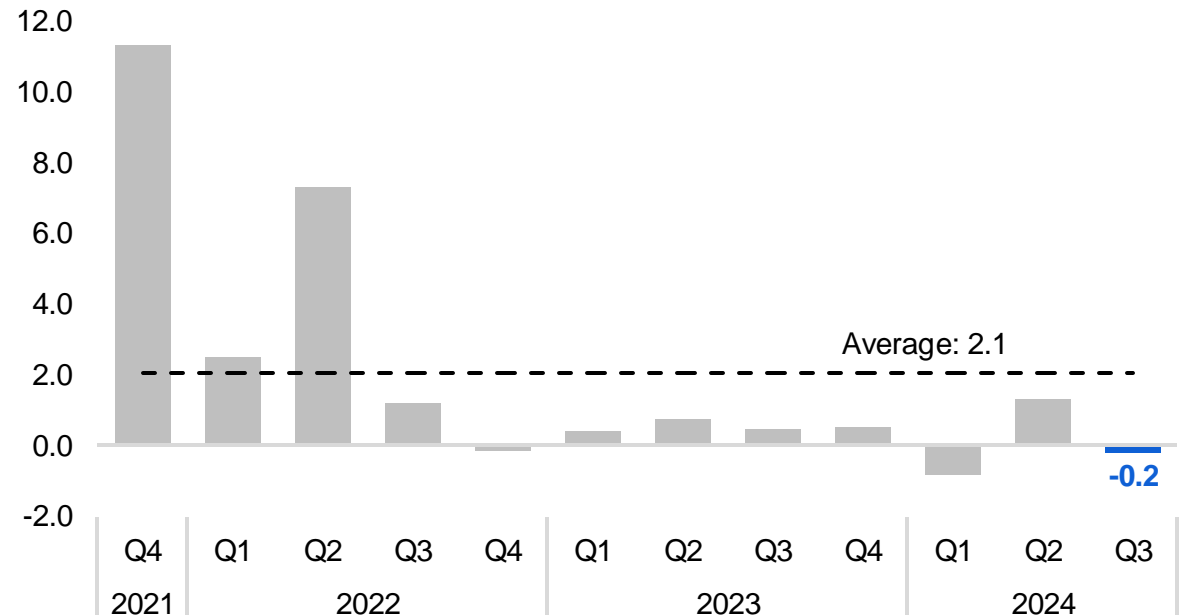
Exports

Seasonally adjusted, quarter-over-quarter growth, %



Imports

Seasonally adjusted, quarter-over-quarter growth, %

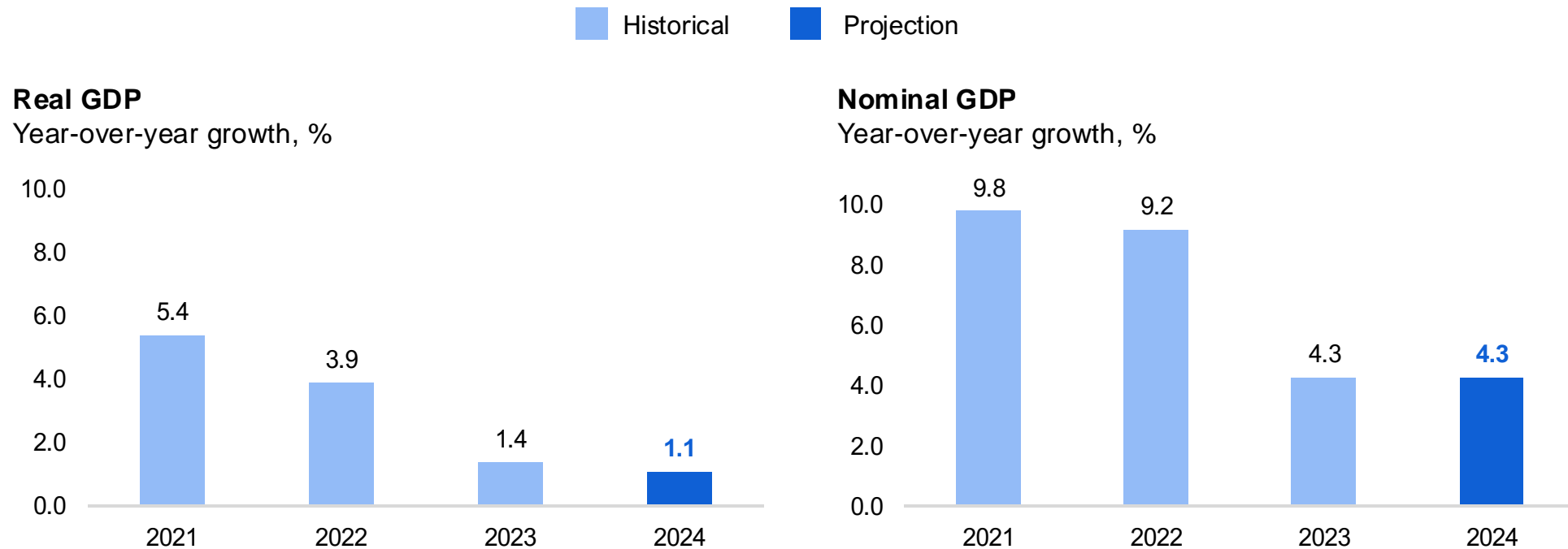


Note: International merchandise export and import growth is based on FAO estimates using Statistics Canada [Table 12-10-0175-01](#) and [Table 12-10-0163-01](#).
Source: Statistics Canada [Table 12-10-0175-01](#), [Table 12-10-0163-01](#) and FAO.



Implications of Recent Economic Trends

- Ontario's economic performance over the first three quarters of 2024 suggest there is modest upside risk to the FAO's current forecast for real GDP growth of 1.1% in 2024.
- Recent economic developments, including strong labour income growth and rising unincorporated business income suggest there is also upside risk to the FAO's current outlook for nominal GDP growth of 4.3% in 2024.



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



Thank you!



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