

# Ontario Economic Monitor

October 2024 to March 2025

**Briefing Deck**



**FAO**  
Financial Accountability  
Office of Ontario

# Overview

- This report presents the latest trends in the Ontario economy over the October 2024 to March 2025 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.

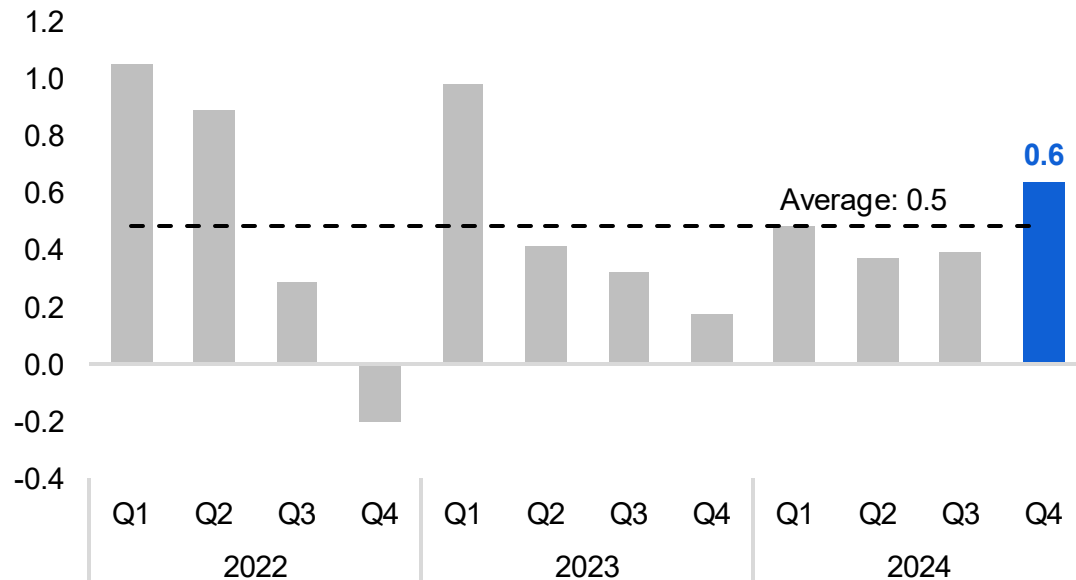


# 2024 Q4 – Ontario Gross Domestic Product

- Ontario's real Gross Domestic Product (GDP), the most comprehensive measure of economic activity, grew by a solid 0.6% in 2024 Q4, up from a 0.4% increase in 2024 Q3.
- Nominal GDP, the broadest measure of the tax base and which includes inflation, increased by 1.7% in 2024 Q4, up from growth of 1.1% in 2024 Q3.

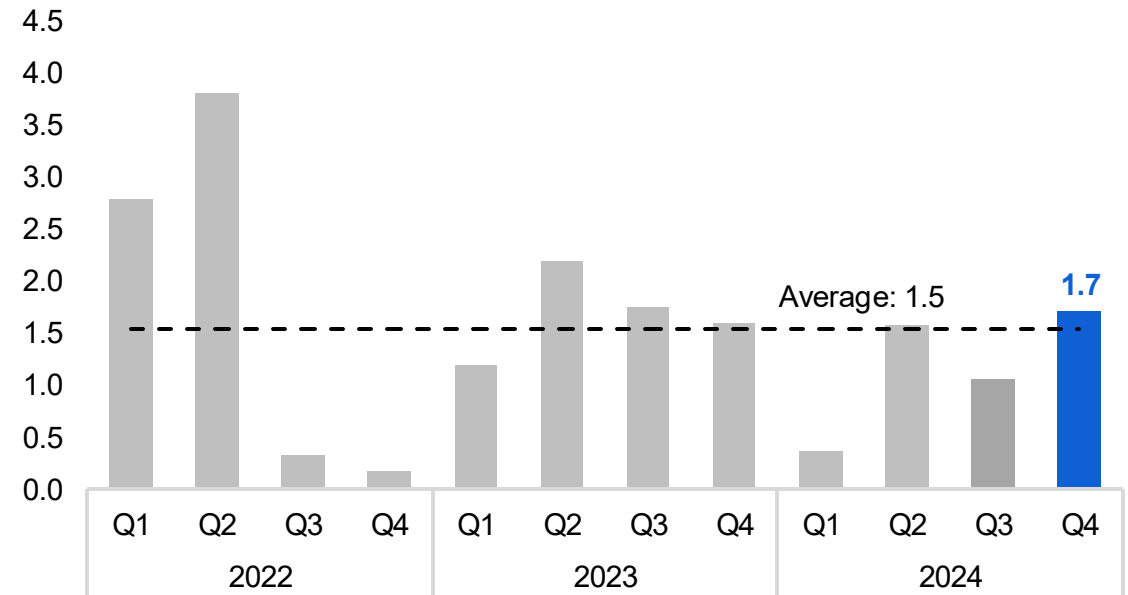
## Real GDP

Seasonally adjusted, quarter-over-quarter growth, %



## Nominal GDP

Seasonally adjusted, quarter-over-quarter growth, %



Source: Ontario Economic Accounts and FAO.

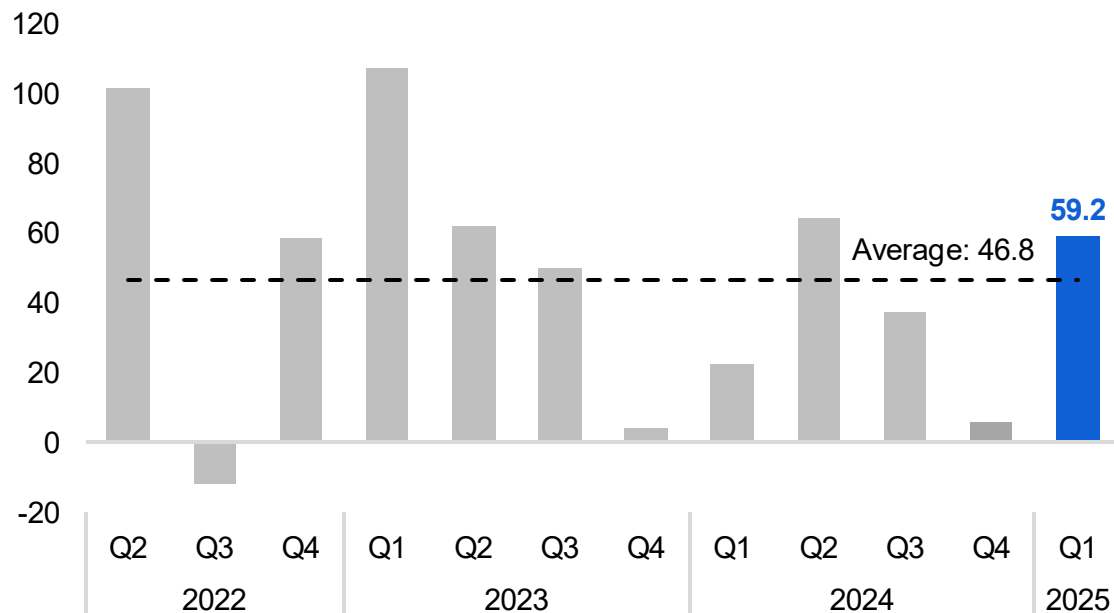


# 2025 Q1 – Labour market

- Employment in Ontario rose by a strong 59,200 in 2025 Q1, following modest job gains of 5,800 in 2024 Q4.
- In the first quarter of 2025, more people entered the labour market than were hired. As a result, the unemployment rate rose for the eighth consecutive quarter, reaching 7.5%.

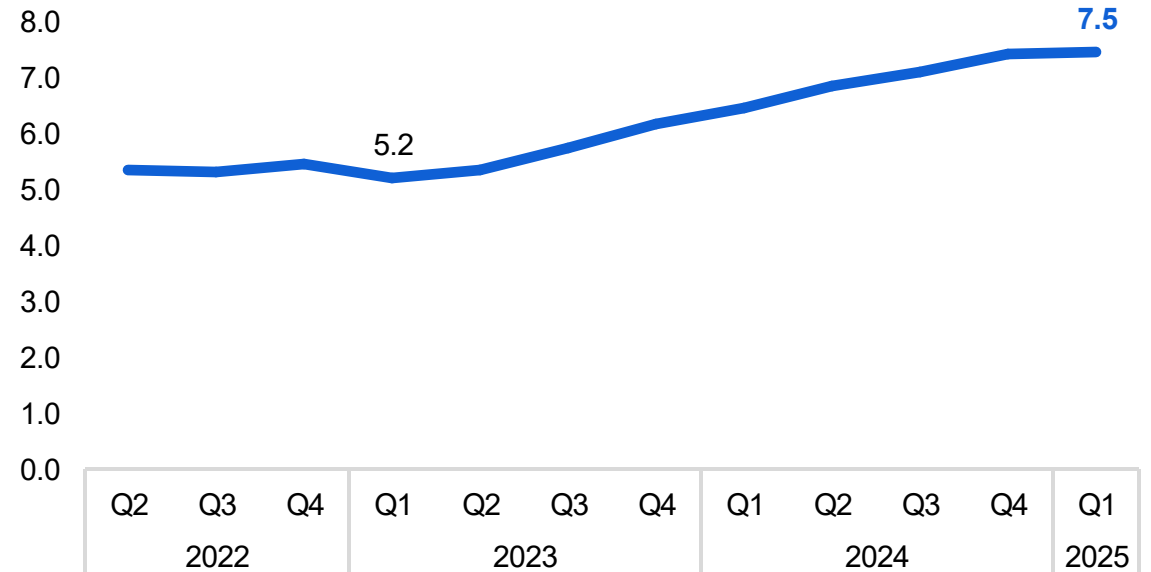
## Employment

Seasonally adjusted, quarter-over-quarter change, thousands



## Unemployment rate

Seasonally adjusted, quarterly, %



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

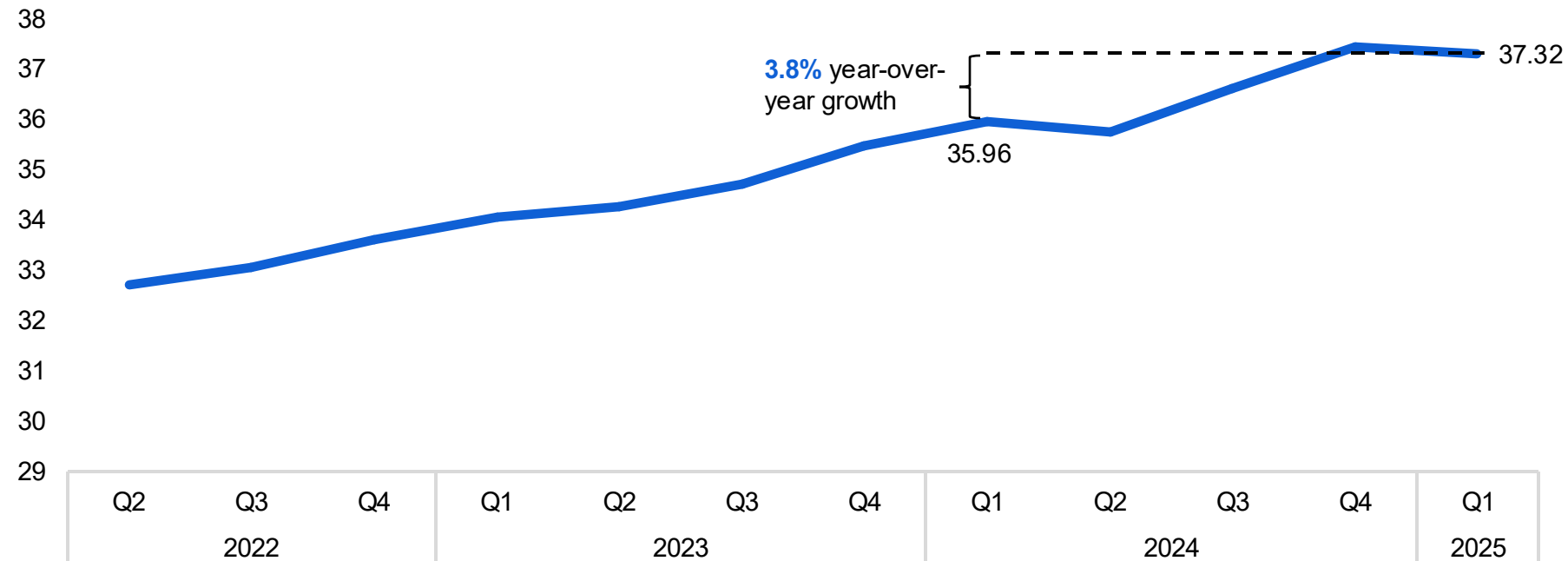


# 2025 Q1 – Average hourly wages

- Average hourly wages grew 3.8% in 2025 Q1 compared to 2024 Q1, reaching \$37.32 an hour.
- Hourly wage growth was broad-based across most major industries, with wages in services-producing industries rising 4.0% and goods-producing industries increasing 2.7%.

## Average hourly wages

Non-seasonally adjusted, dollar per hour



Source: Statistics Canada [Table 14-10-0063-01](#) and FAO.

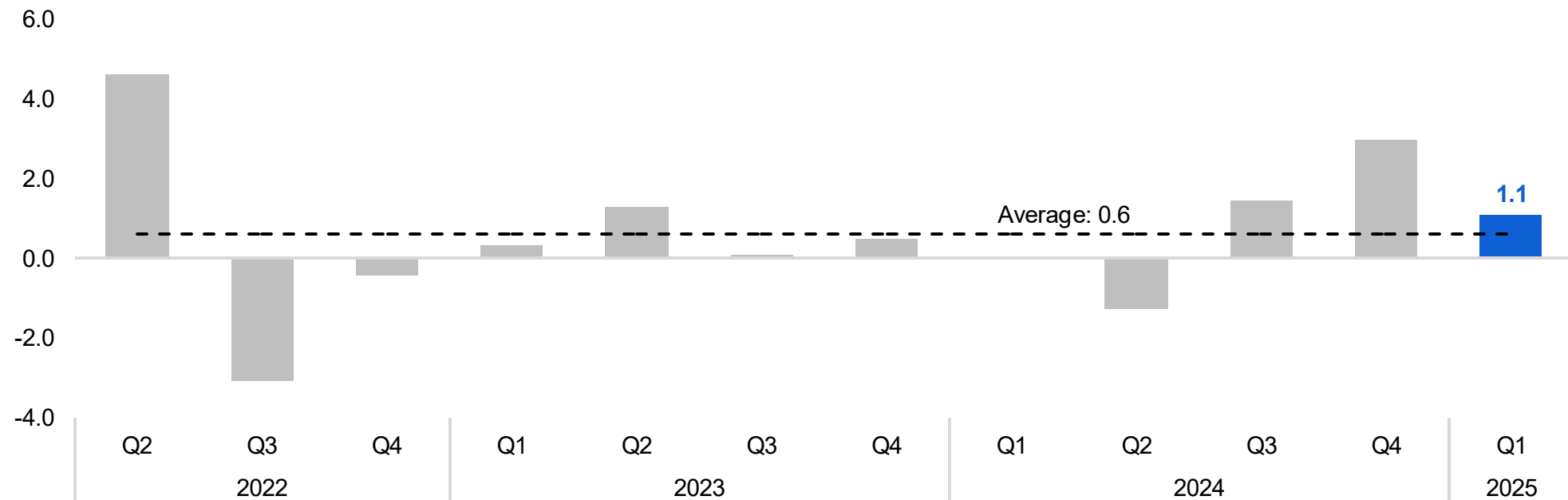


# 2025 Q1 – Retail sales

- Retail sales rose by 1.1% in 2025 Q1 in Ontario, slowing from a gain of 3.0% in 2024 Q4.
- Although the temporary sales tax holiday on selected items was in effect for part of the quarter, consumer spending was tempered by economic uncertainty related to trade conflicts.

## Retail sales

Seasonally adjusted, quarter-over-quarter growth, %



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

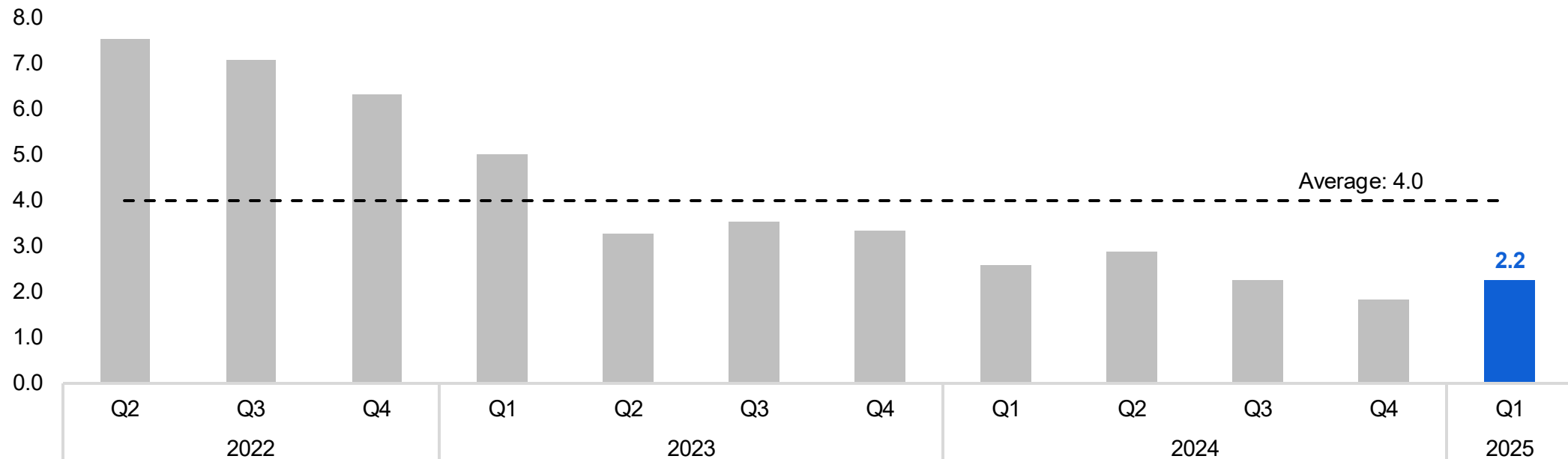


# 2025 Q1 – CPI inflation

- The Ontario Consumer Price Index (CPI) inflation rate was 2.2% in 2025 Q1, up from 1.8% in 2024 Q4.
- Shelter (3.9%), health and personal care (3.2%) and transportation (3.0%) had higher inflation rates than the headline CPI.

## CPI inflation rate

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



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



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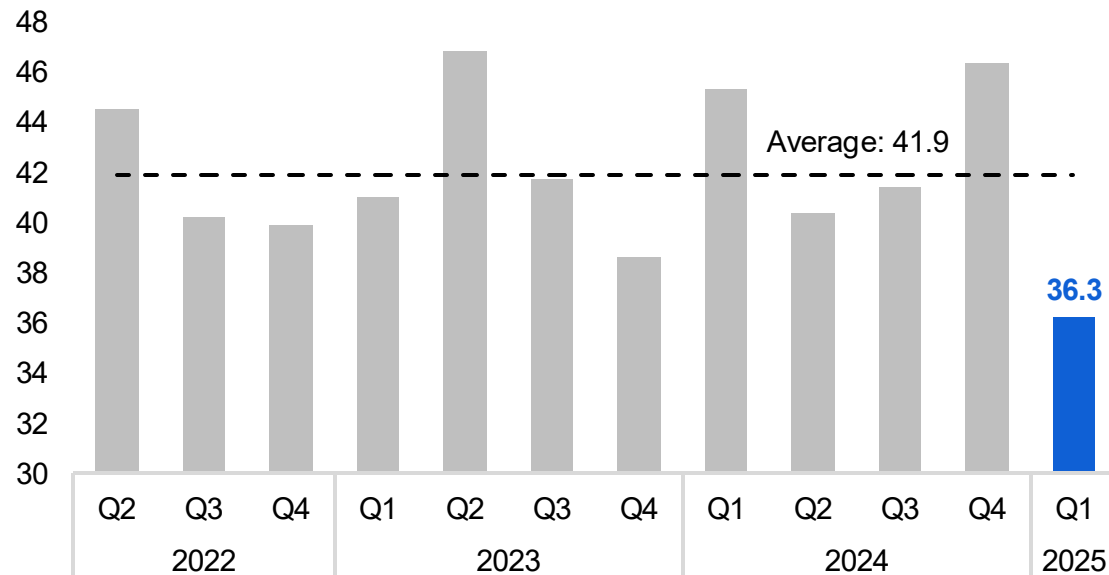


# 2025 Q1 – Housing market

- Despite declining mortgage rates, Ontario home resales dropped by 21.8% in 2025 Q1, with 36,300 units sold, the lowest non-recessionary level since mid-2000.
- Home resale prices in Ontario averaged \$834,900 in 2025 Q1, a 6.7% decrease from the previous quarter and the lowest since 2021.

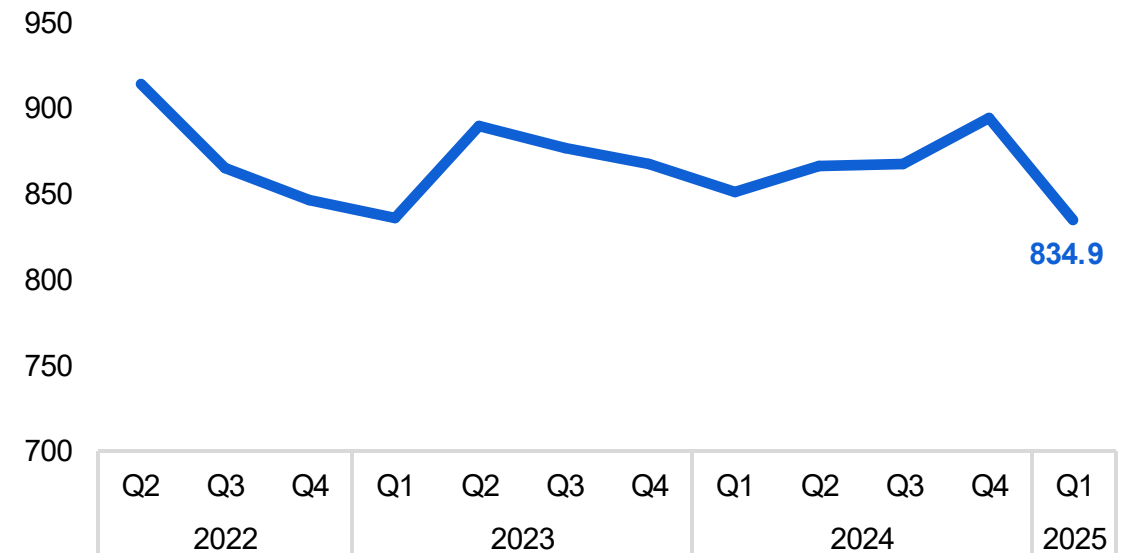
## Housing resales

Seasonally adjusted, thousands of units



## Housing prices

Seasonally adjusted, \$ thousands



Source: Canadian Real Estate Association and FAO.



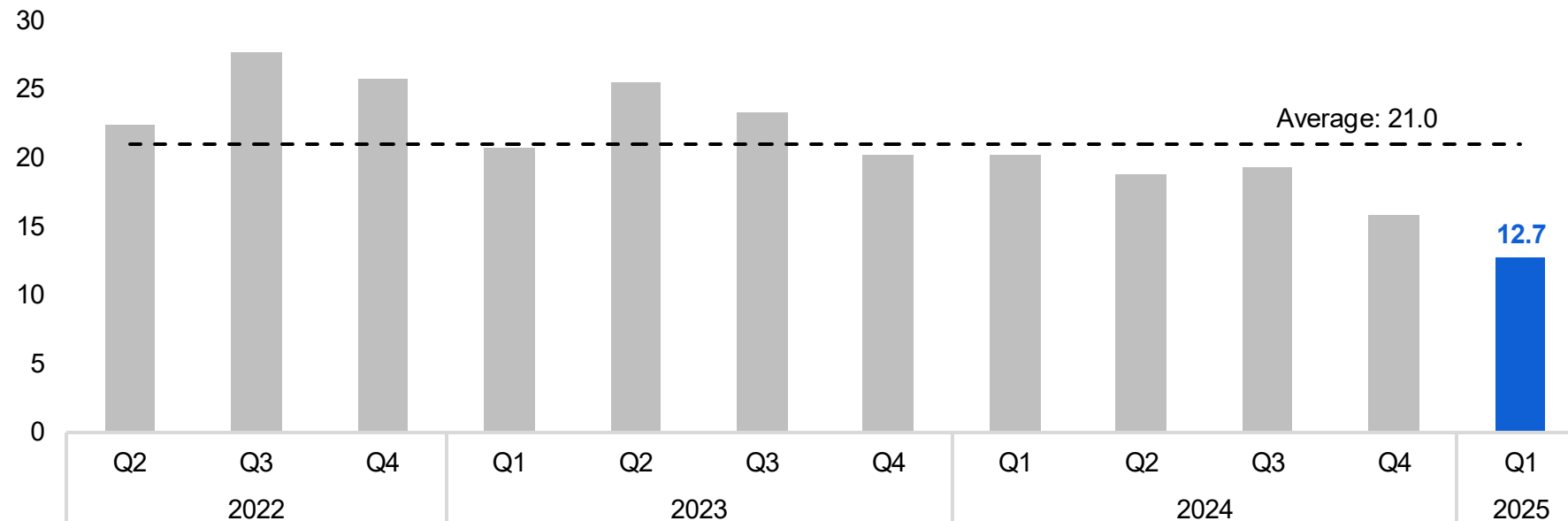


# 2025 Q1 – Housing starts

- Housing starts in 2025 Q1 totalled 12,700 units in Ontario, a 20.2% drop from the 15,900 units started in 2024 Q4. This marked the lowest level of housing starts since 2009 Q4.
- About 80% of total housing starts were multiple unit dwellings, while 20% were single detached homes.

## Housing starts

Seasonally adjusted, thousands of units



Source: Canada Mortgage and Housing Corporation (CMHC) and FAO.

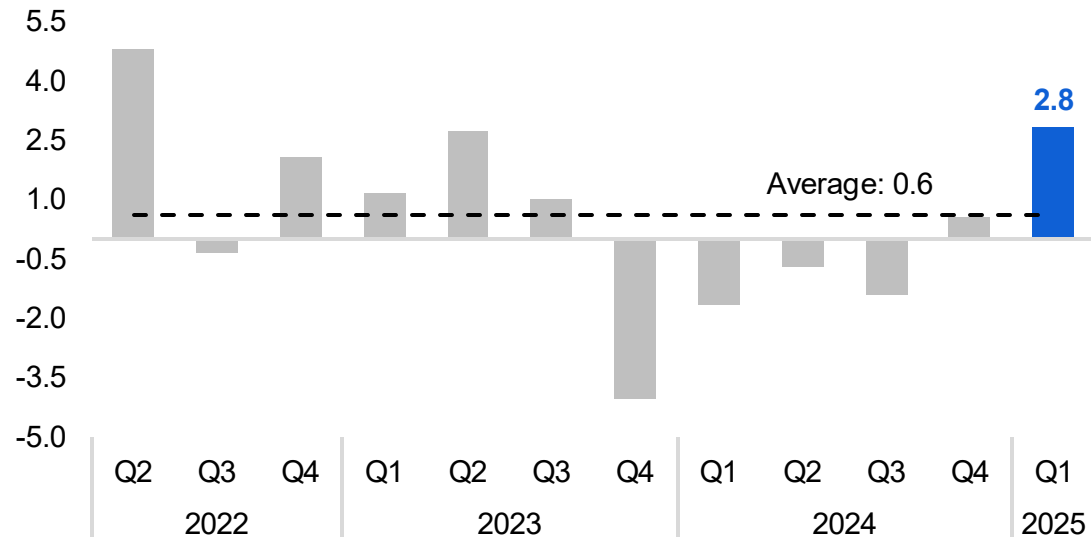


# 2025 Q1 – Manufacturing sales and wholesale trade

- Manufacturing sales rose strongly by 2.8% in 2025 Q1. Increased activity likely reflected stronger demand ahead of US tariffs.
- Wholesale trade increased by 1.1% in 2025 Q1, slowing from a strong gain in 2024 Q4 (2.7%).

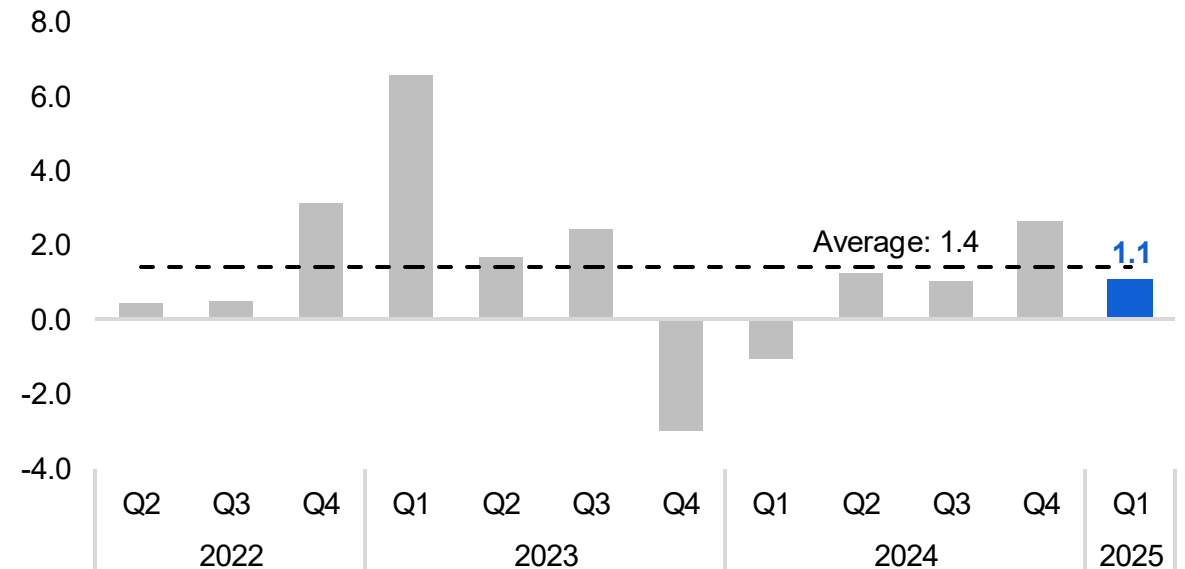
## Manufacturing sales

Seasonally adjusted, quarter-over-quarter growth, %



## Wholesale trade

Seasonally adjusted, quarter-over-quarter growth, %



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

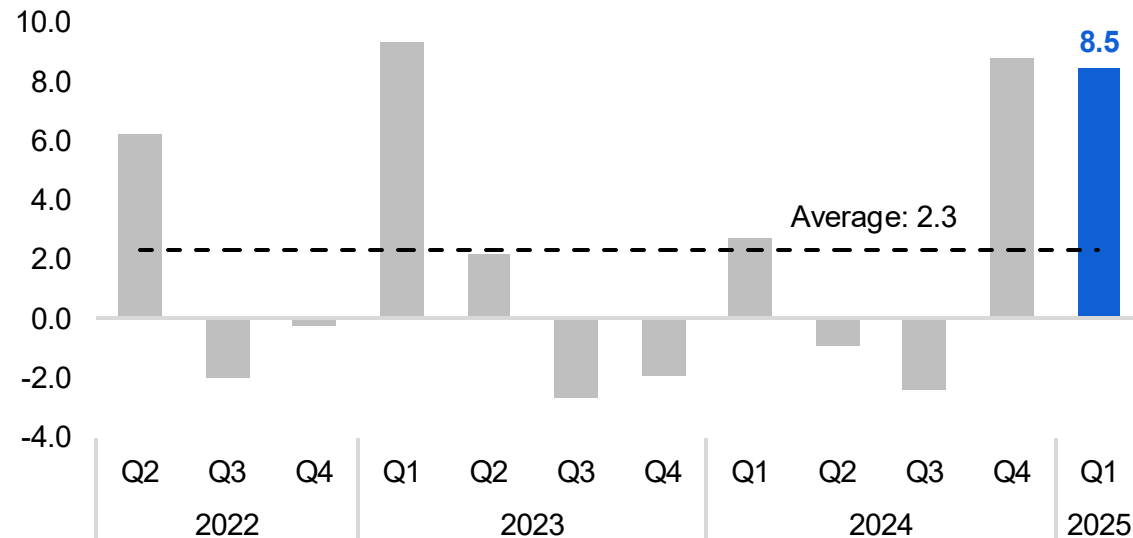


# 2025 Q1 – International merchandise trade

- International merchandise exports jumped by 8.5% in 2025 Q1, the second strong quarterly gain in the period leading up to the imposition of US tariffs.
- International merchandise imports increased by 3.8% in 2025 Q1, after a 3.9% increase in the previous quarter.

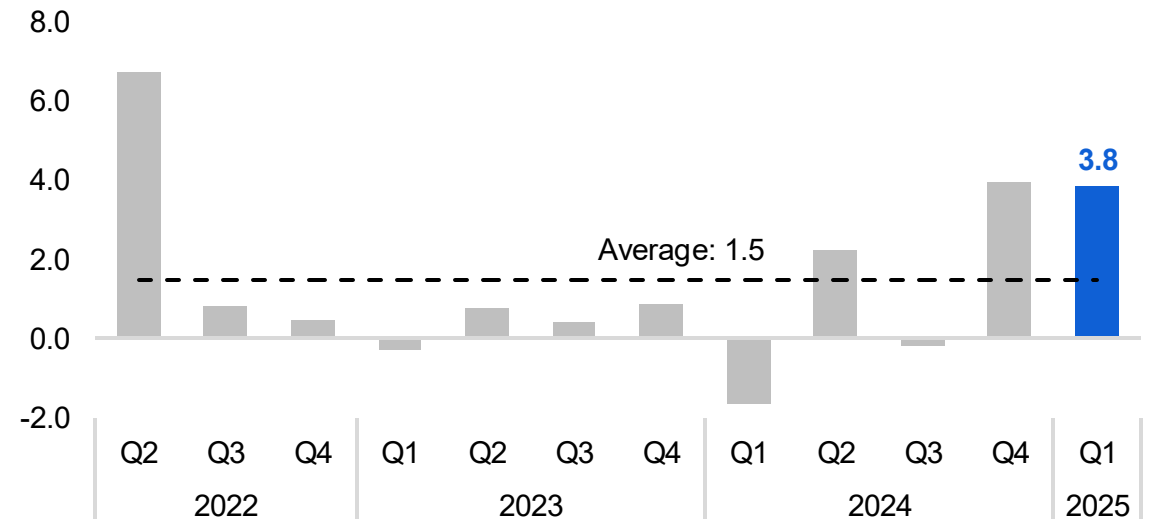
## Exports

Seasonally adjusted, quarter-over-quarter growth, %



## Imports

Seasonally adjusted, quarter-over-quarter growth, %

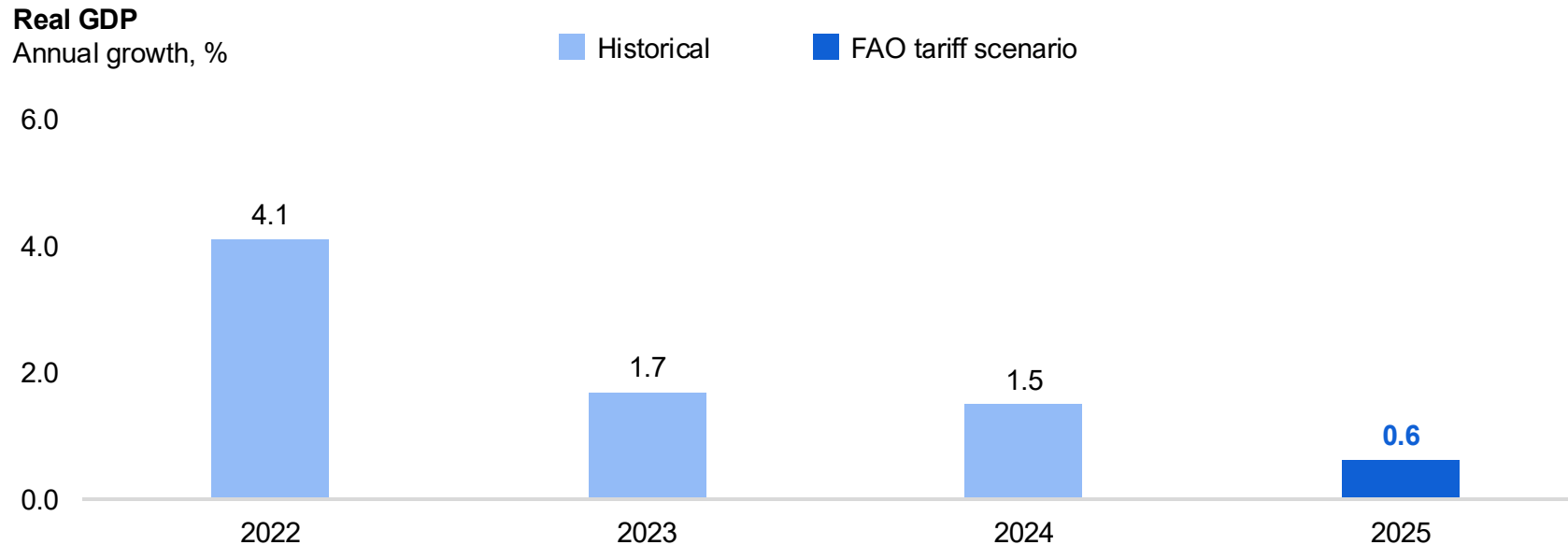


Source: Statistics Canada [Table 12-10-0175-01](#), [Table 12-10-0163-01](#) and FAO estimate.



# Implications of recent economic trends

- 2025 Q1 economic indicators are largely consistent with the FAO's estimate for real GDP growth of 0.6% in 2025, based on tariff policy as of April 17 (the FAO tariff scenario).
- However, subsequent tariff changes not included in the FAO's tariff scenario are expected to have both positive and negative impacts.



Note: The FAO tariff scenario estimates the potential impact of US and Canadian tariffs on Ontario's economy, based on tariff policy as of April 17.  
See the FAO's [The Potential Impacts of US Tariffs on the Ontario Economy](#).  
Source: Ontario Economic Accounts and FAO.



# Thank you!



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