Adapting to More Moderate Growth

This note is the first Scotiabank Economics *Provincial Outlook*. It amplifies our views on the evolution of Canada's provincial economies, which were discussed at a higher level in our quarterly *Global Outlook* publication.

HIGHLIGHTS

- **Growth is set to cool in most regions. Exceptions include BC, lifted by the $40 bn[1] LNG megaproject; Saskatchewan, amid a return to healthy job creation; and Newfoundland and Labrador, as oil production ramps up (see chart).**
- **Full-time job creation has surprised on the upside in 2019. Several jurisdictions are forecast to witness stronger employment growth this year, which should support household incomes as monetary stimulus is withdrawn.**
- **To reinforce a recovery in business investment, multiple provinces will supplement Federal incentives with other tax levers. Quebec and Ontario have implemented plans, while others intend to follow suit.**
- **Immigration will be crucial to sustaining population growth and addressing labour shortages in several regions, and provincial governments are taking different approaches.**
- **Demand-supply conditions in regional housing markets still vary significantly.**
- **The Western net oil-producing provinces continue to contend with the lingering impacts of the 2014–15 commodity price correction, insufficient pipeline transportation capacity and competitive pressures.**

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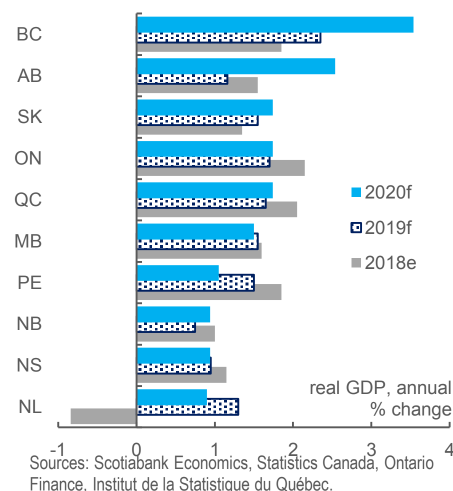

Sources: Scotiabank Economics, Statistics Canada, Ontario Finance, Institut de la Statistique du Québec.

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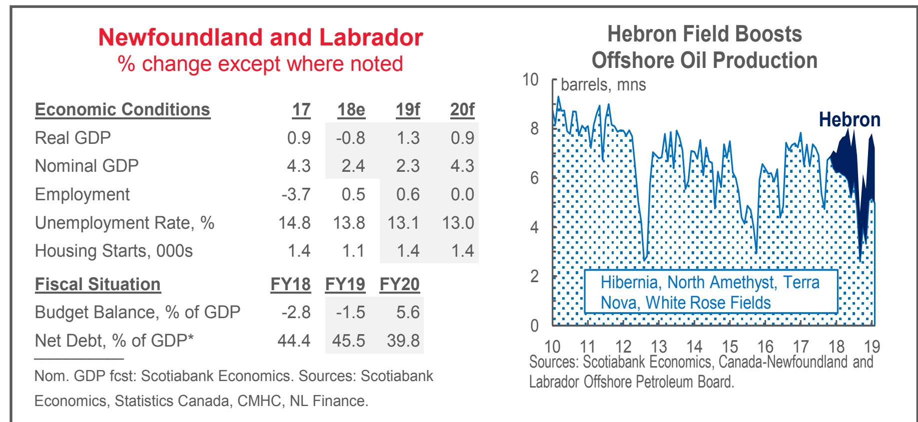
[1] Figures reported in Canadian dollars unless otherwise stated.

NEWFOUNDLAND AND LABRADOR

Economic conditions are far better in Newfoundland and Labrador than they were one year ago. Oil production, though affected by late-2018 shutdowns at older fields, is still up 3.7% y/y ytd as of February on the back of stepped up output at Hebron (see chart). Further ramp-up of production at that field—to about 150,000 bpd at full capacity by the early 2020s—should power robust export gains this year and next, and anchors our forecast of above-trend growth in 2019–20. Work on the $3.2 bn West White Rose Extension offshore drilling project and $2 bn Voisey's Bay mine will support capital outlays as the Muskrat Falls hydroelectric station is completed. Lifted in part by these ventures, full-time job creation rose 3.6% y/y in the first quarter of 2019—more than in any other region.

The recent re-signing of the Atlantic Accord should also provide some relief from the province's well-documented fiscal challenges. Under a new agreement with the Federal Government, Newfoundland and Labrador will receive a greater share of offshore oil receipts generated within its borders. The Province will direct net proceeds—estimated at $2.5 bn—to redress borrowing, with the benefits of the Accord booked as a one-time FY20 revenue infusion. Yet a sustainable return to black ink by FY23 still rests on ambitious plans that include mean annual spending cuts of 2.5% for FY21–23. That rate has been attained only once in Canada since FY86, and will likely be even more exigent with population aging set to further erode the labour pool and push up healthcare costs.



Newfoundland and Labrador
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	0.9	-0.8	1.3	0.9
Nominal GDP	4.3	2.4	2.3	4.3
Employment	-3.7	0.5	0.6	0.0
Unemployment Rate, %	14.8	13.8	13.1	13.0
Housing Starts, 000s	1.4	1.1	1.4	1.4
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	-2.8	-1.5	5.6	
Net Debt, % of GDP*	44.4	45.5	39.8	

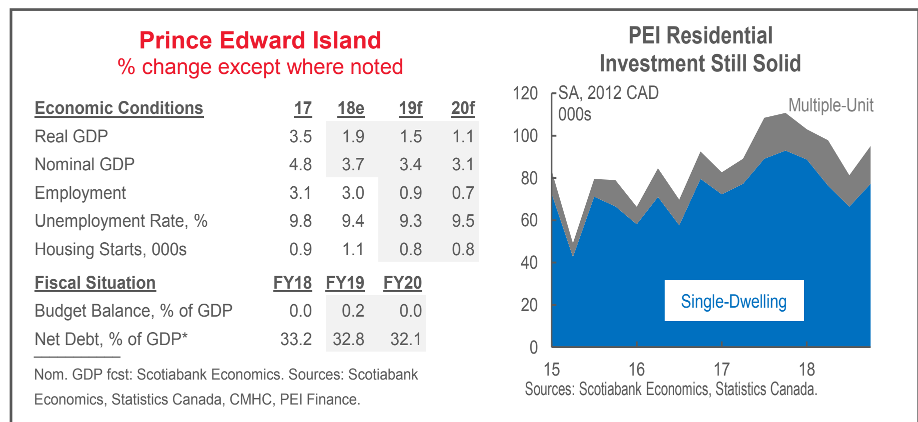
Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, NL Finance.

Sources: Scotiabank Economics, Canada-Newfoundland and Labrador Offshore Petroleum Board.

PRINCE EDWARD ISLAND

We anticipate a more moderate expansion in Prince Edward Island following a remarkable string of gains during 2017–18. Real GDP growth averaged 2.7% per year over that period—a post-recession high water mark—while job creation, at 3.0% in both 2017 and 2018, is the province's best two-year result since 1983–84. Employment growth is set to return to a more sustainable pace just below 1% per annum during 2019–20. More modest, but still-solid export growth—concentrated in Island staples such as seafood, food processing and aerospace—is expected to accompany easing job creation as the US expansion cools this year and next.

Newcomer attraction will remain key to sustained job creation as the population ages, Island firms contend with labour shortages, and outflows to other provinces persist. International immigration anchored annual population gains over 2% in 2017 and in 2018—stronger than any other Canadian jurisdiction in both years—and we are optimistic that this trend can continue. Increases to Ottawa's immigration targets provide a basis for further newcomer attraction. As well, the Province recently shifted its own intake more towards economic immigration. This should lift retention rates alongside stepped-up infrastructure spending to meet the needs of a growing population—outlined in last year's Capital Budget—which may help address labour shortages.



Prince Edward Island
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	3.5	1.9	1.5	1.1
Nominal GDP	4.8	3.7	3.4	3.1
Employment	3.1	3.0	0.9	0.7
Unemployment Rate, %	9.8	9.4	9.3	9.5
Housing Starts, 000s	0.9	1.1	0.8	0.8
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	0.0	0.2	0.0	
Net Debt, % of GDP*	33.2	32.8	32.1	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, PEI Finance.

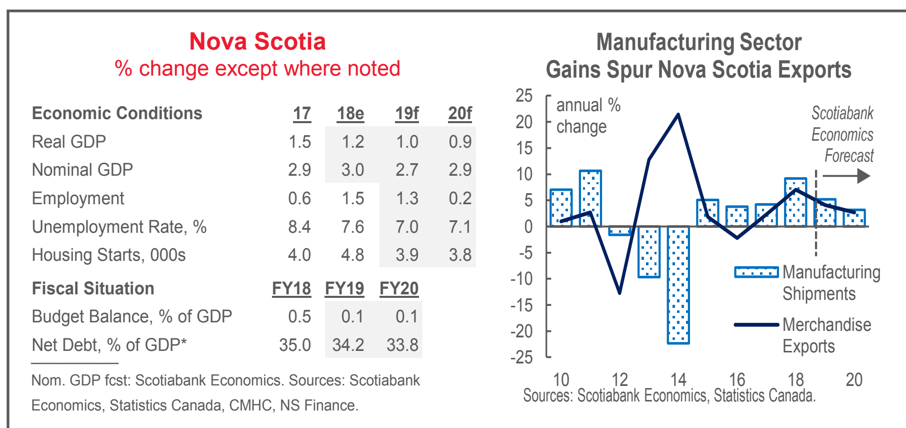
Sources: Scotiabank Economics, Statistics Canada.

Buoyed by sizeable surpluses vis-à-vis robust economic growth, and facing increasingly strained housing availability, PEI last year unveiled its *Housing Action Plan*, the goal of which is to construct 1,000 affordable housing units during 2018–23. The *Plan* aims to build 275 of those units in 2018–19, and thus far looks to have assisted construction activity (see chart) against a backdrop of tight rental market conditions and rising prices.

NOVA SCOTIA

A forecast moderation of Nova Scotia's economic growth to a rate nearer to 1% in 2019–20 is expected to be underpinned by somewhat softer job creation. The province's 1.5% total employment gain in 2018 was the strongest since 2004, while the 3% rise in full-time positions was the best result since 1998. We project total job creation of 1.3% in 2019, still a solid pace.

Amid above-trend employment and economic growth, Nova Scotia saw an upswing in population growth. A 1.8% climb in the two years to 2018—the fastest since 1984–85—mirrors rising immigration and a reversal of outflows to Western Canada. This has stoked home building, reflected in a 12-year high of nearly 4,800 housing starts in 2018. Population growth and home construction should cool with job creation in 2019–20.



Nova Scotia
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	1.5	1.2	1.0	0.9
Nominal GDP	2.9	3.0	2.7	2.9
Employment	0.6	1.5	1.3	0.2
Unemployment Rate, %	8.4	7.6	7.0	7.1
Housing Starts, 000s	4.0	4.8	3.9	3.8
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	0.5	0.1	0.1	
Net Debt, % of GDP*	35.0	34.2	33.8	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, NS Finance.

Sources: Scotiabank Economics, Statistics Canada.

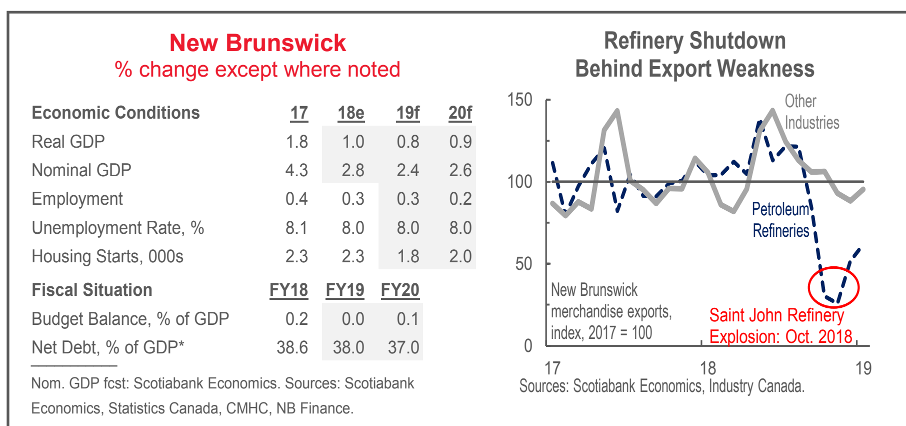
More moderate export growth is also expected to underlie province's more muted growth trajectory. Merchandise exports rose by more than 7% last year, the strongest gain since 2014 (see chart), after which point natural gas output began to wind down. Manufacturing sector activity—concentrated in seafood and tires—drove much of that gain and should hold steady through 2020, but softer import demand will come from both the US and China as expansions ease in both countries.

Infrastructure spending and business investment will likely be more stimulative. Under Nova Scotia's Capital Plan, outlays of $691.3 mn are expected to come in FY20—a figure that represents a 14% increase over FY19 and the largest annual total since FY13. Private-sector investment should also rebound this year after a number of projects completed in 2017 posed a drag on growth last year. Decommissioning work at offshore gas fields should support capital outlays, as should provincial accelerated depreciation measures, and there is significant upside potential via the $8 bn Goldboro LNG project, a final investment decision on which is expected this year.

NEW BRUNSWICK

We anticipate that the New Brunswick economy will generate growth of just 0.8% in 2019 and 0.9% in 2020, following its first instance of three consecutive annual gains of over 1% since 2002–04. The softer expansion this year largely reflects the explosion at the Saint John oil refinery, which weighed heavily on the province's merchandise exports and manufacturing output in Q4-2018 (see chart). Activity has since rebounded, but ongoing repairs should limit shipments of key refined petroleum products early this year. More muted business investment is also expected to dampen the expansion in 2019–20. No major private-sector ventures wait in the wings, although development of the province's shale gas resources offer some upside potential for new capital investment.

Just as business capital outlays look set to slow, so too is public sector spending likely to become less stimulative. New Brunswick's 2019–20 budget, released in March, outlined FY20 spending reductions for several government departments. These build on scaled back infrastructure spending plan—expected to leave FY20–21 outlays 30% lower than in the prior year's blueprint—detailed in December. Further attention to the public purse is likely as the Province continues to target a lower debt-to-GDP ratio.



New Brunswick
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	1.8	1.0	0.8	0.9
Nominal GDP	4.3	2.8	2.4	2.6
Employment	0.4	0.3	0.3	0.2
Unemployment Rate, %	8.1	8.0	8.0	8.0
Housing Starts, 000s	2.3	2.3	1.8	2.0
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	0.2	0.0	0.1	
Net Debt, % of GDP*	38.6	38.0	37.0	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, NB Finance.

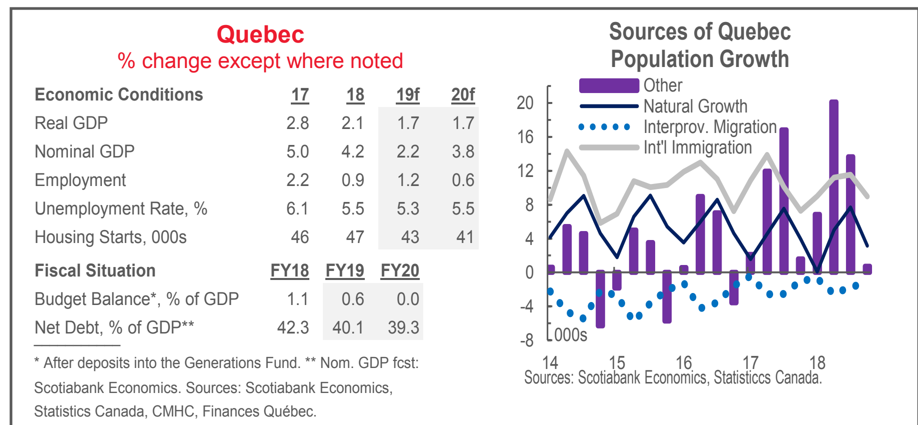
Sources: Scotiabank Economics, Industry Canada.

Home sales have been a recent bright spot in New Brunswick. The province was one of a select few to see rises in home purchases and sales prices last year, and Moncton and Saint John are two of Canada's tightest regional markets, as measured by the sales-to-new listings ratio. In our view, this reflects New Brunswick's 2.1% climb in full-time employment from 2016 to 2018, its strongest two-year advance since before the recession. Higher immigration via the Atlantic Immigration Pilot program should put a floor under home purchases and mitigate the effects of population aging, but sales activity will likely cool over 2019–20 in line with hiring and underlying demographics.

QUEBEC

Quebec completed a two-year expansion not seen since 2000–01 in 2018, and real GDP gains are set to slow to 1.7%—a pace closer to its underlying trend growth rate—in both 2019 and 2020. Machinery and equipment (M&E) outlays rose more than 20% from 2016 to 2018 in response to capacity pressures, after languishing throughout much of the preceding decade. While investment fell back in H2-2018, we suspect that provincial accelerated depreciation rules implemented in December will spur a steady, albeit more moderate, rise in capital outlays this year and next. Slower export gains, in line with US growth, are also expected to underlie the softer Quebec expansion.

Above-trend population growth was another key feature of the recent expansion, and the prospect of more moderate gains should create hurdles for firms given the current elevated number of job vacancies. Quebec has not witnessed two consecutive quarters of positive net interprovincial migration since 2003, and outflows to other regions will likely widen as growth returns to a more sustainable pace. We acknowledge that immigrant job market outcomes in Quebec traditionally lag those in other jurisdictions, but continue to question the planned 20% cut to newcomer admissions for 2019. The province would likely have to exceed last year's record net increase of nearly 40,000 non-permanent residents (see chart)—a volatile category that includes temporary foreign workers and international students—just to sustain modest population growth near 1%.



Quebec
% change except where noted

Economic Conditions	17	18	19f	20f
Real GDP	2.8	2.1	1.7	1.7
Nominal GDP	5.0	4.2	2.2	3.8
Employment	2.2	0.9	1.2	0.6
Unemployment Rate, %	6.1	5.5	5.3	5.5
Housing Starts, 000s	46	47	43	41
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance*, % of GDP	1.1	0.6	0.0	
Net Debt, % of GDP**	42.3	40.1	39.3	

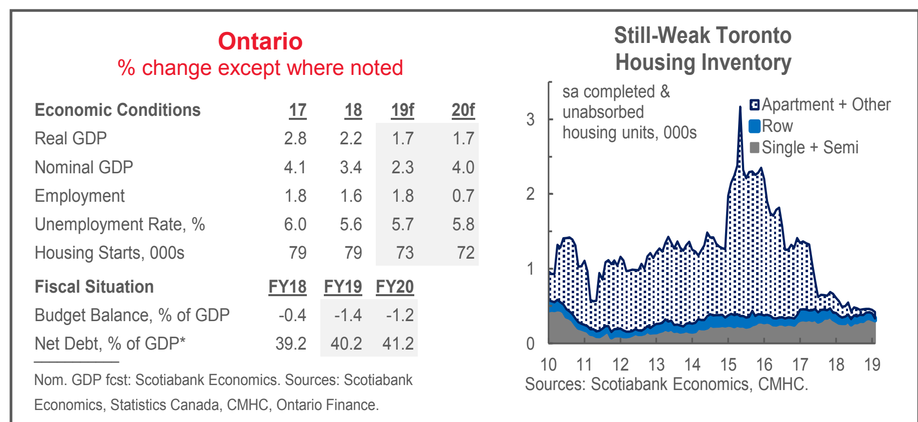
* After deposits into the Generations Fund. ** Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, Finances Québec.

Sources: Scotiabank Economics, Statisticcs Canada.

Some respite from these challenges may come via measures announced in the 2019–20 budget. The March fiscal blueprint included supports for immigrant and temporary foreign worker integration, and tax credits to incite greater labour force participation among older employees, both of which have the potential to increase the pool of available workers. Quebec will also direct some of its FY19 surplus towards an additional $15 bn in infrastructure outlays over the next 10 fiscal years.

ONTARIO

As in Quebec, Ontario's expansion slowed in the second half of last year, but we look for steady, albeit more modest advances of 1.7% this year and next. Accelerated depreciation measures outlined in the provincial budget will supplement the Federal-level policies and are likely to incite new investment this year; ongoing major project activity should provide a further assist. A pickup in job creation to 1.8% should also sustain healthy consumer spending in 2019. Export gains are also



Ontario
% change except where noted

Economic Conditions	17	18	19f	20f
Real GDP	2.8	2.2	1.7	1.7
Nominal GDP	4.1	3.4	2.3	4.0
Employment	1.8	1.6	1.8	0.7
Unemployment Rate, %	6.0	5.6	5.7	5.8
Housing Starts, 000s	79	79	73	72
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	-0.4	-1.4	-1.2	
Net Debt, % of GDP*	39.2	40.2	41.2	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, Ontario Finance.

Sources: Scotiabank Economics, CMHC.

expected to slow—in line with expectations of gradually ebbing automobile production and a moderation of US import demand—but remain solid, though Sino-US trade tensions continue to present downside risk on this front.

Greater Golden Horseshoe (GGH) market conditions were largely balanced as of March 2019 and price gains have eased substantially since the heights of 2016–17, but housing affordability remains a near-term concern. Construction activity has hovered near all-time highs across most GGH centres, but absorption rates remain elevated, especially in Toronto (see chart, p.4). That limited supply of available housing units is expected to persist this year amid healthy job creation, with further pressure likely if Ontario builds on last year's 38% increase in economic immigration.

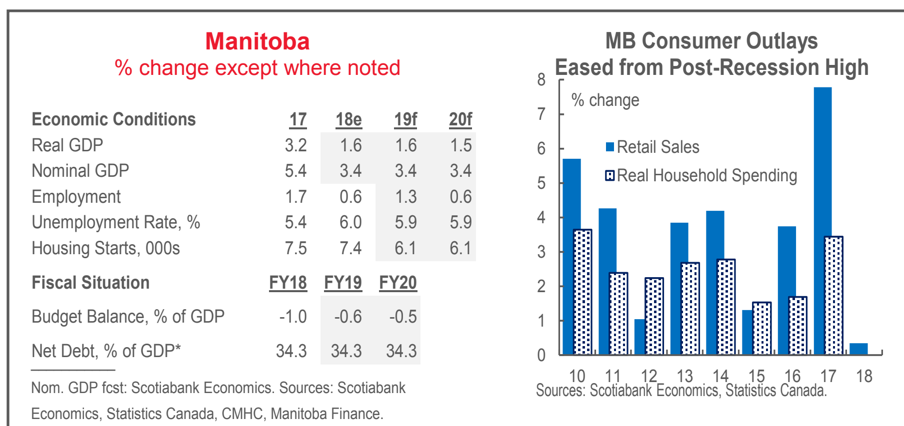
Housing affordability pressures also look to have spread to other Ontario centres. As many GGH cities saw a stress test-induced housing market slowdown last year, areas such as Windsor and London maintained double-digit sales price gains through this year. They also continue to report sales-to-new listings ratios firmly in sellers' market territory alongside Ottawa, where rental and ownership markets are in the midst of a period of historic tightness.

Ontario's latest budget builds in substantial expenditure control, but we do not expect debt and deficit reduction efforts to derail provincial growth. To balance the books by FY24 and sustain a downward debt path, it targets mean annual program spending gains of 1% for FY20–24—well below inflation and the strictest restraint since FY96–99 when program outlays fell by 0.3% per year. Still, the planned pace of consolidation represents only about one-third of a percent of nominal GDP over the forecast horizon.

MANITOBA

Manitoba's expansion is forecast to hold steady in 2019 and 2020, with respective real output advances of 1.6% and 1.5% expected to follow a similar gain in 2018. More muted rises in exports—to the US as the American expansion eases, and to provincial trading partners as Canadian growth cools—will likely be a key contributor to the softer growth trajectory. Yet shipments to China should stabilize after the value of soybean exports to that nation fell by more than 50% last year, from an all-time high in 2017. Diminished mining activity should also dampen the expansion: a major copper mine closed in H2-2018, and another mine closure is anticipated in 2020.

On a more positive note, total employment is forecast to accelerate to 1.3% in 2019, which should support household expenditure gains this year. Consumer outlays eased last year in the aftermath of 2017's post-recession high (see chart). And if recent history is any indication, the province is poised to benefit from greater immigration levels. During 2014–18, employment rates for prime working-age newcomers to Manitoba averaged 82.6%—more than any other jurisdiction.



Manitoba
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	3.2	1.6	1.6	1.5
Nominal GDP	5.4	3.4	3.4	3.4
Employment	1.7	0.6	1.3	0.6
Unemployment Rate, %	5.4	6.0	5.9	5.9
Housing Starts, 000s	7.5	7.4	6.1	6.1
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	-1.0	-0.6	-0.5	
Net Debt, % of GDP*	34.3	34.3	34.3	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, Manitoba Finance.

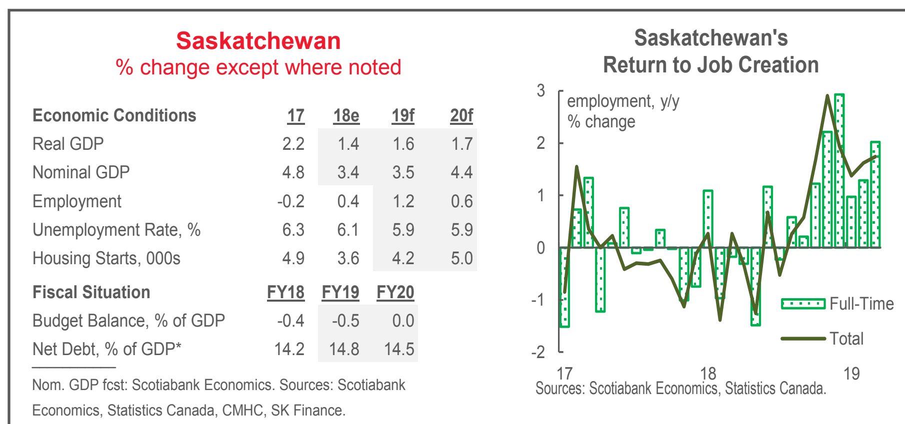
Sources: Scotiabank Economics, Statistics Canada.

Mid-sized capital projects should also buttress economic growth in Manitoba this year and next. Construction of two food processing facilities in Portage La Prairie, with combined costs of $960 mn, is slated to continue through 2019 and should lift capital investment this year as well as production capacity more substantially in 2020. A five-year, $1 bn broadband infrastructure investment, and the $453 mn Manitoba-Minnesota transmission line also proceed this year. These ventures should mitigate the impacts of more moderate activity related to the BiPole III and Keeyask hydroelectric projects.

SASKATCHEWAN

Our projected acceleration of economic growth in Saskatchewan rests fundamentally on expectations of stronger job creation. Employment growth in the province remained stubbornly weak even after the worst of the commodity price correction, with a two-year rise of just 0.4% over 2017–18 that lagged Alberta's climb of nearly 3%. Building on solid 1.4% year-to-date gains in full-time positions (see chart), we look for total job creation of 1.2% this year, which would represent the best result since 2013. Still, that rate remains well below the 1.7% annual average experienced over 2010–14, and mirrors our forecast of slower economic growth than at the height of the oil price boom.

The agricultural sector faces largely positive prospects. Early indications are that most areas of the province will be spared of flooding after above-trend snowfall in the winter months, and new market access is presented by trade agreements with Europe and the Pacific Rim. Yet protectionist Chinese actions may hinder exports of canola products, which made up 11% of provincial merchandise shipments abroad last year.



Saskatchewan
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	2.2	1.4	1.6	1.7
Nominal GDP	4.8	3.4	3.5	4.4
Employment	-0.2	0.4	1.2	0.6
Unemployment Rate, %	6.3	6.1	5.9	5.9
Housing Starts, 000s	4.9	3.6	4.2	5.0
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	-0.4	-0.5	0.0	
Net Debt, % of GDP*	14.2	14.8	14.5	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, SK Finance.

Sources: Scotiabank Economics, Statistics Canada.

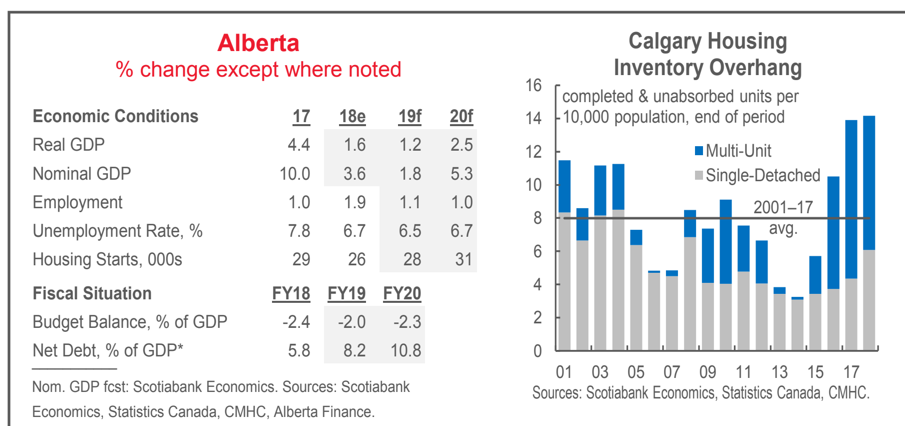
Food processing is an area of strength for Saskatchewan, though it is unlikely to repeat its recent torrid performance. Food manufacturing shipments rose 10.9% in 2018—more than any other jurisdiction. A USD 140 mn expansion of a pulse processing plant should support the industry's continued growth alongside funding vis-à-vis the Federal Protein Industries Supercluster awarded to the Prairie Provinces.

Infrastructure spending, expected to fall by about 4% in FY20, will pose a drag on 2019–20 growth, though less so than forecast a year ago. Relative to last year, the 2019–20 budget projects a cumulative $755 mn rise in *Saskatchewan Builds Capital Plan* outlays over FY20–22, nearly half of which is sourced from federal infrastructure funding.

ALBERTA

Energy sector uncertainty continues to hamper Alberta's economic prospects. Though government-mandated oil production cuts, put in place to allay the Western Canadian price discount, have been eased, we still expect the policy to shave at least 1 ppt off of growth this year. Prices have risen since the cuts were announced, but Line 3 pipeline delays will likely weigh on differentials into 2020. Citing a weaker investment climate, the firm behind a $2.6 bn in situ oil sands project—which had been a bright spot in an otherwise sluggish investment landscape—scaled back development of the venture. We look for growth to rebound to about 2.5% in 2020, but the viability of large energy sector projects—increasingly in question following oil price volatility and facing greater competition from the US shale patch—will be critical to maintaining that rate thereafter.

Other investments should lend some support to growth during 2019–20. Work on three petrochemical facilities with a combined value of $10 bn is underway or approved under Alberta's *Petrochemicals Diversification Program*. Calgary venture capital funding is estimated to have risen more than 20% in 2018 to reach a six-year high, though it slowed substantially in the second half of last year. A $360 mn potato processing plant, construction of which



Alberta
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	4.4	1.6	1.2	2.5
Nominal GDP	10.0	3.6	1.8	5.3
Employment	1.0	1.9	1.1	1.0
Unemployment Rate, %	7.8	6.7	6.5	6.7
Housing Starts, 000s	29	26	28	31
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	-2.4	-2.0	-2.3	
Net Debt, % of GDP*	5.8	8.2	10.8	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, Alberta Finance.

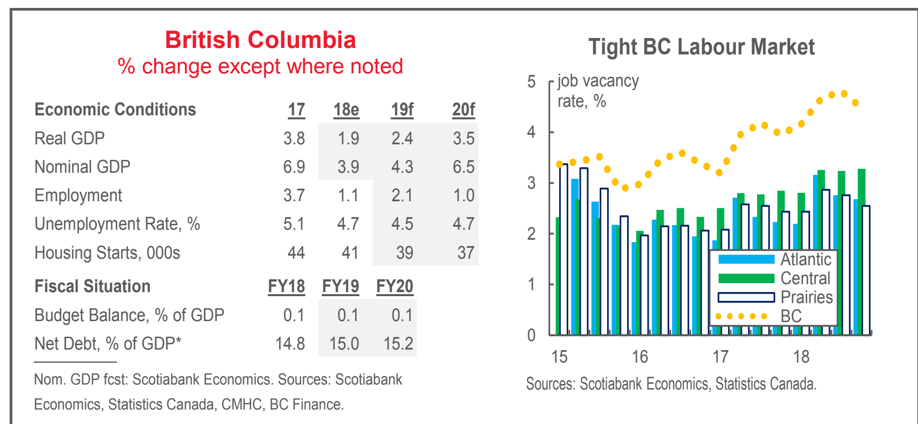
Sources: Scotiabank Economics, Statistics Canada, CMHC.

began last year in Lethbridge, is scheduled to open in 2019 and will likely boost manufacturing sector output and exports.

Like many centres in Canada's net oil-producing provinces, Alberta cities are grappling with a housing inventory overhang accrued since the commodity price correction. In Calgary, per-capita completed and unabsorbed units sat more than 77% higher than their long-run mean at the end of 2018 (see chart, p.6). The figure was also elevated in Edmonton, and both cities' rental vacancy rates exceeded 6% in 2018, indicating a stock of rental units that well exceeds demand. Substantial increases in home prices and construction are not expected until this glut is absorbed—an event that will likely be prolonged with Alberta set to sustain a more muted expansion this year.

BRITISH COLUMBIA

Construction of a $40 bn LNG export terminal project in Kitimat remains the key feature of our BC economic outlook. Our forecast assumes that both phases of the project—which include all four trains of an LNG liquefaction facility and a pipeline—go ahead over the coming years. In line with typical LNG industry expenditure schedules, outlays of roughly $14 bn are expected over 2019–20, which we anticipate will add more than 2 ppts to provincial economic growth over that time period. We do not believe that the present labour shortages in BC (see chart)—notably in the construction sector—will limit the venture's progress given that the project proponent does not foresee full workforce ramp-up until early/mid-2020. And there is additional upside potential for BC LNG: a number of firms have openly discussed new developments in the province of late.



British Columbia
% change except where noted

Economic Conditions	17	18e	19f	20f
Real GDP	3.8	1.9	2.4	3.5
Nominal GDP	6.9	3.9	4.3	6.5
Employment	3.7	1.1	2.1	1.0
Unemployment Rate, %	5.1	4.7	4.5	4.7
Housing Starts, 000s	44	41	39	37
Fiscal Situation	**FY18**	**FY19**	**FY20**	
Budget Balance, % of GDP	0.1	0.1	0.1	
Net Debt, % of GDP*	14.8	15.0	15.2	

Nom. GDP fcst: Scotiabank Economics. Sources: Scotiabank Economics, Statistics Canada, CMHC, BC Finance.

Sources: Scotiabank Economics, Statistics Canada.

BC housing markets are adjusting to new policy, but we look for a return to sales and price growth towards the end of this year. New taxes that target the high end of the market look to be dampening the pace of housing demand: Vancouver MLS units sales plunged in each of the first three months of 2019 and in March reached the lowest level since 1986 for that month. Sales have fallen back in other Southern BC centres as well, and prices have slid accordingly. Yet we believe the dip in purchasing activity reflects market overreaction similar to that which followed initial imposition of the foreign buyers' tax in 2016. BC is set to lead the provinces in job creation in both 2019 and 2020, and full-time job creation has trended generally higher since September of last year. This should support housing demand as buyers and sellers adjust to new taxes.

The tourism industry looks set to remain a key source of BC services sector exports. International overnight tourist visits to the province rose 6.4% in 2018 reach a new all-time high and have continued to climb in 2019, and Port of Vancouver cruise ship traffic is up substantially thus far this year. Airport modernization and expansion projects are expected to continue in Vancouver, Victoria, and Kelowna, while a newly opened terminal should support facilitate greater passenger throughput in Abbotsford.

Provincial Forecast Summary

The Provinces					(annual % change except where noted)						
Real GDP	**CA**	**NL**	**PE**	**NS**	**NB**	**QC**	**ON**	**MB**	**SK**	**AB**	**BC**
2000–17	2.1	2.4	1.8	1.3	1.2	1.8	2.0	2.3	2.0	2.8	2.7
2017	3.0	0.9	3.5	1.5	1.8	2.8	2.8	3.2	2.2	4.4	3.8
2018e	1.8	-0.8	1.9	1.2	1.0	2.1	2.2	1.6	1.4	1.6	1.9
2019f	1.6	1.3	1.5	1.0	0.8	1.7	1.7	1.6	1.6	1.2	2.4
2020f	2.1	0.9	1.1	0.9	0.9	1.7	1.7	1.5	1.7	2.5	3.5
Nominal GDP											
2000–17	4.3	5.6	4.2	3.3	3.4	3.7	3.9	4.4	5.4	5.9	4.7
2017	5.6	4.3	4.8	2.9	4.3	5.0	4.1	5.4	4.8	10.0	6.9
2018e	3.6	2.4	3.7	3.0	2.8	4.2	3.4	3.4	3.4	3.6	3.9
2019f	2.6	2.3	3.4	2.7	2.4	2.2	2.3	3.4	3.5	1.8	4.3
2020f	4.6	4.3	3.1	2.9	2.6	3.8	4.0	3.4	4.4	5.3	6.5
Employment											
2000–17	1.4	0.6	1.1	0.6	0.4	1.3	1.3	1.0	1.1	2.2	1.5
2017	1.9	-3.7	3.1	0.6	0.4	2.2	1.8	1.7	-0.2	1.0	3.7
2018	1.3	0.5	3.0	1.5	0.3	0.9	1.6	0.6	0.4	1.9	1.1
2019f	1.6	1.3	1.0	1.5	0.5	1.2	1.9	1.3	1.2	1.1	2.2
2020f	0.7	0.0	0.7	0.2	0.2	0.6	0.7	0.6	0.6	1.0	1.0
Unemployment Rate (%)											
2000–17	7.1	14.3	11.1	8.8	9.5	7.9	7.0	5.1	5.0	5.3	6.5
2017	6.3	14.8	9.8	8.4	8.1	6.1	6.0	5.4	6.3	7.8	5.1
2018	5.8	13.8	9.4	7.6	8.0	5.5	5.6	6.0	6.1	6.6	4.7
2019f	5.7	12.6	9.3	6.9	8.0	5.3	5.7	5.8	5.8	6.5	4.5
2020f	5.9	12.5	9.4	7.0	8.0	5.5	5.8	5.8	5.9	6.7	4.7
Housing Starts (units, 000s)											
2000–17	200	2.5	0.8	4.3	3.4	44	72	5.2	5.2	34	29
2017	220	1.4	0.9	4.0	2.3	46	79	7.5	4.9	29	44
2018	213	1.1	1.1	4.8	2.3	47	79	7.4	3.6	26	41
2019f	202	1.3	0.8	3.9	1.8	43	73	6.1	4.2	28	39
2020f	200	1.4	0.8	3.8	2.0	41	72	6.1	5.0	31	37
Motor Vehicle Sales (units, 000s)											
2000–17	1,657	29	6	48	38	413	635	47	45	216	180
2017	2,041	33	9	59	42	453	847	62	56	245	235
2018	1,984	28	8	51	38	449	853	67	47	226	217
2019f	1,930	30	8	48	35	430	826	60	48	220	225
2020f	1,900	30	8	47	34	420	810	55	48	215	233
Budget Balances, Fiscal Year Ending March 31 (CAD mn)											
2017	-19,000	-1,148	-1	151	-117	2,361	-991	-764	-1,218	-10,784	2,737
2018	-19,000	-911	75	230	67	2,622	-3,700	-695	-303	-8,023	301
2019e	-14,900	-522	14	28	5	2,500	-11,736	-470	-348	-6,930	374

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents; Quebec budget balance figures are after Generations Fund transfers.

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