



Canadian Chamber of Commerce

Chambre de Commerce du Canada



Business Data Lab

Laboratoire de données sur les entreprises

# GDP by industry for February 2022: Canada's economy performed better than expected during the Omicron wave

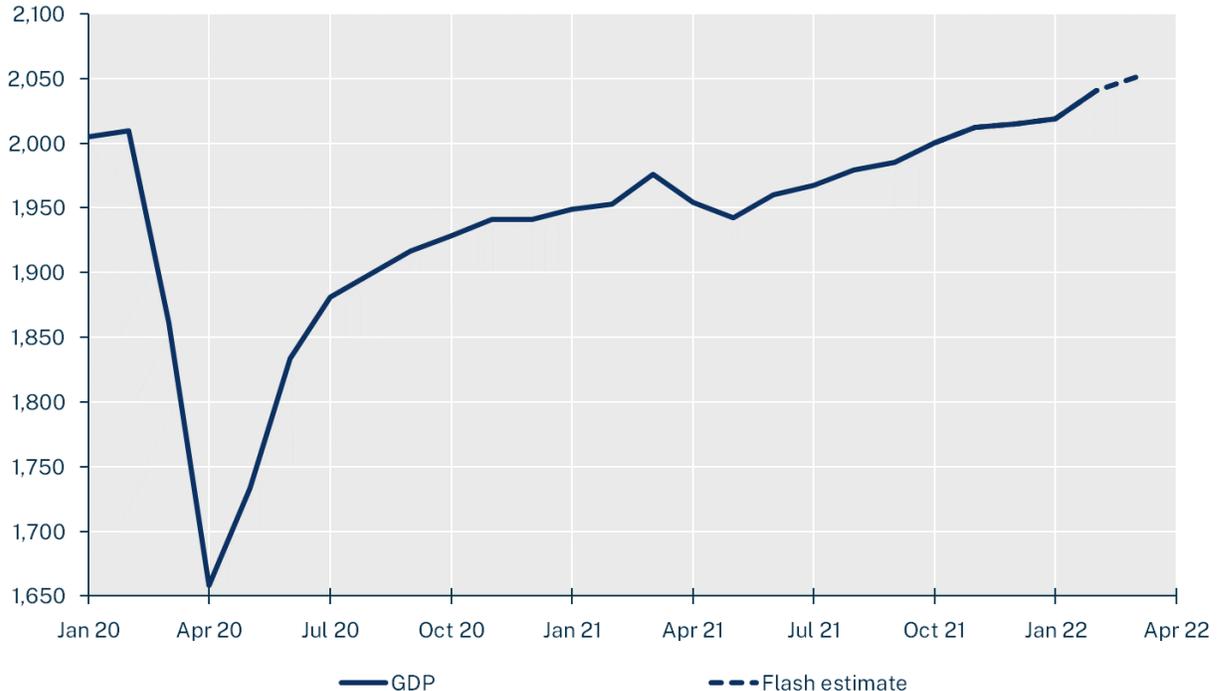


Stephen Tapp, Chief Economist

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## Canadian real GDP by industry

Billions of chained 2012 dollars



Source: Statistics Canada

***“Today’s GDP data suggests Canada’s economy held up much better than initially feared in the first quarter of 2022 during the Omicron COVID wave. Real GDP growth is robust, on pace for an annualized 5.6% in 2022Q1. This is above the Bank of Canada’s most recent forecast (3.0%) and reinforces the need for continued interest rate increases from the central bank in the coming months.”***



## KEY TAKEAWAYS

- Canada's real gross domestic product (**GDP**) **increased 1.1% in February**, better than the advanced estimate (0.8%), and marking the ninth consecutive month of gains, and the largest increase in the last 11 months. StatCan's flash estimate for March shows a 0.5% increase.
- Taken together, this suggests **Canada's economy held up much better than initially feared in the first quarter of 2022**, during the most recent Omicron COVID wave, with millions more infected by the virus as government restrictions eased. Real GDP growth is on pace for an annualized 5.6% in 2022Q1. This is above the Bank of Canada's most recent forecast (3.0%) and **reinforces the need for continued interest rate increases from the central bank in the coming months**.
- Output gains in February were quite broad-based with increases in 16 of 20 sectors. **Goods-producing sectors** rose by 1.5%, while **services** were up 0.9%.
- The **biggest sectoral winners** of the month were:
  - **Accommodation and food services** (15%) leading the charge to recoup most of their losses in December and January.
  - **Rail transportation** (9%) enjoyed its largest monthly increase in over eight years, picking up from earlier flooding in British Columbia and cold weather.
  - **Arts, entertainment and recreation** (8%) increased smartly as provinces relaxed many capacity restrictions.



## SUMMARY TABLES

Real GDP by industry	Monthly change, %	Annual change, %
<b>Total</b>	<b>1.1</b>	<b>4.5</b>
<b>Goods</b>	<b>1.5</b>	<b>4.1</b>
Agriculture	1.4	0.4
Mining, oil & gas	3.4	6.5
Utilities	-2.3	2.8
Construction	2.7	4.5
Manufacturing	0.4	3.6
<b>Services</b>	<b>0.9</b>	<b>4.6</b>
Wholesale trade	-1.1	4.2
Retail trade	-0.2	1.6
Transportation	3.1	7.6
Info and culture	1.0	6.9
Finance & insurance	0.4	3.4
Real estate	0.4	1.9
Professional services	1.0	7.3
Management of companies	-2.4	-30.0
Administrative services	1.0	3.5
Education	0.2	3.9
Health and social	0.4	2.8
Arts, entertainment, recreation	8.4	47.6
Accommodation & food services	15.1	35.7
Other services	0.7	8.2
Public admin	0.9	2.6

Sources: Statistics Canada; Canadian Chamber of Commerce Business Data Lab



<b>Quarterly real GDP growth, annualized</b>	<b>History</b>	<b>Forecast</b>	
	<b>2021Q4</b>	<b>2022Q1</b>	<b>2022Q2</b>
<b>Current trajectory</b>	6.7	5.6	
<b>Bank of Canada's latest forecast</b>		3.0	6.0

Sources: Statistics Canada; Bank of Canada; Canadian Chamber of Commerce Business Data Lab