

## Growth continued in most provinces in 2018, albeit at a slower pace

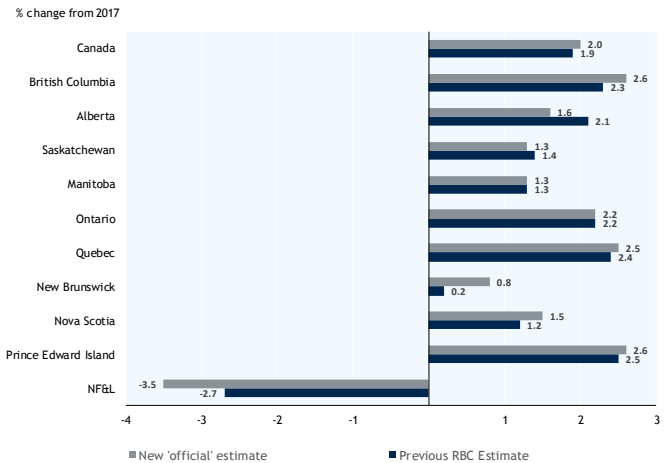
Statistics Canada released the provincial accounts for 2018 this morning that provide official expenditure based GDP numbers for the provinces. It confirmed the picture that emerged from the preliminary numbers. As expected, nine out of 10 provinces saw growth in GDP, with British Columbia and Prince Edward Island maintaining their place at the top of the rankings (both tied at 2.6%). Newfoundland & Labrador was the only province to contract sharply (-3.5%).

While our working estimates were generally close to the official counts for 2018, there were a few differences. Newfoundland & Labrador's contraction was deeper than we initially thought (-3.5% compared to our previous release -2.7%). This stemmed from a fall in non-residential business investment. Major project construction projects including the Hebron oil field and the Maritime Link Project, came to an end. Alberta also came out weaker (1.6%) than our expectation of 2.1% with both housing investment and household consumption declining.

On the upside, New Brunswick, British Columbia and Nova Scotia now look stronger than we expected. In the case of New Brunswick, it benefitted from strong housing and business investment. British Columbia saw strength in household spending on services (although goods spending slowed), machinery and equipment investment and higher exports. Nova Scotia's economy was aided by a surge in intellectual property products investment (from stronger oil and gas exploration activity) as well as higher investment in the residential sector.

Statistics Canada also made revisions to earlier years, however the changes were minor and didn't change the narrative.

Real GDP growth 2018



Source: Statistics Canada, RBC Economics Research