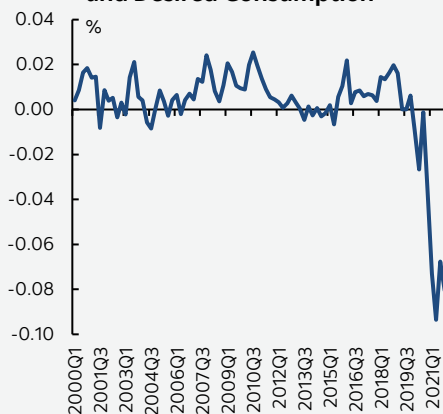


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Chart 1

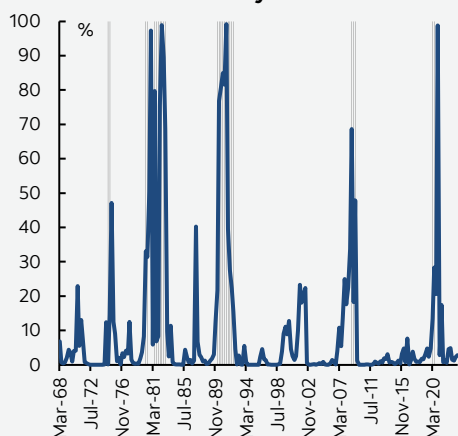
**Gap Between Actual Consumption and Desired Consumption**



Source: Scotiabank Economics.

Chart 2

**Canada: Probability of Recession**



Source: Scotiabank Economics.

## Aggressive Policy Tightening to Come

- **Talk of a global recession is premature and should not sway central bank actions.**
- **Aggressive rate increases continue to be necessary. A similar path of rate increases is expected in the United States and Canada. Fifty basis point moves are forecast at their next meetings, with policy rates rising to 3% this time next year in both countries.**
- **Despite a rapid expected path of tightening, real policy rates will remain negative for at least a year and will only be mildly contractionary in relation to the nominal neutral policy rate.**
- **Inflation should moderate as the year progresses as input prices stabilize or come down, but excess demand and high inflation expectations should keep inflation uncomfortably high through next year.**

While incoming data continue to suggest remarkable strength in the Canadian economy, the impact of the Russian attack on Ukraine is leading to significant negative revisions in Europe. A recession is likely in some countries owing to the impact the war has had on input prices, but for commodity exporting countries this does not appear likely. From our perspective, the talk of a global recession appears premature, but even if one did occur, its impact on Canada in particular would be significantly muted by the strength of our terms of trade.

Owing to this view, we continue to believe that policymakers in the United States and Canada will proceed with a rapid withdrawal of stimulus. For both countries, we expect policy rates of 3% by this time next year. A few 50bps moves are likely in the lead-up to that. For Canada, as we have long forecast, we believe the first 50bps move will occur on April 13. In the US, we expect a 50bps move at the May meeting of the FOMC. While the change in nominal policy rates will be aggressive by historical standards in terms of its pace, the endpoint for rates relative to neutral policy rates will not be very high from a historical perspective. From a real policy rate standpoint, negative real rates are expected through early next year. As a result, it is best to speak of a withdrawal of stimulus rather than a tightening of policy. It may appear to be an overly semantic point, but it is important to understand that even with a rapid tightening, policy would likely remain accommodative in both countries for much of the next year.

In a Canadian context, it also important to note that the financial situation of households remains surprisingly strong. Cash balances are incredibly high, the debt-to-asset ratio is at close to 20-year lows, and wealth—and very importantly its distribution across income quintiles—suggest households will be able to handle the rate increases to come. Moreover, the pent-up demand from households is at levels never observed historically (chart 1). This is likely to reduce at least temporarily the impact of inflation and interest rates on consumption decisions. Higher interest rates and inflation will of course reduce economic activity, but the underlying economic fundamentals remain very positive, and this should allay some fears that higher rates will tip us into recession. In fact, our [recession probability model](#) continues to point to a very low risk of recession over the next 4 quarters (chart 2). That being said, we anticipate a slowing to sub-2 percent growth in the second half of 2023, a pace of growth that is roughly in line with our estimate of potential.

Against this rate and economic backdrop, inflation in Canada will remain well outside the BoC's inflation control range owing to the combined impact of the strength of global demand on input prices to date, the lagged impact of supply delivery challenges, the consequences of the war in Ukraine, the strength of the Canadian job market, and persistent upward pressure on rents as house prices continue to reach new highs. The inflationary pressures resulting from higher commodity prices will fade over time, as will some pressures associated with logistical bottlenecks. Shipping costs have already fallen substantially from their peaks, for instance. This should lead to inflation moderating in the second half of the year and into 2023, yet it is clear that inflation expectations of both households and firms are uncomfortably high. This, and the economy being in excess demand, will keep inflation above the BoC's target through 2023. We anticipate average annual inflation of 5.9% this year and 3.2% next year.

International												
	2010–19	2019	2020	2021	2022f	2023f	2010–19	2019	2020	2021	2022f	2023f
	Real GDP (annual % change)						Consumer Prices (y/y % change, year-end)					
World (based on purchasing power parity)	3.7	2.8	-3.1	6.2	4.0	3.7						
Canada	2.3	1.9	-5.2	4.6	4.2	3.0	1.7	2.1	0.8	4.7	5.9	2.0
United States	2.3	2.3	-3.4	5.7	3.8	2.9	1.7	2.0	1.2	6.7	7.1	3.1
Mexico	2.7	-0.2	-8.2	4.8	1.9	1.7	4.0	2.8	3.2	7.4	5.5	4.1
United Kingdom	2.0	1.7	-9.3	7.4	3.9	1.7	2.1	1.3	0.6	4.8	7.0	3.3
Eurozone	1.4	1.6	-6.5	5.6	2.9	2.4	1.3	1.3	-0.3	4.7	6.4	2.2
Germany	2.0	1.1	-5.0	3.1	2.2	2.8	1.3	1.5	-0.3	5.4	6.1	2.5
France	1.4	1.8	-8.0	7.4	3.2	2.2	1.2	1.5	0.0	3.3	4.4	2.2
China	7.7	6.0	2.3	8.1	5.1	5.3	2.7	4.5	0.2	1.5	2.7	2.4
India	7.0	4.7	-7.1	8.9	7.0	7.0	6.8	7.4	4.6	5.7	6.2	5.5
Japan	1.2	0.0	-4.7	1.8	2.3	1.8	0.6	0.8	-1.2	0.8	2.0	1.0
South Korea	3.3	2.2	-0.9	4.0	3.0	2.6	1.7	0.7	0.5	3.7	3.7	2.3
Australia	2.6	1.9	-2.3	4.8	4.1	2.7	2.1	1.8	0.9	3.5	3.3	2.7
Thailand	3.6	2.3	-6.1	1.6	3.7	4.0	1.5	0.9	-0.3	2.2	4.8	2.2
Brazil	1.4	1.2	-3.9	4.8	1.0	2.5	5.9	4.3	4.5	10.1	8.1	3.4
Colombia	3.7	3.2	-7.0	10.8	4.5	3.7	3.9	3.8	1.6	5.6	7.2	3.7
Peru	4.5	2.2	-11.0	13.3	2.6	2.8	2.9	1.9	2.0	6.4	6.4	3.0
Chile	3.3	0.8	-6.0	12.0	3.0	0.0	3.2	3.0	3.0	7.2	6.6	3.5
Argentina	1.4	-2.0	-9.9	10.3	0.4	1.3	26.1	53.8	36.1	50.9	49.1	30.6
Commodities												
	(annual average)											
WTI Oil (USD/bbl)	74	57	39	68	98	82						
Brent Oil (USD/bbl)	82	64	43	70	102	85						
WCS - WTI Discount (USD/bbl)	-18	-14	-12	-13	-13	-15						
Nymex Natural Gas (USD/mmbtu)	3.39	2.53	2.02	3.84	4.01	3.28						
Copper (USD/lb)	3.10	2.73	2.80	4.23	4.25	4.25						
Zinc (USD/lb)	1.02	1.16	1.03	1.36	1.50	1.40						
Nickel (USD/lb)	7.00	6.31	6.25	8.37	8.50	8.00						
Iron Ore (USD/tonne)	101	93	109	160	115	100						
Metallurgical Coal (USD/tonne)	179	185	127	204	250	175						
Gold, (USD/oz)	1,342	1,393	1,771	1,799	1,800	1,700						
Silver, (USD/oz)	21.64	16.21	20.48	25.15	24.50	23.00						

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.

North America												
	2010-19	2019	2020	2021	2022f	2023f	2010-19	2019	2020	2021	2022f	2023f
	<b>Canada</b> (annual % change, unless noted)						<b>United States</b> (annual % change, unless noted)					
Real GDP	2.3	1.9	-5.2	4.6	4.2	3.0	2.3	2.3	-3.4	5.7	3.8	2.9
Consumer spending	2.5	1.4	-6.1	5.1	7.5	3.6	2.2	2.2	-3.8	7.9	4.0	3.0
Residential investment	2.5	-0.3	4.3	15.2	-6.7	-1.3	4.5	-0.9	6.8	9.2	1.5	3.0
Business investment*	2.9	1.6	-10.5	1.9	5.9	6.7	5.2	4.3	-5.3	7.4	4.2	2.7
Government	1.1	0.8	0.9	4.8	2.0	1.7	-0.1	2.2	2.5	0.5	2.2	3.0
Exports	3.5	2.3	-9.7	1.4	6.7	4.7	3.8	-0.1	-13.6	4.5	7.3	4.7
Imports	3.7	0.4	-10.8	7.4	9.8	5.7	4.3	1.1	-8.9	14.0	7.3	4.3
Inventories, contribution to annual GDP growth	0.1	0.1	-1.8	0.9	0.4	0.2	0.2	0.1	-0.6	0.1	0.3	0.0
Nominal GDP	4.0	3.4	-4.5	13.1	9.3	5.9	4.0	4.1	-2.2	10.1	10.9	6.6
GDP deflator	1.7	1.5	0.7	8.2	4.9	2.9	1.7	1.8	1.2	4.1	6.9	3.6
Consumer price index (CPI)	1.7	1.9	0.7	3.4	5.9	3.2	1.8	1.8	1.3	4.7	7.9	4.3
Core inflation rate**	1.7	1.9	1.7	2.4	3.7	2.8	1.6	1.7	1.4	3.3	5.0	2.7
Pre-tax corporate profits	6.3	-0.6	-1.9	32.7	2.5	5.2	5.7	2.7	-5.2	25.0	6.7	4.1
Employment	1.3	2.2	-5.1	4.8	4.1	1.4	1.5	1.3	-5.8	2.8	3.5	1.0
Unemployment rate (%)	6.9	5.8	9.6	7.4	5.2	5.0	6.2	3.7	8.1	5.4	3.6	3.9
Current account balance (CAD, USD bn)	-57.0	-47.0	-39.4	1.6	-16.8	-26.1	-409	-472	-616	-822	-848	-856
Merchandise trade balance (CAD, USD bn)	-13.6	-18.4	-39.8	5.2	7.2	8.4	-763	-862	-922	-1091	-1140	-1182
Federal budget balance (FY, CAD, USD bn) ***	-18.7	-39.4	-327.7	-113.8	-52.8	-39.9	-829	-984	-3,129	-2,800	-1,099	-747
percent of GDP	-1.0	-1.8	-14.9	-4.6	-1.9	-1.4	-4.8	-4.6	-15.0	-12.2	-4.3	-2.7
Housing starts (000s, mn)	201	209	218	271	239	232	0.99	1.29	1.40	1.60	1.63	1.60
Motor vehicle sales (000s, mn)	1,816	1,914	1,566	1,669	1,747	1,918	15.7	16.9	14.5	15.0	15.5	17.3
Industrial production	2.4	-0.2	-8.1	5.0	4.3	3.8	1.7	-0.8	-7.2	5.5	3.3	2.4
	<b>Mexico</b> (annual % change)											
Real GDP	2.7	-0.2	-8.2	4.8	1.9	1.7						
Consumer price index (year-end)	4.0	2.8	3.2	7.4	5.5	4.1						
Current account balance (USD bn)	-19.4	-4.0	26.2	-2.3	-7.5	-9.1						
Merchandise trade balance (USD bn)	-5.6	5.4	34.0	-11.5	-11.2	-12.4						

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. \*For Canada it includes capital expenditures by businesses and non-profit institutions.  
 \*\* US: core PCE deflator; Canada: average of 3 core measures published by the BoC. \*\*\* In order to align with US reporting, as of the August 2020 issue of Scotiabank's Forecast Tables, Canadian Federal and Provincial Budget Balances for FY2020/21 are noted in calendar year 2020, FY2021/22 in calendar year 2021.

Quarterly Forecasts																
	2020				2021				2022				2023			
<b>Canada</b>	Q4	Q1	Q2	Q3	Q4	Q1e	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f			
Real GDP (q/q ann. % change)	9.1	4.8	-3.6	5.5	6.7	4.0	4.4	4.0	2.6	3.4	2.8	1.8	1.8			
Real GDP (y/y % change)	-3.1	0.2	11.7	3.8	3.3	3.1	5.1	4.8	3.8	3.6	3.2	2.6	2.4			
Consumer prices (y/y % change)	0.8	1.4	3.3	4.1	4.7	5.5	5.9	6.2	5.9	4.8	3.4	2.5	2.0			
CPI-common (y/y % change)*	1.4	1.4	1.8	1.9	2.0	2.5	3.0	3.4	3.4	3.3	3.1	2.9	2.6			
Average of new core CPIs (y/y % change)	1.7	1.8	2.2	2.6	2.8	3.5	3.8	3.9	3.6	3.2	2.9	2.6	2.3			
CPIXFET (y/y % change)	1.1	1.0	2.1	3.0	3.2	3.9	4.4	4.7	4.3	3.7	3.2	2.8	2.5			
Unemployment Rate (%)	8.9	8.4	7.9	7.2	6.3	5.8	5.2	4.9	4.8	4.8	4.9	5.0	5.2			
<b>United States</b>	Q4	Q1	Q2	Q3	Q4	Q1e	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f			
Real GDP (q/q ann. % change)	4.5	6.3	6.7	2.3	6.9	1.5	4.7	2.7	3.5	3.1	2.5	2.0	1.8			
Real GDP (y/y % change)	-2.3	0.5	12.2	4.9	5.5	4.3	3.8	3.9	3.1	3.5	2.9	2.8	2.4			
Consumer prices (y/y % change)	1.2	1.9	4.8	5.3	6.7	8.0	8.4	8.0	7.1	5.8	4.5	3.7	3.1			
Total PCE deflator (y/y % change)	1.2	1.8	3.9	4.3	5.5	6.4	6.8	6.5	5.7	4.6	3.5	2.9	2.5			
Core PCE deflator (y/y % change)	1.4	1.7	3.4	3.6	4.6	5.4	5.7	5.0	3.9	3.2	2.7	2.5	2.3			
Unemployment Rate (%)	6.8	6.2	5.9	5.1	4.2	3.8	3.5	3.5	3.6	3.8	3.9	4.0	4.1			

\* Refers to BoC's common component of CPI inflation, average of 3 core measures published by the BoC, CPI ex. food, energy and indirect taxes. Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

Central Bank Rates																	
	2020					2021				2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f				
<b>Americas</b>																	
(% end of period)																	
Bank of Canada	0.25	0.25	0.25	0.25	0.25	0.50	1.25	2.00	2.50	3.00	3.00	3.00	3.00				
US Federal Reserve (upper bound)	0.25	0.25	0.25	0.25	0.25	0.50	1.25	2.00	2.50	3.00	3.00	3.00	3.00				
Bank of Mexico	4.25	4.00	4.25	4.75	5.50	6.50	7.25	7.75	8.25	8.25	8.25	8.25	8.00				
Central Bank of Brazil	2.00	2.75	4.25	6.25	9.25	11.75	13.50	13.50	13.00	12.50	12.00	11.50	11.00				
Bank of the Republic of Colombia	1.75	1.75	1.75	1.75	3.00	5.00	7.00	8.00	8.00	7.00	6.00	5.50	5.50				
Central Reserve Bank of Peru	0.25	0.25	0.25	1.00	2.50	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00				
Central Bank of Chile	0.50	0.50	0.50	1.50	4.00	7.00	7.50	7.50	7.50	7.00	6.25	5.50	4.50				
Central Bank of Argentina	38.00	38.00	38.00	38.00	38.00	44.50	48.50	52.00	52.00	48.00	44.00	40.00	38.00				
<b>Europe</b>																	
European Central Bank MRO Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.50	0.50	0.75				
European Central Bank Deposit Rate	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.25	0.00	0.00	0.25	0.25				
Bank of England	0.10	0.10	0.10	0.10	0.25	0.75	1.00	1.25	1.25	1.50	1.50	1.50	1.50				
<b>Asia/Oceania</b>																	
Reserve Bank of Australia	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.50	0.75	1.25	1.50	2.00	2.25				
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10				
People's Bank of China	3.85	3.85	3.85	3.85	3.80	3.70	3.60	3.60	3.60	3.60	3.60	3.60	3.60				
Reserve Bank of India	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.25	5.25				
Bank of Korea	0.50	0.50	0.50	0.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50	2.50	2.50				
Bank of Thailand	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00	1.25	1.50	1.75				
Currencies and Interest Rates																	
(end of period)																	
<b>Americas</b>																	
Canadian dollar (USDCAD)	1.27	1.26	1.24	1.27	1.26	1.25	1.21	1.20	1.20	1.22	1.22	1.23	1.23				
Canadian dollar (CADUSD)	0.79	0.80	0.81	0.79	0.79	0.80	0.83	0.83	0.83	0.82	0.82	0.81	0.81				
Mexican peso (USDMXN)	19.91	20.43	19.94	20.64	20.53	19.87	20.82	21.21	21.52	21.69	21.87	21.84	22.21				
Brazilian real (USDBRL)	5.19	5.63	4.97	5.44	5.57	4.74	5.04	4.92	4.72	4.68	4.55	4.58	4.68				
Colombian peso (USDCOP)	3,428	3,663	3,755	3,809	4,065	3,764	3,933	3,770	3,755	3,750	3,690	3,650	3,600				
Peruvian sol (USDPEN)	3.62	3.74	3.87	4.13	4.00	3.68	3.75	3.85	3.80	3.75	3.80	3.75	3.70				
Chilean peso (USDCLP)	711	719	734	810	852	786	800	790	780	770	760	750	750				
Argentine Peso (USDARS)	84.15	91.99	95.72	98.74	102.74	111.01	125.90	143.50	150.00	162.00	178.00	191.00	205.00				
<b>Europe</b>																	
Euro (EURUSD)	1.22	1.17	1.19	1.16	1.14	1.11	1.12	1.10	1.10	1.10	1.10	1.12	1.12				
UK pound (GBPUSD)	1.37	1.38	1.38	1.35	1.35	1.31	1.32	1.32	1.30	1.30	1.30	1.32	1.32				
<b>Asia/Oceania</b>																	
Japanese yen (USDJPY)	103	111	111	111	115	113	123	123	120	118	118	116	116				
Australian dollar (AUDUSD)	0.77	0.76	0.75	0.72	0.73	0.70	0.75	0.74	0.74	0.74	0.74	0.76	0.76				
Chinese yuan (USDCNY)	6.53	6.55	6.46	6.44	6.36	6.30	6.40	6.40	6.30	6.20	6.20	6.10	6.10				
Indian rupee (USDINR)	73.1	73.1	74.3	74.2	74.3	75.0	76.0	76.0	75.0	74.0	74.0	73.0	73.0				
South Korean won (USDKRW)	1,087	1,132	1,126	1,184	1,189	1,200	1,220	1,220	1,200	1,180	1,180	1,160	1,160				
Thai baht (USDTHB)	30.0	31.2	32.1	33.8	33.4	32.0	33.0	33.0	32.0	31.0	31.0	30.0	30.0				
<b>Canada (Yields, %)</b>																	
3-month T-bill	0.07	0.09	0.14	0.12	0.19	0.73	1.40	2.20	2.70	3.00	3.00	3.00	3.00				
2-year Canada	0.20	0.22	0.45	0.40	0.95	2.29	2.70	2.80	2.90	3.05	3.05	3.05	3.05				
5-year Canada	0.39	0.99	0.98	1.10	1.26	2.41	2.75	2.90	3.00	3.10	3.10	3.10	3.10				
10-year Canada	0.68	1.56	1.39	1.51	1.42	2.40	2.80	2.95	3.10	3.20	3.20	3.20	3.20				
30-year Canada	1.21	1.98	1.84	1.99	1.68	2.38	2.85	3.15	3.20	3.30	3.30	3.30	3.30				
<b>United States (Yields, %)</b>																	
3-month T-bill	0.08	0.01	0.04	0.03	0.06	0.55	1.65	2.20	2.65	2.80	2.80	2.80	2.80				
2-year Treasury	0.12	0.16	0.25	0.53	0.73	2.33	2.75	2.85	2.95	3.05	3.05	3.05	3.05				
5-year Treasury	0.36	0.94	0.89	0.96	1.26	2.46	2.90	3.00	3.05	3.10	3.10	3.10	3.10				
10-year Treasury	0.91	1.74	1.47	1.49	1.51	2.34	2.95	3.05	3.10	3.20	3.20	3.20	3.20				
30-year Treasury	1.64	2.41	2.09	2.04	1.90	2.45	3.00	3.10	3.20	3.30	3.30	3.30	3.30				

Sources: Scotiabank Economics, Bloomberg.

The Provinces											
	(annual % change except where noted)										
	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
<b>Real GDP</b>											
2010-19	2.3	1.0	2.2	1.2	0.7	1.9	2.3	2.1	2.2	2.6	2.9
2019	1.9	3.3	4.7	3.0	1.3	2.8	2.0	0.4	-1.1	-0.1	3.1
2020	-5.2	-5.4	-1.7	-2.5	-3.2	-5.5	-5.1	-4.6	-4.9	-7.9	-3.4
2021e	4.6	2.9	3.0	3.3	3.3	6.2	4.1	3.8	4.0	5.4	4.4
2022f	4.2	1.9	2.6	2.5	2.5	3.5	4.1	3.5	5.0	5.5	4.7
2023f	3.0	2.9	2.2	2.0	1.8	2.5	3.0	3.2	3.5	3.8	3.4
<b>Nominal GDP</b>											
2010-19	4.0	3.5	4.2	2.9	2.8	3.8	4.1	3.8	3.3	3.6	4.6
2019	3.4	2.3	6.6	3.7	2.4	4.7	3.7	0.7	-0.4	1.5	4.6
2020	-4.5	-10.7	0.9	0.7	-1.3	-2.4	-2.8	-1.4	-6.6	-16.1	-0.5
2021e	13.1	16.3	8.2	8.7	9.1	13.1	11.2	8.9	16.9	21.7	11.9
2022f	9.3	11.6	6.7	5.4	5.5	7.0	7.9	8.6	14.4	15.5	9.8
2023f	5.9	5.3	4.6	4.3	4.1	5.4	6.1	5.6	6.0	6.5	6.5
<b>Employment</b>											
2010-19	1.3	0.6	1.5	0.3	0.0	1.2	1.4	0.9	0.8	1.2	2.0
2019	2.2	1.1	3.3	2.3	0.8	2.0	2.8	1.0	1.9	0.7	3.0
2020	-5.1	-5.7	-3.2	-4.7	-2.6	-4.8	-4.8	-3.7	-4.7	-6.6	-6.6
2021	4.8	2.8	3.6	5.4	2.5	4.1	4.9	3.5	2.6	5.1	6.6
2022f	4.1	2.8	4.1	2.9	2.4	3.6	4.5	3.5	4.1	4.4	3.9
2023f	1.4	0.7	1.2	1.2	1.1	1.2	1.4	1.2	1.5	1.6	1.5
<b>Unemployment Rate (%)</b>											
2010-19	6.9	13.3	10.6	8.7	9.4	7.1	7.0	5.6	5.3	6.2	6.1
2019	5.8	12.3	8.7	7.4	8.1	5.1	5.6	5.3	5.6	7.0	4.7
2020	9.6	14.1	10.4	9.8	10.0	8.9	9.6	8.0	8.4	11.4	8.9
2021	7.4	12.9	9.2	8.4	9.0	6.1	8.0	6.4	6.5	8.7	6.5
2022f	5.2	11.4	7.8	6.8	7.5	4.1	5.5	4.4	4.4	6.1	4.4
2023f	5.0	11.0	7.6	6.6	7.3	4.0	5.3	4.2	4.2	5.9	4.3
<b>Total CPI, annual average</b>											
2010-19	1.7	2.0	1.6	1.7	1.8	1.5	1.9	1.8	1.8	1.7	1.6
2019	1.9	1.0	1.2	1.6	1.7	2.1	1.9	2.3	1.7	1.7	2.3
2020	0.7	0.2	0.0	0.3	0.2	0.8	0.6	0.5	0.6	1.1	0.8
2021	3.4	3.7	5.1	4.1	3.8	3.8	3.5	3.2	2.6	3.2	2.8
2022f	5.9	5.4	6.8	5.8	6.2	5.5	6.2	6.1	5.2	5.7	5.5
2023f	3.2	3.0	3.7	3.2	3.4	2.9	3.3	3.2	3.0	3.1	3.0
<b>Housing Starts (units, 000s)</b>											
2010-19	201	2.2	0.8	4.2	2.7	44	70	6.6	6.0	31	34
2019	209	0.9	1.5	4.7	2.9	48	69	6.9	2.4	27	45
2020	218	0.8	1.2	4.8	3.5	53	81	7.3	3.1	24	38
2021e	271	1.0	1.3	6.0	3.8	68	100	8.0	4.2	32	48
2022f	239	1.2	1.2	4.8	3.7	59	82	6.4	4.5	35	42
2023f	232	1.1	1.1	4.6	3.6	58	78	6.1	4.5	35	40
<b>Motor Vehicle Sales (units, 000s)</b>											
2010-19	1,816	33	7	51	41	432	715	55	53	237	194
2019	1,914	31	8	51	41	455	848	58	49	223	216
2020	1,566	27	7	40	35	376	652	47	42	184	178
2021e	1,669	29	8	45	38	407	664	49	43	196	199
2022f	1,747	29	8	46	39	422	693	51	44	206	208
2023f	1,918	30	9	49	41	462	770	55	47	226	229
<b>Budget Balances, (CAD mn)</b>											
2019*	-39,392	-1,383	22	3	49	-523	-8,672	5	-319	-12,152	-321
2020	-327,729	-1,492	-6	-342	409	-7,539	-16,404	-2,117	-1,127	-16,962	-5,468
2021f	-113,800	-400	-27	108	488	-6,133	-13,105	-1,123	-2,185	-3,207	-483
2022f	-52,800	-351	-93	-506	35	-6,450	-19,600	-374	-463	511	-5,461

\* NL budget balance in 2019 is net of one-time revenue boost via *Atlantic Accord*.

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

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