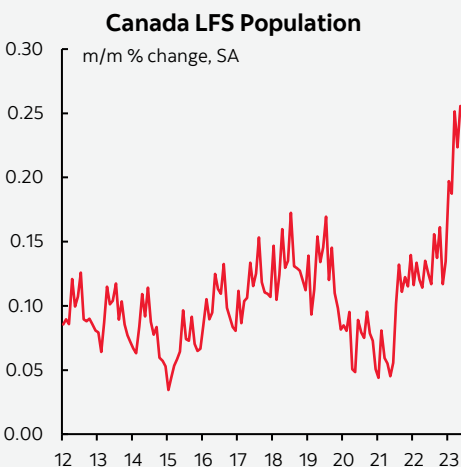


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Chart 1



Sources: Scotiabank Economics, Haver.

Resilience Comes at a Cost

- **Economic resilience to higher interest rates is keeping inflation uncomfortably high.**
- **A slowdown is still expected though a strong start to the year means the moderation is likely to be delayed to the second half of this year.**
- **Risks to inflation remain tilted to the upside and require continued vigilance by central banks. One more rate increase is expected in Canada and the US, and we are delaying the expected cut in policy rates to the second quarter of 2024.**

The resilience of the Canadian and US economies to dramatic interest rate increases of the last year has been nothing short of remarkable. Repeated forecasts of an imminent slowdown on the part of the economics profession and policymakers have yet to materialize in any meaningful ways. While this may very well be interpreted as good news by some, it is not good news for firms and households that must contend with the higher interest rates that result from stubbornly strong economic activity and therefore inflation. It is now evident that slightly higher policy rates are needed in Canada and the US to achieve the slowdown required to ensure inflation slows to 2% over the next couple of years. The Bank of Canada made this clear in its most recent decision to raise its policy rate by 25 basis points and leaving the door open for more hikes to come. The Fed, which opted to keep rates unchanged at its latest meeting, indicated that they believed at least another 50 basis points of tightening was required this year to achieve their objectives. Clearly, policymakers believe a bit more must be done. We agree with them.

We remain of the view that the policy tightening in this cycle will lead to a modest decline in economic activity in Canada even though the economy is off to a strong start this year. We expect growth to slow from about 1.3% this year to 0.6% next year with a small contraction in economic activity in the second half of this year. Household spending remains remarkably resilient to efforts to slow it, as witnessed by an increase in real consumption per capita in the first quarter of the year. A further driver has been the historic strength in population growth, which has acted as a powerful tailwind for the economy even as the Bank of Canada has been trying to create a formidable headwind with higher interest rates. Higher population growth should increase the economy's potential to grow in a non-inflationary way, but the short-run demand impacts of new arrivals are undeniable. Population estimates from the Labour Force Survey reveal that the population of 15-year-olds and above has risen at the most rapid pace in history so far this year, with that pace gathering steam in May (chart 1). This strong population growth is likely putting some downward pressure on wages as it makes it easier for firms to source workers, but it is also likely contributing to the decline in productivity growth.

On the labour front, markets remain remarkably tight. Labour markets lag the cycle so we should not be expecting a correction ahead of a slowdown, but there should be some indications of softening by now. The May employment report showed a small decline in employment though that was bizarrely concentrated in younger workers. Survey measures show labour market tightness remains acute. The Canadian Federation of Independent Business' monthly Business Barometer suggests that the proportion of firms expecting to shed workers in the next 3 to 4 months stands at the lowest level since June 2022. Labour shortages continue to be the most critical obstacle to firm performance according to this same survey. Nevertheless, we expect broader job cuts as the impact of higher policy rates works its way across the economy. Those cuts, however, are likely to be tame by historical standards given the still large number of vacancies. We forecast a modest increase in the unemployment rate from the current 5.2% to 5.6% by year-end and 6.2% by end-2024. This is in sharp contrast to previous cyclical corrections, where the unemployment rate has risen by several percentage points.

June 16, 2023

Developments on the housing front should be an ongoing concern for the Bank of Canada. The Spring market remains very strong suggesting a lift from housing market activity on the economy as opposed to the impact it has been having since policy rates started to rise. Governor Macklem can ill afford that given the considerable efforts the BoC has deployed to slow the economy. The most recent increase in the policy rate will have some impact on activity in this space but there are limits to what can be achieved by monetary policy in the housing market given the very sharp structural imbalance between the supply and demand for housing.

The stronger start to the year and weak productivity growth continue to suggest that upside risks to inflation should dominate policy concerns. Core inflation should come in just under 4% this year and remain above 2% throughout the next year. This suggests that risks to the rate profile are tilted to the upside as well. As a consequence, we believe Governor Macklem and his colleagues will raise interest rates one final time in the third quarter before calling it quits. We also now believe that the first rate cut will occur in the second quarter of next year as opposed to our previous view of a cut but in the first months of 2024. A similar dynamic is likely to play out in the United States, with the Fed very clearly signalling that it is not yet done raising interest rates. We believe another 25 basis points of tightening will be required there, with evident risks of additional rate increases. It seems inconceivable to us at this time that either central bank will cut rates this year.

International												
	2010-19	2020	2021	2022e	2023f	2024f	2010-19	2020	2021	2022e	2023f	2024f
	Real GDP (annual % change)						Consumer Prices (annual % change, unless noted)					
World (based on purchasing power parity)	3.7	-2.8	6.3	3.2	2.7	2.3						
Canada	2.3	-5.1	5.0	3.4	1.3	0.6	1.6	0.7	3.4	6.8	3.8	2.5
United States	2.3	-2.8	5.9	2.1	1.3	0.3	1.8	1.3	4.7	8.0	4.6	3.0
Mexico	2.7	-8.0	4.7	3.0	1.8	1.3	4.0	3.4	5.7	7.9	6.1	4.7
United Kingdom	2.0	-11.0	7.6	4.1	0.2	0.9	2.2	0.9	2.6	9.1	7.0	2.5
Eurozone	1.4	-6.3	5.6	3.5	0.4	1.1	1.4	0.3	2.6	8.4	5.7	2.5
Germany	2.0	-4.1	2.7	1.9	-0.3	1.2	1.4	0.4	3.2	8.7	6.3	2.5
France	1.4	-7.9	7.2	2.6	0.5	1.1	1.3	0.5	2.1	5.9	5.5	2.5
China	7.7	2.2	8.4	3.0	5.5	4.9	2.6	2.5	0.9	2.0	1.5	2.3
India	6.7	-5.8	9.1	7.0	6.0	6.2	6.2	5.1	6.7	6.6	5.1	5.0
Japan	1.2	-4.3	2.3	1.0	1.0	1.1	0.5	0.0	-0.3	2.5	2.8	1.5
South Korea	3.3	-0.7	4.1	2.6	1.2	2.2	1.7	0.5	2.5	5.1	3.3	2.0
Australia	2.6	-1.8	5.3	3.7	1.7	1.6	2.1	0.9	2.9	6.6	5.6	3.1
Thailand	3.6	-6.2	1.6	2.6	3.6	3.8	1.6	-0.8	1.2	6.1	2.6	1.9
Brazil*	1.4	-3.3	5.0	2.9	1.7	1.5	5.8	3.2	8.3	9.3	5.3	4.2
Colombia	3.7	-7.3	11.0	7.3	1.8	2.6	3.7	2.5	3.5	10.2	11.7	5.3
Peru	4.5	-11.0	13.3	2.7	1.9	2.2	2.8	1.8	4.0	7.9	6.9	4.1
Chile	3.3	-6.1	11.7	2.4	-0.8	2.8	3.0	3.1	4.5	11.6	7.6	2.8
Commodities												
	(annual average)											
WTI Oil (USD/bbl)	74	39	68	95	78	76						
Brent Oil (USD/bbl)	82	43	70	101	83	80						
WCS - WTI Discount (USD/bbl)	-18	-12	-14	-21	-19	-17						
Nymex Natural Gas (USD/mmbtu)	3.39	2.02	3.84	6.61	2.79	3.75						
Copper (USD/lb)	3.10	2.80	4.23	4.00	4.00	4.00						
Zinc (USD/lb)	1.02	1.03	1.36	1.58	1.39	1.40						
Nickel (USD/lb)	7.00	6.25	8.37	11.66	10.45	9.50						
Iron Ore (USD/tonne)	101	109	160	121	111	90						
Metallurgical Coal (USD/tonne)	179	127	204	372	260	200						
Gold, (USD/oz)	1,342	1,769	1,799	1,803	1,904	1,900						
Silver, (USD/oz)	21.64	20.48	25.15	21.80	23.71	23.75						

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

*Consumer Prices: average of quarterly y/y% change

North America												
	2010-19	2020	2021	2022	2023f	2024f	2010-19	2020	2021	2022	2023f	2024f
	Canada						United States					
	(annual % change, unless noted)						(annual % change, unless noted)					
Real GDP	2.3	-5.1	5.0	3.4	1.3	0.6	2.3	-2.8	5.9	2.1	1.3	0.3
Consumer spending	2.5	-6.1	5.0	4.8	2.6	1.5	2.2	-3.0	8.3	2.7	1.6	0.6
Residential investment	2.5	5.0	14.9	-11.1	-6.3	4.9	4.5	7.2	10.7	-10.6	-11.3	3.1
Business investment*	3.0	-9.8	4.2	6.5	-1.9	7.4	5.1	-4.9	6.4	3.9	2.0	0.1
Government	1.1	1.9	5.5	2.0	0.9	1.1	0.1	2.6	0.6	-0.6	2.5	0.4
Exports	3.6	-8.9	1.4	2.8	5.7	-0.8	3.9	-13.2	6.1	7.1	2.9	3.4
Imports	3.7	-9.3	7.8	7.5	-0.6	3.0	4.3	-9.0	14.1	8.1	-0.1	4.0
Inventories, contribution to annual GDP growth	0.1	-1.8	1.0	2.1	-1.5	-0.5	0.2	-0.7	0.2	0.7	-0.5	0.0
Nominal GDP	4.0	-4.5	13.6	10.9	3.0	3.1	4.0	-1.5	10.7	9.2	5.6	2.5
GDP deflator	1.7	0.6	8.2	7.2	1.7	2.5	1.7	1.3	4.5	7.0	4.3	2.1
Consumer price index (CPI)	1.6	0.7	3.4	6.8	3.8	2.5	1.8	1.3	4.7	8.0	4.6	3.0
Core inflation rate**	1.7	1.9	2.8	5.0	3.9	2.3	1.6	1.3	3.5	5.0	4.3	2.8
Pre-tax corporate profits	6.3	-1.4	35.8	8.4	-4.9	2.7	5.9	-5.9	22.6	6.5	-5.9	1.0
Employment	1.3	-5.6	5.0	4.0	1.9	1.2	1.2	-5.8	2.9	4.3	1.9	0.3
Unemployment rate (%)	6.9	9.7	7.5	5.3	5.3	6.1	6.2	8.1	5.4	3.6	3.7	4.4
Current account balance (CAD, USD bn)	-56.9	-47.6	-6.7	-9.1	-9.0	-58.4	-407	-620	-846	-944	-860	-914
Merchandise trade balance (CAD, USD bn)	-13.6	-40.3	4.7	21.9	25.2	-3.9	-763	-914	-1090	-1191	-1128	-1209
Federal budget balance (FY, CAD, USD bn) ***	-18.7	-327.7	-90.2	-43.0	-40.1	-35.0	-829	-3,132	-2,775	-1,376	-1,539	-1,502
percent of GDP	-1.0	-14.8	-3.6	-1.5	-1.4	-1.2	-4.8	-14.9	-11.9	-5.4	-5.7	-5.4
Housing starts (000s, mn)	201	218	271	262	227	240	1.31	1.40	1.61	1.55	1.39	1.43
Motor vehicle sales (000s, mn)	1,816	1,567	1,667	1,529	1,655	1,748	15.7	14.5	14.9	13.8	15.5	16.6
Industrial production	2.4	-8.2	4.5	3.8	0.9	0.6	1.7	-7.2	4.4	3.4	-0.2	0.6
	Mexico											
	(annual % change)											
Real GDP	2.7	-8.0	4.7	3.0	1.8	1.3						
Consumer price index	4.0	3.4	5.7	7.9	6.1	4.7						
Unemployment rate (%)	4.4	4.4	4.1	3.3	3.3	3.7						

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 2 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													
	2021	2022				2023				2024			
Canada	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q ann. % change)	6.9	2.6	3.6	2.3	-0.1	3.1	0.4	-0.5	-0.2	0.1	1.3	1.6	2.8
Real GDP (y/y % change)	3.9	3.2	4.7	3.8	2.1	2.2	1.4	0.7	0.7	0.0	0.2	0.7	1.4
Consumer prices (y/y % change)	4.7	5.8	7.5	7.2	6.7	5.1	3.8	3.3	3.0	2.9	2.5	2.2	2.3
Average of new core CPIs (y/y % change)*	3.4	4.2	5.2	5.2	5.3	4.8	4.1	3.7	2.9	2.6	2.4	2.2	2.2
CPIXFET (y/y % change)**	3.2	4.0	5.1	5.4	5.4	4.8	4.0	3.4	3.1	2.9	2.6	2.4	2.3
Unemployment Rate (%)	6.3	5.7	5.1	5.1	5.1	5.0	5.2	5.4	5.6	5.9	6.0	6.2	6.2
United States													
Real GDP (q/q ann. % change)	7.0	-1.6	-0.6	3.2	2.6	1.3	1.1	-0.5	-0.8	0.1	0.8	1.4	1.9
Real GDP (y/y % change)	5.7	3.7	1.8	1.9	0.9	1.6	2.0	1.1	0.3	0.0	-0.1	0.4	1.1
Consumer prices (y/y % change)	6.8	8.0	8.6	8.3	7.1	5.8	4.5	4.1	4.0	3.6	3.1	2.8	2.6
Total PCE deflator (y/y % change)	5.7	6.4	6.6	6.3	5.7	4.9	3.9	3.6	3.6	3.2	2.8	2.5	2.3
Core PCE deflator (y/y % change)	4.7	5.3	5.0	4.9	4.8	4.7	4.5	4.2	3.9	3.4	3.0	2.7	2.4
Unemployment Rate (%)	4.2	3.8	3.6	3.6	3.6	3.5	3.6	3.7	3.9	4.1	4.3	4.5	4.6

* Average of 2 core measures published by the BoC. ** CPI ex. food, energy and indirect taxes. Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

Central Bank Rates													
	2021	2022				2023				2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Americas	(% end of period)												
Bank of Canada	0.25	0.50	1.50	3.25	4.25	4.50	4.75	5.00	5.00	5.00	4.75	4.25	3.75
US Federal Reserve (upper bound)	0.25	0.50	1.75	3.25	4.50	5.00	5.25	5.50	5.50	5.50	5.25	4.75	4.00
Bank of Mexico	5.50	6.50	7.75	9.25	10.50	11.25	11.25	11.25	11.00	10.00	9.25	8.75	8.25
Central Bank of Brazil	9.25	11.75	13.25	13.75	13.75	13.75	13.75	13.25	12.50	11.25	10.50	9.75	9.50
Bank of the Republic of Colombia	3.00	5.00	7.50	10.00	12.00	13.00	13.25	13.25	12.25	10.25	8.25	6.75	5.75
Central Reserve Bank of Peru	2.50	4.00	5.50	6.75	7.50	7.75	7.75	7.75	7.25	6.75	6.25	5.75	5.25
Central Bank of Chile	4.00	7.00	9.00	10.75	11.25	11.25	11.25	10.00	7.50	6.50	4.00	3.75	3.75
Europe													
European Central Bank MRO Rate	0.00	0.00	0.00	1.25	2.50	3.50	4.00	4.50	4.50	4.50	4.25	3.75	3.50
European Central Bank Deposit Rate	-0.50	-0.50	-0.50	0.75	2.00	3.00	3.50	4.00	4.00	4.00	3.75	3.25	3.00
Bank of England	0.25	0.75	1.25	2.25	3.50	4.25	4.75	5.00	5.00	5.00	4.50	4.00	3.75
Asia/Oceania													
Reserve Bank of Australia	0.10	0.10	0.85	2.35	3.10	3.60	3.85	4.10	4.10	3.85	3.60	3.35	3.35
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	3.80	3.70	3.70	3.65	3.65	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Reserve Bank of India	4.00	4.00	4.90	5.90	6.25	6.50	6.50	6.50	6.50	6.25	6.00	6.00	5.75
Bank of Korea	1.00	1.25	1.75	2.50	3.25	3.50	3.50	3.50	3.50	3.25	3.00	2.75	2.50
Bank of Thailand	0.50	0.50	0.50	1.00	1.25	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Currencies and Interest Rates													
Americas	(end of period)												
Canadian dollar (USDCAD)	1.26	1.25	1.29	1.38	1.36	1.35	1.35	1.30	1.30	1.27	1.27	1.25	1.25
Canadian dollar (CADUSD)	0.79	0.80	0.78	0.72	0.74	0.74	0.74	0.77	0.77	0.79	0.79	0.80	0.80
Mexican peso (USDMXN)	20.53	19.87	20.12	20.14	19.50	18.05	17.90	18.10	18.30	19.30	19.70	20.20	20.20
Brazilian real (USDBRL)	5.58	4.74	5.26	5.42	5.28	5.06	5.10	5.05	5.00	5.05	4.90	4.90	4.90
Colombian peso (USDCOP)	4,080	3,771	4,155	4,609	4,853	4,623	4,240	4,225	4,250	4,249	4,278	4,302	4,316
Peruvian sol (USDPEN)	4.00	3.68	3.83	3.98	3.81	3.76	3.70	3.80	3.85	3.85	3.80	3.80	3.85
Chilean peso (USDCLP)	852	786	918	969	851	795	810	820	830	840	850	850	850
Europe													
Euro (EURUSD)	1.14	1.11	1.05	0.98	1.07	1.08	1.05	1.10	1.10	1.10	1.10	1.12	1.12
UK pound (GBPUSD)	1.35	1.31	1.22	1.12	1.21	1.23	1.25	1.30	1.30	1.25	1.25	1.28	1.28
Asia/Oceania													
Japanese yen (USDJPY)	115	122	136	145	131	133	135	130	130	130	130	125	125
Australian dollar (AUDUSD)	0.73	0.75	0.69	0.64	0.68	0.67	0.67	0.69	0.69	0.70	0.70	0.72	0.72
Chinese yuan (USDCNY)	6.36	6.34	6.70	7.12	6.90	6.87	6.90	6.90	6.80	6.75	6.75	6.75	6.75
Indian rupee (USDINR)	74.3	75.8	79.0	81.3	82.7	82.2	82.0	82.0	81.5	81.0	80.4	80.0	80.0
South Korean won (USDKRW)	1,189	1,212	1,299	1,431	1,260	1,302	1,305	1,283	1,260	1,245	1,235	1,184	1,184
Thai baht (USDTHB)	33.4	33.3	35.3	37.7	34.6	34.1	33.8	33.8	33.8	32.7	32.5	32.0	32.0
Canada (Yields, %)													
3-month T-bill	0.19	0.73	2.31	3.78	4.32	4.42	4.90	5.10	5.10	4.90	4.65	4.10	3.60
2-year Canada	0.95	2.29	3.15	3.79	4.05	3.73	4.60	4.45	4.15	4.00	3.75	3.65	3.50
5-year Canada	1.26	2.41	3.11	3.33	3.41	3.02	3.70	3.70	3.65	3.65	3.60	3.60	3.60
10-year Canada	1.42	2.40	3.22	3.17	3.30	2.90	3.35	3.25	3.20	3.30	3.40	3.55	3.70
30-year Canada	1.68	2.38	3.13	3.09	3.28	3.00	3.25	3.35	3.55	3.60	3.65	3.70	3.75
United States (Yields, %)													
3-month T-bill	0.06	0.55	1.73	3.21	4.40	4.65	5.10	5.30	5.30	5.25	4.75	4.10	3.70
2-year Treasury	0.73	2.33	3.09	4.28	4.43	4.03	4.65	4.50	4.25	4.00	3.75	3.60	3.50
5-year Treasury	1.26	2.46	3.04	4.09	4.00	3.57	4.00	3.95	3.85	3.80	3.75	3.70	3.70
10-year Treasury	1.51	2.34	3.01	3.83	3.88	3.47	3.75	3.65	3.60	3.70	3.75	3.80	3.85
30-year Treasury	1.90	2.45	3.18	3.78	3.97	3.65	3.85	3.85	3.85	3.90	3.90	3.90	3.90

Sources: Scotiabank Economics, Bloomberg.

The Provinces											
	(annual % change except where noted)										
	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Real GDP											
2010-19	2.3	1.1	2.1	1.2	0.7	1.9	2.3	2.2	2.3	2.6	2.9
2020	-5.1	-4.6	-1.6	-3.5	-2.7	-5.0	-4.7	-4.4	-4.8	-8.0	-3.0
2021	5.0	0.6	7.9	6.2	5.9	6.0	5.2	1.8	-0.9	4.8	6.1
2022e	3.4	-1.7	2.9	2.6	1.8	2.8	3.7	3.9	5.7	4.8	3.6
2023f	1.3	0.8	2.0	1.8	1.7	0.9	1.3	1.4	0.8	1.8	1.0
2024f	0.6	0.5	1.3	1.2	1.1	0.5	0.7	0.5	0.2	0.3	0.6
Nominal GDP											
2010-19	4.0	3.7	4.2	3.0	2.8	3.8	4.1	3.9	3.5	3.7	4.5
2020	-4.5	-10.0	1.4	0.0	-1.6	-1.9	-2.9	-1.3	-7.6	-15.7	-0.7
2021	13.6	17.7	14.3	10.9	13.8	11.8	10.3	8.4	13.1	26.2	14.2
2022e	10.9	12.1	7.9	9.7	8.5	9.0	9.1	9.9	18.3	20.4	9.4
2023f	3.0	1.2	4.8	4.1	4.1	3.3	3.8	3.6	1.2	1.0	2.9
2024f	3.1	3.6	4.1	3.8	3.6	3.1	3.3	3.0	2.4	2.3	3.1
Employment											
2010-19	1.3	0.6	1.5	0.3	0.0	1.2	1.4	1.0	0.9	1.3	2.0
2020	-5.6	-6.2	-3.4	-4.6	-3.1	-5.4	-5.4	-4.4	-5.1	-7.1	-6.3
2021	5.0	3.4	4.0	5.6	3.1	4.3	5.2	3.7	2.6	5.4	6.2
2022	4.0	4.4	5.4	3.6	2.8	3.0	4.6	3.2	3.5	5.2	3.2
2023f	1.9	1.6	2.5	2.1	2.4	2.0	1.8	1.8	1.3	2.8	1.4
2024f	1.2	0.9	0.9	1.3	1.2	1.0	1.3	1.0	1.0	1.6	1.3
Unemployment Rate (%)											
2010-19	6.9	13.3	10.6	8.7	9.4	7.1	7.0	5.6	5.3	6.2	6.2
2020	9.7	14.3	10.5	9.9	10.3	8.9	9.8	8.1	8.4	11.3	9.1
2021	7.5	13.1	9.8	8.6	9.2	6.1	8.1	6.5	6.6	8.6	6.6
2022	5.3	11.3	7.6	6.5	7.2	4.3	5.6	4.6	4.7	5.8	4.6
2023f	5.3	10.9	7.2	6.5	7.3	4.3	5.6	4.8	4.7	5.7	4.9
2024f	6.1	11.6	8.4	7.4	8.1	5.2	6.3	5.5	5.4	6.2	5.6
Total CPI, annual average											
2010-19	1.6	2.0	1.6	1.7	1.8	1.5	1.9	1.8	1.8	1.7	1.6
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
2022	6.8	6.4	8.9	7.5	7.3	6.7	6.8	7.9	6.6	6.5	6.9
2023f	3.8	4.1	4.6	4.5	4.2	4.0	3.8	4.4	3.9	3.4	4.0
2024f	2.5	3.0	2.9	2.7	2.6	2.5	2.5	2.7	2.6	2.4	2.4
Housing Starts (units, 000s)											
2010-19	201	2.2	0.8	4.2	2.7	44	70	6.6	6.0	31	34
2020	218	0.8	1.2	4.9	3.5	54	81	7.3	3.1	24	38
2021	271	1.0	1.3	6.0	3.8	68	100	8.0	4.2	32	48
2022	262	1.4	1.3	5.7	4.7	57	96	8.1	4.2	37	47
2023f	227	1.0	1.1	5.0	3.6	53	83	6.9	3.6	29	40
2024f	240	1.0	1.2	5.3	3.8	58	89	7.7	3.6	30	41
Motor Vehicle Sales (units, 000s)											
2010-19	1,816	33	7	52	42	441	738	56	54	239	199
2020	1,567	27	7	40	35	378	653	47	42	184	179
2021	1,667	29	8	46	38	434	675	51	44	199	217
2022	1,529	24	7	39	34	369	635	45	41	182	181
2023f	1,655	26	7	41	37	394	685	47	42	190	185
2024f	1,748	28	8	45	38	410	722	50	45	202	200
Budget Balances, (CAD mn)											
2019*	-39,392	1,117	22	2	49	32	-8,672	5	-319	-12,152	-322
2020	-327,729	-1,492	-6	-342	409	-7,539	-16,404	-2,124	-1,127	-16,962	-5,468
2021	-90,200	-400	-27	351	488	-772	2,051	-704	-1,468	3,944	1,306
2022f	-43,000	784	-95	-259	863	-5,021	-6,549	-378	1,147	10,390	3,592
2023f	-40,100	-160	-52	-279	40	-3,998	-1,300	-363	1,017	2,371	-4,216

* 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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