



Economic impacts of COVID-19 in the provinces and territories



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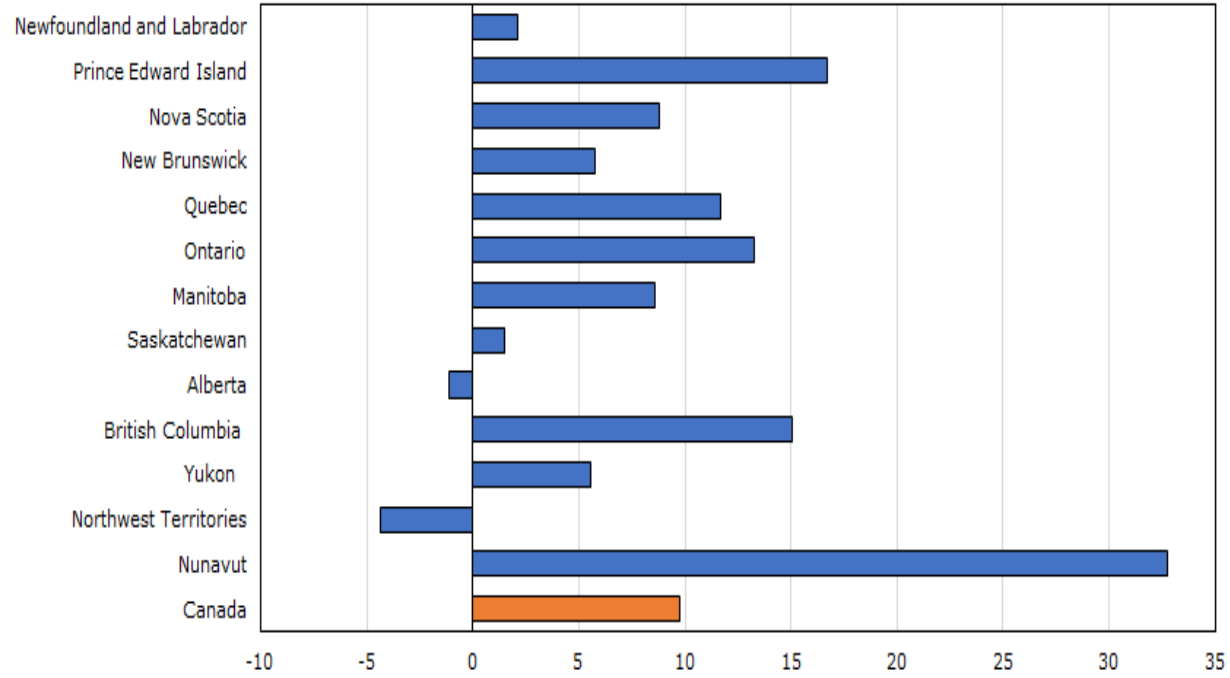
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Lower economic activity during COVID-19 highlights underlying differences in regional economies

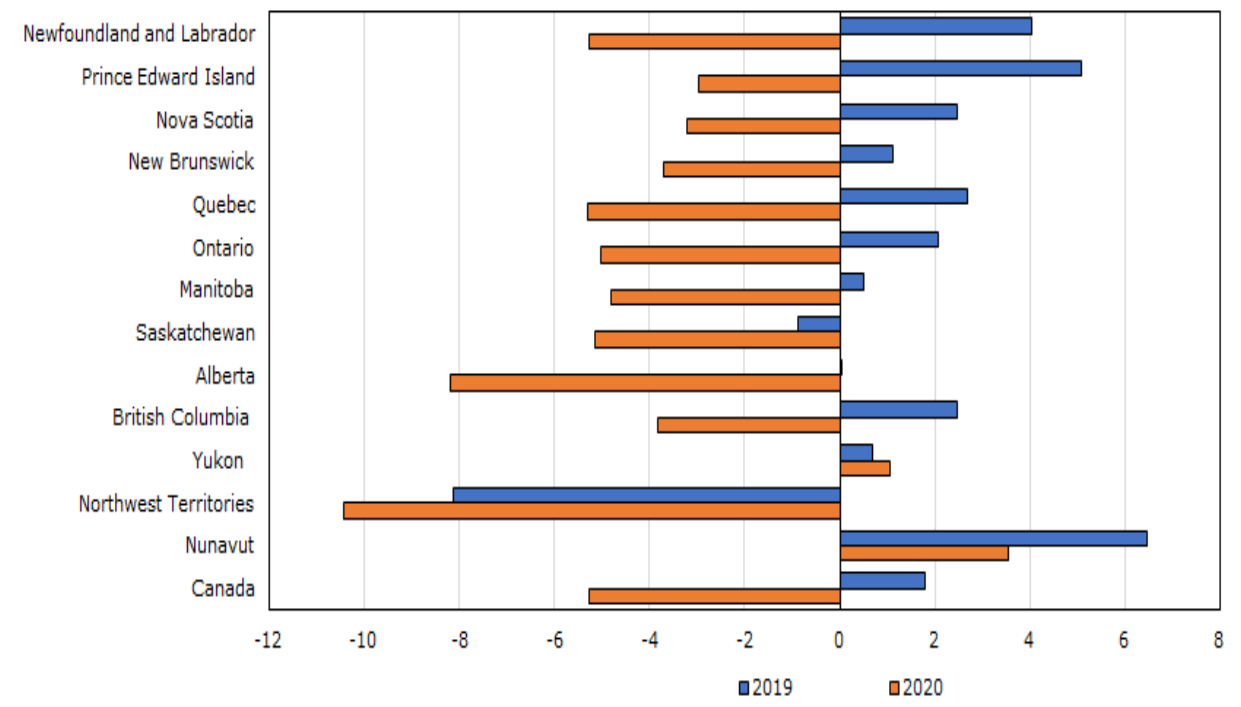
While accommodation and food services, retail trade, and transportation services declined in all areas of the country, province-specific factors, including construction activities related to resource projects, played a key role in explaining how severely output contracted during 2020.

Chart 1
Cumulative percentage change in real gross domestic product, 2014 to 2019



Source: Statistics Canada, tables 36-10-0402-01 and 36-10-0434-01.

Chart 2
Annual percentage change in real gross domestic product, 2019 and 2020



Source: Statistics Canada, tables 36-10-0402-01 and 36-10-0434-01.



Lower economic activity during COVID-19 highlights underlying differences in regional economies

In Atlantic Canada

- In the Maritime Provinces, increases in real estate activity and financial services helped mitigate steep declines in tourism-related sectors. Construction activity also rose in Prince Edward Island and Nova Scotia.
- About one half of the decline in Newfoundland and Labrador's economic output reflected lower engineering construction linked to major resource projects.

In Central Canada

- Lower manufacturing activity in Ontario and Quebec accounted for nearly one quarter of the declines in economic output, while increases in financial activity helped mitigate losses in both provinces.

In Western Canada

- Reductions in engineering construction linked to resource projects exacerbated declines in Alberta, Saskatchewan and Manitoba. Lower oil and gas extraction in Alberta and Saskatchewan also contributed to sizable declines in economic activity.
- Increases in engineering construction linked to major resource projects in British Columbia helped offset lower manufacturing output. Notable increases in real estate activity also helped to mitigate declines in high-contact sectors.

In Northern Canada

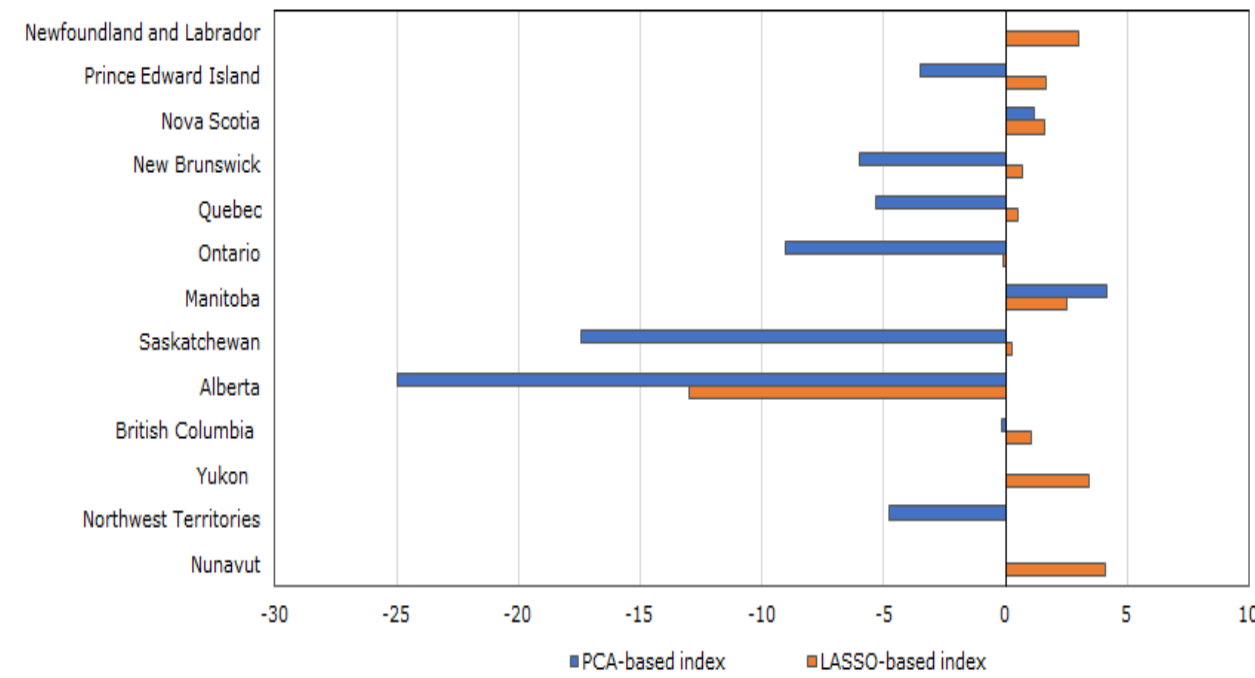
- Yukon and Nunavut were the only jurisdictions where real gross domestic product rose in 2020, led by sharp increases in mining activity. Economic output in the Northwest Territories fell by 10% on lower mining and oil and gas extraction.



More resilient economic activity during the second and third waves as businesses and households continued to adjust to containment measures

- New monthly estimates of economic activity highlight steep declines in Alberta and Saskatchewan since the start of the pandemic, and along with sizable declines in Ontario, New Brunswick and Quebec. These reflect large decreases in economic activity during the initial lockdowns.
- While activity levels have generally remained resilient during the second and third waves, the monthly data point to a slowdown in the pace of the recovery in many regions of the country as containment measures tightened during late 2020 and early 2021.

Chart 3
Percentage change in experimental indexes of economic activity, February 2020 to January 2021



Notes: PCA=Principal Component Analysis. LASSO=least absolute shrinkage and selection operator.
Source: Statistics Canada, table 36-10-0633-01.



British Columbia: Strongest employment recovery in Canada

Pre-COVID-19:

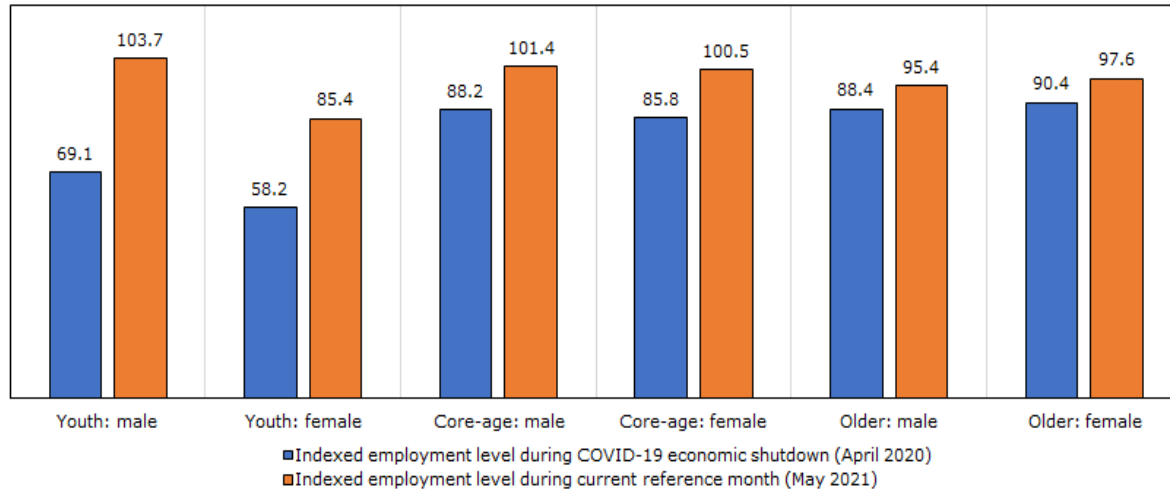
- Real gross domestic product rose by 2.5% in 2019, supported by notable increases in construction & real estate activity.
- Employment in finance & education rose by 12,200 during 2019, while net losses in manufacturing exceeded 10,000.

Post-COVID-19:

- Real gross domestic product contracted by 3.8% in 2020, the smallest decline outside of the Atlantic bubble.
- British Columbia experienced the strongest employment recovery of the country.
- Employment in professional, scientific and technical services has risen by 36,500 since February 2020.
- As of February 2021, British Columbia was the only province where the number of businesses operating in the business sector had surpassed pre-COVID-19 levels.

Chart 4
Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

index (February 2020=100)

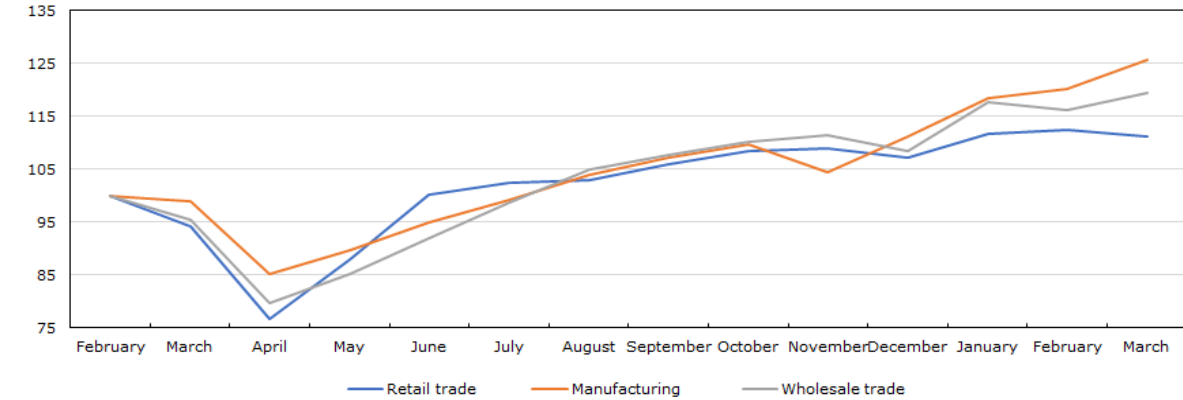


Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.

Source: Statistics Canada, table 14-10-0287-01.

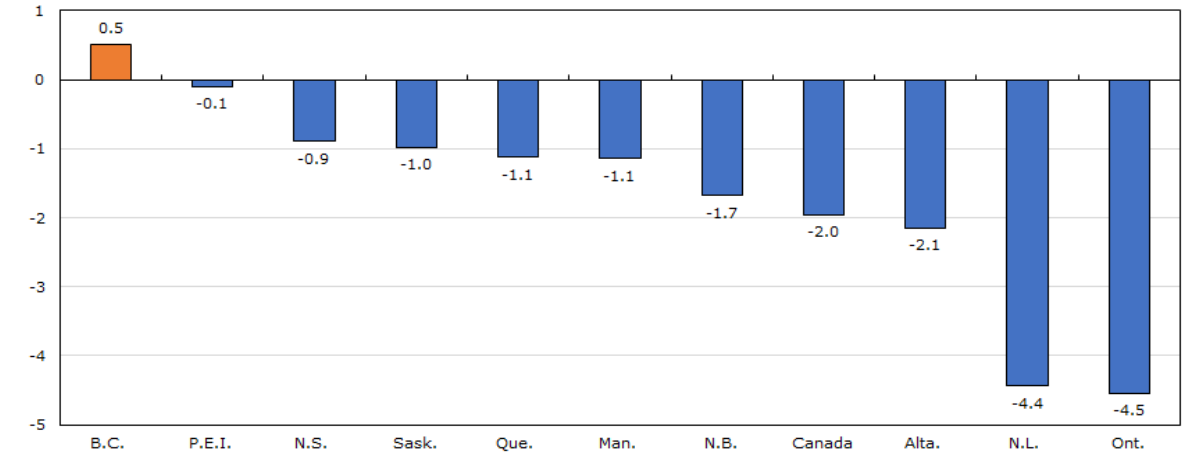
Chart 5
Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 6
Percent change in active businesses, February 2020 to February 2021



Source: Statistics Canada table 33-10-0270-01.

Alberta: Remains hardest hit by COVID-19 due to impacts on energy sector

Pre-COVID-19:

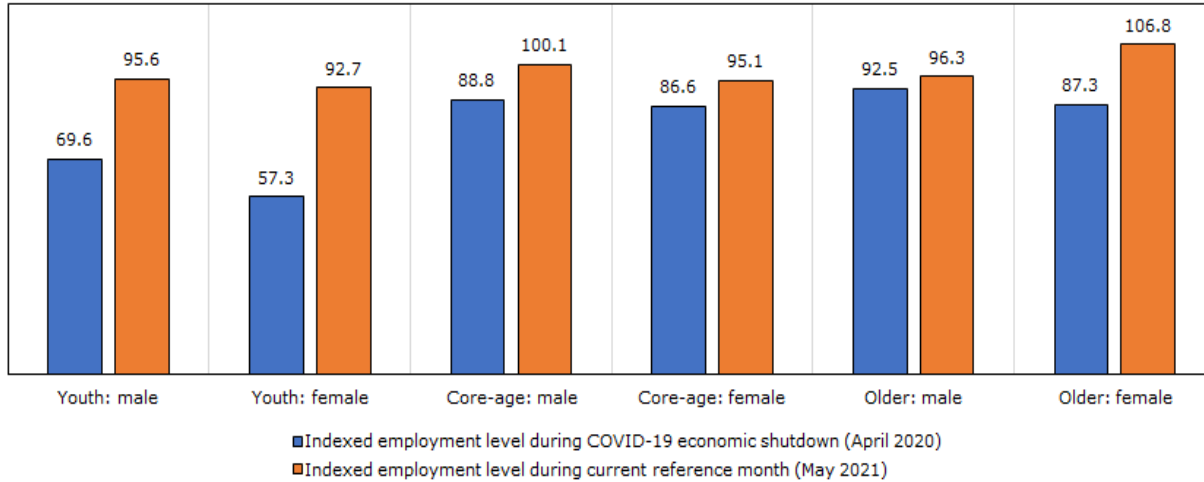
- Economic growth stalled in 2019.
- Declines in construction activity were offset by gains in real estate, healthcare and finance.
- Total employment was little changed in 2019, as the province's unemployment rate remained the highest in Western Canada.

Post-COVID-19:

- Economic activity was hardest hit in Alberta due to the impact of COVID-19 on oil prices. Real GDP in the province contracted by 8.2% in 2020.
- 2021 private capital intentions remain nearly 20% below pre-COVID-19 levels reported in 2019.
- As of February 2021, the number of active businesses operating in Alberta was 2.1% below pre-COVID-19 levels, the largest net decline in Western Canada.

Chart 7
Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

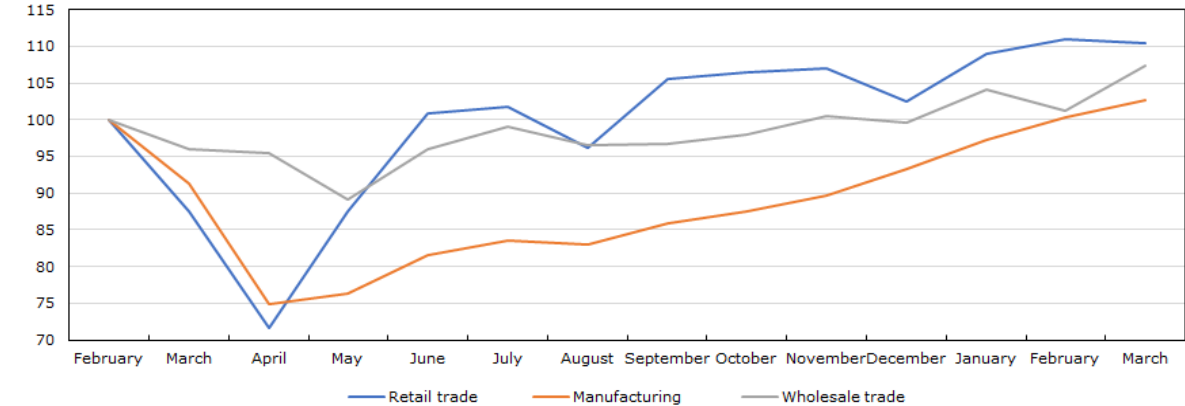
index (February 2020=100)



Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.
Source: Statistics Canada, table 14-10-0287-01.

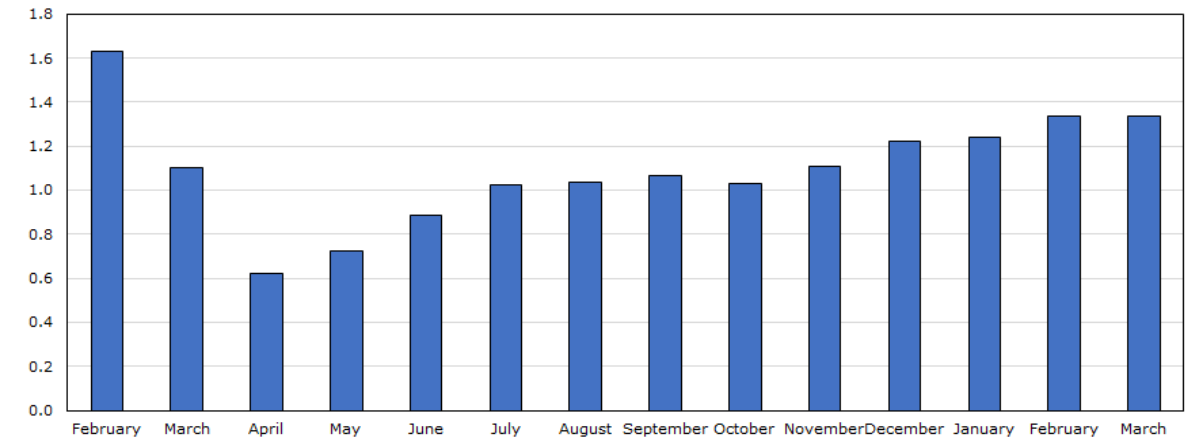
Chart 8
Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 9
Petroleum and coal product manufacturing sales, February 2020 to March 2021, billions of dollars



Source: Statistics Canada table 16-10-0048-01.



Saskatchewan: Second largest decline in economic activity since the onset of the pandemic due to stresses on resources and energy

Pre-COVID-19:

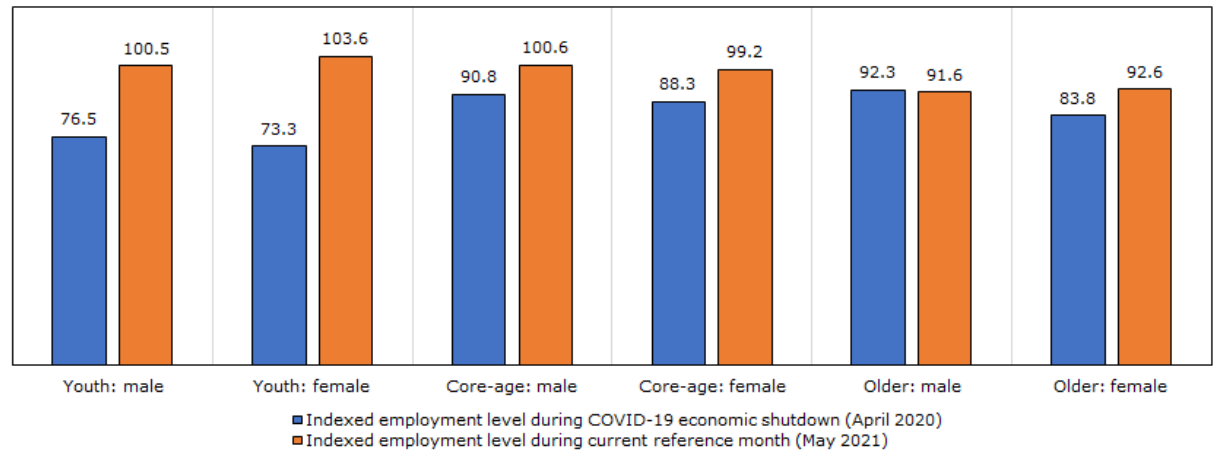
- Real gross domestic product declined by 0.9% in 2019.
- Lower economic output reflected notable declines in non-metallic mining and quarrying, manufacturing and residential building construction.
- Overall employment held steady in 2019 with gains in service industries offsetting lower employment in the goods sector.

Post-COVID-19:

- Real gross domestic product contracted by 5.2% in 2020. Experimental monthly estimates of economic activity point to relatively severe economic impacts since the onset of the pandemic.
- Wholesale agricultural supplies & farm machinery sales were less impacted by economic disruptions due to COVID-19. As of March, Saskatchewan has the strongest recovery in wholesale sales of the Western provinces.
- As of May, Saskatchewan has the strongest recovery in youth employment outside of the Atlantic bubble as the province avoids a third wave of restrictions.

Chart 10
Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

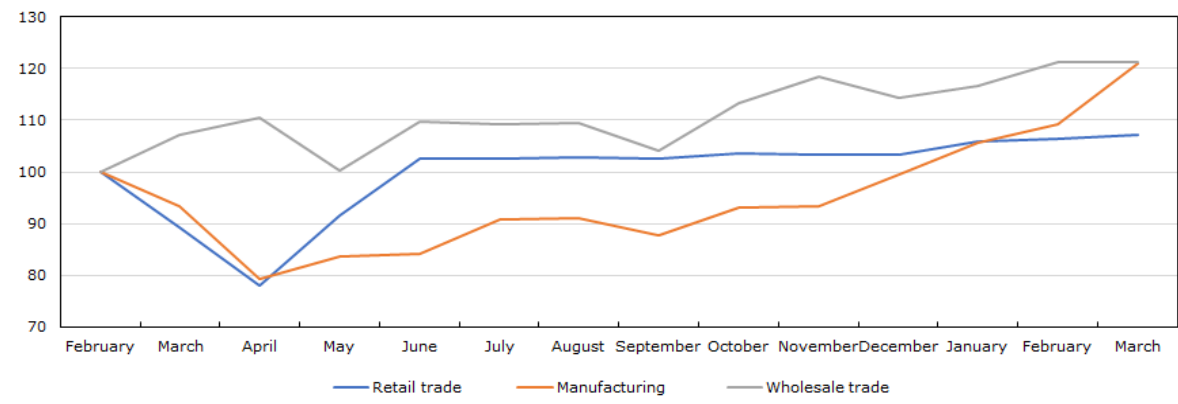
index (February 2020=100)



Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.
Source: Statistics Canada, table 14-10-0287-01.

Chart 11
Sales recovery index, pre-COVID-19 levels to March 2021

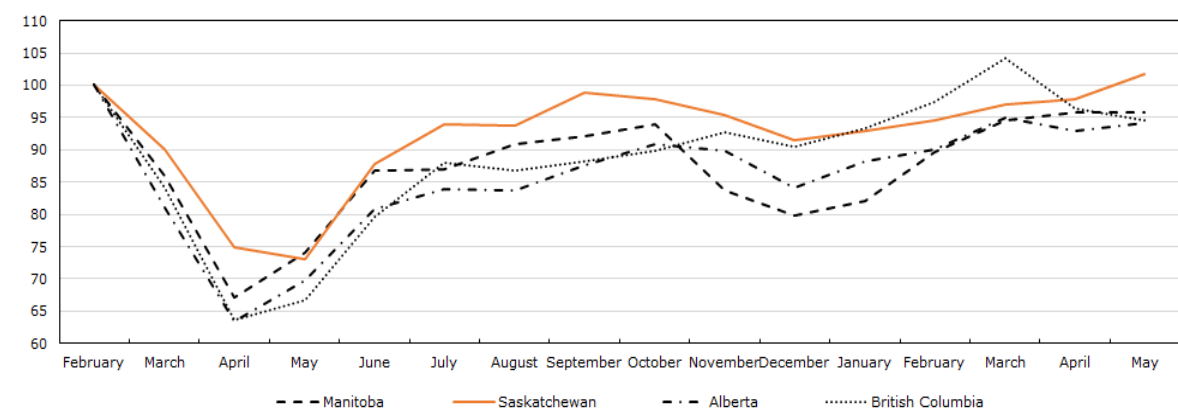
February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 12
Youth employment recovery index, pre-COVID-19 levels to May 2021, Western provinces

February 2020 = 100



Notes: Pre-COVID-19 level defined as February 2020, Youth: 15 to 24 year-olds
Source: Statistics Canada, table 14-10-0287-01.



Employment in Manitoba quickly rebounded as second-wave public health restrictions were eased

Pre-COVID-19:

- Real GDP growth slowed to 0.5% in 2019.
- Increased output was led by gains in the service sector, including real estate and healthcare.
- Manufacturing output fell as factory employment declined.

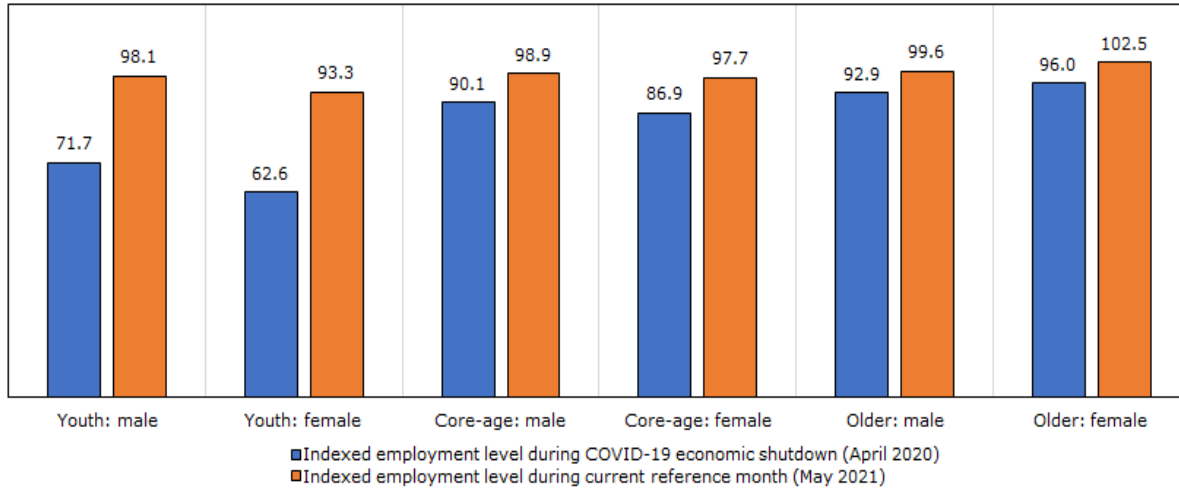
Post-COVID-19:

- Real gross domestic product contracted by 4.8% in 2020.
- Following new restrictions in response to the second wave of COVID-19, employment fell sharply in late 2020. Employment has since rebounded as restrictions eased.
- Retail sales fluctuated sharply as a result of second-wave restrictions, but has since recovered to have the strongest recovery of the Western provinces as of March.
- Economic declines in Manitoba were generally in the mid-range compared to those in other provinces.

Chart 13

Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

index (February 2020=100)

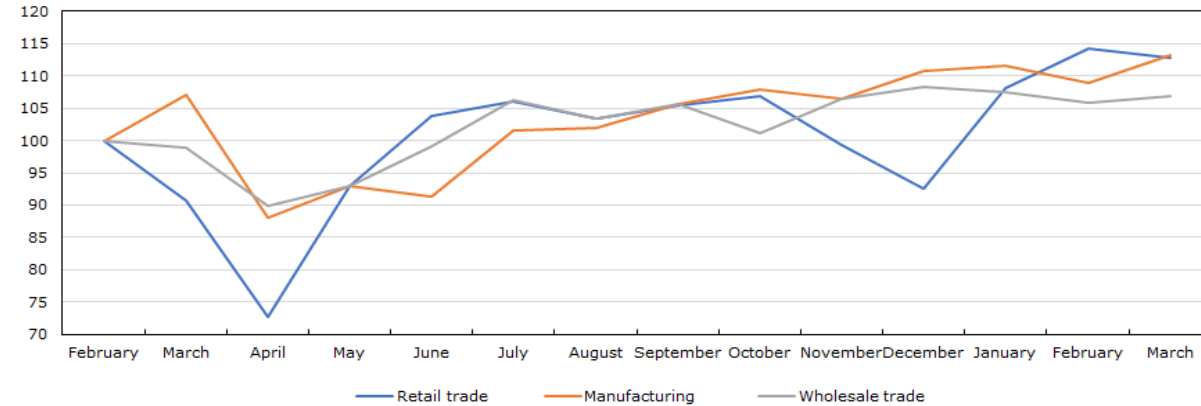


Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.
Source: Statistics Canada, table 14-10-0287-01.

Chart 14

Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100

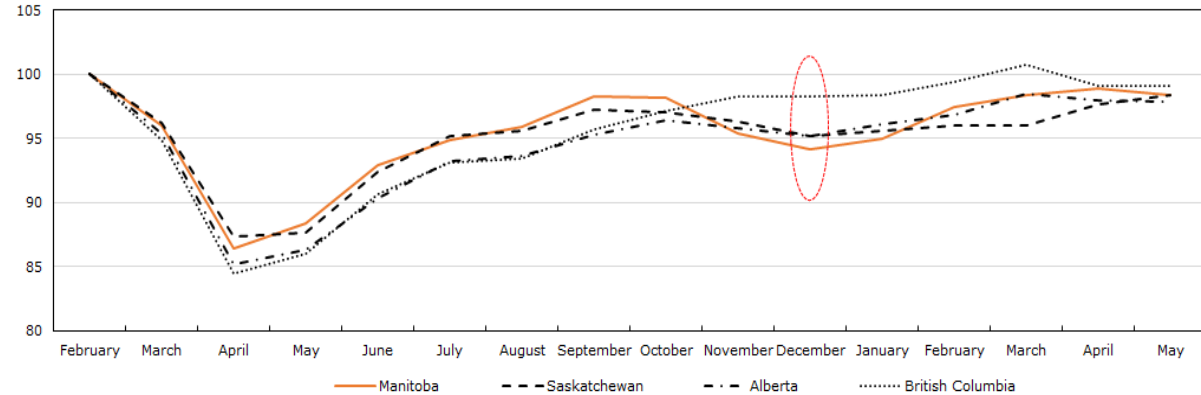


Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 15

Employment recovery index, pre-COVID-19 to May, Western provinces

February 2020 = 100



Note: Pre-COVID-19 defined as February 2020.
Source: Statistics Canada, tables 14-10-0287-01.

Ontario: Extended lockdowns dampened the economic recovery in hard-hit sectors

Pre-COVID-19:

- Real GDP grew by 2.1% in 2019 driven by higher output in services industries.
- Strong growth in professional, scientific and technical services as employment rose by 54,000.
- Employment rose by over 250,000 in the services sector.

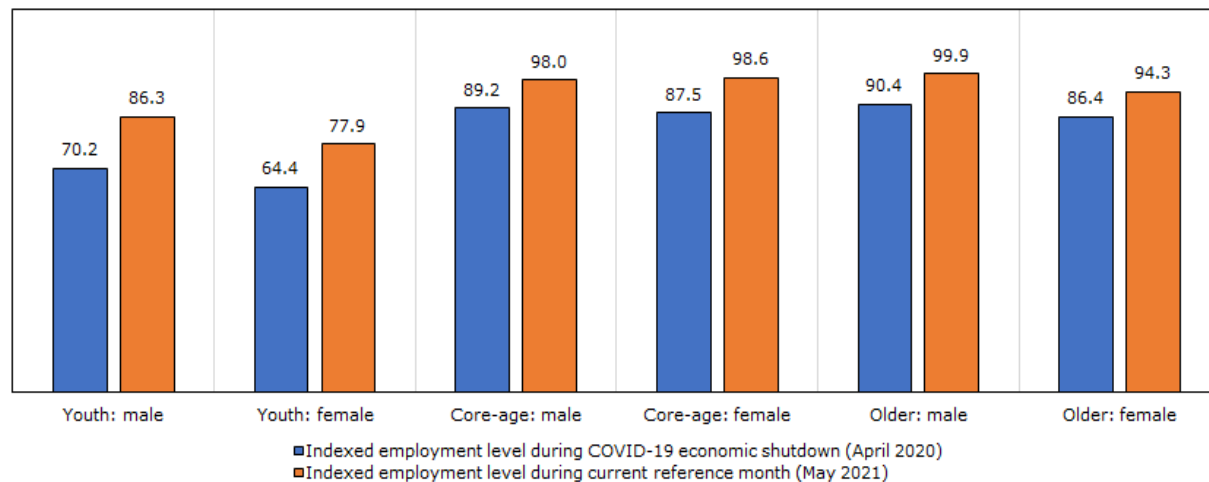
Post-COVID-19:

- Real gross domestic product contracted by 5.0% in 2020.
- Employment levels in professional, scientific and technical industries have risen by more than 53,000 since February 2020.
- Private capital intentions in Ontario are at 95% of pre-COVID-19 levels reported in 2019, the highest level in the country.
- As of February, Ontario has the lowest percentage of active businesses, relative to pre-COVID-19 levels, following second lockdown that resulted in sharp employment losses. Currently the province has the second lowest employment levels relative to those pre-pandemic, in the country.

Chart 16

Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

index (February 2020=100)



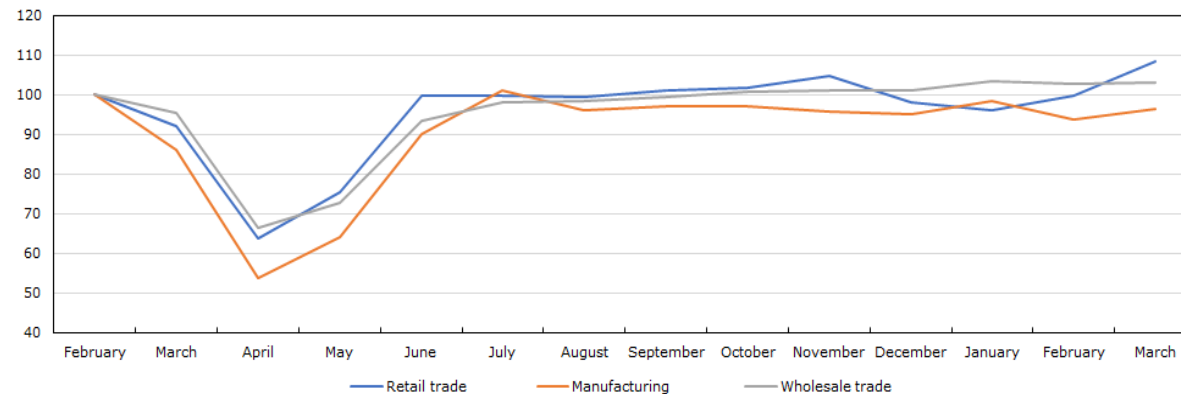
Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.

Source: Statistics Canada, table 14-10-0287-01.

Chart 17

Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100

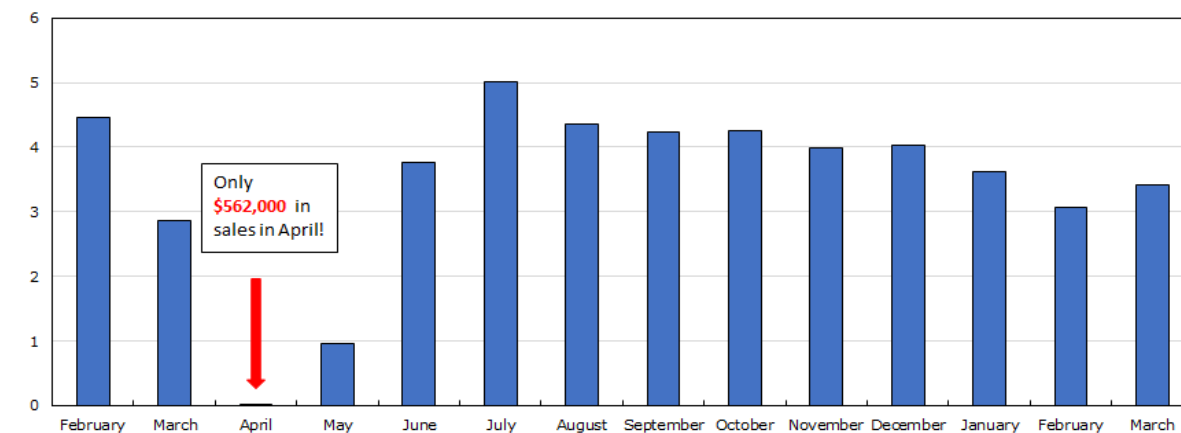


Note: Pre-COVID-19 level defined as February 2020.

Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 18

Motor vehicle manufacturing sales, February 2020 to March 2021, billions of dollars



Source: Statistics Canada table 16-10-0048-01.

Quebec: Second lockdown weighed on youth employment

Pre-COVID-19:

- Real gross domestic product rose by 2.7% in 2019.
- Higher output reflected gains in manufacturing and services.
- Employment rose by 66,000 in 2019, with over three-quarters of the increase in service industries.

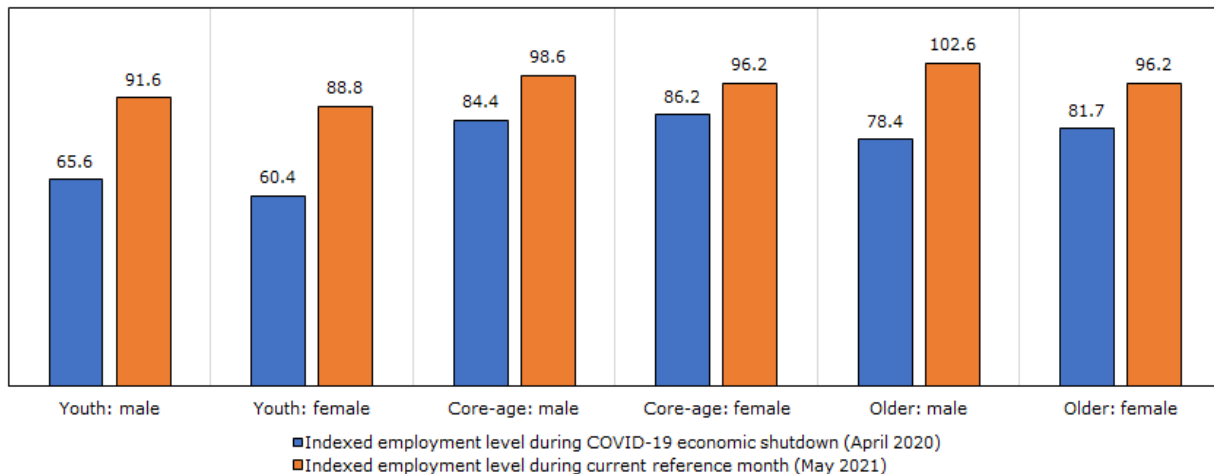
Post-COVID-19:

- Economic activity contracted by 5.3% in 2020.
- Employment losses in April 2020 were relatively severe compared to other provinces.
- The second lockdown had a strong impact on youth employment. As of May 2021, youth employment is at 90% of its pre-COVID-19 level.
- Despite large declines during the lockdowns, retail sales as of March were nearly 15% above pre-COVID-19 levels.
- Quebec has experienced the largest percentage increase in new housing prices of the provinces since the onset of the pandemic.

Chart 19

Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

index (February 2020=100)



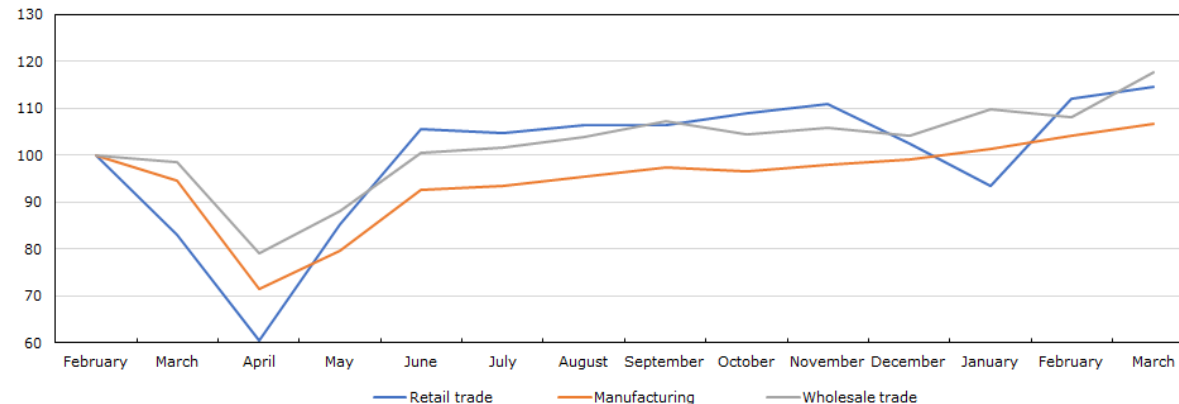
Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.

Source: Statistics Canada, table 14-10-0287-01.

Chart 20

Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100



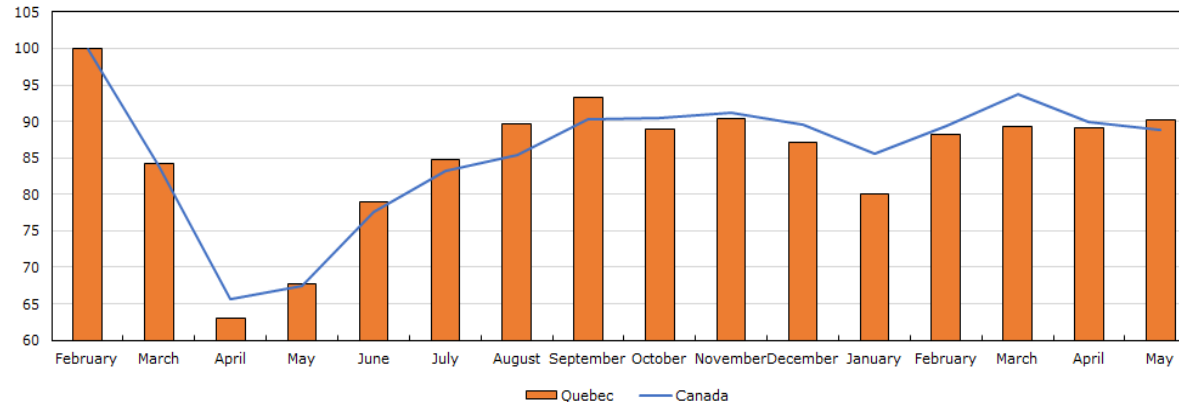
Note: Pre-COVID-19 level defined as February 2020.

Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 21

Youth employment recovery index, pre-COVID-19 levels to May 2021

February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020, youth: 15 to 24 year-olds.

Source: Statistics Canada, table 14-10-0287-01.

New Brunswick: Youth employment strengthens

Pre-COVID-19:

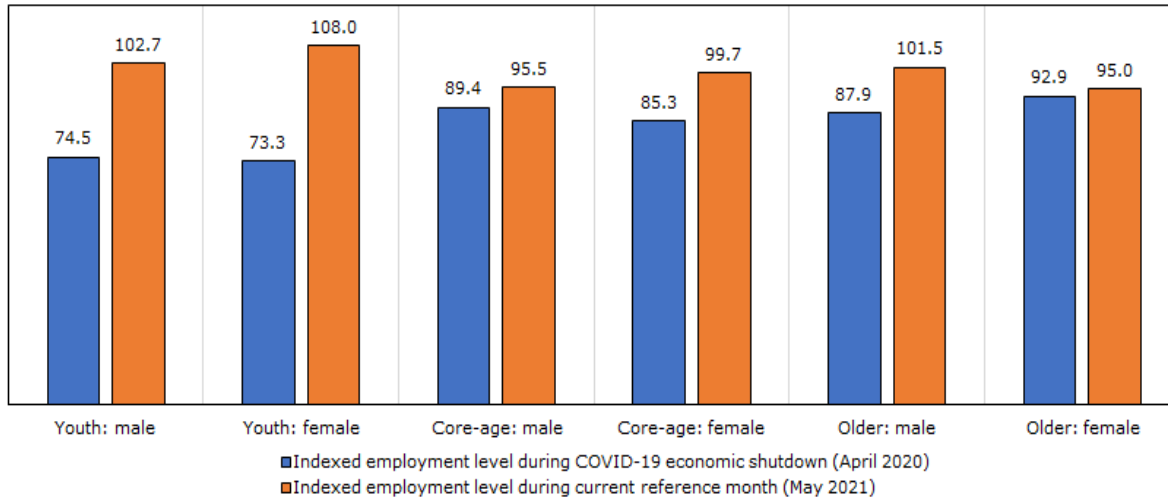
- Real gross domestic product grew by 1.1% in 2019.
- Higher output was supported by gains in utilities and healthcare.
- Declines in transportation, engineering construction and resource extraction tempered overall growth.

Post-COVID-19:

- Real GDP declined by 3.7% in 2020.
- As of March, the province experienced the second strongest manufacturing recovery in Atlantic Canada, as non-durables rebounded.
- As of May 2021, New Brunswick is one of only three provinces with youth employment above pre-COVID-19 levels, narrowly behind Newfoundland and Labrador.

Chart 22
Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

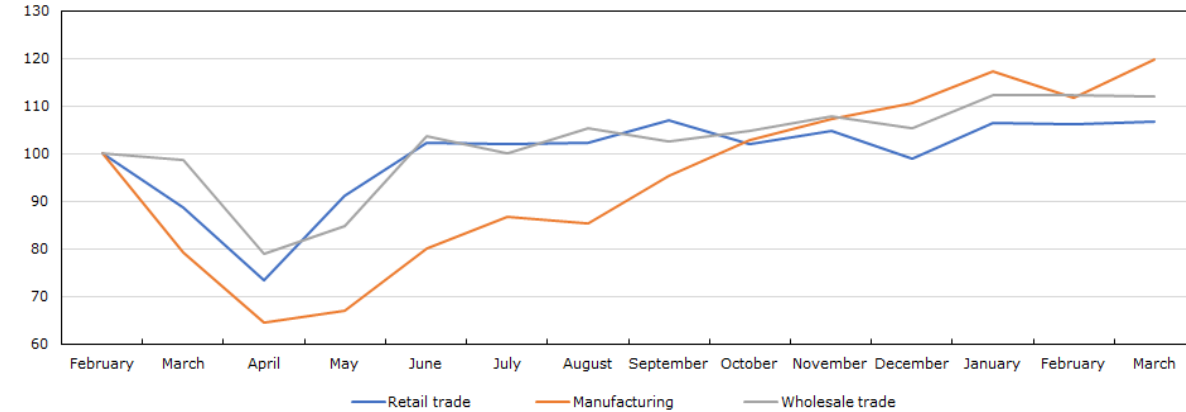
index (February 2020=100)



Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.
Source: Statistics Canada, table 14-10-0287-01.

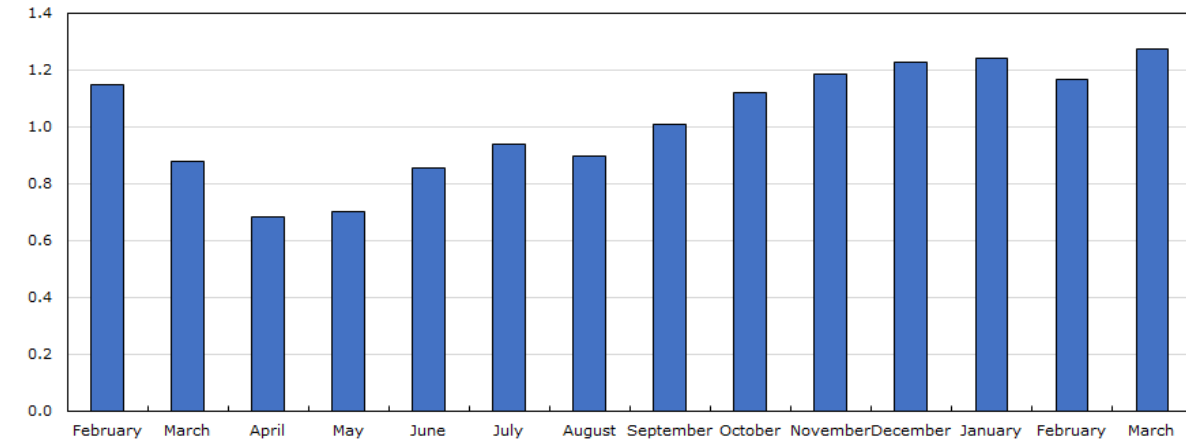
Chart 23
Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 24
Non-durable manufacturing sales, February 2020 to March 2021, billions of dollars



Source: Statistics Canada table 16-10-0048-01.

Nova Scotia: Late April restrictions halt employment recovery

Pre-COVID-19:

- Economy advanced by 2.5% in 2019, reflecting broad-based gains among services, led by real estate and healthcare.
- Higher manufacturing output reflected increases in shipbuilding.
- Employment gains largely reflected increases in healthcare and manufacturing.

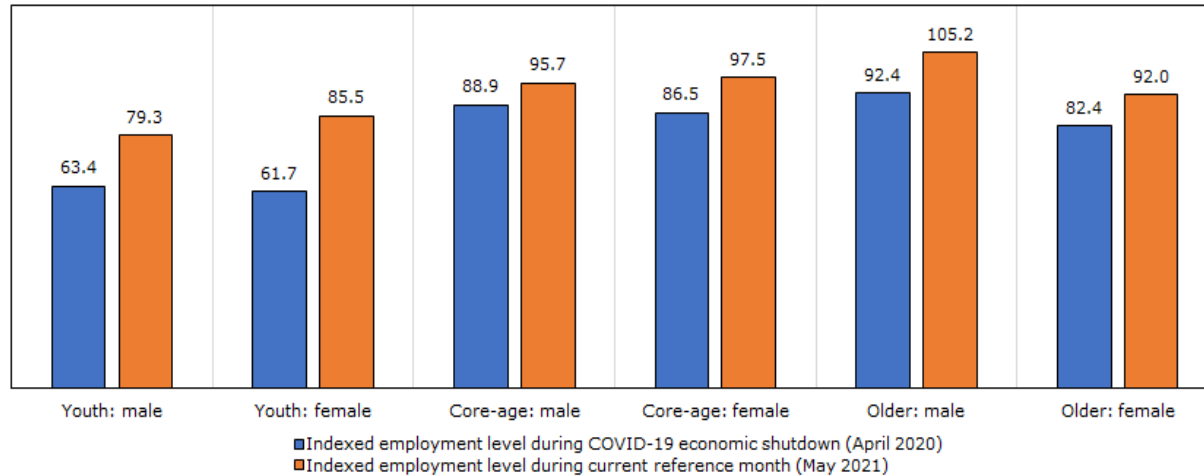
Post-COVID-19:

- Economic activity declined by 3.2% in 2020.
- In April 2021, Nova Scotia had experienced the strongest employment recovery in the country, reflecting increases in professional, scientific and technical services, and educational services.
- Third wave COVID-19 restrictions imposed in late April caused employment to decline by 4.8% in May, as the recovery in total employment slowed to the lowest of all provinces.
- The province also experienced the strongest recovery in manufacturing and wholesale trade sales in Canada, as of March.

Chart 25

Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

index (February 2020=100)



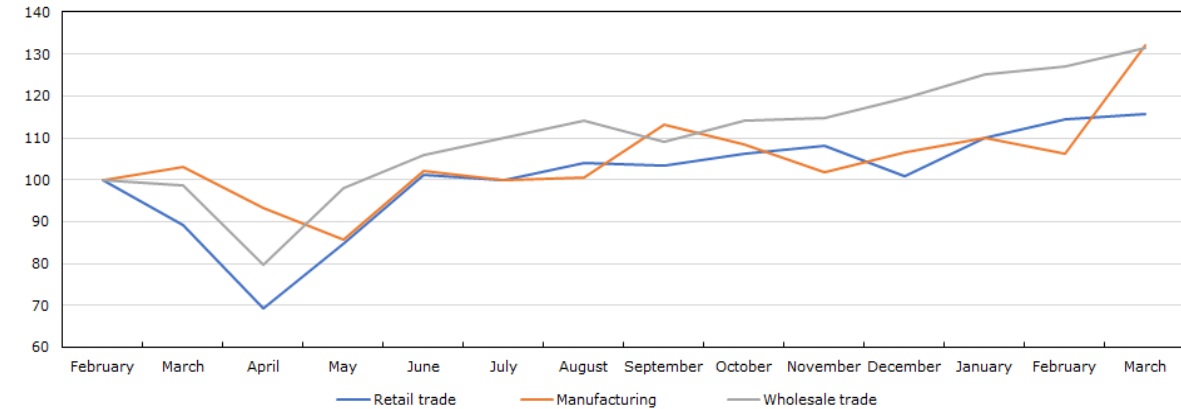
Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.

Source: Statistics Canada, table 14-10-0287-01.

Chart 26

Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100



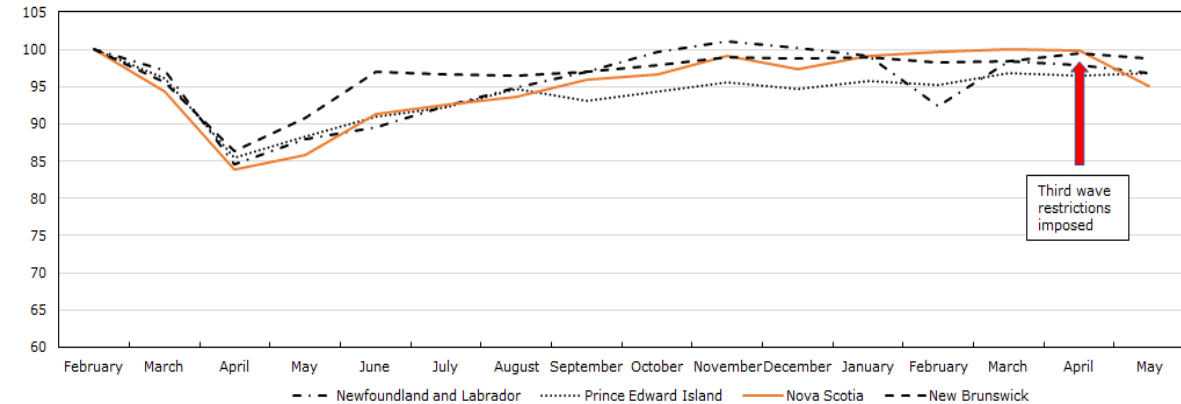
Note: Pre-COVID-19 level defined as February 2020.

Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 27

Employment recovery index, pre-COVID-19 levels to May 2021, Atlantic provinces

February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.

Source: Statistics Canada, table 14-10-0287-01.



Prince Edward Island: Largest Atlantic increase in new housing prices since the onset of the pandemic

Pre-COVID-19:

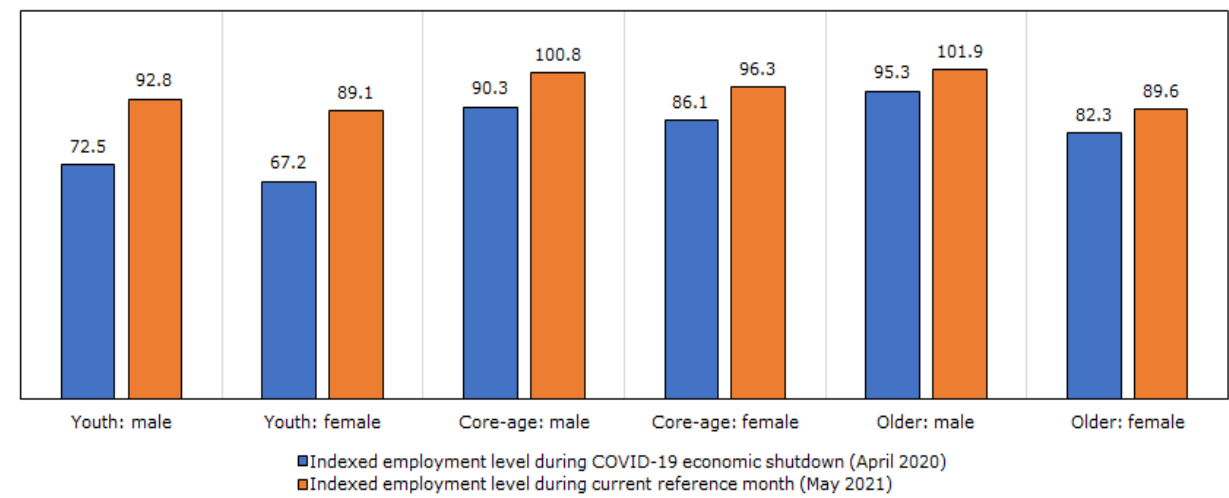
- Real gross domestic product rose by 5.1% in 2019—the largest increase among the provinces.
- Higher output reflected increases in residential building construction and agriculture, along with broad-based gains among services.
- The employment rate was 61.9% at the end of 2019, 0.2 percentage points above the national average.

Post-COVID-19:

- Real gross domestic product declined by 3.0% in 2020, the smallest decrease among the provinces.
- The employment recovery in PEI has been slower than elsewhere in Atlantic Canada.
- PEI has experienced the largest percentage increase in new housing prices of the Atlantic provinces since the onset of the pandemic.
- As of February 2021, the number of active businesses in PEI had reached pre-COVID-19 levels, the strongest net recovery in Atlantic Canada.

Chart 28
Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

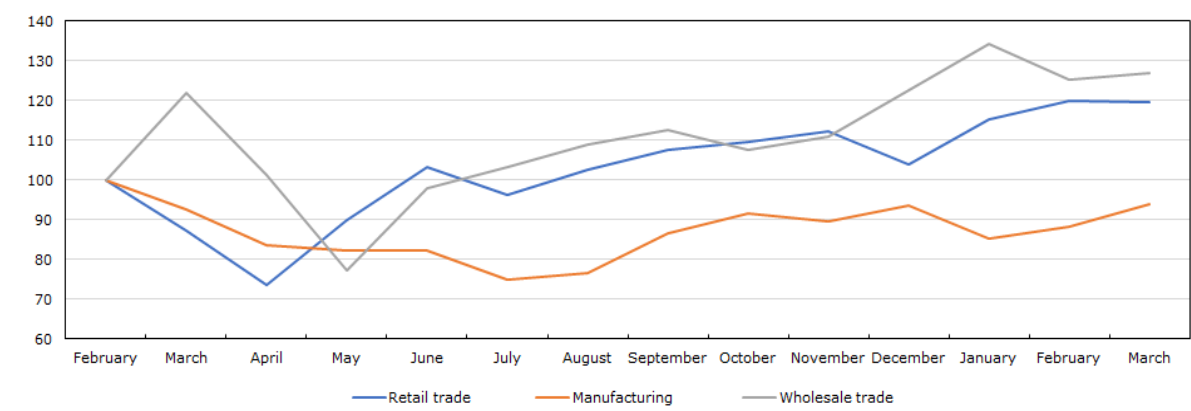
index (February 2020=100)



Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.
Source: Statistics Canada, table 14-10-0287-01.

Chart 29
Sales recovery index, pre-COVID-19 levels to March 2021

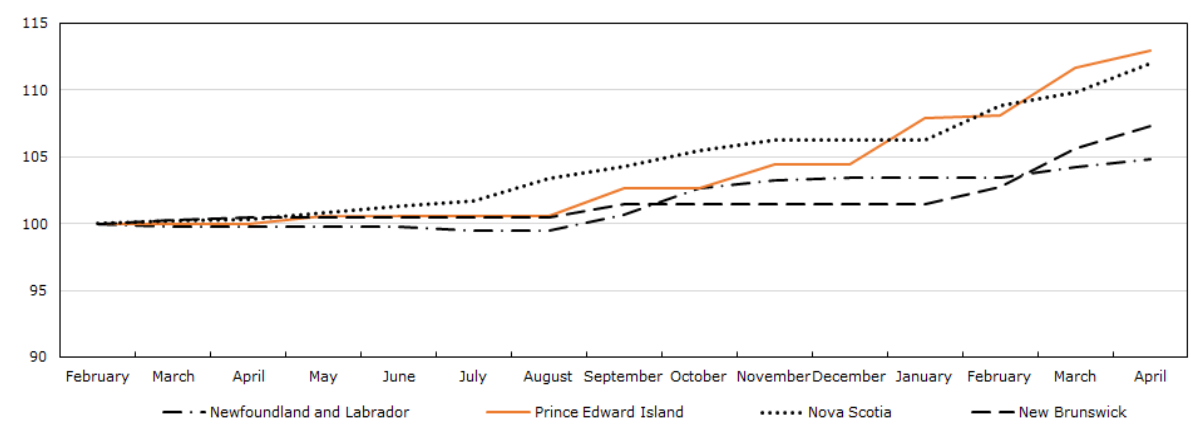
February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 30
New housing price index, pre-COVID-19 levels to April 2021, Atlantic provinces

February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, table 18-10-0205-01.

Newfoundland and Labrador: Youth employment rebounds while the recovery in manufacturing and active businesses lags

Pre-COVID-19:

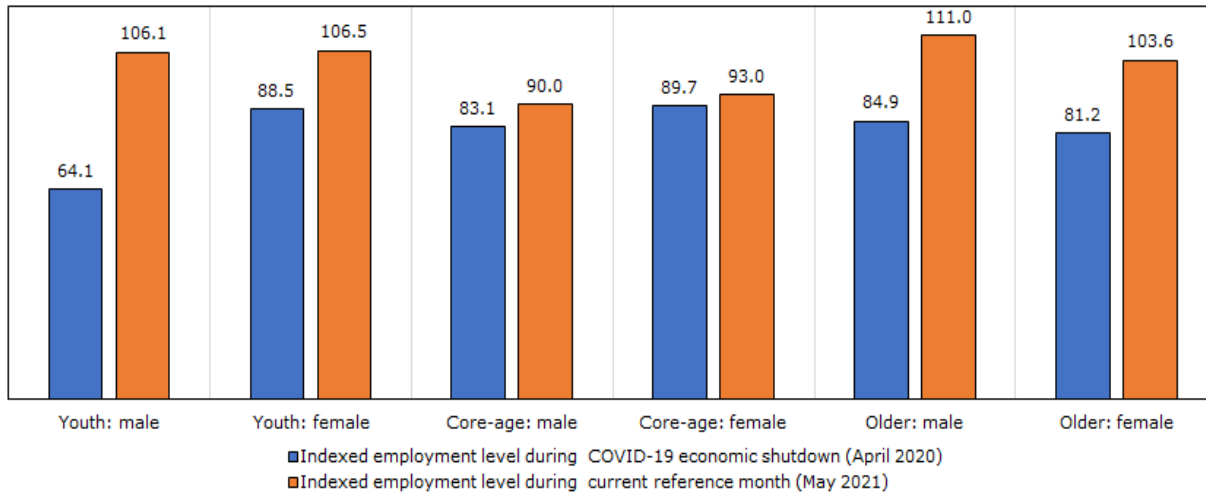
- Newfoundland and Labrador's economy grew by 4.0% in 2019, reflecting increases in oil and gas extraction and construction.
- Despite output, total employment edged down in 2019, as the employment rate ended the year at 50.0%.

Post-COVID-19:

- Real gross domestic product fell by 5.3% in 2020.
- The recovery in youth employment was among the strongest in the country.
- The recovery in manufacturing sales lags that in the rest of the country, as does the recovery in the number of active businesses.

Chart 31
Employment, expressed as a percentage of pre-COVID-19 levels, by age group and sex

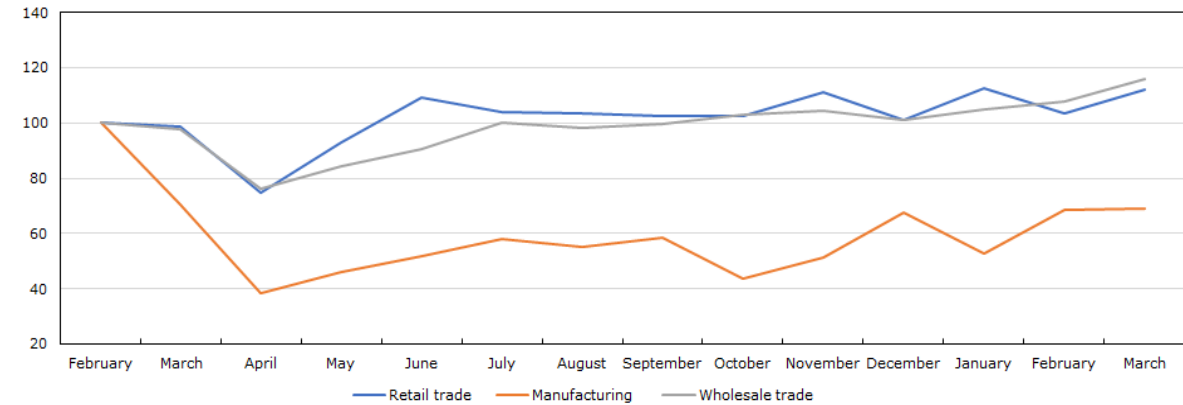
index (February 2020=100)



Notes: Youth: 15 to 24 year-olds; Core-age: 25 to 54 year-olds; Older: 55 year-olds and over.
Source: Statistics Canada, table 14-10-0287-01.

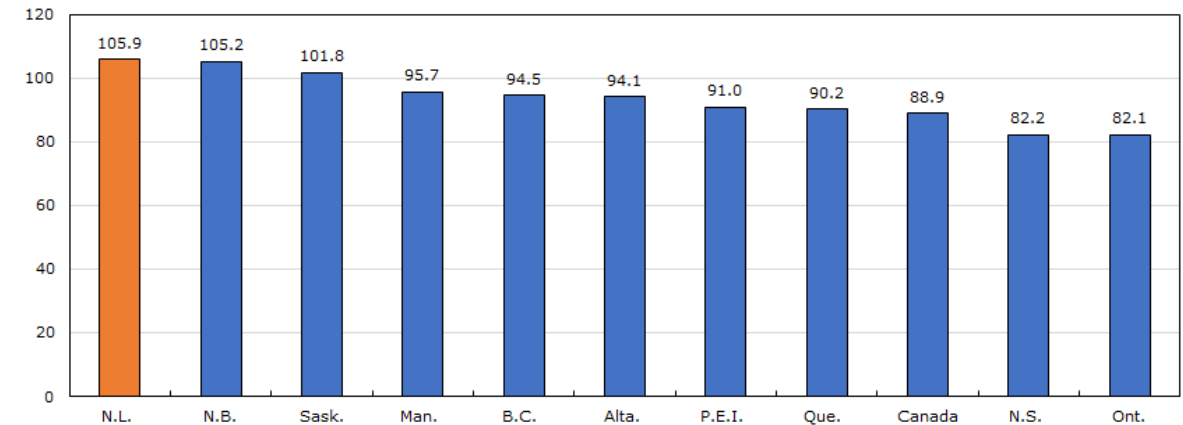
Chart 32
Sales recovery index, pre-COVID-19 levels to March 2021

February 2020 = 100



Note: Pre-COVID-19 level defined as February 2020.
Source: Statistics Canada, tables 20-10-0008-01, 20-10-0074-01 and 16-10-0048-01.

Chart 33
Youth employment recovery, May 2021



Notes: Indexed to February 2020, youth defined as 15 to 24 years old.
Source: Statistics Canada table 14-10-0287-01.

The territories: Impacts of resource extraction vary as businesses remain resilient

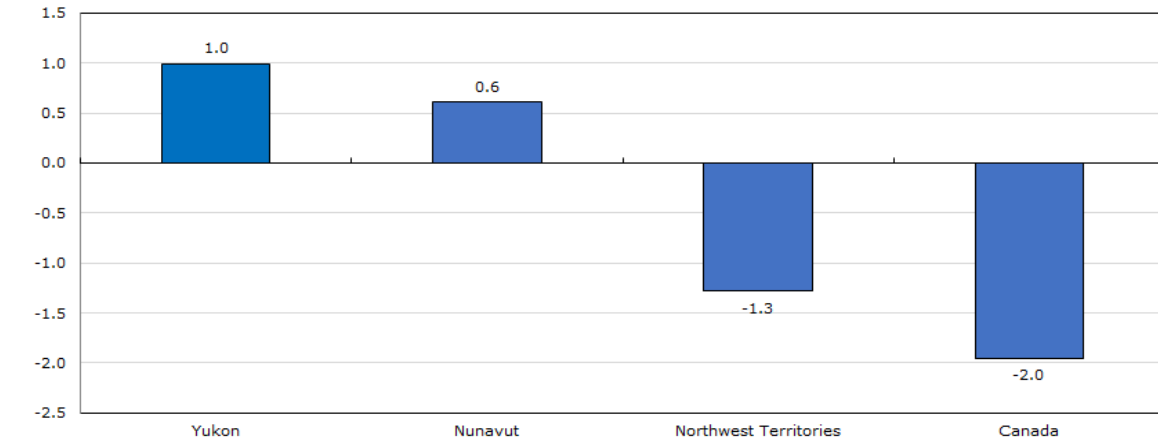
Pre-COVID-19:

- Yukon’s real gross domestic product grew by 0.7% in 2019, as gains from real estate and other services offset lower wholesale activity.
- Real GDP in the Northwest Territories contracted by 8.1% in 2019 due to sharp declines mining and engineering construction.
- Nunavut’s economy grew for the fourth consecutive year, as real GDP rose by 6.5% on the strength of higher mining output.

Post-COVID-19:

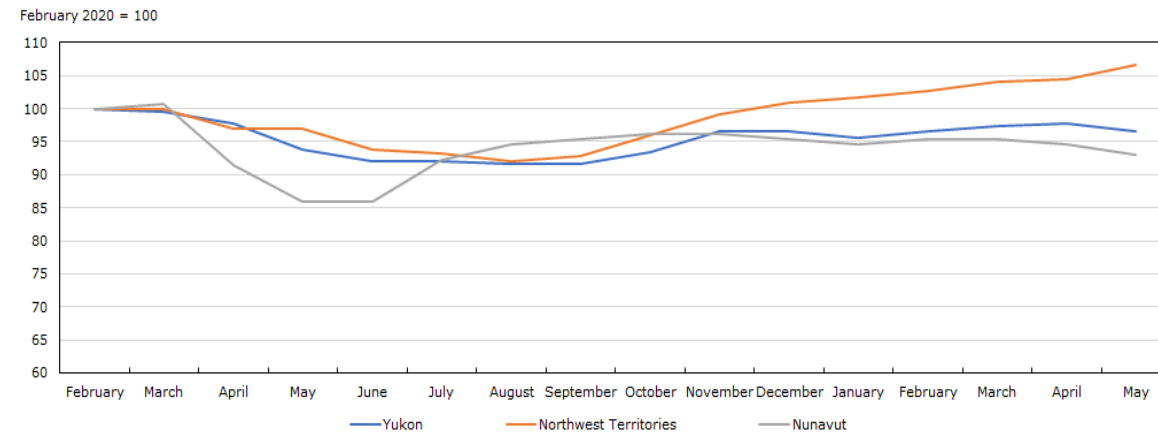
- Businesses remained resilient—as of February 2021, the number of active businesses in Yukon and Nunavut exceeded pre-COVID-19 levels, while the number operating in the Northwest Territories was 1% below levels reported in February 2020.
- Public and private capital intentions for 2021, at \$2.5 billion, are 9% higher than spending levels in 2020, but still down about 13% from pre-COVID-19 levels reported in 2019.
- Employment in the North was less impacted by the initial economic shutdowns. As of May 2021, employment in the Northwest Territories was above pre-COVID-19 levels. Employment levels in the Yukon have remained relatively stable, while levels in Nunavut have shown signs of recovery.

Chart 34
Percent change in active businesses, territories, February 2020 to February 2021



Source: Statistics Canada table 33-10-0270-01.

Chart 35
Employment recovery index, pre-COVID-19 to May 2021, territories



Note: Pre-COVID-19 defined as February 2020.
Source: Statistics Canada, tables 14-10-0292-01.