December 4, 2025 (*Door 4*)

The (Productivity) Nightmare Before Revisions

By Warren Lovely, Taylor Schleich & Ethan Currie

As the holiday season approaches, we carry on (with glee!) through *NBC's 2025 Economic Advent Calendar.* Let's see what's behind Door #4… (*See* ***page 2*** *for full schedule of past and upcoming releases in this series*).

Canada faces a productivity crisis, or so the thinking went. But after some non-trivial revisions by Statistics Canada, the nation's productivity picture just got a fair bit better.

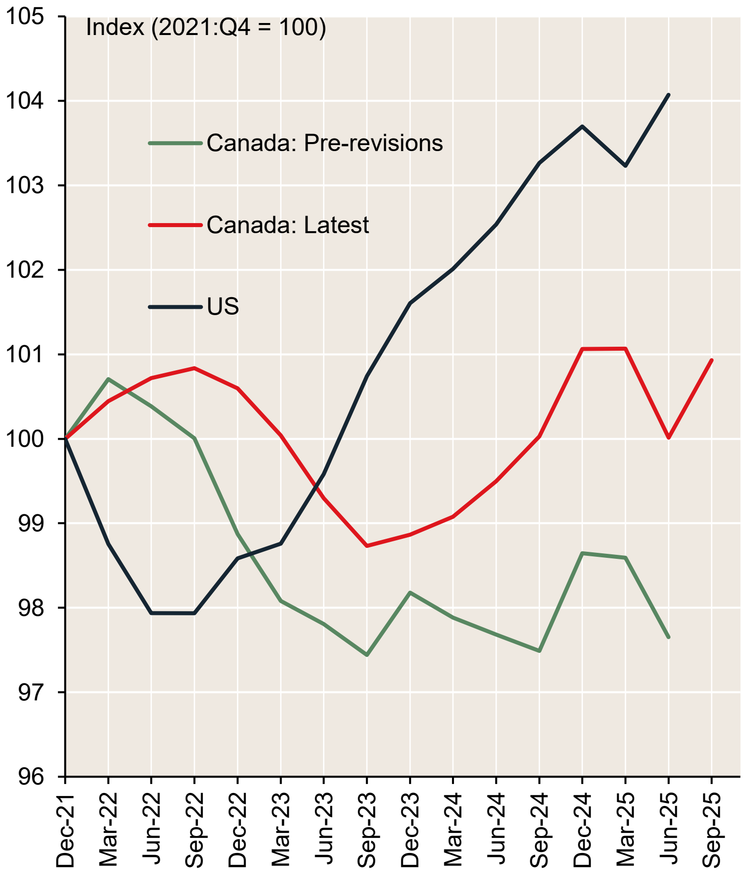
Ask yourself: What's one better than a 'crisis'? Could it be a 'dilemma' or a 'quandary' or maybe a 'pickle'? Actually, the latter term might best fit the bill, since 'Canada's productivity pickle' has a certain ring to it don't you think?

Just how much has the productivity picture has changed? Well, instead of being underwater, Canada can now claim some positive productivity growth… whether the reference period is a year or two or even a full decade. There's no secret to what's happened here; there's been more output, which for a given amount of input means improved productivity.

We're all for celebrating good news when and where we can get it. And without wanting to put too much of a damper on favourable revisions, the productivity picture is still sobering when compared with what the U.S. has been able to accomplish. Yes, our data are less dire, but this is no time for complacency. Aggressive, thoughtful and sustained action—on the regulatory burden, on tax competitiveness, on trade diversification, on resource development, etc.—must remain a priority. Canada's longer-term standard of living hangs in the balance.

The productivity nightmare before revisions…

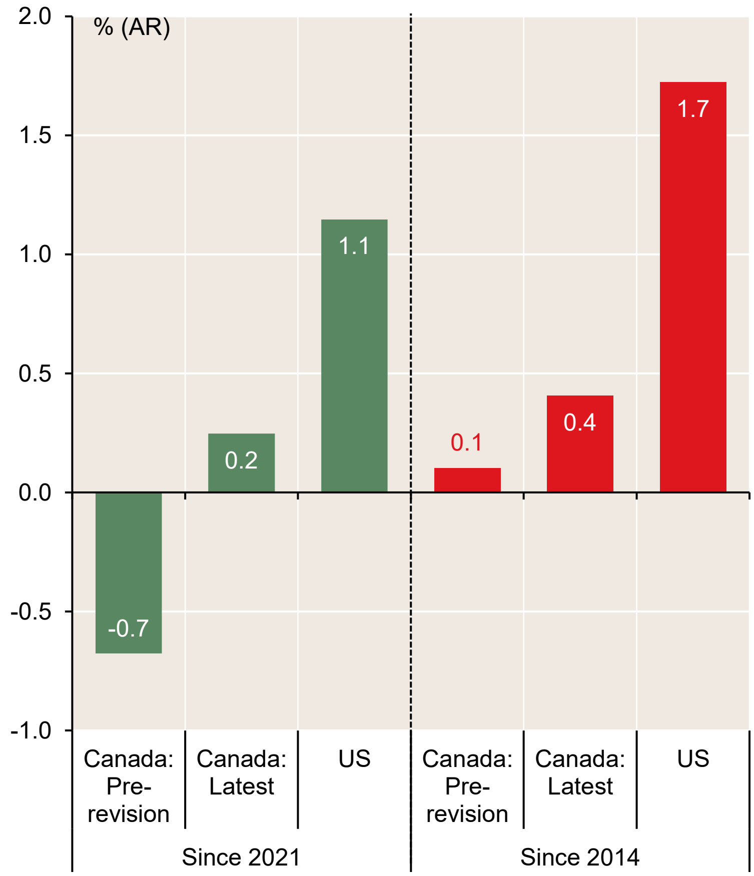
Labour productivity indexed to 2021:Q4



Source: NBC, StatCan, Bloomberg

…is better now, but there's still work to do

Annualized labour productivity growth since Q4:2021 & Q4:2014



Source: NBC, StatCan, Bloomberg | Note: Latest reading for Canada is inclusive of Q3:2025 data

NBC's 2025 Economic Advent Calendar

- Door 1: Let it ~~snow~~ cash flow (**link** - *released December 1st*)
- Door 2: Last ~~Christmas~~ Trump Term (**link** - *released December 2nd*)
- Door 3: The anatomy of a ho-ho-hold (**link** - *released December 3rd*)
- Door 4: ??? (*coming December 4th*)
- Door 5: ??? (*coming December 5th*)
- Door 6: ??? (*coming December 8th*)
- Door 7: ??? (*coming December 9th*)
- Door 8: ??? (*coming December 10th*)
- Door 9: ??? (*coming December 11th*)
- Door 10: ??? (*coming December 12th*)
- Door 11: ??? (*coming December 15th*)
- Door 12: ??? (*coming December 16th*)
- Door 13: ??? (*coming December 17th*)
- Door 14: ??? (*coming December 18th*)
- Door 15: ??? (*coming December 19th*)

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