



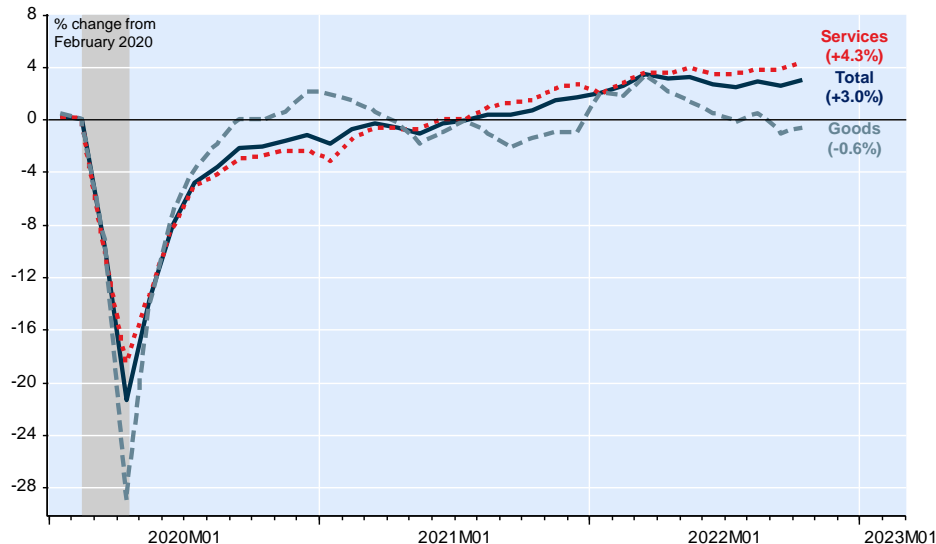
## Quebec: GDP rebounded in October

By Daren King

While some were concerned about the possibility of the onset of a recession in Quebec, October's data proved reassuring. Indeed, after having experienced three contractions in the last four months, the province's GDP grew by 0.5% in October, driven by both the goods and services sectors (left graph). Today's data echoes that of Quebec's job market, which grew strongly in the last quarter of 2022, with 74.2K full-time jobs created between September and December (right chart). As the quarterly data showed last month, Quebec household consumption (+1.5% Q/Q annualized) has been particularly resilient compared to the rest of the country (Canada -1.0% Q/Q annualized) in a context where their high savings rate and lower debt levels allow them to better absorb the current shocks related to inflation and rising interest rates. Indeed, retail and wholesale sales, which are strongly linked to household consumption, were the two largest contributors to growth in the services sector in October. However, we are seeing weakness in the arts/entertainment/recreation and accommodation/restaurant subsectors, which may suggest that households are cutting back on some discretionary spending.

### Quebec: Growth in the goods sector after a slump

Change in GDP since February 2020



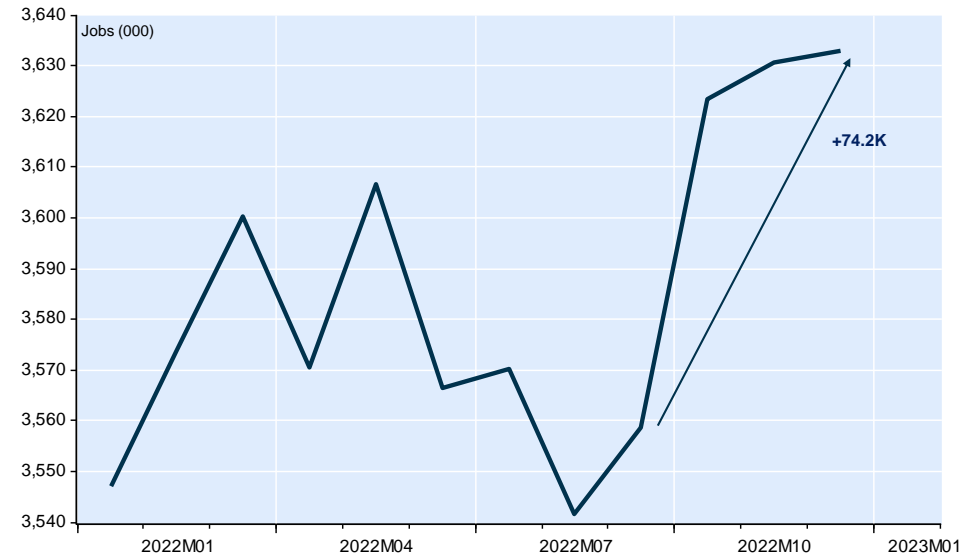
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### HIGHLIGHTS:

- According to the Institut de la Statistique du Québec, real GDP increased by 0.5% in October (Canada: +0.1%) after a decline of 0.3% in September (Canada: +0.2%).
- On a year-over-year basis, Quebec's real GDP was up 2.3%, lower than the 3.2% increase recorded for the country as a whole.
- Fifteen of the 20 industries recorded increases in October, including 11 of the 15 services subsectors and 4 of the 5 goods subsectors.
- This growth is due notably to the services sector, which grew by 0.5% in October. This increase is explained by gains in the wholesale trade (+3.1%), retail sales (+1.3%), other services (+0.7%) and public administration (+0.6%) subsectors. Conversely, the Arts, Entertainment and Recreation (-1.9%) and Accommodation and Food Services (-1.3%) subsectors experienced the largest declines.
- This increase was driven by gains in the mining (+6.4%), non-mining primary sector (+6.1%), utilities (+1.0%), and construction (+0.5%) subsectors, while the manufacturing sector was down (-1.5%).

### Quebec: Job creation remains strong

Full-time employment



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