



## Parsing past provincial performance (with key exposures top-of-mind)

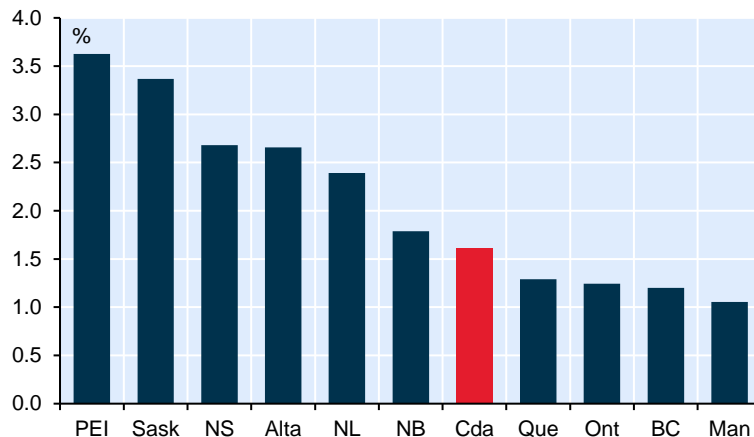
By Ethan Currie

Newly released industry GDP data revealed a Canadian economy that grew 1.6%, in real terms, in 2024 (Chart 1). That's *slightly* better relative to what expenditure-based growth stats told us previously (1.5%), but below potential nonetheless. And while growth outpaced the nationwide population surge in some regions, particularly in most Atlantic provinces, that was not the broader story (Chart 2). Specifically, Canada's largest four provinces saw real GDP per capita declining for a second year in a row. Like the case with population-scaled growth, the provincial contributions to national GDP vary. On a GDP-weighted basis, six provinces made an outsized contribution to real growth in 2024 – that is, the actual percentage point contribution to national growth was larger than what the size of their economy would imply. Notwithstanding a per capita decline, Alberta was the only one of Canada's four largest provinces to record a growth contribution that punched above its weight class last year (Chart 3). In fact, the energy-rich province has made an outsized impact in each of the last three years, a feat that only Saskatchewan has been able to replicate (albeit,

not to the same scale). Perhaps with more Canadian representation in this year's NHL playoffs, some other provinces might enjoy a marginal pick-up (a Toronto-based parade would surely spur growth, one Ontarian can only hope). Looking ahead, the economic outlook is muddled by trade-related anxieties and industrial uncertainties (across both international and domestic borders). While White House policy direction remains unclear, certain sectors have received 'special' tariff treatment, for better or for worse. Provinces with a larger economic exposure to the energy sector may face a lower effective tariff rate than those where manufacturing holds a larger share of the regional economy (Chart 4). Other provinces have an outsized exposure to the housing market, which, having already experienced some pain to start the year, will be watched closely. As the impact of tariffs continue to work through the economy, provincial diversification will be top-of-mind for industry workers and investors alike. That's a topic we'll be sure to expand on in an upcoming *Market View*... stayed tuned.

### Chart 1: Every province recorded real growth in 2024...

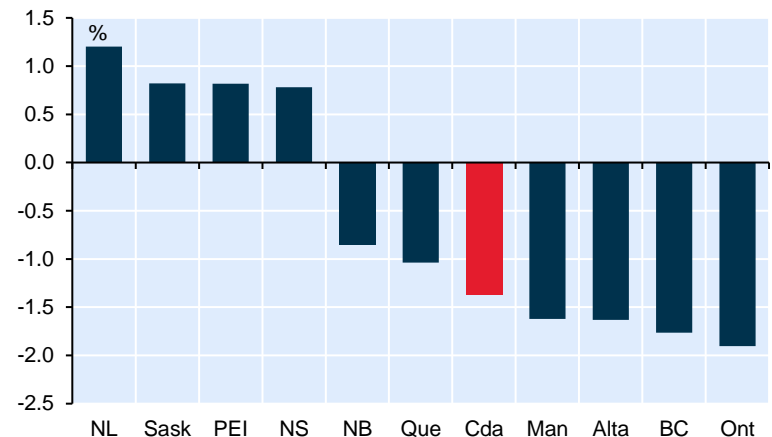
Real GDP growth by province, 2024



Source: NBC, StatCan

### Chart 2: ...but that's largely a population story

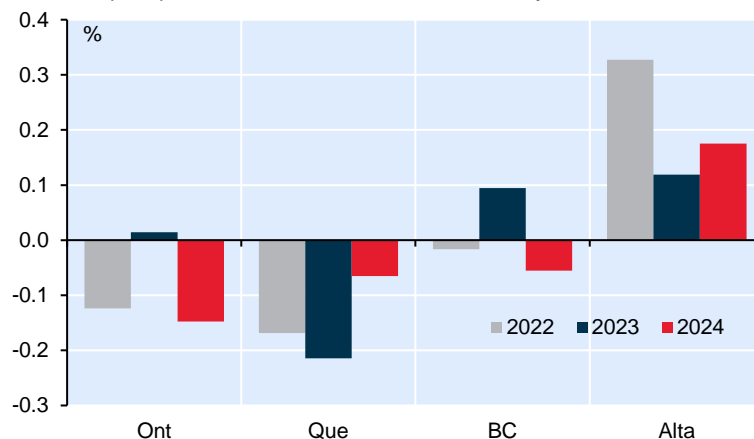
Per capita real GDP growth by province, 2024



Source: NBC, StatCan

### Chart 3: Alberta makes outsized contribution to growth

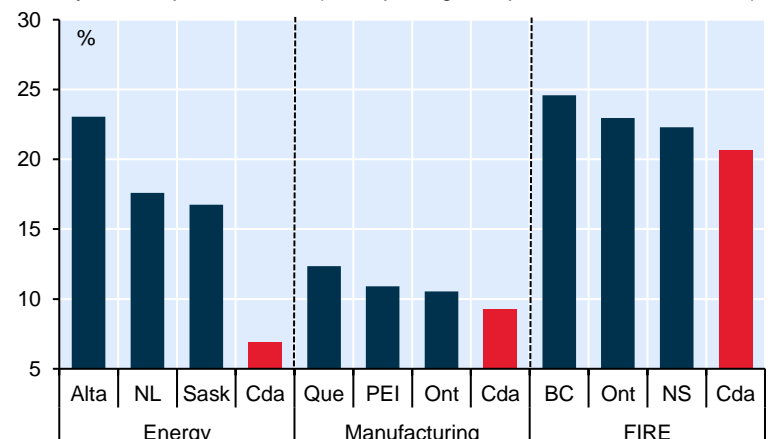
Actual – implied provincial contribution to GDP; last three years



Source: NBC, StatCan | Note: Implied contribution derived from 2024 provincial GDP weights

### Chart 4: Industry exposures top-of-mind thanks to tariffs

Industry share of provincial GDP (with top 3 largest exposures as of 2024 shown)



Source: NBC, StatCan | Note: FIRE refers to finance, insurance & real estate



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