

# ECONOMIC NEWS

## Canada: Despite All the Roadblocks, Production Was Up in November

### HIGHLIGHTS

- ▶ Real GDP by industry increased 0.1% in November, slightly higher than predicted (0.0%).
- ▶ Production was higher in 15 of the 20 main industries, but the gains were offset by significant declines in the mining, transportation and warehousing sectors.

### COMMENTS

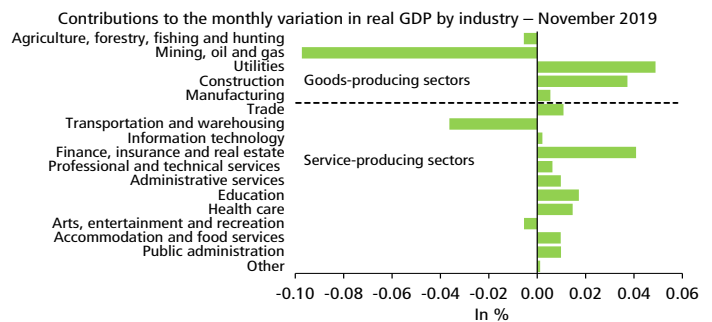
As expected, several singular events affected November's real GDP growth by industry, and the strike by Canadian National (CN) employees held up the transportation of merchandise for a few days. Transportation and warehousing were down 0.9% in November. Those problems took a toll on mining, which fell 4.0% during the month. Without transportation, warehousing and mining, real GDP by industry would have risen about 0.2% in November, which would have been quite satisfactory.

Factoring in the 0.1% drop in October and the 0.1% increase in November, the annualized real GDP carryover by industry is up about 0.1% for the entire fourth quarter. Assuming December ends with an increase of real GDP by industry around 0.2%, the fourth quarter could close with annualized growth around 0.4%. It now remains to be seen whether the Canadian economy grew as much as anticipated in December.

### IMPLICATIONS

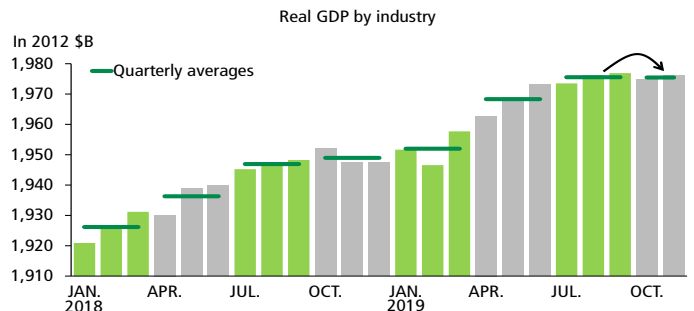
For the moment, the Canadian economy is performing as expected by the Bank of Canada, which predicted an annualized growth of 0.3% for the fourth quarter in its most recent *Monetary Policy Report*. Unless there is an unexpected collapse in December, the future of monetary policy will be more influenced by how far things rebound in the first quarter of 2020.

### GRAPH 1 Transportation, warehousing and mining curbed growth in November



Sources: Statistics Canada and Desjardins, Economic Studies

### GRAPH 2 There is practically no carryover for the fourth quarter



Sources: Statistics Canada and Desjardins, Economic Studies

Benoit P. Durocher, Senior Economist

François Dupuis, Vice-President and Chief Economist • Mathieu D'Anjou, Deputy Chief Economist  
Hélène Bégin, Senior Economist • Benoit P. Durocher, Senior Economist • Francis Généreux, Senior Economist

Desjardins, Economic Studies: 514-281-2336 or 1 866-866-7000, ext. 5552336 • [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com) • [desjardins.com/economics](http://desjardins.com/economics)

NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.  
IMPORTANT: This document is based on public information and may under no circumstances be used or construed as a commitment by Desjardins Group. While the information provided has been determined on the basis of data obtained from sources that are deemed to be reliable, Desjardins Group in no way warrants that the information is accurate or complete. The document is provided solely for information purposes and does not constitute an offer or solicitation for purchase or sale. Desjardins Group takes no responsibility for the consequences of any decision whatsoever made on the basis of the data contained herein and does not hereby undertake to provide any advice, notably in the area of investment services. The data on prices or margins are provided for information purposes and may be modified at any time, based on such factors as market conditions. The past performances and projections expressed herein are no guarantee of future performance. The opinions and forecasts contained herein are, unless otherwise indicated, those of the document's authors and do not represent the opinions of any other person or the official position of Desjardins Group. Copyright © 2020, Desjardins Group. All rights reserved.