

### QUEBEC

## Real GDP ticks down in February

### HIGHLIGHTS

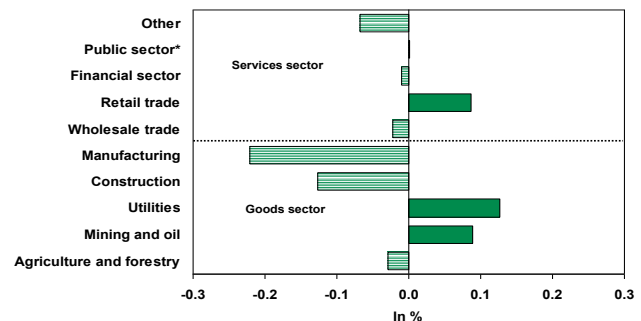
- Real GDP by industry ticked down 0.2% in February on the heels of January's extraordinary 0.9% gain.
- For the first two months of the year, real GDP is up 1.4% from the same time in 2015.
- Real GDP grew over the month in three broad sectors: retailing, utilities, and the mining and oil industry.
- After shooting up in January, the construction and manufacturing industries pulled back sharply in February.

### COMMENTS

Real GDP by industry was forecast to pull back somewhat in February following January's performance. February's correction proved to be slight, making for a solid carryover for the first quarter. Even if real GDP drops again in March, the pace for the first quarter of 2016 could be around 3% (annualized). Given that economic activity contracted in the last quarter of 2015, the upswing is encouraging. All in all, 2016 is starting off on a positive note.

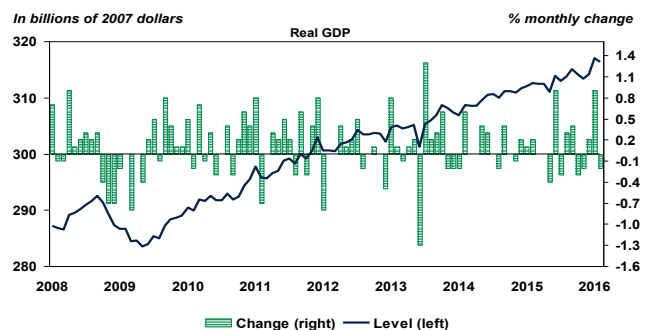
**Implications:** Beyond the seesawing movement by real GDP by industry we are seeing from month to month, 2016 is starting off on the right foot. For the first two months of the year, real GDP by industry is up a total of 1.4% over the same time last year; this is fairly consistent with our outlook of 1.3% for 2016. Although the first quarter is stronger than anticipated, the next few quarters could be marked by less positive results. Accordingly, our fairly modest outlook for 2016's economic growth is holding up.

### Several major industries saw real GDP decline in February



\* Education, healthcare and public administrations.  
Sources: Institut de la statistique du Québec and Desjardins, Economic Studies

### The trend for real GDP is positive despite February's decline



Sources: Institut de la statistique du Québec and Desjardins, Economic Studies

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