

# ECONOMIC NEWS

## Quebec: Strong Real GDP Growth in May

### HIGHLIGHTS

- ▶ Real GDP was up 0.5% in May, after a 0.3% hike in April. This is the eighth monthly gain in a row.
- ▶ Goods production jumped 0.8% in May. This surge is mostly due to agriculture and forestry, construction and manufacturing.
- ▶ The services industry rose 0.4% in May. Twelve of the 15 sectors were up in May.

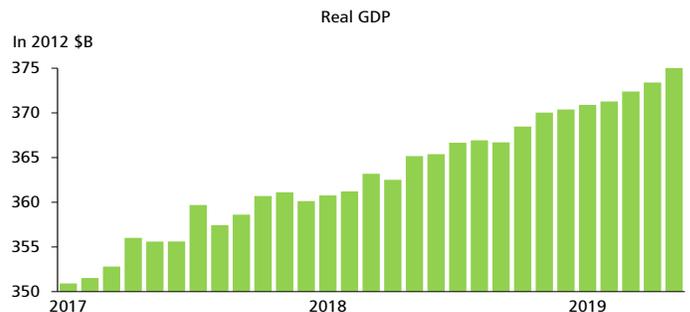
### COMMENTS

Quebec's economy remains strong as shown by the significant hike in goods production and services in May. The cumulative variation in real GDP for the first five months of 2019 was 2.8% compared with the same period last year. This cumulative annual pace is twice as fast as the 1.4% recorded in Canada between January and May.

The continuing economic boom in Quebec is based on a number of sectors. The 0.5% gain in real GDP in May led to a 4.0% carryover on an annualized basis in Q2 of 2019.

### GRAPH 2

#### The economy's boom cycle continues



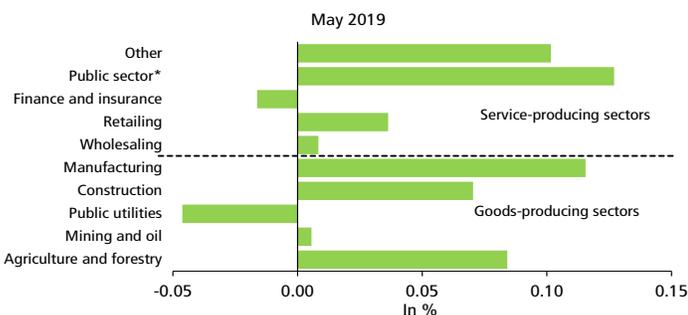
Sources: Institut de la statistique du Québec and Desjardins, Economic Studies

### IMPLICATIONS

Quebec's economy continues to post excellent results. Still, several risks continue to weigh on the global economy, in particular the trade war between China and the United States. Canada is also affected through the ban on pork exports to China since the end of June. The challenges affecting international trade are expected to gradually slow down Quebec's economic growth in the second half of the year.

### GRAPH 1

#### Contribution by sector to real GDP growth



\* Includes education, healthcare and public administrations.

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

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