

# ECONOMIC NEWS

## Quebec: Real GDP Growth Is Going Strong

### HIGHLIGHTS

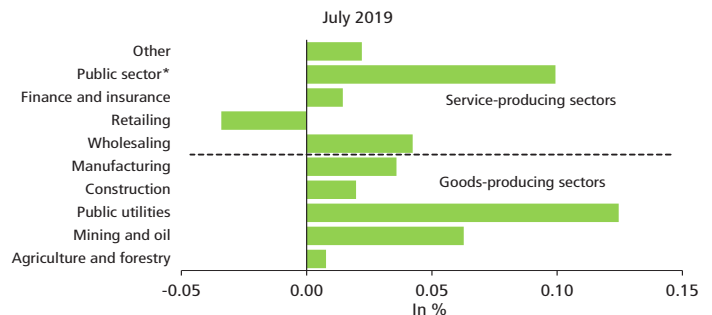
- ▶ Real GDP was up 0.4% in July, after a 0.2% hike the previous month. This is the tenth monthly gain in a row.
- ▶ Cumulative real GDP growth in the first seven months of 2019 was 2.8%, compared with the same period last year. This is twice as fast as Canada's, which sits at 1.4%.
- ▶ Goods production jumped 0.9% in July owing mainly to the strong contribution from utilities. The goods sector has posted an annual cumulative increase of 2.5% since the start of the year. All goods industries, except for construction, played a role in this growth.
- ▶ The services industry rose 0.2% in July, bringing progress for the first seven months of the year to 2.9%, compared with the same period in 2018.

### COMMENTS

Quebec's economy continues to surprise with its strength in many respects. Real GDP growth is sustained and is resulting in strong job creation. Household-related industries, such as wholesale and retail trade as well as accommodation and food services, continue to be buoyed by this positive economic situation. Many other sectors, on both the goods and the services side, are also driving the province's lively economy. The current period of economic growth is therefore widespread. The slowdown in the global economy and the trade conflicts are already weakening the exports of a number of countries around the world, a negative trend from which Quebec has not been spared. Despite these growing troubles for exporting companies, Quebec's boom cycle is still clipping along. For a third consecutive year, the pace of the province's economy will remain between 2.5% and 3.0% in 2019. The carryover for the third quarter is already 2.8%, a particularly steady rate in a context of global turbulence.

### GRAPH 1

Contribution by sector to real GDP growth

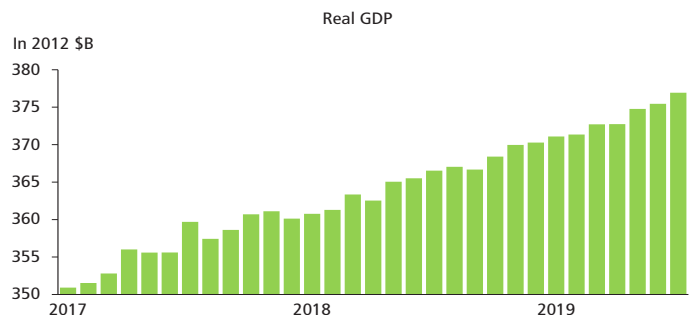


\* Includes education, healthcare and public administrations.

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

### GRAPH 2

The economy maintained a solid pace



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

### IMPLICATIONS

Quebec's economy continues to post excellent results. However, this pace is expected to slow in the coming quarters due to the current downturn in major global economies.

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