

Ontario Economic Outlook

Ontario Municipal Social Services Association Policy Conference

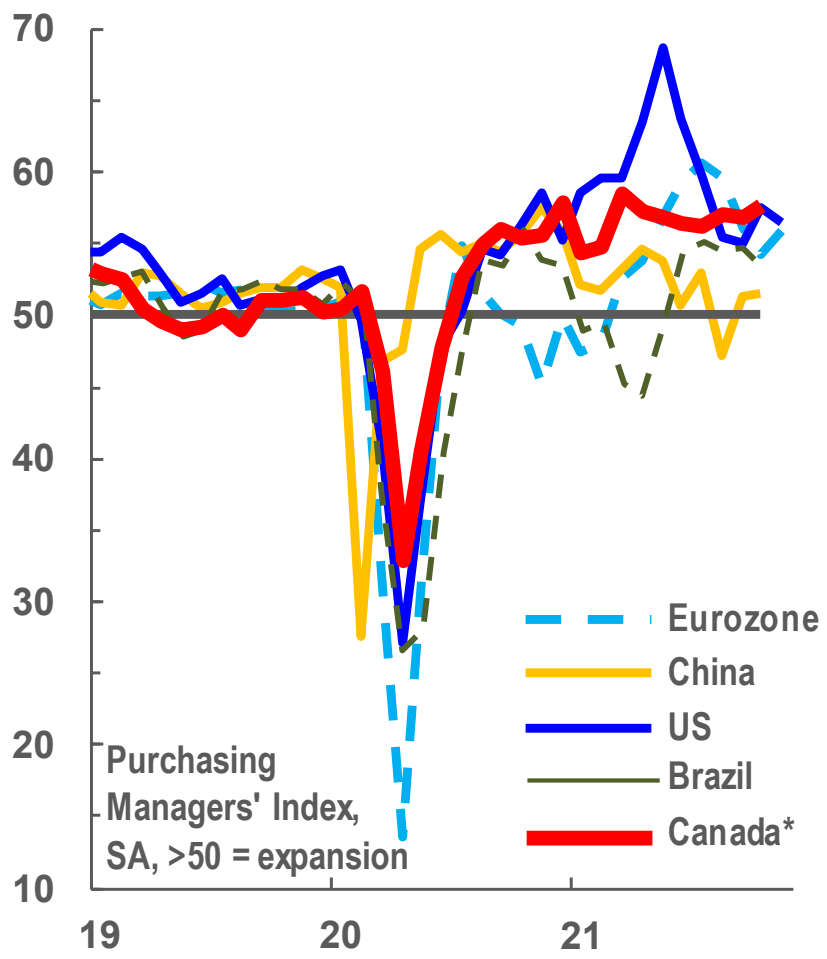
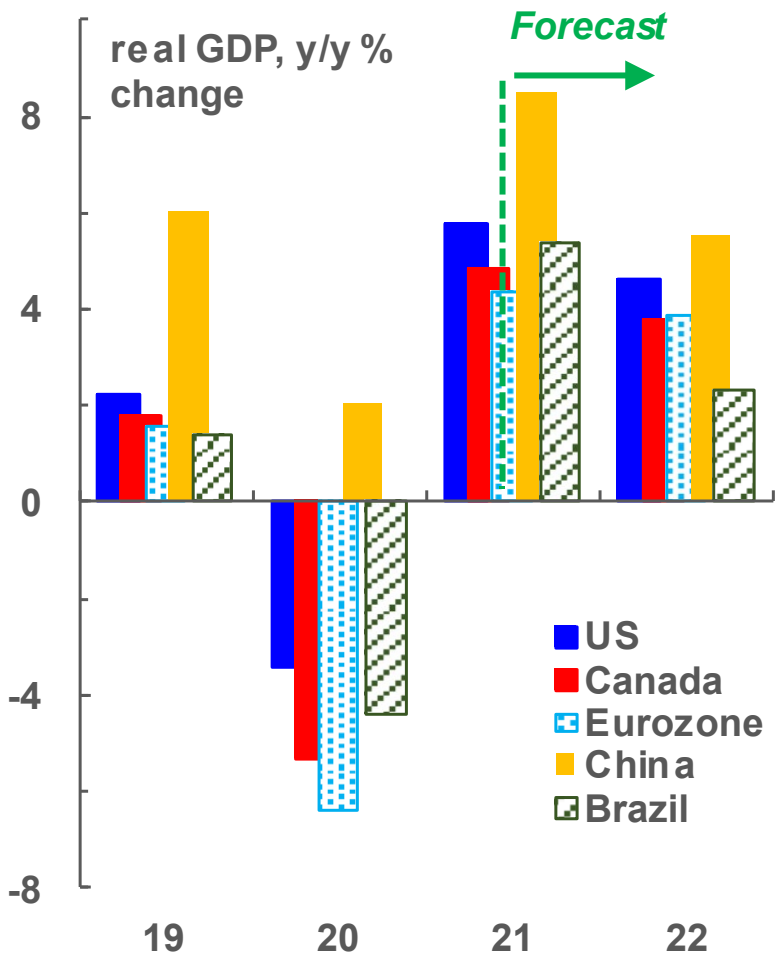
December 2, 2021

Marc Desormeaux, Senior Economist

 [@ScotiaEconomics](https://twitter.com/ScotiaEconomics)
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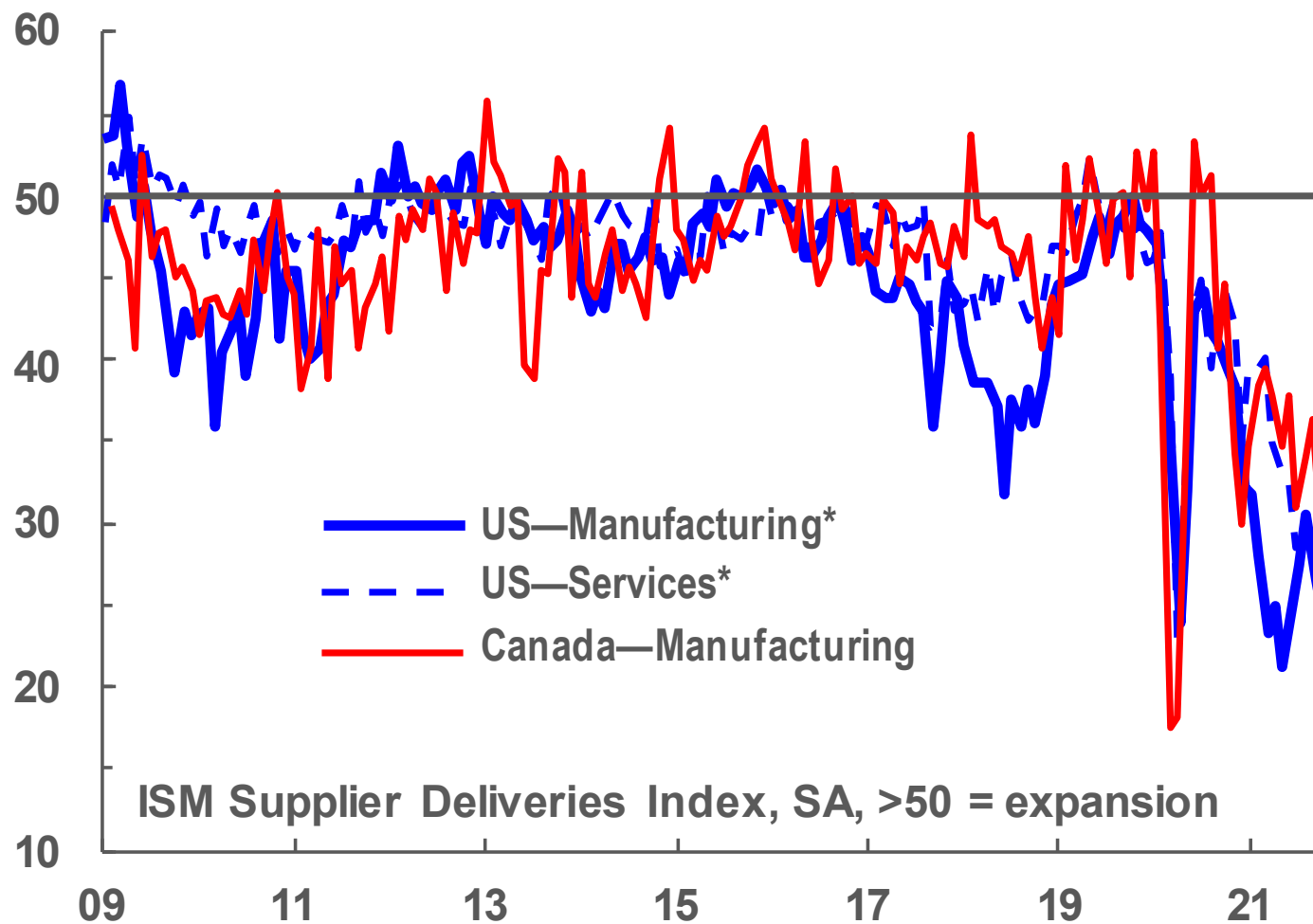
- 1) Global economic outlook favourable as reopening proceeds
- 2) Temporary supply-demand imbalances:
 - Input product shortages drag on growth
 - Inflation
 - Labour shortages
- 3) Third wave of COVID-19, auto sector hold Ontario back
- 4) Post-pandemic population flows will be key

Global Outlook Still Favourable, Peak Growth Likely Behind Us



* Manufacturing only. Sources: Scotiabank Economics, BEA, IMF, IHS Markit, Statistics Canada.

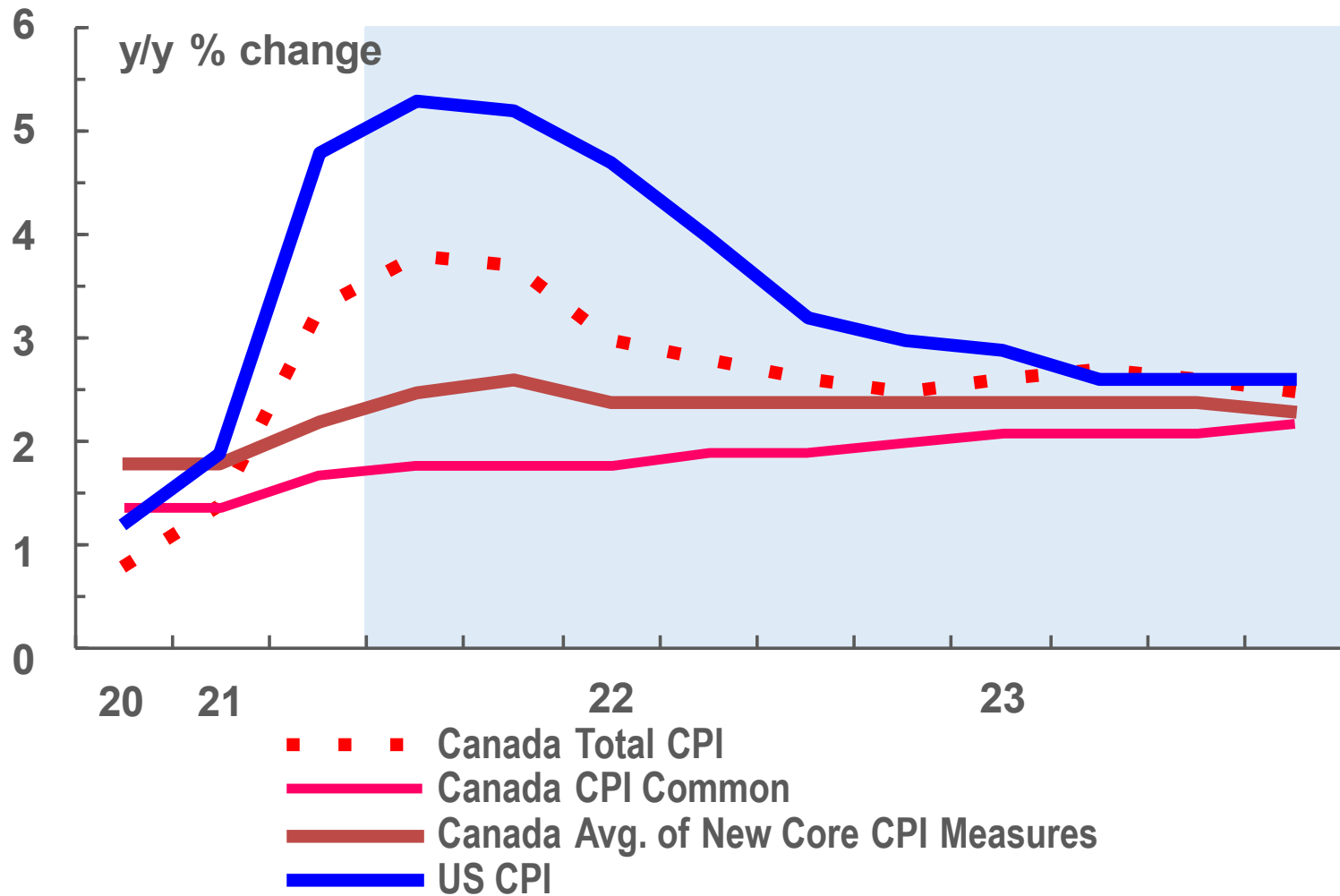
Theme #1: Supply Chains



* Inversed for consistency with Canadian measure.

Sources: Scotiabank Economics, Bloomberg, IHS Markit.

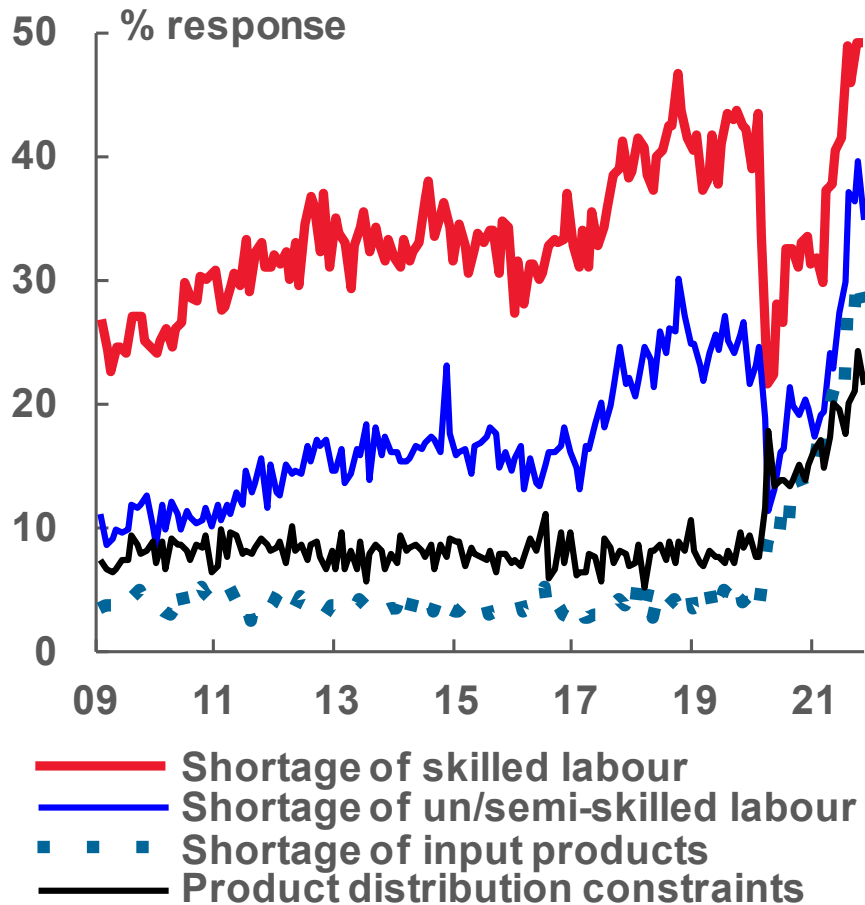
Theme #2: Inflation (Consumer, Producer, and Shipping Costs)



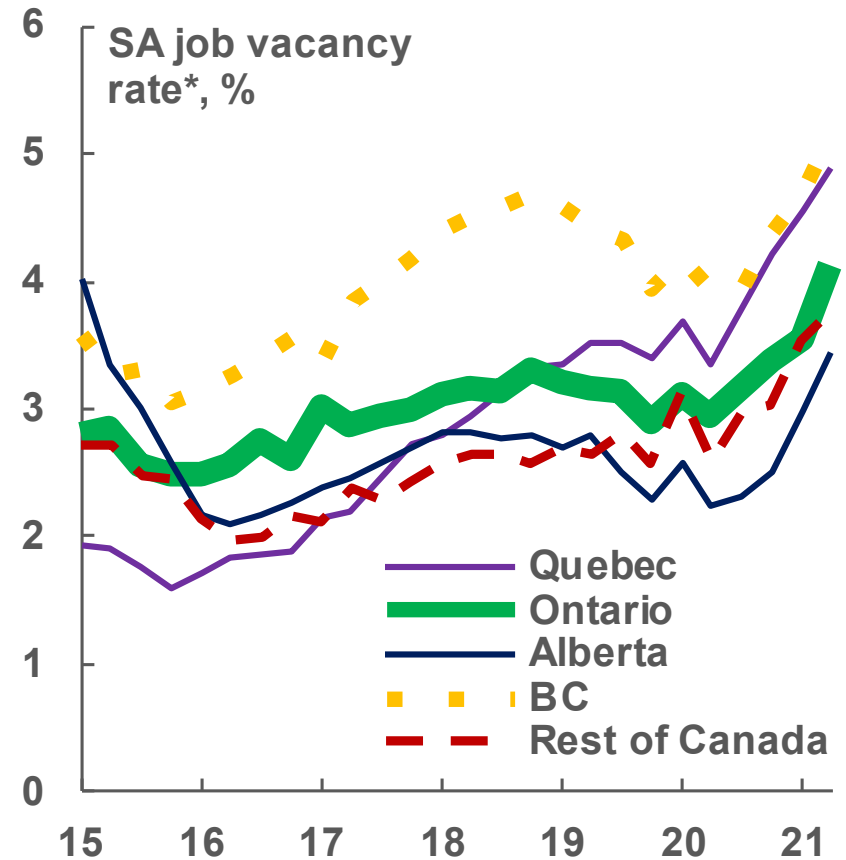
Sources: Scotiabank Economics, Bloomberg, BLS, Statistics Canada.

Theme #3: Labour Shortages

Limitations on Growth

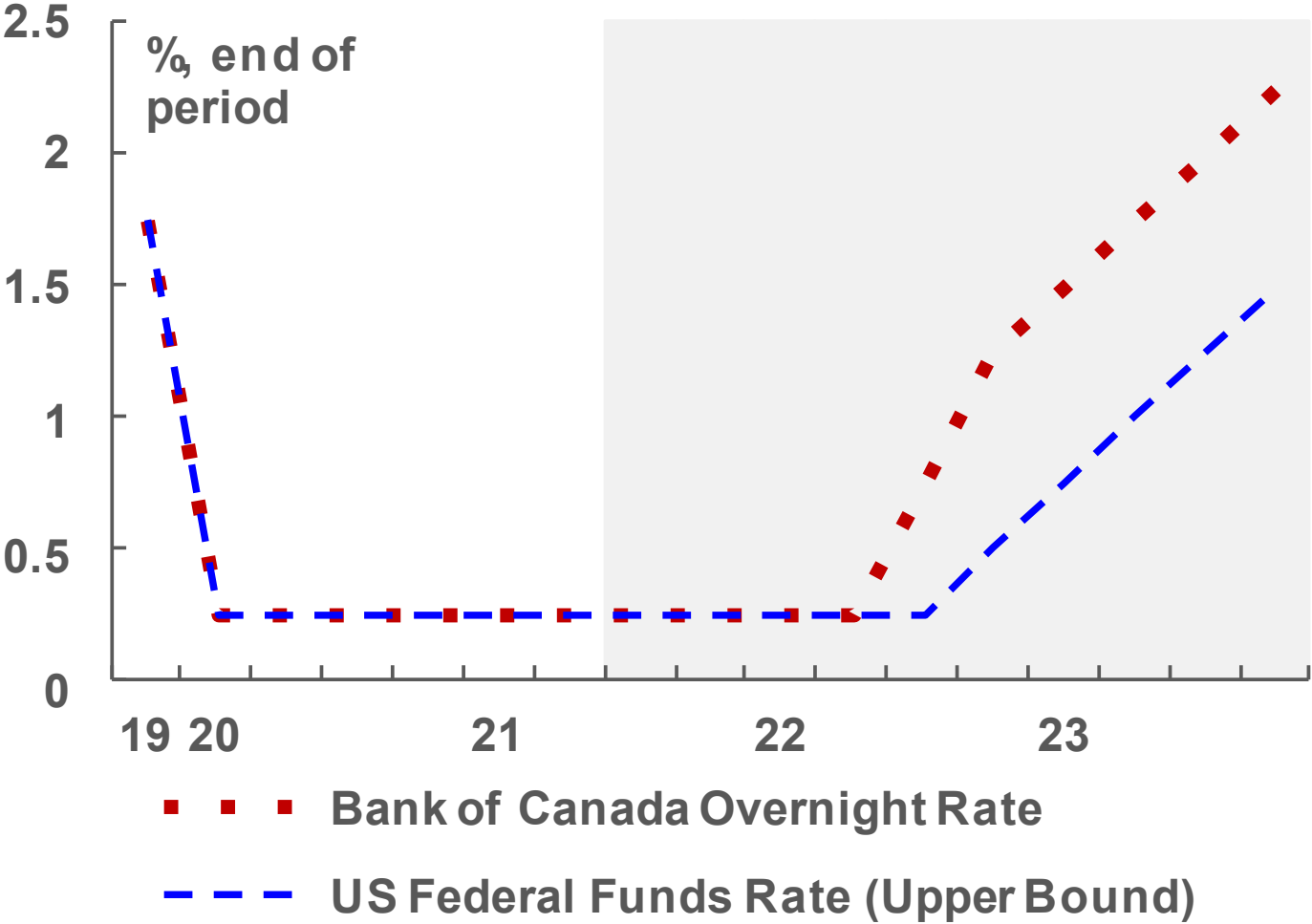


Canadian Labour Shortages Most Acute in Quebec, BC



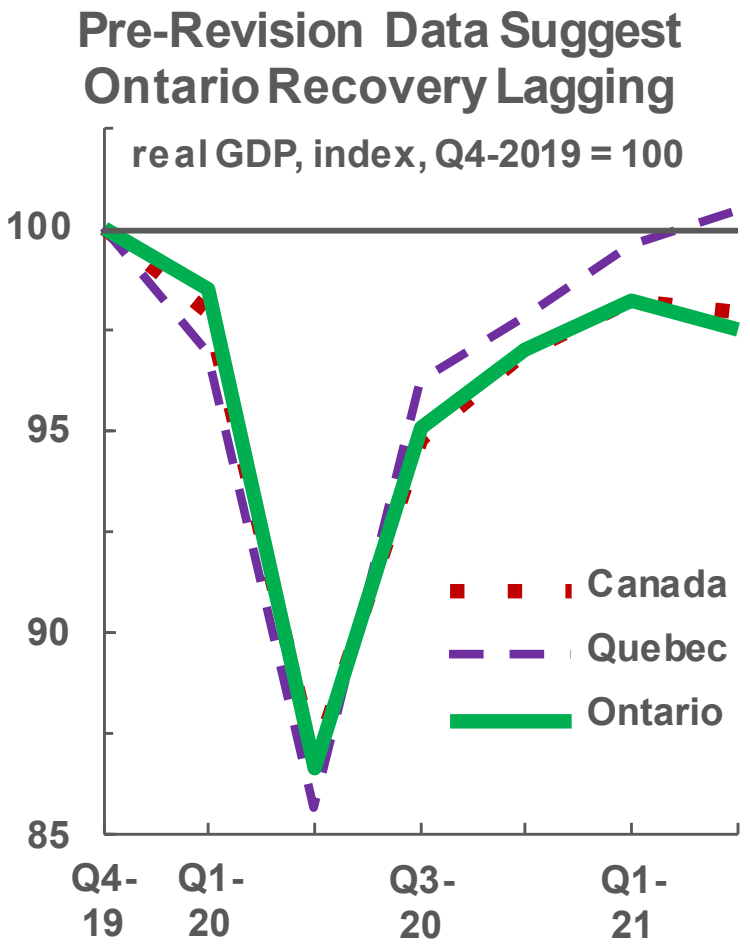
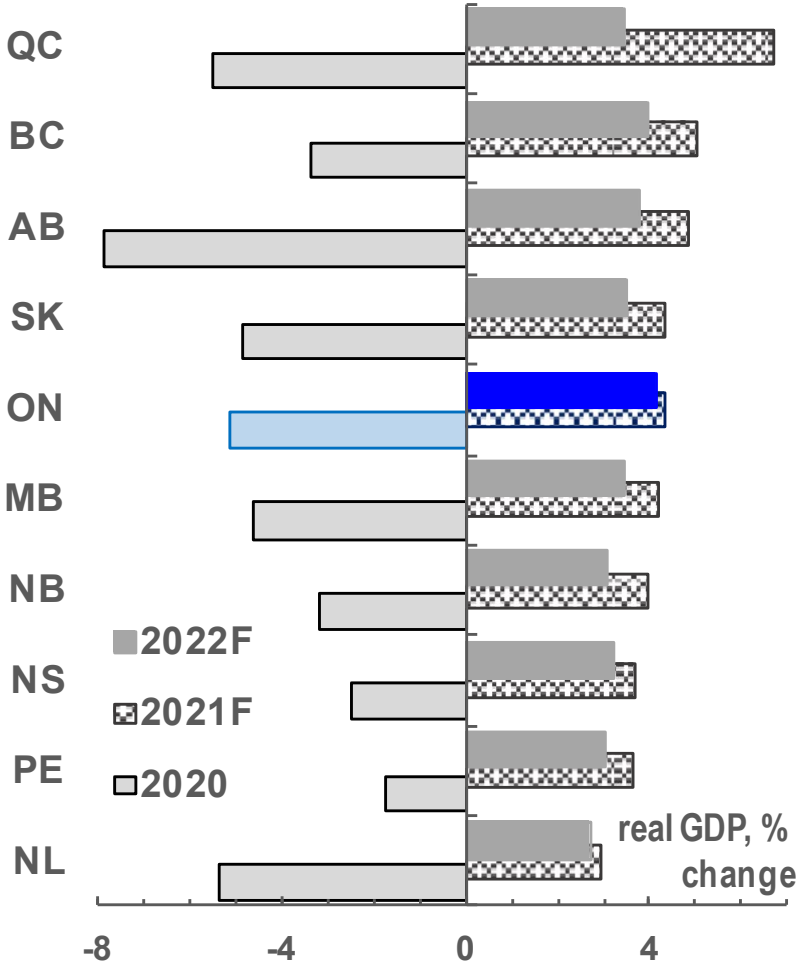
* Seasonal adjustment by Scotiabank Economics.
Sources: Scotiabank Economics, Statistics Canada, CFIB.

Outlook for Central Bank Rates



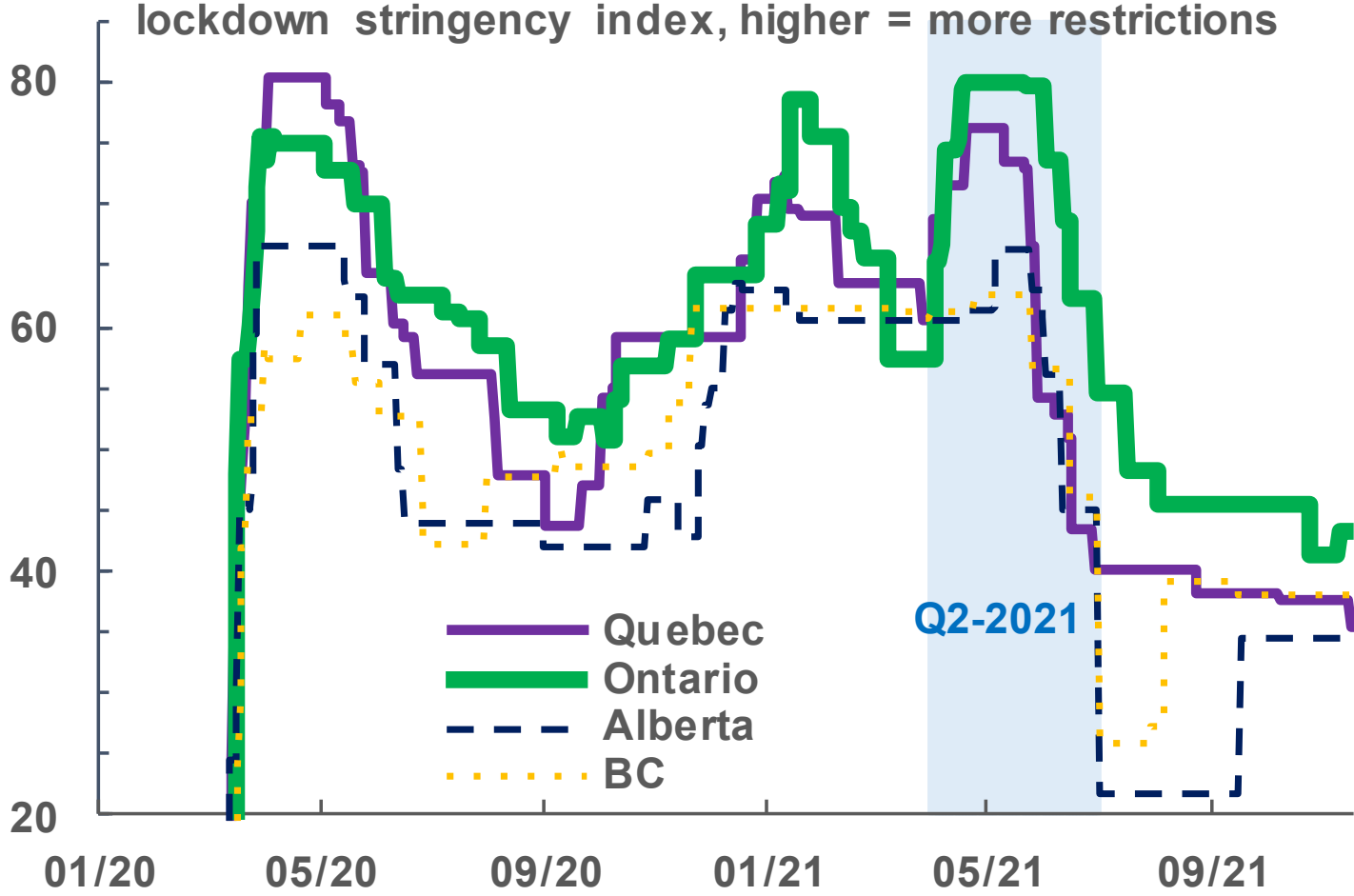
Sources: Scotiabank Economics, Haver Analytics.

Provincial Outlook: Ontario Middle of the Pack this Year



Sources: Scotiabank Economics, Statistics Canada, Ontario Finance, Institut de la Statistique du Québec.

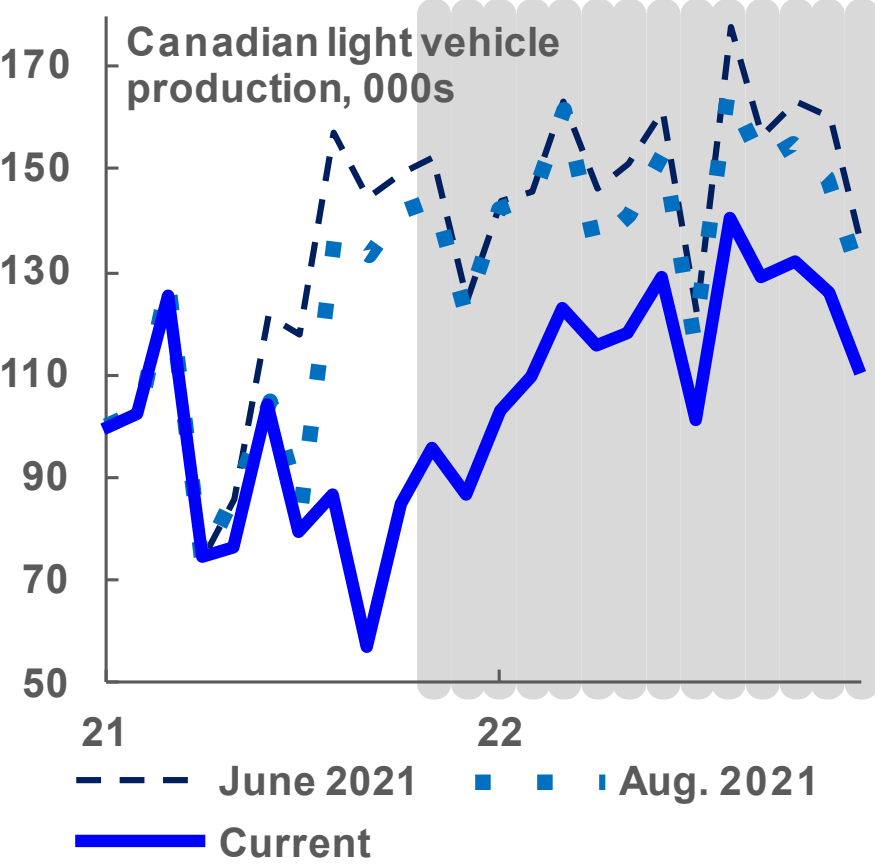
Reason #1: Severe Third Pandemic Wave in Q2



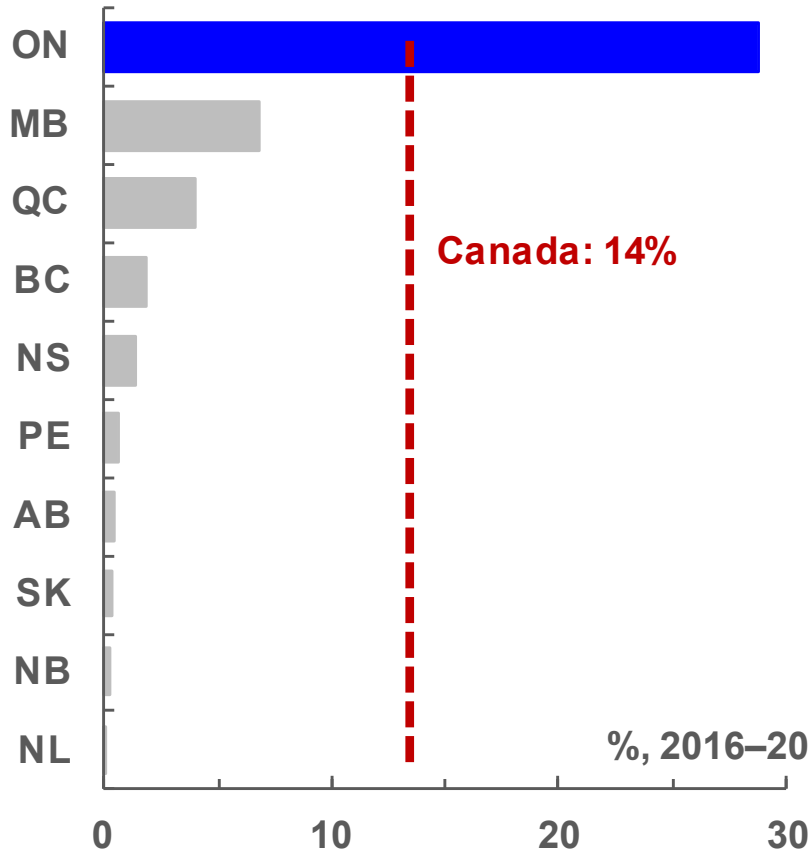
Sources: Scotiabank Economics, Bank of Canada.

Reason #2: Auto Sector Exposure

Car Production Lowered Progressively Since Semiconductor Issues Emerged

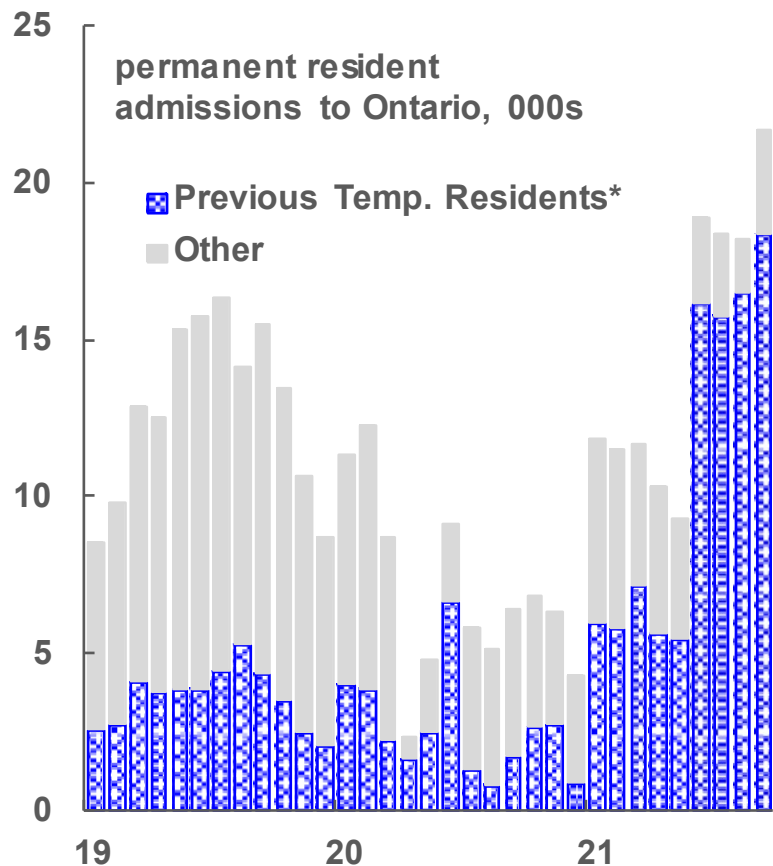


Motor Vehicles and Parts as a Share of Merchandise Exports

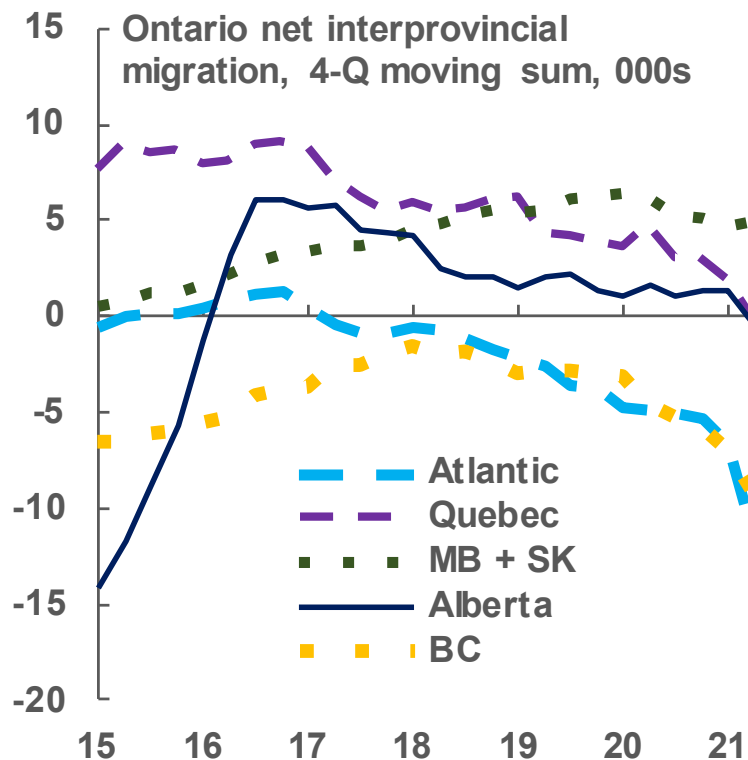


Sources: Scotiabank Economics, Wards Automotive, Statistics Canada.

Immigration Rallies as Temporary Residents Gain Permanent Status



Ontario Residents Flock to Other Provinces During Pandemic



* Includes permanent residents who previously held study, temporary foreign worker, International Mobility Program, and Post-Graduate Work Permits.

Sources: Scotiabank Economics, Statistics Canada.

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Towards equity in recovery, and implications for human services in Ontario

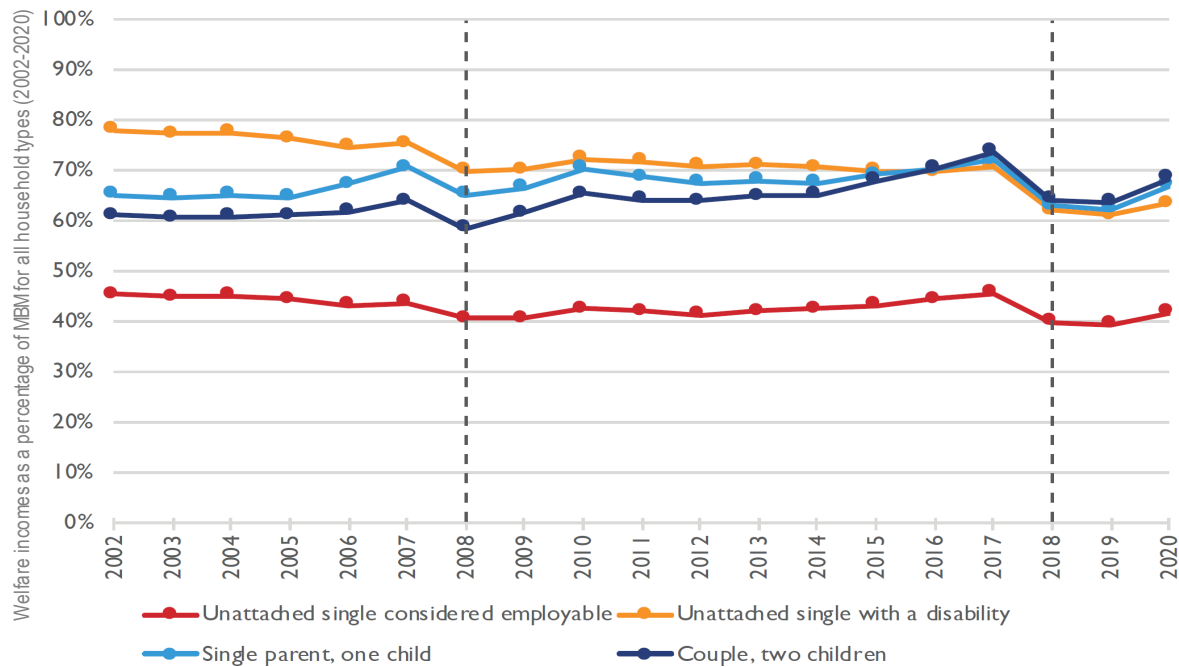
Garima Talwar Kapoor

Director of Policy and Research, Maytree

December 2, 2021

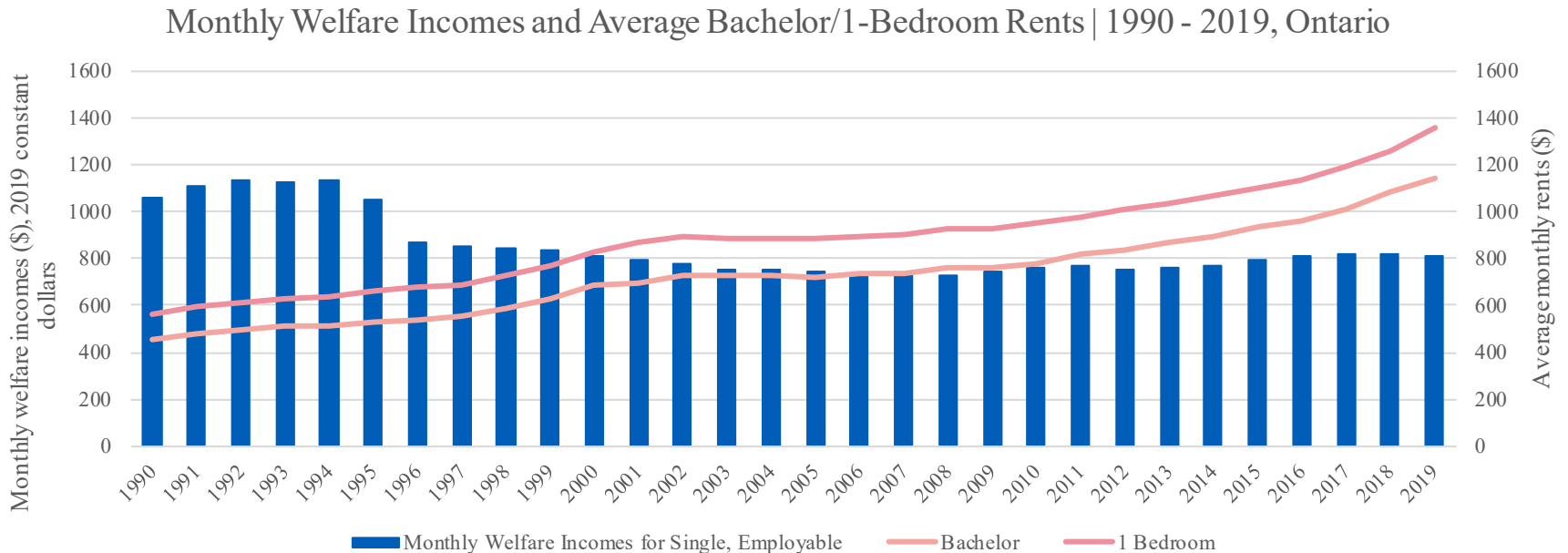


“Welfare” incomes as a percentage of MBM, Ontario



1. Forthcoming *Welfare in Canada, 2020* report by Jennefer Laidley and Mohy Tabbara.

Single “welfare” incomes compared to average rents in Ontario



2. CMHC Market Rental Survey. Available at: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TablMapChart/Table?TableId=2.2.11&GeographyId=2270&GeographyTypeId=3&DisplayAs=Table&GeographyName=Toronto>

3. Internal Maytree calculations from Welfare in Canada. Available at: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TablMapChart/Table?TableId=2.2.11&GeographyId=2270&GeographyTypeId=3&DisplayAs=Table&GeographyName=Toronto>

OMSSA Panel on the Future of Recovery and the Future of Work

December 2, 2021

Armine Yalnizyan

Economist and Atkinson Fellow on the Future of
Workers

A | **ATKINSON FELLOW**
on the **Future of Workers**

Population Aging

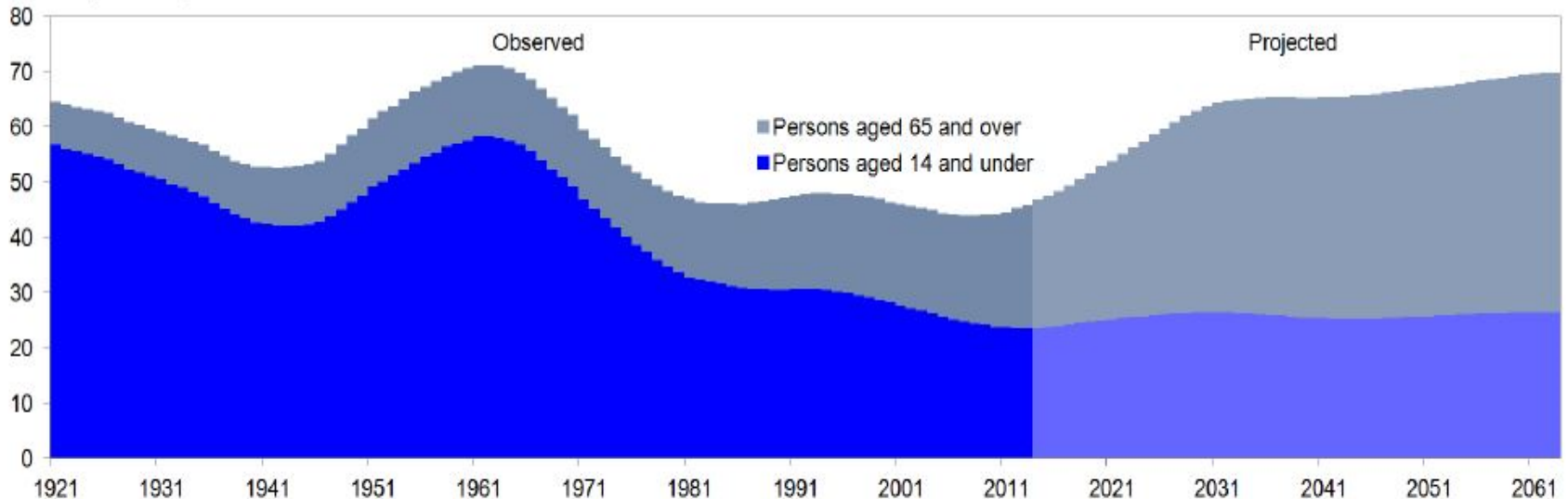
About the same dependency ratio as in 1960s, *BUT*
for longer, and with half the rate of GDP growth

Population Projections for Canada (2013 to 2063), Provinces and Territories (2013 to 2038)

Figure 2.7

Demographic dependency ratio, observed (1921 to 2013) and projected (2014 to 2063) according to the medium-growth (M1) scenario, Canada

per 100 persons aged 15 to 64



Note: The demographic dependency ratio is the number of persons aged 14 and under or 65 and over per 100 persons aged 15 to 64 years.

Source: Statistics Canada, Demography Division.

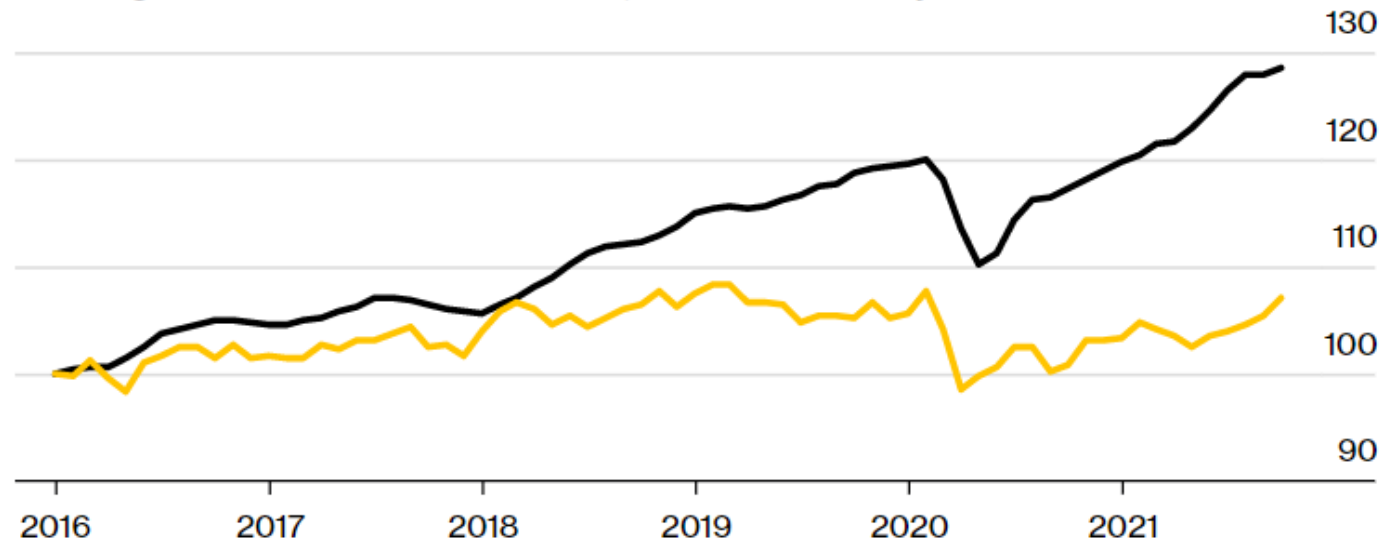
Our Recovery is Better Than U.S.

Immigrant employment is a big reason

Ready to Work

Recovery has drawn many foreign born into Canada's labor force

Foreign Born Canadians in Labor Force, Index 100 = January 2016 United States

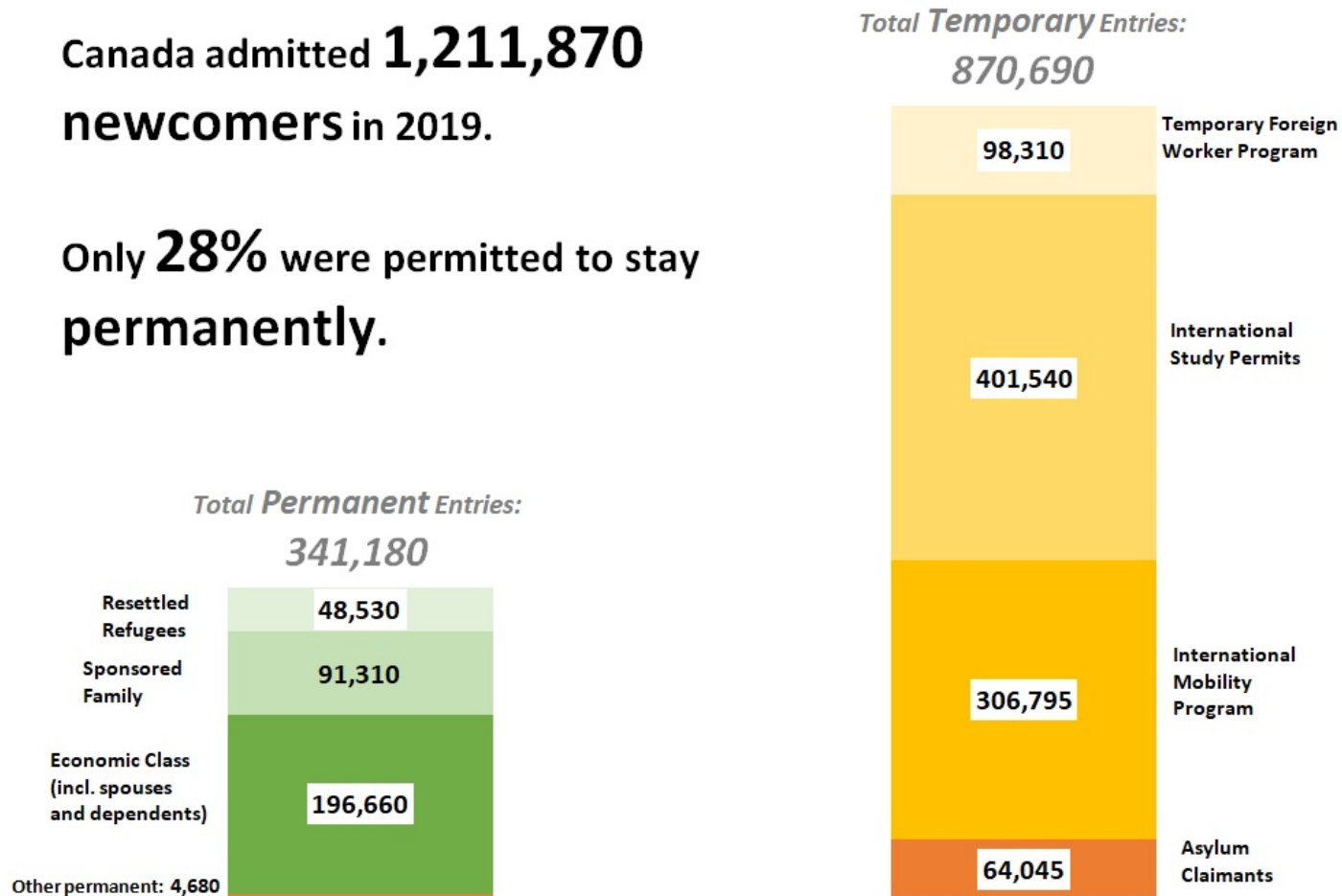


Source: Statistics Canada, BLS

Canada Will Need More Immigrants. What Share Should be Permanently Temporary?

Canada admitted **1,211,870**
newcomers in 2019.

Only **28%** were permitted to stay
permanently.



Source: @ArmineYalnizyan based on custom tabulations from Immigration, Refugees and Citizenship Canada