

Fall 2020 Newsletter

In this newsletter we provide the highlights of the Canadian economy and how Covid-19 has impacted specific industry sectors.

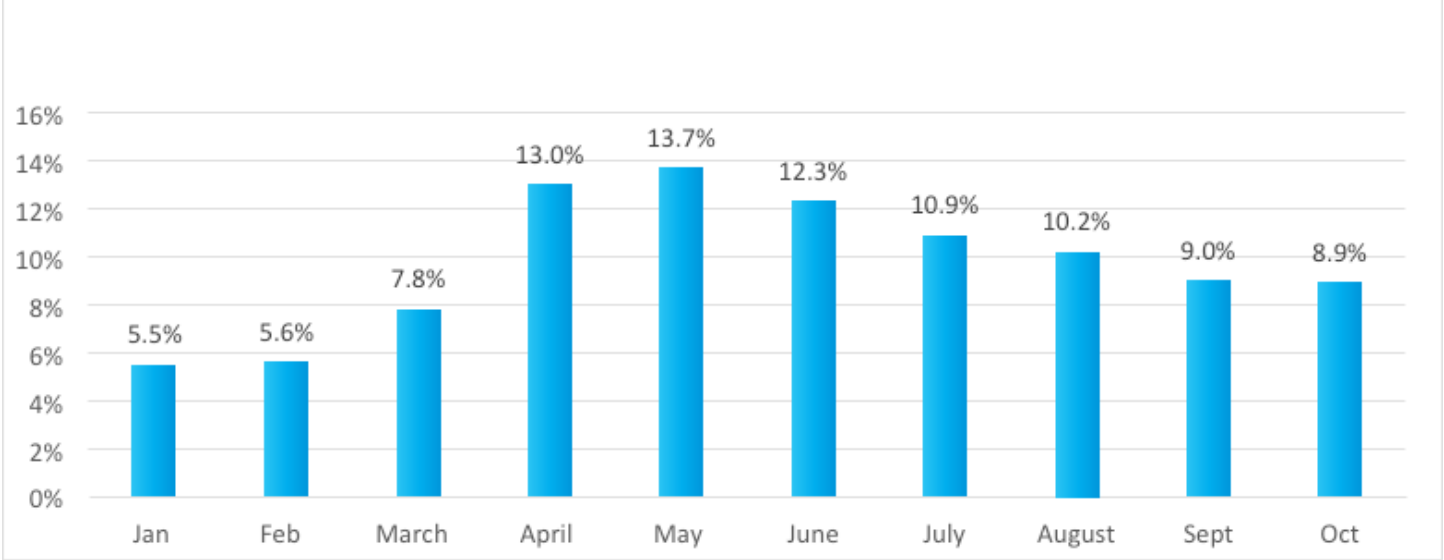
Canadian Economic Results

Covid-19 certainly put the brakes of the Canadian economy starting in late March. The economy has recovered somewhat since then but the hit to the economy in the second quarter of 2020 was astounding with a decline of 11.5%.

1. Unemployment rates have improved but are still higher than pre-Covid period.

Unemployment rates rose in late March and shot up in April and May to almost 14% as many companies closed and staffing levels were cut. The Unemployment rate has since dropped down to the 9% range but is still well ahead of the 5% levels seen at the beginning of the year.

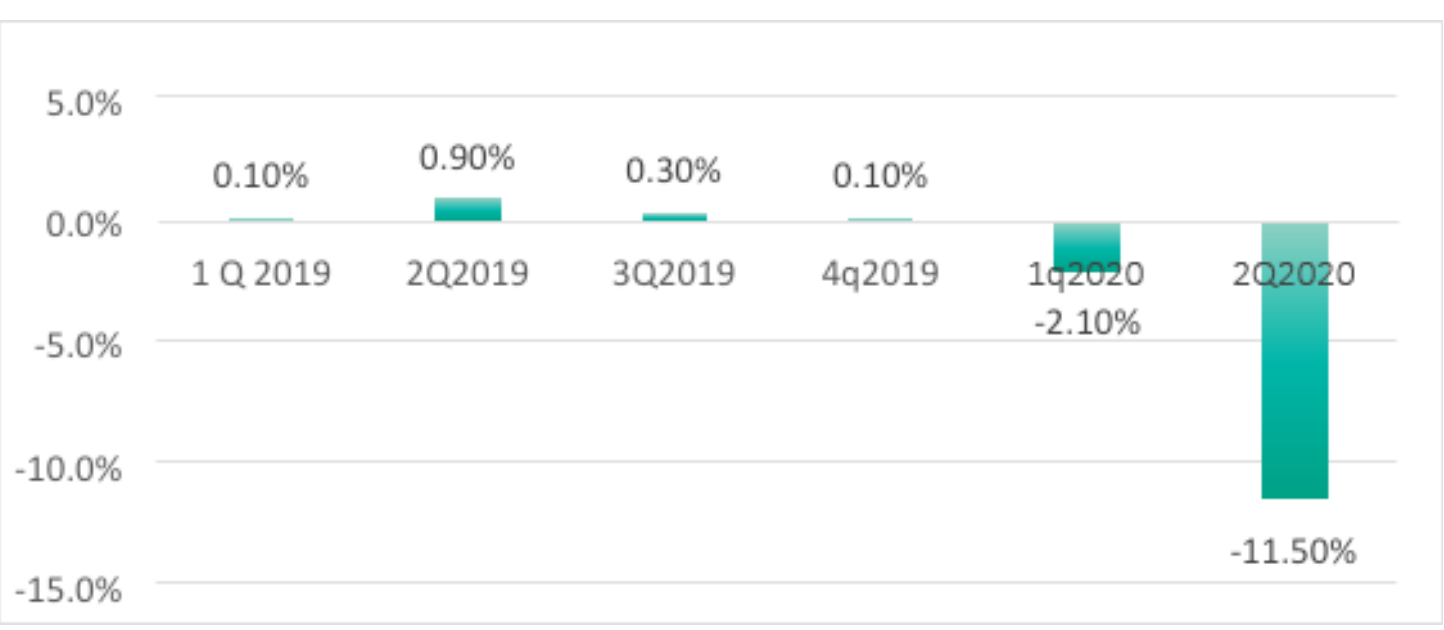
**Canadian Monthly Unemployment Rates
2020**



2. The Canadian economy declined sharply in the second quarter of 2020.

Canadian GDP growth dipped into the negative in the first quarter by 2.1% and dropped further in the second quarter by 11.5%.

**Canadian Quarterly GDP Growth
2019 and 2020**

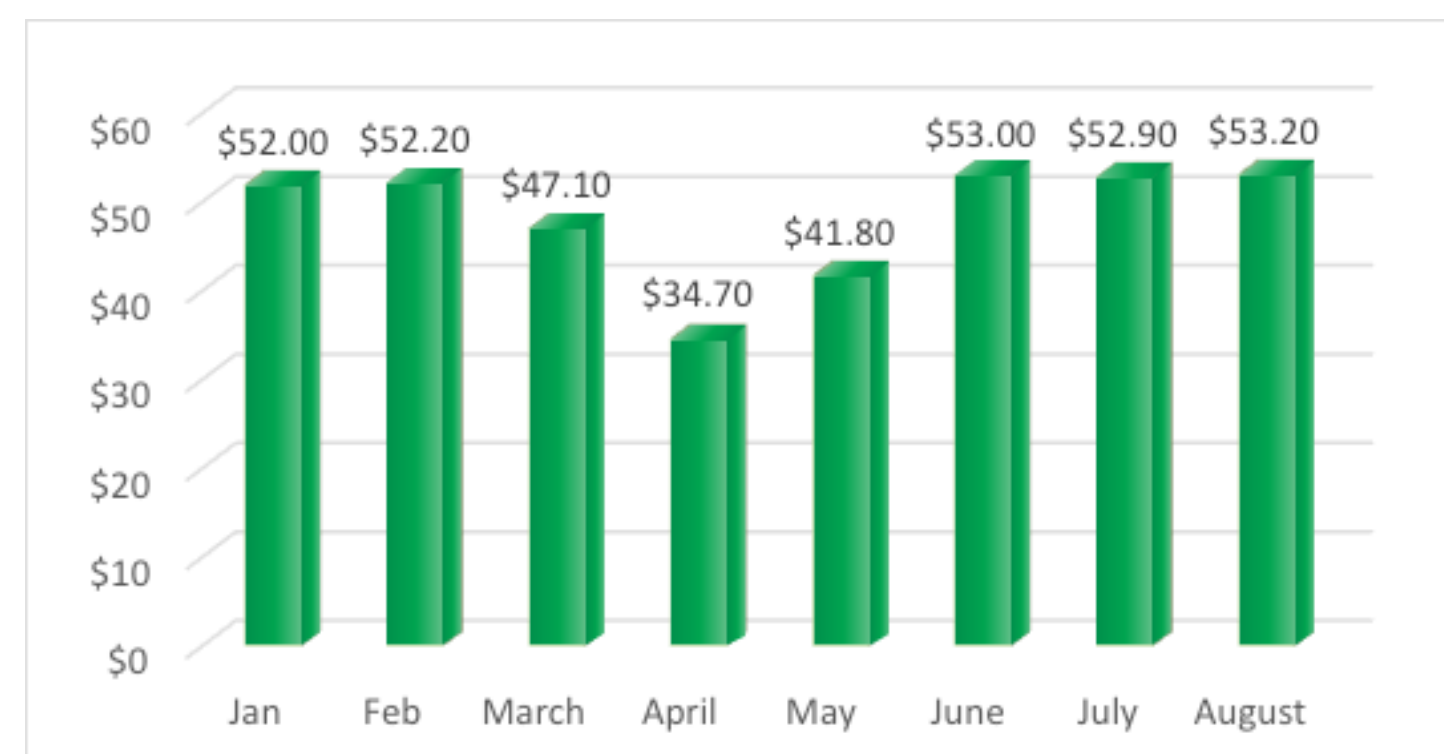


It is forecast that the Canadian third quarter will show a strong recovery as did the reported U.S. GDP growth for the third quarter.

3. Canadian retail sales dropped sharply in April and May but recovered in June, July and August.

Canadian retail sales have now fully recovered to their pre-Covid levels.

**Canadian Retail Sales 2020
(\$billions)**



4. Many sectors are still struggling

Arts and Recreation hit the hardest- Cannabis is the fastest growing!

Many sectors have declined as a result of Covid-19. The arts, recreation, food and resource and industrial sectors have been hardest hit.

Canadian GDP Performance by Sector
(August 2020 over August 2019)

Sectors in decline:

Art, entertainment and recreation	-45.9%
Accommodation and Food service	-28.9%
Transportation and Warehousing	-22.1%
Mining, Oil and gas extraction	-18.0%
Content and media	-16.4%
Energy sector	-13.4%
Industrial Production	-7.5%

Growth Sectors

Real estate and leasing	2.9%
Finance and insurance	4.7%
Cannabis sector	5.8%

Data Source: Stats Canada

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