



OECD ECONOMIC SURVEY OF CANADA 2021



*Economic recovery from
COVID-19, strengthening
well-being*

11 March 2021, Paris

 @OECDeconomy
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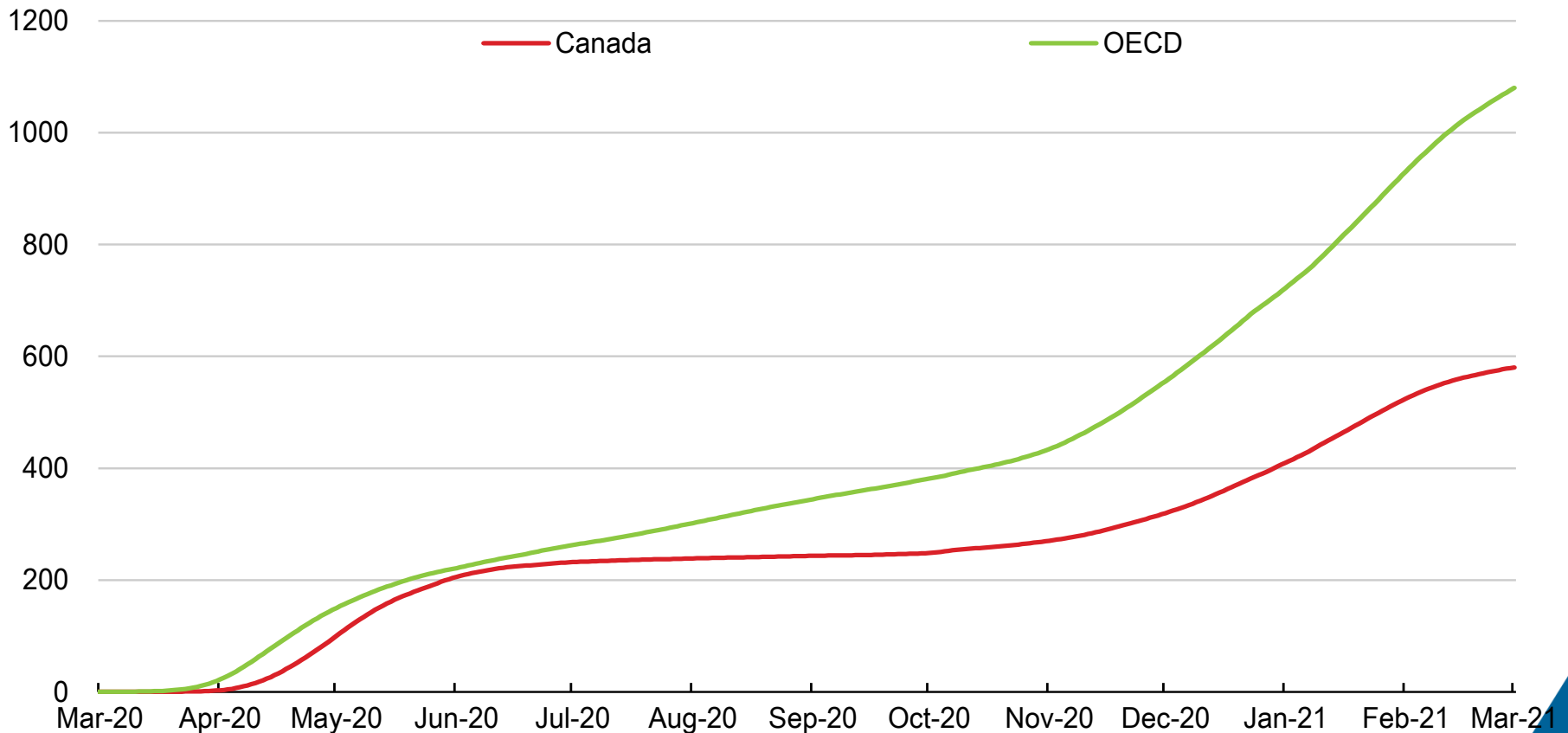
 **OECD**
BETTER POLICIES FOR BETTER LIVES

<http://www.oecd.org/economy/canada-economic-snapshot/>



Canada has managed the COVID crisis relatively well

COVID-19 cumulative deaths per million inhabitants,
7-day moving average

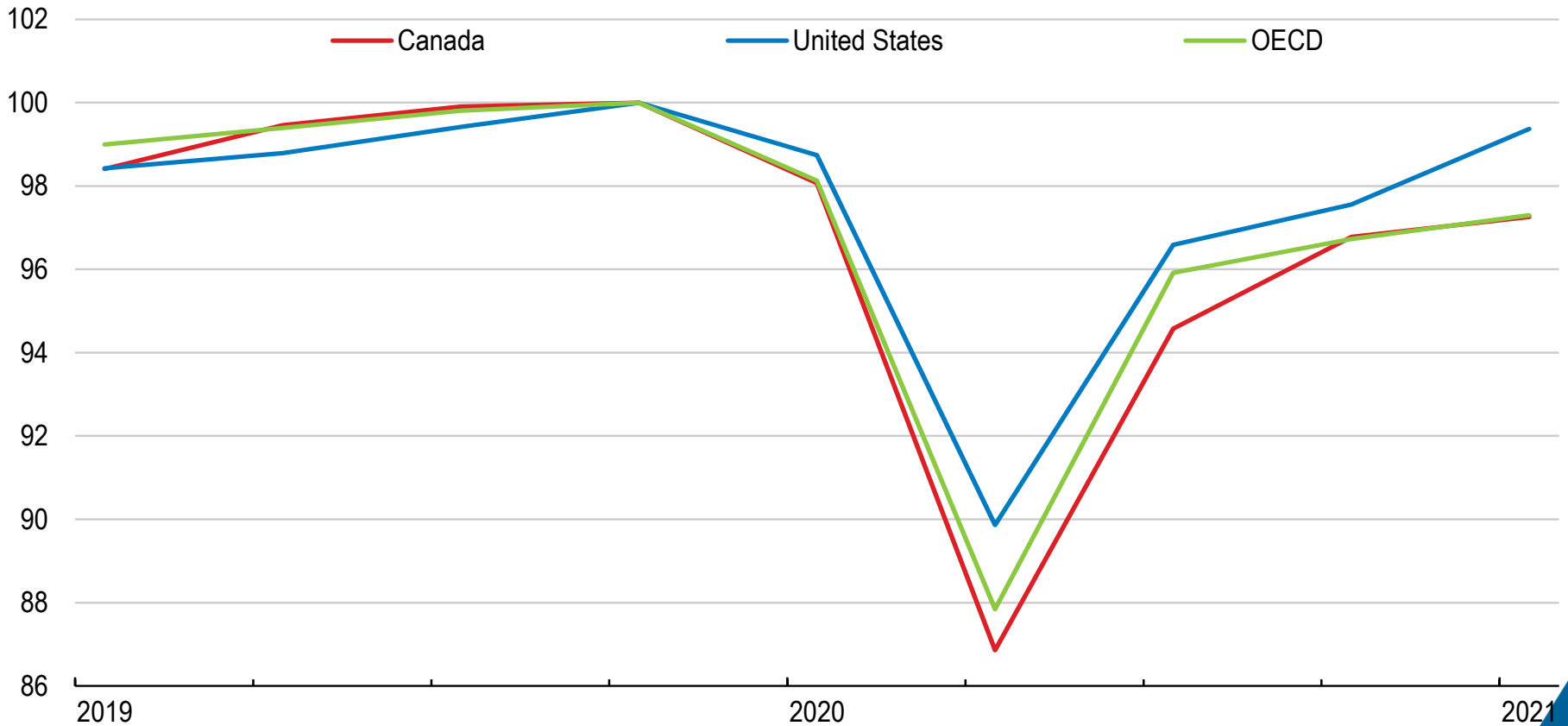


Source: Our World in Data, as of 2 March 2021.



As elsewhere, recovery in output is taking time

Real GDP, index Q4 2019 = 100

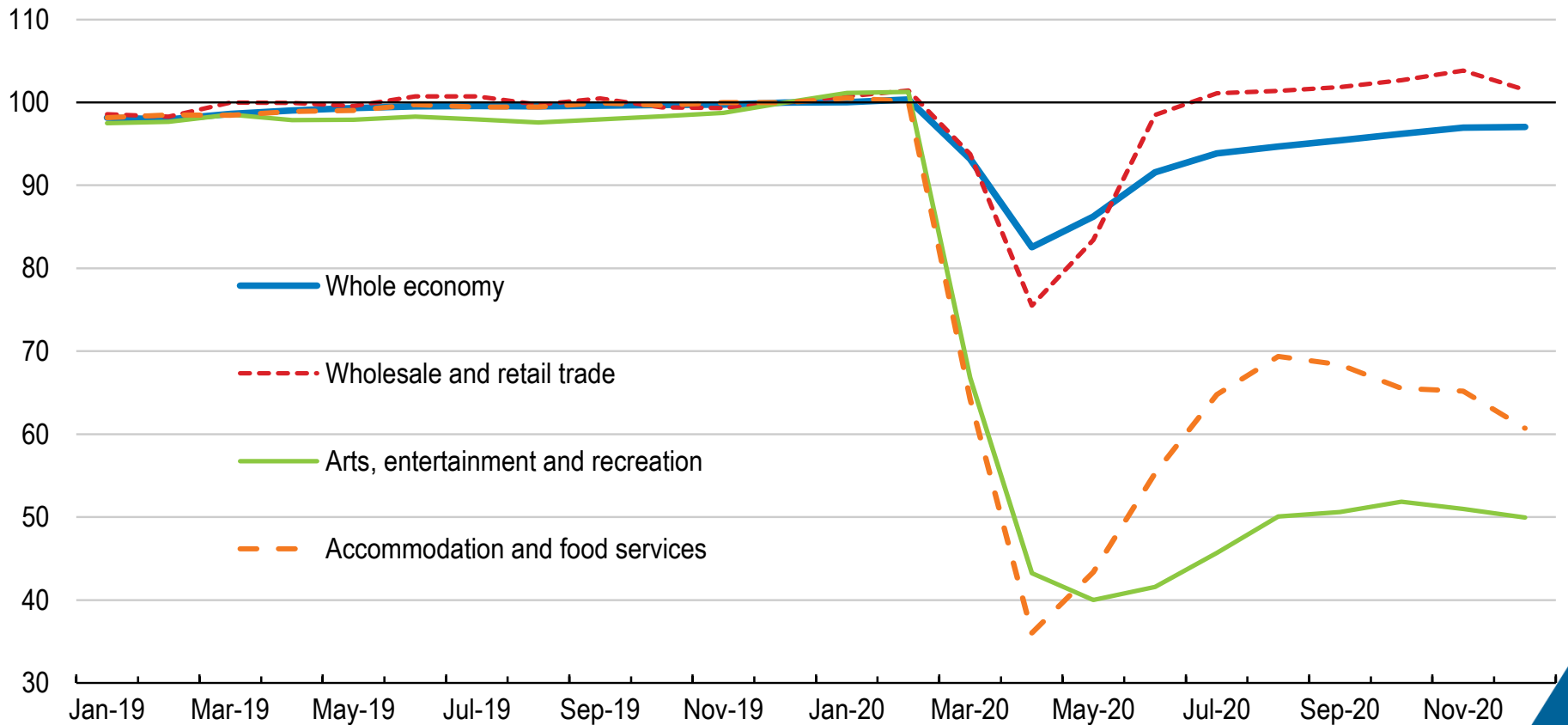


Note: The last quarter is an estimate.
Source: OECD *Economic Outlook database*.



Recovery is uneven

Monthly GDP (volumes) in selected service sectors and whole economy
Index, December 2019 = 100

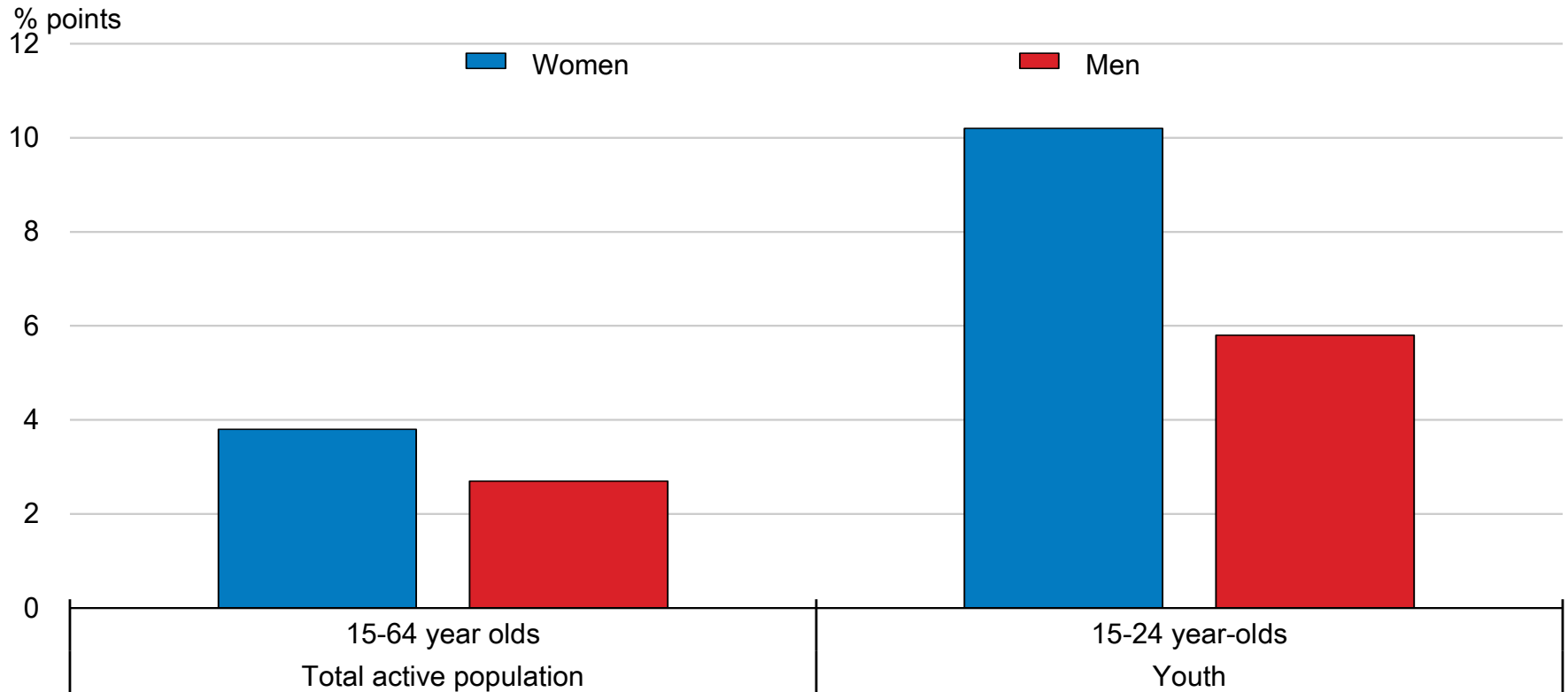


Source: Statistics Canada.



Young people have suffered the largest job losses, especially women

Decline in the rate of employment, January 2020 to January 2021



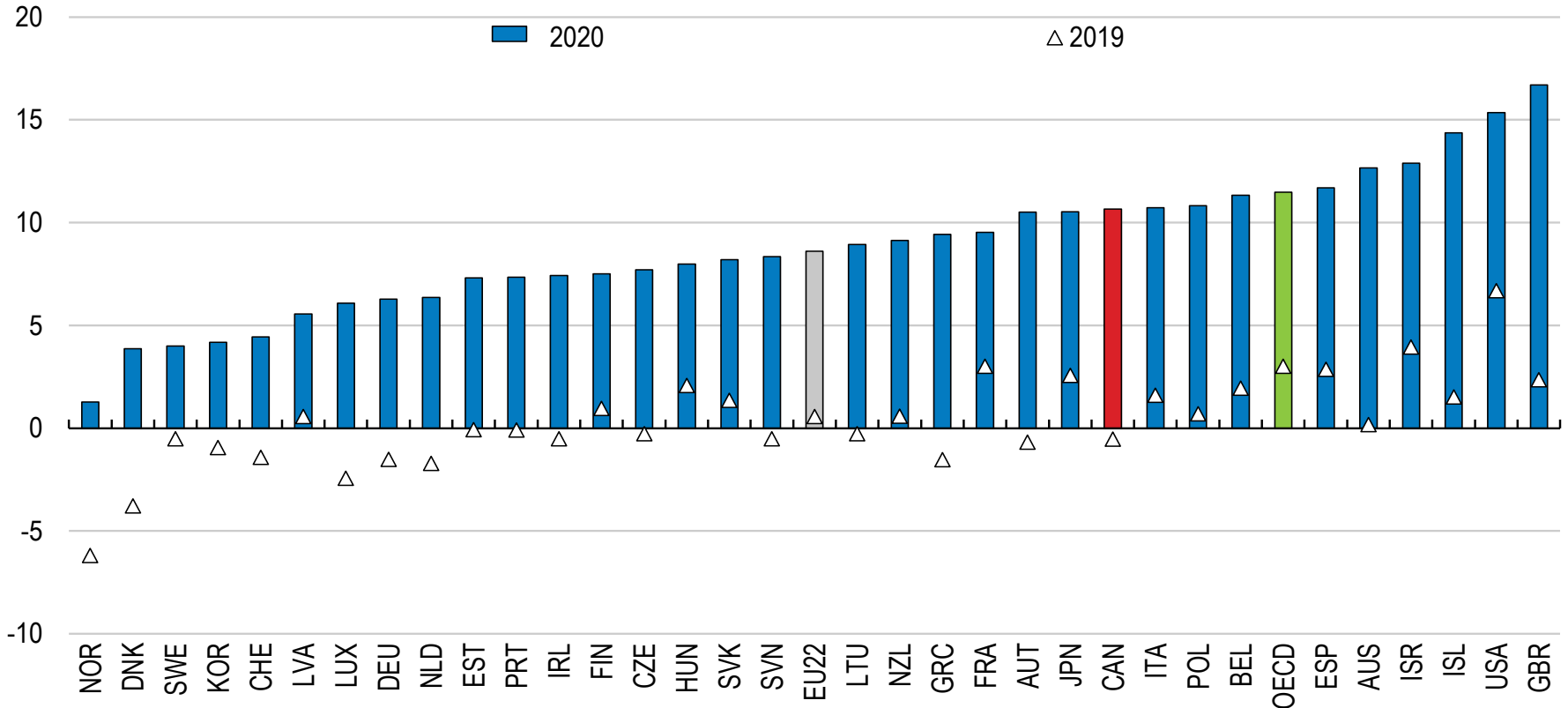


Ensuring a solid and sustainable recovery



Fiscal support has been substantial

General government deficit, % of GDP

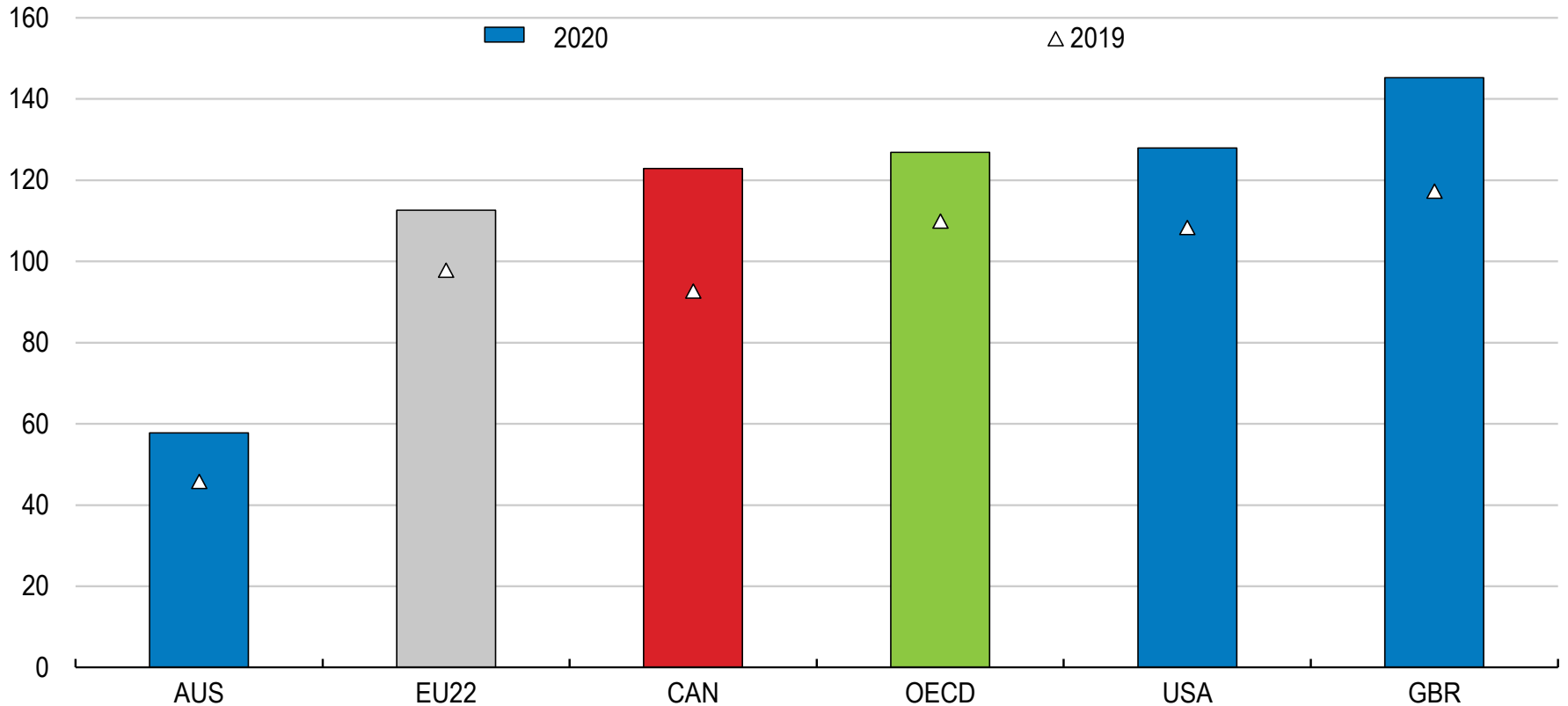


Source: OECD Economic Outlook 108 database. For Canada the published figures from national accounts data are shown.



Public debt has increased

Gross public debt, % of GDP

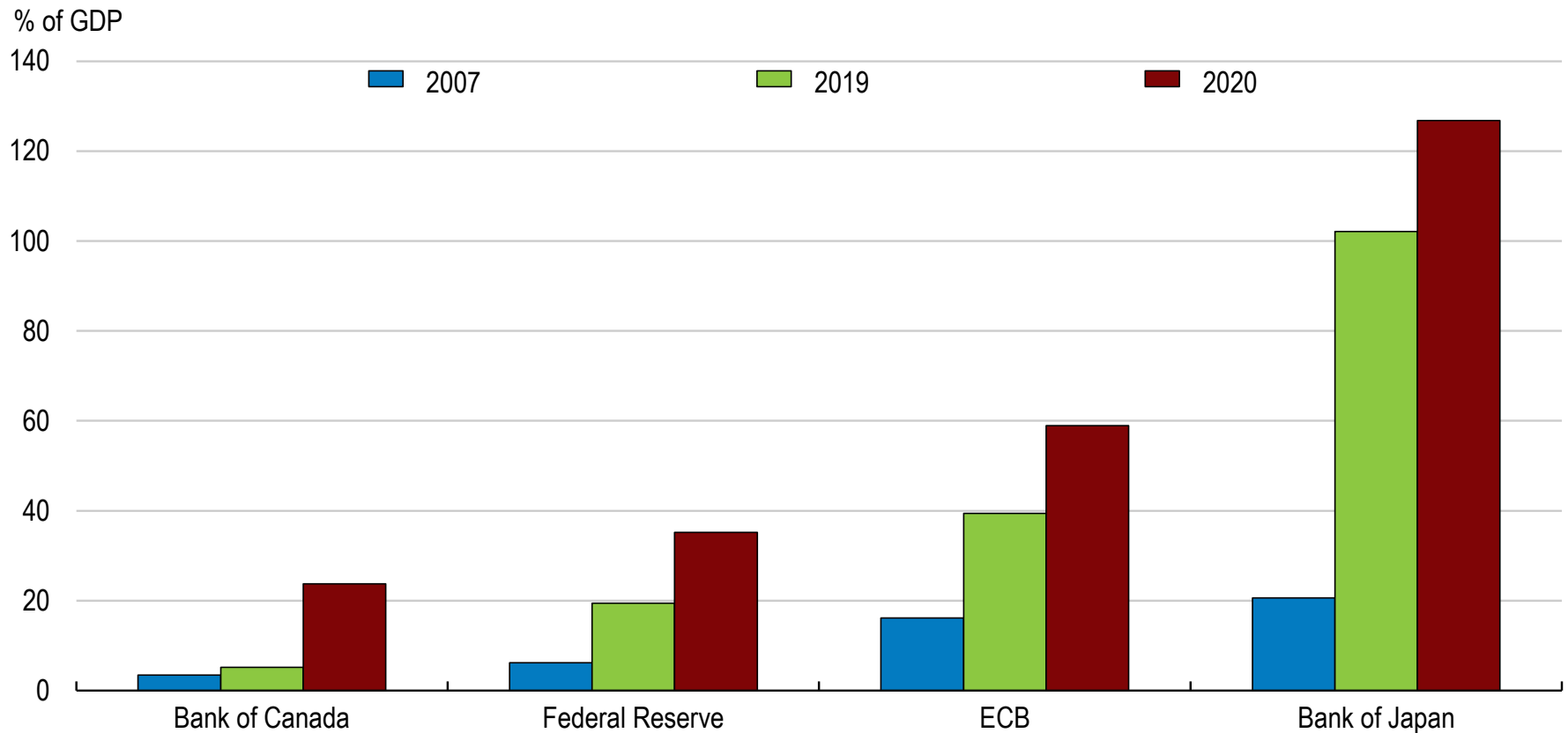


Source: OECD Economic Outlook108 database; and Statistics Canada.



Monetary policy has been supporting the economy

Central Banks' total assets

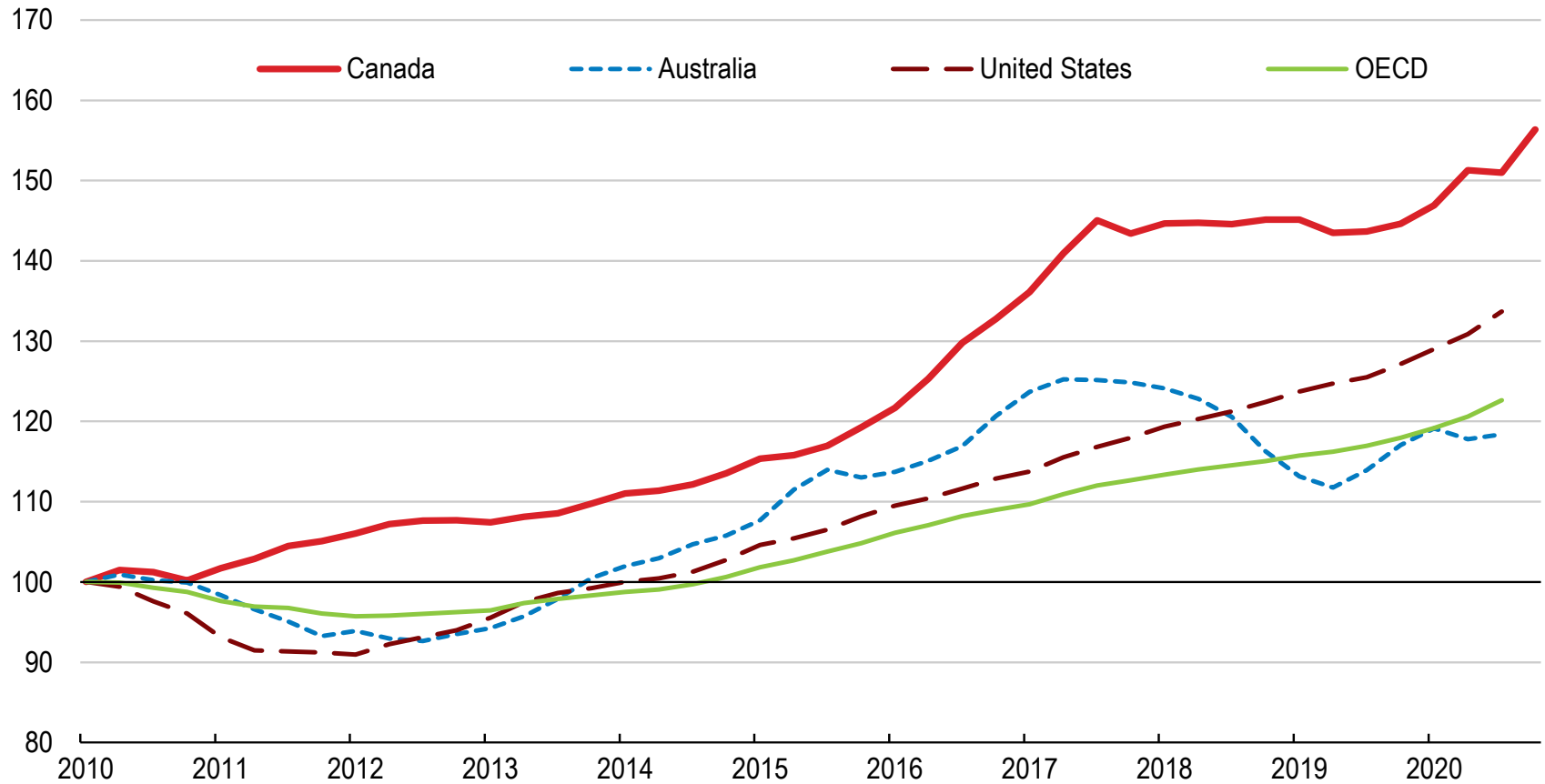


Source: OECD Economic Outlook database; and Bank of Canada.



House price increases have picked up

Real house prices, index Q1 2010 = 100

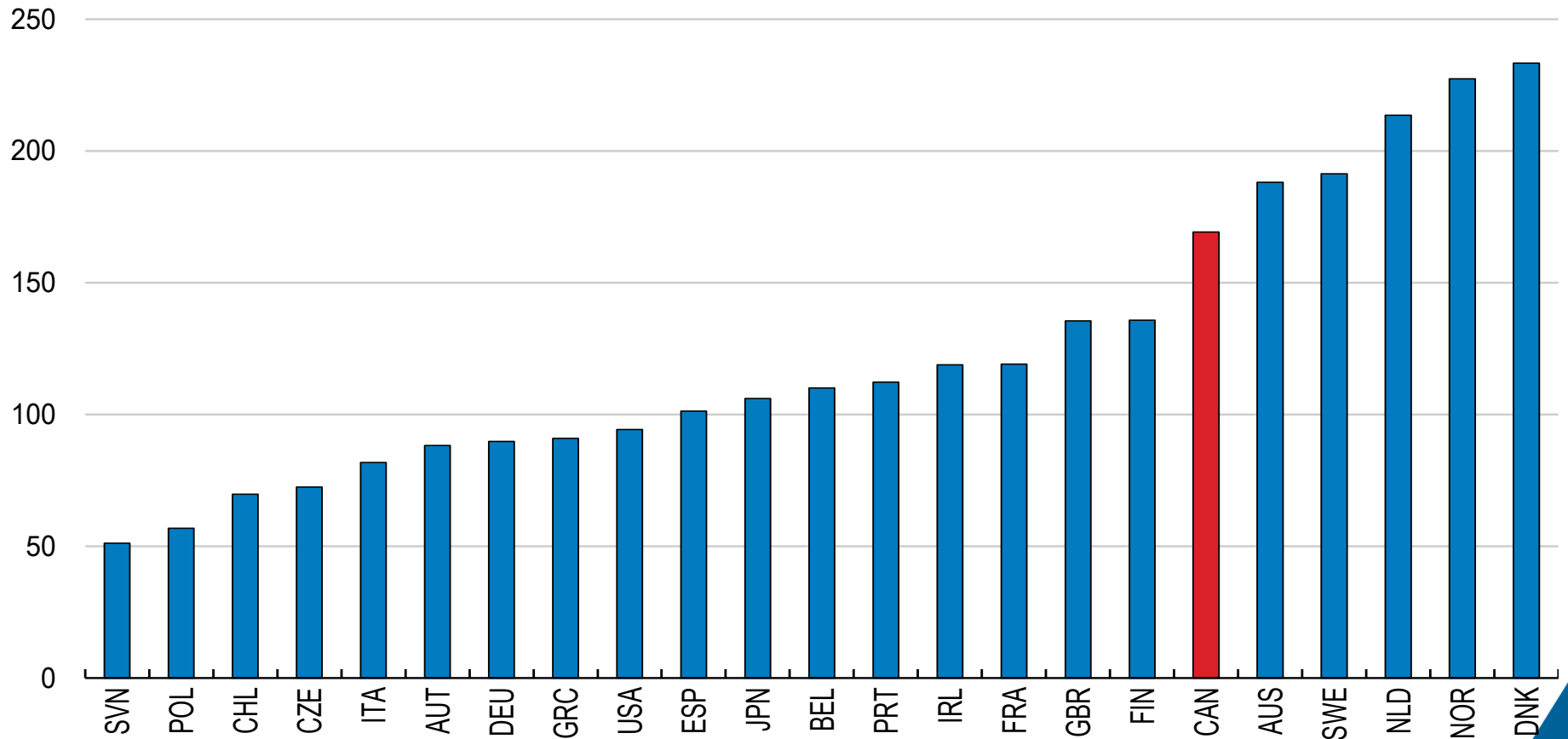


Source: OECD Economic Outlook database.



Household debt remains high

Household indebtedness ratio, % of disposable income
2020 Q3 or latest

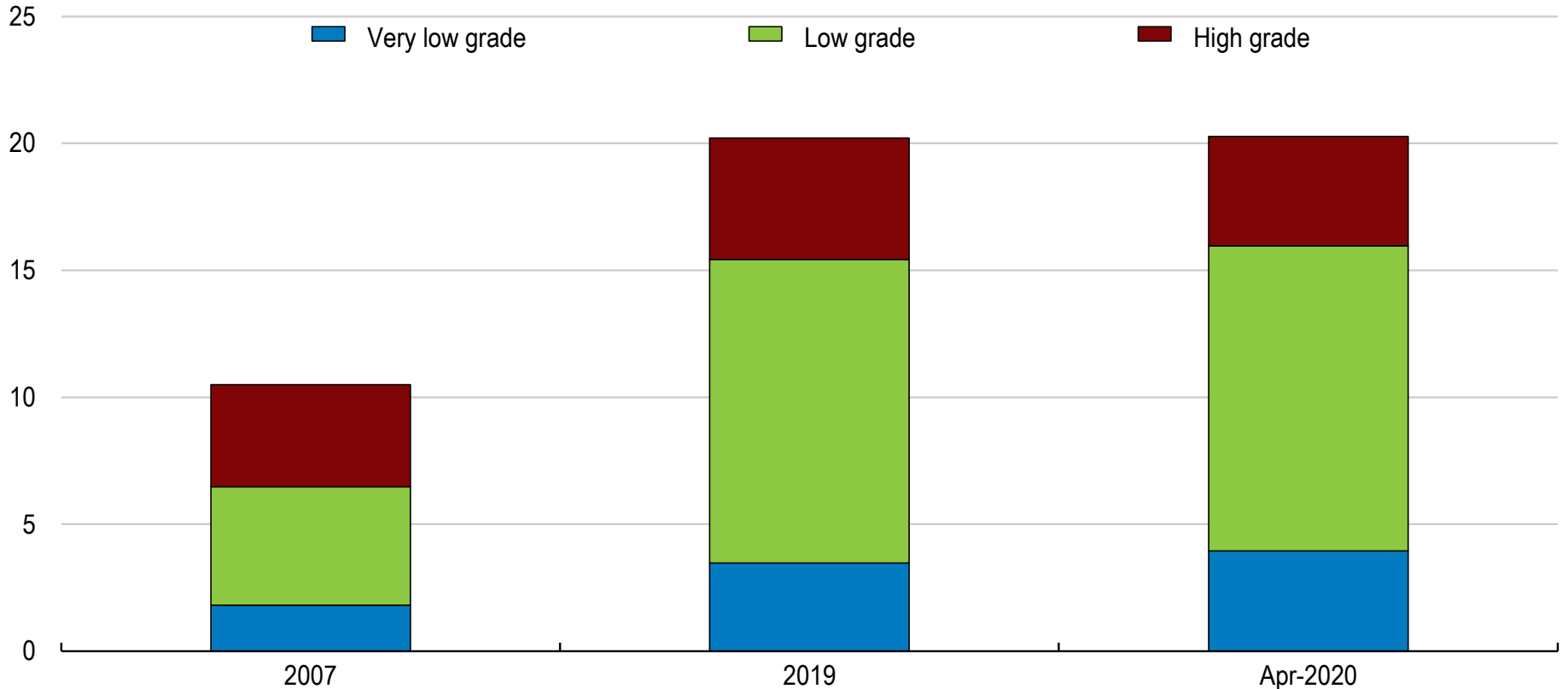


Source: OECD, National Accounts - Household Dashboard database.



Financial vulnerabilities have risen

Non-financial investment-grade corporate bonds, % of GDP



Note: High grade: AA AAA, AA, A rated bonds; Low grade: BBB+, BBB, BBB- ; Very low grade: BB, B, CCC-D.

Source: Calculations based on data from Bank of Canada (2020), Financial System Review 2020.

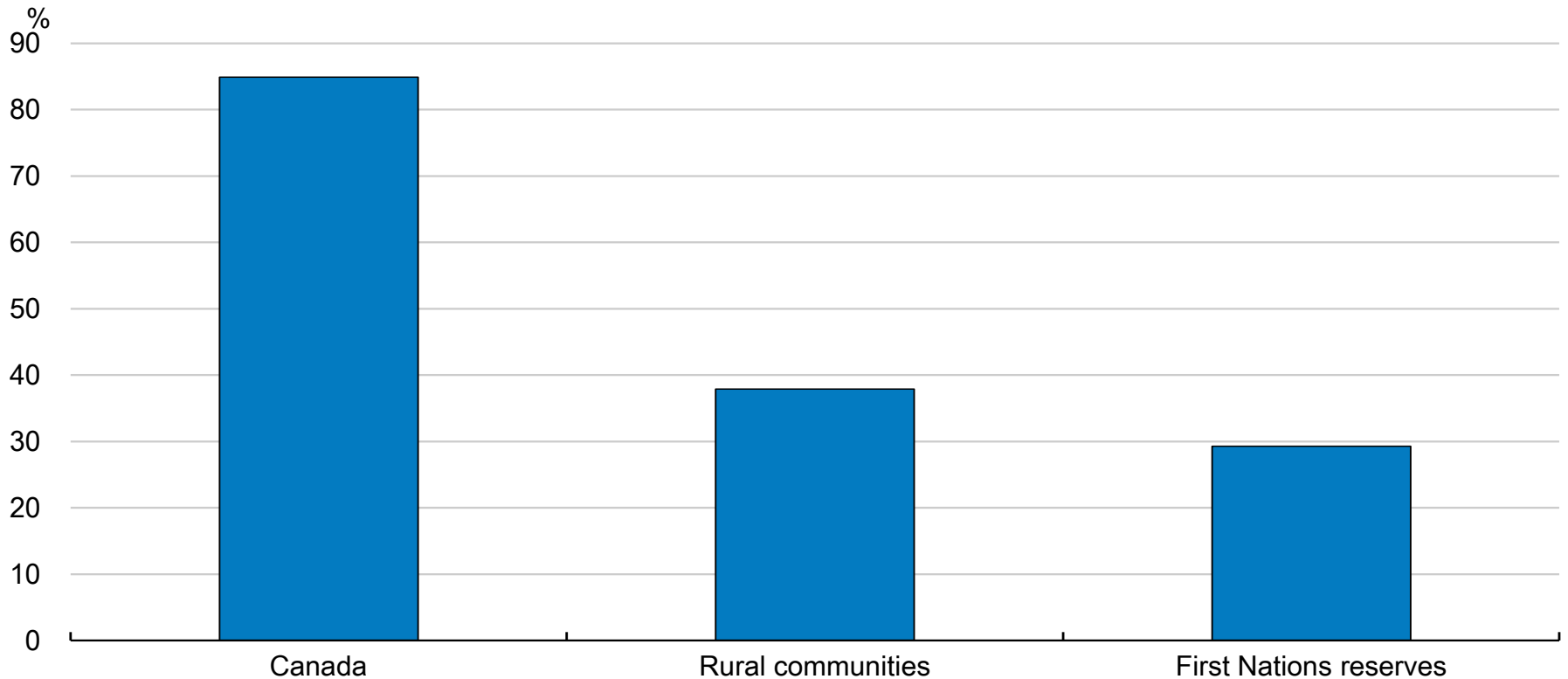


Strengthening and greening the recovery



Broadband access is uneven

Share of households with access to broadband at more than 100 Mbps %, 2018

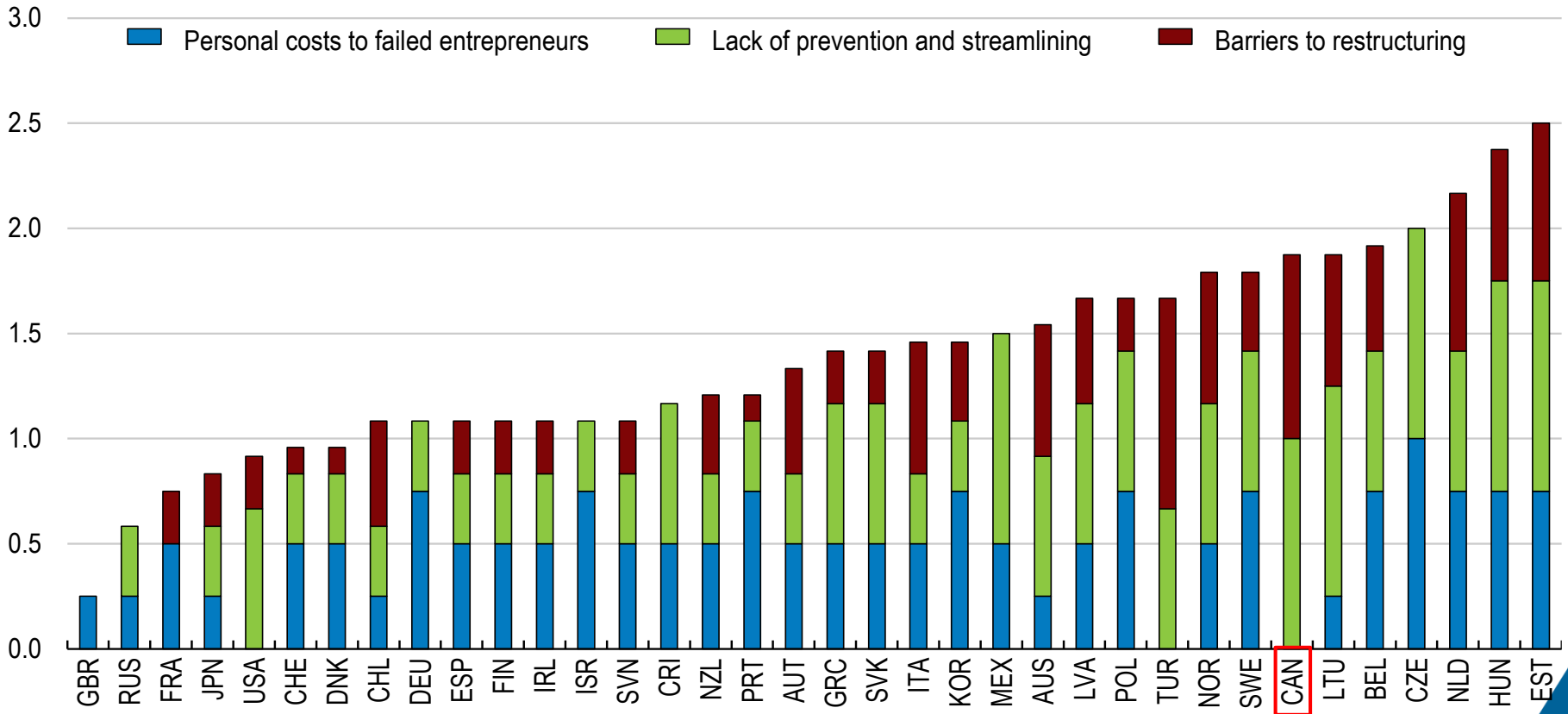


Source: CRTC (2019), *CMR 2019-Retail Fixed Internet Sector and Broadband Availability*.



Insolvency processes can be improved

Scores in selected aspects of insolvency schemes: higher scores indicate worse systems

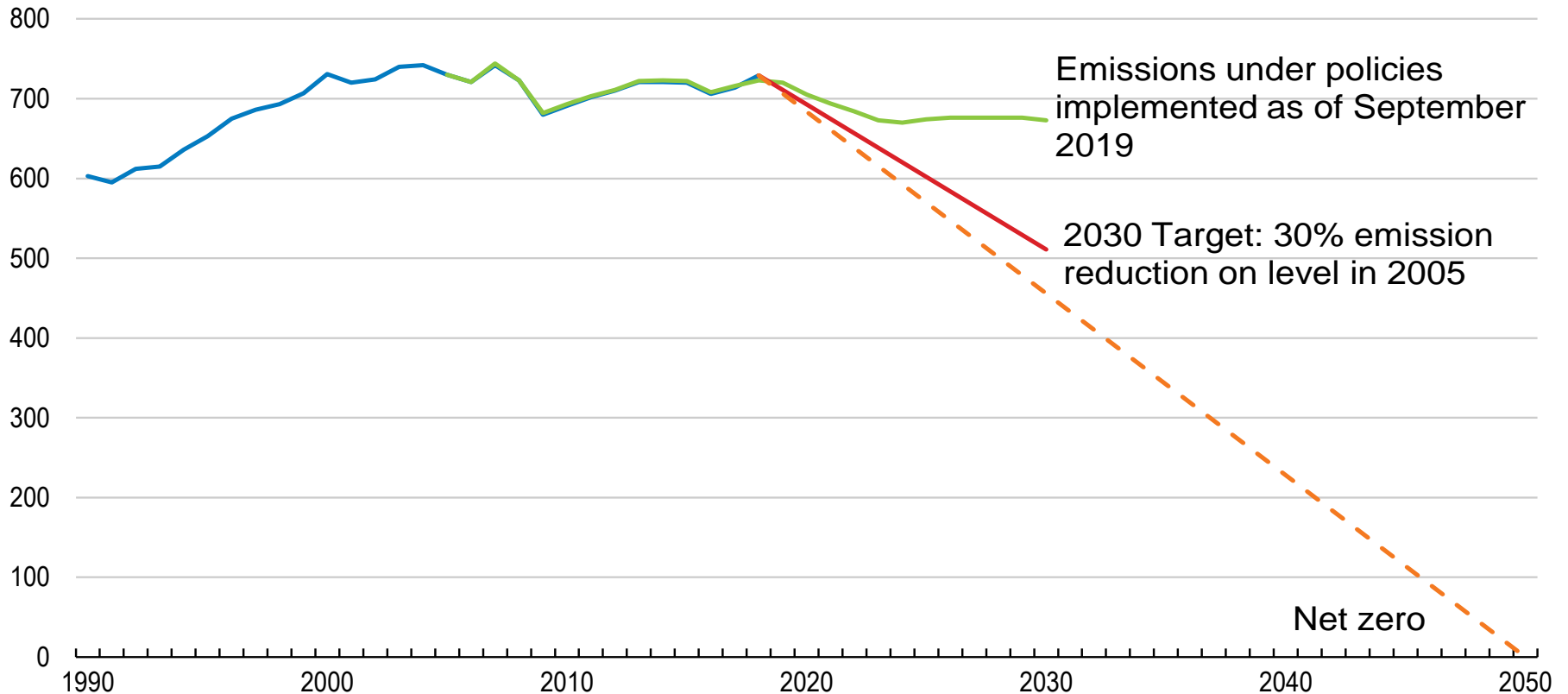


Source: OECD (2017), *Confronting the Zombies: Insolvency and Financial Reform, Corporate Restructuring and Productivity Growth*.



Greenhouse gas emissions have yet to begin a substantive downward path

Total greenhouse gas emissions, megatons of carbon dioxide equivalent

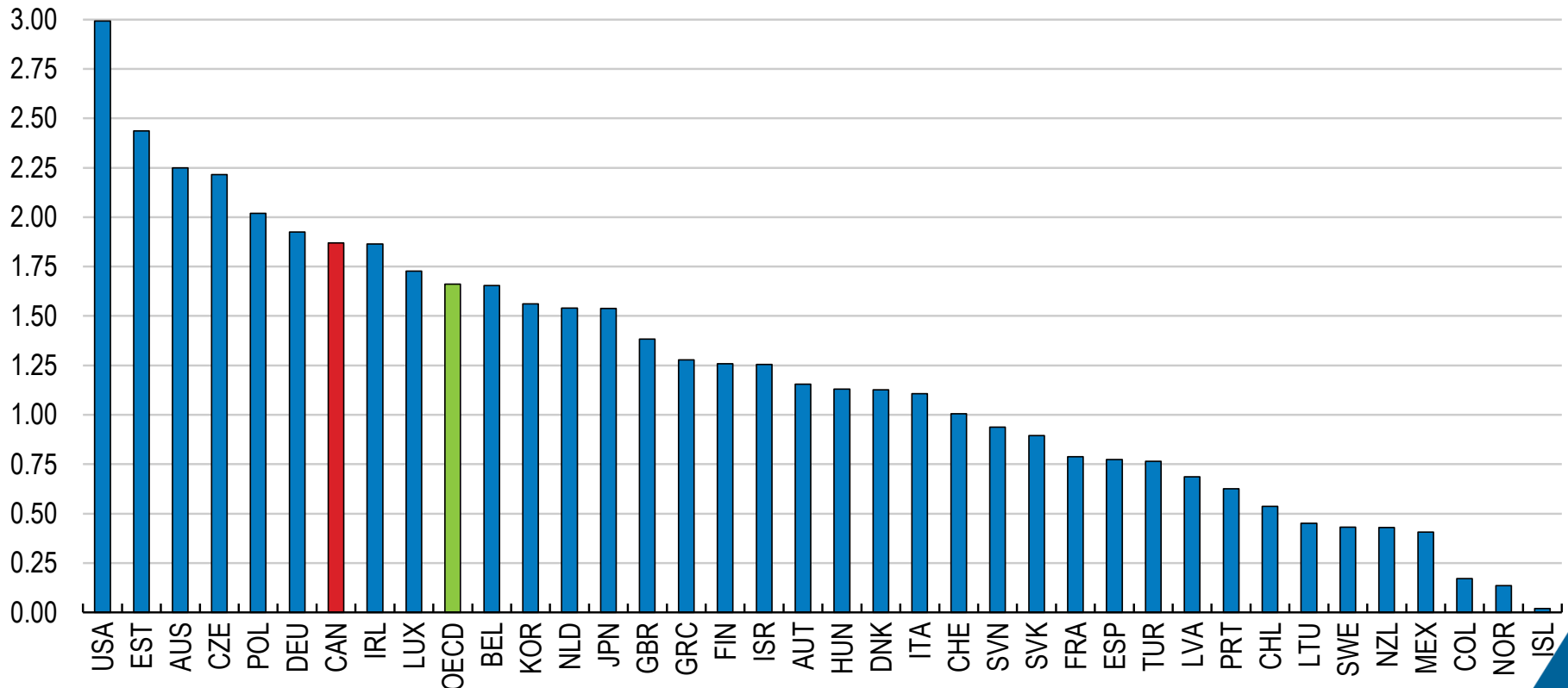




Canada has scope to make housing more energy efficient

CO2 emissions from fuel combustion, including electricity and heat, from the residential sector, 2018

tons CO2 per capita

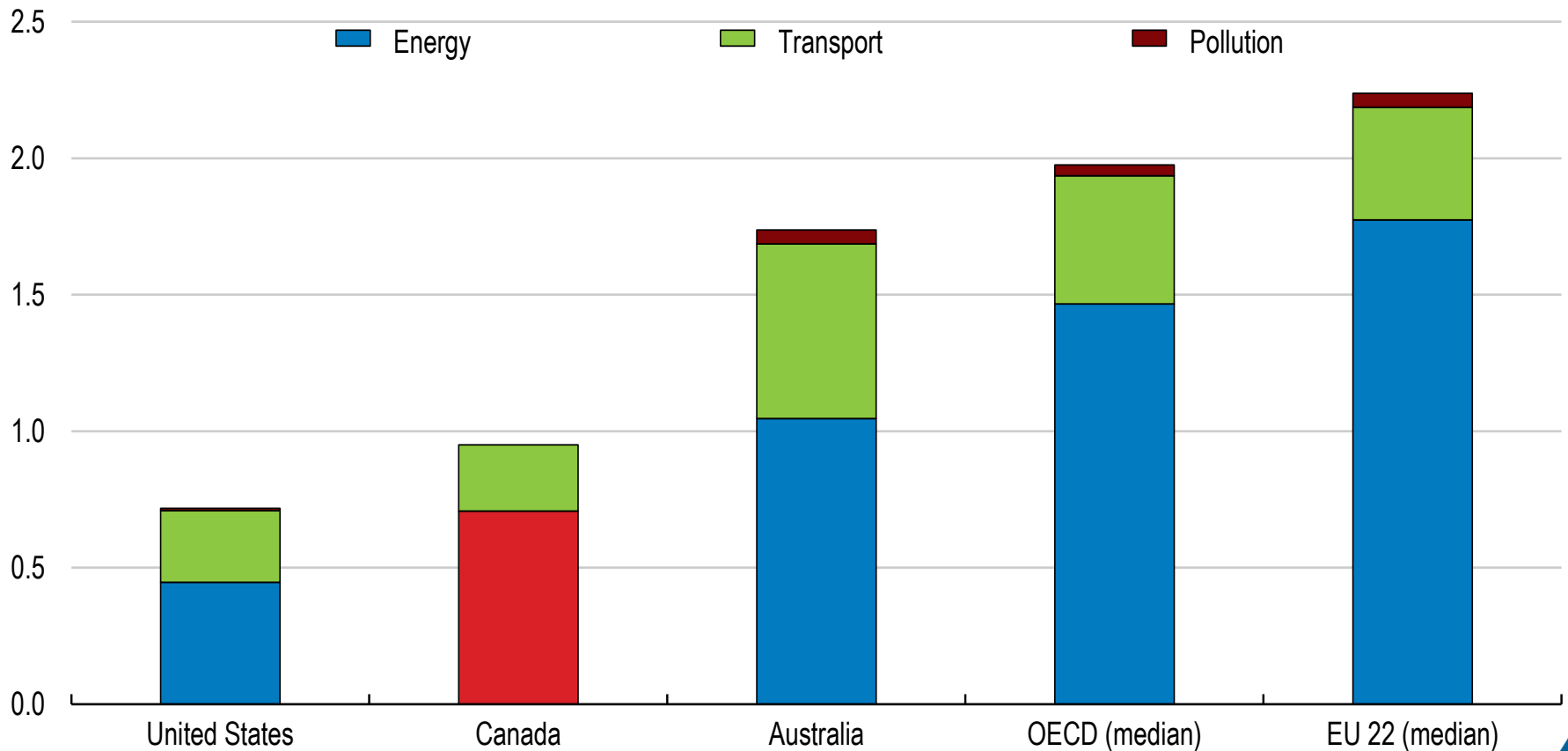


Source: IEA (2020), CO2 Emissions from Fuel Combustion, 2020 Edition.



Environmental taxation is comparatively low

Revenues from environmental taxation, as % of GDP
2019 or latest available year



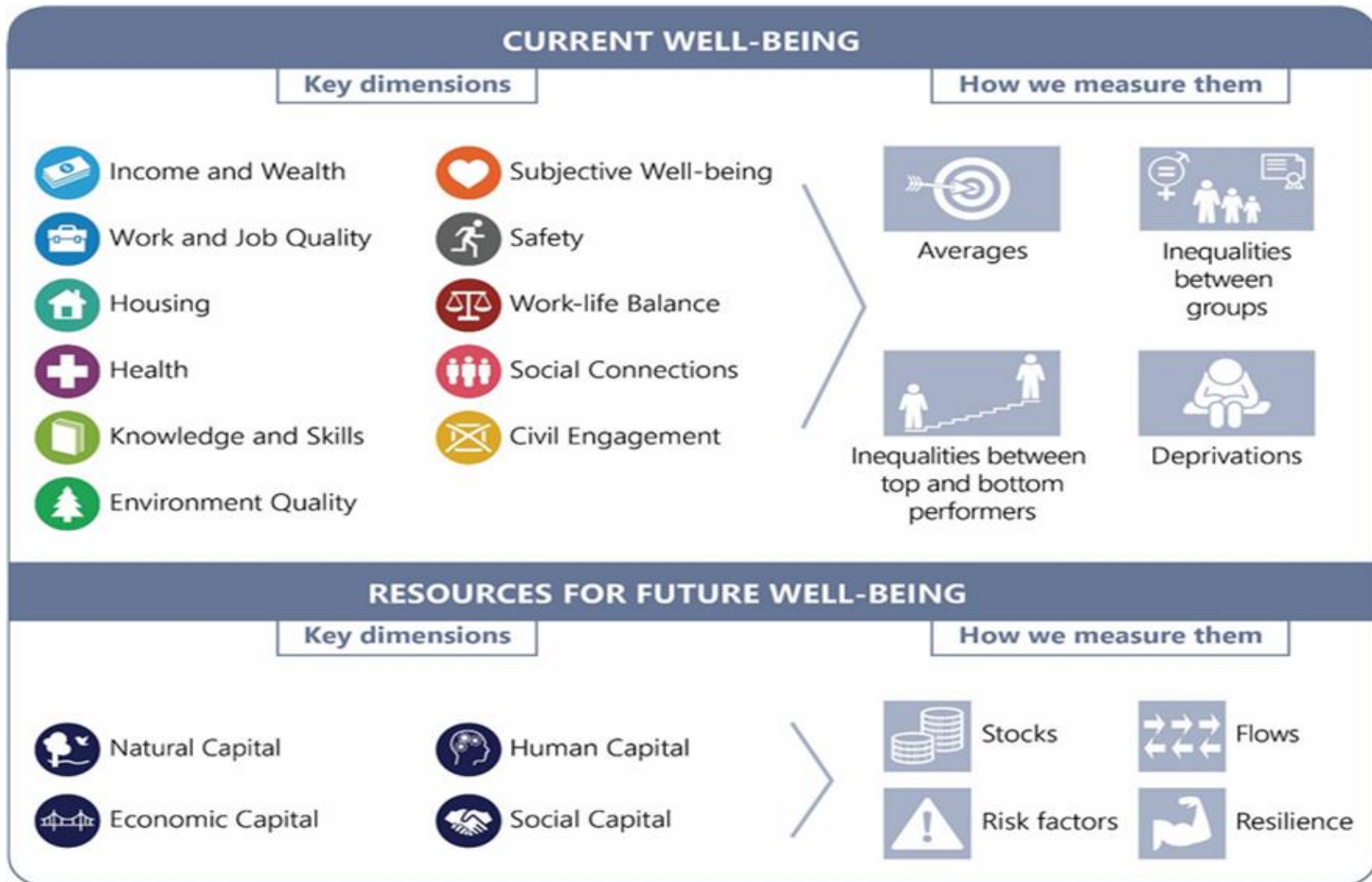
Source: OECD Environmental policy: Environmental policy instruments, OECD Environment Statistics (database).



Increasing the well-being of Canadians



Improving well-being is key



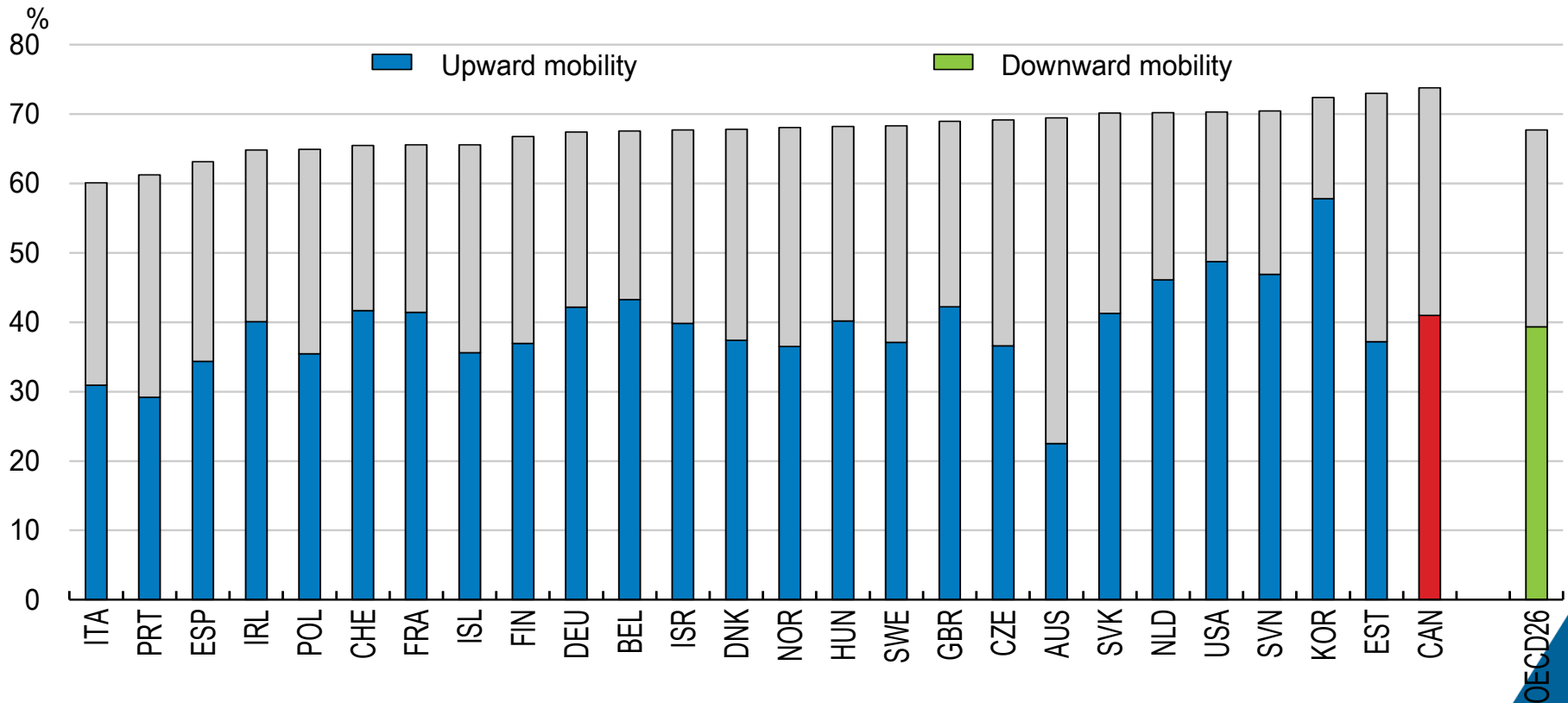
Source: OECD (2020), *How's Life? 2020, Measuring Well-Being*, OECD Publishing, Paris.



Social mobility is high

Absolute social class mobility

Percentage of 25-64 years old whose social class is higher or lower than that of their parents, 2002-14



Note: Social class is based on the nine European Socio-Economic Classification (ESEC) categories constructed based on occupation.

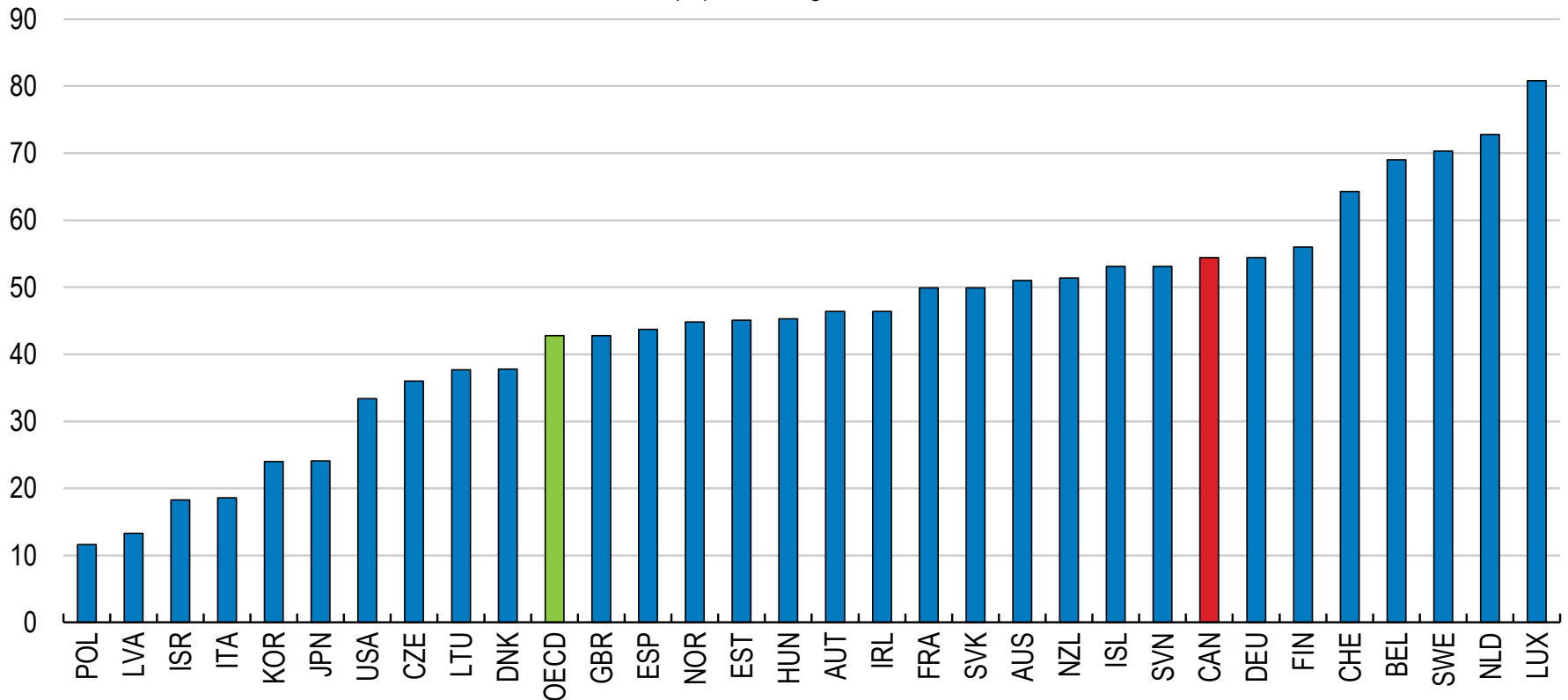
Source: OECD (2018), A Broken Social Elevator? How to Promote Social Mobility.



Many elderly Canadians live in institutional long-term care

Number of long-term care beds in institutions, 2019 or latest

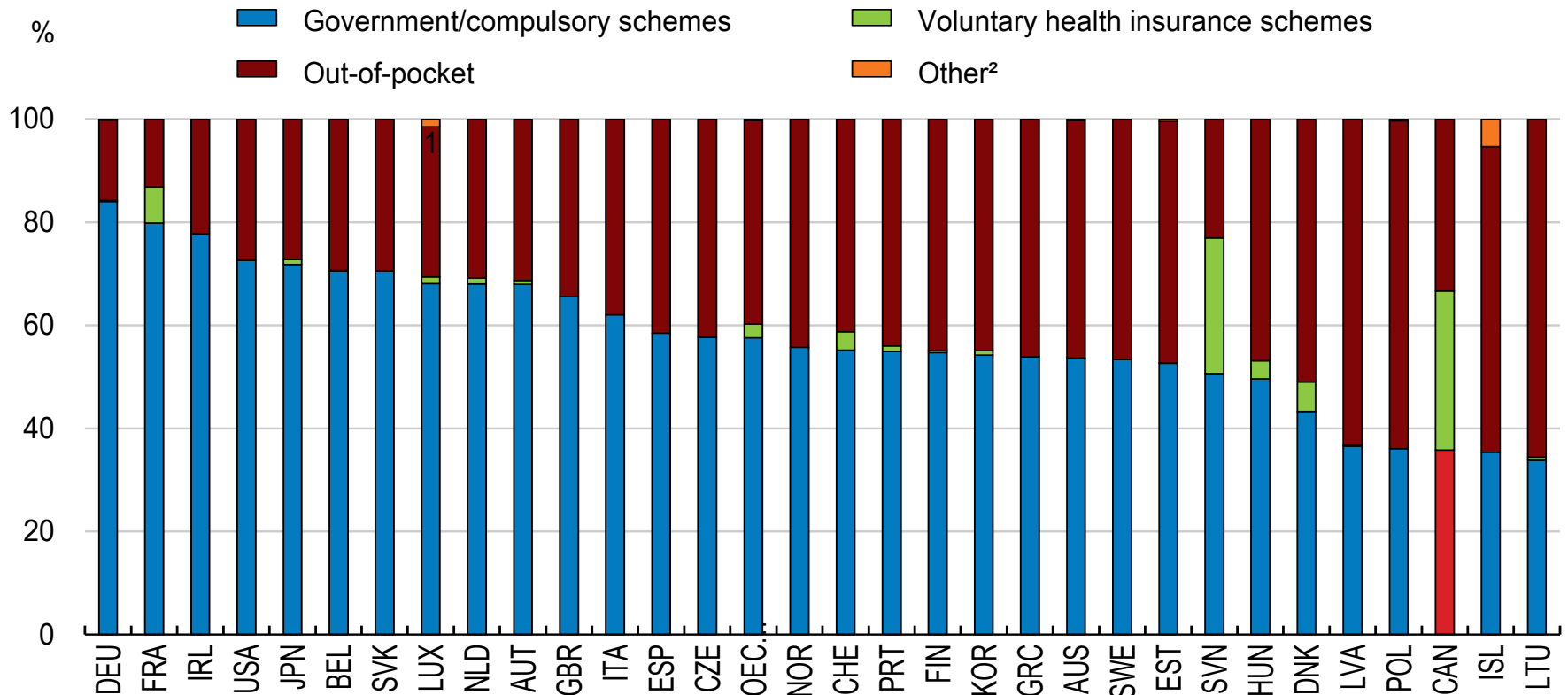
Per thousand population aged 65 and over





Public insurance coverage for pharmaceuticals is incomplete

Expenditure on retail pharmaceuticals¹, 2017 or nearest year



1. Includes medical non-durables.

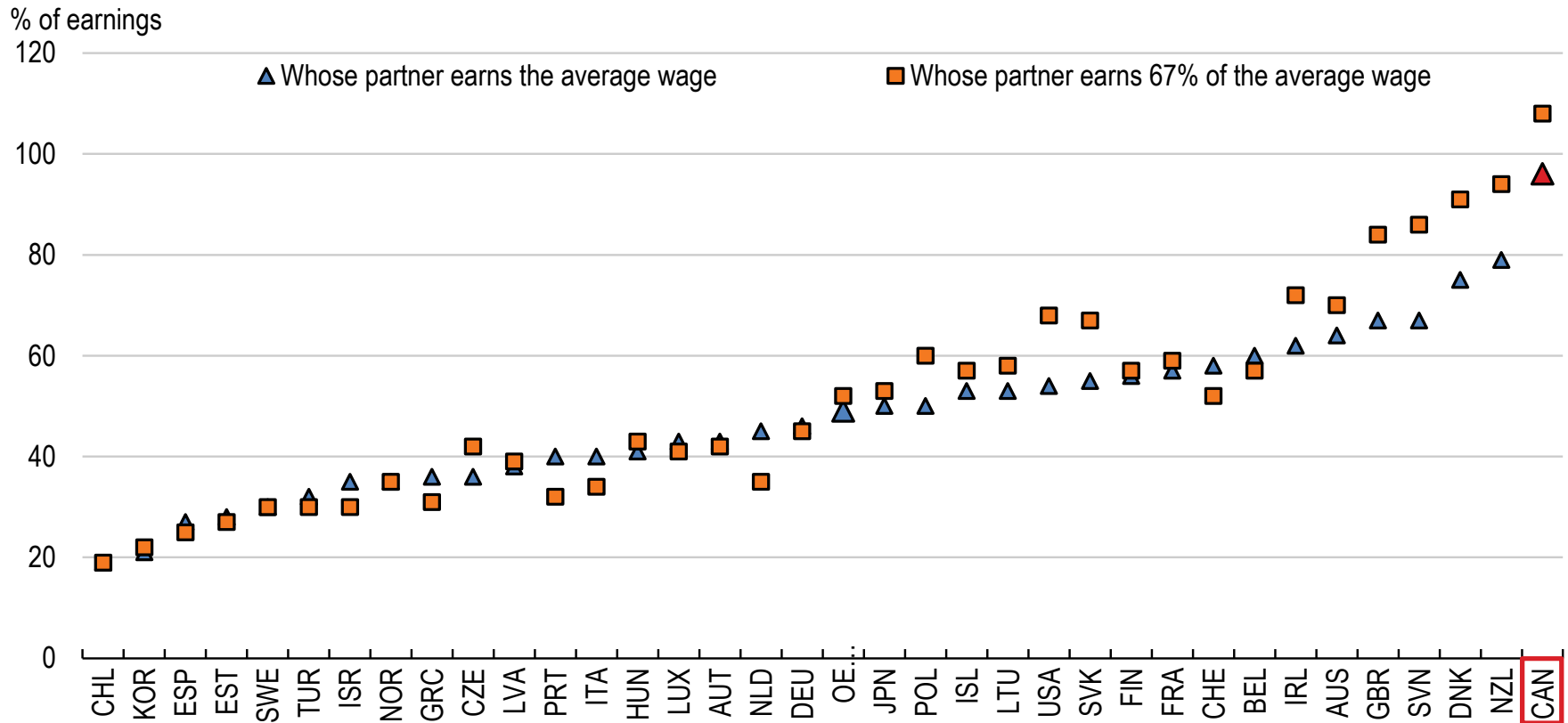
2. "Other" includes financing from non-profit-schemes, enterprises and the rest of the world.

Source: OECD Health at a Glance 2019, <https://doi.org/10.1787/4dd50c09-en>.



Combining work and family life is challenging

Financial disincentive to enter employment with childcare costs, 2019 or latest available

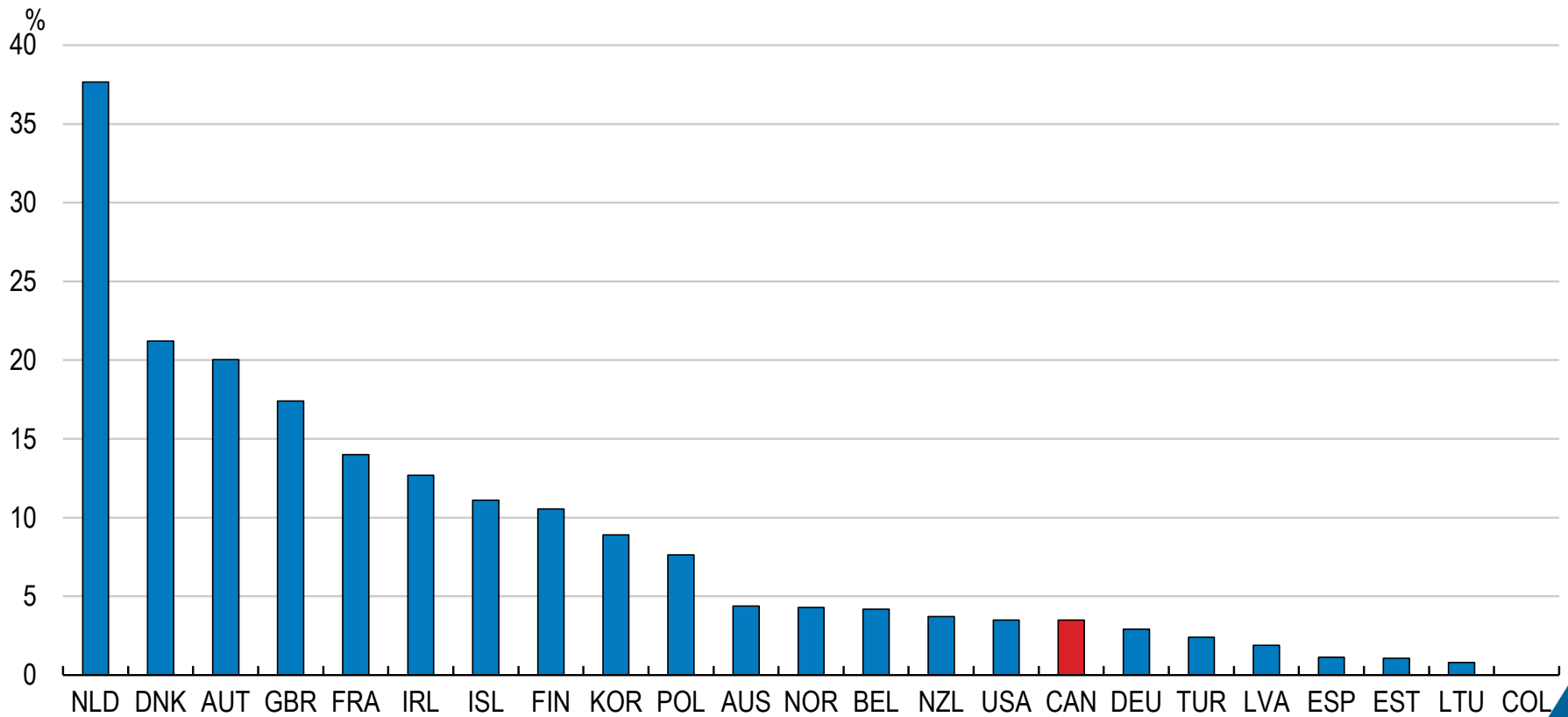


Note: Calculations refer to a couple with two children where the other parent works full-time at 67% of the average wage.
Source: OECD (2020), Financial disincentive to enter employment with childcare costs (indicator).



More affordable housing is needed

Social rental dwellings, as a % of the total housing stock, 2018 or nearest year



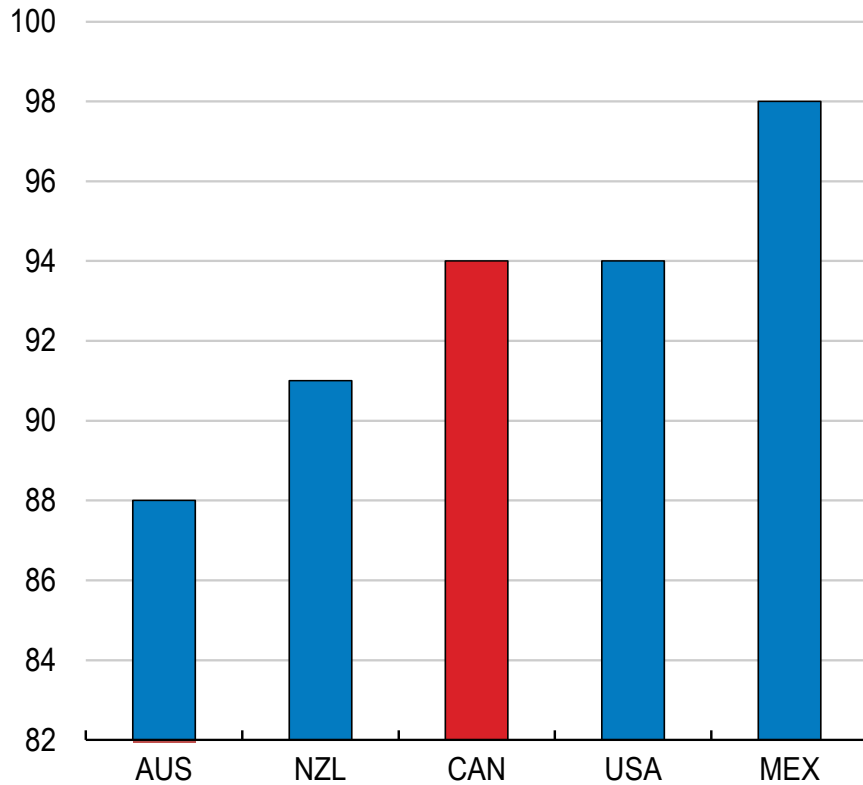
Source: OECD, Housing Synthesis Report (forthcoming).



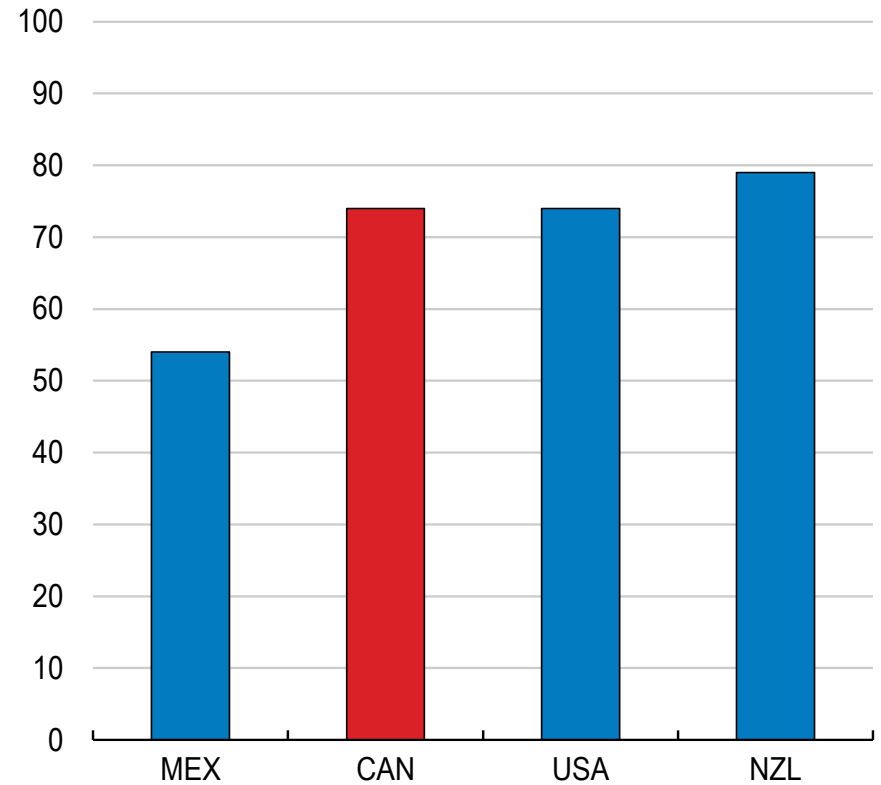
Indigenous peoples face acute disadvantage

Indigenous levels as a percentage of non-Indigenous levels

A. Life expectancy



B. Income



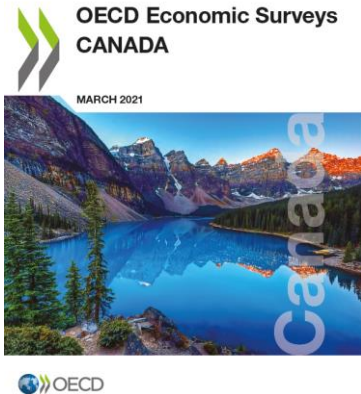


For more information

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