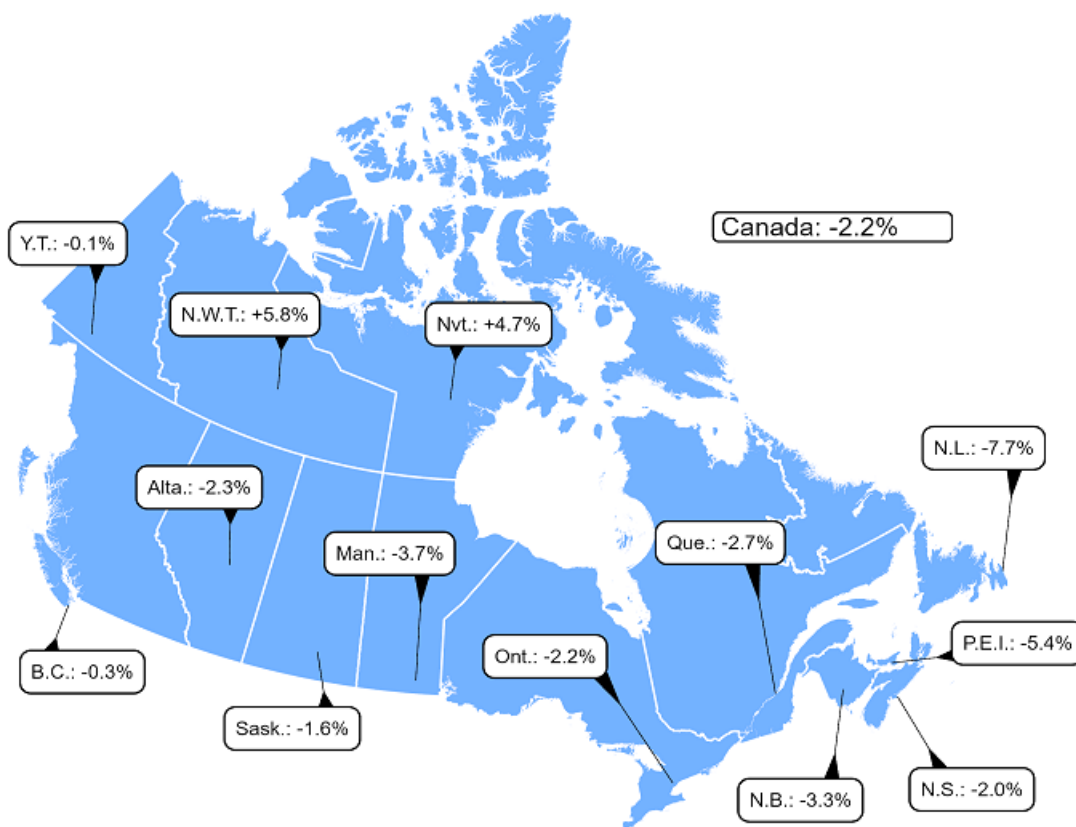


Hours worked and labour productivity in the provinces and territories (preliminary), 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, May 21, 2024

In 2023, the productivity of businesses fell in all provinces and in Yukon. For Canada as a whole, productivity decreased 2.2%, a third consecutive annual decline.

Map 1 – Labour productivity growth in the business sector, Canada, provinces and territories, 2023



Source(s): Table 36-10-0480-01, May 2024.

Ontario, Quebec and Alberta—the most important provinces in terms of economic weight in Canada—together accounted for more than 80% of the national decline in business productivity in 2023. Ontario contributed -0.97 percentage points to the decline, Quebec, -0.55 percentage points, and Alberta, -0.25 percentage points. In each of these three provinces, the construction sector was the main source of the decline in productivity, while manufacturing was also a contributing factor in Ontario and Quebec.



In 2023, both goods- and services-producing businesses recorded productivity declines in all provinces, except British Columbia, where services-producing businesses increased.

These productivity declines occurred in a context marked by persistent inflation, high interest rates and several factors related to climate change. Combined, these impacted both economic activity and the labour market in most regions of the country in 2023.

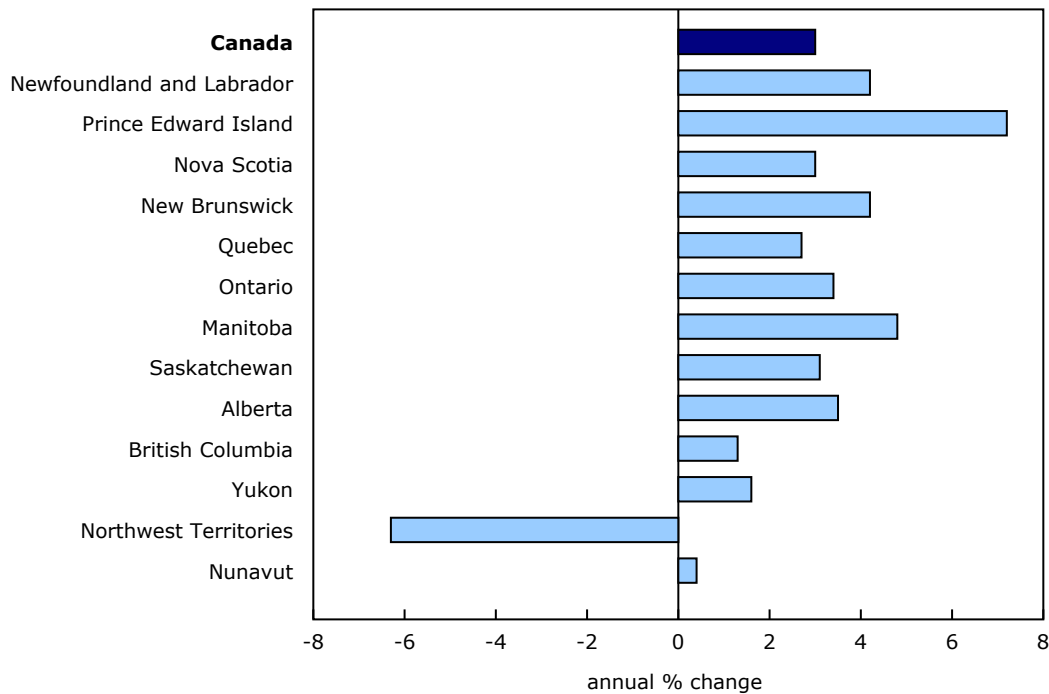
Growth of hours worked exceeds that of business output in almost every province and territory

In 2023, hours worked increased more than business output in almost every province and territory, resulting in the decline in productivity observed in all provinces and Yukon.

In 2023, real gross domestic product (GDP) of businesses rose in all provinces and territories, except Newfoundland and Labrador and the Northwest Territories. However, in most provinces and territories, GDP growth was slower in 2023 than in 2022.

In 2023, hours worked in the business sector increased in all of the provinces, as well as in Yukon and Nunavut, but at a generally slower pace than in the previous year. Nationally, growth in hours worked slowed to 3.0% in 2023, after increasing 5.0% in 2022.

Chart 1
Growth in hours worked in the business sector, Canada, provinces and territories, 2023



Source(s): Table 36-10-0480-01.

Hourly compensation continues to grow, but at a much slower pace than in 2022

In 2023, for the second consecutive year, average compensation per hour worked in the business sector was up in every province and territory, with growth rates ranging from 1.2% in Manitoba to 11.8% in Nunavut. For this territory, growth benefitted from an upturn in mining activity and its high wage rates.

All provinces and territories, except Nunavut, recorded much slower hourly compensation growth in 2023 than in 2022. Nationally, hourly compensation rose 3.1% in 2023, after increasing 7.0% the previous year.

Average hourly wage for full-time paid workers varies among the provinces and territories

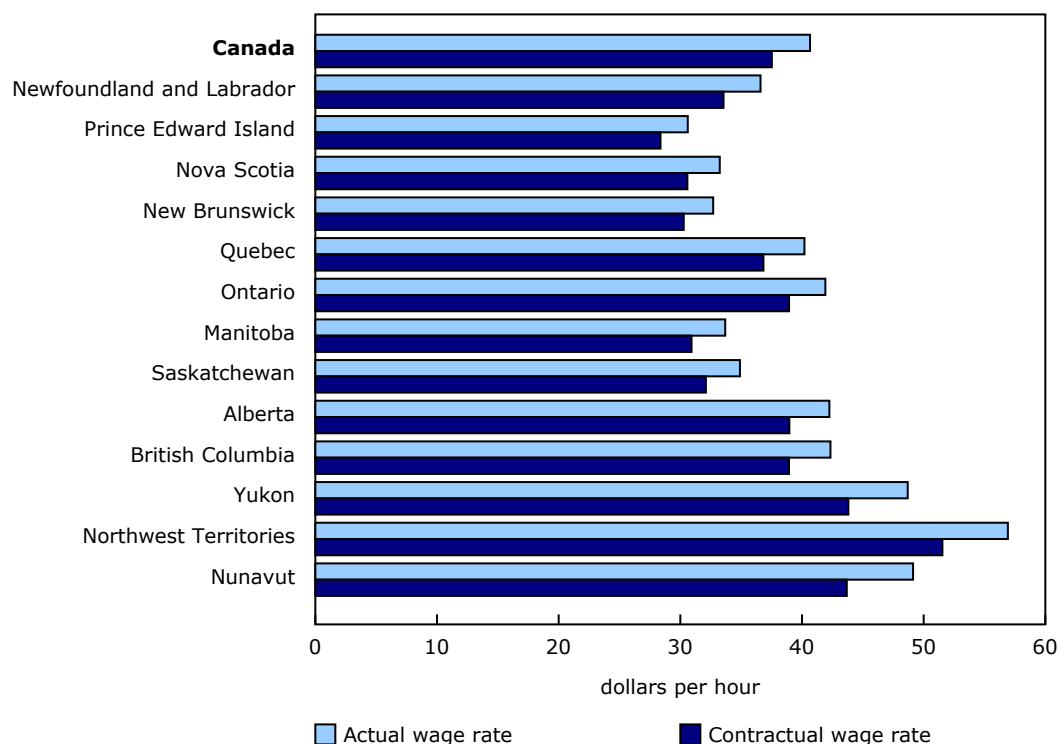
The actual wage rate—that is, the wages and salaries per hour worked—for full-time paid workers in the total economy varied across the provinces and territories in 2023. The wage rate ranged on average from \$30.61 per hour in Prince Edward Island to \$56.92 per hour in the Northwest Territories. Nationally, the average hourly wage in the total economy increased 3.1% to reach \$40.66 per hour.

In 2023, the contractual wage rate—that is, wages and salaries per hour paid—in the total economy rose by 3.5% to reach \$37.52 per hour, bringing it closer to the actual wage rate. The difference between the two wage rates is essentially due to the absence of paid leave in the hours worked and the absence of unpaid overtime in the hours paid.

In 2023, the spatial distribution of the wage gap between the actual wage rate and the contractual wage rate was generally stable. The territories continued to register the highest gaps, while Prince Edward Island and New Brunswick continued to record the lowest.

Chart 2

Actual and contractual wage rate in the total economy, full-time paid workers, Canada, provinces and territories, 2023



Source(s): Table 36-10-0676-01.

The highest increases in jobs occur in the Windsor–Sarnia region, in relative terms, and in the Toronto region, in absolute terms

The distribution of jobs in all economic regions of Canada varied little from 2022 to 2023.

Jobs grew 10.2% in the Windsor–Sarnia region in Ontario in 2023. This region posted the largest relative growth among all economic regions, while the Toronto region had the strongest absolute growth, recording an increase of more than 110,000 jobs. In contrast, the Stratford–Bruce Peninsula region saw the greatest loss in absolute terms, with a decline of more than 5,000 jobs. Meanwhile, in relative terms, the Northern region in Saskatchewan experienced the greatest loss, with a decline of over 12.0%.

Table 1

Labour productivity and other related variables for the business sector, 2023¹

	Real gross domestic product	All jobs	Average hours worked	Volume of hours worked	Labour productivity	Total compensation	Hourly compensation	Unit labour cost
	annual % change							
Canada	0.7	3.1	-0.2	3.0	-2.2	6.2	3.1	5.5
Newfoundland and Labrador	-3.8	3.3	0.9	4.2	-7.7	5.9	1.6	10.0
Prince Edward Island	1.3	6.1	1.1	7.2	-5.4	9.4	2.0	7.9
Nova Scotia	0.8	3.5	-0.5	3.0	-2.0	8.0	4.9	7.3
New Brunswick	0.9	3.8	0.4	4.2	-3.3	6.8	2.5	5.9

Table 1
Labour productivity and other related variables for the business sector, 2023¹

	Real gross domestic product	All jobs	Average hours worked	Volume of hours worked	Labour productivity	Total compensation	Hourly compensation	Unit labour cost
Quebec	0.0	3.8	-1.1	2.7	-2.7	6.9	4.1	6.8
Ontario	1.1	2.8	0.6	3.4	-2.2	5.9	2.4	4.7
Manitoba	0.8	3.4	1.4	4.8	-3.7	6.0	1.2	5.1
Saskatchewan	1.5	3.7	-0.6	3.1	-1.6	4.9	1.8	3.3
Alberta	1.1	3.6	-0.1	3.5	-2.3	6.6	3.0	5.4
British Columbia	0.8	2.4	-1.1	1.3	-0.3	5.8	4.4	4.8
Yukon	1.3	2.5	-0.9	1.6	-0.1	7.0	5.4	5.5
Northwest Territories	-0.9	-10.9	5.1	-6.3	5.8	1.1	7.9	2.0
Nunavut	5.2	-0.9	1.4	0.4	4.7	12.3	11.8	6.7

1. Calculations of productivity growth rates are based on numbers rounded to one decimal place.

Source(s): Table 36-10-0480-01.

Table 2
Goods-producing businesses and services-producing businesses, 2023¹

	Real gross domestic product		Volume of hours worked		Labour productivity		Hourly compensation	
	Goods	Services	Goods	Services	Goods	Services	Goods	Services
	annual % change							
Canada	-1.2	1.8	2.9	3.0	-4.0	-1.1	3.1	3.1
Newfoundland and Labrador	-6.9	1.1	-0.5	6.5	-6.4	-5.0	3.8	1.1
Prince Edward Island	0.2	2.2	7.3	7.1	-6.7	-4.7	3.2	1.1
Nova Scotia	-1.8	2.0	1.5	3.6	-3.3	-1.6	5.6	4.7
New Brunswick	0.7	1.1	2.7	4.9	-1.9	-3.8	3.1	2.3
Quebec	-2.6	1.7	2.9	2.6	-5.4	-1.0	3.5	4.5
Ontario	-0.4	1.7	3.7	3.2	-3.9	-1.4	2.2	2.5
Manitoba	-1.1	2.2	3.7	5.3	-4.6	-2.9	1.8	1.0
Saskatchewan	0.9	2.5	1.3	4.2	-0.3	-1.7	4.3	0.2
Alberta	-0.3	2.7	3.2	3.6	-3.4	-0.8	3.0	3.0
British Columbia	-0.8	1.7	0.9	1.4	-1.8	0.4	4.3	4.5
Yukon	-0.8	3.7	-1.5	3.5	0.8	0.2	4.4	6.7
Northwest Territories	-2.0	0.2	-7.4	-5.7	5.9	6.4	7.9	8.5
Nunavut	5.9	2.8	0.2	0.7	5.7	1.8	11.6	12.4

1. Calculations of productivity growth rates are based on numbers rounded to one decimal place.

Source(s): Table 36-10-0480-01.

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Note to readers

This release includes new data for 2023 on provincial and territorial labour productivity and related measures. No revisions have been made to data for previous years.

These data are consistent with those incorporated in the release on provincial and territorial gross domestic product (GDP) by industry for 2023 (released on May 1, 2024), as well as in the release on national GDP by industry (released on April 30, 2024).

Preliminary estimates take into account revised data from the [Survey of Employment, Payrolls and Hours](#) for 2023 (released on March 28, 2024). They also incorporate revised data from the [Labour Force Survey](#) (released on January 29, 2024).

With the recent expansion of relevant provincial and territorial data, we would like to remind users that there exists a set of experimental data on labour statistics which are available in two tables (36-10-0675-01 and 36-10-0676-01). One table presents data by economic region, while the other presents data broken down by work schedule (full-time or part-time).

For more detailed information on the economic region codes, see "[Variant of Standard Geographical Classification \(SGC\) 2021 for Economic Regions](#)."

Productivity measures

*The term **productivity** in this release refers to labour productivity. For the purposes of this analysis, as in the national labour productivity releases, productivity and related measures cover the business sector only. However, average hourly wages for full-time and part-time paid workers and the net flows of jobs by economic region in this analysis are focused on the total economy.*

Labour productivity is a measure of real GDP per hour worked. Productivity gains occur when the production of goods and services grows faster than the volume of work dedicated to their production.

Economic performance, as measured by labour productivity, must be interpreted carefully, as these data reflect changes in other inputs, in particular capital, in addition to the efficiency growth of production processes. As well, growth in labour productivity is often influenced by the degree of diversity in the industrial structure. As a result, labour productivity tends to be more volatile in the smaller provinces.

It is important to note that real output (used to measure productivity) is based on the value added measured at basic prices, not market prices, which is consistent with the detailed framework by industry.

As well, the real estate, rental and leasing industry, part of the services-producing business sector, excludes the imputed rent for owner-occupied dwellings, as there are no data on the number of hours that homeowners spend on dwelling maintenance services.

Next release

Revised estimates of hours worked and labour productivity in the provinces and territories for 2021 to 2023 will be published on February 10, 2025, with the incorporation of the new benchmark data from the provincial and territorial supply and use tables for reference year 2021.

Available tables: [36-10-0480-01](#), [36-10-0489-01](#), [36-10-0675-01](#) and [36-10-0676-01](#).

Definitions, data sources and methods: survey number [5103](#).

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

The *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)) is available.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).