



# Economy Expands but Remains on Fragile Footing

## Transcript

### Speaker

[Cory Renner, Associate Director, Economic Forecasting](#)

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#### [Cory Renner, 00:00-01:21](#)

StatsCan released two GDP reports this morning. The first was the quarterly report and the second was the monthly. The quarterly report came with some good news for Canadians. While we did see negative growth in the second quarter, it actually went positive in the third quarter, which means we avoided a recession. Certainly, something that Canadians can celebrate.

But when you get into the details of the report, it wasn't quite as good. It was really driven by weaker net trade and particular imports were down. Now a lot of people think imports is, you know, we're buying stuff and buying more domestically.

And while that's certainly a part of it, a lot of imports are actually businesses investing things for their investment more broadly. And investment was also weak in the report. So that was kind of a negative side to see. And there were a couple other negatives in there too, especially around consumer spending, which was also down. So overall quarterly, you know, avoided a recession, you know, broadly the details are weak. The other report was the monthly report that got released. And there was some good news in there that September had some strength. That was really focused around the energy sector and manufacturing.

But StatsCan also releases a preliminary estimate every month; they released the October one, which is actually quite negative. So that kind of indicates we're moving into the fourth quarter a little weaker than we had originally anticipated. So overall, when you take the two reports together, you have some good news that we avoided recession, but there is really some weakness in the economy, and we expect some weakness into the fourth quarter, especially.

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