Gross domestic product, income and expenditure, second quarter 2026

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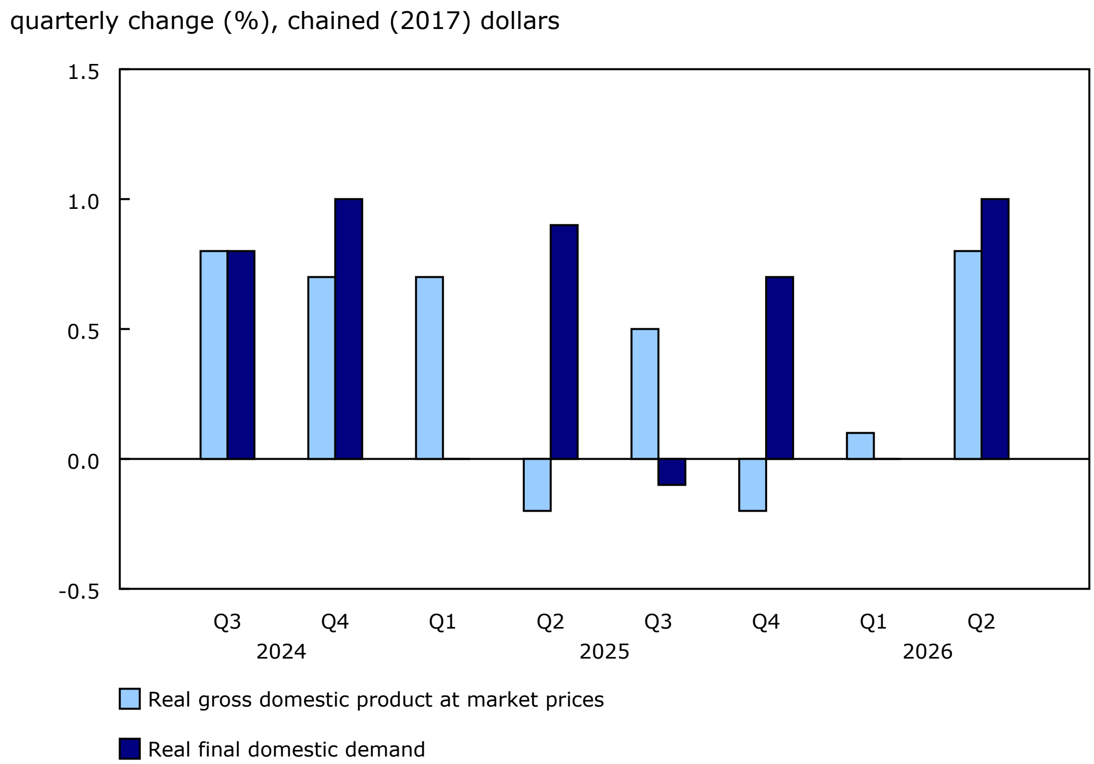
Real gross domestic product (GDP) increased 0.8% in the second quarter of 2026, led by higher exports, household spending and business capital investment. The change in real GDP for the first quarter of 2026 was revised from 0.0% to 0.1%, led by upward revisions to exports, particularly non-metallic minerals and energy products.

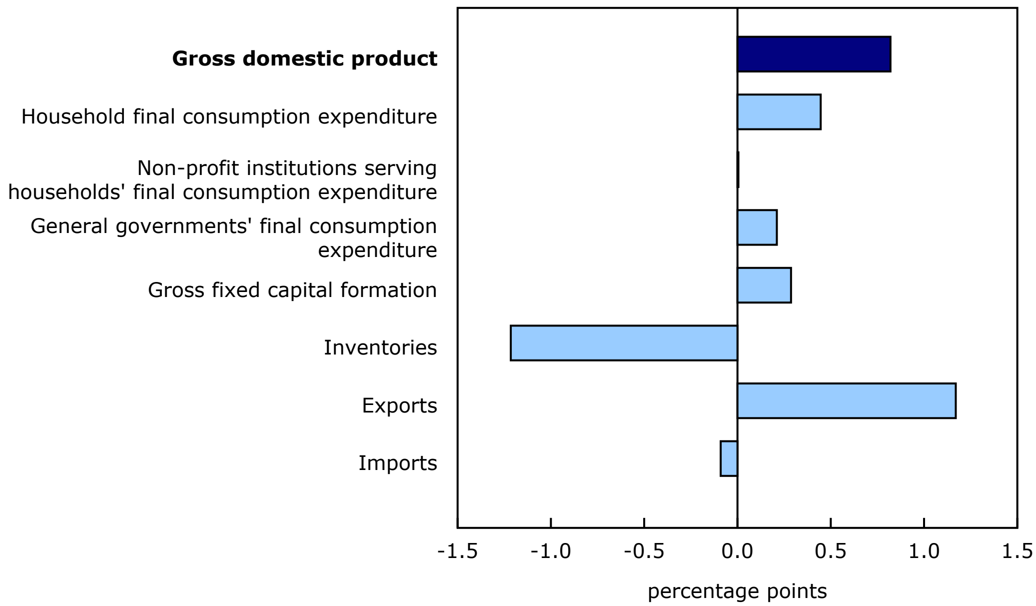
On a per capita basis real GDP increased 1.0% in the second quarter of 2026, as the Canadian population declined for the third consecutive quarter.

Chart 1
Real gross domestic product and final domestic demand



Source(s): Table 36-10-0104-01.

Chart 2
Contributions to percentage change in real gross domestic product, second quarter of 2026



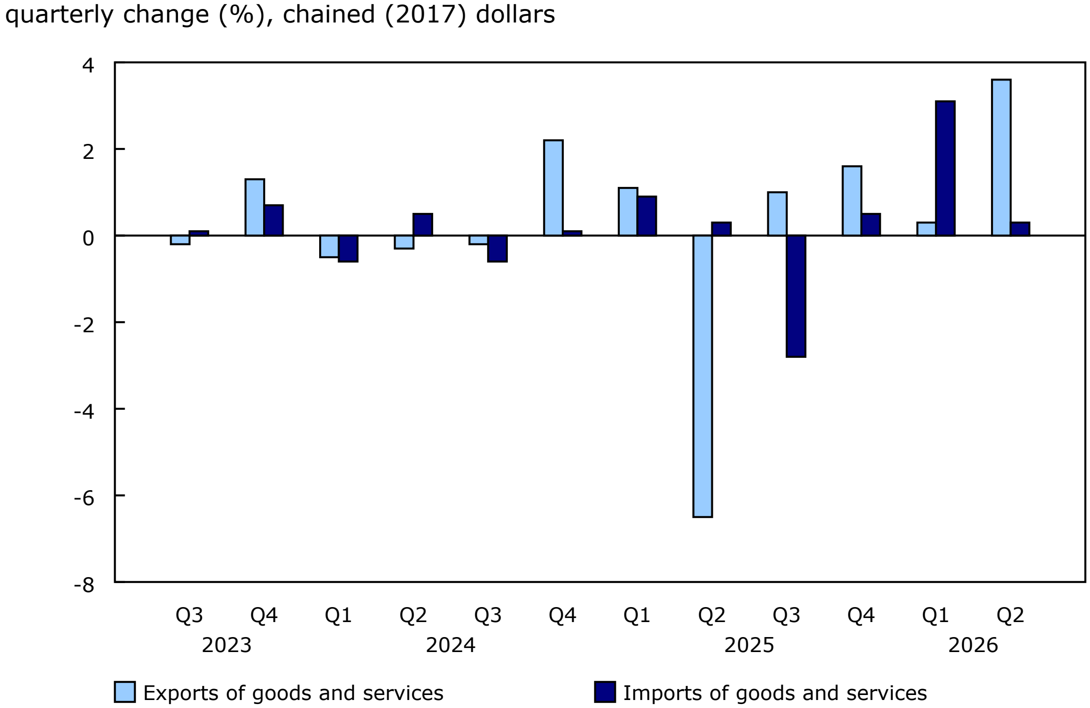
Source(s): Table 36-10-0104-01.

Exports increase at fastest pace in over three years

Exports rose 3.6% in the second quarter of 2026, the largest increase since the first quarter of 2023. The rise in exports in the second quarter of 2026 was led by an increase in exports of passenger cars and light trucks (+27.0%), coinciding with a rebound in auto production in Canada following declines in the preceding two quarters. Higher exports of intermediate metal products, energy products, and industrial machinery and equipment also boosted overall export volumes in the second quarter.

Imports rose 0.3% in the second quarter of 2026, after increasing 3.1% the previous quarter. Higher imports of tires, motor vehicle engines and vehicle parts led the overall increase, followed by imports of basic chemicals, and computers and computer peripherals. These increases were partially offset by a decline in imports of intermediate metal products, mainly unwrought gold.

Chart 3
Volumes of exports and imports

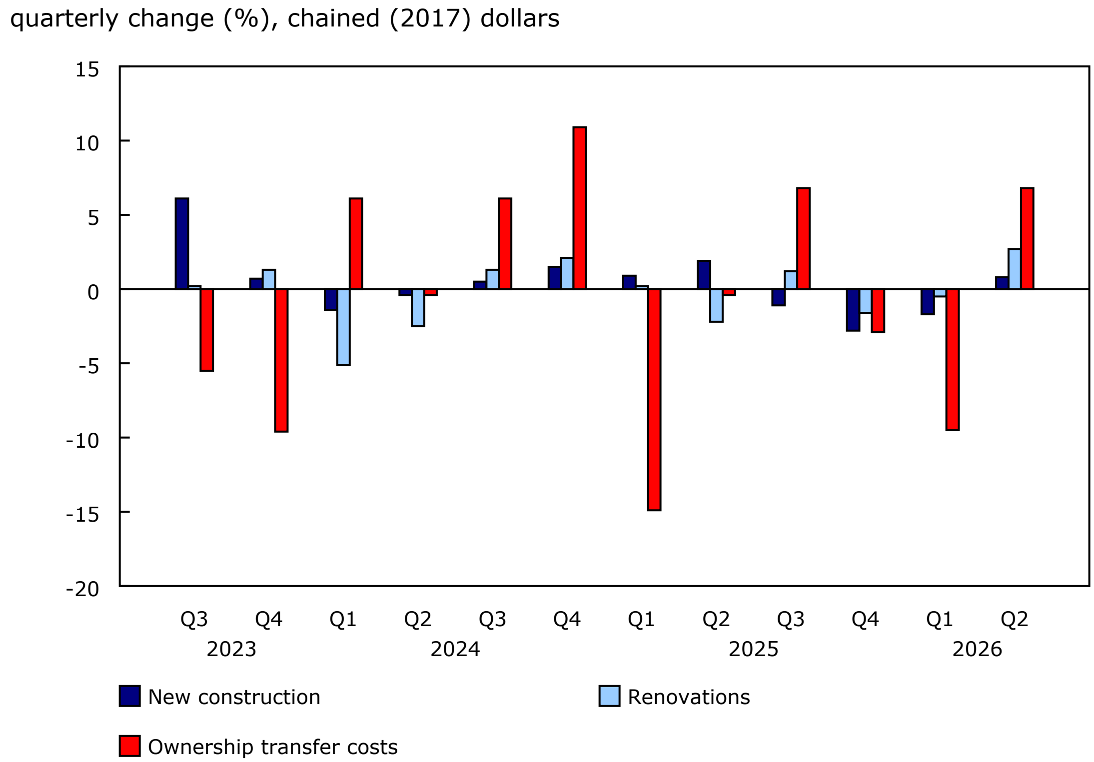


Source(s): Table 36-10-0104-01.

Investment in residential structures rebounds in the second quarter

Residential investment rallied in the second quarter of 2026, increasing 2.5% following two consecutive quarterly declines. All components of residential investment were up in the second quarter, with ownership transfer costs—which represents resale activity—rising the most in Ontario, Quebec and British Columbia. New construction rose 0.8% in the second quarter led by work put in place for apartments in British Columbia.

Chart 4
Housing investment



Source(s): Table 36-10-0108-01.

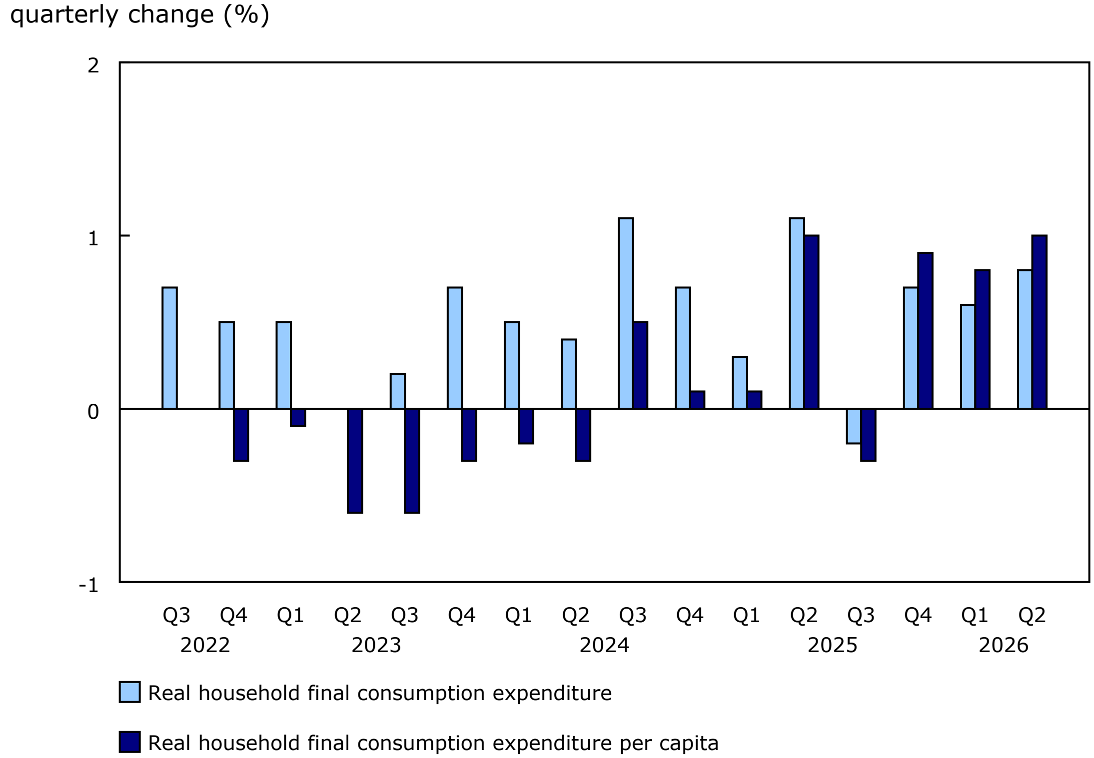
Business investment up on higher machinery and equipment as well as engineering structures

Business capital investment was up in the second quarter of 2026 as engineering structures rose 2.3%, following two consecutive quarters of declines. Business investment was also bolstered by higher spending on machinery and equipment which rose in the second quarter to its highest level since the second quarter of 2024. Investment in computers and computer peripherals rose 16.7% in the second quarter of 2026, mainly on higher imports of processing units, notably the types used in data centres. Businesses also invested more in medium and heavy trucks as well as communication, and audio and video equipment.

Household spending up on higher demand for services

Household final consumption expenditure rose 0.8% in the second quarter of 2026, led by higher spending on mutual funds and other investment services, passenger vehicles and rent. Meanwhile, households purchased less on gasoline and food in the second quarter, likely in response to higher prices. On a per capita basis, housing spending was up 1.0% in the second quarter.

Chart 5
Change in total and per capita real household final consumption expenditures



Source(s): Tables 36-10-0104-01 and 36-10-0706-01.

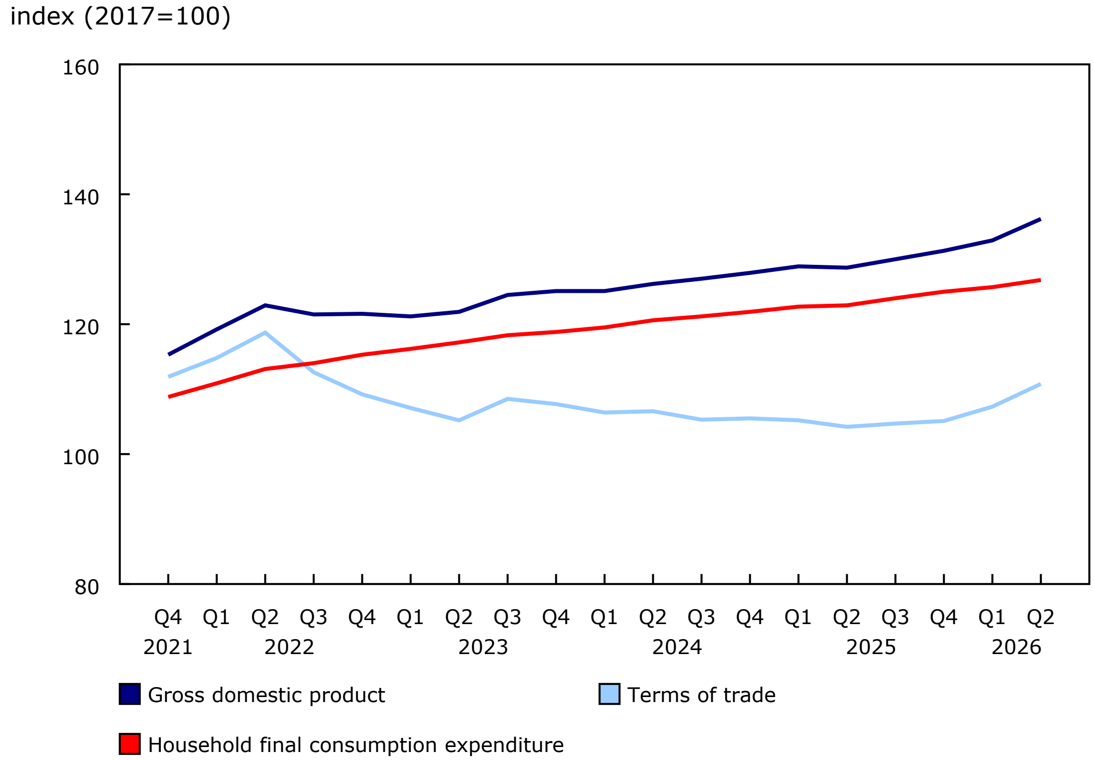
Businesses withdraw from inventories after building up previous quarter

Businesses withdrew from inventories (-$17.0 billion) in the second quarter of 2026 after building up stock (+$10.0 billion) in the first quarter. On an industry basis, manufacturers recorded the largest withdrawals of inventory in the second quarter, followed by wholesalers and farm operators. There were also net withdrawals of gold and precious metal inventories in the second quarter coinciding with higher exports. Conversely, retail industries, led by new car dealers, as well as mining, and transportation and communication industries added to their inventories in the second quarter.

Gross domestic product deflator records its largest increases in four years on higher export prices

The GDP deflator rose 2.5% in the second quarter of 2026, the largest increase since the second quarter of 2022. Growth in the deflator was led by export prices, which rose 6.5% in the second quarter of 2026 following a substantial rise in international oil prices. Meanwhile, import prices were up 3.2%, resulting in the terms of trade—the difference between the price of exported goods and services and the price of imported goods and services—increasing 3.3%.

Chart 6
Gross domestic product price indexes, selected components



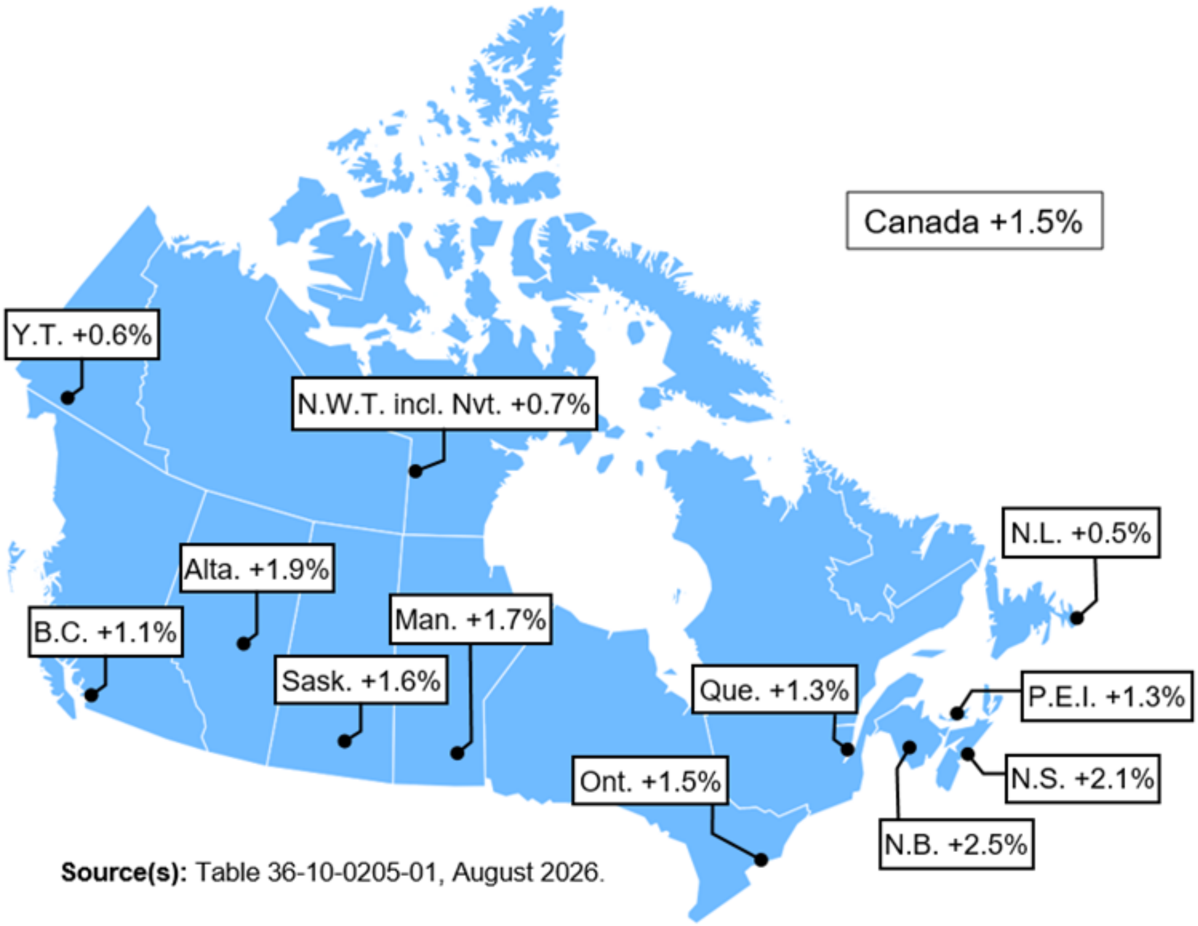
Source(s): Tables 36-10-0105-01 and 36-10-0106-01.

Compensation of employees rises

Compensation of employees increased 1.5% in the second quarter of 2026, led by higher wages in finance, real estate and company management and trade. Wages fell in transportation and storage as well as information and cultural industries.

Compensation of employees grew in all provinces and territories in the second quarter of 2026, ranging from 2.5% in New Brunswick to 0.5% in Newfoundland and Labrador.

Map 1 – Compensation of employees, quarter-to-quarter % change, seasonally adjusted data



Source(s): Table 36-10-0205-01, August 2026.

Corporate incomes rise sharply on higher energy prices

Corporate incomes rose 9.6% in the second quarter of 2026, the largest increase since the first quarter of 2021. The energy sector was the top contributor to the increase in corporate surplus in the second quarter of 2026. Meanwhile, manufacturing industries, which is heavily reliant on energy inputs, recorded lower operating surplus as their costs increased. Among financial corporations, surplus was led by strength in investment dealers and financial investment activity as equity markets strengthened in the quarter.

Household saving rate up as income grows more than spending

The household saving rate reached 3.7% in the second quarter of 2026 as growth in disposable income (+2.1%) outpaced nominal household spending (+1.7%). The household saving rate is aggregated across all income brackets; in general, saving rates are greater in higher income brackets.

Disposable income gains in the second quarter of 2026 were mainly due to increases in wages and salaries and higher transfers from government. The increase in government transfers was mainly due to a one-time GST/HST credit top-up payment provided in June as part of the transition to the Canada Groceries and Essentials Benefit as of July 2026.

Net investment income (termed net property income) was flat in the second quarter of 2026, after falling for three consecutive quarters. Investment income received rose 0.7% while property income payments were up 1.6% as interest on both mortgage and consumer credit grew at the fastest pace since the second quarter of 2024 and continued the reversal in the trend of declining interest expenses.

Why do changes in inventories matter for gross domestic product?

The change in business inventories stripped off 1.3 percentage points of growth from gross domestic product (GDP) in the second quarter of 2026. But what does a change in inventories have to do with measuring economic growth?

Businesses hold inventories for many reasons. These inventories include materials and supplies for use in future production processes; work-in-progress products representing partially completed output during the accounting period; and finished goods representing completed products that remaining unsold at the end of the period. Finally, inventories also include goods for resale, which are products purchased for the purpose of selling to customers without further processing.

The level of inventories alone does not provide information about economic activity during the current period. Consequently, the inventory stock itself is not used directly in the measurement of GDP. Instead, what matters is the change in inventories over the period. This change is measured as the difference between the opening stock at the beginning of the period and the closing stock at the end of the period. Changes in inventories are included in GDP because they capture goods that have been produced in the current period but not yet sold or produced in prior periods and sold in the current period.

Although changes in inventories are a relatively small component of GDP in dollar terms, they can play an important role in influencing economic growth. Inventory investment tends to be much more volatile than many other GDP components, and as a result, can be a major contributor to quarterly fluctuations in GDP.

During a quarter, businesses may add to and draw down their inventories, but it is the net change that is recorded as inventory investment within the GDP calculation. A net addition to inventories represents positive inventory investment, while a net withdrawal represents negative inventory investment. For the economy as a whole, the change in inventories can be viewed as the gap between aggregate production and imports, on one hand, and intermediate consumption and final demand, on the other, during the accounting period.

At first glance, estimating changes in inventories may appear straightforward: simply compare the opening stock with the closing stock. In practice, however, the measurement is considerably more complex. The value of goods held in inventory can change over time as prices change, and the timing of inventory additions and withdrawals can vary throughout the period. Consequently, a simple comparison of opening and closing stock values may reflect changes in both quantities and prices.

To isolate the contribution of inventory investment to economic growth, national accountants first convert inventory stocks to a constant-price valuation to measure the change in volume. Finally, the constant-price estimate is revalued at current market prices to produce the nominal measure used in the national accounts. This approach ensures that changes in inventories reflect real economic activity rather than gains or losses resulting from holding inventory during periods of price change.

This valuation process is illustrated in the following example. The resulting estimate of current dollar value of physical change (-345 in the example) represents the nominal value for "Investment in inventories" component within expenditure-based GDP.

Example: Estimation of inventory investment (fictitious estimates for illustration purposes)

Current dollar book values of inventories at end of period: CBV_e = 13,563

Price index of book values at end of period: DEF_e = 123.1

Constant dollar book values of inventories at end of period: $KBV_e = (CBV_e \div DEF_e) \times 100$

$= (13,563 \div 123.1) \times 100$

$= 11,018$

Constant dollar value of physical change: first difference of: $KVPC_t = KBV_e - KBV_{e-1}$

$= 11,018 - 11,300$

$= -282$

Revaluer: deflator adjusted for turnover period: $REV_t = 122.4$

Current dollar value of physical change for period t: $VPC_t = (KVPC_t \times REV_t) \div 100$

$= (-282 \times 122.4) \div 100$

$= -345$

Sustainable development goals

On January 1, 2016, the world officially began implementing the 2030 Agenda for Sustainable Development—the United Nations' transformative plan of action that addresses urgent global challenges over the following 15 years. The plan is based on 17 specific sustainable development goals.

Data on gross domestic product, income and expenditure are an example of how Statistics Canada supports the reporting on global sustainable development goals. This release will be used to measure the following goals:

Note to readers

Revisions

This release of Gross domestic product, income and expenditure for the second quarter of 2026 includes revised estimates for the first quarter of 2026. These estimates incorporate new and revised data, as well as updated information on seasonal trends.

Percentage changes for expenditure-based statistics (such as household spending, investment, and exports) are calculated from volume measures that are adjusted for price variations. Percentage changes for income-based statistics (such as compensation of employees and operating surplus) are calculated from nominal values; that is, they are not adjusted for price variations. Unless otherwise stated, growth rates represent the percentage change in the series from one quarter to the next: for instance, from the second quarter of 2025 to the third quarter of 2025. Unless otherwise stated, quoted values represent seasonally adjusted amounts at annual rates.

To understand why updates (revisions) are made to Canada's GDP estimates and how these updates are incorporated into the quarterly GDP by income and expenditure, see Revisions to Canada's GDP.

For information on seasonal adjustment, see Seasonal adjustment: Concepts and interpretation, 2026.

Real-time tables

Real-time tables 36-10-0430-01 and 36-10-0431-01 will be updated on September 8.

Next release

Data on GDP by income and expenditure for the third quarter of 2026 will be released on November 30.

Table 1
Gross domestic product by income account – Seasonally adjusted at annual rates

	First quarter 2025	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026	First quarter 2026	Second quarter 2026
	quarter-to-quarter % change						millions of dollars	
Compensation of employees	0.9	0.3	1.1	0.7	1.2	1.5	1,666,936	1,691,400
Gross operating surplus	1.5	-1.8	2.6	1.6	1.8	8.8	928,180	1,009,468
Gross mixed income	1.0	1.8	2.3	1.8	-0.3	1.5	417,600	424,068
Taxes less subsidies on production	12.6	1.4	1.9	-4.5	6.3	-1.4	119,832	118,148
Taxes less subsidies on products and imports	2.9	-4.6	-1.5	-2.6	0.2	-0.6	193,692	192,540
Statistical discrepancy (millions of dollars)	-2,300	-1,228	1,316	1,404	1,908	-156	2,252	2,096
Gross domestic product at market prices	**1.5**	**-0.4**	**1.5**	**0.7**	**1.3**	**3.3**	**3,328,492**	**3,437,720**

Source(s): Table **36-10-0103-01**.

Table 2
Real gross domestic product by expenditure account, quarterly change – Seasonally adjusted at annual rates, chained (2017) dollars

	First quarter 2025	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026	First quarter 2026	Second quarter 2026
	quarter-to-quarter % change						millions of dollars	
Final consumption expenditure	0.3	1.0	-0.3	0.7	0.4	0.9	2,039,002	2,056,453
Household final consumption expenditure	0.3	1.1	-0.2	0.7	0.6	0.8	1,442,798	1,454,690
Non-profit institutions serving households' final consumption expenditure	0.1	0.4	0.5	0.1	0.2	0.4	39,804	39,944
General governments final consumption expenditure	0.5	1.0	-0.5	0.6	-0.0	1.0	555,998	561,381
Gross fixed capital formation	-0.9	0.4	0.4	0.7	-1.5	1.3	527,399	534,210
Business gross fixed capital formation	-1.1	-0.1	-0.3	-0.4	-1.3	2.3	418,414	427,991
Residential structures	-2.6	0.1	1.1	-2.4	-2.8	2.5	150,774	154,556
Non-residential structures, machinery and equipment	0.1	-0.1	-1.5	0.6	-1.0	2.9	210,513	216,703
Intellectual property products	-0.1	-0.8	-0.5	2.3	2.1	-0.6	64,322	63,949

Table 2
Real gross domestic product by expenditure account, quarterly change – Seasonally adjusted at annual rates, chained (2017) dollars

	First quarter 2025	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026	First quarter 2026	Second quarter 2026
General governments gross fixed capital formation	-0.1	2.5	3.7	5.6	-2.6	-2.9	106,413	103,351
Investment in inventories (millions of dollars)	13,161	25,120	-13,127	-26,373	22,664	-26,166	10,037	-16,129
Exports of goods and services	1.1	-6.5	1.0	1.6	0.3	3.6	743,715	770,362
Less: imports of goods and services	0.9	0.3	-2.8	0.5	3.1	0.3	815,810	818,037
Statistical discrepancy (millions of dollars)	1,786	956	-1,026	-1,080	-1,432	158	-1,694	-1,536
Gross domestic product at market prices	**0.7**	**-0.2**	**0.5**	**-0.2**	**0.1**	**0.8**	**2,503,604**	**2,524,127**
Final domestic demand	0.0	0.9	-0.1	0.7	-0.0	1.0	2,560,392	2,584,796

Source(s): Table **36-10-0104-01**.

Table 3
Real gross domestic product by expenditure account, annualized change – Seasonally adjusted at annual rates, chained (2017) dollars

	First quarter 2025	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026	First quarter 2026	Second quarter 2026
	quarter-to-quarter % change, annualized						millions of dollars	
Final consumption expenditure	1.4	4.3	-1.1	2.7	1.7	3.5	2,039,002	2,056,453
Household final consumption expenditure	1.2	4.4	-0.8	2.9	2.4	3.3	1,442,798	1,454,690
Non-profit institutions serving households' final consumption expenditure	0.4	1.6	2.2	0.5	0.9	1.4	39,804	39,944
General governments final consumption expenditure	1.8	4.1	-2.1	2.3	-0.1	3.9	555,998	561,381
Gross fixed capital formation	-3.7	1.5	1.6	2.8	-6.0	5.3	527,399	534,210
Business gross fixed capital formation	-4.2	-0.5	-1.3	-1.7	-5.0	9.5	418,414	427,991
Residential structures	-10.2	0.2	4.4	-9.4	-10.6	10.4	150,774	154,556
Non-residential structures, machinery and equipment	0.2	-0.4	-5.9	2.3	-3.9	12.3	210,513	216,703
Intellectual property products	-0.6	-3.2	-2.0	9.4	8.8	-2.3	64,322	63,949
General governments gross fixed capital formation	-0.6	10.4	15.5	24.6	-9.8	-11.0	106,413	103,351
Investment in inventories (millions of dollars)	13,161	25,120	-13,127	-26,373	22,664	-26,166	10,037	-16,129
Exports of goods and services	4.5	-23.4	4.1	6.7	1.3	15.1	743,715	770,362
Less: imports of goods and services	3.6	1.2	-10.9	2.0	13.1	1.1	815,810	818,037
Statistical discrepancy (millions of dollars)	1,786	956	-1,026	-1,080	-1,432	158	-1,694	-1,536
Gross domestic product at market prices	**2.9**	**-1.0**	**1.9**	**-1.0**	**0.3**	**3.3**	**2,503,604**	**2,524,127**
Final domestic demand	0.2	3.6	-0.5	2.7	-0.1	3.9	2,560,392	2,584,796

Source(s): Table 36-10-0104-01.

Table 4
Real gross domestic product by expenditure account – Seasonally adjusted at annual rates

	First quarter 2026	Second quarter 2026	Second quarter 2026		
			Contributions to percent change in real gross domestic product	Contributions to percent change in implicit price indexes	Annualized contributions to percent change in real gross domestic product
	millions of chained (2017) dollars		percentage points		
Final consumption expenditure	2,039,002	2,056,453	0.662	0.578	2.676
Household final consumption expenditure	1,442,798	1,454,690	0.446	0.469	1.802
Goods	610,776	614,692	0.145	0.284	0.587
Durable goods	179,551	182,551	0.109	0.039	0.441
Semi-durable goods	112,908	114,180	0.039	0.015	0.158
Non-durable goods	319,932	319,849	-0.003	0.231	-0.012
Services	834,599	842,580	0.300	0.185	1.215
Non-profit institutions serving households' final consumption expenditure	39,804	39,944	0.005	0.006	0.020
General governments final consumption expenditure	555,998	561,381	0.211	0.104	0.854
Gross fixed capital formation	527,399	534,210	0.287	0.330	1.162
Business gross fixed capital formation	418,414	427,991	0.408	0.242	1.652
Residential structures	150,774	154,556	0.173	0.063	0.701
Non-residential structures, machinery and equipment	210,513	216,703	0.249	0.162	1.008
Non-residential structures	128,663	130,697	0.084	0.091	0.340
Machinery and equipment	81,297	85,554	0.165	0.070	0.668
Intellectual property products	64,322	63,949	-0.014	0.018	-0.057
Non-profit institutions serving households' gross fixed capital formation	3,814	3,850	0.001	0.002	0.004
General governments gross fixed capital formation	106,413	103,351	-0.122	0.085	-0.494
Investment in inventories	10,037	-16,129	-1.215	0.452	-4.920
Exports of goods and services	743,715	770,362	1.170	2.114	4.738
Goods	566,012	593,527	1.230	1.982	4.981
Services	182,615	181,135	-0.060	0.132	-0.243
Less: imports of goods and services	815,810	818,037	0.090	1.031	0.364
Goods	636,533	640,092	0.143	0.852	0.579
Services	180,494	179,187	-0.053	0.179	-0.215
Statistical discrepancy	-1,694	-1,536	0.006	-0.002	0.024
Gross domestic product at market prices	**2,503,604**	**2,524,127**	**0.820**	**2.442**	**3.316**
Final domestic demand	2,560,392	2,584,796	0.948	0.908	3.838

Source(s): Tables 36-10-0104-01 and 36-10-0106-01.

Table 5
Canadian economic accounts key indicators – Seasonally adjusted

	First quarter 2025	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026
Economy-wide						
Real gross domestic income (index 2017=100)	118.4	117.8	118.5	118.3	119.2	121.5
Gross domestic product deflator (index 2017=100)	128.9	128.7	130.0	131.3	132.9	136.2
Terms of trade (index 2017=100)	105.2	104.2	104.7	105.1	107.3	110.8
Household sector						
Household disposable income (millions of dollars)	1,776,756	1,775,844	1,790,264	1,801,452	1,821,552	1,860,216
Household net saving (millions of dollars)	93,316	75,888	78,988	67,220	60,876	67,920
Household saving rate (%)	5.3	4.3	4.4	3.7	3.3	3.7
Government sector						
General government disposable income (millions of dollars)	708,684	701,596	723,272	692,696	722,192	737,120
General government net saving (millions of dollars)	10,712	-7,532	10,864	-31,928	-10,152	-5,792
Corporate sector						
Non-financial corporations' net operating surplus (millions of dollars)	415,596	395,696	411,840	423,584	434,720	505,760
Financial corporations' net operating surplus (millions of dollars)	46,288	48,648	51,448	51,680	52,940	55,572
Non-financial corporations' net saving (millions of dollars)	-12,256	-10,840	-14,940	8,184	-8,808	41,216
Financial corporations' net saving (millions of dollars)	61,140	60,252	78,080	88,896	78,724	72,268
National						
National net saving (millions of dollars)	157,004	122,696	159,804	140,736	129,264	188,088
National saving rate (%)	6.0	4.7	5.9	5.2	4.7	6.7

Source(s): Tables **36-10-0105-01**, **36-10-0106-01**, **36-10-0111-01**, **36-10-0112-01**, **36-10-0118-01** and **36-10-0116-01**.

Table 6
Real gross domestic product by expenditure account, year-over-year change – Seasonally adjusted at annual rates, chained (2017) dollars

	2020	2021	2022	2023	2024	2025	2024	2025
	year-over-year % change						millions of dollars	
Final consumption expenditure	-4.2	5.7	5.6	2.3	2.6	2.4	1,971,724	2,018,216
Household final consumption expenditure	-6.4	5.9	6.8	2.2	2.2	2.4	1,391,582	1,424,316
Non-profit institutions serving households' final consumption expenditure	0.4	0.3	6.1	5.6	2.3	1.3	39,008	39,530
General governments final consumption expenditure	1.3	5.6	2.9	2.4	3.8	2.4	540,593	553,824
Gross fixed capital formation	-3.8	8.8	0.0	-1.0	0.7	1.6	523,113	531,291
Business gross fixed capital formation	-5.0	10.4	-0.0	-2.3	-0.5	0.3	424,535	426,012
Residential structures	2.9	14.0	-9.1	-9.5	-0.2	0.5	156,261	157,058
Non-residential structures, machinery and equipment	-12.3	6.7	7.7	3.1	-1.4	0.2	212,969	213,391
Intellectual property products	-0.4	13.7	10.8	3.7	2.2	0.4	61,964	62,215
General governments gross fixed capital formation	2.2	0.9	-0.2	5.8	6.1	7.2	95,476	102,395
Investment in inventories (millions of dollars)	-27,796	20,384	29,831	-29,100	-4,376	900	6,536	7,436
Exports of goods and services	-9.0	3.3	4.5	6.2	0.9	-1.4	752,075	741,192
Less: imports of goods and services	-9.4	8.4	7.5	1.2	0.7	-0.3	801,302	799,004
Statistical discrepancy (millions of dollars)	70	145	-391	-111	-338	1,313	-491	822
Gross domestic product at market prices	**-5.0**	**6.0**	**4.7**	**2.0**	**2.0**	**1.9**	**2,456,310**	**2,501,835**
Final domestic demand	-4.1	6.4	4.3	1.5	2.2	2.2	2,490,145	2,544,310

Source(s): Table **36-10-0104-01**.

Available tables: 12-10-0161-01, 34-10-0163-01, 36-10-0103-01 to 36-10-0109-01 , 36-10-0111-01, 36-10-0112-01, 36-10-0114-01 to 36-10-0118-01 , 36-10-0121-01 to 36-10-0127-01 , 36-10-0205-01, 36-10-0477-01, 36-10-0484-01, 36-10-0688-01 and 36-10-0706-01.

Definitions, data sources and methods: survey numbers 1901, 2602, 2820 and 5169.

The data visualization product "Gross domestic product by income and expenditure: Interactive tool," which is part of the *Statistics Canada – Data Visualization Products* series (**71-607-X**), is now available.

The document "Revisions to Canada's GDP," which is part of *Latest Developments in the Canadian Economic Accounts* (**13-605-X**), is available.

The Economic accounts statistics portal, accessible from the *Subjects* module of the Statistics Canada website, features an up-to-date portrait of national and provincial economies and their structure.

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

The *Methodological Guide: Canadian System of Macroeconomic Accounts* (**13-607-X**) is 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**).