

Macro Roundup Article

Headline: [Canada's Growth Challenge: Why The Economy Is Stuck In Neutral](#)

Article Link: <https://thoughtleadership.rbc.com/wp-content/uploads/Canadas-Growth-Challenge-Report-EN2024.pdf>

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Summary: At the turn of the [21st] century, the economic output of the average Canadian was on par with Australia. Today, Australians are almost 10% more productive, while their economy has grown 50% per person faster than Canada's. We're further behind the United States. Canada is 30% less productive than the U.S. and closer to lower-income states like AL in terms of economic performance than tech-rich CA or NY. The result: We've fallen from the 6th most productive economy in the OECD in 1970 to the 18th as of 2022. Our relatively low [labor] productivity has been held back by a shortfall in investment, especially outside real estate, construction, and public services like hospitals. Since 1999, negative growth in multifactor productivity has been a secondary but important headwind. As a result, we've not been able to capitalize on the immigration boom that has added seven million people —most of them working-age and well-educated— since the turn of the century and offset the retirement wave of baby boomers.

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Primary Topic: Growth

Topics: Database, GDP, Growth, Op-Ed/Blog Post

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