

Update 3: Canada - GDP Falls by 8.2% in Q1 2020; Sharpest Quarterly Drop Since 2009

- Canada's economy shrank at an 8.2% annual pace in Q1 2020, as the economy suffered due to the COVID-19 pandemic
- The slowdown was the sharpest quarterly drop since the financial crisis of 2009
- Measures to contain the pandemic such as school and business closures, border shutdowns, and travel restrictions brought economic activity to a halt
- The 8.2% decline was better than 10% expected by economists for the period
- While the vast majority of the contraction came in March when the pandemic hit, January and February's numbers were not overly strong due to pre-existing drags such as rail blockades and a teacher strike in Ontario
- 19 out of the 20 sectors contracted
- The one exception was utilities, which grew by 0.4%
- Early data suggests April's numbers will be even worse, with an estimated 11% contraction
- Canada's COVID-19 total cases and deaths are 89,418 and 6,979, respectively
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments
- Please consult Department of Health Canada (<https://www.canada.ca/en/health-canada.html>) for the latest information on COVID-19 in Canada

Source(s)

<https://www.cbc.ca/news/business/statistics-canada-gdp-1.5589843>

<https://business.financialpost.com/news/economy/newsalert-statistics-canada-says-q1-gdp-worst-showing-since-2009>

Targets Affected:

Canada

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

May 21, 2020

Medium

Update 2: Canada - Inflation Rate Dips to -0.2% in April 2020; Turns Negative for First Time Since 2009

May 15, 2020

High

Update 1: Canada - Announces Reopening of Businesses to Aid Economy Amid COVID-19 Pandemic

May 9, 2020

Immediate

Canada - Reports 1,514 New COVID-19 Cases, Totaling 66,425

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.