

# EDC GLOBAL ECONOMIC OUTLOOK

**ONTARIO CONSTRUCTION  
SECRETARIAT**

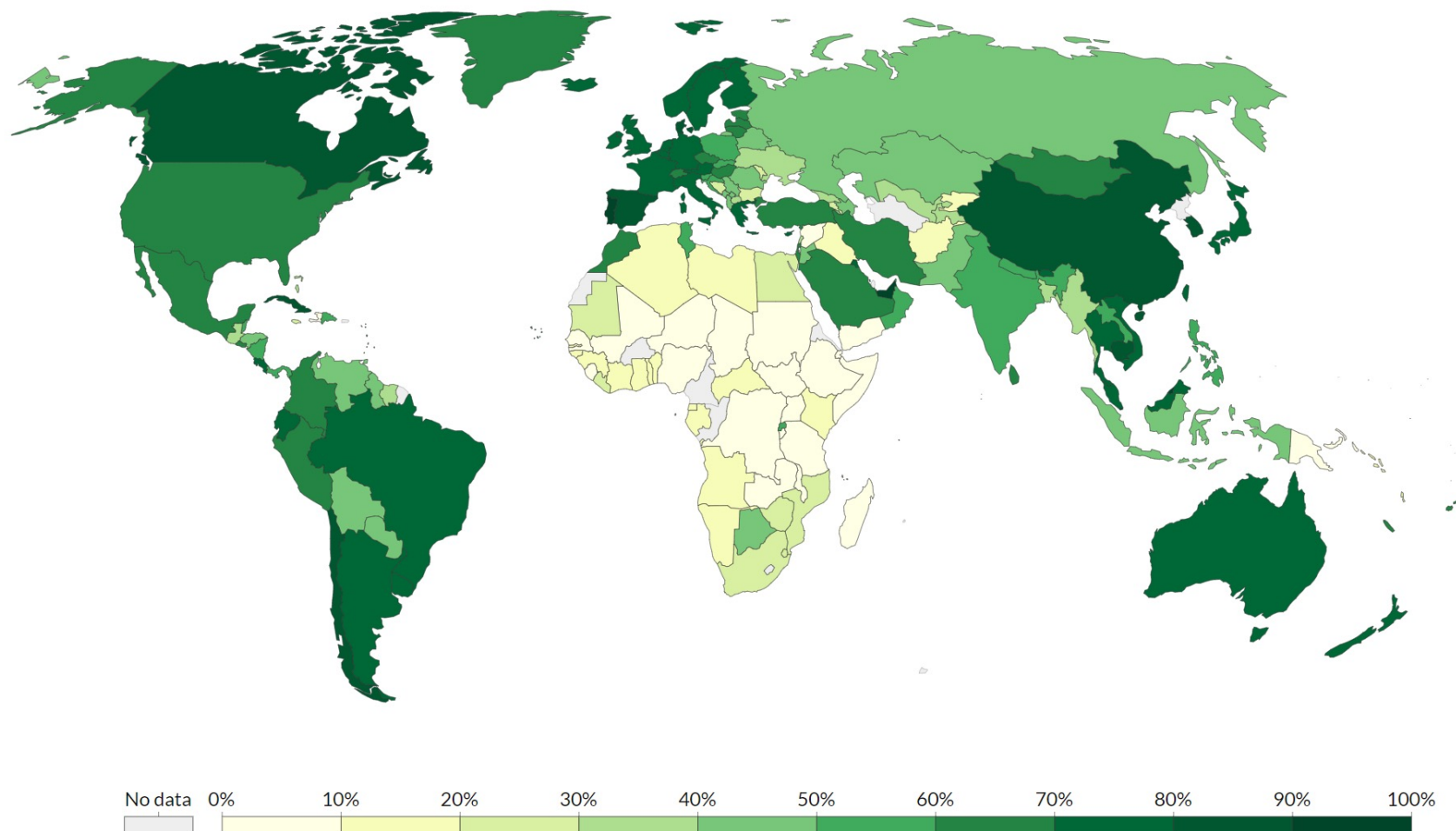
**22ND ANNUAL STATE OF THE  
INDUSTRY & OUTLOOK**

**MARCH 3, 2022**

# STRONG VACCINATION UPTAKE – BUT INEQUITIES PERSIST

Share of people who completed the initial COVID-19 vaccination protocol, Feb 16, 2022

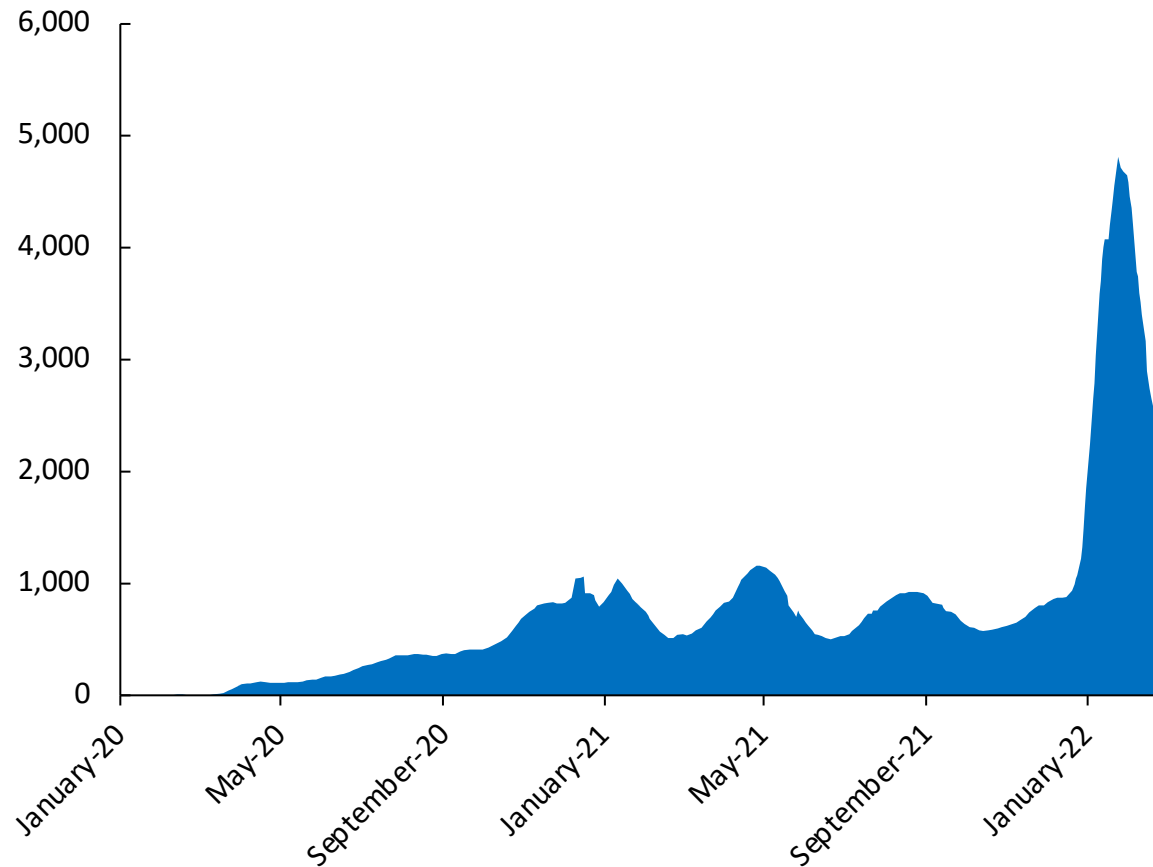
Total number of people who received all doses prescribed by the initial vaccination protocol, divided by the total population of the country.



# OMICRON FUELING ANOTHER SPIKE IN COVID-19 CASES – LEADING TO ONGOING RESTRICTIONS

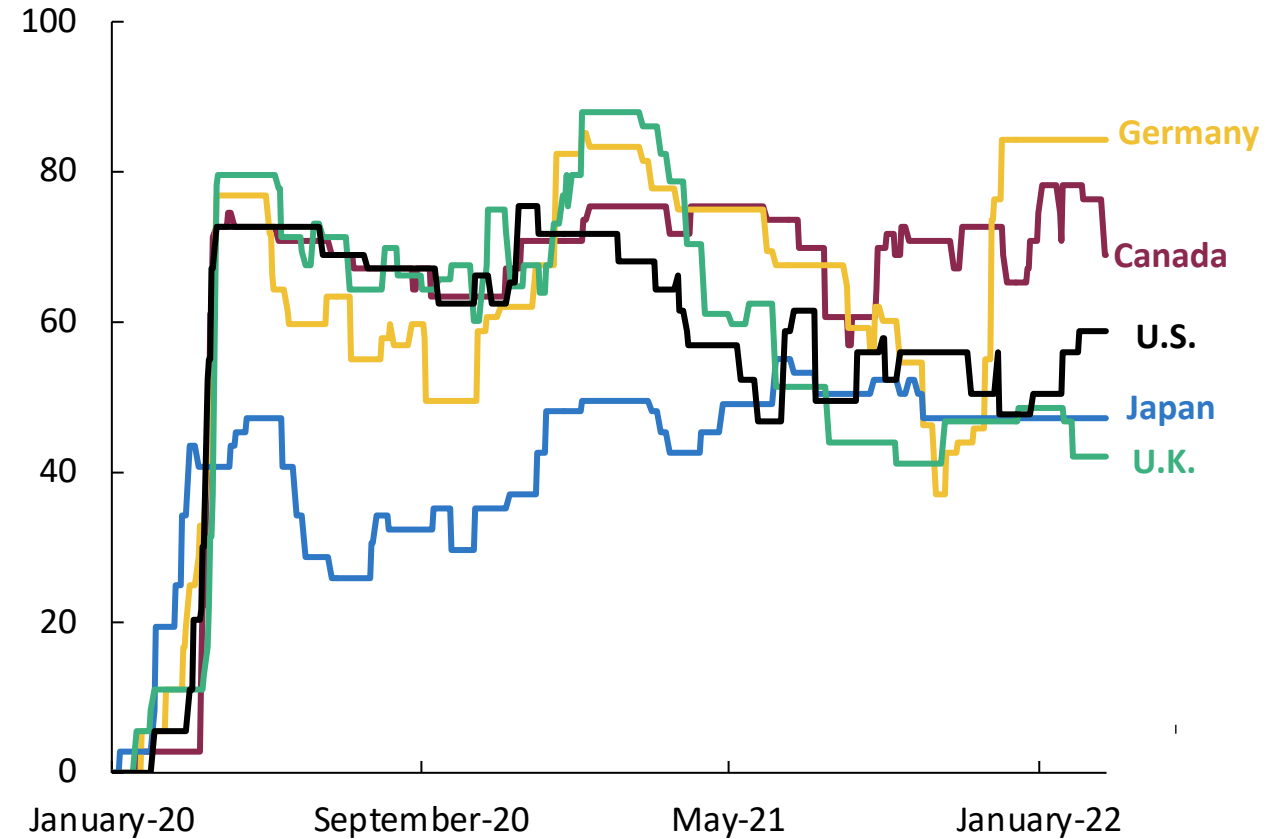
## Global confirmed new COVID-19 cases

Daily change, thousands, five-day average



## Stringency of government restrictions for G7 countries

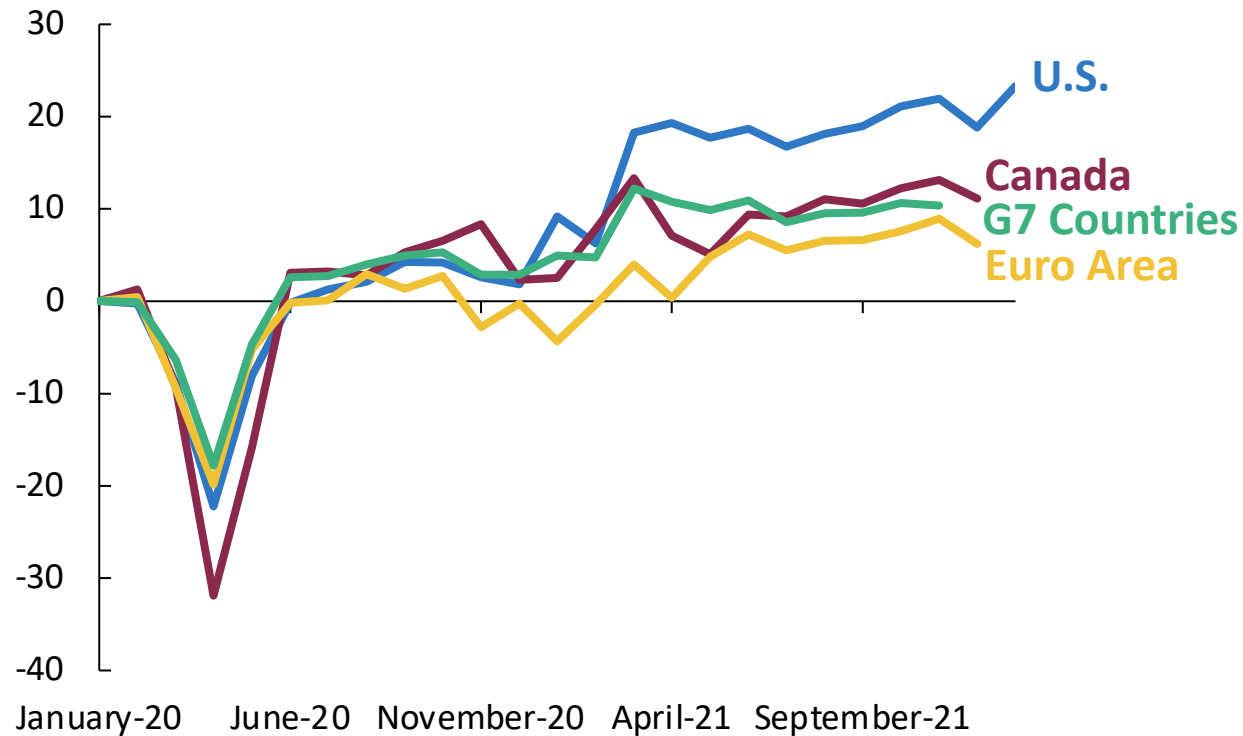
Index value, maximum=100



# G7 CONSUMER REBOUNDING STRONGLY – CHANGING *WHAT* WE BUY AND *HOW* WE BUY IT

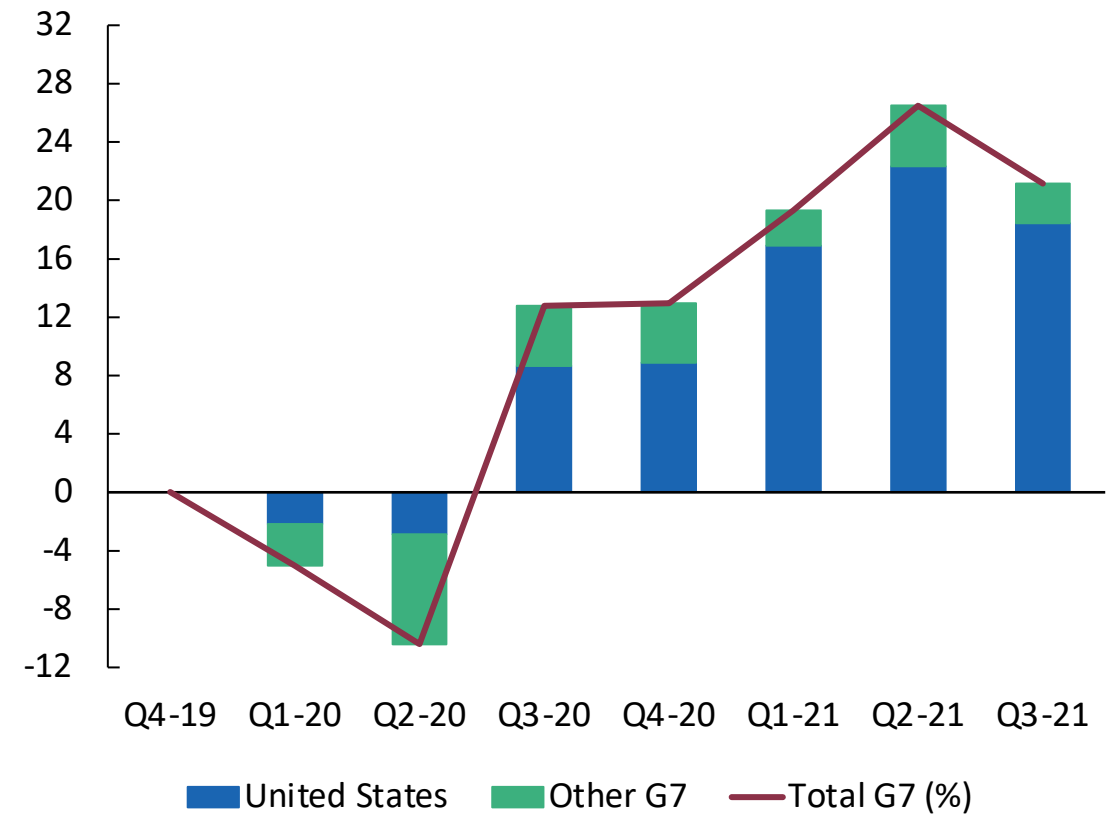
## Retail sales

% change from January 2020



## G7 durable goods expenditure

Contributions to percent change on Q4 2019, percentage points

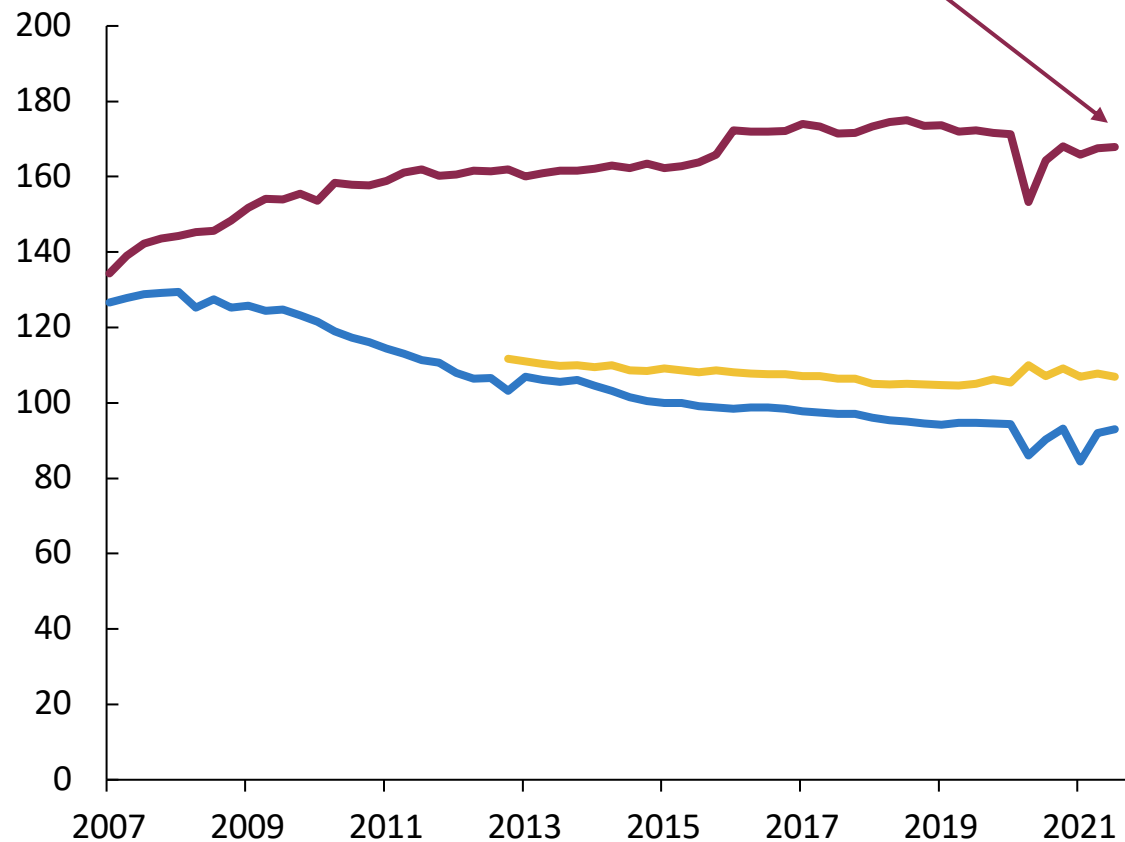


# LESSONS LEARNED – PANDEMIC SAVINGS HAVE DIPPED, BUT REMAIN HIGH

## Household debt ratios\*

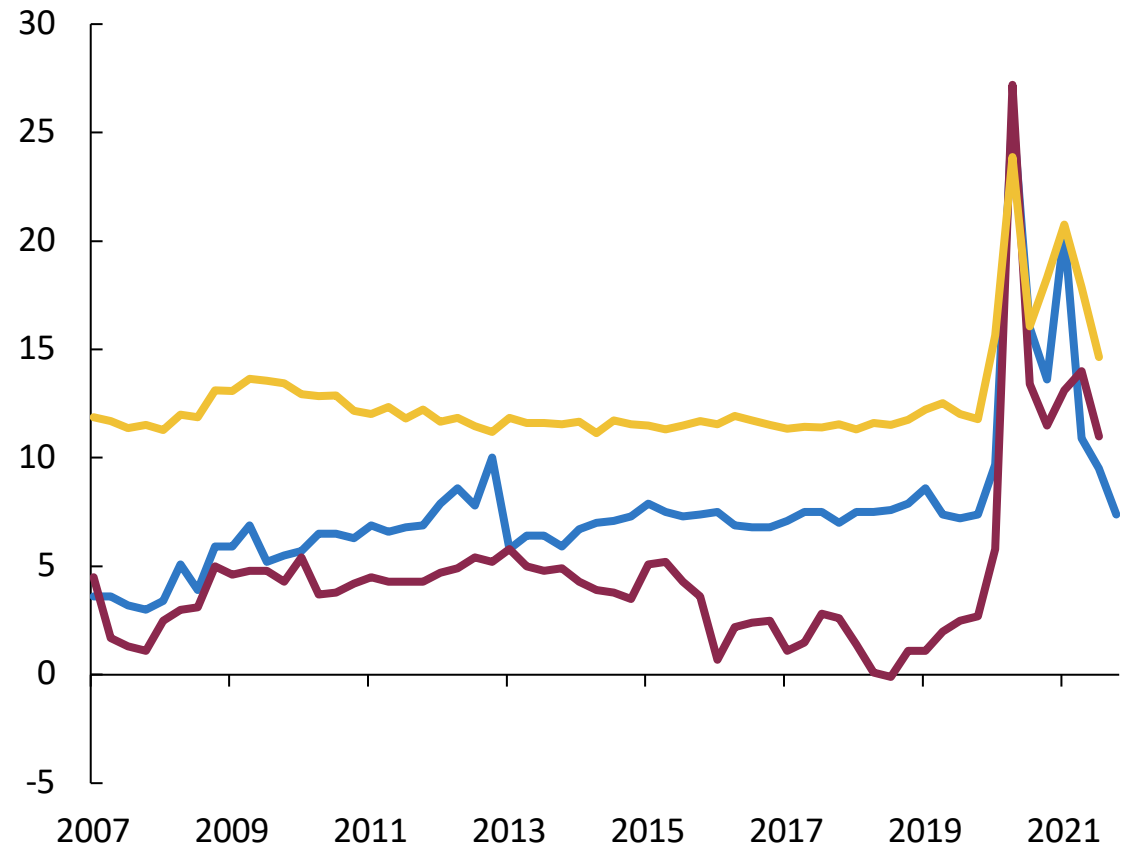
% of disposable income

Woa Canada!



## Savings rates

% of disposable income



\*Euro area data is available from 2012 onwards

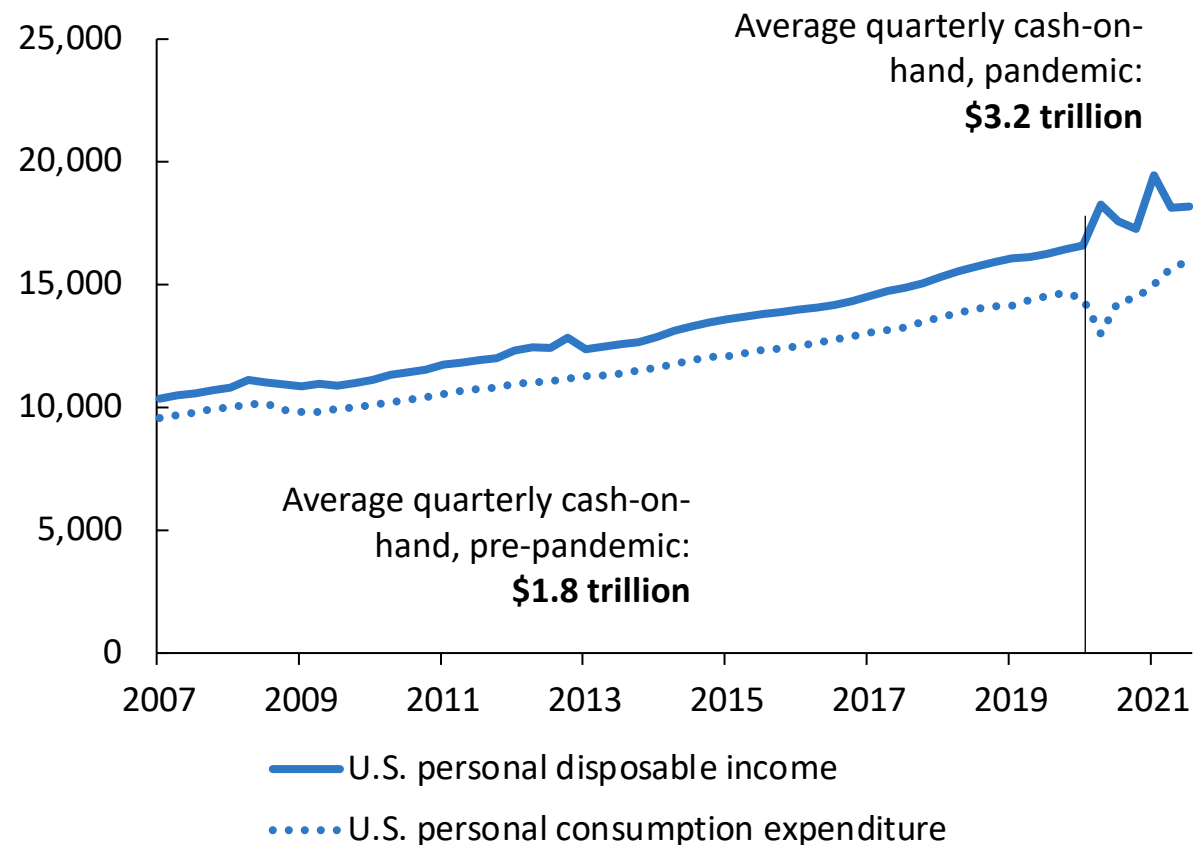
Sources: Haver Analytics, EDC Economics

— Canada — U.S. — Euro Area

# CONSUMERS SITTING ON RECORD CASH RESERVES – NOTWITHSTANDING INCREASED SPENDING

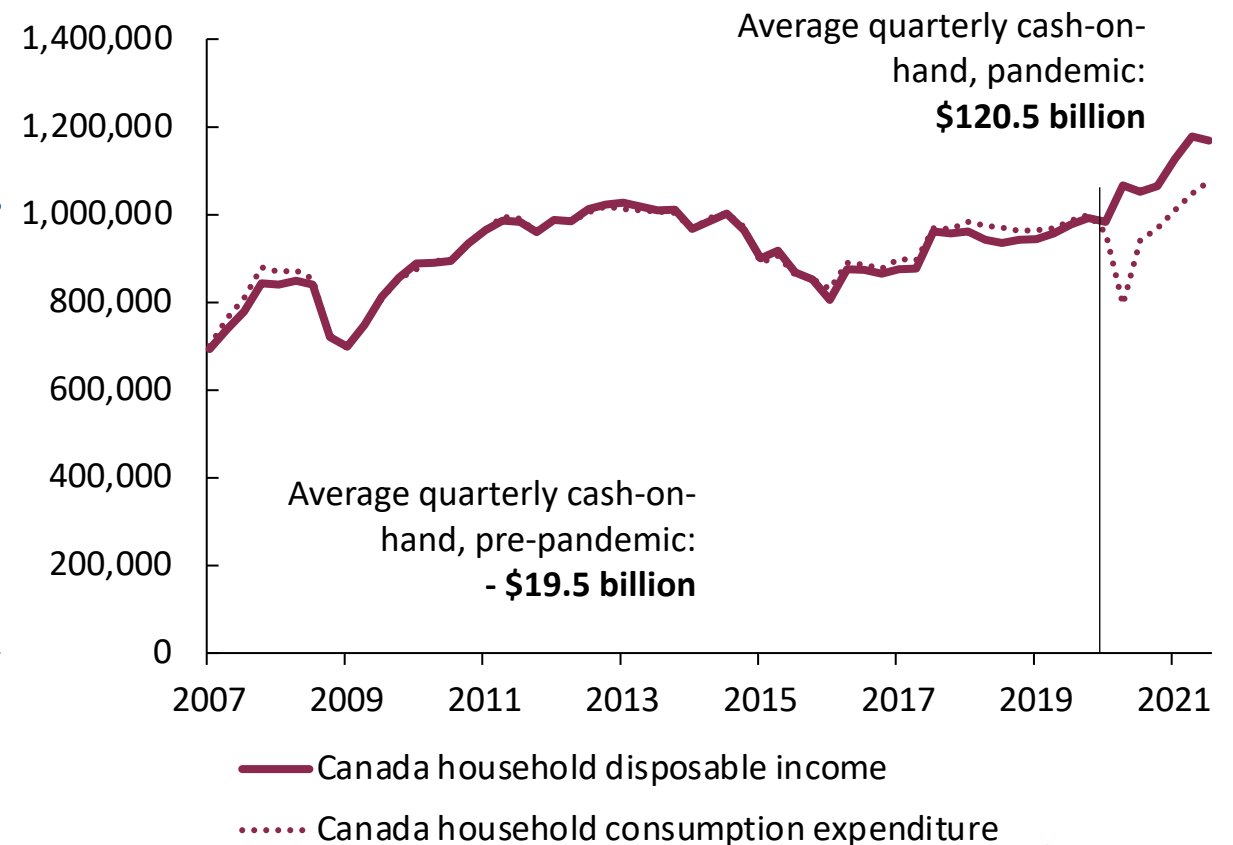
## U.S. households' cash-on-hand

Personal disposable income and consumption expenditure  
(quarterly, USD trillions)



## Canada households' cash-on-hand

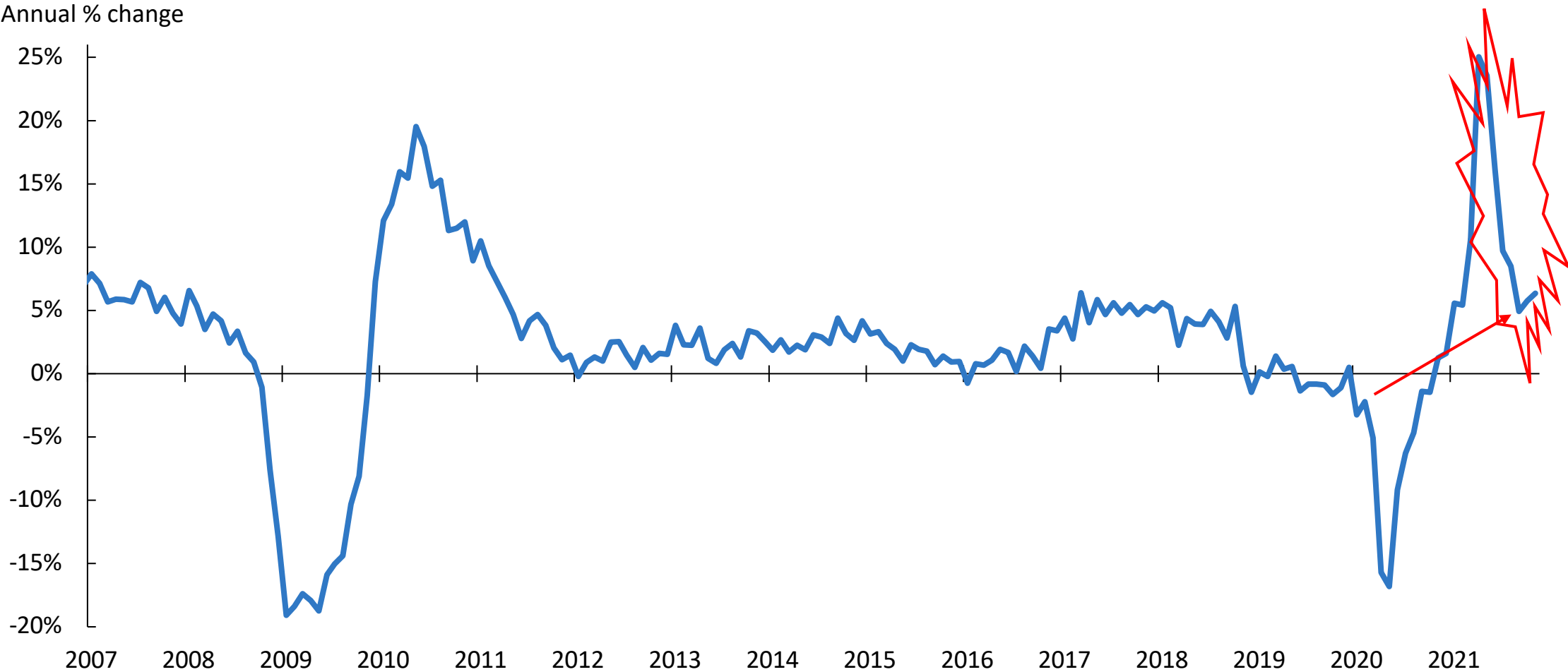
Personal disposable income and consumption expenditure  
(quarterly, USD millions)

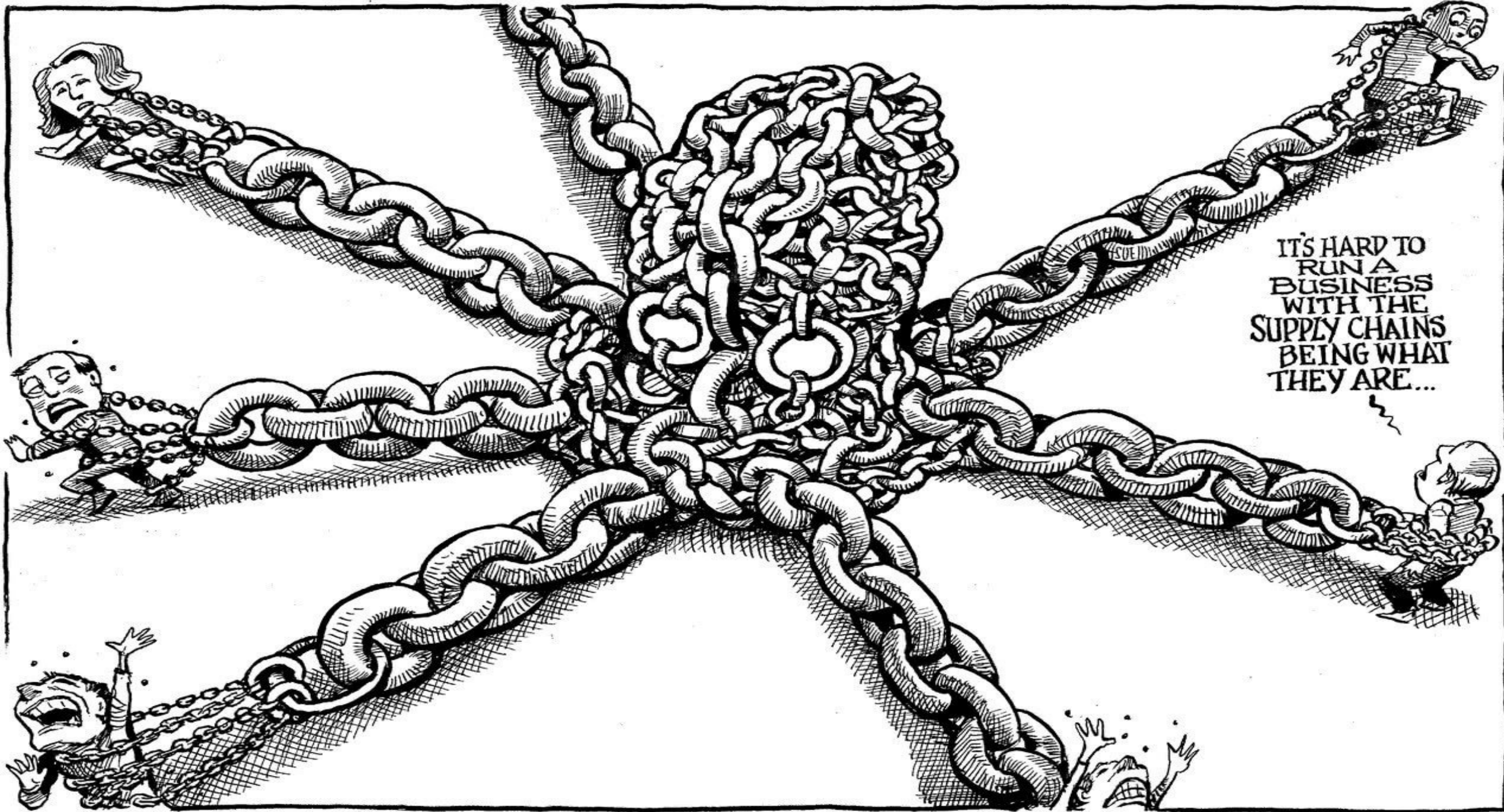


# GLOBAL GOODS TRADE ABOVE PRE-PANDEMIC LEVELS

## Global merchandise trade volumes

Annual % change





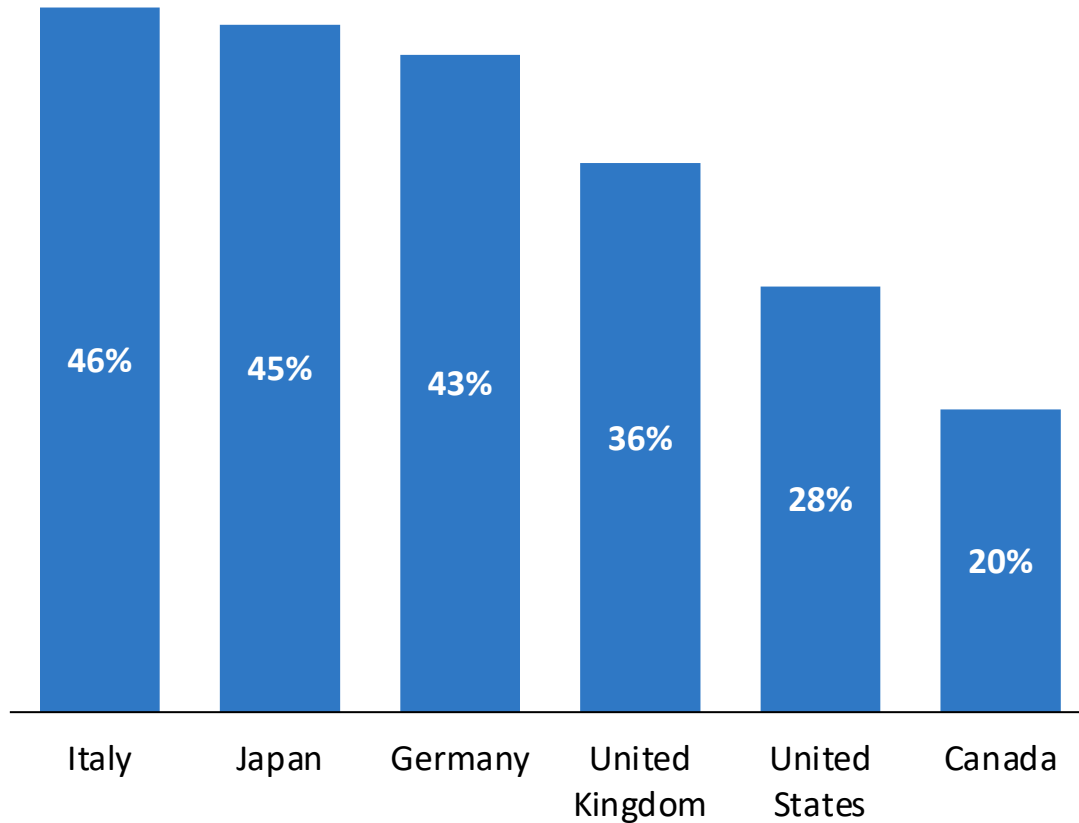
IT'S HARD TO  
RUN A  
BUSINESS  
WITH THE  
SUPPLY CHAINS  
BEING WHAT  
THEY ARE...



# UNPRECEDENTED GLOBAL POLICY RESPONSE

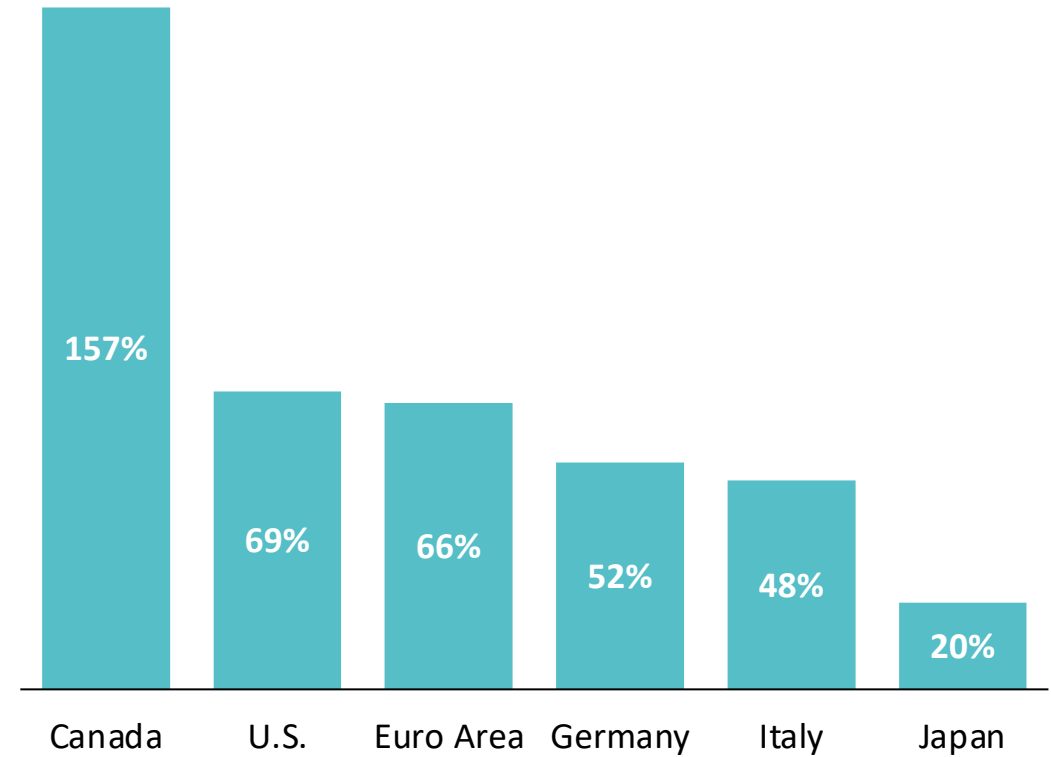
## Discretionary fiscal response

As of September 2021, percent of GDP\*



## Central bank balance sheet growth

As of December 2021, Percent change since March 2020



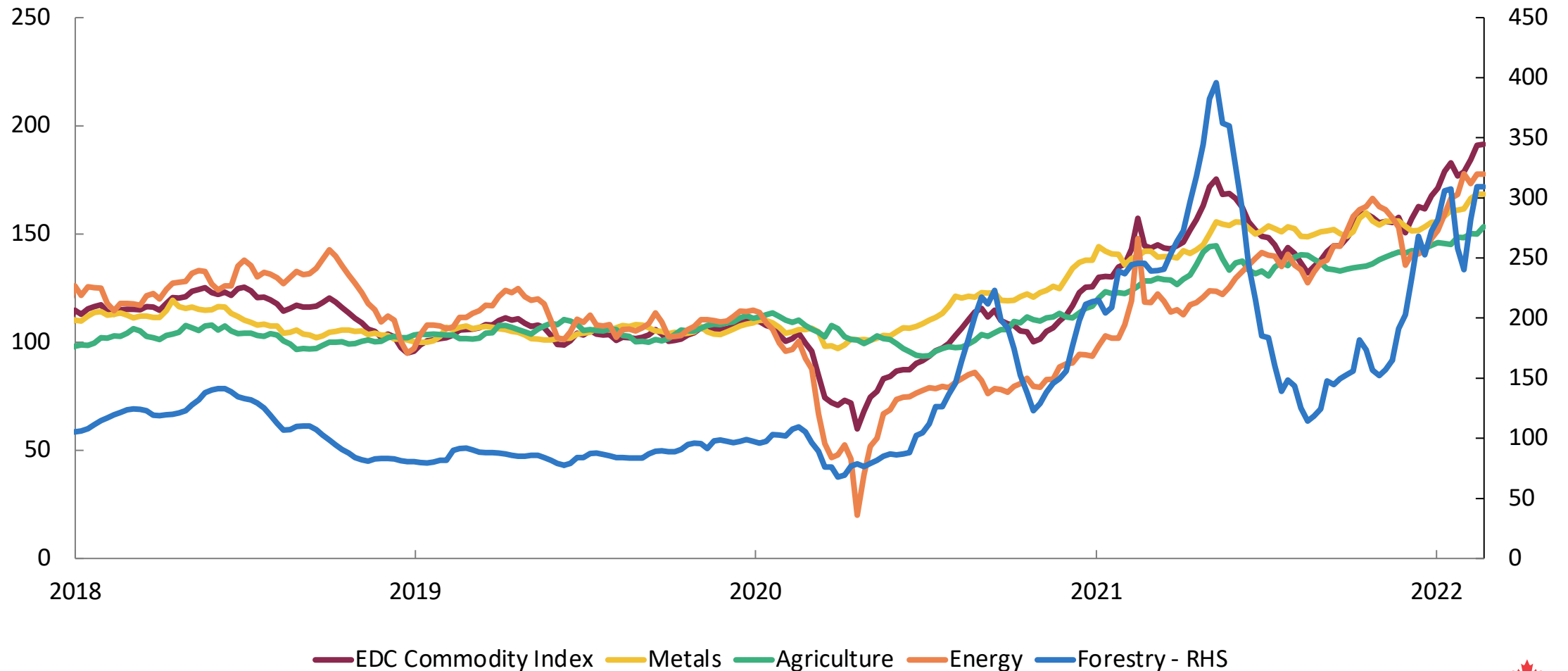
\*Includes spending, foregone revenue, equity, loans and guarantees

Sources: IMF, Haver Analytics, IFS, EDC Economics

# COMMODITIES STRETCHED BEYOND CAPACITY – LEADING TO HIGHER PRICES

## EDC commodity price indices

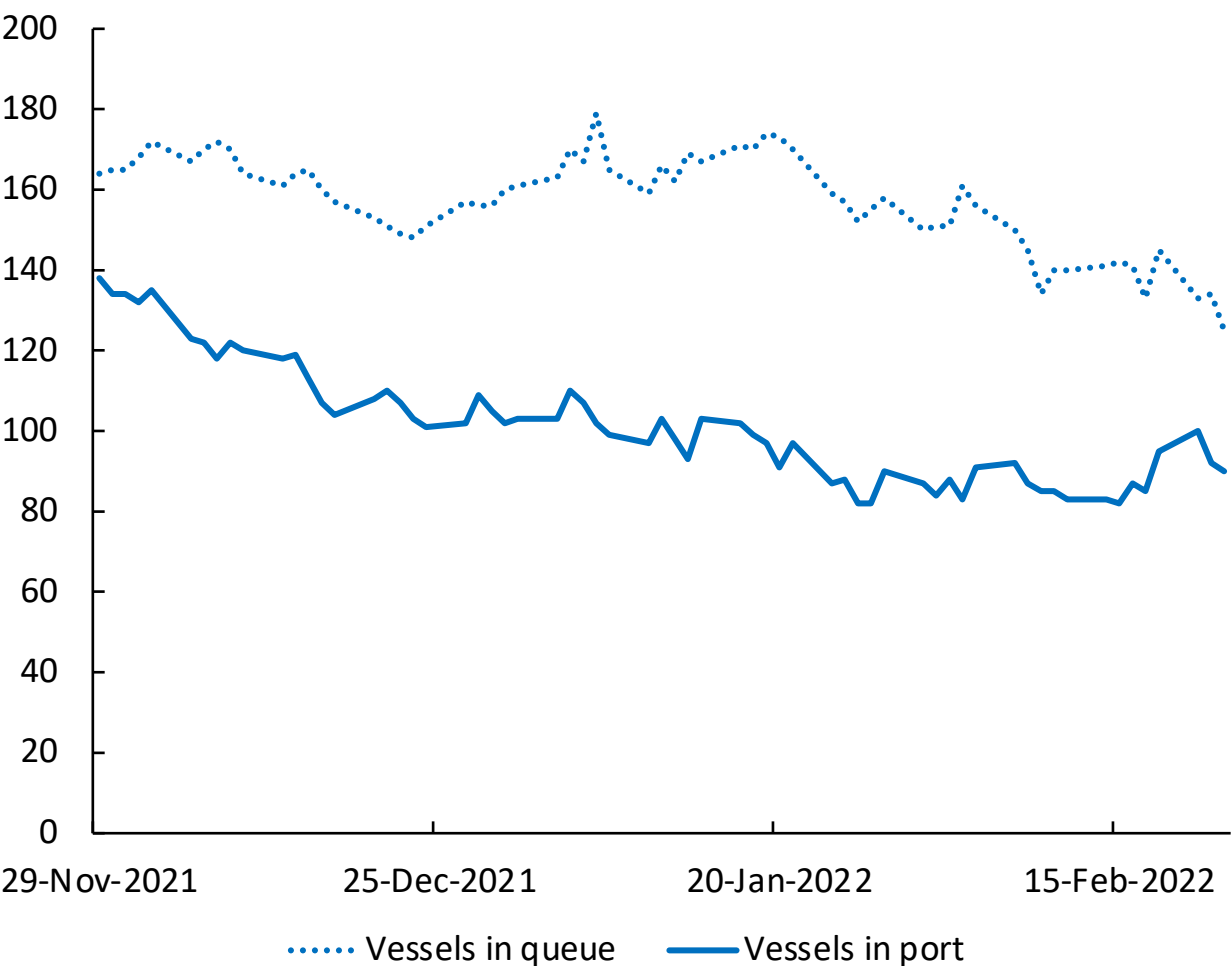
Index 2017 = 100



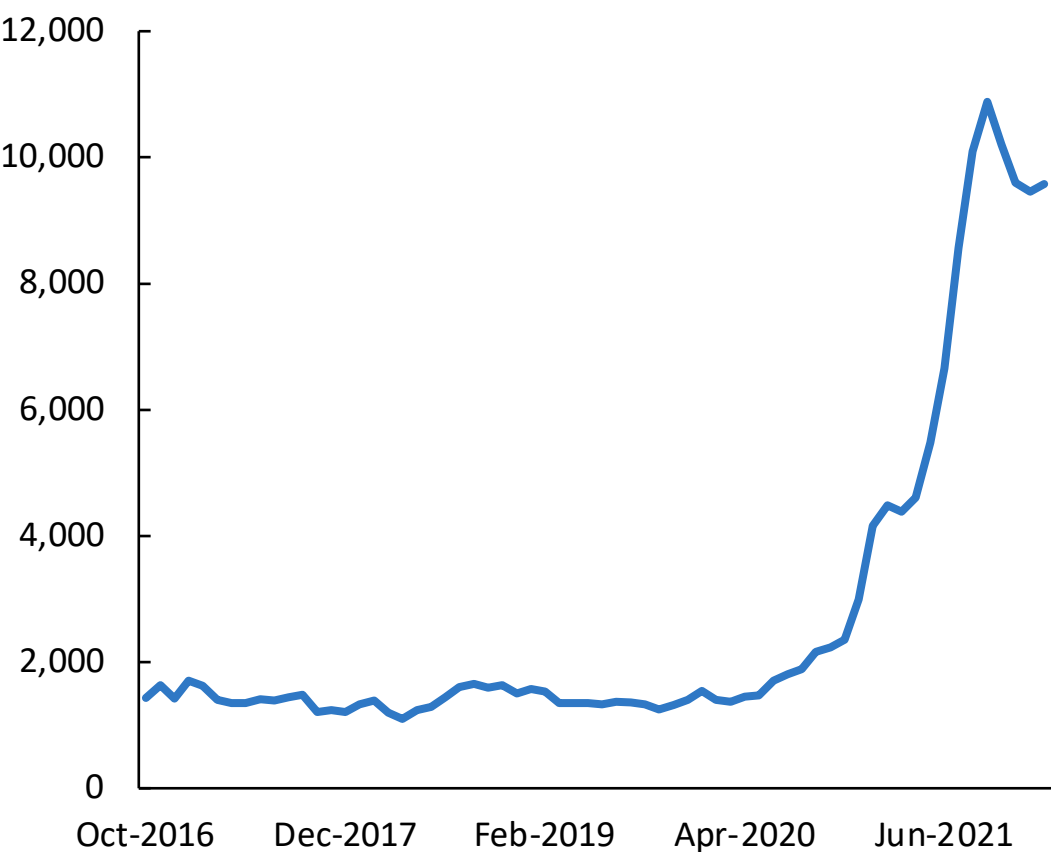
# GLOBAL SHIPPING INDUSTRY STRUGGLING TO KEEP PACE

## Los Angeles/Long Beach Vessel Traffic

Number of vessels in port and queue, daily



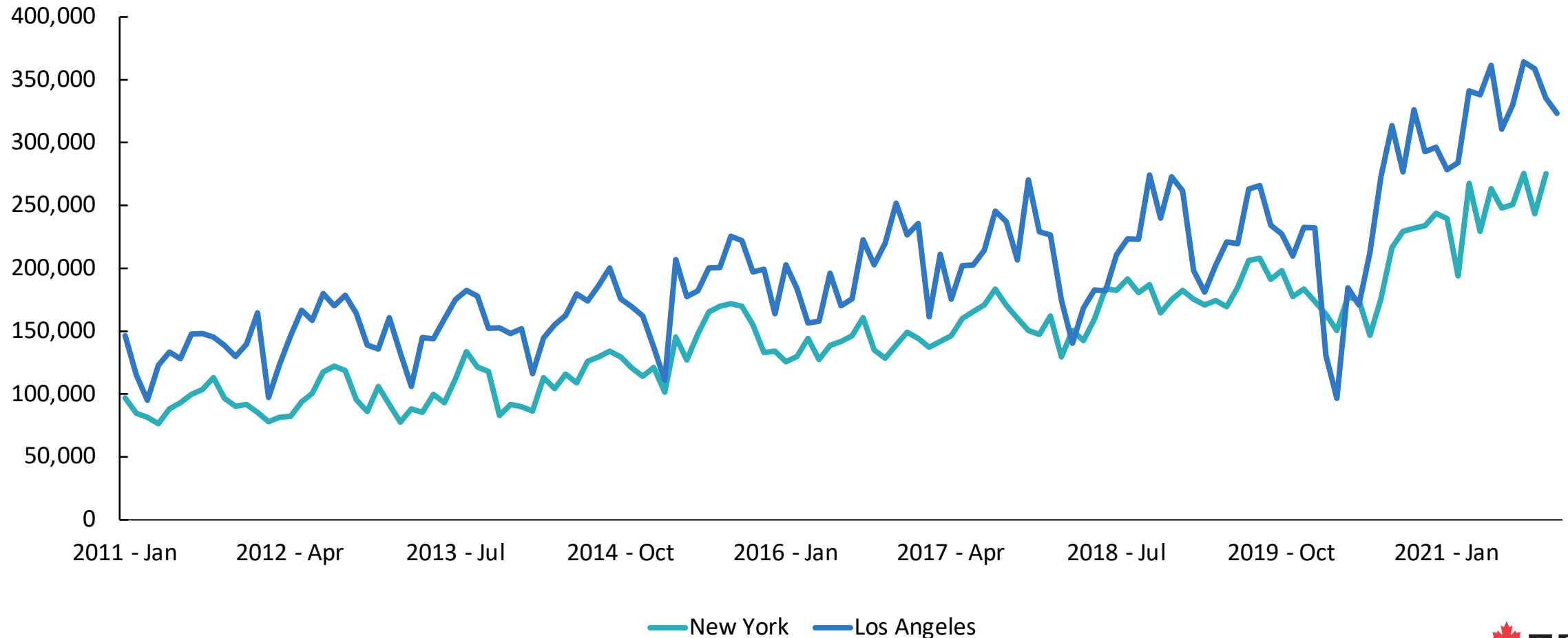
## Baltic Exchange Freight Container Index



# EVIDENCE OF FRICTIONAL CONSTRAINTS – OUTBOUND EMPTY CONTAINERS AT DECADES HIGH

## Total outbound empty containers

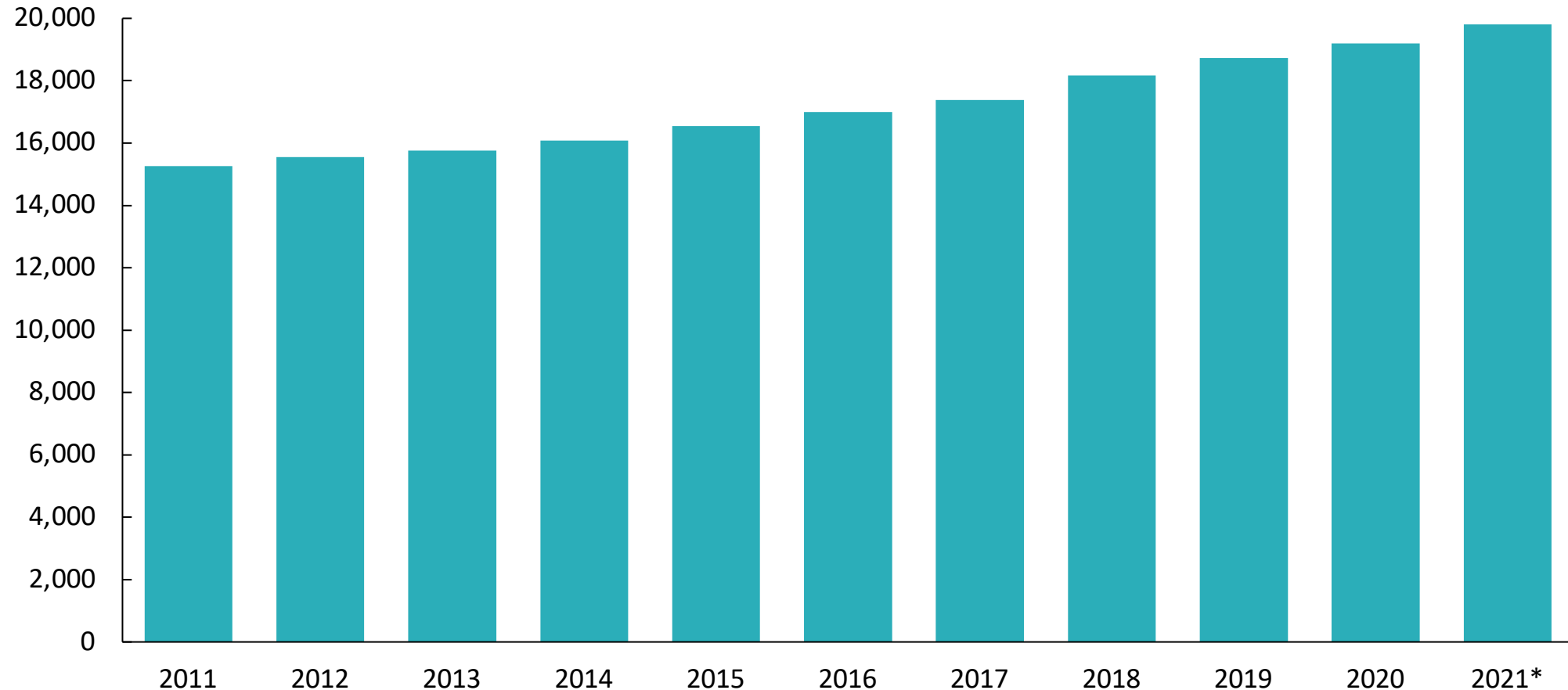
20-foot equivalent units, monthly



# NUMBER OF U.S. WAREHOUSES HAS INCREASED SOLIDLY – WITH PLANS FOR ANOTHER 500M SQUARE FEET OF STORAGE SPACE

## Current number of warehouses in the U.S.

Units, annual\*

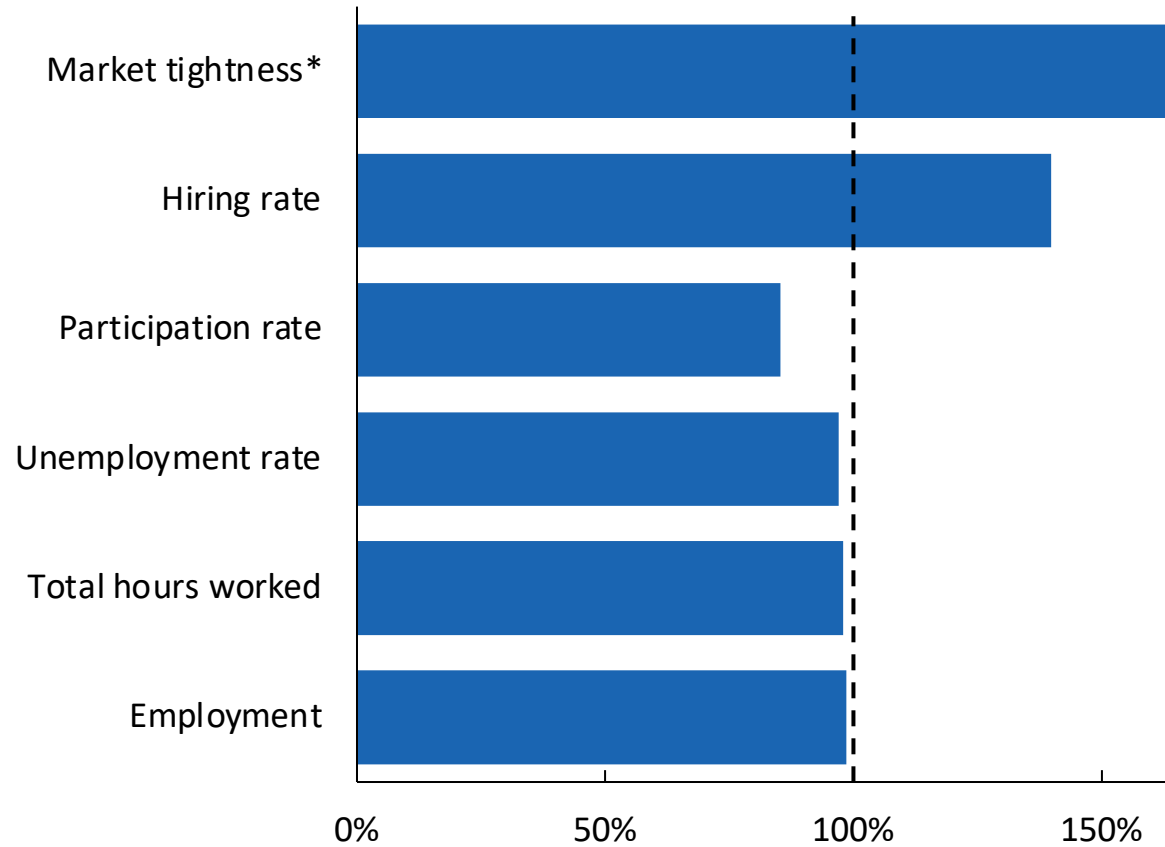


\*Figures compiled at the end of fourth quarter each year. 2021 data is partial and only reflects updates until Q2. This data focuses on private warehouse establishments.

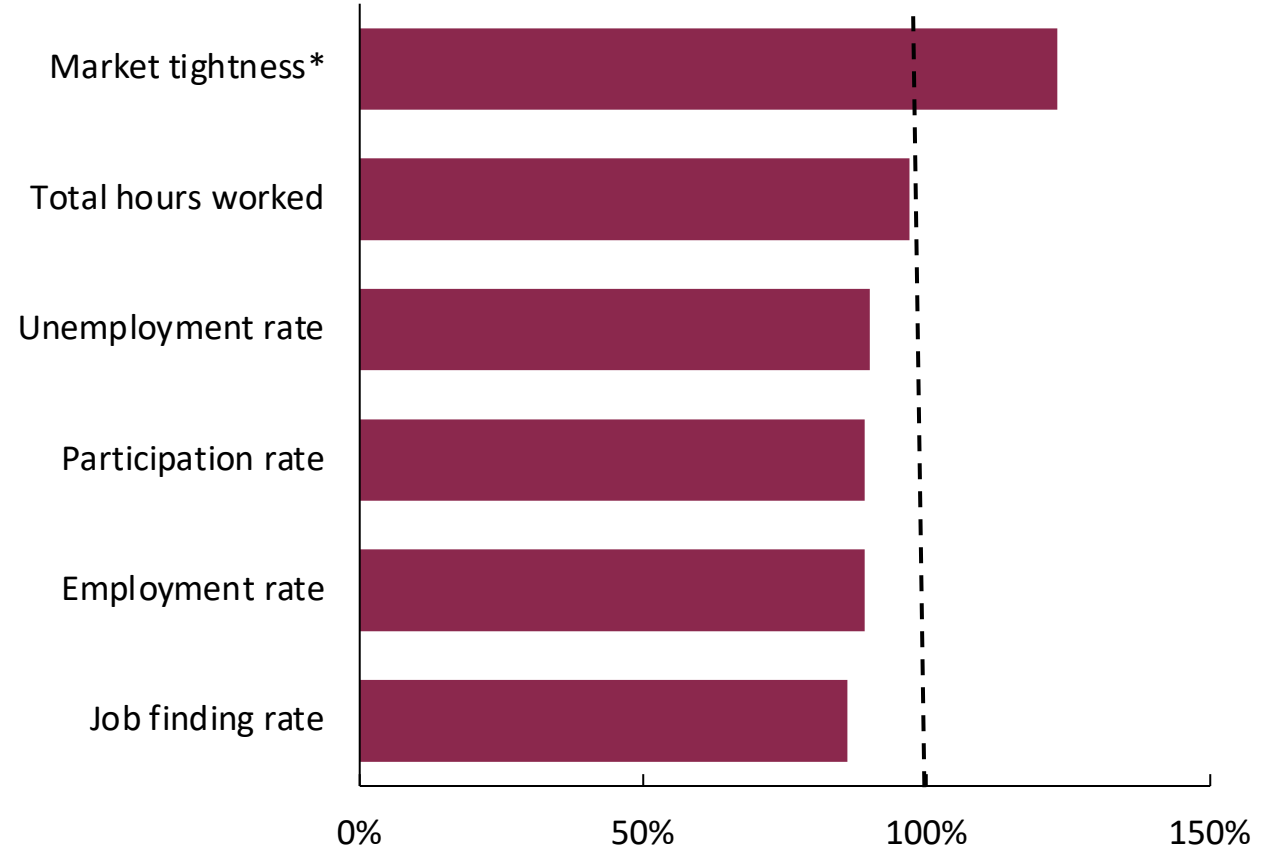
Sources: U.S. Bureau of Labor Statistics, CBRE, The LoadStar

# TIGHT U.S. AND CANADIAN LABOUR MARKETS – WITH MORE JOB OPENINGS THAN PEOPLE SEARCHING FOR JOBS

## U.S. labour market conditions



## Canada labour market conditions



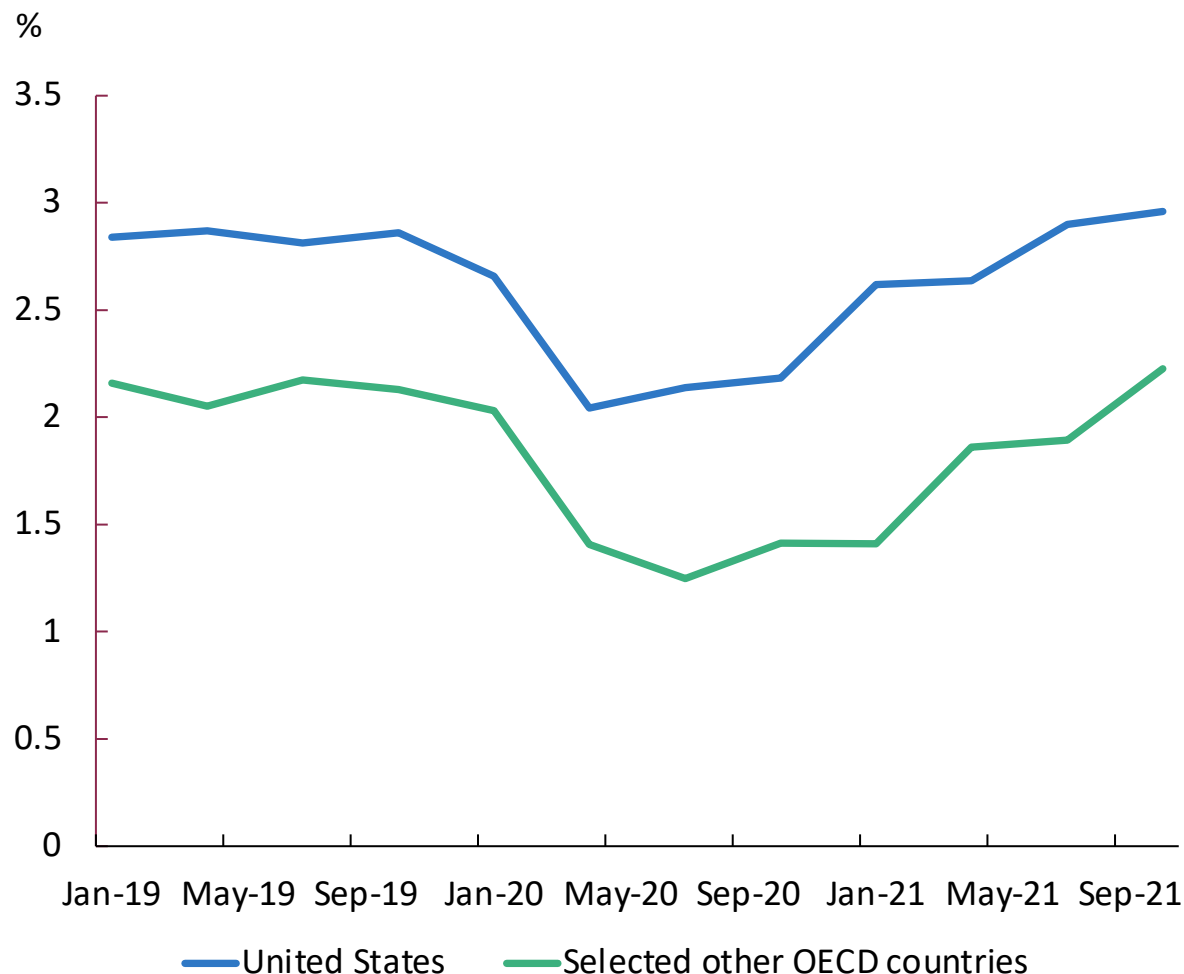
Note: The recovery of each indicator is depicted as progress bars, where the current value of a measure is compared with its crisis trough and a benchmark value (2019 monthly average).

\*Market tightness is computed as the ratio of job openings to total unemployed.

Source: Haver, U.S. Bureau of Labor Statistics, Bank of Canada

# WAGE EXPECTATIONS RISK FEEDING INFLATION – LARGEST GAINS SEEN IN SECTORS AFFECTED BY THE PANDEMIC

Year-ahead wage expectations



U.S. average hourly wage growth

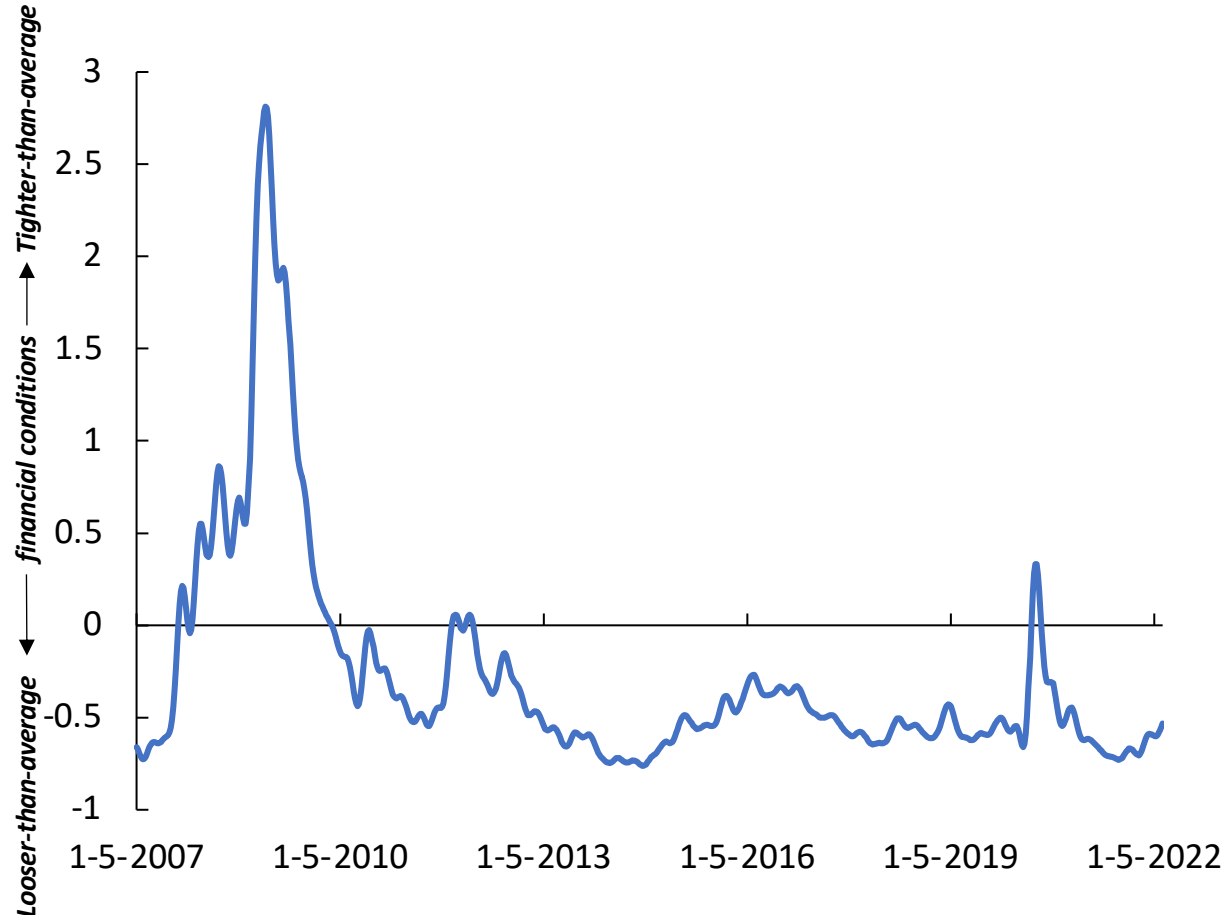
% over period shown, October 2021



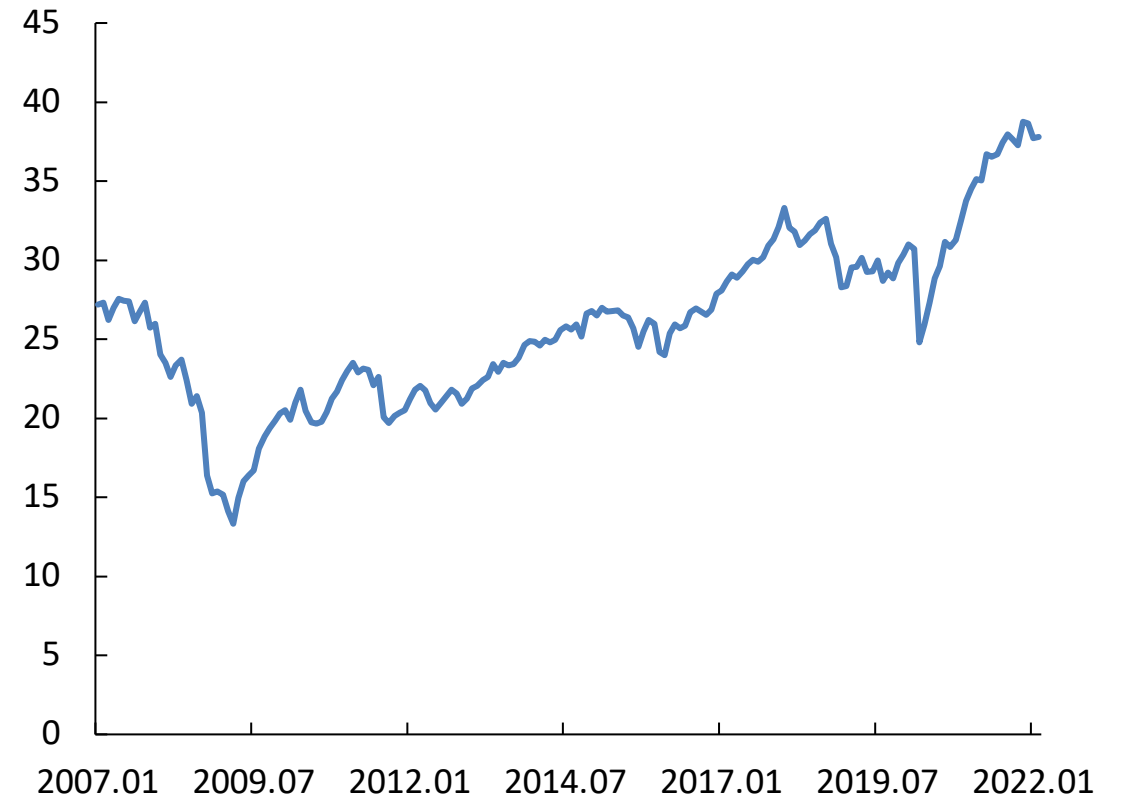
# EASY FINANCIAL CONDITIONS HAVE LED TO RUN-UP IN ASSET PRICES

## U.S. National Financial Conditions Index

Index points, weekly



## Cyclically Adjusted Price Earnings Ratio (P/E10, CAPE)





# TAKE ON **THE WORLD**

