



## Highlights

- Ontario exports decline in November
- Ontario sees economic downturn mostly due to weakness in auto sector
- Ontario payroll counts fall in November by 0.4 per cent

## Exports roll back in November, but gold shipments drive strong annual gain

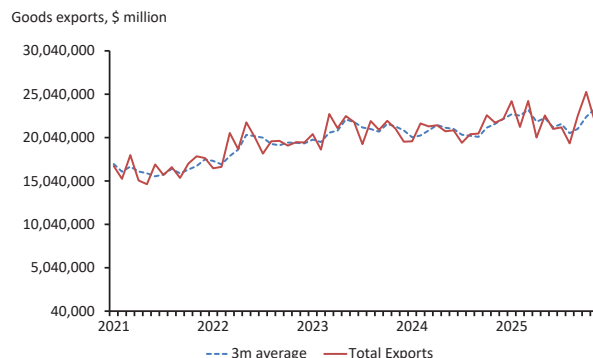
Bryan Yu, Chief Economist

Ontario goods-export sales fell back in November after recent gains but remained positive on a year-over-year basis. Sales fell 13 per cent from October (not seasonally-adjusted) to \$22.0 billion. Year-over-year growth narrowed to 1.2 per cent from 12 per cent in the previous month. This is compared to a national 12-month decline of about four per cent. Exports in the province have been robust with year-to-date growth of 5.9 per cent, driven by the strong commodity cycle and a surge in gold prices.

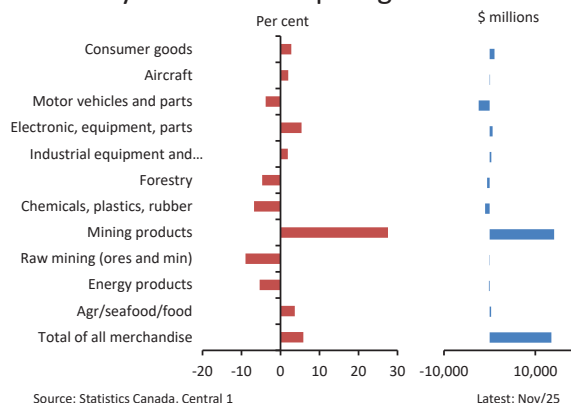
Consistent with the national picture, metal and non-metallic mineral products exports retraced in November, with sales down 29 per cent month-over-month after two months of strong gains. Much of this likely reflects swings in gold exports, but despite the pullback, sales rose 15.6 per cent year-over-year. Vehicle exports plunged 18 per cent from October and 13.7 per cent year-over-year, aligning with tariffs on heavy-duty trucks imposed by the U.S. during the month. In contrast, raw mining exports and energy related products firmed with sales in the former doubling from October, albeit down 29 per cent on a 12-month basis, while energy sales rose 17 per cent from the prior year. Other segments declining on a 12-month basis included chemical products and forestry, the latter of which was down 9.8 per cent and sliding remains tempered by recent U.S. tariffs.

Robust year-to-date growth has been entirely driven by metal and non-metallic mineral products, which rose 28 per cent (\$14 billion). This has masked weakness

## Ontario exports pull back but up from 2024



## Ontario year-to-date export growth



in Ontario's broad export sectors, including a near four per cent decline in auto exports. The auto sector downturn has been more impactful for the economy and labour market. Forestry exports and energy exports have declined, while consumer goods exports have increased.

Export growth is likely to slow in 2026. Tariffs remain a drag on the economy, and more recently, U.S. tariff threats have increased again. Review of the United States-Mexico-Canada Agreement (USMCA) could lead to further trade action against Canada. We also expect the gains in the metals and gold sectors to abate or reverse, while trade diversification towards Asia and thawing tensions with China likely benefits western provinces more Ontario.

## Ontario experiences the brunt of economic slowdown in November

*Bryan Yu, Chief Economist*

With Canada's economy stalling in November and through the fourth quarter, Ontario appears to have fared worse given its exposure to the goods-sector pullback. National Gross Domestic Product (GDP) was unchanged in November, but a sharp pullback in auto production undoubtedly hit Ontario harder. As noted in this briefing, auto exports plunged in November owing to semiconductor shortages, while new tariffs on heavy vehicles also reduced activity. Nationally, motor vehicle and parts manufacturing fell 6.4 per cent from October, with vehicle manufacturing down 9.7 per cent and parts output down 5.2 per cent. Vehicle manufacturing fell 9 per cent year-over-year.

Adding to weakness in the auto sector was declines in other manufactured products. Chemical produc-

tion fell 1.7 per cent, while output at iron and steel mills declined by another 5.7 per cent and 12.1 per cent year-over-year. The latter has been affected by both the reduction in auto production and direct tariff actions by the U.S. on steel products.

In other key segments, banking activity fell 0.2 per cent, insurance declined 0.2 per cent, while credit union output rose 0.3 per cent. Banking and insurance occurs across the country, but Ontario and Toronto in particular are home to most corporate headquarters. Federal public administration fell 0.1 per cent.

Ontario's economy will continue to feel the drag of U.S. trade policy, which will hamper growth in 2026, while cuts in federal government employment is likely to hit Ontario hardest. Diversification strategies by the federal government will be more beneficial to the Prairies and coastal areas in the near term.

### Canada GDP by Industry - Key Ontario Sectors - Related Industry, \$2017

Nov/2025	\$mil	m/m %ch	y/y %ch	ann. m/m %ch	ann. 3m %ch	YTD %ch	Month-to-month per cent change		
							Sep/2025	Oct/2025	Nov/2025
<b>Manufacturing</b>	<b>195,645</b>	<b>-1.3</b>	<b>-4.9</b>	<b>-15.0</b>	<b>-6.6</b>	<b>-2.6</b>	<b>1.3</b>	<b>-1.7</b>	<b>-1.3</b>
<b>Machinery manufacturing</b>	<b>17,666</b>	<b>-2.5</b>	<b>-10.1</b>	<b>-26.2</b>	<b>-29.8</b>	<b>0.1</b>	<b>3.1</b>	<b>-8.9</b>	<b>-2.5</b>
Transportation equipment manufacturing	26,681	-3.8	-3.2	-37.2	-7.6	-1.4	1.5	0.4	-3.8
Motor vehicles and parts manufacturing	16,606	-6.4	-3.6	-55.0	-12.3	-1.6	2.6	0.8	-6.4
Motor vehicle manufacturing	6,362	-9.7	-9.0	-70.6	-22.5	-1.2	4.8	-0.9	-9.7
Motor vehicle body and trailer manufacturing	1,126	-0.6	-10.2	-7.2	-0.7	-11.4	2.9	-2.4	-0.6
Motor vehicle parts manufacturing	8,852	-5.2	1.6	-47.3	-6.9	0.2	1.1	2.5	-5.2
<b>Basic chemical manufacturing</b>	<b>4,672</b>	<b>-1.7</b>	<b>-4.7</b>	<b>-19.0</b>	<b>-1.2</b>	<b>-9.9</b>	<b>-5.2</b>	<b>7.0</b>	<b>-1.7</b>
<b>Iron and steel mills and ferro-alloy manufacturing</b>	<b>2,723</b>	<b>-5.7</b>	<b>-12.1</b>	<b>-50.6</b>	<b>-8.6</b>	<b>-5.8</b>	<b>5.8</b>	<b>-2.0</b>	<b>-5.7</b>
<b>Banking, monetary authorities and other depository credit intermediation</b>	<b>87,676</b>	<b>-0.2</b>	<b>0.9</b>	<b>-2.5</b>	<b>2.2</b>	<b>2.1</b>	<b>0.4</b>	<b>0.4</b>	<b>-0.2</b>
<b>Credit unions</b>	<b>6,785</b>	<b>0.3</b>	<b>4.1</b>	<b>3.1</b>	<b>4.0</b>	<b>4.8</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>
<b>Other finance and insurance</b>	<b>55,009</b>	<b>-0.2</b>	<b>5.5</b>	<b>-2.4</b>	<b>4.9</b>	<b>6.8</b>	<b>0.5</b>	<b>0.9</b>	<b>-0.2</b>
<b>Federal government public administration (except defence)</b>	<b>46,702</b>	<b>-0.1</b>	<b>-4.3</b>	<b>-1.2</b>	<b>-0.4</b>	<b>-2.7</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.1</b>

## Payroll counts fall in Ontario in November

*Eloho Ennah, Economic Analyst*

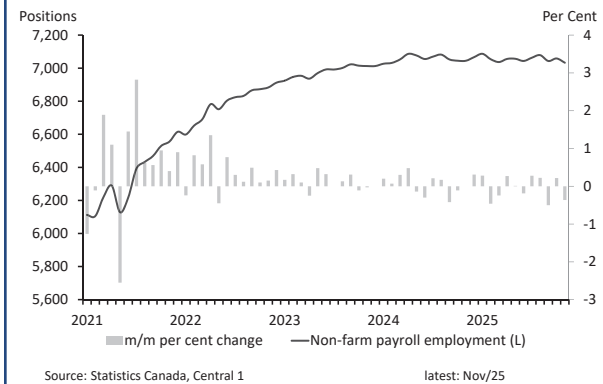
Following a gain in October, Ontario payroll counts fell in November. Payroll counts (including unclassified businesses) captured by the Survey of Employment, Payroll and Hours (SEPH) decreased by 0.4 per cent (-25.6K positions) in November, more than offsetting the 0.2 per cent rise in the prior month. Ontario's SEPH payroll count continued to be range-bound, a trend since mid-2023, highlighting weak hiring conditions. Firms are approaching hiring with more caution given low economic growth and trade instability.

Excluding unclassified businesses, payroll counts in the goods producing sector declined by 0.5 per cent, while those in the services producing sector fell by 0.3 per cent.

The downtrend noted in goods-producing sectors' payroll counts since the start of 2025 continued into November, with declines in all subsectors. The majority of losses were from fewer manufacturing positions (-0.6 per cent or -3,776 positions), which has continuously trended lower since the beginning of 2025. The sector has faced considerable pressure from the impact of high tariffs imposed by the U.S. since early in the year. Utilities also saw payroll counts fall by 2.0 per cent (-1,043 positions).

Services payroll counts have rangebound in 2025. Lower positions were mostly reported within the trade subsector (-0.6 per cent or -5,925 positions), mostly due to falling payroll counts in the retail arm of the sector (-0.5 per cent or -3,514 positions), while wholesale trade payroll counts dipped 0.7 per cent (-2,411 positions). The sole gain within the sector was in transportation and warehousing, with a minor 0.1 per cent increase (+249 positions).

### Ontario payrolls fall in November



Average weekly earnings continued the uptrend with a 0.5 per cent rise to \$1,362 month-over-month and 12-month growth of 2.6 per cent was a touch higher than the national increase of 2.5 per cent. Ontario's job vacancy rate at 2.3 per cent remained the lowest in the country, reflecting poor hiring conditions.

SEPH estimates should be considered alongside the Labour Force Survey (LFS) figures, which is more widely watched and timely, but are based on a household survey rather than administrative data like SEPH. While there is a slight divergence between both surveys due to the number of multiple job holders, self-employed, and farm workers that may be captured in one survey but not the other, employment trends from both surveys have generally aligned historically. Recently, both surveys point to continued weakness in the Ontario labour market as businesses navigate the uncertain economic environment.

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