

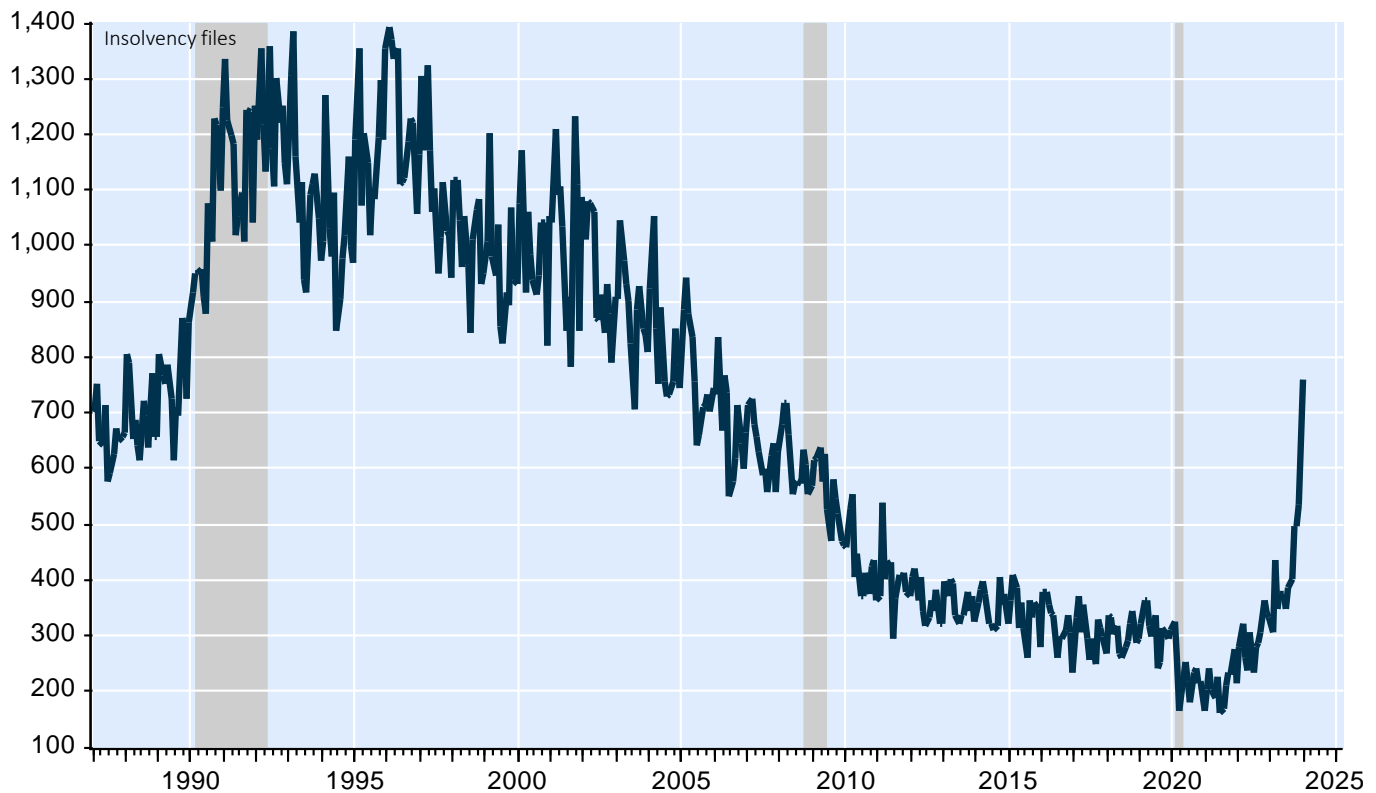
Canada Watch

By Stéfane Marion & Daren King

Canada ended 2023 with a weak performance, with GDP growth of just 1% annualized in Q4 (see [note](#)). Looking ahead, don't expect much of a rebound in 2024. As today's Hot Chart shows, just released data show that Canadian business insolvencies rose to their highest level in 19 years in January. At the industry level, the surge was the most important in the accommodation & food services, transportation & warehousing, professional/scientific/technical services, retail trade, and construction sectors. While January's increase was certainly exacerbated by the end of COVID-era subsidy programs, restrictive monetary policy is certainly playing a role as well. It will be interesting to see how the Bank of Canada tweaks its guidance at tomorrow's rate-setting meeting (the benchmark rate is expected to remain unchanged) to guard against a potential disappointment in job creation when the February employment report is released on Friday.

Canada: Business insolvencies surge to a multi-year high in January

Business insolvency files



NBF Economics and Strategy (data via Office of the Superintendent of Bankruptcy)

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