

Main economic indicators

(per cent change at annual rates unless otherwise indicated)

	2002	2003	2003:Q2	2003:Q3	2003:Q4	Most recent	
Real gross domestic product	3.3	1.7	-1.0	1.3	3.8	-	
Final domestic demand	2.9	3.6	3.5	5.8	1.2	-	
Government expenditure						-	
Goods and services	3.0	3.0	4.7	1.4	0.6	-	
Gross fixed capital	11.8	5.8	6.3	0.5	3.8	-	
Consumer expenditure	3.4	3.3	3.5	4.6	0.1	-	
Residential investment	14.2	7.5	1.2	18.6	10.0	-	
Business fixed investment	-6.0	3.4	2.2	14.4	2.2	-	
Non-residential construction	-10.4	0.7	1.4	6.9	4.0	-	
Machinery and equipment	-3.2	5.0	2.7	19.2	1.1	-	
Business inventory investment (\$ billion)	5.9	12.2	15.6	2.9	11.0	-	
Exports	-0.1	-2.1	-3.1	-1.7	13.5	-	
Imports	0.6	4.0	5.4	-4.0	17.8	-	
Current account balance							
(nominal \$ billion)	23.4	25.8	20.4	31.4	26.6	-	
(percentage of GDP)	2.0	2.1	1.7	2.6	2.2	-	
Nominal personal income	3.3	2.7	1.6	3.2	2.6	-	
Nominal personal disposable income	4.7	2.8	2.1	1.5	1.1	-	
Real personal disposable income	2.7	1.1	2.8	-0.3	1.1	-	
Profits before taxes	4.3	10.1	-35.9	21.4	14.7	-	
Costs and prices (% , y/y)							
GDP price deflator	0.9	3.4	3.0	3.3	2.3	-	
Consumer price index	2.2	2.8	2.8	2.1	1.7	1.2	Jan-2004
CPI excluding eight most volatile items	2.4	2.2	2.2	1.7	1.9	1.5	Jan-2004
Unit labour costs	1.5	1.6	2.3	1.9	0.5		
Wage settlements (total)	2.8	2.6	2.5	3.1	2.1	2.6	Dec-2003
Labour market							
Unemployment rate (%)	7.7	7.6	7.7	7.9	7.5	7.4	Jan-2004
Employment growth	2.2	2.2	0.7	0.8	3.6	1.1	Jan-2004
Financial markets (average)							
Exchange rate (cents U.S.)	63.7	71.6	71.6	72.5	76.0	74.48	02-Mar-04
Prime interest rate (%)	4.2	4.7	5.0	4.7	4.5	4.00	02-Mar-04

Note: Real values are in chained 1997 dollars.

Sources: Statistics Canada, the Bank of Canada and Human Resources Development Canada.

Consumer spending flattens

Real consumer expenditure grew 0.1% in the fourth quarter following a 4.6% rise in the third. Sharply reduced spending on durables offset a solid 4.0% gain in services. Motor vehicle sales plunged as incentive programs had shifted sales to the third quarter.

Solid employment growth boosted personal income 2.6% in the fourth quarter. Labour income climbed with employment, but a drop in

investment income moderated overall growth. Real personal disposable income rose 1.1% while real personal disposable income per capita was largely unchanged. The personal savings rate edged up to 1.5% from 1.3% in the third quarter.

Strong residential investment growth

Low interest rates continued to support the housing market. Residential investment increased a robust 10.0% in the fourth quarter, following