



# Canada's World-Class Economy

Canada's economy is one of the world's most advanced and dynamic. As a country with a long tradition of open markets offering a welcoming environment to foreign investors, Canada's economic performance regularly outpaces those of large, comparable economies in Asia, Europe and North America.

Foreign investors choose Canada because of its consistently strong economic growth performance. At US\$1.57 trillion, Canada's economy is the world's ninth largest (as measured by Gross Domestic Product (GDP) at market exchange rates)—larger than Russia, India, or South Korea.<sup>1</sup> With 27 *Financial Times* "Global 500" companies headquartered in Canada, it is home to a vibrant corporate community and has more top global companies than Germany, India, Brazil, Russia or Italy.<sup>2</sup>

From 2001 - 2010, Canada grew faster than any other G-7 country. This remarkable growth is the result of a diversified economy, its foundations built upon low corporate taxes, prudent fiscal management and financial regulation; a business climate that rewards innovation and entrepreneurship; and an open economy that welcomes foreign direct investors.

Canada's economy has also weathered the recent global economic recession better than most industrialized countries. While employment and real GDP remain below pre-recession levels in many other advanced economies, Canada has the distinction of being the only G-7 country to have recouped virtually all of its output and employment losses from the recent global recession.<sup>3</sup> And according to the International Monetary Fund (IMF), with the possible exception of the United States, Canada is poised to grow faster than other G-7 economies in 2011 and 2012 (see Table 1).<sup>4</sup>

## THE STRONGEST FISCAL POSITION IN THE G-7

Prior to the global economic recession, the Canadian federal government posted 11 consecutive budget surpluses totaling more than \$85 billion. Parts of these surpluses were applied to paying down Canada's national debt. As a result, Canada entered the global recession in much better shape than most other advanced economies.

<sup>1</sup> International Monetary Fund. *World Economic Outlook Database*. October 2010.

<sup>2</sup> *Financial Times*. "Global 500". December 2010. Prices and market values at 31 December 2010. <<http://media.ft.com/cms/253867ca-1a60-11e0-b003-00144feab49a.pdf>>.

<sup>3</sup> Cross, Philip. "How did the 2008-2010 recession and recovery compare with previous cycles?". Statistics Canada. *Canadian Economic Observer*. January 2011. <<http://www.statcan.gc.ca/pub/11-010-x/2011001/part-partie3-eng.htm>>.

<sup>4</sup> International Monetary Fund. *World Economic Outlook*. January 2011 update. pp. 2. <<http://www.imf.org/external/pubs/ft/weo/2011/update/01/pdf/0111.pdf>>.