

Table of Contents

A Message from the Minister	1
Executive Overview	3
I. Global Economic Performance	7
Overview and global prospects	7
The United States	7
Euro area	9
United Kingdom	10
Japan	10
The Emerging Asian Economies	11
China	11
India	12
Newly Industrialized Asian Economies (NIEs)	12
ASEAN-5	12
Latin America and the Caribbean	13
Assumptions and risks	13
II. Overview of World Trade Developments	15
Merchandise Trade	15
Trade values (nominal trade)	15
Trade volumes (real trade)	17
Prices and exchange rates	18
Leading merchandise traders	18
Services Trade	19
III. Canadian Economic Performance	21
Gross Domestic Product	21
GDP Growth by province	23
Employment	25
The dollar	26
Interest rates	27
Prices	27
Productivity gap	28