

Among the developed economies, the Newly Industrialized Economies of Asia continued to lead in real output growth, posting a 4.0-percent growth in 2011, although this was significantly slower than their 8.5-percent performance in 2010. Germany was the fastest growing major economy, with 3.1-percent growth. While historically modest, the 1.7-percent performance of the United States was in the end better than expected, as consumer spending and employment started to recover. Eurozone growth was 1.4 percent in 2011 following a 1.9-percent performance in 2010, with part of the region tipping into recession at the end of the year. France was the only major advanced economy to grow faster in 2011 (up 1.7 percent) than in 2010 (up 1.4 percent). Japan, which registered a 4.4-percent growth in 2010, was back in recession with a 0.7-percent contraction to its real GDP.

In the developing world, Asian economies drove the growth. Developing Asia's economies expanded 7.8 percent in 2011. China led with 9.2-percent growth in 2011, following 10.4 percent in 2010, while India turned in a 7.2-percent performance in 2011 on the heels of 10.6 percent in 2010. Emerging Europe was the next fastest-growing region, with 5.3-percent growth, followed by Sub-Saharan Africa at 5.1 percent. South Africa, the largest economy in the latter region, slowed down to 3.1 percent in 2011. The Commonwealth of Independent States expanded 4.9 percent in 2011, with Russia growing at 4.3 percent, the same rate as in 2010. The Latin America and Caribbean region was next with 4.5-percent growth. Brazil's economy, however, grew only 2.7 percent in 2011, considerably slower than the 7.5 percent posted in 2010. The Middle East and North Africa region, afflicted by popular

unrest and internal tensions, posted the slowest growth of all the developing regions, at 3.5 percent.

As the recovery in the global economic and trading picture continued, albeit unevenly, the real economic activity in Canada expanded by 2.5 percent in 2011, after posting a 3.2-percent performance a year earlier. Growth in 2011 was largely driven by domestic strengths: strong private demand, stable financial system and booming business investment, while the second-quarter contraction in real GDP reflected largely a drop in exports as a result of external shocks. Growth slowed again in the last quarter of the year due to the resurgence of the eurozone crisis. All provinces and two out of three territories reported real economic growth in 2011. All major expenditure categories advanced on the year, with the exception of net trade. Inflation rose at a 2.9-percent pace in 2011, an increase from 1.8 percent in 2010, but excluding the most volatile prices resulted in a core inflation of just 1.9 percent in 2011. The Canadian dollar declined slightly against the U.S. dollar between January 1, 2011 and December 31, 2011, although its average valuation during that year was about 4 percent higher than in 2010. The employment picture improved in nearly all regions, with almost 200,000 net new jobs created during the year. While the unemployment rate improved only 0.1 percentage point during the year—from 7.6 percent in December 2010 to 7.5 percent in December 2011—the average for the year as a whole declined more substantially, from 8.0 percent in 2010 to 7.5 percent in 2011.

The volume of world trade continued to expand in 2011, but at a much slower pace than in 2010 as most of the recovery to pre-recession levels already took place. World