

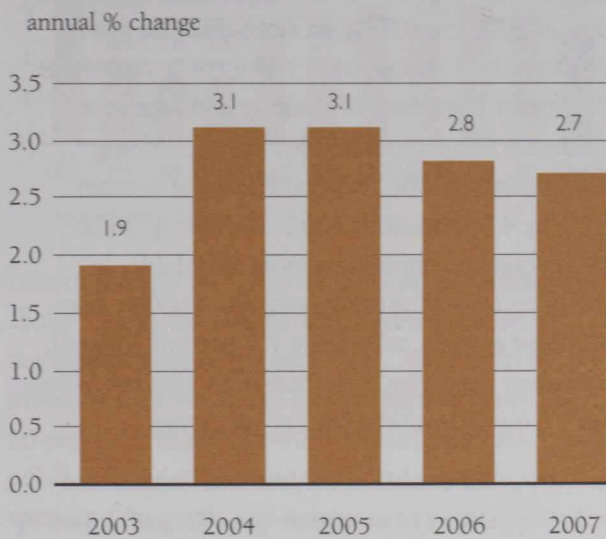
Canadian Economic Performance

Gross domestic product

Canada's real gross domestic product (GDP) growth continued at a solid pace in 2007, with consumer spending driving the 2.7 percent increase. This was a slight deceleration from the 2.8 percent rate of growth in 2006 and matched the average growth for the past five years. However, the economy experienced a sharp deceleration in the fourth quarter stemming from the slow-down in the U.S. economy, and the outlook is for slower growth in 2008.

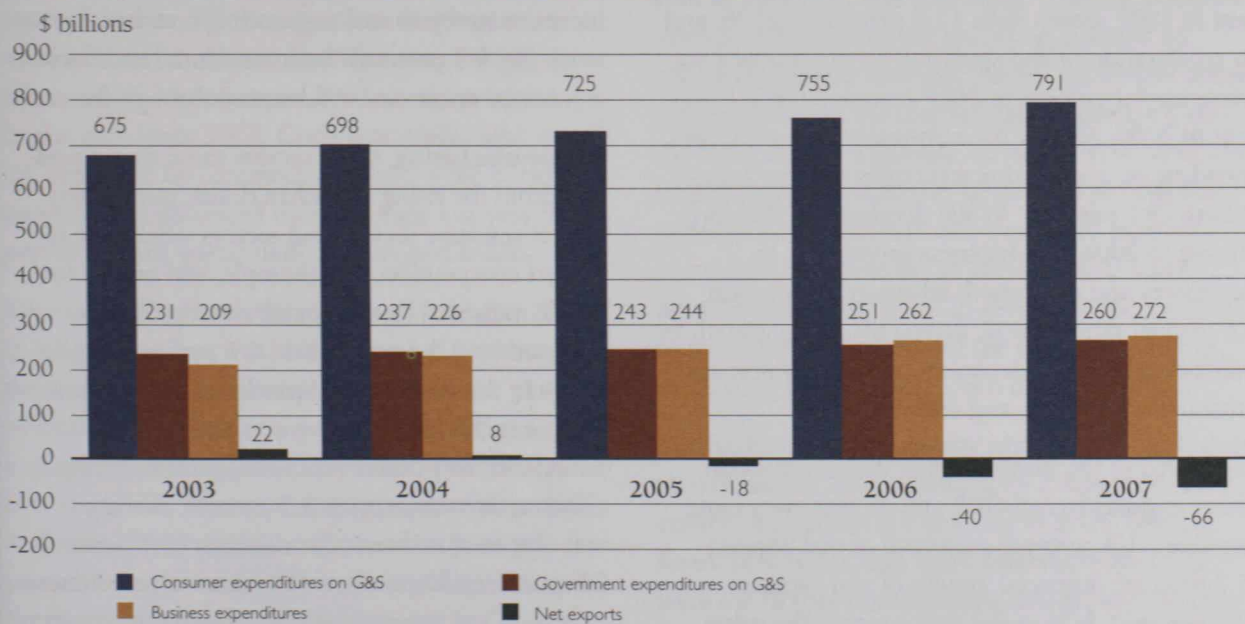
All real expenditure-based categories of GDP advanced in 2007, with the exception of real net exports (Figure 3-2). Real personal expenditure on consumer goods and services was the strongest contributor, advancing 4.7 percent in 2007, its

FIGURE 3-1
Canadian Real GDP Growth, 2003-2007



Source: Statistics Canada

FIGURE 3-2
Real Gross Domestic Product, Expenditure-Based, 2003-2007 (Billions of Chained 2002 Dollars)



Source: Statistics Canada