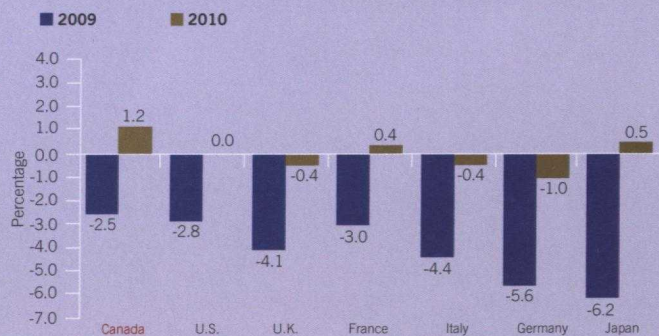


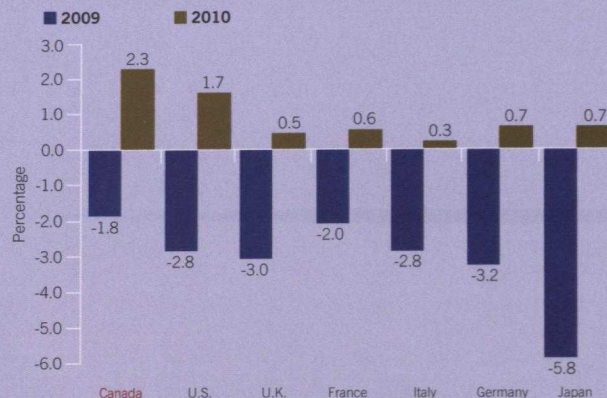
The IMF ranks Canada as the top performer among the G7 countries for forecasted GDP growth during the 2009-2010 period . . .



REAL GDP GROWTH PROJECTIONS FOR 2009-2010 BY THE IMF (PERCENT)

Source: IMF. World Economic Outlook. April 2009.

. . . Confirming these growth forecasts are the world's top private-sector economists, who also predict that Canada will outperform other G7 countries over the 2009-2010 period . . .



REAL GDP GROWTH PROJECTIONS BY THE WORLD'S LEADING PRIVATE-SECTOR ECONOMISTS (PERCENT)

Source: Consensus Forecast. Consensus Economics Inc. March 2009.

Underpinning these advantages are sound economic fundamentals. The world's eleventh largest consumer market, Canada sports a \$1.6-trillion Gross Domestic Product (GDP) thanks to the second-longest economic expansion in its history. Over the past 10 years, it has taken first place among the G7 countries in GDP growth and employment growth.

Even in these uncertain times, the future looks promising. According to the Economist Intelligence Unit (EIU), Canada will lead the G7 in real economic growth from 2009 to 2013. The EIU also ranks Canada as the best place in the G7 to invest and do business during the next five years.

The most recent growth projections by some of the world's leading economic institutions show that Canada is an island of strength in a sea of global uncertainty. In its April 2009 *World Economic Outlook*, the International Monetary Fund (IMF) forecasts the Canadian economy will contract by -2.5 percent in 2009 (the slowest rate of contraction among G7 economies) and in 2010, Canada's economy will expand by +1.2 percent (the fastest rate of recovery in the G7).

These growth forecasts are confirmed by the world's leading private-sector economists. According to Consensus Economics, Canada's economy will contract by 1.8 percent in 2009—less than any other G7 country's. Also, it will rebound much faster than

any other G7 economy, registering 2.3-percent growth in 2010. (See inset above.)

In short, whichever forecast you take, the Canadian economy will perform better than its G7 peers in the foreseeable future.

#### SOUND AND FLEXIBLE FISCAL POLICIES— AND AN ECONOMIC ACTION PLAN THAT GOES THE DISTANCE

*Canada is better prepared than most countries to withstand the global economic downturn. The 2009 federal budget builds on this enviable position to ensure that Canada emerges from the economic crisis even stronger.*

For more than a decade, Canada has taken aggressive steps to put its financial house in order. While most other industrialized countries were racking up deficits, up to 2007 Canada posted 11 budget surpluses and slashed its debt. In the mid-1990s, Canada's total net debt-to-GDP ratio was the second-highest in the G7. Today, it is the lowest.

A testament to prudent fiscal policies at all levels of government, this shift from deficits to surpluses was also accompanied by sustained current account surpluses. As a result, Canada is far less vulnerable than the United States, where current account deficits and net foreign debt are ballooning.