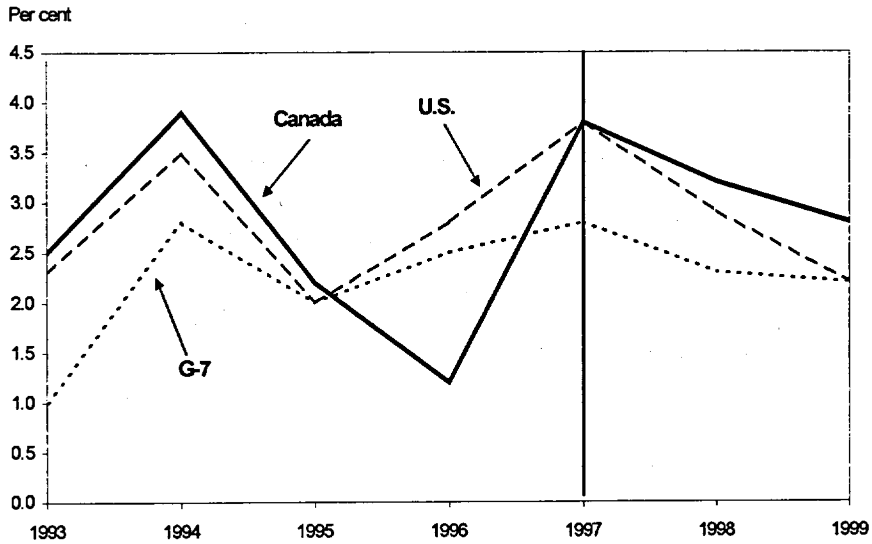
COMPARATIVE ECONOMIC CHARTS

CHART 1

REAL GROSS DOMESTIC PRODUCT GROWTH, 1993–99

Canada's low inflation, low interest rate environment has paid off. The pace of growth picked up in the second half of 1996 and continued through 1997. The International Monetary Fund forecasts that Canada will register the strongest growth in the G-7 in 1998 (3.2 per cent) and will be well above the G-7 average in 1999 (2.8 per cent). Average growth in the G-7 is expected to be 2.3 per cent in 1998 and 2.2 per cent in 1999.

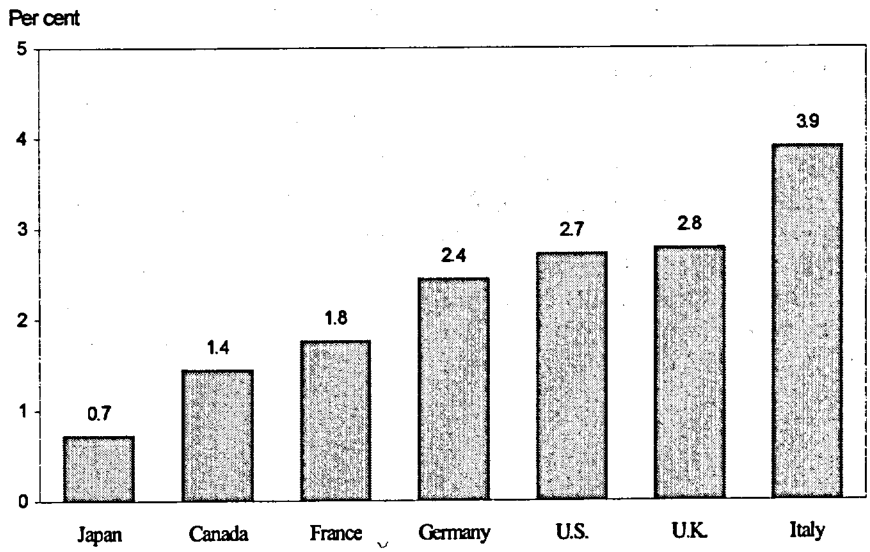


Source: *World Economic Outlook*, IMF, Spring 1998.

CHART 2

CONSUMER PRICE INFLATION, AVERAGE RATE FOR 1993–97

Canada's inflation performance since 1993 has been excellent, reflecting solid productivity growth and the virtual absence of cost pressures. On average, over 1993 to 1997, Canada had the second lowest inflation rate among the G-7. Strong growth will not put upward pressure on inflation in the near term as the Canadian economy continues to operate below its long-run potential. The IMF forecasts that Canada's inflation rate will be 1.5 per cent in 1998.



Source: *World Economic Outlook*, IMF, Spring 1998.