

among the emerging economies was Latin America and the Caribbean. Growth in that region, which posted a 6.1-percent expansion in real output last year, was led by Brazil, which advanced by 7.5 percent. Sub-Saharan Africa avoided a contraction during the global recession of 2009 and grew rapidly last year, up 5.0 percent. The economic performance of the Commonwealth of Independent States region and that of emerging Europe were similar in 2010, with the former growing by 4.6 percent and the latter by 4.2 percent, while growth in the Middle East trailed all other regions, coming in at 3.8 percent for 2010.

In line with the recovering global economic situation, the pace of Canadian real economic activity rebounded in 2010, up by 3.1 percent after having suffered a 2.5-percent decline a year earlier. The economy began expanding in the second half of 2009 and posted growth in all four quarters of 2010. Output expanded in all provinces and territories in 2010. All major expenditure categories advanced, with the exception of net trade. Inflation remained subdued, at 1.8 percent for the year. Job growth resumed in 2010 after a setback in 2009. Job gains were widespread both regionally and sectorally, although not all regions or sectors posted gains. The national unemployment rate fell from 8.3 percent in January to 7.6 percent in December, averaging 8.0 percent for the entire year. Largely as a result of rising commodity prices, the Canadian dollar appreciated against all major currencies and ended the year above parity with the U.S. dollar.

After the sharpest recorded contraction in 2009, the volume of world trade rebounded in 2010 with the greatest recorded expansion, returning to its pre-recessionary level. However, because of lower commodity prices in 2010 than in 2008 (e.g., crude oil), world merchandise exports

remained 5.4 percent below their 2008 peak level, in U.S. dollar terms. Expressed in U.S. dollars, Canadian merchandise exports to the world grew at the same pace as overall world exports, or by 22 percent in 2010. At the same time, Canadian exports of services grew at nearly double the pace of world services exports—15 percent versus 8 percent. However, these metrics are based on data converted into U.S. dollars and they include the effect of the appreciation of the Canadian dollar against its U.S. counterpart.

In Canadian dollar terms, Canadian exports of goods and services to the world rebounded by 8.7 percent in 2010, with goods exports ahead by 9.5 percent and services exports up by 4.4 percent. On the imports side, imports of goods and services rose by 9.2 percent, as goods imports advanced by 10.4 percent and services imports were up by 4.0 percent.

Overall, Canadian exports and imports of goods and services to and from all major markets increased in 2010. Gains in goods and services exports were led by Japan, the EU, and the United States, with advances of 10.5 percent, 10.4 percent and 8.8 percent, respectively. For imports of goods and services, the advances were led by the rest of the world and Japan, with imports up 12.8 percent and 9.4 percent, respectively.

By sector, most of the advances in goods exports were recorded for industrial goods and materials, automotive products, and energy, while exports of machinery and equipment, other consumer products, and agricultural and fishing products fell. In contrast, imports were up across the board. Services exports and imports were up in all major categories, except for exports of government services and imports of commercial services. Canada traditionally runs services trade deficits for travel, transportation, and commercial services and a surplus for