

**Cheryl Gallant, M.P.**  
**Preparing Action Plan 2014**  
**Pre-Budget Consultation**

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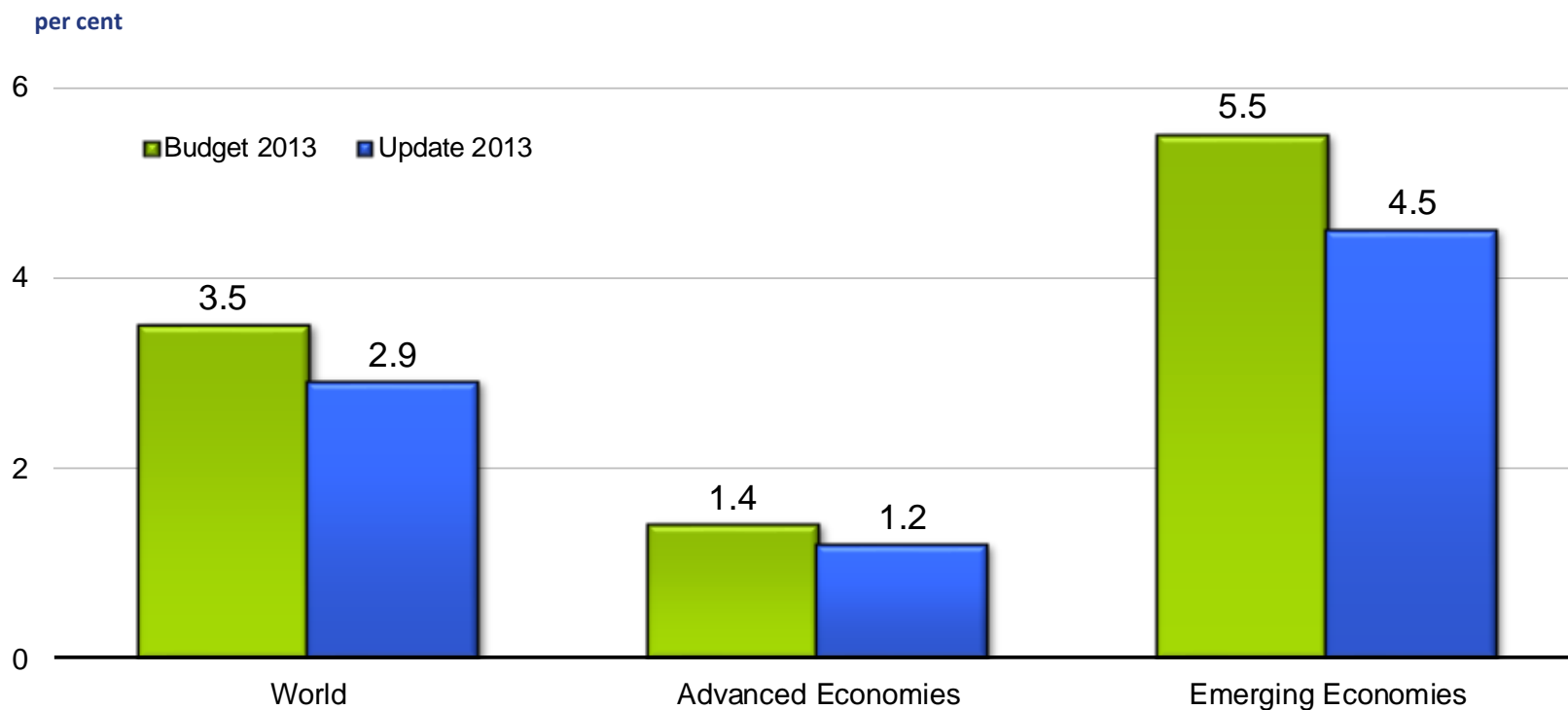
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# **Canada's Economic Situation**

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# Global economic challenges are weakening growth projections

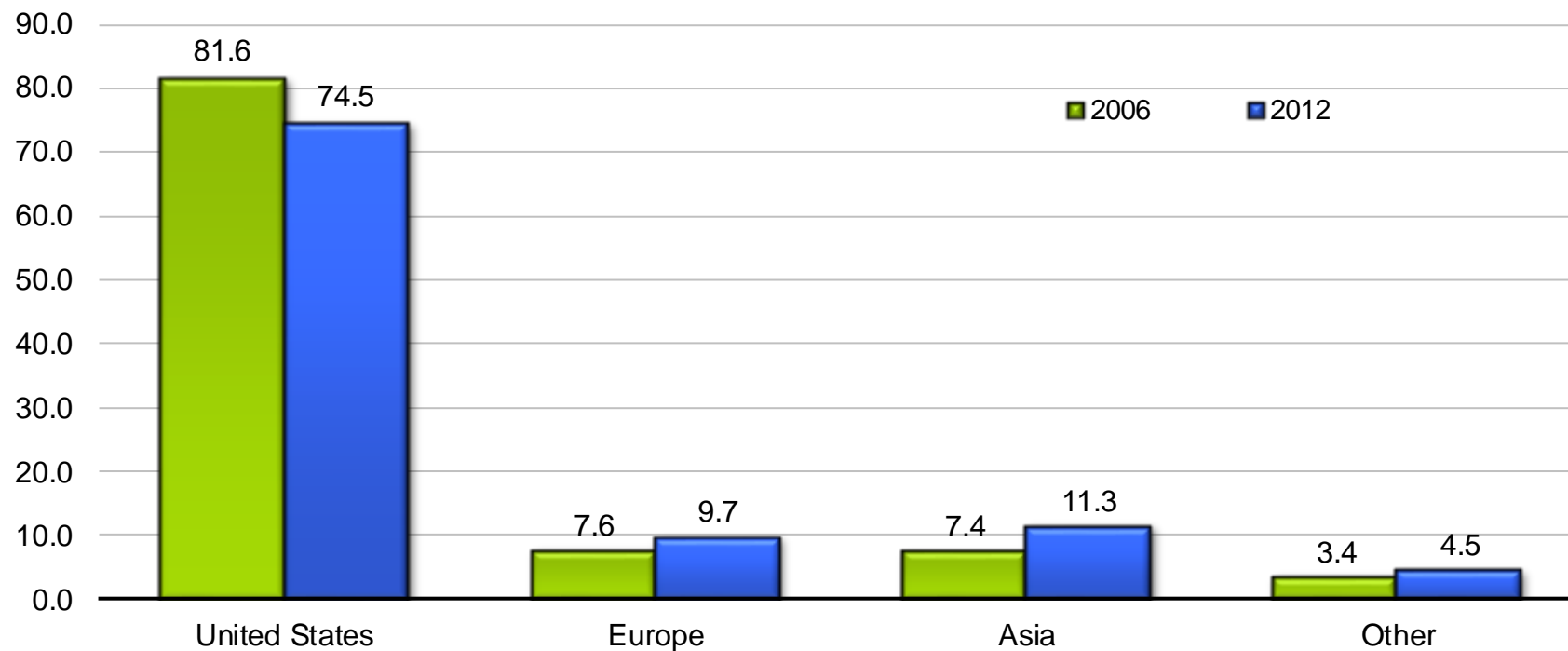
## IMF Real GDP Growth Outlook



# Canada's economy depends on the global economy's strength

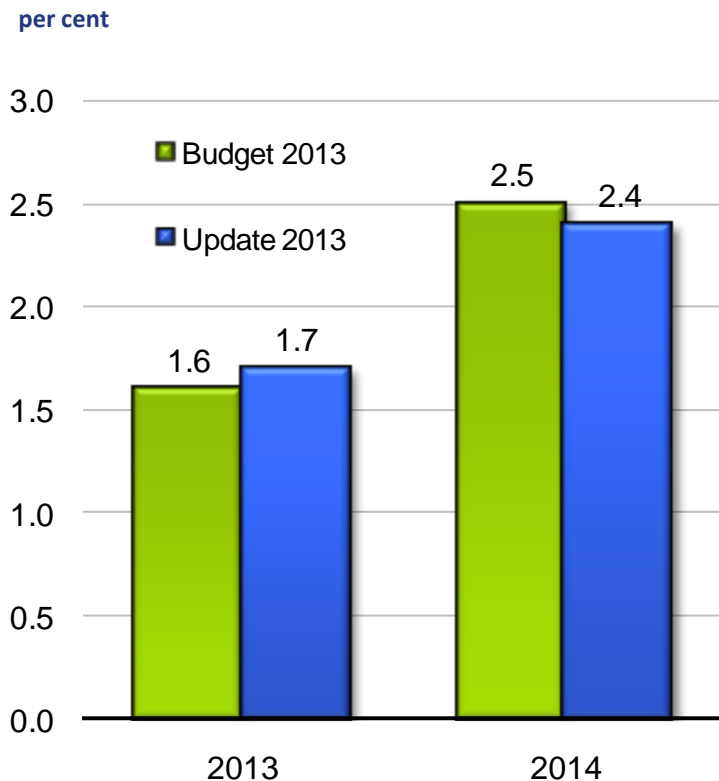
## Share of Canadian Exports by Region of Destination

per cent

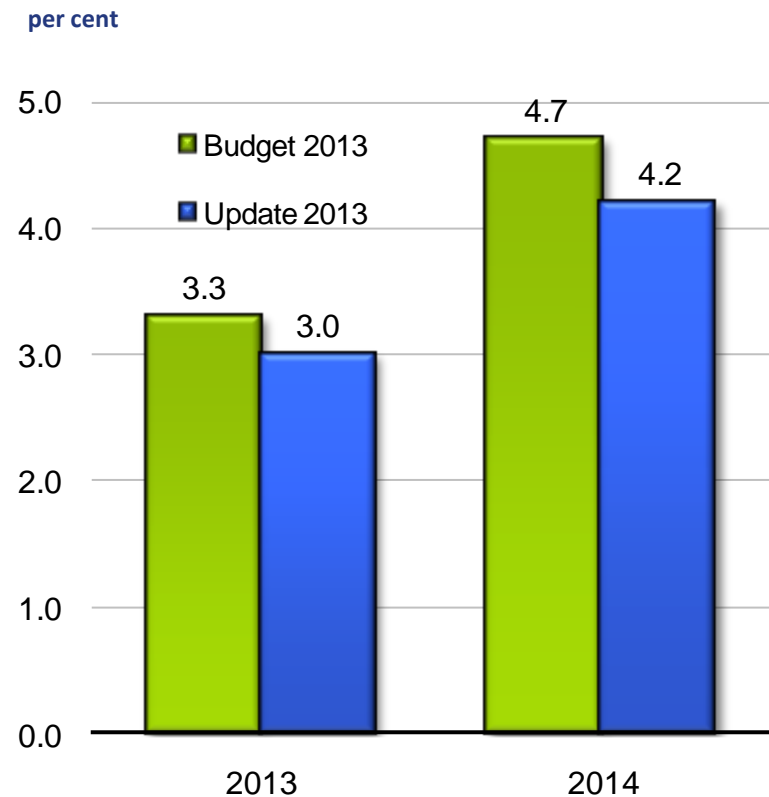


# Economists now expect slower growth than at the time of Budget 2013

## Real GDP Growth Outlook



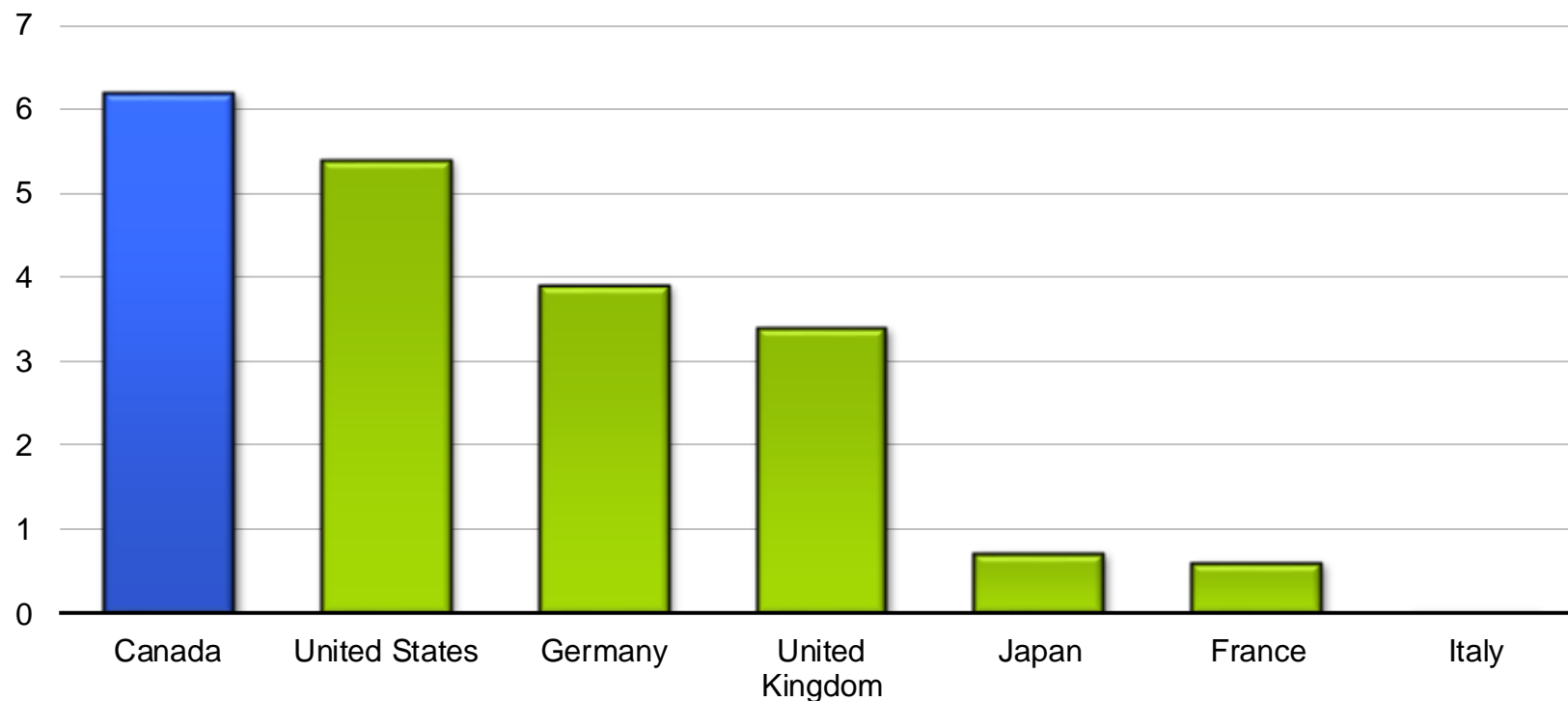
## Nominal GDP Growth Outlook



# Nevertheless, Canada has outperformed all G-7 economies in job growth...

## Job growth since the end of the recession (July 2009)

per cent

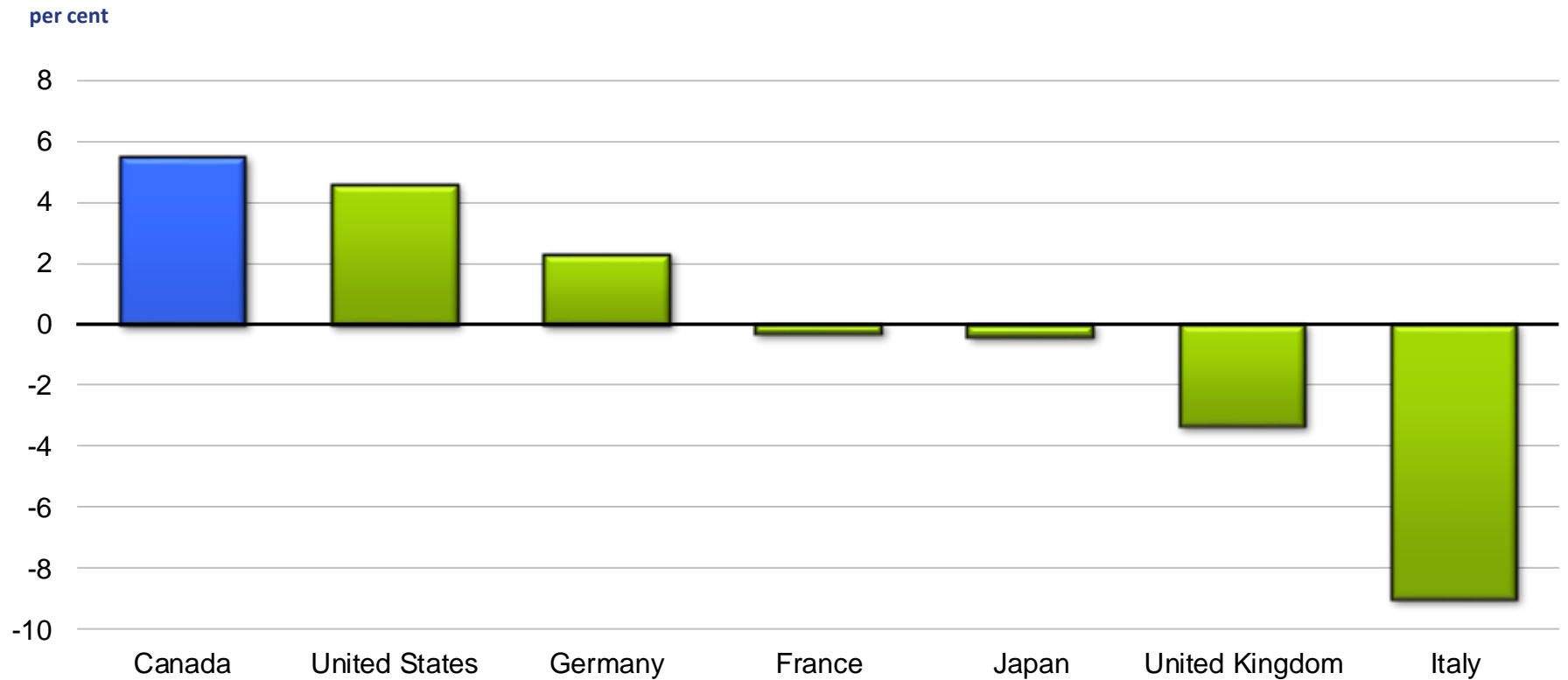


Note: Monthly data for Canada (July 2009 to September 2013), the United States (February 2010 to September 2013), Germany (July 2009 to August 2013), Japan (December 2012 to August 2013), and Italy (at its lowest as of August 2013). Quarterly data for France (2009Q3 to 2013Q2) and the United Kingdom (2010Q1 to 2013Q2).

Sources: Haver Analytics; Department of Finance calculations.

# ... and Canada has also outperformed all G-7 economies in economic growth

## Change in Real GDP Since Pre-Recession Peak



Notes: The pre-recession peak was for 2007Q3 for Italy; 2007Q4 for the United States; 2008Q1 for the United Kingdom, France, Germany and Japan; and 2008Q3 for Canada. The last data point is 2013Q2 for all countries.

Sources: Haver Analytics; Department of Finance calculations.

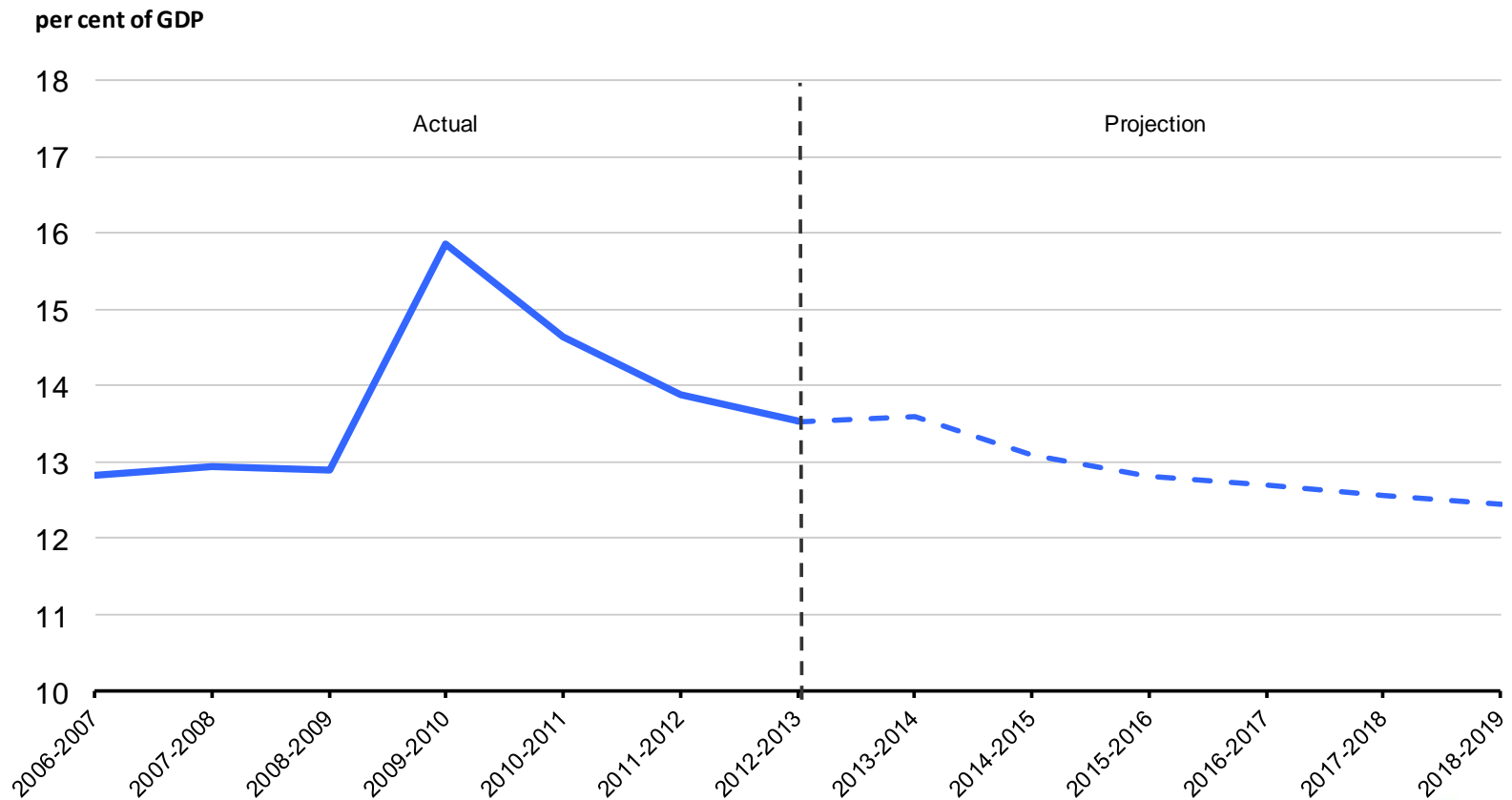
# Canada's Fiscal Outlook

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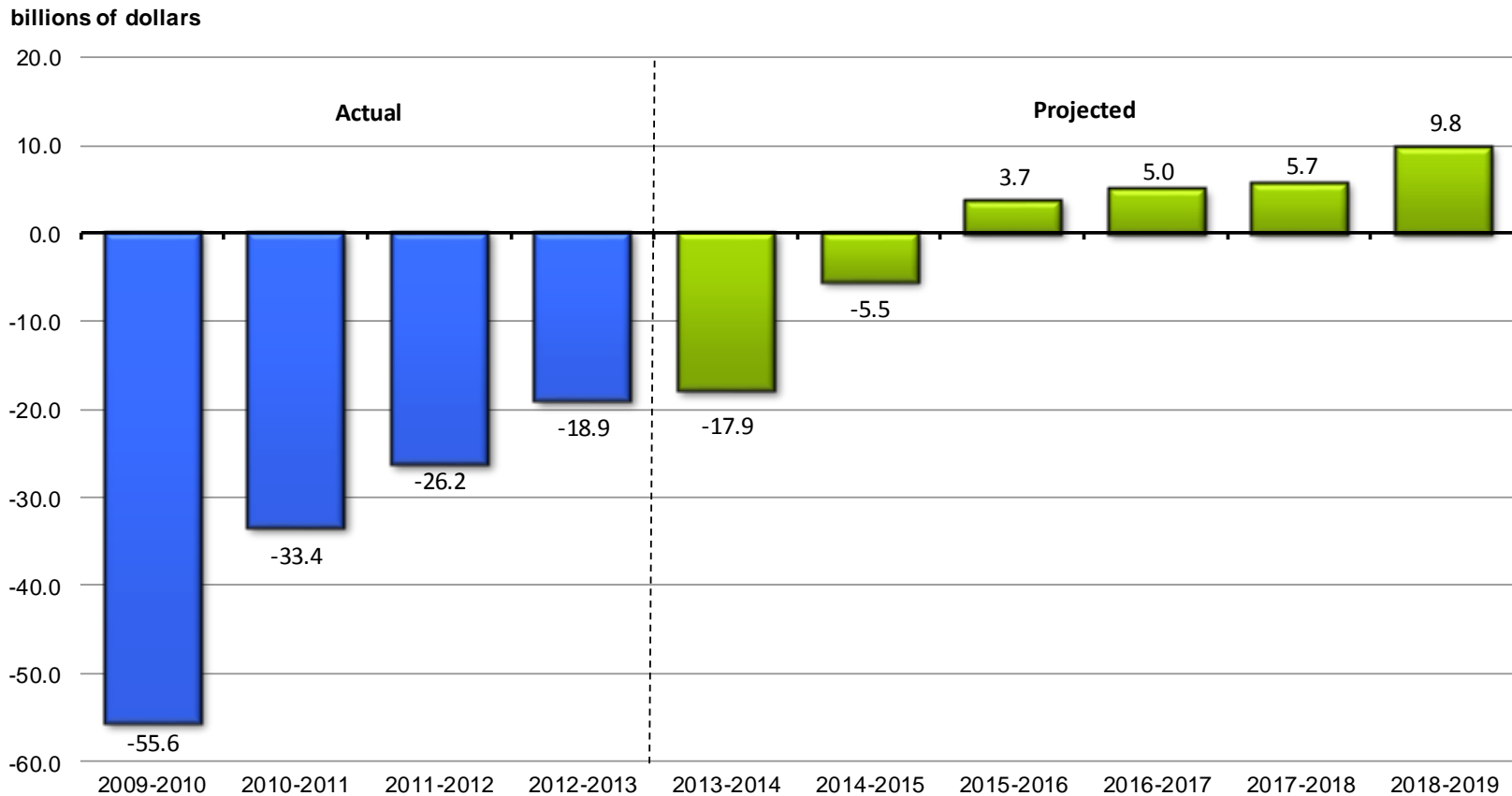
# Government program spending is being restrained and falling

## Program Expenses-to-GDP Ratio



Note: The chart reflects the adoption of the new accounting standard for tax revenues  
Source: Department of Finance

# Our Government remains on track to balance the Budgets in 2015

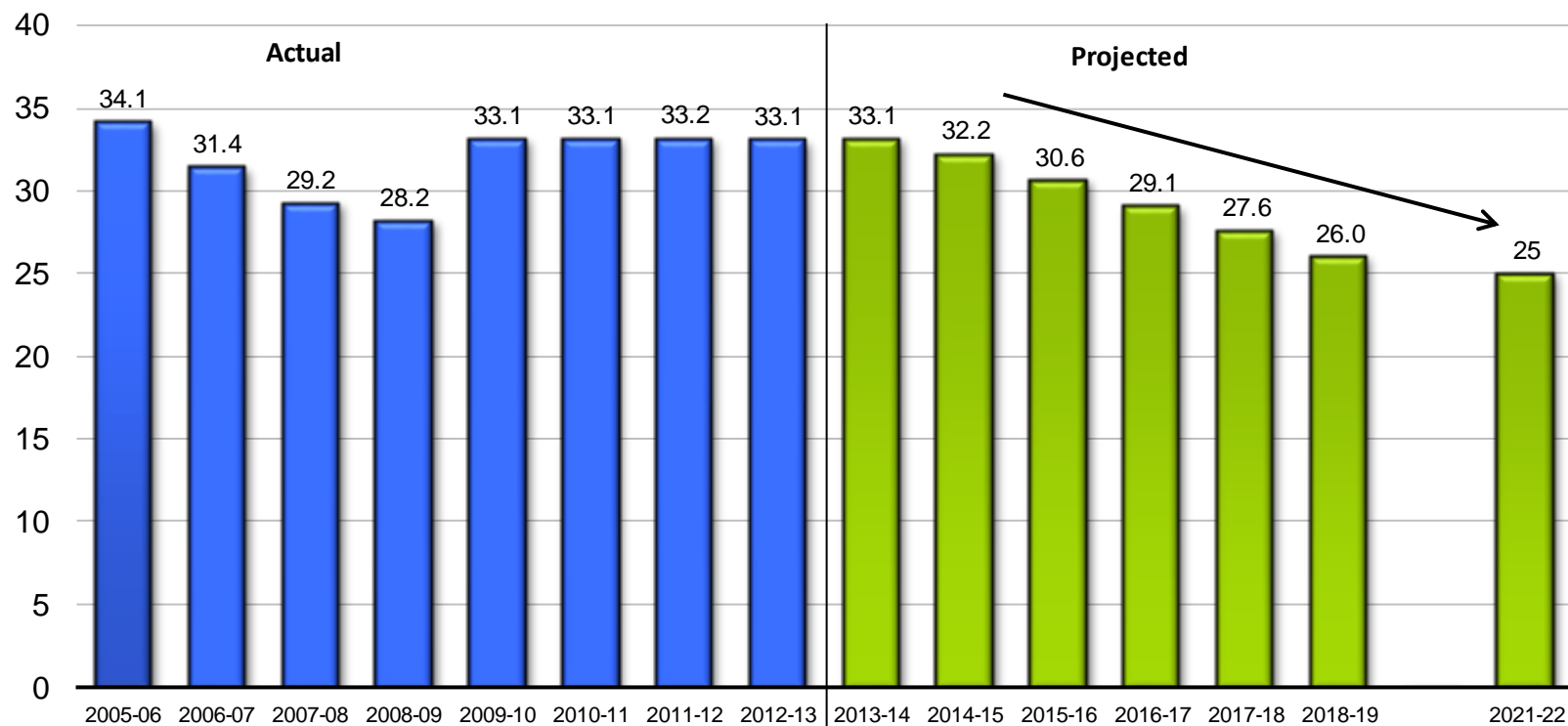


Source: Department of Finance

# The federal debt-to-GDP ratio is projected to resume its downward track

## Federal Debt-to-GDP Ratio

Per cent of GDP



Source: Public Accounts of Canada, Statistics Canada and Department of Finance.

# Questions

- 1. Are there measures we can take to strengthen our economy in the face of global economic threats?**
  - 2. Are there any cost-neutral or low-cost measures to further solidify our economic recovery and position Canada to prosper over the long-term?**
  - 3. In what areas should we look for more efficient and effective spending?**
  - 4. How can the Government further encourage private sector growth and leadership in the economy?**
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