



ECONOMIC FORECAST DETAIL – CANADA

April 3, 2008

Real growth in the economy

Period-over-period annualized percent change unless otherwise indicated

	Actual				Forecast								Act. Forecast		
	2007				2008				2009				Annual average		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2007	2008	2009
Consumer spending	4.0	5.8	4.5	7.4	3.8	2.8	2.6	2.8	3.2	3.4	3.5	3.6	4.7	4.3	3.1
Durables	6.4	15.2	-0.9	11.9	5.0	3.0	2.4	2.0	3.0	3.5	3.5	3.3	7.7	5.2	2.9
Non-durables	5.2	4.7	2.0	3.7	4.0	3.0	2.3	2.2	3.5	3.0	3.9	3.7	3.1	3.2	3.0
Services	2.1	4.5	6.4	8.7	3.4	2.5	2.9	3.4	3.4	3.8	3.5	3.9	4.5	4.6	3.4
Government spending	2.6	4.1	6.2	6.9	3.4	3.0	2.7	3.1	2.6	2.8	3.0	2.8	3.6	4.3	2.8
Business investment	2.8	4.4	5.5	5.4	8.4	4.9	4.6	4.9	2.8	2.7	2.6	3.2	4.0	5.9	3.5
Residential construction	9.8	6.5	5.5	2.4	4.0	1.8	2.0	1.7	-2.0	-1.0	-1.5	-1.0	3.2	3.2	-0.3
Non-residential structures	1.8	-2.8	-2.4	0.4	5.5	6.5	5.3	6.5	2.9	2.9	4.5	4.5	3.9	3.2	4.4
Machinery & equipment	-3.4	9.6	13.7	14.3	4.9	6.0	5.8	6.0	6.0	5.0	4.0	5.0	5.1	8.3	5.5
Final domestic demand	3.4	5.2	5.2	6.9	4.7	3.3	3.1	3.3	3.3	3.2	3.2	3.4	4.3	4.6	3.3
Exports	1.0	2.3	0.7	-8.5	3.3	-1.5	4.7	1.6	2.3	3.8	3.8	4.0	0.9	-0.2	2.8
Imports	1.0	7.3	18.4	10.9	5.4	4.9	6.3	4.0	4.2	4.0	4.0	4.2	5.7	8.0	4.4
Inventories (change in \$b)	3.3	4.8	16.4	18.7	14.0	14.3	14.0	13.5	13.0	13.0	12.8	12.3	10.8	14.0	12.8
Real gross domestic product	4.0	3.8	3.0	0.8	1.2	0.8	2.1	2.2	2.0	3.0	2.9	3.0	2.7	1.6	2.3

Other indicators

Business and labour															
Productivity (y/y %)*	-0.4	0.6	0.8	0.4	0.2	-0.2	-0.1	0.9	1.1	1.2	0.9	0.6	0.3	0.2	0.9
Pre-tax corporate profits (y/y %)	5.8	5.8	5.4	6.2	5.0	1.8	0.2	-1.4	-0.1	3.9	4.6	5.1	5.8	1.4	3.4
Unemployment rate (%)	6.1	6.1	6.0	5.9	5.8	6.1	6.4	6.6	6.6	6.6	6.5	6.5	6.0	6.2	6.5
Inflation															
Headline CPI (y/y %)	1.8	2.2	2.1	2.4	1.8	1.0	1.4	1.6	2.0	1.9	2.0	1.9	2.1	1.4	1.9
Core CPI (y/y %)	2.3	2.4	2.2	1.6	1.4	1.4	1.5	1.9	2.1	2.1	2.1	2.1	2.1	1.6	2.1
External trade															
Current account balance (\$b)	27.8	25.6	5.3	-2.1	1.9	-2.6	-3.7	-6.7	-7.3	-8.8	-9.1	-10.1	14.2	-2.7	-8.8
% of GDP	1.9	1.7	0.3	-0.1	0.1	-0.2	-0.2	-0.4	-0.4	-0.5	-0.5	-0.6	0.9	-0.2	-0.5
Housing starts (millions)	0.23	0.23	0.24	0.21	0.23	0.22	0.21	0.21	0.19	0.19	0.18	0.18	0.23	0.22	0.18
Motor vehicle sales (millions)	1.67	1.74	1.69	1.65	1.75	1.76	1.77	1.76	1.78	1.79	1.78	1.78	1.69	1.76	1.78

*Productivity is calculated as total real GDP divided by employment.

Source: Statistics Canada, RBC Economics Research forecasts

The material contained in this report is the property of Royal Bank of Canada and may not be reproduced in any way, in whole or in part, without express authorization of the copyright holder in writing. The statements and statistics contained herein have been prepared by RBC Economics Research based on information from sources considered to be reliable. We make no representation or warranty, express or implied, as to its accuracy or completeness. This publication is for the information of investors and business persons and does not constitute an offer to sell or a solicitation to buy securities.



©Registered trademark of Royal Bank of Canada.

©Royal Bank of Canada.