



ECONOMIC FORECAST DETAIL – CANADA

June 15, 2009

Real growth in the economy

Quarter-over-quarter annualized percent change unless otherwise indicated

	Actual				Forecast								Forecast		
	2008				2009			2010					2008	2009	2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2008	2009	2010
Consumer spending	2.5	1.1	0.6	-3.1	-1.6	0.9	1.0	1.5	1.7	1.8	2.1	2.5	3.0	-0.5	1.6
Durables	16.7	-3.0	-0.8	-11.6	-6.9	3.0	2.7	3.1	3.9	3.7	4.2	3.8	5.6	-3.3	3.5
Non-durables	0.1	0.8	-0.2	-1.4	0.0	0.5	0.7	1.7	1.7	1.5	1.9	2.5	1.5	0.1	1.5
Services	0.1	1.7	1.0	-1.4	-1.0	0.7	0.8	1.2	1.3	1.5	1.7	2.2	2.9	0.0	1.3
Government spending	5.7	4.6	0.0	2.5	1.2	2.9	3.6	3.9	3.8	3.5	3.0	2.9	3.7	2.3	3.5
Business investment	-1.7	-2.1	-0.4	-18.6	-24.3	-13.6	-5.2	2.1	4.8	4.9	5.1	5.3	-0.8	-13.3	1.8
Residential construction	-6.1	-1.3	-4.9	-23.0	-21.0	-19.4	-5.1	1.2	6.5	5.3	4.4	4.2	-2.7	-14.9	1.5
Non-residential structures	1.5	1.0	7.6	-1.3	-14.3	-11.1	-6.7	1.9	3.5	4.8	5.7	5.9	-0.1	-5.9	1.5
Machinery & equipment	0.2	-5.8	-2.9	-28.5	-35.7	-10.5	-3.7	3.1	4.5	4.6	5.1	5.7	0.5	-18.6	2.3
Final domestic demand	2.8	1.5	0.5	-4.9	-5.7	-1.3	0.5	2.3	2.9	2.8	2.9	3.1	2.6	-2.3	2.2
Exports	-2.3	-4.1	-4.1	-17.7	-30.4	-12.5	1.1	3.2	3.3	4.2	4.5	4.8	-4.7	-14.5	2.3
Imports	-4.7	3.0	-3.4	-23.4	-37.8	-12.2	1.8	4.1	4.8	4.9	5.0	4.7	0.8	-17.4	3.2
Inventories (change in \$b)	9.2	14.5	15.0	10.3	-5.8	-12.1	-10.4	-9.0	-6.3	-3.4	-0.8	0.8	12.2	-9.3	-2.4
Real gross domestic product	-0.7	0.3	0.4	-3.7	-5.4	-3.2	0.8	2.4	3.2	3.5	3.5	3.7	0.4	-2.4	2.5

Other indicators

Year-over-year percent change unless otherwise indicated

Business and labour															
Productivity	-0.6	-0.5	-0.5	-0.6	-1.0	-1.3	-0.8	0.6	0.9	1.8	1.5	1.5	-0.5	-0.7	1.4
Pre-tax corporate profits	6.2	13.0	15.7	-11.7	-34.9	-41.0	-43.8	-25.3	1.0	5.7	10.8	11.0	5.7	-36.9	7.1
Unemployment rate (%)**	5.9	6.1	6.2	6.4	7.6	8.3	8.8	9.2	9.2	9.1	9.0	8.8	6.1	8.5	9.0
Inflation															
Headline CPI	1.9	2.3	3.4	1.9	1.2	-0.2	-0.8	1.2	2.0	1.6	1.7	1.5	2.4	0.4	1.7
Core CPI	1.4	1.5	1.6	2.2	2.0	1.6	1.1	1.0	1.1	1.3	1.4	1.4	1.7	1.4	1.3
External trade															
Current account balance (\$b)	23.5	27.0	13.0	-31.0	-36.2	-24.1	-21.8	-9.9	-9.0	1.0	3.4	6.2	8.1	-23.0	0.4
% of GDP	1.5	1.7	0.8	-2.0	-2.4	-1.6	-1.4	-0.6	-0.6	0.1	0.2	0.4	0.5	-1.5	0.0
Housing starts (000s)**	235	218	208	185	140	127	142	156	167	169	175	179	211	141	173
Motor vehicle sales (mill., saar)**	1.83	1.71	1.65	1.50	1.42	1.48	1.52	1.54	1.58	1.60	1.63	1.65	1.67	1.49	1.62

\*Productivity forecast reflects RBC's forecasts for employment and GDP growth \*\*Quarterly average

Source: Statistics Canada, RBC Economics Research forecasts

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