

MINISTER OF FINANCE WELCOMES INTERNATIONAL MONETARY FUND FORECASTS FOR CANADA

The Honourable Jim Flaherty, Minister of Finance, today commented on the International Monetary Fund's (IMF) fall 2011 *World Economic Outlook*, which predicts Canada, along with Germany, will have the fastest growing Group of Seven (G-7) economy over the next two years.

"We are in a period when global economic activity has weakened, becoming more uneven and uncertain. Thanks to our sound economic and fiscal fundamentals, Canada is in a better position to weather global headwinds," said Minister Flaherty.

Reflecting the IMF's lowered global growth forecast, the outlook for Canada's growth has been revised down to 2.1 per cent in 2011 and 1.9 per cent in 2012, largely due to the slowdown in U.S. economic activity. However, the report noted that "downdrafts from its southern neighbour will be offset in part by relatively healthy economic fundamentals and supportive commodity prices."

Minister Flaherty also highlighted the IMF's *Fiscal Monitor* released today, which forecasts that Canada will continue to have by far the lowest total government net debt-to-GDP ratio in the entire G-7 (33.3 per cent in 2016 compared to the G-7 average of 92.9 per cent).

"Canadians gave our Government a strong mandate to stay focused on what matters—creating jobs and economic growth. As we have said all along, the economic recovery remains fragile, and we are not immune to the volatile global economic environment, largely due to a problem of confidence in efforts of governments to reduce their deficits. The Next Phase of Canada's Economic Action Plan will preserve this country's advantage in the global economy."

Minister Flaherty, who will be attending IMF, World Bank and G-20 meetings later this week, urged European countries to deal with their sovereign debt situations and to ensure their financial systems are adequately capitalized.

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