

Analysis of economic performance of canada economics essay

[Countries](#), [Canada](#)



Canada is among the top 10 trading states in the universe and its economic system is dominated by service sector. It is one of the wealthiest states and it 's a member of administration of economic cooperation and development (OECD) and G-8. The impressive growing of Canada 's fabrication, excavation and service sections have transformed the North American state from an agricultural economic system to a extremely industrial and modern economic system (canada economic construction) .

Canada 's biggest trading spouse is USA, 80 % of its exports are to USA and imports 65 % from USA (canada economic system) . Canada has experienced a high economic growing, even when a planetary economic crisis was impacting most economic systems of universe (canada economic study)

The purposes and aims of this study are to measure the economic public presentation of Canada. The study discusses about the macroeconomic indexes and balance of payments from 2006 boulder clay today. The study besides discusses about the future positions of Canada.

Gross Domestic Product can be defined as `` the sum of goods and services produced by a state over clip " . Canada 's economic system is really extremely developed. Foreign Trade is the foundation of Canadian economic system. Foreign Trade is responsible for approximately 45 % of Canada 's Gross Domestic Product. Canada is one of those states that are a major exporter of energy (merchandising economic system 2010) .

Canada 's existent GDP has grown by 0. 8 % in the last one-fourth of 2010, led by exports. All major subdivisions increased their end product in the last one-fourth of 2010, except the fabrication industry. The largest sector lending to the GDP growing was the excavation and oil and gas sector. Canada has seen so many ups and downs during the recession period. But 2009 has been the worst twelvemonth for Canada in footings of economic growing as the GDP fell to -2. 46 % . But Canada being a major exporter of so many merchandises has somehow gained back its place as GDP rose to 3. 07 % .

Canada is one state in the universe that has seen a budget excess when the recession was striking so many economic systems severely. But finally in 2009-2010, Canada 's excess started shriveling and the state for the first clip in last six old ages witnessed a shortage.

Although, Canada was in excess for so many old ages still the % alteration in the figures as seen from the graph below was really less. The excess growing in 2009 was merely 0. 15 % as compared to the old twelvemonth where the growing was 1. 96 % . In 2010 the state faced a shortage and the growing rate went down to -0. 03.

Exchange rate is the monetary value of one national currency such as Canadian dollar expressed in footings of in another currency, illustration US dollar or basket of currencies (Bank of canda) .

Canada has flexible exchange rate system this can be shown from the undermentioned line graph. In 2006 it was 0.88 which increased boulder clay 2008 and because of recession during 2009 it decreased.

Motion in Canadian dollar shows how domestic and external factors co relate with each other. These factors play an of import function at different points of clip. The factors are economic public presentation, involvement rates, rising prices rates, Canada 's public debt, trade and current history balance etc (Bank of canda) .

Canada Balance Of Payments

Current History

The balance of payments can be defined as `` the economic dealing of the state 's occupants with the remainder of the universe `` (fxwords) and the Trade is the `` difference between the exports and imports (fxwords) . `` Canada has been in a trade shortage since past few old ages (2005-2009) because it has imported more than it exported. But in 2010, state 's exports increased and finally it the trade balance started lifting (from -27231 to -23309) .

The above graphs are similar beacause there is a strong relationship between the trade balance and the current history balance. When the trade balance is diminishing the current balance is besides diminishing and vice-versa. This means they are straight relative to each other.

2. Capital and Financial Account

Canada 's balance on capital and fiscal history has shown a uninterrupted betterment as the figures went up from -22768 in 2006 to 55546 in 2010.

When a state has a positive capital and fiscal history, it has more debits than credits. It is said that a state should non hold any restraints on capital motion because it attracts more Foreign Direct Investment. In Canada stock exchange volumes and capital market deregulating are encouraged by Portfolio Foreign Investments and the investors diversify their portfolio hazard by puting in more than one market (investopedia) .

Canada is a state full of natural resources, engineering and many other agencies of production. Even Bankss and other fiscal establishments are stable in this state. Canada has been a state of low involvement rate and low rising prices rate. This is the ground why the state has developed more than any other state even after go throughing a bad stage of fiscal crisis (economic system ticker 2008) .

Future GDP Estimates

There has been an addition in the GDP growing in the first one-fourth of 2011. The state has overcome with the recession at a faster rate than any other state. At the terminal of 2009, Canada was in the figure 10 place for universe rankings. Forecasters expect that by the stopping point of 2015, Numberss will make \$ 1, 971. 44 billion in US dollars. Because the economic system of Canada is a mixture of many things and with this state being one of the most critical of all providers of agricultural merchandises, it is

expected that the economic system will stay strong (economic system ticker 2008) .