



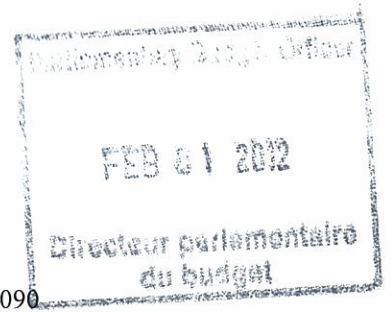
Department of Finance
Canada

Ministère des Finances
Canada

Deputy Minister

Sous-ministre

Ottawa, Canada
K1A 0G5



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JAN 30 2012

Mr. Kevin Page
Parliamentary Budget Officer
Library of Parliament
Ottawa, ON K1A 0A9

Dear Mr. Page: *Kevin*

Further to your request of 30 November 2011 (IR0056), please find attached the data submitted to the International Monetary Fund under the G-20 Mutual Assessment Process on May 20, 2011, excluding some supplementary information that was derived from Departmental calculations.

Yours sincerely,

Michael Horgan

Enclosure

c.c.: Rick Stewart, Assistant Secretary to the Cabinet, Privy Council Office, Liaison Secretariat for Macroeconomic Policy

G-20 Mutual Assessment: Macroeconomic framework
(Medium-term projections and assumptions)

Projections

Variables	2011	2012	2013	2014	2015
Domestic Variables					
Real GDP (% yoy)	2.9	2.8	2.7	2.5	2.5
Nominal GDP (% yoy)	5.8	5.0	4.9	4.5	4.5
Monetary and financial policy					
Consumer price inflation (% yoy)	2.5	2.0	2.0	2.0	2.0
Labor markets					
Population growth (% yoy)	1.2	1.0	1.0	0.9	0.9
Unemployment rate (%)	7.5	7.2	7.0	6.7	6.5
External variables					
Nominal exchange rate assumption (currency unit/US\$)	100.3	101.2	101.9	102.6	103.6
Oil and other relevant commodity price assumptions (US\$)					
- Price of natural gas (US\$/MMBtu)	4.3	5.0	5.3	5.5	5.8
- Price of West Texas Intermediate crude oil at Cushing (U.S. \$ per barrel)	94.4	97.3	104.1	106.4	112.7
Fiscal policy (% of GDP - Federal Government only)					
Primary Balance	0.2	0.9	1.6	2.0	2.1
Government Balance	-1.7	-1.1	-0.5	0.0	0.2
Government revenue	14.6	14.8	15.0	15.1	15.1
o/w tax revenue	11.9	11.9	12.1	12.2	12.2
Government expenditure	16.3	15.8	15.5	15.1	14.8
o/w interest payments	1.9	2.0	2.1	2.0	1.9
Net government debt	38.5	37.9	36.7	35.3	33.6
Interest rate (short-term - 3 month T-bill) (%)	1.3	2.5	3.4	3.9	4.1
Interest rate (long-term - 10 year T-bond) (%)	3.5	4.0	4.6	4.8	5.0

Note: Consistent with Canada's established approach to fiscal planning, this forecast reflects the average of the March 2011 survey of private sector forecasters. The only exception is for the CPI inflation forecast, which is based on the Bank of Canada's projection, consistent with the April 2011 Monetary Policy Report. Fiscal policy forecasts are on a Public Accounts basis and for the federal government only.