

Sujet: Le Canada n'est plus le parent pauvre en Amérique du Nord / Canada no longer poor kid on North American economic block.

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Is Canada the New Economic King of North America?

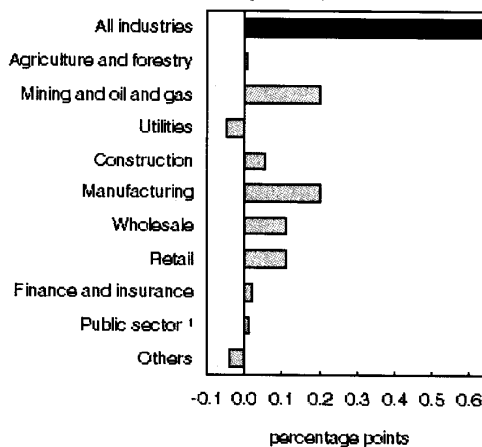
Posted By [Damien Hoffman](#), [Wall Street Cheat Sheet](#) On June 3, 2010 @ 8:19 am In [Markets](#) | [No Comments](#)

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This article is a guest contribution by [Damien Hoffman](#), [Wall Street Cheat Sheet](#).

Oh, Canada. Looks like those natural resources and less risky finances are paying off.

Main industrial sectors' contribution to the percent change in gross domestic product, March 2010



1. Education, health and public administration.

This morning [Statistics Canada](#) announced "real GDP grew 6.1% [annualized] in the first quarter after advancing 4.9% in the fourth quarter of 2009. This compared with a 3.0% first quarter rate of increase in the US economy."

As you can see in the chart to the left, *Mining and Oil and Gas* as well as *Manufacturing* are booming in Canada (NYSE: EWC). A key driver for the emerging North American powerhouse is Asian demand for natural resources — particularly oil sands assets.

A few other noteworthy stats include:

- Consumer spending increased 1.1%
- Government spending slowed
- Housing demand grew
- Producer prices rose 1.1%
- Wages and salaries increased 2.7% in the goods-producing industries and were up 0.7% in the service-producing industries
- Current transfers from government to the household sector declined for the first time since the second quarter of 2008, as Employment Insurance payments fell 9.5%.

Unlike the US which is mired in a \$13 Trillion debt hole, Canada has raised interest rates amidst this type of outsized economic growth relative to most other nations. The Bank of Canada just raised rates 25 basis points from .25% to .50%, becoming the first G7 nation to raise rates since the global economic crisis began. The Loonie, or Canadian dollar, has already gained 16% against the U.S. dollar in 2009 and still remains a preferential currency safe-haven.

US citizens have long made fun of Canadians as being our less financially savvy cousins in the north. But for the time being, Canada seems to be shaking off the laughs in favor for the old [Mel Brooks line](#), "It's good to be the King."