

Canada Business Forecast Report Q2 2014

<https://marketpublishers.com/r/C91318EE34AEN.html>

Date: January 2014

Pages: 31

Price: US\$ 1,195.00 (Single User License)

ID: C91318EE34AEN

Abstracts

Core Views

The ongoing theme for the Canadian economy is 'rebalancing'. The mix of growth will shift away from private consumption and toward net exports, as household balance sheets remain under pressure, and US demand picks up. Growth could well disappoint in 2014, however, and we are below consensus on the rate of economic expansion in both 2014 and 2015.

We are becoming somewhat concerned at the moribund recent performance of business investment, but expect an improvement in gross fixed capital formation going into 2014 and 2015, as the recovery in the US buoys corporate sentiment as well as external demand for Canadian exports going into 2014.

Among developed states, and in stark contrast to the neighbouring US, Canada has an enviable fiscal record. We see very limited risk of a Canadian fiscal crisis we see the federal budget balance returning to surplus by 2015-16.

Major Forecast Changes

We have downgraded our 2014 real GDP growth forecast for Canada to 2.1% from 2.3%, and for 2015 to 2.3% from 2.5%.

Key Risks To Outlook

Downside Risks To Growth Forecast: Domestically, a hard landing for the housing market could push the Canadian economy into recession. Externally, a relapse in US growth would hit Canada's attempt at economic rebalancing particularly hard, as it would severely hurt demand for Canadian exports and damage corporate investment

sentiment. A hard landing in China would cause a commodities collapse, further damaging Canadian terms of trade. Downside Risks To Long-Term Forecast: The major historic weakness of Canadian economic growth has been low productivity. Although we expect a pick-up in corporate investment in the near future, without a structural improvement in business investment and key national industries, potential GDP growth could be closer to 2.0% than the 2.1-2.3% that we expect in 2014/15.

Contents

Executive Summary
Core Views
Major Forecast Changes
Key Risks To Outlook

CHAPTER 1: POLITICAL OUTLOOK

SWOT Analysis
BMI Political Risk Ratings
Domestic Politics
Key Questions For 2014

As the 2015 federal election begins to come into focus, we look at several possible developments in Canadian politics over the coming year. At this stage, the ruling Conservative government looks likely to lose the election, with the Liberal Party surging in the polls.

Table: Domestic Politics

Long-Term Political Outlook

Strong Foundation, But Some Challenges From Within

Canada has one of the highest long-term political ratings in the world, reflecting its history of stable governance and strong institutions. Nevertheless, Canada faces political challenges over the coming decade, including a potential shift in power from east to west.

CHAPTER 2: ECONOMIC OUTLOOK

SWOT Analysis
BMI Economic Risk Ratings
Economic Activity
Growth Set To Disappoint In 2014

We expect an improvement in Canadian real GDP growth in 2014 and 2015, with expansion of 2.1% and 2.3% in those years respectively (up from 1.7% in both 2012 and 2013). However, our forecasts are below consensus, and we expect domestic demand to come under pressure as overlever aged households take a breather, the housing market cools, and commodity prices fail to recover.

Table: GDP BY EXPENDITURE, REAL GROWTH %

Exchange Rate Policy

CAD: Rate Cut Risks Rising

Table: BMI Canada Currency Forecast

Table: EXCHANGE RATE

CHAPTER 3: 10-YEAR FORECAST

The Canadian Economy To 2023

Structural Factors To Constrain Growth

Canada has several structural strengths that will work in its favour over the coming decade, including an enviable fiscal situation, a well-educated workforce, and a good business environment. However, growth will be constrained by other structural factors, including deteriorating demographics, the end of the global commodity boom, and household deleveraging. We are forecasting average long-term real GDP growth of 2.1% to 2023, compared with 2.9% in the decade preceding the 2008-09 global financial crisis.

Table: Long-Term Macroeconomic Forecasts

CHAPTER 4: KEY SECTORS

Autos

Table: Autos Sector : Historical Data And Forecasts , 2010-2017

Food & Drink

Table: Food Consumption Indicators – Historical Data & Forecasts , 2012-2017

Table: Alcoholic Drink Value /Volume Sales – Historical Data & Forecasts , 2012-2017

Table: Mass Grocery Retail Sales By Format – Historical Data & Forecasts , 2012-2017

Other Key Sectors

Table: Oil and Gas Sector Key Indicators

Table: Telecoms Sector Key Indicators

Table: Infrastructure Sector Key Indicators

Table: Pharma Sector Key Indicators

Table: Freight Key Indicators

CHAPTER 5: BMI GLOBAL ASSUMPTIONS

Global Outlook

Momentum To Continue In H114

Table: Global Assumptions

Table : Developed States , Real GDP Growth H, %

Table : BMI VERSUS BLOOMBERG CONSENSUS REAL GDP GROWTH
FORECASTS, %

Table : Emerging Mar kets , Real GDP Growth , %

I would like to order

Product name: Canada Business Forecast Report Q2 2014

Product link: <https://marketpublishers.com/r/C91318EE34AEN.html>

Price: US\$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/C91318EE34AEN.html>