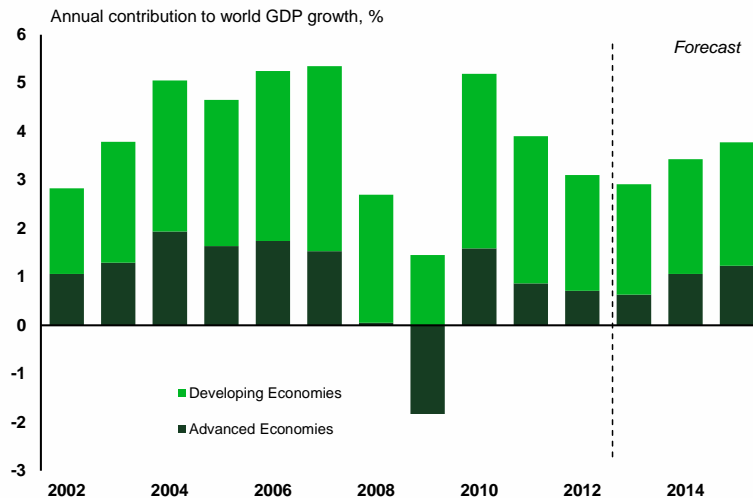




The Global Outlook

Craig Alexander
Senior Vice President & Chief Economist
June 2014

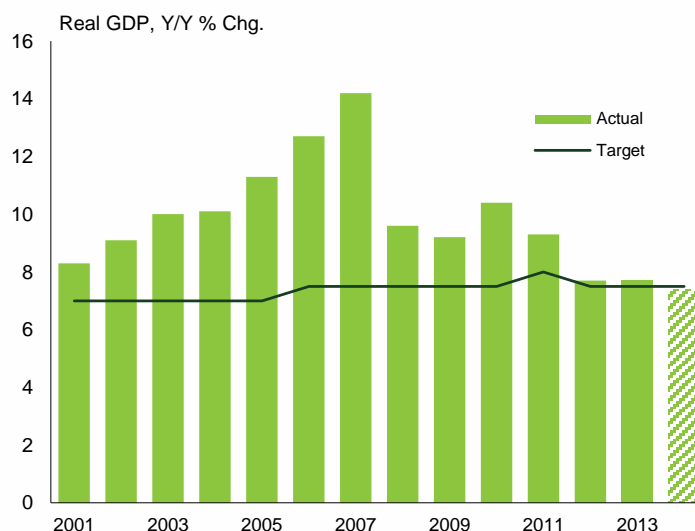
GLOBAL ECONOMIC GROWTH TO IMPROVE



Source: IMF. Forecast by TD Economics as at March 2014.

TD Economics

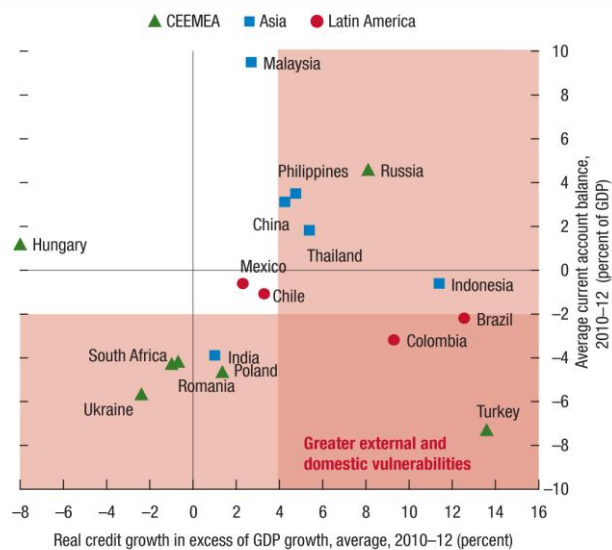
CHINA SLOWING AMID DEEP REFORMS



Source: China National Bureau of Statistics, Haver Analytics, TD Economics. As at March 2014.

TD Economics

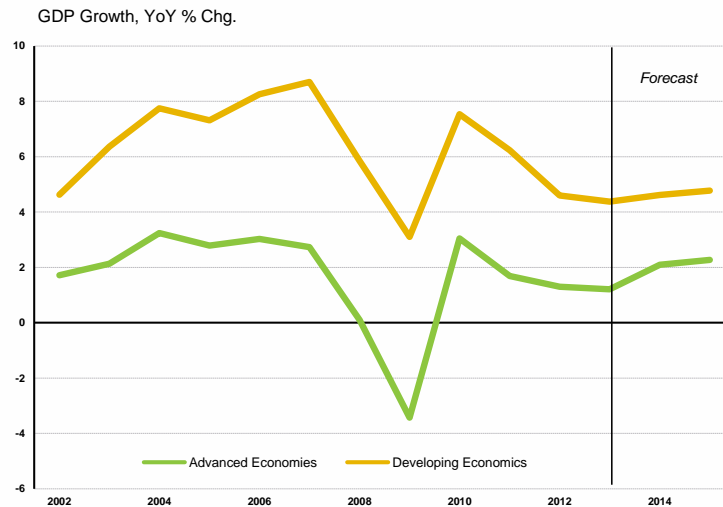
EMERGING ECONOMIES POSE GREATEST RISK TO FINANCIAL OUTLOOK



Sources: IMF, International Financial Statistics and World Economic Outlook databases.
Note: CEEMEA = central and eastern Europe, Middle East, and Africa.

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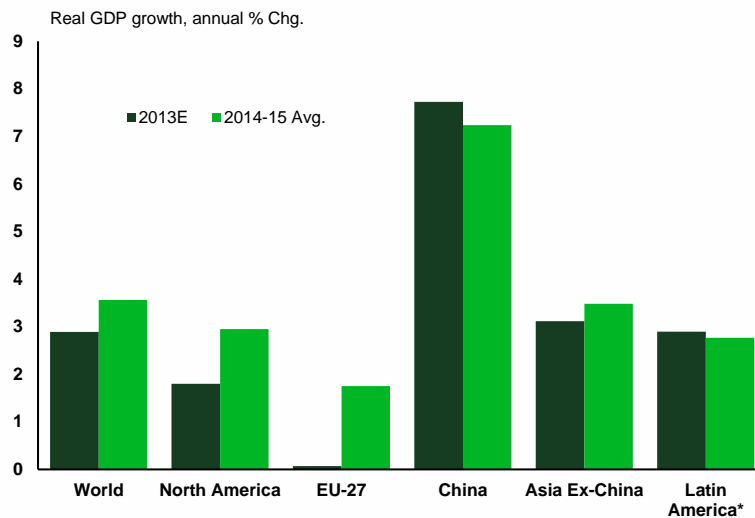
ADVANCED ECONOMIES TO ACCELERATE



Source: IMF. Forecast by TD Economics as at March 2014.

TD Economics

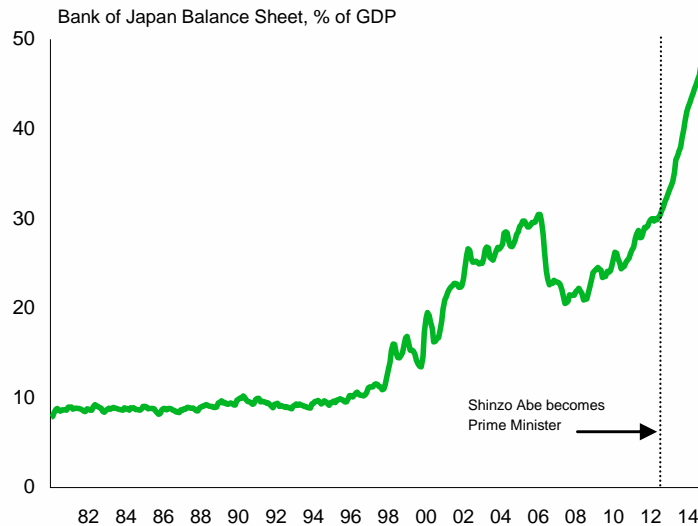
END TO EUROPEAN RECESSION A KEY FACTOR IN GLOBAL IMPROVEMENT



*Excluding Mexico. Forecast by TD Economics as at March 2014.

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JAPAN TAKING DRAMATIC ACTIONS TO BOOST GROWTH AND STOKES INFLATION



Source: Haver, TD Economics

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CANADA TO BENEFIT FROM FURTHER TRADE DIVERSIFICATION



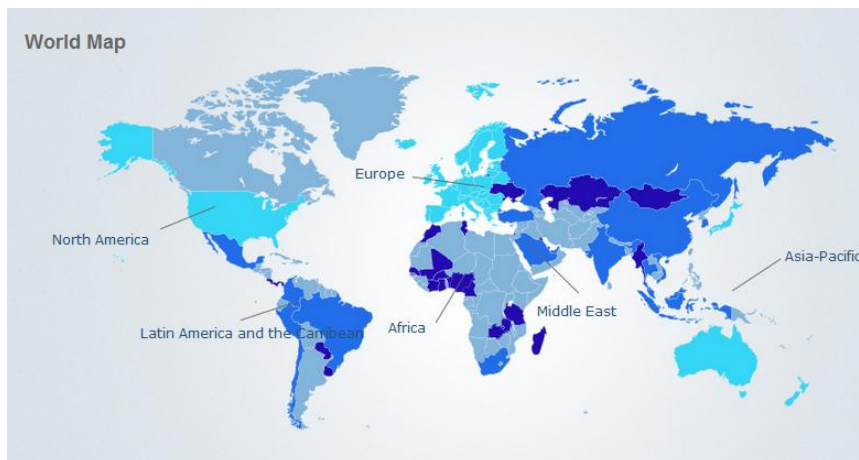
- In 2012 74.6% of Canadian exports went to US and 50.6% of imports came from US (Shrinking from 87.1% and 62.6% respectively in 2002)
- Need to foster a diversified economy that is rising up the value added production chain – not just living off our resource endowment

Working towards new agreements:

- Canada – EU (CETA)
- Canada – Korea (CKFTA), South Korea
- Canada - Central America Four (CA4)
- Canada – China (FIPA)
- Canada – Japan, Economic Partnership Agreement
- Canada - Trans-Pacific Partnership (TPP), Negotiations

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E.U. IS THE MOST IMPORTANT OF THE 'PRIORITY MARKETS' TARGETED BY CANADA'S GLOBAL MARKETS ACTION PLAN



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SIGNIFICANCE OF CETA



- EU is the world's largest integrated economy, with 500 million people and annual economic activity of almost \$17 trillion (bigger than US)
- Having access to this major market through an FTA will give Canada an advantage over other countries which don't.
- If Canada is ahead of US, our companies will have a 'first mover' advantage
- Reports indicate that CETA will bring a \$12 billion boost to Canada's annual income and a 20% increase in bilateral trade

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Thank you!

