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## **Two Imperatives to Secure Strong, Sustainable, and Balanced Economic Growth, Governor Mark Carney Says**

**OTTAWA, Ontario** – While Canada is a country of immense strengths and considerable resilience, its economy is underperforming relative to its potential, Bank of Canada Governor Mark Carney said today in a speech to the Ottawa Economics Association. “We are not as productive as we could be. Our potential growth is slowing. Moreover, this is occurring as the very nature of the global economy in which we have previously thrived is under threat,” Governor Carney noted.

The cost of the decline in potential growth could amount to a cumulative loss of income of almost \$30,000 per Canadian over the next decade.

The Governor spelled out two imperatives—one domestic, the other international—to secure strong, sustainable, and balanced economic growth for Canada. On the one hand, Canada needs to boost its “abysmal” productivity record. “While there is always more to do, governments have put in place conditions for a productivity revival,” Governor Carney said. “Business, thus far, has disappointed.”

Canada’s productivity challenge is made more pressing by an international economic landscape that is changing dramatically. Bank of Canada research illustrates the substantial gains of implementing the G-20 framework launched last November in St. Andrews, Scotland, as well as the considerable costs of disregarding it. Ultimately, securing strong, sustainable, and balanced global economic growth will require changes in behaviour as well as policy adjustments on several fronts, Governor Carney said.

The Governor advised that now is not the time for Canada to rest on its laurels or to take an open global economy for granted. “The twin challenges of boosting Canadian productivity and of implementing the G-20 framework globally are daunting,” he acknowledged. “But the gains are considerable.”

Governor Carney stressed that the Bank of Canada is committed to tackling these important issues. “We have a broad research agenda on productivity. We are working with our domestic and international partners to reform the global financial system. We are active participants in G-20 framework discussions, not merely because they offer the best outcome for the global economy but also because they are in Canada’s interests,” he said. In concluding, the Governor noted that, most fundamentally, the Bank has an unwavering commitment to price stability.