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## Slowdown signs - Canadian flat growth dampens optimism

*Tuesday, 06 Oct, 2009*

Statistics Canada said that the Canadian economy kicked off the third quarter with zero growth in July 2009 as a raft of temporary and seasonal factors dented activity.

While the economy could gather steam in the quarter, the flat reading for July's gross domestic product is a setback for hopes of a strong recovery out of the gate. It stumped economists who had widely called for a robust rebound and underlined how difficult it will be for the economy to climb out of a deep global recession.

Mr Philip Cross chief of economic analysis at Statscan said that "Some of the reasons for this disappointing report appear to be temporary. Improvements in the manufacturing and construction sectors suggest that certainly the worst has past and the economy was starting to grow slowly in the summer."

Mr Andrew Gretzinger senior economist and portfolio manager of MFC Global Investment Management said that "The economy is picking up, but it will be choppy."

Temporary factors flickered through the report. July was unusually cold and rainy in much of Canada, which meant fewer farmers in the fields and fewer steaks on the barbecue. Strikes by city workers in Toronto and Windsor knocked USD 300 million from GDP. Diamond and iron ore mines shut down temporarily.

Mr Jayson Myers president of Canadian Manufacturers & Exporters said that "Our orders are down 30% on average, but they're not falling as sharply as they were. Weak US demand and little business investment means I'm still not seeing any signs of a sustained recovery, based on new orders coming in."

(Sourced from [www.theglobeandmail.com](http://www.theglobeandmail.com))

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