

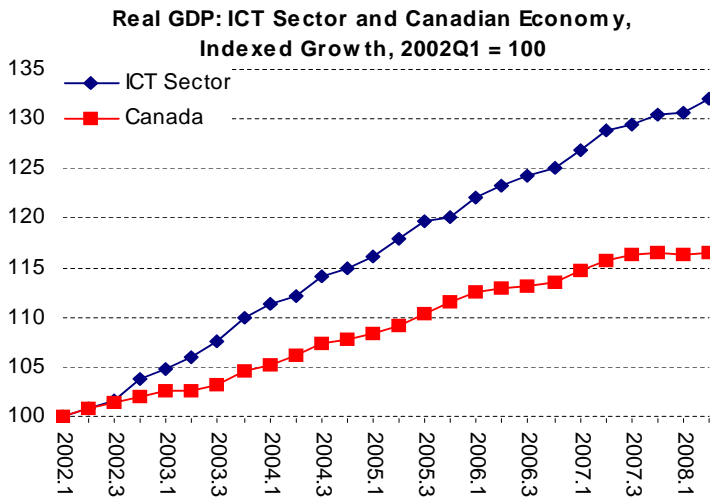


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Gross Domestic Product

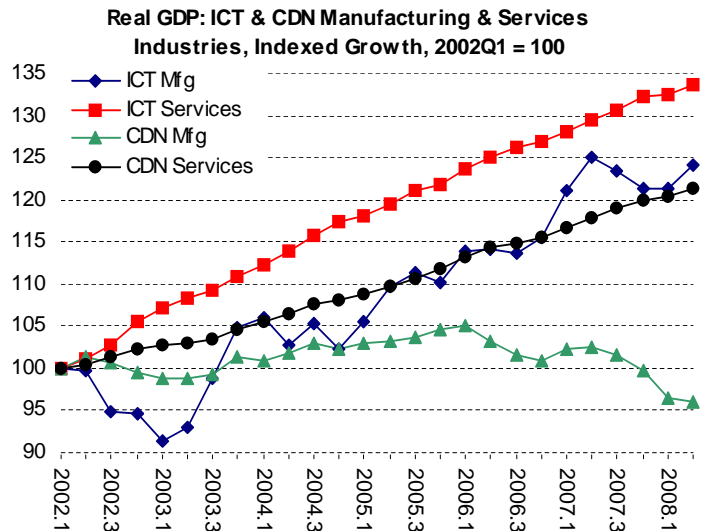
ICT output growth continues...

In the second quarter of 2008, Canada's ICT sector output growth (1.0%) outpaced that of all Canadian industries (0.2%). The short-term indicates that, since the third quarter of 2007, Canada's ICT sector output has continually increased, while that of all Canadian industries has remained relatively constant. Over a longer period, since the beginning of 2002, the relationship between Canada's ICT sector output and the Canadian economy mirrors this past quarter's performance. That is, Canada's ICT sector output increased by 32% compared to 17% for the Canadian economy.



For a second consecutive quarter, ICT manufacturing GDP increased, up by 2.1% in the second quarter of 2008. Conversely, Canadian manufacturing GDP has continuously declined the past four quarters, down by 0.6% this period. It is evident, from the subsequent graph, that these two categories have displayed converse trends, not only recently, but also since the beginning of 2005. In fact, GDP in the ICT manufacturing sub-sector grew 17%, whereas Canadian manufacturing GDP declined by 6.7% within this period. ICT manufacturing GDP peaked in the second quarter of 2007, a measure that was nearly reached this past quarter.

GDP for both ICT services (0.9%) and overall Canadian services (0.7%) sectors continued to increase in the second quarter of 2008. Moreover, both these categories have grown uninterruptedly since the beginning of 2002, up by 34% and 21%, respectively.



All key ICT manufacturing industries contributed positively to the overall increase observed in ICT manufacturing GDP. The electronic components industry grew for a third consecutive quarter, up by 6.6% this period and up by 21% since the last quarter of 2006. GDP in the communications equipment industry, which has increased continuously since the end of 2006, grew by 3.1% over the previous quarter. After nearly two years of consecutive declines, the computer and peripheral equipment industry grew by 1.5% this past period. Finally, the instruments industry increased by 0.4%, in the second quarter of 2008, an improvement compared to the three consecutive declines previously recorded.

