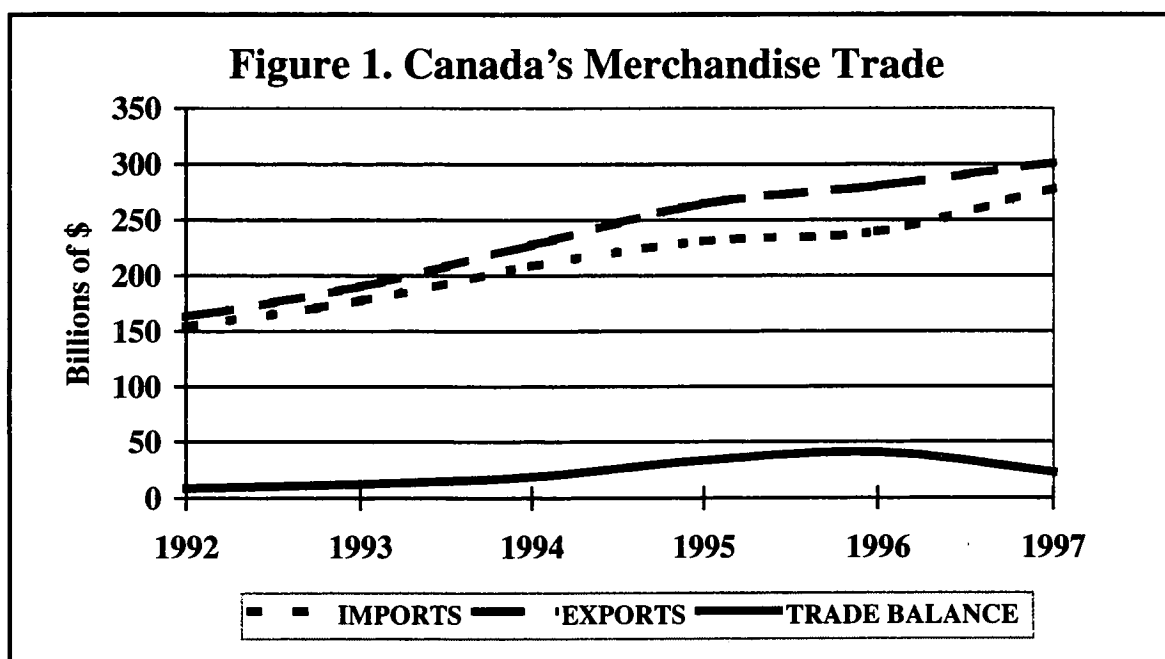


- Canada's imports of goods in 1997 totalled a record \$278.2 billion, reflecting stronger economic conditions in Canada.
- Canada's trade surplus in 1997 was \$23.4 billion, lower than the banner years 1995 and 1996, but much larger than that in the 1980s and the early 1990s.



Imports. Strong domestic demand resulted in real growth in imports of 18.7% in 1997. Canadian imports in 1997 had grown by 80.2% in comparison to 1992, the trough phase of the current business cycle (see Table 2).

Exports. In 1997, Canadian exports advanced (inflation-adjusted) by 8.6% over the 1996 rate of 5.7%. Strong real GDP growth in the U.S., our largest trading partner, resulted in a robust 10% increase in exports to the U.S. in 1997. Canadian exports also grew to South America and Africa. However, export growth with Asia declined marginally and turned negative with Europe in 1997. Between 1992 and 1997, Canada's overall merchandise exports had grown by 84.5%.