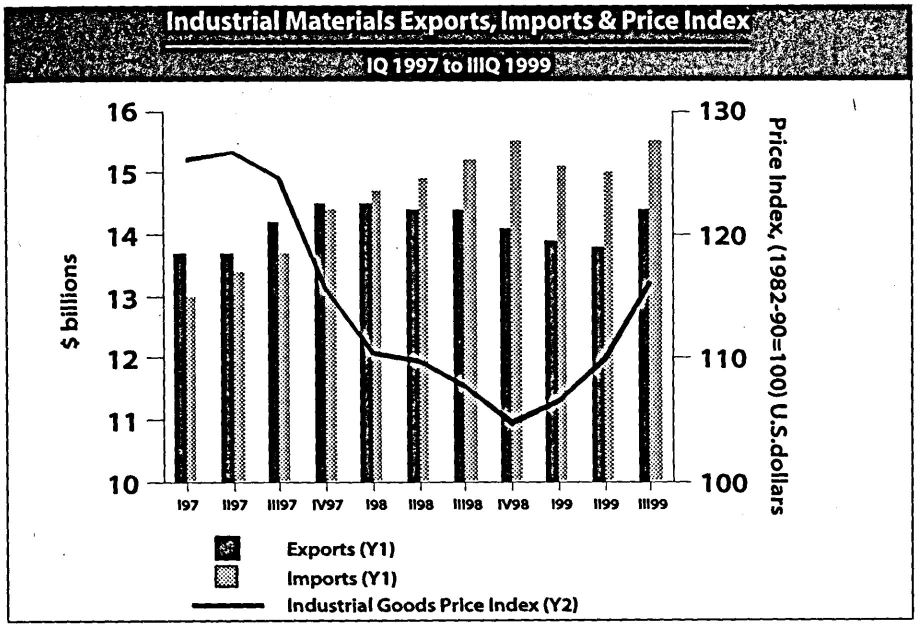


Source: Statistics Canada; Bank of Canada

Canada's merchandise trade in all other major sectors posted healthy gains

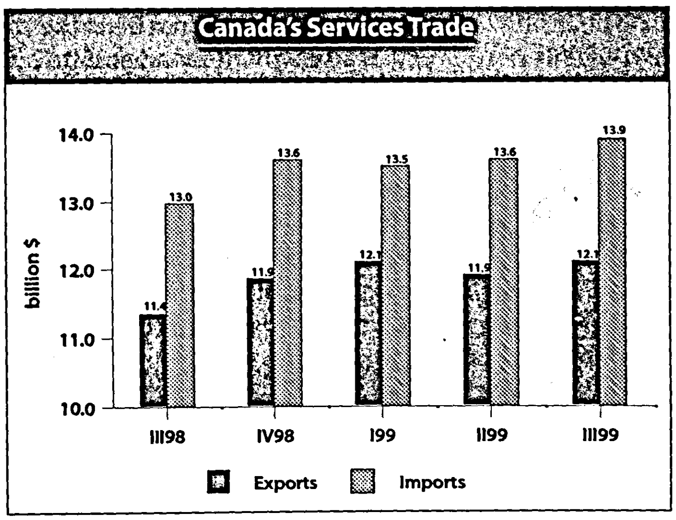
During the third quarter, Canada's exports of all other products rose, with the exception of consumer goods. The machinery and equipment and automotive sectors advanced by a combined $2.5 billion, while forestry products increased by 5.4% from the previous quarter. Agriculture and fishing products recorded a gain of 3% on a quarter-over-quarter basis, despite still-depressed world agricultural prices, particularly for wheat.

On the import side, Canada's quarterly performance reflected the robust domestic economy, with broad-based demand for foreign goods. Quarterly imports were higher for energy (16.5%), automotive goods (5.6%), industrial goods (3.3%), forestry products (3.5%), M&E (1.9%) and consumer goods (2.7%), compared to the second quarter.

Services trade balance remained steady

Canadian services exports rose 2% and imports 1.6% in the third quarter of 1999, compared to the previous quarter, leaving the services trade deficit at $1.8 billion — virtually unchanged from the second quarter. The increase in services exports reflected higher receipts of commercial services, transportation and travel.

For imports, the greatest gains were in commercial services and transportation, in contrast with a decline in travel and government services.



Increased acquisitions of Canadian companies responsible for record level of FDI in Canada

Foreign direct investment (FDI) in Canada in the third quarter reached a record level of $12.6 billion, largely due to acquisitions of Canadian firms and other investments by United States investors. Investment increases were also posted in the machinery, transportation equipment, and finance and insurance industries. However, much of the third-quarter inflow of FDI in Canada was directed to the other industry groups, including communications, electrical and electronic products.

Canadian direct investment abroad CDIA) was $5.2 billion in the third quarter of 1999, 31% lower than the previous quarter. Investment flows during the last quarter were largely to the U.S., and were concentrated in the finance and insurance industry.