

## **Developments in Canada's Trade and Foreign Investment in 1997**

In early March 1998, Statistics Canada released Canada's international payments statistics for 1997, an overall summary of Canada's international economic activity for the year. The purpose of this commentary is to report and analyze the major developments for the year as a whole.

This report follows the structure of international payments that are organized as follows<sup>1</sup>:

- (a) The current account, which consists of net trade in goods as well as services and net investment income payments to foreigners
- (b) The capital and financial account, which consists of short and long term direct foreign investment by foreigners and by Canadian investment abroad.

### **The Canadian economy and trade in 1997**

In 1997:

- The real GDP growth rate in Canada more than tripled to a robust 3.8% from 1.2% in 1996.
- The growth of real exports of goods and services was 8.6% compared to 5.7% the previous year.
- Real imports of goods and services grew by 13.4%, a more than two and half fold increase over the 1996 growth of 5.2%.
- The Canadian economy created 265 thousand additional jobs as employment growth rate performance reached a solid 1.9 % rate (see Table 1).

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<sup>1</sup> Data in this report are on a balance-of-payments basis as well as seasonally adjusted. The source is Statistics Canada.