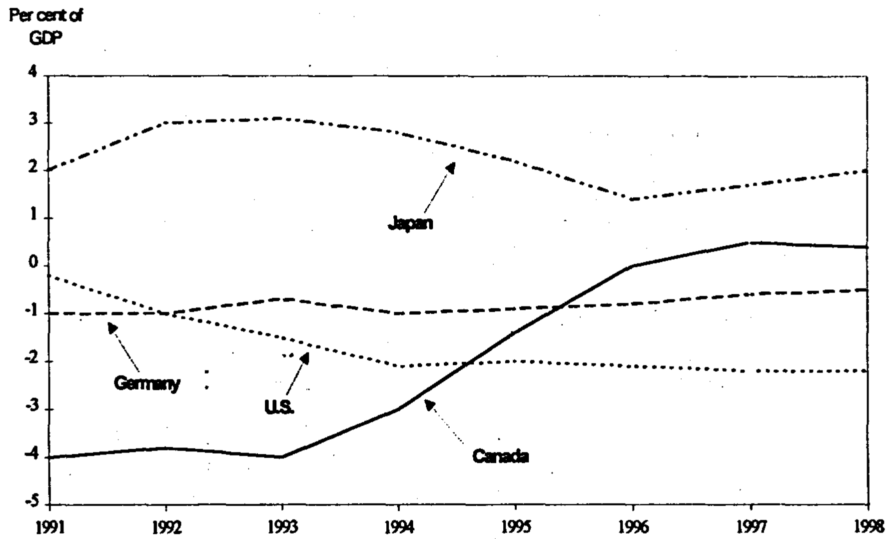
CHART 5

CURRENT ACCOUNT BALANCES AS A SHARE OF GDP 1991-98

Significant reduction in Canada's fiscal deficit has underpinned a dramatic improvement in the current account, which has narrowed from a deficit of 4 per cent of GDP in 1993 to achieve near balance in 1996. The improvement in the current account has been led by Canada's impressive trade performance. Low inflation, the depreciation in the Canadian dollar, restructuring and slow growth in unit labor costs have boosted Canada's international competitiveness. The IMF predicts that Canada's current account will register surpluses of 0.5 per cent of GDP in 1997 and 0.4 per cent of GDP in 1998.

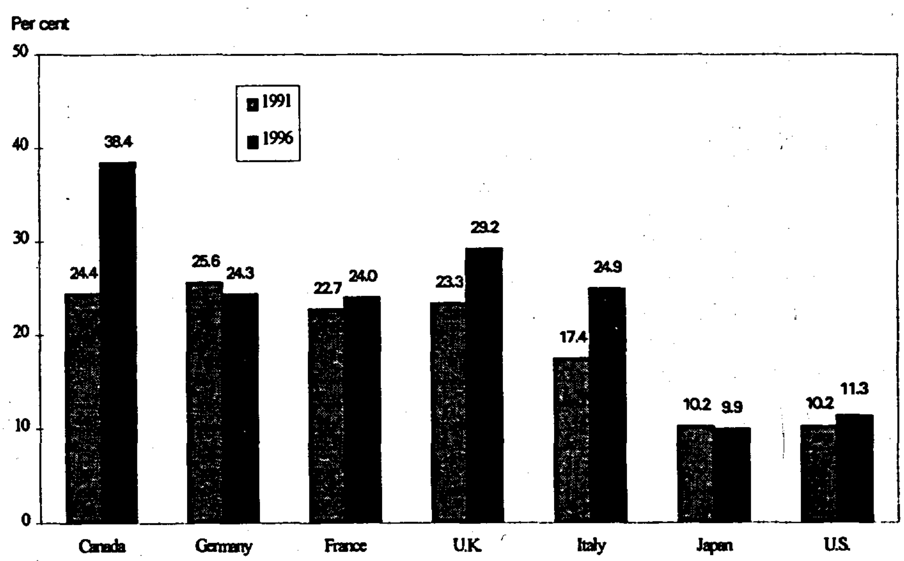


Source: *World Economic Outlook*, IMF, Spring 1997.

CHART 6

EXPORTS OF GOODS AND SERVICES AS A SHARE OF GDP, 1991 and 1996

Trade accounts for a significant portion of economic activity in Canada. That proportion has been growing rapidly over the past five years owing to the success of recent trade initiatives and the successful completion of multilateral trade negotiations, in addition to Canada's increased competitiveness. Exports of goods and services are equivalent to over 38 per cent of Canada's GDP, by far the largest share among G-7 economies. Trade is also very important for the other economies; therefore, maintaining an open and fair trading system is one of the G-7's priorities.



Source: The WEFA Group.