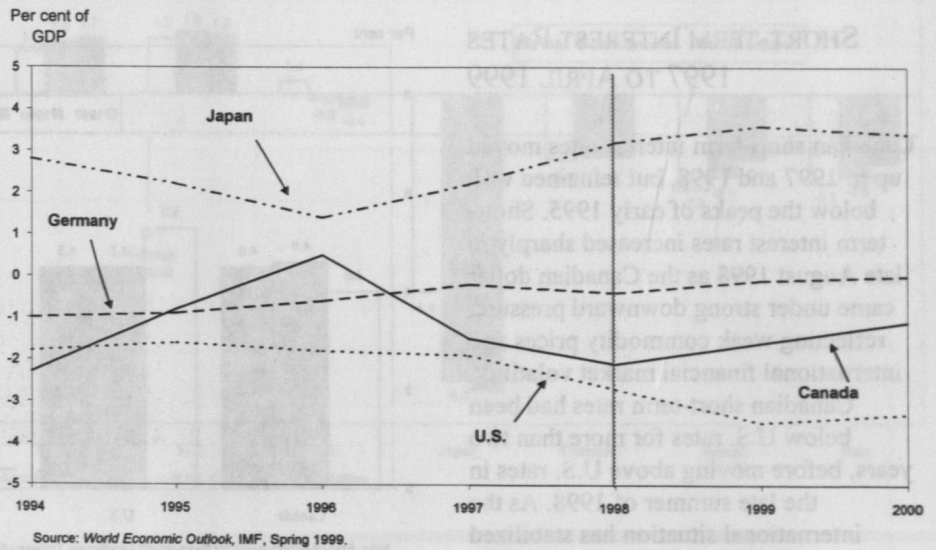


### CHART 5

#### CURRENT ACCOUNT BALANCES AS A SHARE OF GDP 1994-2000

A significant reduction in Canada's fiscal deficit underpinned a dramatic improvement in the current account, which registered a surplus in 1996 for the first time since 1982. The current account has deteriorated since then. The global economic crisis lowered world commodity prices and the terms of trade, putting downward pressure on the trade balance. The deficit, however, remains much smaller than the deficits of nearly four per cent of GDP recorded in the early 1990s.



### CHART 6

#### EXPORTS OF GOODS AND SERVICES AS A SHARE OF GDP, 1992 AND 1998

Trade accounts for a significant portion of economic activity in Canada. That proportion has been growing rapidly over the past six years due to Canada's increased competitiveness, recent trade initiatives and the successful completion of multilateral trade negotiations. Exports of goods and services are equivalent to more than 40 per cent of Canada's GDP, by far the largest share in the G-7.

