## **VI. SUMMARY OF BALANCE OF PAYMENTS**

Table 17 summarizes Canada's overall balance of payments picture in 2001. By standard accounting practices, a country's balance of payments account is always balanced. In 2001, Canada registered a current account surplus of \$29.1 billion. Statistically, this surplus is offset exactly by a deficit in the capital and financial accounts, as explained in footnote 16 above.

Of particular note, the Canadian official settlement balance was a positive (the table shows negative in the same way as direct investment abroad) \$3.4 billion, which indicates that the Bank of Canada added that much to its foreign exchange reserve (primarily in the form of U.S. dollar and other foreign currencies).

The statistical discrepancy refers to the net position on transactions with non-residents not adequately captured or measured in the BOP entries. It covers unrecorded transactions and measurement errors. It is derived as the arithmetic sum (with the reverse sign) of the current account balance and the financial account and capital account balance. In 2001, this discrepancy was negative, indicating net outflows of funds (of \$8.3 billion) from Canada to the rest of the world.

## Table 17: Canada's 2001 Balance of International Payments Accounts (\$ millions)

Imports of goods and services\$412,925a. Trade balance\$54,676Investment income abroad\$37,436Investment income of foreigners\$64,883b. Net investment income-\$27,446c. Net current transfer\$1,870S29,100TNANCIAL ACCOUNT*Canadian direct investment in Canada\$42,767d. Net foreign direct investment in Canada\$42,767d. Net foreign direct investment-\$14,501Portfolio investment in Canada\$30,119e. Net portfolio investment-\$4,425f. Other net investment-\$7,572Financial account balance (d + e + f)-\$26,499Of which: - official international reserve-\$3,353Capital account balance\$5,678Statistical discrepancy-\$8,280	• Exports of goods and services	\$467,605	and a state of the second	
Investment income abroad       \$37,436         Investment income of foreigners       \$64,883         b. Net investment income       -\$27,446         c. Net current transfer       \$1,870         Current account balance (a + b + c)       \$29,100         INANCIAL ACCOUNT*       \$29,100         Canadian direct investment abroad       -\$57,268         Foreign direct investment in Canada       \$42,767         d. Net foreign direct investment       -\$14,501         Portfolio investment in Canada       \$30,119         e. Net portfolio investment       -\$14,501         Portfolio investment in Canada       \$30,119         e. Net portfolio investment       -\$14,501         Statistical account balance (d + e+ f)       -\$26,499         Of which:       -\$33,353         - Capital account balance       \$5,678         Statistical discrepancy       -\$8,280				
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b. Net investment income       -\$27,446         c. Net current transfer       \$1,870         Current account balance (a + b + c)       \$29,100         TNANCIAL ACCOUNT*       \$29,100         Canadian direct investment abroad       -\$57,268         Foreign direct investment in Canada       \$42,767         d. Net foreign direct investment       -\$14,501         Portfolio investment abroad       -\$34,544         Portfolio investment in Canada       \$30,119         e. Net portfolio investment       -\$4,425         f. Other net investment       -\$7,572         Financial account balance (d + e + f)       -\$26,499         Of which:       -\$33,353         - official international reserve       -\$33,353         Capital account balance       \$5,678         Statistical discrepancy       -\$8,280	Investment income abroad	\$37,436	The Ward and	
c. Net current transfer\$1,870c. Net current transfer\$1,870Current account balance (a + b + c)\$29,100INANCIAL ACCOUNT*Canadian direct investment abroad-\$57,268Foreign direct investment in Canada\$42,767d. Net foreign direct investment-\$14,501Portfolio investment abroad-\$34,544Portfolio investment in Canada\$30,119e. Net portfolio investment-\$4,425f. Other net investment-\$7,572Financial account balance (d + e + f)-\$26,499Of which: - official international reserve-\$3,353Capital account balance\$5,678Statistical discrepancy-\$82,280	Investment income of foreigners	\$64,883	- Const Surger 100	in Million
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TNANCIAL ACCOUNT*         Canadian direct investment abroad       -\$57,268         Foreign direct investment in Canada       \$42,767         d. Net foreign direct investment       -\$14,501         Portfolio investment abroad       -\$34,544         Portfolio investment in Canada       \$30,119         e. Net portfolio investment       -\$4,425         f. Other net investment       -\$7,572         Financial account balance (d + e+ f)       -\$26,499         Of which:       -\$3,353         - official international reserve       -\$3,353         Statistical discrepancy       -\$8,280	c. Net current transfer		\$1,870	and the second
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f. Other net investment       -\$7,572         Financial account balance (d + e+ f)       -\$26,499         Of which:       -\$3,353         - official international reserve       -\$3,353         . Capital account balance       \$5,678         . Statistical discrepancy       -\$8,280	Portfolio investment in Canada	\$30,119		
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- official international reserve -\$3,353 . Capital account balance \$5,678 . Statistical discrepancy -\$8,280	2. Financial account balance (d + e+ f)		and the second second	-\$26,499
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salance of payments (1 + 2 + 3 + 4) \$0	4. Statistical discrepancy		Star Plan Partie	-\$8,280
	Balance of payments $(1 + 2 + 3 + 4)$	all anester		\$0

\*A negative sign denotes an outflow of capital associated with an increase in assets or a decrease in liabilities.

Source: Statistics Canada, Canada's Balance of International Payments, Catalogue no. 67-001-XPB, 4th Quarter 2001.