

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)

CURRENT ACCOUNT		
♦ Exports of goods and services	\$467,605	
♦ Imports of goods and services	\$412,925	
<i>a. Trade balance</i>		\$54,676
♦ Investment income abroad	\$37,436	
♦ Investment income of foreigners	\$64,883	
<i>b. Net investment income</i>		-\$27,446
<i>c. Net current transfer</i>		\$1,870
1. Current account balance (a + b + c)		\$29,100
FINANCIAL ACCOUNT*		
♦ Canadian direct investment abroad	-\$57,268	
♦ Foreign direct investment in Canada	\$42,767	
<i>d. Net foreign direct investment</i>		-\$14,501
♦ Portfolio investment abroad	-\$34,544	
♦ Portfolio investment in Canada	\$30,119	
<i>e. Net portfolio investment</i>		-\$4,425
<i>f. Other net investment</i>		-\$7,572
2. Financial account balance (d + e + f)		-\$26,499
Of which:		
- official international reserve		-\$3,353
3. Capital account balance		\$5,678
4. Statistical discrepancy		-\$8,280
Balance of payments (1 + 2 + 3 + 4)		\$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.