

Canada's current account deficit narrows sharply to \$10.73-billion

By David Ljunggren

March 1, 2017 – *The Globe and Mail* / Reuters

Canada's current account deficit in the fourth quarter narrowed sharply to \$10.73-billion, its lowest in more than five years, thanks largely to rising exports, Statistics Canada said on Wednesday.

Analysts polled by Reuters had expected a \$9.75-billion deficit. The shortfall was the lowest since \$10.17-billion recorded in the third quarter of 2011.

For 2016 as a whole, the current account deficit hit a second consecutive annual high, edging up to \$67.70-billion from \$67.55-billion in 2015.

The balance on international trade in goods in the fourth quarter posted a surplus of \$793-million, the first since the third quarter of 2014.

Exports, a key part of the Bank of Canada's economic outlook, jumped by \$6.29-billion to \$136.55-billion. Energy products were the major contributor to export growth, benefiting from both higher prices and volumes.

The deficit on trade in services dipped slightly to \$5.46-billion while foreign investment in Canadian securities totaled \$33.26-billion.