

Canada's balance of international payments, second quarter 2026

Released at 8:30 a.m. Eastern time in The Daily, Thursday, August 27, 2026

Canada's current account balance (on a seasonally adjusted basis) went from a deficit of \$8.3 billion in the first quarter to a surplus of \$8.8 billion in the second quarter. This was the first current account surplus since the second quarter of 2022 (+\$3.5 billion) and the largest since the fourth quarter of 2005 (+\$12.5 billion). In the second quarter of 2026, strong gains in goods exports moved the trade in goods balance from a deficit to a large surplus and were the main contributor in the shift of the current account balance to a surplus.

The significant increase in exports of goods was led by energy products, although exports for most product sections rose in the second quarter. Imports of goods increased as well, but at a slower pace than exports.

In the financial account (unadjusted for seasonal variation), transactions in the form of loans led the net lending activity to non-residents in the second quarter. Meanwhile, portfolio and direct investment activity both generated a net inflow of funds in the economy. Unprecedented foreign investment in Canadian government bonds combined with weak direct investment abroad relative to direct investment in Canada contributed to the net inflow of funds in the second quarter.

Current account

Largest goods surplus since 2008

The trade in goods balance went from a deficit of \$6.4 billion in the first quarter to a surplus of \$12.2 billion in the second quarter. This was the largest surplus since the third quarter of 2008.

Exports of goods rose 13.1% to \$232.1 billion in the second quarter of 2026, significantly higher than the previous record high of \$209.0 billion recorded in the first quarter of 2025. The main contributor to the increase in the second quarter of 2026 was exports of energy products (+27.4%), particularly crude oil and bitumen, as prices increased amid international production and supply uncertainty due to the conflict in Iran. Exports of crude oil and bitumen reached a record high of \$44.8 billion in the second quarter, pushing exports of overall energy products to its own record high of \$60.6 billion. Exports of motor vehicles and parts (+19.3%) also rose significantly in the second quarter as auto production in Canada increased. Despite this increase, exports of motor vehicles and parts remained below the quarterly average for 2023 and 2024.

In the second quarter of 2026, imports of goods were up 3.9% to reach \$220.0 billion, which was also a record high. Higher imports of chemical products (+20.2%), electronic and electrical equipment and parts (+11.2%), and motor vehicles and parts (+7.6%) were partially offset by lower imports of metal and non-metallic mineral products (-13.6%).

Services surplus narrows

Canada's international trade in services surplus narrowed from \$472.1 million in the first quarter to \$26.3 million in the second quarter. Imports of services rose 1.7% to \$62.0 billion, while exports were up 1.0% to \$62.0 billion.

Commercial services was the main contributor to the increase in both imports and exports of services in the second quarter. Imports of commercial services rose 2.8% to \$35.1 billion, on higher imports of financial services (+9.5%) and management services (+4.6%). Exports of commercial services grew at a slightly lower rate, up 1.7% to reach \$37.2 billion, as higher exports of management services (+3.8%), advertising services (+16.7%), royalties (+6.5%) and research and development services (+4.3%) all contributed to growth.

The travel services surplus narrowed from \$2.6 billion in the first quarter to \$2.4 billion in the second quarter, as exports of education-related travel services declined and imports of personal travel services increased.

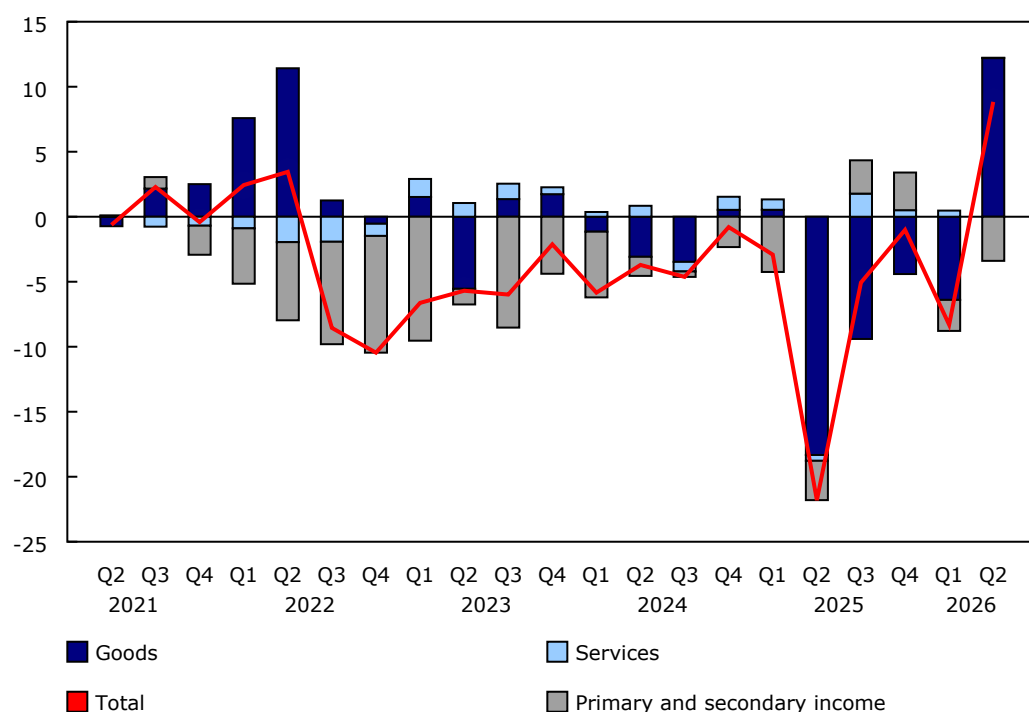


Investment income surplus continues to narrow

The investment income surplus, the difference between income earned on international financial assets and paid on international liabilities, narrowed from \$1.0 billion in the first quarter to \$0.5 billion in the second quarter. This marks the third consecutive quarterly decrease in the investment income surplus. The decrease in the second quarter was largely due to an increase in the portfolio investment income deficit, led by higher interest payments made to non-resident holders of Canadian bonds.

Chart 1 Current account balances

billions of dollars



Note(s): Data are seasonally adjusted.

Source(s): Table 36-10-0018-01.

Financial account

Record foreign investment in Canadian government bonds

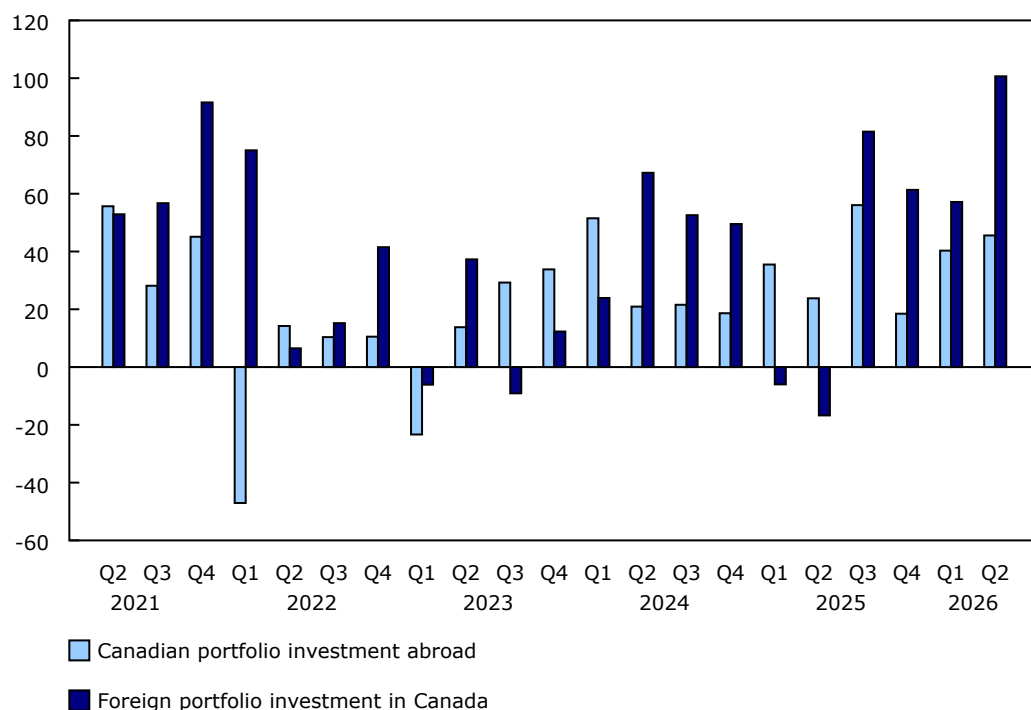
Foreign investors increased their holdings of Canadian securities by \$100.6 billion in the second quarter. Foreign investment in Canadian debt securities reached \$110.2 billion, the highest level on record, led by record foreign acquisitions of government bonds totalling \$80.8 billion. While increasing their exposure to the Canadian debt market, foreign investors reduced their holdings of Canadian shares by \$9.6 billion, a second consecutive quarter of divestment.

Canadian investment in foreign securities reached \$45.6 billion in the second quarter. The activity was mainly driven by purchases of \$35.5 billion of foreign shares, led by strong acquisitions of US equity securities of \$37.8 billion. Investors also added \$10.0 billion of foreign debt securities to their portfolios in the second quarter. Meanwhile, Canadian investors divested from US government bonds (-\$14.4 billion) for a third consecutive quarter.

As a result, portfolio investment generated a net inflow of funds in the economy of \$55.1 billion in the second quarter, the highest net inflow of funds since the first quarter of 2022.

Chart 2 Foreign portfolio investment

billions of dollars



Source(s): Table 36-10-0472-01.

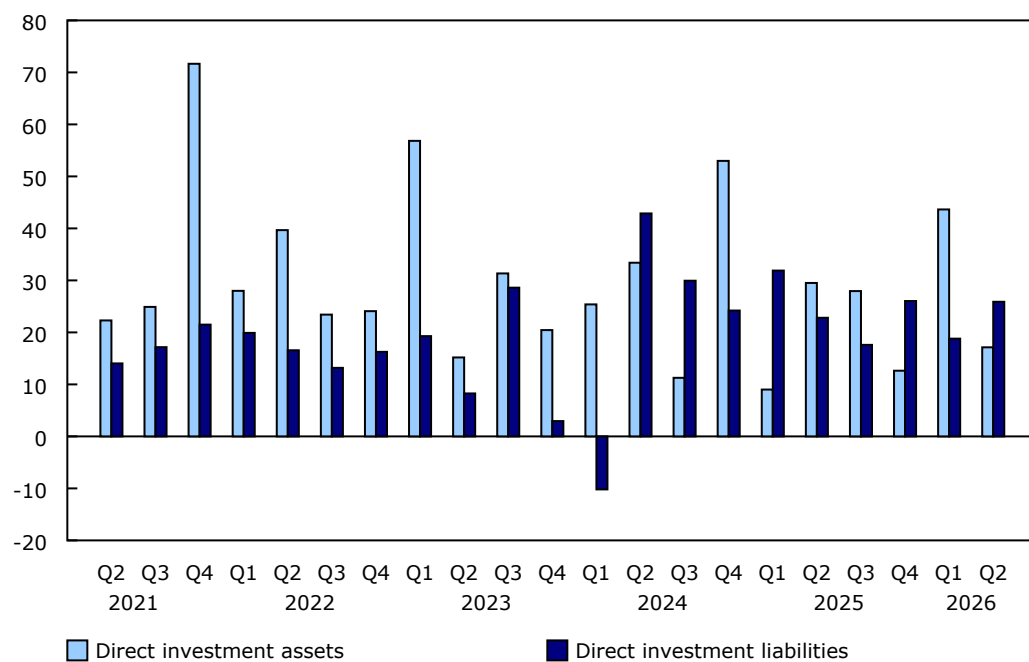
Direct investment abroad slows

Canadian direct investment abroad slowed to \$17.1 billion in the second quarter of 2026, down significantly from \$43.6 billion in the previous quarter. Earnings reinvested by Canadian parent companies in their foreign affiliates (+\$24.5 billion) accounted for most of the activity in the second quarter while merger and acquisition transactions slowed to \$2.1 billion compared with \$9.7 billion in the first quarter. On a sector basis, most of the direct investment abroad in the second quarter was in the trade and transportation sector (+\$5.6 billion), the energy and mining sector (+\$5.3 billion) and the management of companies and enterprises sector (+\$3.2 billion). Countries other than the United States accounted for nearly three-quarters of the activity.

Foreign direct investment in Canada amounted to \$25.9 billion in the second quarter, up from \$18.8 billion in the first quarter. Earnings reinvested in Canadian affiliates by their foreign parents (+\$12.4 billion) contributed the most to the activity in the second quarter. Meanwhile, merger and acquisition activities amounted to \$2.0 billion, down from \$12.1 billion in the first quarter. On a sector basis, more than half of the total direct investment in the second quarter was in the manufacturing sector (+\$7.0 billion) and the finance and insurance sector (+\$6.6 billion). The majority of foreign direct investment in Canada originated from the United States, the United Kingdom and the Netherlands.

Chart 3
Foreign direct investment

billions of dollars



Source(s): Table [36-10-0472-01](#).

Note to readers

Definitions

The **balance of international payments** covers all economic transactions between Canadian residents and non-residents in three accounts: the current account, the capital account and the financial account.

The **current account** covers transactions in goods, services, compensation of employees, investment income and secondary income (current transfers).

The current account data in this release are seasonally adjusted. For information on seasonal adjustment, see [Seasonal adjustment: Concepts and interpretation](#).

The **capital account** covers capital transfers and transactions in non-produced, non-financial assets.

The **financial account** covers transactions in financial assets and liabilities.

In principle, a net lending (+) or net borrowing (-) derived from the sum of the current and capital accounts corresponds to a net lending (+) or net borrowing (-) derived from the financial account. In practice, as data are compiled from multiple sources, this is rarely the case and gives rise to measurement error. The **discrepancy** (net errors and omissions) is the unobserved net inflow or outflow.

Foreign direct investment is presented on an asset-liability principle basis (that is, gross basis) in the financial account. Foreign direct investment can also be presented on a directional principle basis (that is, net basis), as shown in supplementary foreign direct investment tables 36-10-0025-01, 36-10-0026-01, 36-10-0473-01 and 36-10-0656-01. The difference between the two foreign direct investment conceptual presentations resides in the classification of reverse investment, such as (1) Canadian affiliates' claims on foreign parents and (2) Canadian parents' liabilities to foreign affiliates. Under the asset-liability presentation, (1) is classified as an asset and included in direct investment assets, also referred to as "direct investment abroad" in this text, and (2) is classified as a liability and included in direct investment liability, also referred to as "direct investment in Canada" in this text.

For more information on the balance of payments, consult, "[Chapter 8. International Accounts](#)," in the User Guide: Canadian System of Macroeconomic Accounts, available on Statistics Canada's website. The chapter also presents the most recent balance of payments statistics.

Real-time table

Real-time table 36-10-0042-01 will be updated on September 8. For more information, see [Real-time data tables](#).

Next release

Balance of international payments data for the third quarter of 2026 will be released on November 27.

Table 1
Balance of payments – Not seasonally adjusted

	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026	2024	2025
millions of dollars							
Capital account and current account							
Net lending / net borrowing, from capital account and current account	-26,729	-9,107	3,590	-8,774	4,390	-15,571	-33,139
Current account balances	-26,628	-9,033	4,962	-7,724	5,041	-14,974	-30,786
Goods and services	-24,122	-11,416	1,836	-4,135	8,775	-5,698	-28,971
Goods	-22,218	-15,102	-606	-1,421	10,126	-7,174	-31,604
Services	-1,904	3,686	2,441	-2,714	-1,352	1,476	2,633
Primary income	-909	4,190	4,553	-2,379	-3,383	-7,058	4,677
Compensation of employees	-3,949	-3,835	-3,545	-3,255	-3,065	-15,338	-15,394
Investment income	3,041	8,025	8,097	876	-318	8,280	20,071
Direct investment	16,268	19,546	21,668	17,639	16,408	57,201	72,970
Portfolio investment	-11,914	-11,561	-13,104	-13,535	-14,776	-44,545	-48,762
Other investment	-1,313	39	-467	-3,229	-1,950	-4,377	-4,137
Secondary income	-1,597	-1,807	-1,426	-1,210	-351	-2,218	-6,491
Capital account balance	-102	-74	-1,372	-1,050	-650	-597	-2,354
Financial account^{1,2}							

Table 1 - continued
Balance of payments – Not seasonally adjusted

	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026	2024	2025
Net lending / net borrowing, from financial account	-22,468	-3,413	4,464	-9,615	11,704	-20,944	-21,050
Net acquisition of financial assets	44,578	107,290	176,684	44,408	157,309	274,302	369,965
Direct investment assets	29,509	27,944	12,631	43,644	17,130	123,029	79,092
Direct investment assets, equity	30,859	23,185	15,814	39,823	15,650	114,512	69,354
Direct investment assets, debt instruments	-1,350	4,759	-3,182	3,821	1,480	8,518	9,738
Canadian portfolio investment in foreign securities	23,800	56,053	18,476	40,304	45,557	112,623	133,821
Foreign debt securities	7,091	26,291	-13,195	3,379	10,014	86,313	39,486
Foreign money market instruments	-1,944	2,789	-341	-2,887	2,738	-1,445	-568
Foreign bonds	9,035	23,502	-12,854	6,266	7,276	87,758	40,053
Foreign equity and investment fund shares	16,709	29,762	31,671	36,925	35,543	26,310	94,335
Official international reserves	-4,335	2,270	353	-710	1,187	7,433	1,300
Other Canadian investment abroad	-4,396	21,023	145,224	-38,830	93,435	31,217	155,752
Loans	-17,100	-15,044	68,718	-9,676	55,606	-7,779	50,493
Currency and deposits	18,064	13,916	16,507	-12,251	18,592	54,304	55,306
Trade credits and advances	-741	6	520	142	-183	-2,218	-756
Other accounts receivable	-4,619	22,145	59,479	-17,046	19,420	-13,090	50,709
Net incurrence of liabilities	67,046	110,702	172,220	54,023	145,606	295,246	391,014
Direct investment liabilities	22,812	17,603	26,033	18,797	25,888	86,825	98,337
Direct investment liabilities, equity	24,119	18,654	25,189	20,604	21,821	88,230	95,472
Direct investment liabilities, debt instruments	-1,306	-1,051	844	-1,808	4,066	-1,405	2,865
Foreign portfolio investment in Canadian securities	-16,737	81,493	61,329	57,144	100,645	193,252	120,093
Canadian debt securities	-13,774	73,494	44,394	64,804	110,195	200,843	138,808
Canadian money market instruments	-3,340	21,023	-10,665	-13,854	4,015	3,548	-10,405
Canadian bonds	-10,435	52,471	55,059	78,659	106,180	197,295	149,214
Canadian equity and investment fund shares	-2,962	7,999	16,935	-7,660	-9,551	-7,591	-18,715
Other foreign investment in Canada	60,970	11,606	84,858	-21,918	19,074	15,169	172,585
Loans	-530	-16,536	62,080	-25,048	-11,457	-40,391	75,614
Currency and deposits	60,928	27,948	21,753	4,972	30,424	54,618	95,924
Special drawing rights	0	0	0	0	0	0	0
Trade credits and advances	426	39	871	-1,991	-38	357	445
Other accounts payable	147	155	154	149	144	585	601
Discrepancy (net errors and omissions)	4,262	5,694	874	-841	7,313	-5,374	12,090

1. Transactions are recorded on a net basis.

2. In the financial account, a positive value denotes an increase in investment and a negative value denotes a decrease in investment.

Source(s): Tables [36-10-0016-01](#), [36-10-0014-01](#), [36-10-0472-01](#) and [36-10-0471-01](#).

Table 2
Current account – Seasonally adjusted

	Second quarter 2025	Third quarter 2025	Fourth quarter 2025	First quarter 2026	Second quarter 2026	2024	2025
millions of dollars							
Current account receipts	314,702	327,249	333,856	344,545	372,321	1,285,114	1,317,440
Goods and services	242,857	248,366	256,450	266,622	294,147	1,009,319	1,016,261
Goods	183,380	187,781	195,579	205,180	232,103	777,612	775,785
Services	59,476	60,585	60,872	61,442	62,044	231,706	240,477
Travel	17,816	17,856	17,788	18,259	18,136	70,356	71,981
Transportation	5,640	5,744	6,068	6,220	6,341	21,298	23,041
Commercial services	35,618	36,583	36,652	36,588	37,194	138,400	143,877
Government services	402	401	365	375	374	1,652	1,577
Primary income	67,211	73,443	71,982	71,240	72,774	254,299	279,851
Compensation of employees	291	291	291	291	291	1,166	1,166
Investment income	66,920	73,152	71,691	70,949	72,482	253,133	278,686
Direct investment	34,275	39,351	38,146	38,168	40,175	127,860	146,708
Interest	3,830	3,843	3,841	3,707	3,795	14,054	15,284
Profits	30,444	35,507	34,305	34,461	36,381	113,806	131,424
Portfolio investment	17,771	18,684	18,698	18,780	18,929	65,406	72,150
Interest on debt securities	8,556	8,925	8,901	8,824	8,813	31,980	34,955
Dividends on equity and investment fund shares	9,215	9,759	9,797	9,956	10,116	33,426	37,195
Other investment	14,874	15,117	14,847	14,001	13,378	59,867	59,828
Secondary income	4,634	5,440	5,424	6,682	5,401	21,496	21,328
Private transfers	1,525	1,554	1,582	1,595	1,605	6,495	6,179
Government transfers	3,109	3,886	3,842	5,088	3,796	15,001	15,149
Current account payments	336,502	332,311	334,865	352,855	363,485	1,300,088	1,348,226
Goods and services	261,632	255,991	260,357	272,547	281,917	1,015,017	1,045,233
Goods	201,708	197,184	199,988	211,576	219,899	784,787	807,389
Services	59,924	58,807	60,369	60,970	62,018	230,230	237,843
Travel	15,248	14,664	15,732	15,642	15,753	59,410	60,833
Transportation	10,640	9,692	9,998	10,725	10,700	37,889	40,003
Commercial services	33,557	33,979	34,168	34,127	35,088	131,032	135,109
Government services	480	472	472	476	477	1,900	1,900
Primary income	67,629	68,807	68,089	73,548	75,385	261,357	275,175
Compensation of employees	4,302	4,121	3,778	3,559	3,360	16,504	16,560
Investment income	63,327	64,685	64,311	69,990	72,025	244,853	258,614
Direct investment	18,272	19,152	16,728	21,150	23,449	70,659	73,738
Interest	1,562	1,563	1,552	1,514	1,518	5,946	6,251
Profits	16,710	17,589	15,176	19,636	21,931	64,712	67,487
Portfolio investment	29,494	30,407	31,780	32,244	33,490	109,951	120,912
Interest on debt securities	21,801	22,511	23,395	22,999	24,470	80,815	89,486
Dividends on equity and investment fund shares	7,692	7,895	8,386	9,246	9,021	29,136	31,425
Other investment	15,561	15,127	15,803	16,595	15,086	64,244	63,964
Secondary income	7,242	7,514	6,419	6,760	6,183	23,714	27,819
Private transfers	5,121	5,275	5,279	4,963	4,986	16,710	20,644
Government transfers	2,121	2,239	1,141	1,797	1,197	7,004	7,175
Current account balances	-21,800	-5,062	-1,009	-8,310	8,836	-14,974	-30,786
Goods and services	-18,775	-7,624	-3,906	-5,924	12,230	-5,698	-28,971
Goods	-18,327	-9,402	-4,409	-6,397	12,204	-7,174	-31,604
Services	-448	1,778	503	472	26	1,476	2,633
Travel	2,568	3,192	2,056	2,617	2,382	10,946	11,148
Transportation	-5,000	-3,947	-3,930	-4,505	-4,359	-16,591	-16,961
Commercial services	2,061	2,605	2,484	2,462	2,106	7,369	8,769
Government services	-77	-71	-107	-101	-103	-248	-322
Primary income	-417	4,636	3,893	-2,308	-2,611	-7,058	4,677
Compensation of employees	-4,011	-3,830	-3,487	-3,267	-3,068	-15,338	-15,394
Investment income	3,593	8,466	7,380	959	457	8,280	20,071
Direct investment	16,003	20,199	21,418	17,018	16,726	57,201	72,970
Interest	2,268	2,281	2,289	2,193	2,276	8,108	9,032
Profits	13,735	17,918	19,129	14,825	14,450	49,093	63,937
Portfolio investment	-11,723	-11,722	-13,083	-13,465	-14,561	-44,545	-48,762
Interest on debt securities	-13,245	-13,586	-14,494	-14,175	-15,657	-48,835	-54,531
Dividends on equity and investment fund shares	1,523	1,864	1,411	710	1,096	4,291	5,769
Other investment	-687	-11	-956	-2,594	-1,708	-4,377	-4,137
Secondary income	-2,608	-2,074	-995	-78	-782	-2,218	-6,491
Private transfers	-3,596	-3,720	-3,697	-3,368	-3,380	-10,215	-14,465
Government transfers	988	1,646	2,702	3,290	2,598	7,997	7,974

Source(s): Tables [36-10-0018-01](#), [36-10-0014-01](#) and [36-10-0002-01](#).

Available tables: [12-10-0157-01](#), [36-10-0003-01](#), [36-10-0016-01](#), [36-10-0018-01](#), [36-10-0019-01](#), [36-10-0021-01](#), [36-10-0023-01](#), [36-10-0025-01](#) to [36-10-0027-01](#) , [36-10-0442-01](#), [36-10-0472-01](#), [36-10-0473-01](#) and [36-10-0656-01](#).

Definitions, data sources and methods: survey numbers [1534](#), [1535](#) and [1536](#).

The [International trade statistics](#) portal is available on the Statistics Canada website.

The updated [Canada and the World Statistics Hub \(13-609-X\)](#) is available online. This product illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive charts and tables. It provides easy access to information on trade, investment, employment and travel between Canada and a number of countries, including the United States, Mexico, China, Japan, Belgium, Italy, the Netherlands and Spain.

The [Canada's international trade and investment country fact sheet \(71-607-X\)](#) is also available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is available.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).