

Canada's international investment position, fourth quarter 2024

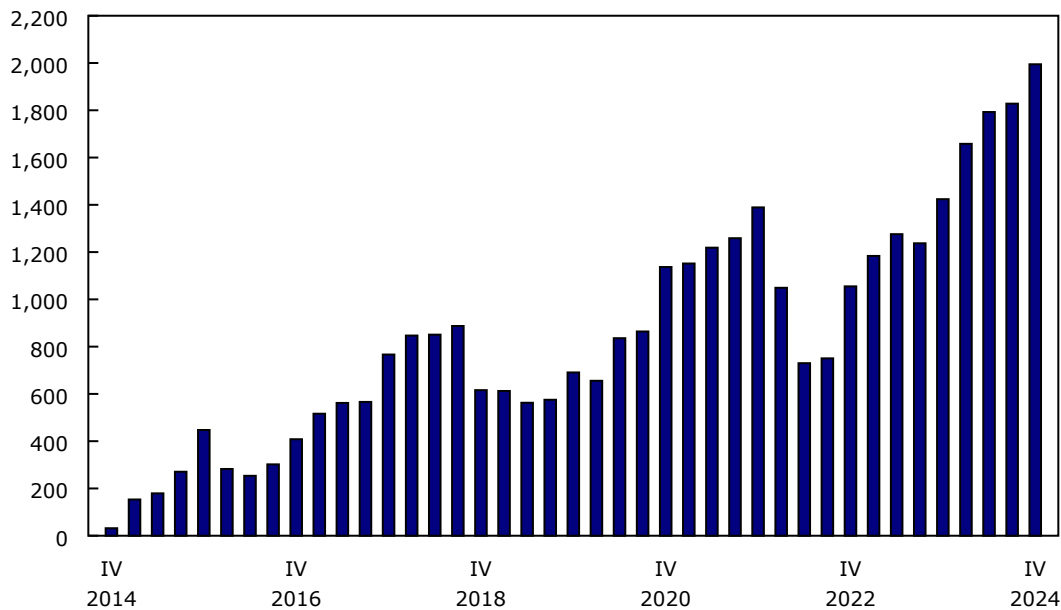
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Canada's net foreign asset position increased by \$166.6 billion to \$1,994.6 billion at the end of the fourth quarter of 2024, a fifth consecutive quarterly increase. The increase largely reflected the depreciating Canadian dollar relative to the US dollar, which increased the value of Canada's international assets by more than international liabilities.

Year over year, Canada's net foreign asset position grew by \$570.8 billion in 2024, led by upward and comparable revaluations resulting from market price changes (+\$310.7 billion) and fluctuations in exchange rates (+\$308.1 billion). Fluctuations in market prices mainly impacted Canada's net foreign asset position in the first half of the year. The need to borrow funds from abroad to finance the current account deficit moderated the overall gains in the net foreign asset position in 2024.

Chart 1
Canada's net international investment position

billions of dollars



Source(s): Table 36-10-0485-01.

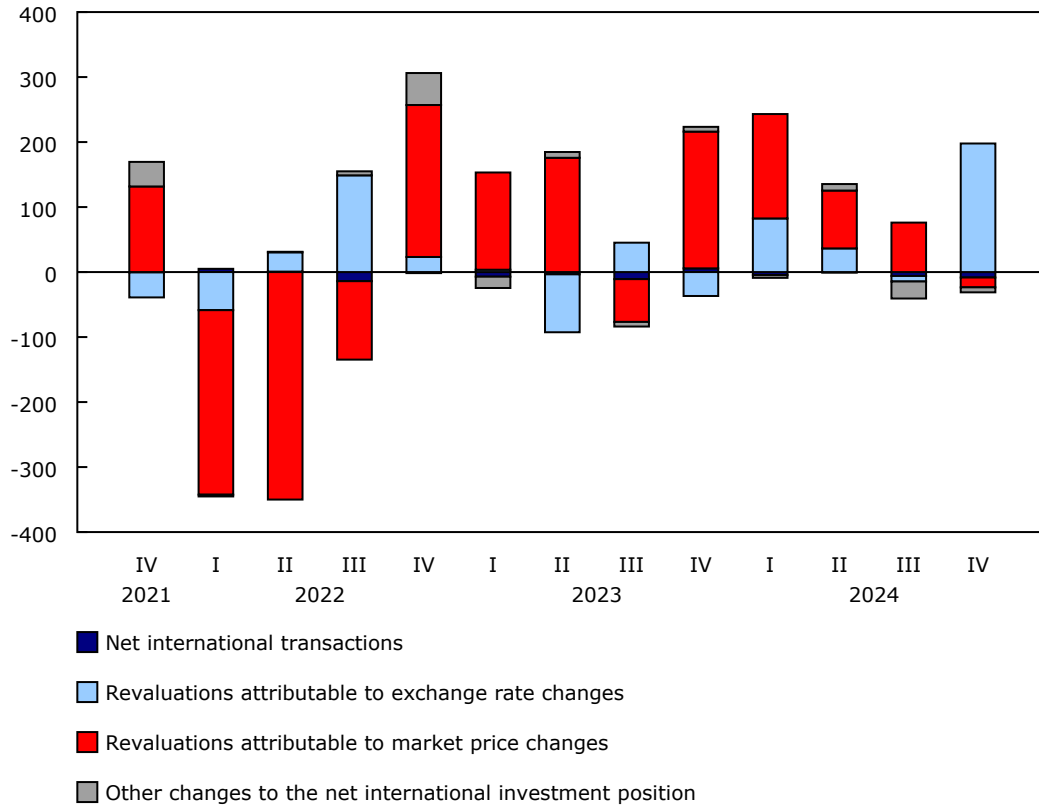
The increased net foreign asset position led by the depreciation of the Canadian dollar

In the fourth quarter of 2024, the revaluation effect from fluctuations in exchange rates (+\$197.8 billion) led the increase in Canada's net foreign asset position. The Canadian dollar lost 6.2% against the US dollar over the quarter, gaining only slightly against the euro and the UK pound sterling. At the end of the fourth quarter, 68.8% of Canada's international assets were denominated in US dollars compared with 29.2% of its international liabilities, making the assets more sensitive to exchange rate fluctuations than the liabilities.

In the fourth quarter, the increase in prices of equity instruments was largely offset by the decrease in prices of debt instruments for both international assets and liabilities. As a result, market price fluctuations (-\$15.1 billion) slightly moderated the growth in Canada's net foreign asset position. The Canadian stock market (+3.0%) outpaced the US (+2.1%) and the European (-2.1%) stock markets in the fourth quarter.

Chart 2
Contributors to the change in the net international investment position

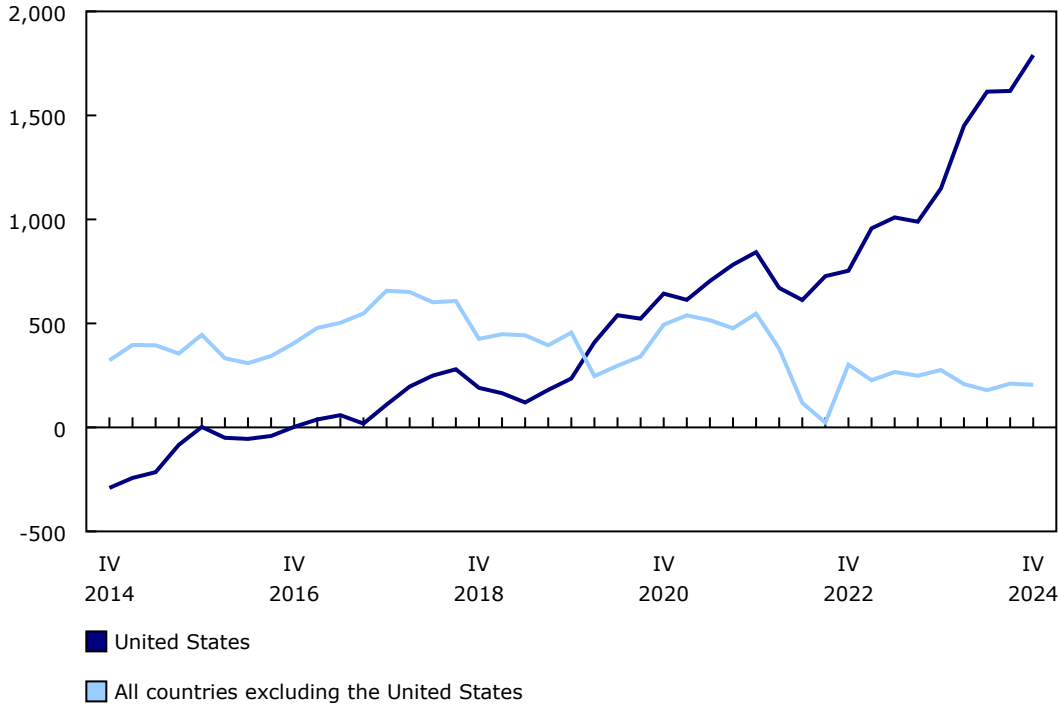
billions of dollars



Source(s): Table 36-10-0454-01.

Chart 3
Canada's net international investment position, by region

billions of dollars



Source(s): Table 36-10-0485-01.

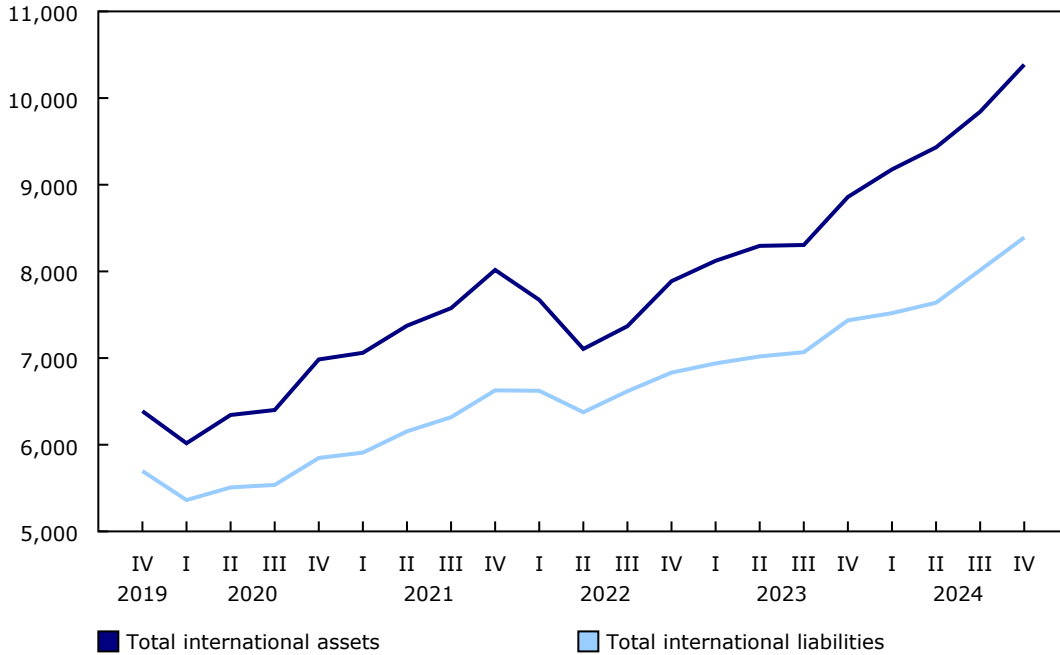
International assets and liabilities increase substantially in the fourth quarter

Canada's international assets were up by \$543.3 billion (+5.5%) to \$10,385.7 billion at the end of the fourth quarter. The upward revaluation attributable to exchange rate changes (+\$343.8 billion) as well as substantial acquisitions of foreign assets (+\$162.2 billion) led the growth. The upward revaluation resulting from fluctuations in market prices (+\$6.8 billion) had much less impact as the growth in foreign equity prices was moderated by the decline in prices of foreign debt instruments.

Meanwhile, Canada's international liabilities amounted to \$8,391.1 billion, an increase of \$376.8 billion (+4.7%) from the third quarter. The increase was the result of financial account transactions (+\$170.6 billion), primarily foreign borrowings in the form of currency and deposits, as well as debt securities. The revaluation due to exchange rate movements (+\$146.1 billion) and to a lesser degree, the revaluation due to market price changes (+\$21.9 billion), also contributed to the increase.

**Chart 4
Canada's international assets and liabilities**

billions of dollars



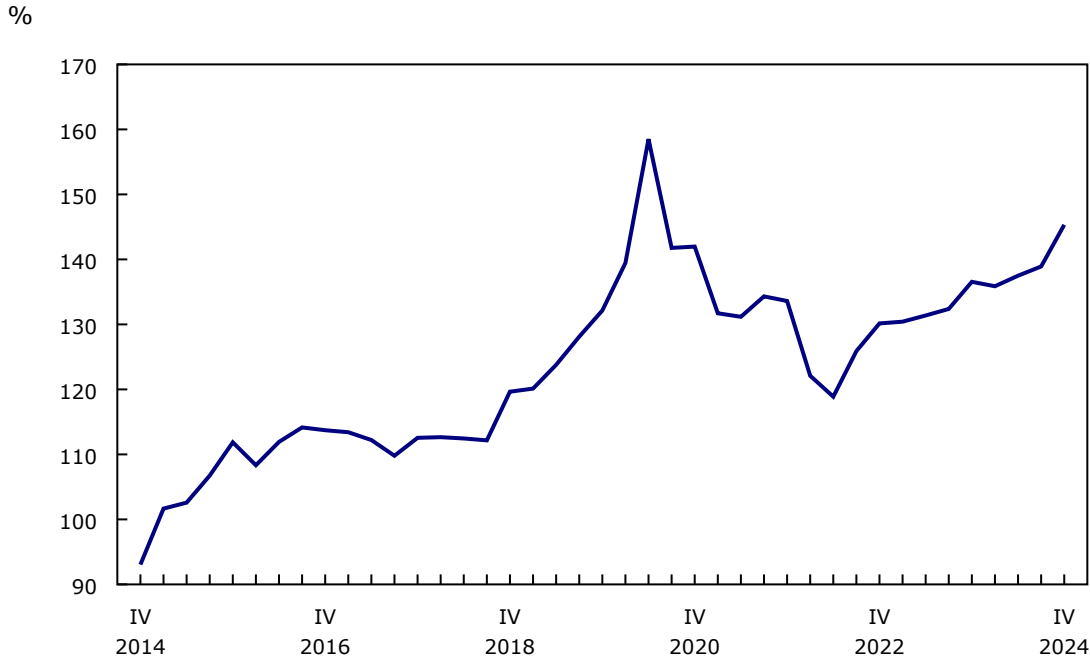
Source(s): Table 36-10-0485-01.

Canada's gross external debt increases

Canada's gross external debt, or the value of Canadian debt instruments held by foreign investors, increased by \$268.2 billion (+6.3%) to reach \$4,555.0 billion at the end of the fourth quarter. Canada's gross external debt represented 145.3% of the gross domestic product, the highest proportion since the second quarter of 2020 at the beginning of the COVID-19 pandemic.

On a sector basis, the government sector's gross external debt grew the most in 2024, increasing by \$160.1 billion to reach \$834.6 billion by year end. The year 2024 was marked by record foreign acquisitions of federal government debt securities. The gross external debt of the financial sector, dominated by deposit-taking corporations, reached \$2,678.8 billion, and represented 58.8% of Canada's gross external debt at the end of the year.

Chart 5
Canada's gross external debt as a percentage of gross domestic product



Source(s): Tables [36-10-0104-01](#) and [36-10-0469-01](#).

Focus on Canada and the United States

The **international investment position** provides information on the value and composition of Canada's financial assets and liabilities to the rest of the world. It summarizes Canadian financial claims on non-residents and Canadian liabilities to non-residents. An excess of international liabilities over international assets is referred to as Canada's **net foreign debt**. An excess of international assets over international liabilities is referred to as Canada's **net foreign assets**.

At the end of 2024, 60% of all of Canada's foreign financial assets and 53% of all international liabilities were with the United States. This resulted in Canada being in a net foreign asset position vis-à-vis the United States; this value amounted to \$1,789.8 billion at year end. Canada has maintained a net foreign asset position with the United States since the end of 2016.

The increase of Canada's net foreign asset position with the United States in the last decade is strongly correlated with the growth of the US stock market. Over the last 10 years, the value of US equity instruments held by Canadian direct and portfolio investors has increased significantly. Combined, the stock of direct and portfolio investment in US equity increased nearly threefold to \$4,271.8 billion at the end of 2024.

For more data and insights on areas touched by the socio-economic relationship between Canada and the United States, see the [Focus on Canada and the United States](#) webpage.

Table 1
Canada's international investment position at period end

	Fourth quarter 2023	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024	Third quarter to fourth quarter 2024
	billions of dollars					difference in billions of dollars
Assets	8,858.7	9,176.4	9,431.3	9,842.3	10,385.7	543.3
Direct investment assets	3,808.7	3,985.1	4,050.1	4,207.2	4,357.5	150.4
Equity	3,371.3	3,549.2	3,604.8	3,761.9	3,896.1	134.2
Debt instruments	437.4	435.8	445.3	445.3	461.4	16.1
Canadian portfolio investment	3,374.1	3,630.7	3,747.8	3,963.4	4,173.5	210.1
Foreign debt securities	852.9	906.0	940.2	988.1	1,033.9	45.8
Foreign money market instruments	15.4	15.5	17.5	10.5	14.6	4.1
Foreign bonds	837.5	890.5	922.8	977.6	1,019.3	41.7
Foreign equity and investment fund shares	2,521.2	2,724.7	2,807.5	2,975.3	3,139.6	164.3
Official international reserves	156.4	159.8	168.2	172.9	175.0	2.1
Other Canadian investment	1,519.4	1,400.8	1,465.3	1,498.9	1,679.7	180.8
Loans	533.3	513.7	537.6	529.8	567.8	37.9
Currency and deposits	746.8	680.3	733.3	769.2	866.7	97.5
Trade credits and advances	12.0	10.9	10.5	10.0	10.6	0.6
Other accounts receivable	227.3	195.9	183.9	189.8	234.6	44.8
Financial derivatives	163.3	134.9	120.7	130.1	171.7	41.5
Liabilities	7,434.9	7,518.4	7,638.7	8,014.3	8,391.1	376.8
Direct investment liabilities	2,651.4	2,698.6	2,721.8	2,909.1	2,957.7	48.6
Equity	2,193.5	2,245.6	2,256.5	2,438.1	2,474.6	36.5
Debt instruments	457.9	453.0	465.3	471.0	483.1	12.2
Foreign portfolio investment	2,963.0	3,082.9	3,167.4	3,354.0	3,473.1	119.1
Canadian debt securities	1,991.2	2,044.4	2,133.7	2,232.1	2,321.2	89.2
Canadian money market instruments	175.9	149.8	163.3	161.4	192.4	31.0
Canadian bonds	1,815.4	1,894.6	1,970.4	2,070.7	2,128.8	58.1
Canadian equity and investment fund shares	971.8	1,038.4	1,033.8	1,121.9	1,151.9	29.9
Other foreign investment	1,820.5	1,736.9	1,749.5	1,751.3	1,960.3	209.0
Loans	513.2	501.7	477.3	439.5	501.1	61.6
Currency and deposits	1,038.2	988.6	1,030.2	1,052.6	1,156.3	103.8
Special drawing rights	29.5	29.7	29.8	30.3	31.0	0.8
Trade credits and advances	13.5	13.5	13.7	13.3	14.0	0.7
Other accounts payable	226.2	203.4	198.4	215.7	257.8	42.1
Financial derivatives	177.9	155.2	150.2	167.4	209.6	42.1
Net international investment position	1,423.8	1,658.0	1,792.6	1,828.0	1,994.6	166.6

Source(s): Table 36-10-0485-01.

Table 2
Quarterly change in Canada's international investment position

	Fourth quarter 2024					Position at end of period
	Position at beginning of period	Financial account transactions	Revaluations attributable to exchange rate changes	Revaluations attributable to market price changes	All other changes to the position	
	billions of dollars					
Assets	9,842.3	162.2	343.8	6.8	30.5	10,385.7
Direct investment assets	4,207.2	39.8	95.8	14.2	0.5	4,357.5
Canadian portfolio investment	3,963.4	18.6	166.1	-5.6	30.9	4,173.5
Foreign debt securities	988.1	23.4	52.9	-46.0	15.4	1,033.9
Foreign equity and investment fund shares	2,975.3	-4.8	113.2	40.4	15.5	3,139.6
Official international reserves	172.9	-2.8	6.7	-1.8	0.0	175.0
Other Canadian investment	1,498.9	106.5	75.2	0.0	-0.9	1,679.7
Liabilities	8,014.3	170.6	146.1	21.9	38.2	8,391.1
Direct investment liabilities	2,909.1	28.0	11.9	8.7	0.0	2,957.7
Foreign portfolio investment	3,354.0	49.8	56.2	13.1	0.0	3,473.1
Canadian debt securities	2,232.1	48.1	56.2	-15.1	0.0	2,321.2
Canadian equity and investment fund shares	1,121.9	1.7	0.0	28.2	0.0	1,151.9
Other foreign investment	1,751.3	92.8	78.0	0.0	38.2	1,960.3
Net international investment position	1,828.0	-8.4	197.8	-15.1	-7.7	1,994.6

Note(s): Other changes to the position include volume changes (write-offs, reclassifications or residency changes), changes to the position resulting from discrepancies between flow and stock data sources, as well as changes arising from changes in the value of financial derivatives.

Source(s): Table 36-10-0454-01.

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Note to readers

Definitions

The **international investment position** is the value and composition of Canada's assets and liabilities to the rest of the world.

Canada's **net international investment position** is the difference between Canada's assets and liabilities to the rest of the world. An excess of international liabilities over international assets can be referred to as Canada's **net foreign debt**. An excess of international assets over international liabilities can be referred to as Canada's **net foreign assets**.

Foreign direct investment is presented on an asset-liability principle basis (that is, a gross basis) in the international investment position. Foreign direct investment can also be presented on a directional principle basis (that is, a net basis), as shown in supplementary foreign direct investment tables 36-10-0008-01, 36-10-0009-01 and 36-10-0659-01. 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, and (2) is classified as a liability and included in direct investment liabilities.

Next release

International investment position data for the first quarter of 2025 will be released on June 11.

Available tables: [36-10-0038-01](#), [36-10-0039-01](#), [36-10-0412-01](#), [36-10-0443-01](#), [36-10-0446-01](#), [36-10-0454-01](#), [36-10-0469-01](#), [36-10-0474-01](#), [36-10-0485-01](#) and [36-10-0593-01](#).

Definitions, data sources and methods: [survey numbers 1534 and 1537](#).

The [International trade statistics](#) portal is available on 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).