

# Reconciliation of the U.S.-Canadian Current Account, 2002 and 2003

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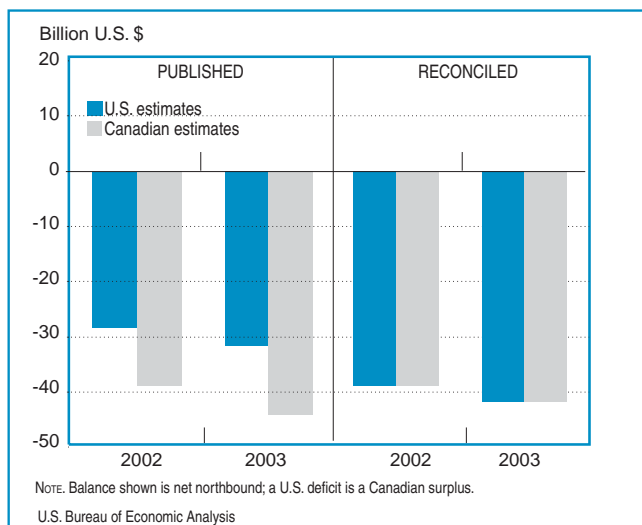
ON a reconciled basis, the U.S. deficit, or Canadian surplus, is \$38.9 billion for 2002 and \$41.7 billion for 2003 (chart 1, table 1).<sup>1</sup> The U.S.-published current-account balance with Canada is a U.S. deficit of \$28.7 billion for 2002 and a U.S. deficit of \$32.1 billion for 2003; the corresponding Canadian-published balance is a Canadian surplus of \$39.5 billion for 2002 and a Canadian surplus of \$44.7 billion for 2003.<sup>2</sup>

The results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 2002 and 2003 are presented in this article.<sup>3</sup>

1. The reconciled estimates are intended to show how the current-account estimates would appear if both countries used the same definitions, methodologies, and data sources. In this article, all values are expressed in U.S. dollars.

2. For this year's reconciliation, the U.S. deficit for 2002 is revised down from the previously published deficit of \$30.4 billion used in last year's reconciliation, and the Canadian surplus for 2002 is revised up from the previously published surplus of \$38.3 billion used in last year's reconciliation.

**Chart 1. U.S.-Canadian Current-Account Balance**



This article will also be published in *Canada's Balance of International Payments, Third Quarter 2004*.

The details of the current-account reconciliation for 2002 and 2003 are presented in the tables that follow this article. Tables 2.1 and 2.2 show the details of the major types of reconciliation adjustments—definitional, methodological, and statistical—that were made to the major current-account components. Tables 3.1 and 3.2 present the published estimates, the estimates on a common basis (after the estimates have been adjusted for definitional and methodological differences), the reconciled estimates, and the amounts of the adjustments for each major current-account component. Tables 4–7 present the reconciliation details for goods, services, and investment income.<sup>4</sup>

3. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the *SURVEY OF CURRENT BUSINESS*: June 1975, September 1976 and 1977, December 1979, June 1981, and each December of 1981–91. Complete details of the reconciliations for 1990 forward were published in the following issues of the *SURVEY*: November 1992, each October of 1993–95, and each November of 1996–2003. In Canada, the results were published in the following issues of *Canada's Balance of International Payments* (catalogue 67–001), a publication of Statistics Canada: Fourth Quarter 1973, Second Quarter 1976 and 1977, Third Quarter 1978 and 1979, First Quarter 1981, and each Third Quarter of 1981–2003.

4. For the reconciliation, some of the details presented in the tables in this article differ from those presented in the balance-of-payments tables regularly published by the U.S. Bureau of Economic Analysis and by Statistics Canada.

**Table 1. Major U.S.-Canadian Balances**  
[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
<b>2002</b>				
Goods and services .....	-44.4	56.0	-55.3	55.3
Goods .....	-50.9	58.6	-58.8	58.8
Services .....	6.4	-2.5	3.4	-3.4
Income .....	16.1	-18.8	16.8	-16.8
Current unilateral transfers .....	-0.3	2.3	-0.3	0.3
<b>Current account .....</b>	<b>-28.7</b>	<b>39.5</b>	<b>-38.9</b>	<b>38.9</b>
<b>2003</b>				
Goods and services .....	-46.8	59.9	-58.7	58.7
Goods .....	-54.3	64.6	-63.5	63.5
Services .....	7.6	-4.7	4.8	-4.8
Income .....	14.9	-17.5	17.2	-17.2
Current unilateral transfers .....	-0.2	2.4	-0.2	0.2
<b>Current account .....</b>	<b>-32.1</b>	<b>44.7</b>	<b>-41.7</b>	<b>41.7</b>

NOTE: A U.S. surplus (+) is a Canadian deficit (-), and a Canadian surplus (+) is a U.S. deficit (-). Details may not add to totals because of rounding.

### Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments result in an increase of \$10.2 billion in the U.S. deficit for 2002 and an increase of \$9.6 billion in the U.S. deficit for 2003. For both years, the increases reflect larger upward adjustments to the U.S. southbound estimates than to the U.S. northbound estimates (tables 2.1 and 2.2).<sup>5</sup> For both years, the largest increases in the U.S. southbound estimates result from the addition of Canadian reexports to U.S. goods imports (a definitional adjustment), from the valuation of U.S. natural gas imports to include inland

5. In this article, the term "northbound" refers to U.S. exports of goods and services, U.S. income receipts, and current unilateral transfers to the United States, and it refers to Canadian imports of goods and services, Canadian income payments, and current unilateral transfers from Canada. The term "southbound" refers to U.S. imports of goods and services, U.S. income payments, and current unilateral transfers from the United States, and it refers to Canadian exports of goods and services, Canadian income receipts, and current unilateral transfers to Canada.

freight (a definitional adjustment), from an increase for undercoverage of some southbound services (a statistical adjustment), and for 2002, from adjustments for statistical differences in direct investment income. For both years, the largest increases in the U.S. northbound estimates result from upward adjustments to investment income for undercoverage of income on U.S. holdings of Canadian bonds (statistical adjustments), and for 2003, from adjustments for statistical differences in direct investment income and in "other" services.

In the Canadian current account, the reconciliation adjustments result in a decrease of \$0.6 billion in the Canadian surplus for 2002 and in a decrease of \$3.0 billion in the Canadian surplus for 2003. For both years, the decreases in the Canadian surplus reflect larger downward adjustments to the Canadian southbound estimates than to the Canadian northbound estimates. For both years, the largest downward

#### Note on the U.S.-Canadian Current-Account Reconciliation

The U.S.-Canadian current-account reconciliation, which explains the differences between the estimates of the bilateral current account published by the U.S. Bureau of Economic Analysis (BEA) and those published by Statistics Canada, is undertaken because of the extensive economic links between Canada and the United States. The reconciled estimates are intended to assist analysts who use both countries' statistics and to show how the current-account estimates would appear if both countries used common definitions, methodologies, and data sources.<sup>1</sup>

In principle, the bilateral current account of one country should mirror the bilateral current account of the other country. Differences occur in the published estimates of the U.S. and Canadian current accounts because of variations in the definitions, methodologies, and statistical sources that are used by each country. Some of the differences for 2003 are in components of the current account for which data are still preliminary and subject to revision; these differences may be eliminated when final data for these components become available.

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits

of international data exchanges. As a part of the reconciliation process, Canada and the United States have evaluated the accuracy of each other's estimates, and as a result, each country now includes in its published estimates some data that are provided by the other country. The exchange of data between Canada and the United States for transactions such as trade in goods, travel, passenger fares, Canadian and U.S. Government transactions, and some large transportation transactions covers a substantial portion of the value of the Canadian and U.S. current account and has eliminated some of the differences in the Canadian- and U.S.-published estimates. In addition, the reconciliation process has highlighted areas where errors and omissions may exist in each country's estimates, which has helped in targeting data improvement efforts.

Although the U.S.- and Canadian-published estimates are reconciled and there is extensive exchange of data between Canada and the United States, differences in the published estimates remain. Complete substitution of the reconciled estimates for published estimates and complete exchange of data are not feasible for several reasons. For trade in goods, imports in the U.S. accounts would be affected because the United States attributes Canadian reexports to the country of origin rather than to Canada, the last country of shipment. For some accounts, the protection of the confidentiality of the source data bars the exchange of data. Finally, a few differences are attributable to different requirements for integrating the international and national (domestic) accounts in each country.

1. A detailed article on the methodology was published by BEA in "Reconciliation of the U.S.-Canadian Current Account" in the November 1992 SURVEY and by Statistics Canada in *Reconciliation of the Canadian-United States Current Account, 1990-1991*. Statistics Canada also published a shortened version in the December 1992 *Canadian Economic Observer* and in Canada's *Balance of International Payments, Third Quarter 1992*.

adjustments to the Canadian southbound estimates are from valuation adjustments to goods (definitional), from revisions to the published estimates of direct investment income (definitional adjustment), from the elimination of the withholding tax in current unilateral transfers (definitional adjustment), and from methodological adjustments to net some income of Canadian banks in “other” investment income. In the Canadian northbound estimates, the largest downward adjustments are from “other” investment income to eliminate withholding tax (definitional adjustment), to net some income of Canadian banks (methodological adjustment), and to eliminate statistical differences in income on U.S. holdings of Canadian bonds. For 2003, the reconciled estimates also reflect a large statistical adjustment in “other” services. Though the methodological adjustments explain part of the total adjustments to the northbound and the southbound estimates of “other” investment income, they do not affect the current-account balance because the northbound and the southbound methodological adjustments are offsetting.

### Summary of Reconciliation Methodology

In reconciling the U.S.- and Canadian-published bilateral current-account estimates, the estimates are first restated to a common basis—that is, they are adjusted for definitional and methodological differences; the remaining adjustments that are needed to reach the reconciled values are the statistical adjustments. The framework for reconciling the U.S. and Canadian estimates to a common basis mainly follows the international standards published in the International Monetary Fund’s *Balance of Payments Manual* (fifth edition). The U.S.- and Canadian-published estimates now largely conform to the international standards, but some differences with the international standards—and between the U.S. and Canadian estimates—remain in the published estimates because of data limitations, difficulties in determining country attribution, and differences in classification and because in a few cases, international standards provide for more than one acceptable treatment.

The definitional adjustments mainly reflect data limitations and differences in country attribution. For example, as part of the reconciliation, U.S.-published estimates of imports of goods from Canada are adjusted to include Canadian reexports to the United States (goods imported by Canada from third countries and then reexported to the United States without substantial changes) because U.S. imports of goods are recorded on a country-of-origin basis. Another exam-

ple of a definitional adjustment is that the Canadian estimates, mainly investment income, are adjusted to a basis that is net of withholding taxes because the U.S. withholding tax estimates—which are included on a global basis in the U.S.-published accounts—cannot be allocated by country for comparison with the Canadian estimates.

The methodological adjustments mainly reflect differences in classification. For example, parts of the U.S. estimates of film rentals and courier services are recorded in various services accounts; for reconciliation, they are reclassified to a single account. A few U.S. and Canadian accounts, mainly interest income, are adjusted to a net or gross basis for comparability.

Statistical differences reflect the use of different source data in the United States and Canada, the difficulty in determining country attribution because of insufficient data, the preliminary nature of some of the data (particularly for the most recent year), and the use of sample data between benchmarks. For both the northbound and the southbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of “other” services and of investment income.

### Acknowledgments

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*Tables 2.1 through 7.2 follow.*

Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2002

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	United States	Canada	United States	Canada	United States	Canada	United States	Canada
Goods, balance-of-payments basis.....	-42	-467	239		261	-619	458	-1,086
Definitional adjustments.....	-42	-467					-42	-467
Reclassification of equipment repairs from unaffiliated services.....			239				239	
Statistical adjustments.....					261	-619	261	-619
Services.....	-44	-997	-239	-84	293	-101	11	-1,183
Travel.....			868		-123	103	745	103
Reclassification of education from unaffiliated services.....			617				617	
Reclassification of medical services from unaffiliated services.....			251				251	
Statistical adjustments.....					-123	103	-123	103
Passenger fares.....					-438		-438	
Other transportation.....		-67		159	-12	163	-12	255
Definitional adjustments.....		-67						-67
Reclassification of transportation services from unaffiliated services.....				159				159
Statistical adjustments.....					-12	163	-12	163
Other services.....	-44	-930	-1,107	-243	866	-367	-284	-1,541
Affiliated.....		-513	-317		17	-860	-300	-1,373
Definitional adjustments.....		-513						-513
Reclassification of film rentals and courier services to unaffiliated services.....			-317				-317	
Statistical adjustments.....					17	-860	17	-860
Unaffiliated.....		-417	-790	-243	849	450	59	-211
Definitional adjustments.....		-417						-417
Reclassification of transactions to or from other accounts.....			-790	-243			-790	-243
Statistical adjustments.....					849	450	849	450
U.S. military sales.....	-44					43	-44	43
Definitional adjustments.....	-44						-44	
Statistical adjustments.....						43		43
Income.....	582	-1,725	-839	-968	1,655	-491	1,398	-3,184
Direct investment.....	-100	-432		-109	-865	2,781	-965	2,240
Definitional adjustments.....	-100	-432					-100	-432
Adjustment of interest income to a net basis.....				-109				-109
Statistical adjustments.....					-865	2,781	-865	2,781
Other investment.....	682	-1,293	-839	-943	2,520	-3,272	2,363	-5,508
Definitional adjustments.....	682	-1,293					682	-1,293
Adjustment of interest income to a net basis.....			-839	-943			-839	-943
Statistical adjustments.....					2,520	-3,272	2,520	-3,272
Compensation of employees.....				84				84
Reclassification from unaffiliated services.....				84				84
Current unilateral transfers.....		-331	507		-25	198	482	-133
Definitional adjustments.....		-331						-331
Adjustment of U.S. transfers to a gross basis.....			507				507	
Statistical adjustments.....					-25	198	-25	198
<b>Total adjustments.....</b>	<b>496</b>	<b>-3,520</b>	<b>-332</b>	<b>-1,052</b>	<b>2,184</b>	<b>-1,013</b>	<b>2,349</b>	<b>-5,586</b>

Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2003

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	United States	Canada	United States	Canada	United States	Canada	United States	Canada
Goods, balance-of-payments basis .....	-15	-437	223	.....	13	-590	221	-1,027
Definitional adjustments .....	-15	-437	.....	.....	.....	.....	-15	-437
Reclassification of equipment repairs from unaffiliated services .....	.....	.....	223	.....	.....	.....	223	.....
Statistical adjustments .....	.....	.....	.....	.....	13	-590	13	-590
Services .....	-147	-988	-223	-98	605	-681	235	-1,767
Travel .....	.....	.....	932	.....	-129	59	803	59
Reclassification of education from unaffiliated services .....	.....	.....	648	.....	.....	.....	648	.....
Reclassification of medical services from unaffiliated services .....	.....	.....	284	.....	.....	.....	284	.....
Statistical adjustments .....	.....	.....	.....	.....	-129	59	-129	59
Passenger fares .....	.....	.....	.....	.....	-583	.....	-583	.....
Other transportation .....	.....	-51	.....	161	5	58	5	168
Definitional adjustments .....	.....	-51	.....	.....	.....	.....	.....	-51
Reclassification of transportation services from unaffiliated services .....	.....	.....	.....	161	.....	.....	.....	161
Statistical adjustments .....	.....	.....	.....	.....	5	58	5	58
Other services .....	-147	-937	-1,155	-259	1,312	-798	10	-1,994
Affiliated .....	.....	-549	-288	.....	245	-1,143	-43	-1,692
Definitional adjustments .....	.....	-549	.....	.....	.....	.....	.....	-549
Reclassification of film rentals and courier services to unaffiliated services .....	.....	.....	-288	.....	.....	.....	-288	.....
Statistical adjustments .....	.....	.....	.....	.....	245	-1,143	245	-1,143
Unaffiliated .....	.....	-388	-867	-259	1,067	292	200	-355
Definitional adjustments .....	.....	-388	.....	.....	.....	.....	.....	-388
Reclassification of transactions to or from other accounts .....	.....	.....	-867	-259	.....	.....	-867	-259
Statistical adjustments .....	.....	.....	.....	.....	1,067	292	1,067	292
U.S. military sales .....	-147	.....	.....	.....	.....	53	-147	53
Definitional adjustments .....	-147	.....	.....	.....	.....	.....	-147	.....
Statistical adjustments .....	.....	.....	.....	.....	.....	53	.....	53
Income .....	443	-2,008	-598	-663	1,368	1,155	1,213	-1,516
Direct investment .....	-76	-533	.....	-119	-3,002	4,045	-3,078	3,393
Definitional adjustments .....	-76	-533	.....	.....	.....	.....	-76	-533
Adjustment of interest income to a net basis .....	.....	.....	.....	-119	.....	.....	.....	-119
Statistical adjustments .....	.....	.....	.....	.....	-3,002	4,045	-3,002	4,045
Other investment .....	519	-1,475	-598	-642	4,370	-2,890	4,291	-5,007
Definitional adjustments .....	519	-1,475	.....	.....	.....	.....	519	-1,475
Adjustment of interest income to a net basis .....	.....	.....	-598	-642	.....	.....	-598	-642
Statistical adjustments .....	.....	.....	.....	.....	4,370	-2,890	4,370	-2,890
Compensation of employees .....	.....	.....	.....	98	.....	.....	.....	98
Reclassification from unaffiliated services .....	.....	.....	.....	98	.....	.....	.....	98
Current unilateral transfers .....	.....	-411	607	.....	-21	255	586	-156
Definitional adjustments .....	.....	-411	.....	.....	.....	.....	.....	-411
Adjustment of U.S. transfers to a gross basis .....	.....	.....	607	.....	.....	.....	607	.....
Statistical adjustments .....	.....	.....	.....	.....	-21	255	-21	255
<b>Total adjustments .....</b>	<b>281</b>	<b>-3,844</b>	<b>9</b>	<b>-761</b>	<b>1,965</b>	<b>139</b>	<b>2,255</b>	<b>-4,466</b>

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2002

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	Canada	United States	Canada	United States	Canada	United States	Canada	United States
Goods, balance-of-payments basis .....	-1,055	8,281		5	176	86	-879	8,372
Canadian reexports to the United States .....		6,501						6,501
Inland freight adjustment .....	1,243	1,528					1,243	1,528
Other definitional adjustments .....	-2,298	252					-2,298	252
Reclassification of equipment repairs from unaffiliated services .....				5				5
Statistical adjustments .....					176	86	176	86
Services .....	-1,170	-86	-261	-5	-672	3,099	-2,103	3,007
Travel .....				28		64		92
Reclassification of education from unaffiliated services .....				28				28
Statistical adjustments .....						64		64
Passenger fares .....						3		3
Other transportation .....	-100	-66	81	-163	72	-72	53	-301
Definitional adjustments .....	-100	-66					-100	-66
Reclassification of courier services to unaffiliated services .....				-163				-163
Reclassification of transportation services from unaffiliated services .....			81				81	
Statistical adjustments .....					72	-72	72	-72
Other services .....	-1,070	-20	-342	130	-744	3,104	-2,156	3,213
Affiliated .....	-805			-30	-754	653	-1,559	623
Definitional adjustments .....	-805						-805	
Reclassification of selected services to unaffiliated services .....				-30				-30
Statistical adjustments .....					-754	653	-754	653
Unaffiliated .....	-265		-342	160	10	2,451	-597	2,611
Definitional adjustments .....	-265						-265	
Reclassification of transactions to or from other accounts .....			-342	160			-342	160
Statistical adjustments .....					10	2,451	10	2,451
U.S. defense expenditures .....		-20						-20
Definitional adjustments .....		-20						-20
Statistical adjustments .....								
Income .....	-1,534	-75	-842	-839	1,259	1,594	-1,117	680
Direct investment .....	-1,320	-75	-109		531	2,040	-898	1,965
Definitional adjustments .....	-1,320	-75					-1,320	-75
Adjustment of interest income to a net basis .....			-109				-109	
Statistical adjustments .....					531	2,040	531	2,040
Other investment .....	-214		-943	-839	633	-446	-524	-1,285
Definitional adjustments .....	-214						-214	
Adjustment of interest income to a net basis .....			-943	-839			-943	-839
Statistical adjustments .....					633	-446	633	-446
Compensation of employees .....			210		95		305	
Reclassification from unaffiliated services .....			210				210	
Statistical adjustments .....					95		95	
Current unilateral transfers .....	-1,913		51	507	-193	-26	-2,055	481
Definitional adjustments .....	-1,913						-1,913	
Reclassification from unaffiliated services .....			51				51	
Adjustment of U.S. transfers to a gross basis .....				507				507
Statistical adjustments .....					-193	-26	-193	-26
<b>Total adjustments .....</b>	<b>-5,672</b>	<b>8,120</b>	<b>-1,052</b>	<b>-332</b>	<b>570</b>	<b>4,753</b>	<b>-6,154</b>	<b>12,540</b>

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2003

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	Canada	United States	Canada	United States	Canada	United States	Canada	United States
Goods, balance-of-payments basis .....	-2,589	9,261		23	468	76	-2,121	9,360
Canadian reexports to the United States .....		6,537						6,537
Inland freight adjustment .....	2,247	2,419					2,247	2,419
Other definitional adjustments .....	-4,836	305					-4,836	305
Reclassification of equipment repairs from unaffiliated services .....				23				23
Statistical adjustments .....					468	76		468
Services .....	-995	-73	-300	-23	-539	3,127	-1,835	3,030
Travel .....				56		51		107
Reclassification of education from unaffiliated services .....				56				56
Statistical adjustments .....						51		51
Passenger fares .....						-1		-1
Other transportation .....	-88	-53	100	-184	90	-24	102	-261
Definitional adjustments .....	-88	-53					-88	-53
Reclassification of courier services to unaffiliated services .....				-184				-184
Reclassification of transportation services from unaffiliated services .....			100				100	
Statistical adjustments .....					90	-24	90	-24
Other services .....	-907	-20	-400	105	-629	3,101	-1,937	3,185
Affiliated .....	-771			-41	-800	379	-1,571	338
Definitional adjustments .....	-771						-771	
Reclassification of selected services to unaffiliated services .....				-41				-41
Statistical adjustments .....					-800	379	-800	379
Unaffiliated .....	-136		-400	146	157	2,722	-379	2,868
Definitional adjustments .....	-136						-136	
Reclassification of transactions to or from other accounts .....			-400	146			-400	146
Statistical adjustments .....					157	2,722	157	2,722
U.S. defense expenditures .....		-20			14		14	-20
Definitional adjustments .....		-20						-20
Statistical adjustments .....					14		14	
Income .....	-2,256	-67	-516	-598	1,566	-443	-1,206	-1,108
Direct investment .....	-1,966	-67	-119		872	26	-1,213	-41
Definitional adjustments .....	-1,966	-67					-1,966	-67
Adjustment of interest income to a net basis .....			-119				-119	
Statistical adjustments .....					872	26	872	26
Other investment .....	-290		-642	-598	603	-459	-329	-1,057
Definitional adjustments .....	-290						-290	
Adjustment of interest income to a net basis .....			-642	-598			-642	-598
Statistical adjustments .....					603	-459	603	-459
Compensation of employees .....			245		91	-10	336	-10
Reclassification from unaffiliated services .....			245				245	
Statistical adjustments .....					91	-10	91	-10
Current unilateral transfers .....	-2,108		55	607	-300	-10	-2,353	597
Definitional adjustments .....	-2,108						-2,108	
Reclassification from unaffiliated services .....			55				55	
Adjustment of U.S. transfers to a gross basis .....				607				607
Statistical adjustments .....					-300	-10	-300	-10
<b>Total adjustments .....</b>	<b>-7,948</b>	<b>9,121</b>	<b>-761</b>	<b>9</b>	<b>1,195</b>	<b>2,750</b>	<b>-7,515</b>	<b>11,879</b>

Table 3.1. U.S.-Canadian Current-Account Reconciliation, Northbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada
<b>2002</b>										
Goods and services .....	185,743	188,481	-2,738	185,658	186,932	-1,274	186,212	186,212	469	-2,269
Goods, balance-of-payments basis .....	160,894	162,438	-1,544	161,091	161,971	-880	161,352	161,352	458	-1,086
Services .....	24,849	26,043	-1,194	24,567	24,961	-394	24,860	24,860	11	-1,183
Travel .....	6,268	6,910	-642	7,136	6,910	226	7,013	7,013	745	103
Passenger fares .....	1,717	1,279	438	1,717	1,279	438	1,279	1,279	-438	.....
Other transportation .....	2,544	2,277	267	2,544	2,369	175	2,532	2,532	-12	255
Other services .....	14,320	15,577	-1,257	13,170	14,403	-1,233	14,036	14,036	-284	-1,541
Income .....	21,111	25,693	-4,582	20,854	23,000	-2,146	22,509	22,509	1,398	-3,184
Investment income .....	21,027	25,693	-4,666	20,770	22,916	-2,146	22,425	22,425	1,398	-3,268
Direct investment .....	12,796	9,591	3,205	12,696	9,050	3,646	11,831	11,831	-965	2,240
Other investment .....	8,231	16,102	-7,871	8,074	13,866	-5,792	10,594	10,594	2,363	-5,508
Compensation of employees .....	84	( <sup>1</sup> )	84	84	84	.....	84	84	.....	84
Current unilateral transfers .....	( <sup>2</sup> )	615	-615	507	284	223	482	482	482	-133
<b>Current account, northbound .....</b>	<b>206,854</b>	<b>214,789</b>	<b>-7,935</b>	<b>207,019</b>	<b>210,216</b>	<b>-3,197</b>	<b>209,203</b>	<b>209,203</b>	<b>2,349</b>	<b>-5,586</b>
<b>2003</b>										
Goods and services .....	196,914	200,164	-3,250	196,752	198,641	-1,889	197,370	197,370	456	-2,794
Goods, balance-of-payments basis .....	169,905	171,153	-1,248	170,113	170,716	-603	170,126	170,126	221	-1,027
Services .....	27,009	29,011	-2,002	26,639	27,925	-1,286	27,244	27,244	235	-1,767
Travel .....	6,844	7,588	-744	7,776	7,588	188	7,647	7,647	803	59
Passenger fares .....	2,114	1,531	583	2,114	1,531	583	1,531	1,531	-583	.....
Other transportation .....	2,614	2,451	163	2,614	2,561	53	2,619	2,619	5	168
Other services .....	15,437	17,441	-2,004	14,135	16,245	-2,110	15,447	15,447	10	-1,994
Income .....	24,482	27,211	-2,729	24,327	24,540	-213	25,695	25,695	1,213	-1,516
Investment income .....	24,384	27,211	-2,827	24,229	24,442	-213	25,597	25,597	1,213	-1,614
Direct investment .....	17,430	10,959	6,471	17,354	10,307	7,047	14,352	14,352	-3,078	3,393
Other investment .....	6,954	16,252	-9,298	6,875	14,135	-7,260	11,245	11,245	4,291	-5,007
Compensation of employees .....	98	( <sup>1</sup> )	98	98	98	.....	98	98	.....	98
Current unilateral transfers .....	( <sup>2</sup> )	742	-742	607	331	276	586	586	586	-156
<b>Current account, northbound .....</b>	<b>221,396</b>	<b>228,117</b>	<b>-6,721</b>	<b>221,686</b>	<b>223,512</b>	<b>-1,826</b>	<b>223,651</b>	<b>223,651</b>	<b>2,255</b>	<b>-4,466</b>

1. In the Canadian-published accounts, compensation of employees is included in "other" services.

2. Current unilateral transfers are published on a net basis in the U.S. accounts and appear as net payments in table 3.2.

Table 3.2. U.S.-Canadian Current-Account Reconciliation, Southbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States
<b>2002</b>										
Goods and services .....	244,528	230,167	14,361	242,042	238,361	3,681	241,546	241,546	-2,982	11,379
Goods, balance-of-payments basis .....	221,007	211,756	9,251	219,952	220,042	-90	220,128	220,128	-879	8,372
Services .....	23,521	18,411	5,110	22,090	18,319	3,771	21,418	21,418	-2,103	3,007
Travel .....	6,581	6,489	92	6,581	6,517	64	6,581	6,581	.....	92
Passenger fares .....	597	594	3	597	594	3	597	597	.....	3
Other transportation .....	3,117	3,471	-354	3,098	3,242	-144	3,170	3,170	53	-301
Other services .....	13,226	7,857	5,369	11,814	7,966	3,848	11,070	11,070	-2,156	3,213
Income .....	6,855	5,058	1,797	4,479	4,144	335	5,738	5,738	-1,117	680
Investment income .....	6,855	4,753	2,102	4,269	3,839	430	5,433	5,433	-1,422	680
Direct investment .....	2,030	-833	2,863	601	-908	1,509	1,132	1,132	-898	1,965
Other investment .....	4,825	5,586	-761	3,668	4,747	-1,079	4,301	4,301	-524	-1,285
Other private investment .....	3,879	4,722	-843	2,839	3,883	-1,044	3,455	3,455	-424	-1,267
U.S. Government liabilities .....	946	864	82	829	864	-35	846	846	-100	-18
Compensation of employees .....	( <sup>1</sup> )	305	-305	210	305	-95	305	305	.....	.....
Current unilateral transfers .....	2,876	340	2,536	1,014	847	167	821	821	-2,055	481
<b>Current account, southbound .....</b>	<b>254,259</b>	<b>235,565</b>	<b>18,694</b>	<b>247,535</b>	<b>243,352</b>	<b>4,183</b>	<b>248,105</b>	<b>248,105</b>	<b>-6,154</b>	<b>12,540</b>
<b>2003</b>										
Goods and services .....	260,016	243,670	16,346	256,131	252,857	3,274	256,060	256,060	-3,956	12,390
Goods, balance-of-payments basis .....	235,730	224,249	11,481	233,141	233,533	-392	233,609	233,609	-2,121	9,360
Services .....	24,286	19,421	4,865	22,990	19,324	3,666	22,451	22,451	-1,835	3,030
Travel .....	6,483	6,376	107	6,483	6,432	51	6,483	6,483	.....	107
Passenger fares .....	405	406	-1	405	406	-1	405	405	.....	-1
Other transportation .....	3,271	3,634	-363	3,283	3,397	-114	3,373	3,373	102	-261
Other services .....	14,127	9,005	5,122	12,819	9,089	3,730	12,190	12,190	-1,937	3,185
Income .....	9,697	9,599	98	6,925	8,934	-2,009	8,491	8,491	-1,206	-1,108
Investment income .....	9,697	9,253	444	6,680	8,588	-1,908	8,155	8,155	-1,542	-1,098
Direct investment .....	4,700	3,528	1,172	2,615	3,461	-846	3,487	3,487	-1,213	-41
Other investment .....	4,997	5,725	-728	4,065	5,127	-1,062	4,668	4,668	-329	-1,057
Other private investment .....	4,103	4,678	-575	3,295	4,080	-785	3,759	3,759	-344	-919
U.S. Government liabilities .....	894	1,047	-153	770	1,047	-277	909	909	15	-138
Compensation of employees .....	( <sup>1</sup> )	346	-346	245	346	-101	336	336	336	-10
Current unilateral transfers .....	3,140	190	2,950	1,087	797	290	787	787	-2,353	597
<b>Current account, southbound .....</b>	<b>272,853</b>	<b>253,459</b>	<b>19,394</b>	<b>264,143</b>	<b>262,588</b>	<b>1,555</b>	<b>265,338</b>	<b>265,338</b>	<b>-7,515</b>	<b>11,879</b>

1. In the Canadian-published accounts, compensation of employees is included in "other" services.



**Table 4.1. Trade in Goods, Northbound**

[Millions of U.S. dollars]

	U.S. receipts	Canadian payments
<b>2002</b>		
<b>Balance-of-payments basis, published</b> .....	<b>160,894</b>	<b>162,438</b>
Definitional and methodological adjustments:		
Definitional adjustments .....	-42	-467
Reclassification of equipment repairs from unaffiliated services .....	239	.....
Common basis after definitional and methodological adjustments .....	161,091	161,971
Statistical adjustments .....	261	-619
<b>Reconciled, including statistical adjustments</b> .....	<b>161,352</b>	<b>161,352</b>
<b>2003</b>		
<b>Balance-of-payments basis, published</b> .....	<b>169,905</b>	<b>171,153</b>
Definitional and methodological adjustments:		
Definitional adjustments .....	-15	-437
Reclassification of equipment repairs from unaffiliated services .....	223	.....
Common basis after definitional and methodological adjustments .....	170,113	170,716
Statistical adjustments .....	13	-590
<b>Reconciled, including statistical adjustments</b> .....	<b>170,126</b>	<b>170,126</b>

**Table 4.2. Trade in Goods, Southbound**

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments
<b>2002</b>		
<b>Balance-of-payments basis, published</b> .....	<b>221,007</b>	<b>211,756</b>
Definitional and methodological adjustments:		
Canadian reexports to the United States .....	.....	6,501
Inland freight adjustment .....	1,243	1,528
Other definitional adjustments .....	-2,298	252
Reclassification of equipment repairs from unaffiliated services .....	.....	5
Common basis after definitional and methodological adjustments .....	219,952	220,042
Statistical adjustments .....	176	86
<b>Reconciled, including statistical adjustments</b> .....	<b>220,128</b>	<b>220,128</b>
<b>2003</b>		
<b>Balance-of-payments basis, published</b> .....	<b>235,730</b>	<b>224,249</b>
Definitional and methodological adjustments:		
Canadian reexports to the United States .....	.....	6,537
Inland freight adjustment .....	2,247	2,419
Other definitional adjustments .....	-4,836	305
Reclassification of equipment repairs from unaffiliated services .....	.....	23
Common basis after definitional and methodological adjustments .....	233,141	233,533
Statistical adjustments .....	468	76
<b>Reconciled, including statistical adjustments</b> .....	<b>233,609</b>	<b>233,609</b>

Table 5.1. Travel, Passenger Fares, and Other Transportation, Northbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates			Type of adjustment
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada		
<b>2002</b>												
<b>Travel</b> .....	<b>6,268</b>	<b>6,910</b>	<b>-642</b>	<b>7,136</b>	<b>6,910</b>	<b>226</b>	<b>7,013</b>	<b>7,013</b>	<b>745</b>	<b>103</b>		
Business and personal.....	6,268	6,145	123	6,268	6,145	123	6,145	6,145	-123			Statistical
Education.....		519	-519	617	519	98	617	617	617	98		Methodological and statistical
Medical.....		245	-245	251	245	6	251	251	251	6		Methodological and statistical
<b>Passenger fares</b> .....	<b>1,717</b>	<b>1,279</b>	<b>438</b>	<b>1,717</b>	<b>1,279</b>	<b>438</b>	<b>1,279</b>	<b>1,279</b>	<b>-438</b>			Statistical
<b>Other transportation</b> .....	<b>2,544</b>	<b>2,277</b>	<b>267</b>	<b>2,544</b>	<b>2,369</b>	<b>175</b>	<b>2,532</b>	<b>2,532</b>	<b>-12</b>	<b>255</b>		
Freight.....	1,937	1,934	3	1,929	1,867	62	1,944	1,944	7	10		
Ocean.....	136	236	-100	128	145	-17	171	171	35	-65		Definitional, methodological, and statistical
Air.....	87	25	62	87	49	38	49	49	-38	24		Definitional and statistical
Truck.....	1,306	1,308	-2	1,306	1,308	-2	1,306	1,306		-2		Statistical
Other.....	408	365	43	408	365	43	418	418	10	53		Statistical
Port services.....	607	309	298	607	468	139	554	554	-53	245		
Vessel operators.....	74	22	52	74	22	52	22	22	-52			Statistical
Airline operators.....	343	255	88	343	255	88	343	343		88		Statistical
Other.....	190	32	158	190	191	-1	189	189	-1	157		Methodological and statistical
Other.....		34	-34	8	34	-26	34	34	34			Methodological and statistical
<b>2003</b>												
<b>Travel</b> .....	<b>6,844</b>	<b>7,588</b>	<b>-744</b>	<b>7,776</b>	<b>7,588</b>	<b>188</b>	<b>7,647</b>	<b>7,647</b>	<b>803</b>	<b>59</b>		
Business and personal.....	6,844	6,715	129	6,844	6,715	129	6,715	6,715	-129			Statistical
Education.....		563	-563	648	563	85	648	648	648	85		Methodological and statistical
Medical.....		311	-311	284	311	-27	284	284	284	-27		Methodological and statistical
<b>Passenger fares</b> .....	<b>2,114</b>	<b>1,531</b>	<b>583</b>	<b>2,114</b>	<b>1,531</b>	<b>583</b>	<b>1,531</b>	<b>1,531</b>	<b>-583</b>			Statistical
<b>Other transportation</b> .....	<b>2,614</b>	<b>2,451</b>	<b>163</b>	<b>2,614</b>	<b>2,561</b>	<b>53</b>	<b>2,619</b>	<b>2,619</b>	<b>5</b>	<b>168</b>		
Freight.....	1,959	1,976	-17	1,952	1,913	39	1,963	1,963	4	-13		
Ocean.....	169	264	-95	162	165	-3	207	207	38	-57		Definitional, methodological, and statistical
Air.....	104	25	79	104	59	45	59	59	-45	34		Definitional and statistical
Truck.....	1,304	1,299	5	1,304	1,302	2	1,304	1,304		5		Definitional and statistical
Other.....	382	388	-6	382	388	-6	393	393	11	5		Statistical
Port services.....	655	440	215	655	612	43	619	619	-36	179		
Vessel operators.....	68	24	44	68	35	33	35	35	-33	11		Definitional and statistical
Airline operators.....	395	380	15	395	380	15	395	395		15		Statistical
Other.....	192	36	156	192	197	-5	189	189	-3	153		Methodological and statistical
Other.....		36	-36	7	37	-30	37	37	37	1		Definitional, methodological, and statistical

Table 5.2. Travel, Passenger Fares, and Other Transportation, Southbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>2002</b>											
<b>Travel</b> .....	<b>6,581</b>	<b>6,489</b>	<b>92</b>	<b>6,581</b>	<b>6,517</b>	<b>64</b>	<b>6,581</b>	<b>6,581</b>		<b>92</b>	
Business and personal .....	6,435	6,489	-54	6,435	6,489	-54	6,435	6,435		-54	Statistical
Education .....	94		94	94	28	66	94	94		94	Methodological and statistical
Medical .....	52		52	52		52	52	52		52	Statistical
<b>Passenger fares</b> .....	<b>597</b>	<b>594</b>	<b>3</b>	<b>597</b>	<b>594</b>	<b>3</b>	<b>597</b>	<b>597</b>		<b>3</b>	Statistical
<b>Other transportation</b> .....	<b>3,117</b>	<b>3,471</b>	<b>-354</b>	<b>3,098</b>	<b>3,242</b>	<b>-144</b>	<b>3,170</b>	<b>3,170</b>	<b>53</b>	<b>-301</b>	
Freight .....	2,438	2,705	-267	2,448	2,543	-95	2,497	2,497	59	-208	
Ocean .....	125	238	-113	125	212	-87	169	169	44	-69	Methodological and statistical
Air .....	51	51		51	51		51	51			
Truck .....	2,157	2,171	-14	2,167	2,171	-4	2,171	2,171	14		Definitional and statistical
Other .....	106	245	-139	106	109	-3	106	106		-139	Methodological and statistical
Port services .....	563	766	-203	624	673	-49	647	647	84	-119	
Vessel operators .....	66	132	-66	69	66	3	66	66		-66	Definitional and statistical
Airline operators .....	384	524	-140	361	361		361	361	-23	-163	Definitional and methodological
Other .....	113	110	3	194	246	-52	220	220	107	110	Methodological and statistical
Other .....	116		116	26	26		26	26	-90	26	Definitional, methodological, and statistical
<b>2003</b>											
<b>Travel</b> .....	<b>6,483</b>	<b>6,376</b>	<b>107</b>	<b>6,483</b>	<b>6,432</b>	<b>51</b>	<b>6,483</b>	<b>6,483</b>		<b>107</b>	
Business and personal .....	6,296	6,376	-80	6,296	6,376	-80	6,296	6,296		-80	Statistical
Education .....	127		127	127	56	71	127	127		127	Methodological and statistical
Medical .....	60		60	60		60	60	60		60	Statistical
<b>Passenger fares</b> .....	<b>405</b>	<b>406</b>	<b>-1</b>	<b>405</b>	<b>406</b>	<b>-1</b>	<b>405</b>	<b>405</b>		<b>-1</b>	Statistical
<b>Other transportation</b> .....	<b>3,271</b>	<b>3,634</b>	<b>-363</b>	<b>3,283</b>	<b>3,397</b>	<b>-114</b>	<b>3,373</b>	<b>3,373</b>	<b>102</b>	<b>-261</b>	
Freight .....	2,618	2,851	-233	2,621	2,672	-51	2,691	2,691	73	-160	
Ocean .....	149	291	-142	135	251	-116	193	193	44	-98	Definitional, methodological, and statistical
Air .....	51	59	-8	51	59	-8	59	59	8		Statistical
Truck .....	2,239	2,260	-21	2,256	2,260	-4	2,260	2,260	21		Definitional and statistical
Other .....	179	241	-62	179	102	77	179	179		-62	Methodological and statistical
Port services .....	526	783	-257	630	685	-55	642	642	116	-141	
Vessel operators .....	78	107	-29	82	54	28	54	54	-24	-53	Definitional and statistical
Airline operators .....	381	565	-184	381	381		381	381		-184	Methodological
Other .....	67	111	-44	167	250	-83	207	207	140	96	Methodological and statistical
Other .....	126		126	31	40	-9	40	40	-86	40	Definitional, methodological, and statistical

**Table 6.1. Other Services, Northbound**  
[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>2002</b>											
<b>Total</b> .....	<b>14,320</b>	<b>15,577</b>	<b>-1,257</b>	<b>13,170</b>	<b>14,403</b>	<b>-1,233</b>	<b>14,036</b>	<b>14,036</b>	<b>-284</b>	<b>-1,541</b>	
Affiliated .....	7,191	8,264	-1,073	6,874	7,751	-877	6,891	6,891	-300	-1,373	Definitional, methodological, and statistical
Royalties and license fees .....	2,395	2,142	253	2,395	2,119	276	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	4,796	6,122	-1,326	4,479	5,632	-1,153	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	7,043	7,313	-270	6,253	6,652	-399	7,102	7,102	59	-211	
Royalties, license fees, and selected services ..	1,468	1,619	-151	1,447	1,553	-106	1,447	1,447	-21	-172	Definitional, methodological, and statistical
Insurance .....	459	565	-106	459	540	-81	459	459		-106	Definitional and statistical
Financial services .....	934	1,019	-85	934	931	3	1,021	1,021	87	2	Definitional and statistical
Education and training .....	645	13	632	28	14	14	28	28	-617	15	Methodological and statistical
Communications .....	585	897	-312	585	540	45	585	585		-312	Methodological and statistical
Computer services .....	771	540	231	771	542	229	771	771		231	Methodological and statistical
Business services .....	1,487	1,032	455	1,147	1,287	-140	1,573	1,573	86	541	Methodological and statistical
Sports and entertainment .....	492	1,222	-730	680	1,066	-386	1,026	1,026	534	-196	Definitional, methodological, and statistical
Other private .....		193	-193							-193	Definitional and methodological
Government:											
United States (nonmilitary) .....	86	73	13	86	73	13	86	86		13	Statistical
Canada .....	116	139	-23	116	106	10	106	106	-10	-33	Definitional, methodological, and statistical
U.S. military sales .....	87		87	43		43	43	43	-44	43	Definitional and statistical
<b>2003</b>											
<b>Total</b> .....	<b>15,437</b>	<b>17,441</b>	<b>-2,004</b>	<b>14,135</b>	<b>16,245</b>	<b>-2,110</b>	<b>15,447</b>	<b>15,447</b>	<b>10</b>	<b>-1,994</b>	
Affiliated .....	7,561	9,210	-1,649	7,273	8,660	-1,387	7,518	7,518	-43	-1,692	Definitional, methodological, and statistical
Royalties and license fees .....	2,685	2,701	-16	2,685	2,686	-1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	4,876	6,509	-1,633	4,588	5,974	-1,386	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	7,676	8,231	-555	6,809	7,584	-775	7,876	7,876	200	-355	
Royalties, license fees, and selected services ..	1,552	1,830	-278	1,533	1,791	-258	1,533	1,533	-19	-297	Definitional, methodological, and statistical
Insurance .....	660	814	-154	660	787	-127	660	660		-154	Definitional and statistical
Financial services .....	1,035	947	88	1,035	859	176	1,151	1,151	116	204	Definitional and statistical
Education and training .....	672	14	658	24	15	9	24	24	-648	10	Methodological and statistical
Communications .....	681	1,046	-365	681	646	35	681	681		-365	Methodological and statistical
Computer services .....	781	550	231	781	553	228	781	781		231	Methodological and statistical
Business services .....	1,478	1,144	334	1,128	1,427	-299	1,651	1,651	173	507	Methodological and statistical
Sports and entertainment .....	601	1,454	-853	751	1,307	-556	1,191	1,191	590	-263	Definitional, methodological, and statistical
Other private .....		196	-196							-196	Definitional and methodological
Government:											
United States (nonmilitary) .....	84	77	7	84	77	7	84	84		7	Statistical
Canada .....	132	158	-26	132	120	12	120	120	-12	-38	Definitional, methodological, and statistical
U.S. military sales .....	200		200	53		53	53	53	-147	53	Definitional and statistical

1. Royalties and license fees are combined with "other" services for reconciliation.

Table 6.2. Other Services, Southbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>2002</b>											
<b>Total</b> .....	<b>13,226</b>	<b>7,857</b>	<b>5,369</b>	<b>11,814</b>	<b>7,966</b>	<b>3,848</b>	<b>11,070</b>	<b>11,070</b>	<b>-2,156</b>	<b>3,213</b>	
Affiliated.....	6,149	3,967	2,182	5,344	3,937	1,407	4,590	4,590	-1,559	623	Definitional, methodological, and statistical
Royalties and license fees .....	1,000	881	119	997	881	116	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	5,148	3,086	2,062	4,346	3,056	1,290	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	7,014	3,806	3,208	6,407	3,966	2,441	6,417	6,417	-597	2,611	
Royalties, license fees, and selected services ..	2,043	510	1,533	1,963	506	1,457	1,963	1,963	-80	1,453	Definitional and statistical
Insurance .....	226	554	-328	224	554	-330	554	554	328		Definitional and statistical
Financial services.....	281	154	127	287	154	133	178	178	-103	24	Definitional and statistical
Education and training .....	46	42	4	24	14	10	24	24	-22	-18	Methodological and statistical
Communications.....	989	256	733	660	256	404	458	458	-531	202	Methodological and statistical
Computer services .....	1,091	1,083	8	1,091	1,083	8	1,055	1,055	-36	-28	Statistical
Business services .....	1,015	978	37	1,115	769	346	1,141	1,141	126	163	Methodological and statistical
Sports and entertainment.....	973	52	921	833	453	380	833	833	-140	781	Definitional, methodological, and statistical
Other private .....	138		138						-138		Definitional and methodological
Government:											
Canada.....	36		36	36		36	36	36		36	Statistical
United States (nondefense).....	176	177	-1	176	177	-1	177	177	1		Statistical
U.S. defense expenditures .....	63	83	-20	63	63		63	63		-20	Definitional
<b>2003</b>											
<b>Total</b> .....	<b>14,127</b>	<b>9,005</b>	<b>5,122</b>	<b>12,819</b>	<b>9,089</b>	<b>3,730</b>	<b>12,190</b>	<b>12,190</b>	<b>-1,937</b>	<b>3,185</b>	
Affiliated.....	6,376	4,467	1,909	5,605	4,426	1,179	4,805	4,805	-1,571	338	Definitional, methodological, and statistical
Royalties and license fees .....	1,040	577	463	1,040	577	463	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	5,336	3,890	1,446	4,565	3,849	716	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	7,689	4,442	3,247	7,153	4,588	2,565	7,310	7,310	-379	2,868	
Royalties, license fees, and selected services ..	2,234	867	1,367	2,233	864	1,369	2,233	2,233	-1	1,366	Definitional and statistical
Insurance .....	11	525	-514	12	525	-513	525	525	514		Definitional and statistical
Financial services.....	342	161	181	358	161	197	215	215	-127	54	Definitional and statistical
Education and training .....	64	73	-9	30	17	13	30	30	-34	-43	Methodological and statistical
Communications.....	1,107	281	826	739	281	458	510	510	-597	229	Methodological and statistical
Computer services .....	1,168	1,004	164	1,168	1,004	164	1,121	1,121	-47	117	Statistical
Business services .....	1,139	1,297	-158	1,250	975	275	1,315	1,315	176	18	Methodological and statistical
Sports and entertainment.....	1,248	54	1,194	1,147	581	566	1,147	1,147	-101	1,093	Definitional, methodological, and statistical
Other private .....	161		161						-161		Definitional and methodological
Government:											
Canada.....	34		34	34		34	34	34		34	Statistical
United States (nondefense).....	181	180	1	181	180	1	180	180	-1		Statistical
U.S. defense expenditures .....	61	95	-34	61	75	-14	75	75	14	-20	Definitional and statistical

1. Royalties and license fees are combined with "other" services for reconciliation.

Table 7.1. Investment Income, Northbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates			Type of adjustment
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada		
<b>2002</b>												
<b>Investment Income</b> .....	<b>21,027</b>	<b>25,693</b>	<b>-4,666</b>	<b>20,770</b>	<b>22,916</b>	<b>-2,146</b>	<b>22,425</b>	<b>22,425</b>	<b>1,398</b>	<b>-3,268</b>		
<b>Direct investment income</b> .....	<b>12,796</b>	<b>9,591</b>	<b>3,205</b>	<b>12,696</b>	<b>9,050</b>	<b>3,646</b>	<b>11,831</b>	<b>11,831</b>	<b>-965</b>	<b>2,240</b>		
Earnings of incorporated affiliates .....	12,140	8,881	3,259	12,075	8,457	3,618	11,251	11,251	-889	2,370		
Dividends .....	4,329	4,319	10	4,265	3,920	345	4,093	4,093	-236	-226		Definitional and statistical
Reinvested earnings .....	7,811	4,562	3,249	7,810	4,537	3,273	7,158	7,158	-653	2,596		Definitional and statistical
Earnings of unincorporated affiliates .....	213	141	72	213	130	83	172	172	-41	31		Definitional and statistical
Interest .....	443	569	-126	408	463	-55	408	408	-35	-161		Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>8,231</b>	<b>16,102</b>	<b>-7,871</b>	<b>8,074</b>	<b>13,866</b>	<b>-5,792</b>	<b>10,594</b>	<b>10,594</b>	<b>2,363</b>	<b>-5,508</b>		
Securities .....	6,282	12,723	-6,441	6,964	12,517	-5,553	9,420	9,420	3,138	-3,303		
Dividends .....	1,716	1,636	80	1,716	1,430	286	1,573	1,573	-143	-63		Definitional and statistical
Interest .....	4,566	11,087	-6,521	5,248	11,087	-5,839	7,847	7,847	3,281	-3,240		Definitional and statistical
U.S. claims/Canadian liabilities .....	1,949	3,378	-1,429	1,110	1,349	-239	1,174	1,174	-775	-2,204		
U.S. bank claims .....	1,528	1,503	25	423	560	-137	492	492	-1,036	-1,011		Methodological and statistical
Other private U.S. claims .....	421	1,875	-1,454	687	789	-102	682	682	261	-1,193		Definitional, methodological, and statistical
<b>2003</b>												
<b>Investment Income</b> .....	<b>24,384</b>	<b>27,211</b>	<b>-2,827</b>	<b>24,229</b>	<b>24,442</b>	<b>-213</b>	<b>25,597</b>	<b>25,597</b>	<b>1,213</b>	<b>-1,614</b>		
<b>Direct investment income</b> .....	<b>17,430</b>	<b>10,959</b>	<b>6,471</b>	<b>17,354</b>	<b>10,307</b>	<b>7,047</b>	<b>14,352</b>	<b>14,352</b>	<b>-3,078</b>	<b>3,393</b>		
Earnings of incorporated affiliates .....	16,685	10,038	6,647	16,647	9,662	6,985	13,703	13,703	-2,982	3,665		
Dividends .....	3,020	4,033	-1,013	2,981	3,662	-681	3,170	3,170	150	-863		Definitional and statistical
Reinvested earnings .....	13,665	6,005	7,660	13,666	6,000	7,666	10,533	10,533	-3,132	4,528		Definitional and statistical
Earnings of unincorporated affiliates .....	240	136	104	240	124	116	182	182	-58	46		Definitional and statistical
Interest .....	505	785	-280	467	521	-54	467	467	-38	-318		Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>6,954</b>	<b>16,252</b>	<b>-9,298</b>	<b>6,875</b>	<b>14,135</b>	<b>-7,260</b>	<b>11,245</b>	<b>11,245</b>	<b>4,291</b>	<b>-5,007</b>		
Securities .....	5,282	13,293	-8,011	5,800	13,052	-7,252	10,189	10,189	4,907	-3,104		
Dividends .....	1,818	1,917	-99	1,818	1,676	142	1,747	1,747	-71	-170		Definitional and statistical
Interest .....	3,464	11,376	-7,912	3,982	11,376	-7,394	8,442	8,442	4,978	-2,934		Definitional and statistical
U.S. claims/Canadian liabilities .....	1,672	2,958	-1,286	1,075	1,083	-8	1,056	1,056	-616	-1,902		
U.S. bank claims .....	1,238	1,120	118	505	478	27	492	492	-746	-628		Methodological and statistical
Other private U.S. claims .....	434	1,838	-1,404	570	605	-35	564	564	130	-1,274		Definitional, methodological, and statistical

Table 7.2. Investment Income, Southbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates			Type of adjustment
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States		
<b>2002</b>												
<b>Investment Income</b> .....	<b>6,855</b>	<b>4,753</b>	<b>2,102</b>	<b>4,269</b>	<b>3,839</b>	<b>430</b>	<b>5,433</b>	<b>5,433</b>	<b>-1,422</b>	<b>680</b>		
<b>Direct investment income</b> .....	<b>2,030</b>	<b>-833</b>	<b>2,863</b>	<b>601</b>	<b>-908</b>	<b>1,509</b>	<b>1,132</b>	<b>1,132</b>	<b>-898</b>	<b>1,965</b>		
Earnings of incorporated affiliates .....	2,076	-1,441	3,517	1,455	-1,523	2,978	626	626	-1,450	2,067		
Dividends .....	1,526	960	566	1,602	878	724	1,438	1,438	-88	478		Definitional, methodological, and statistical
Reinvested earnings .....	550	-2,401	2,951	-147	-2,401	2,254	-812	-812	-1,362	1,589		Definitional, methodological, and statistical
Earnings of unincorporated affiliates .....	-218	90	-308	-893	90	-983	-19	-19	199	-109		Definitional and statistical
Interest .....	172	518	-346	39	525	-486	525	525	353	7		Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>4,825</b>	<b>5,586</b>	<b>-761</b>	<b>3,668</b>	<b>4,747</b>	<b>-1,079</b>	<b>4,301</b>	<b>4,301</b>	<b>-524</b>	<b>-1,285</b>		
Securities .....	2,397	3,839	-1,442	2,420	3,839	-1,419	3,003	3,003	606	-836		
Dividends .....	1,989	2,283	-294	1,825	2,283	-458	2,168	2,168	179	-115		Definitional and statistical
Interest .....	408	1,556	-1,148	595	1,556	-961	835	835	427	-721		Definitional and statistical
Canadian claims/U.S. liabilities .....	1,482	883	599	419	44	375	452	452	-1,030	-431		
Canadian bank claims .....	969	533	436	-90	18	-108	-14	-14	-983	-547		Definitional, methodological, and statistical
Other private Canadian claims .....	513	350	163	509	26	483	466	466	-47	116		Definitional, methodological, and statistical
U.S. Government liabilities .....	946	864	82	829	864	-35	846	846	-100	-18		Definitional and statistical
<b>2003</b>												
<b>Investment Income</b> .....	<b>9,697</b>	<b>9,253</b>	<b>444</b>	<b>6,680</b>	<b>8,588</b>	<b>-1,908</b>	<b>8,155</b>	<b>8,155</b>	<b>-1,542</b>	<b>-1,098</b>		
<b>Direct investment income</b> .....	<b>4,700</b>	<b>3,528</b>	<b>1,172</b>	<b>2,615</b>	<b>3,461</b>	<b>-846</b>	<b>3,487</b>	<b>3,487</b>	<b>-1,213</b>	<b>-41</b>		
Earnings of incorporated affiliates .....	3,637	2,720	917	2,146	2,702	-556	2,786	2,786	-851	66		
Dividends .....	1,746	330	1,416	1,392	312	1,080	517	517	-1,229	187		Definitional, methodological, and statistical
Reinvested earnings .....	1,891	2,390	-499	754	2,390	-1,636	2,269	2,269	378	-121		Definitional, methodological, and statistical
Earnings of unincorporated affiliates .....	721	248	473	264	190	74	132	132	-589	-116		Methodological and statistical
Interest .....	342	560	-218	205	569	-364	569	569	227	9		Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>4,997</b>	<b>5,725</b>	<b>-728</b>	<b>4,065</b>	<b>5,127</b>	<b>-1,062</b>	<b>4,668</b>	<b>4,668</b>	<b>-329</b>	<b>-1,057</b>		
Securities .....	2,718	3,822	-1,104	2,742	3,822	-1,080	3,153	3,153	435	-669		
Dividends .....	2,309	2,399	-90	2,119	2,399	-280	2,329	2,329	20	-70		Definitional and statistical
Interest .....	409	1,423	-1,014	623	1,423	-800	824	824	415	-599		Definitional and statistical
Canadian claims/U.S. liabilities .....	1,385	856	529	553	258	295	606	606	-779	-250		
Canadian bank claims .....	785	358	427	-43	180	-223	44	44	-741	-314		Definitional, methodological, and statistical
Other private Canadian claims .....	600	498	102	596	78	518	562	562	-38	64		Definitional, methodological, and statistical
U.S. Government liabilities .....	894	1,047	-153	770	1,047	-277	909	909	15	-138		Definitional and statistical