



The Daily

Statistics Canada

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MAJOR RELEASES

- **Canada's international transactions in securities, August 2003** 3
 Foreign investors reduced their holdings of Canadian bonds in August by a record amount. This is the second consecutive month of heavy selling of Canadian bonds. They did, however, continue to make sizable purchases of Canadian stocks. Meanwhile, Canadian investors made another large investment in foreign securities, mainly foreign stocks.

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Education quarterly review

Volume 9, number 3

The October 2003 issue of *Education quarterly review*, Statistics Canada's flagship publication for education statistics, contains two articles.

The first, titled "Hiring of part-time university faculty on the increase," explores the increasing reliance of Canadian universities on part-time faculty to deliver their programs.

"Adult immigrants: How well are they trained?" uses data from the Adult Education and Training Survey to examine the incidence and duration of training for immigrants, and compares their circumstances to Canadians in general.

The October 2003 issue of *Education quarterly review*, Vol. 9, no. 3 (81-003-XIE, \$18/\$55) is now available. See *How to order products*. The article "Hiring of part-time university faculty on the increase" is available on Statistics Canada's website as a free preview of this publication. From the *Our products and services* page, choose *In depth*.

For more information, contact Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-9040; educationstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

NEW PRODUCTS

MAJOR RELEASES

Canada's international transactions in securities

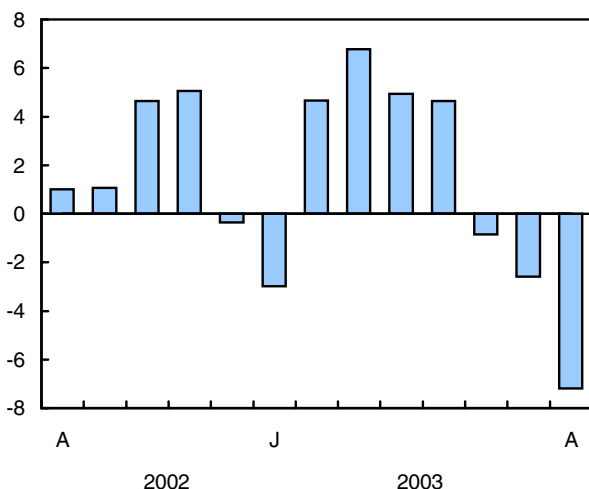
August 2003

Foreign investors reduced their holdings of Canadian securities by \$7.2 billion in August. Foreign holdings of Canadian debt securities were down \$8.5 billion while foreign holdings of Canadian stocks rose by \$1.3 billion.

Canadian investors acquired \$1.9 billion in foreign securities in August, with \$1.6 billion going to stocks.

Foreign investment in Canadian securities¹

\$ billions



¹ Includes bonds, stocks and money market paper.

Second sharp reduction in foreign holdings of Canadian bonds

Foreign investors sold off a record \$7.8 billion worth of Canadian bonds in August, after reducing their holdings by \$4.0 billion in July. At the same time, the gap between Canadian long-term interest rates and US rates, which have been favouring investment in Canada, narrowed in August to the lowest level since May 2002.

In the latest two months, foreign investors sold off \$13.1 billion of existing bonds in the secondary market, with \$7.6 billion in August alone. This heavy selling more than offset the \$12.3 billion foreign investors accumulated in the first six months of 2003 when the Canadian dollar appreciated strongly.

In the primary market (new issues and retirements), new Canadian bonds issued in foreign markets fell to

Related market information

In August, a drop of 10 basis points in Canadian **short-term interest rates** combined with a rise of 5 basis points in comparable US rates narrowed the gap between the two to 176 basis points, the lowest differential in six months. The Canadian short-term rate of 2.71% in August is the lowest so far in 2003, while the US short-term rate in August of 0.95% is marginally higher than the recent record low established in July.

Canadian **long-term interest rates** jumped 18 basis points to 4.96% in August, while US rates jumped a similar 20 basis points to 4.54%. As a result, the differential in favour of Canada was reduced to just 42 basis points, the smallest gap since May 2002.

Canadian **stock prices** recorded their fifth consecutive monthly gain, up 3.5% in August, bringing to 18.4% the recovery from this year's month-end low in March. The index at the end of August was at a level not witnessed since May 2002. American stock prices registered a 1.8% gain in August, for a sixth consecutive gain, totalling 19.8% over the six months.

After recording its first decline of the year against the US dollar in July, the **Canadian dollar** rose nearly one full cent in August. August's gain represented about a third of July's loss and brought the dollar back to US 72.17 cents at month's end, an increase of 13.9% since the beginning of the year.

Definitions

The data series on international security transactions cover portfolio transactions in stocks and bonds (both Canadian and foreign issues) and Canadian money market instruments.

Stocks include common and preferred equities, as well as warrants.

Debt securities include bonds and money market instruments.

Bonds have an original term to maturity of more than one year.

Money market instruments have an original term to maturity of one year or less. **Government of Canada paper** includes treasury bills and US-dollar Canada bills. **Other money market instruments** include treasury bills and other paper issued by other Canadian governments or their enterprises, bankers' acceptances, bearer demand notes of banks, commercial paper and other short-term paper.

just \$1.8 billion in August. This was more than offset by the retirement of \$2.6 billion of foreign-held bonds. New issues in foreign markets, however, have exceeded retirements by \$4.4 billion so far this year.

In August, American and European investors each reduced their holdings of Canadian bonds by \$4.3 billion, while Asian investors bought \$0.7 billion.

Foreign holdings of Canadian money market paper decline

Foreign investors reduced their holdings of Canadian money market instruments by \$655 million

in August, their fourth consecutive reduction and the sixth in the first eight months of 2003. This brought the reduction in foreign holdings so far this year to \$2.9 billion.

In August, the incentive to invest in Canada diminished somewhat, as Canadian short-term interest rates dropped and comparable US rates rose. As a result, the gap narrowed to 176 basis-points, the lowest differential in six months.

Foreign investors continue to buy Canadian stocks

Foreign investors bought Canadian stocks for the fifth straight month. The \$1.3 billion they added in August brought to \$5.5 billion their accumulation so far in 2003. This is in sharp contrast with the first eight months of 2002, when foreign investors sold \$2.2 billion of Canadian stocks.

The purchases so far in 2003 have been mainly focussed on existing shares in the secondary market, where stock prices have risen 18.4% since March. This year, American investors bought \$9.0 billion, while investors from Europe and other countries sold off \$3.5 billion.

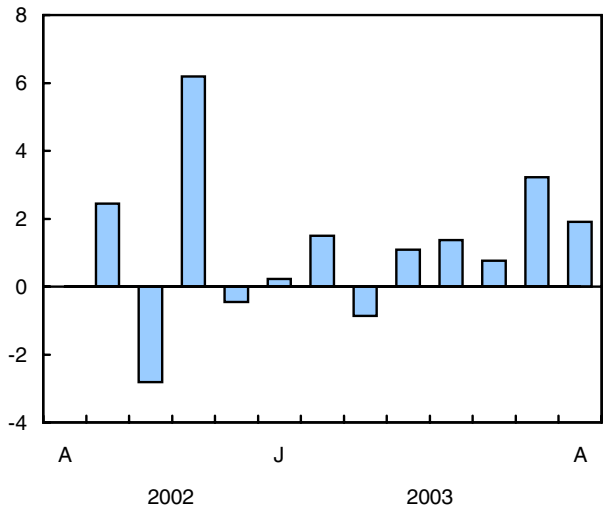
Canadian investors continue to acquire foreign securities

Canadian investors purchased foreign stocks for the fourth consecutive month. They added \$1.6 billion in August to bring total purchases to \$3.6 billion over this period. The year-to-date accumulation was, however, just \$0.4 billion, as Canadian residents sold \$3.2 billion of foreign stock in the first four months of 2003.

The \$309 million investment in foreign bonds in August was the eighth consecutive investment this year. Canadian investors have purchased a total of \$8.8 billion of foreign bonds so far this year. This is almost double the pace set for the first eight months of 2002, when resident investors bought \$4.5 billion of foreign bonds. Three-quarters of this year's investment has been directed to US treasury bonds.

Canadian investment in foreign securities¹

\$ billions Reverse of balance of payments signs



¹ Includes bonds and stocks.

Available on CANSIM: tables 376-0018 to 376-0029 and 376-0058.

Definitions, data sources and methods: survey numbers, including related surveys, 1532, 1534, 1535 and 1537.

The August 2003 issue of *Canada's international transactions in securities* (67-002-XIE, \$14/\$142) will be available soon. See *How to order products*.

Data on Canada's international transactions in securities for September 2003 will be released on November 18.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Donald Granger (613-951-1864), Balance of Payments Division.

□

Canada's international transactions in securities

| | May 2003 | June 2003 | July 2003 | August 2003 | January to August 2002 | January to August 2003 |
|--------------------------------------------------|---------------|--------------|---------------|----------------|---------------------------------|---------------------------------|
| | \$ millions | | | | | |
| Foreign investment in Canadian securities | 4,645 | -853 | -2,580 | -7,183 | 10,643 | 7,413 |
| Bonds (net) | 3,735 | -888 | -3,977 | -7,845 | 12,270 | 4,759 |
| Outstanding | 1,886 | 67 | -5,463 | -7,610 | 7,577 | -753 |
| New issues | 4,101 | 8,282 | 3,151 | 1,824 | 32,023 | 36,439 |
| Retirements | -3,001 | -7,702 | -1,939 | -2,630 | -28,257 | -32,089 |
| Change in interest payable ¹ | 750 | -1,536 | 275 | 571 | 927 | 1,161 |
| Money market paper (net) | -890 | -325 | -510 | -655 | 610 | -2,880 |
| Government of Canada | -227 | 492 | -142 | -89 | 766 | 180 |
| Other | -663 | -817 | -367 | -566 | -156 | -3,061 |
| Stocks (net) | 1,800 | 360 | 1,906 | 1,318 | -2,237 | 5,534 |
| Outstanding | 979 | 658 | 1,656 | 1,277 | -6,585 | 4,815 |
| Other transactions | 821 | -298 | 251 | 40 | 4,348 | 719 |
| Canadian investment in foreign securities | -1,369 | -757 | -3,219 | -1,914 | -19,579 | -9,214 |
| Bonds (net) | -373 | -625 | -2,373 | -309 | -4,454 | -8,847 |
| Stocks (net) | -996 | -132 | -846 | -1,605 | -15,125 | -367 |

¹ Interest accrued less interest paid.

Note: A minus sign indicates an outflow of money from Canada, that is, a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad.



OTHER RELEASES

Travel between Canada and other countries August 2003

Travel to Canada from the United States and overseas countries declined for the seventh time in eight months in August. However, Canadian travel abroad increased for the third time in four months.

An estimated 2.9 million visitors came to Canada in August, down 0.8% from July. The decrease was due to a 1.2% decline in visits from the United States, as less than 2.7 million Americans entered the country. However, the number of visitors from overseas countries reached 269,000, up 2.5% from July. Although the number of overall trips to Canada gradually increased 20% from September 2001 to December 2002, those gains have since been lost. (Unless otherwise specified, data are seasonally adjusted).

The drop in visits to Canada from the United States occurred in spite of a slight increase in same-day car trips from that country. Overnight trips by Americans to Canada remained about the same. However, the number of overnight plane trips dropped 3.3% from July, offsetting gains in other modes of transport.

Travel from a number of Asian countries continued to show impressive gains in August. The number of visitors from Taiwan jumped 44.1%, while travel from both South Korea and Hong Kong increased 27.1% and travel from China increased 26.5%.

Overall, in August, there was a 10.1% increase from July in the number of visitors from Asian countries. However, figures remain 37% lower than the level observed in October 2002, when travel from Asia had fully recovered from the aftermath of September 11. In November, travel from Asia started to decrease to a record low of 49,000 in May, but visits have since increased by 50%.

In August, only two of Canada's top 12 overseas markets saw monthly declines in same-day and overnight trips. The number of visitors from the Netherlands fell 7.3%, and the number of visitors from the United Kingdom decreased 5.8%.

Canadian travel to countries other than the United States increased for the third consecutive month in August. An estimated 409,000 Canadian residents made trips to overseas countries, up 1.5% from July. This is the result of a steady recovery, as travel approaches pre-September 2001 levels despite a slowdown in visits overseas earlier this year.

Travel to the United States rose 1.0%, as an estimated 2.8 million Canadian residents travelled south of the border in August. The number of overnight trips to the United States increased 1.5%. Overnight trips by car increased 2.7% and more than compensated for the decline in overnight trips by air (-1.4%). This coincided with a 1.0% increase in the value of the Canadian dollar against its American counterpart.

Available on CANSIM: tables 427-0001 to 427-0006.

Definitions, data sources and methods: survey number 5005.

The August 2003 issue of *International travel, advance information*, Vol. 19, no. 8 (66-001-PIE, \$7/\$59) is now available. See *How to order products*.

Data on travel between Canada and other countries for September 2003 will be released on November 19.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Frances Kremarik (613-951-4240; frances.kremarik@statcan.ca), or Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-9040; cult.tourstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics. □

Travel between Canada and other countries

| | July | August | July | August | August |
|----------------------------------------------------|-------------------|-------------------|-------------|--------------|--------------|
| | 2003 ^r | 2003 ^p | to | 2003 | 2002 |
| | | | August | to | |
| | | | | 2003 | August |
| | | | | 2003 | |
| Seasonally adjusted | | | Unadjusted | | |
| | '000 | % change | | '000 | % change |
| Canadian trips abroad¹ | 3,205 | 3,239 | 1.1 | 4,416 | 1.3 |
| to the United States | 2,802 | 2,830 | 1.0 | 3,916 | 0.6 |
| to Other Countries | 403 | 409 | 1.5 | 500 | 7.7 |
| Same-day car trips to the United States | 1,687 | 1,699 | 0.7 | 2,187 | 0.8 |
| Total trips, one or more nights | 1,424 | 1,446 | 1.5 | 2,183 | 2.0 |
| United States ² | 1,021 | 1,037 | 1.5 | 1,683 | 0.4 |
| Car | 601 | 617 | 2.7 | 1,210 | 3.2 |
| Plane | 341 | 336 | -1.4 | 313 | -3.4 |
| Other modes of transportation | 80 | 84 | 5.0 | 160 | -10.5 |
| Other countries ³ | 403 | 409 | 1.5 | 500 | 7.7 |
| Travel to Canada¹ | 2,946 | 2,922 | -0.8 | 5,455 | -12.8 |
| from the United States | 2,684 | 2,653 | -1.2 | 4,991 | -12.5 |
| from Other Countries | 262 | 269 | 2.5 | 464 | -15.9 |
| Same-day car trips from the United States | 1,449 | 1,455 | 0.4 | 2,283 | -12.6 |
| Total trips, one or more nights | 1,268 | 1,278 | 0.8 | 2,904 | -13.0 |
| United States ² | 1,015 | 1,016 | 0.1 | 2,452 | -12.7 |
| Car | 634 | 639 | 0.8 | 1,682 | -14.7 |
| Plane | 270 | 261 | -3.3 | 464 | -7.8 |
| Other modes of transportation | 111 | 115 | 3.8 | 305 | -7.9 |
| Other countries ³ | 253 | 262 | 3.8 | 452 | -14.7 |
| Most important Overseas markets⁴ | | | | | |
| United Kingdom | 52 | 49 | -5.8 | 93 | -9.6 |
| Germany | 22 | 23 | 4.8 | 43 | -7.2 |
| France | 22 | 22 | 0.6 | 43 | -12.4 |
| Japan | 16 | 18 | 8.7 | 30 | -49.0 |
| South Korea | 10 | 13 | 27.1 | 22 | -1.4 |
| Australia | 12 | 13 | 3.6 | 17 | -9.4 |
| Mexico | 11 | 11 | 4.6 | 19 | -15.7 |
| Hong Kong | 7 | 9 | 27.1 | 14 | -5.8 |
| Netherlands | 9 | 8 | -7.3 | 14 | -13.4 |
| China | 6 | 7 | 26.5 | 11 | -14.6 |
| Taiwan | 5 | 7 | 44.1 | 10 | -20.6 |
| Switzerland | 7 | 7 | 1.2 | 12 | -4.2 |

^p Preliminary figures.

^r Revised figures.

¹ Totals exceed the sum of same-day car trips and total trips one or more nights because they include all of the same-day trips.

² Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.

³ Figures for other countries exclude same-day entries by land only, via the United States.

⁴ Includes same-day and one or more night trips.

Population of businesses with employees

Fourth quarter 2002

Just over 1,005,300 Canadian businesses had employees in the fourth quarter of 2002, down only slightly from the 1,006,000 in the fourth quarter of 2001, according to new payroll deduction data.

Ontario and Quebec accounted for more than one-half (57%) of these companies.

On a year-over-year basis, the number of businesses with employees increased in only three provinces: Ontario (+0.8%), Alberta (+1.5%) and British Columbia (+0.1%).

The biggest decline occurred in Newfoundland and Labrador, where the number of businesses with employees fell 3.2% from the fourth quarter of 2001.

On a quarter-to-quarter basis, the total number of businesses with employees rose a slight 0.2% from the third quarter.

Ontario, the Prairie provinces and British Columbia accounted for the bulk of the increase. Quebec had the largest decline.

Information on Nunavut and the Northwest Territories will be available when sufficient quarterly observations are collected.

Population of businesses with employees

| | Fourth quarter 2001 | Fourth quarter 2002 | % change |
|------------------------------------|---------------------------|---------------------------|-------------|
| Canada | 1,006,015 | 1,005,364 | -0.1 |
| Newfoundland and Labrador | 19,056 | 18,449 | -3.2 |
| Prince Edward Island | 6,508 | 6,345 | -2.5 |
| Nova Scotia | 30,185 | 29,710 | -1.6 |
| New Brunswick | 26,204 | 25,791 | -1.6 |
| Quebec | 236,223 | 233,424 | -1.2 |
| Ontario | 332,428 | 334,979 | 0.8 |
| Manitoba | 34,276 | 34,293 | 0.0 |
| Saskatchewan | 36,592 | 35,944 | -1.8 |
| Alberta | 126,818 | 128,742 | 1.5 |
| British Columbia | 150,387 | 150,519 | 0.1 |
| Yukon | 1,467 | 1,447 | -1.4 |
| Northwest Territories & Nunavut | 1,909 | 1,871 | -2.0 |
| Atlantic region | 81,953 | 80,295 | -2.0 |
| Prairies region | 197,686 | 198,979 | 0.7 |
| Territories region | 3,376 | 3,318 | -1.7 |

Available on CANSIM: table 178-0001.

Definitions, data sources and methods: survey number 1105.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Joanne Proulx (613-951-9006; fax: 613-951-0104; proujo@statcan.ca), Business Register Division. ■

Intellectual property commercialization in the higher education sector 2001

One way in which universities transfer their technology to business is by licensing their patents in return for royalties. From 1999 to 2001, these royalties more than doubled, from \$18.9 million to \$44.4 million, according to a working paper released today. This is in parallel with an increase of 49% in sponsored research funding.

The working paper *Survey of intellectual property commercialization in the higher education sector, 2001* (88F0006XIE2003012, free) is now available on Statistics Canada's website. The paper revises and presents in more detail preliminary results from the survey that were previously released. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Science and technology*.

Definitions, data sources and methods: survey number 4222.

For more information, or to enquire about the methods, concepts or data quality of this release, contact Cathy Read (613-951-3838; cathy.read@statcan.ca), Science, Innovation and Electronic Information Division. ■

Innovation analysis bulletin October 2003

The innovation analysis bulletin focusses on trends in science, technology and the information society. The bulletin includes updates on government science and technology activities, industrial research and development, intellectual property commercialization, advanced technologies and innovation, biotechnology, connectedness, telecommunications and broadcasting, and electronic commerce.

The October 2003 issue of *The innovation analysis bulletin* (88-003-XIE, free) is now available on Statistics Canada's website. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Science and technology*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Rad Joseph (613-951-6830; fax: 613-951-9920) or Claire Racine-Lebel (613-951-6309), Science, Innovation and Electronic Information Division. ■

Stocks of frozen poultry meat October 1, 2003 (preliminary)

Stocks of frozen poultry meat in cold storage on October 1 totalled 67,368 metric tonnes, down 10.8% from a year ago.

Available on CANSIM: tables 003-0023 and 003-0024.

Definitions, data sources and methods: survey number 3425.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sandra Gielfeldt (613-951-2505; sandy.gielfeldt@statcan.ca), Agriculture Division. ■

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

MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 2
- **Steel primary forms, week ending May 31, 1997** 12
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