



The Daily

Statistics Canada

Monday, March 25, 2002

Released at 8:30 am Eastern time

MAJOR RELEASES

- **Canada's international transactions in securities, January 2002**
 Canadians divested \$1.3 billion worth of foreign bonds in January while acquiring a small amount of foreign stocks. This followed a major Canadian investment of \$6.0 billion in foreign securities in December.

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- **Film and video distribution, 1999/2000**
 Led by revenues from foreign movies, film distributors and videocassette wholesalers posted record total revenues of \$2.5 billion in 1999/2000, easily eclipsing the \$2.3-billion mark reached in 1998/99.

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MAJOR RELEASES

Canada's international transactions in securities

January 2002

Canadians divested \$1.3 billion worth of foreign bonds in January while acquiring a small amount of foreign stocks. This followed a major Canadian investment of \$6.0 billion in foreign securities in December.

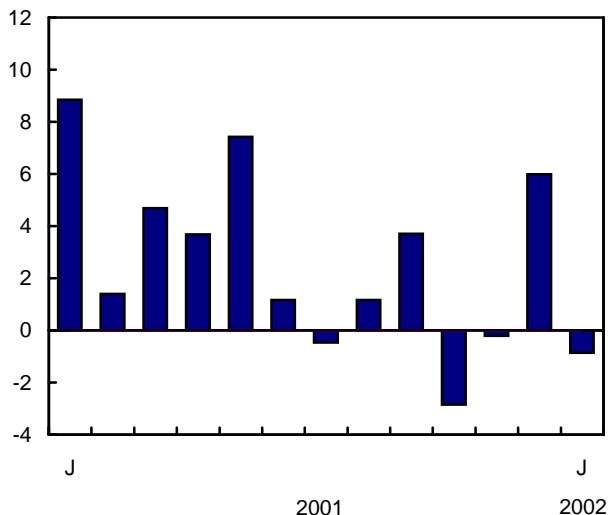
In January, foreign investors modestly increased their holdings of Canadian debt securities.

Canadians divest some of their holdings of foreign bonds

Canadians sold some (\$1.3 billion worth) of their foreign bond holdings after purchasing a similar amount in December. The divestiture was exclusively directed to US treasuries, as Canadian investors acquired a small amount of US corporate bonds.

Canadian investment in foreign securities¹

\$ billions Reverse of balance of payments signs



¹ Includes bonds and stocks.

Canadian investors' appetite for foreign shares cooled in January after the large December investment of \$4.5 billion. The addition of \$0.4 billion to their holdings in January went entirely to overseas equities. It was a slow start to what is usually one of the stronger three-month periods due to Canadian pension fund

Related market information

With Canadian and US interest rates steady in January, the short-term differential, at 28 basis points favouring Canada, was virtually unchanged from December and November. However, since January 2001, short-term rates in Canada and the United States fell more than three percentage points to below 2%, a level not seen in more than four decades.

Long-term rates fell slightly in the United States in January but rates in Canada were unchanged. This led to an increase in the differential of 10 basis points to 27 basis points, continuing to favour investment in Canada.

Canadian stock prices (as measured by the TSE 300 Composite Index) registered a loss of 0.5% in January after gains totalling 12.4% in December, November and October. Similarly, American stock prices (Standard & Poors Index) declined, but by a larger 1.6% following a three-month advance of 10.3%.

The Canadian dollar closed January at 63 US cents, up fractionally from its 2001 close. The Canadian dollar is almost 4 US cents lower than it was in January 2001.

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 (or paper)**.

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** include 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.

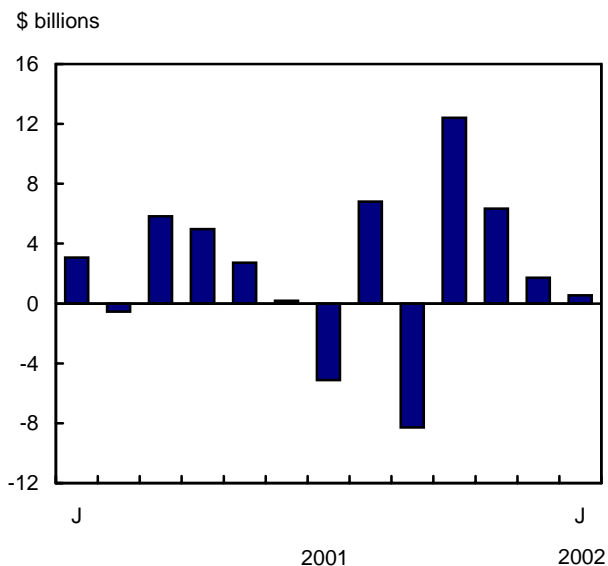
activity. Unlike recent months, when the acquisition of new foreign treasury shares — issued as part of foreign acquisitions of Canadian companies — contributed to increases in holdings of foreign equities, no such activity occurred in January.

Foreign investors buy modest amounts of Canadian debt instruments

Foreign investors increased their holdings of Canadian bonds by \$0.3 billion in January, as a \$2.8-billion increase in foreign holdings of corporate debt outweighed a \$2.5-billion decrease in foreign holdings of government bonds. Increased foreign holdings of corporate bonds resulted mainly from the

primary market, where new issues continued to outpace retirements. The government sector was just the opposite; foreigners reduced their holdings as a result of both net retirements and selling of secondary market bonds. By region, continued buying of Canadian bonds by US investors was more than sufficient to replace some selling by Japanese and European investors.

Foreign investment in Canadian securities¹



¹ Includes bonds, stocks and money market paper.

For a second straight month, foreign investors were buyers of Canadian money market paper, with a small \$0.3 billion investment in January. Non-residents sold some of their holdings of federal treasury bills, but more than offset this with purchases of other Canadian government and corporate paper. With Canadian and US rates steady in January, the short-term differential, at 28 basis points favouring Canada, was virtually unchanged from December and November.

The decrease in foreign investment in Canadian stocks was a negligible \$0.1 billion in January, as foreign investors sold small amounts of secondary market shares for a third consecutive month. There was no activity in January in other transactions such as new issues sold in foreign markets or issues of new treasury shares as part of Canadian acquisitions of foreign companies, a rare event. Canadian stock prices (as measured by the TSE 300 Composite Index) lost 0.5% after gains in December, November and October.

Available on CANSIM: tables 376-0018 to 376-0029 and 376-0042.

The January 2002 issue of *Canada's international transactions in securities* (67-002-XIB, \$14/\$132; 67-002-XPB, \$18/\$176) will be available in April. See *How to order products*.

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

	October 2001	November 2001	December 2001	January 2002	2000	2001
	\$ millions					
Foreign investment in Canadian securities	12,400	6,349	1,729	547	19,647	30,119
Bonds (net)	13,217	7,224	-1,984	323	-17,427	33,574
Outstanding	1,888	1,202	-1,540	-1,463	3,851	9,007
New issues	15,244	10,042	3,522	2,290	20,372	76,826
Retirements	-4,721	-4,499	-2,694	-1,118	-41,607	-52,934
Change in interest payable ¹	807	480	-1,272	615	-42	674
Money market paper (net)	1,235	-1,732	2,323	344	1,801	-7,349
Government of Canada	598	-521	1,202	-457	-1,134	-4,578
Other	637	-1,210	1,121	801	2,935	-2,771
Stocks (net)	-2,052	856	1,390	-120	35,273	3,893
Outstanding	438	-483	-260	-120	24,752	1,264
Other transactions	-2,491	1,339	1,650	0	10,520	2,630
Canadian investment in foreign securities	2,850	212	-5,993	863	-62,677	-34,544
Bonds (net)	2,666	1,113	-1,504	1,297	-3,996	81
Stocks (net)	184	-901	-4,489	-434	-58,681	-34,625

¹ Interest accrued less interest paid.

Note: A minus (-) sign indicates an outflow of money from Canada, i.e., a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad.

Film and video distribution

1999/2000

Led by revenues from foreign movies, film distributors and videocassette wholesalers posted a record \$2.5 billion in total revenue in 1999/2000, easily eclipsing the \$2.3 billion mark reached in 1998/99.

But with expenses growing faster than revenues, profits fell for the second year in a row, (-17.6% to \$271.5 million). Profits represented 11% of total revenues in 1999/2000, compared with 15% in 1998/99 and 18% in 1997/98.

Strong revenue from foreign movies led the way in 1999/2000, posting \$360.5 million in domestic sales, up 13.4% from 1998/99.

Revenue growth of 20.7% in the pay-television market and 14.0% in the home-video market contributed significantly to the record total. Also higher were other sources of revenue, such as grants, subsidies, management and packaging fees, interest income from investments, and the wholesaling of pre-recorded videocassettes.

Film, video and audio-visual distribution and videocassette wholesaling by primary market

	1997/98	1998/99	1999/2000
	\$ millions		
Revenue			
Primary market			
Domestic distribution			
Theatrical	276.7	317.9	360.5
Pay-TV	59.8	56.9	68.7
Conventional TV	340.1	359.1	369.3
Home video	125.1	129.5	147.6
Non-theatrical	17.1	15.7	19.5
Sub-total domestic distribution	818.8	879.1	965.6
Revenue from foreign clients	132.1	185.5	187.3
Total distribution	950.9	1,064.7	1,152.9
Wholesaling videocassettes	812.2	1,110.9	1,252.1
Other revenue	57.7	75.3	82.5
Total revenue	1,820.8	2,250.9	2,487.5
Expenses			
Licensing costs (rights, royalties and other fees)	539.6	694.4	791.3
Videocassette wholesaling costs	508.8	586.5	640.3
Salaries and benefits	83.5	112.4	135.5
Other costs	354.0	528.2	648.8
Total expenses	1,485.9	1,921.5	2,216.0
Profit (percentage of total revenue)	18.4	14.6	10.9

Note: Figures may not add to totals due to rounding.

Distribution sales of Canadian film and video productions to other countries brought in a record \$172.8 million, up 17.2% from 1998/99. (This figure does not include productions distributed directly to foreign clients by producers.) Total exports — made up of sales of Canadian productions combined with revenue from the distribution of non-Canadian

Note to readers

This release presents results from a survey of the 205 film and video distributors and wholesalers in Canada.

Film distributors are companies primarily engaged in distributing film and video productions to motion picture theatres, television stations and commercial exhibitors. They obtain rights to market and distribute films and videos.

Video wholesalers are companies primarily engaged in the wholesaling of pre-recorded videocassettes, videodiscs and DVDs to retail outlets, which in turn sell to the public.

Videos include videocassettes, videodiscs and DVDs.

Home-video market refers to the rental or sale of videos for playback on household machines.

Pay-TV market refers to the showing of films and videos on pay and specialty channels for which the viewer must pay a special fee either directly or indirectly.

Conventional-TV market refers to the showing of film and videos on normal broadcast television.

Theatrical market refers to the showing of films in commercial movie theatres and drive-ins.

films — reached \$187.3 million in 1999/2000, up from the previous high of \$185.5 million in 1998/99.

Canadian productions were increasingly popular in foreign markets. Fifty-seven percent of all revenues from the distribution of Canadian productions in 1999/2000 came from exports, up slightly from 1998/99. This compares with about one-third at the beginning of the 1990s.

In the domestic market, where they earned the balance of their revenues, Canadian productions accounted for 13% of total distribution revenues of both Canadian and foreign productions.

Expenses outpace revenues

Revenues were outpaced by costs, which rose 15.3% to just over \$2.2 billion. Spending on advertising was up 17.6%; licensing fees and royalties, the largest expense item, jumped 14.0%, more than the rise in distribution revenues.

Payments for Canadian and foreign products gained from 1998/99; the share for Canadian products remained at 11%, down from a high of 13% in 1994/95. However, in actual dollars, fees paid to copyright holders of Canadian products advanced 10.5% from 1998/99, and the fees paid for foreign products rose 14.4%.

Salaries and benefits also climbed — 20.6% from 1998/99 to \$135.5 million. This increase reflected a 21.2% gain in full-time jobs to just over 3,200 and a 27.0% increase in part-time employment to 400.

Companies involved in video wholesale activities (less than one-third of respondents) reported a 9.2%

increase in the cost of goods sold, but this was more than offset by a 12.7% rise in sales revenue.

Foreign films and videos still dominate the domestic market

Foreign productions accounted for 87% of the \$965.6 million in total sales in the domestic market for films and videos, down from about 90% during much of the 1990s. However, in certain sectors of the industry, foreign domination was much higher.

In the theatrical market (commercial cinemas and drive-ins), foreign movies accounted for 97% of distributors' revenue, which totalled \$360.5 million in 1999/2000. Canadian movies accounted for 3%.

Although the conventional and pay-television markets were also dominated by foreign productions, the share of revenue from Canadian product in both rose slightly from 1998/99. In the conventional-TV market, the share of Canadian productions edged up from 24% to 25%, and in the pay-TV market, from 21% to 24%. Total revenue from the conventional-TV market was \$369.3 million, and from the pay-TV market, \$68.7 million.

In the pre-recorded-video market, foreign productions continued to enjoy overwhelming popularity, accounting for almost 99% of the \$1.3 billion in domestic wholesale sales in 1999/2000.

Canadian and foreign-content share of revenue in the domestic market 1999/2000

	Canadian content	Foreign content	Total
	%		
Revenue			
Primary market			
Domestic distribution			
Theatrical	2.7	97.3	100.0
Pay-TV	23.6	76.4	100.0
Conventional TV	24.7	75.3	100.0
Home video	2.8	97.2	100.0
Non-theatrical	26.2	73.8	100.0
Sub-total domestic distribution	13.1	86.9	100.0
Domestic wholesaling of videocassettes	1.3	98.7	100.0

Note: Figures may not add to totals due to rounding.

Canadian content edging up in non-theatrical market

The last distribution market, the non-theatrical sector, consists primarily of work for educational institutions, governments and private companies.

After declining two years in a row, this market rose 24.2% to \$19.5 million in Canada in 1999/2000, from \$15.7 million in 1998/99. The share of Canadian product in this market was also up, to 26% in 1999/2000 from 23% in 1998/99.

Share of royalties for Canadian films and videos remains low

Film and video distributors and video wholesalers reported a total of \$2.2 billion in expenses in 1999/2000.

The largest item was \$791.3 million in payments of licensing fees and royalties to both foreign and Canadian copyright holders. Canadian films and videos maintained an 11% share of these payments. Although this was down from a 13% share in 1994/95, the dollar value increased 10.5% from 1998/99.

Expenses related to video wholesaling activities, including the cost of duplication, amounted to \$640.3 million. Revenues from these activities were \$1.3 billion.

Selected details from the *Film and Video Distribution and Wholesaling Survey* are available in table format (87F0010XPE, \$50). See *How to order products*. Data from the survey are also available by province and territory. Researchers can request special tabulations on a cost-recovery basis.

For general information, contact Client Services (1-800-307-3382; cult.tourstats@statcan.ca). To order special or standard tables, or to enquire about the concepts, methods or data quality of this release, contact Fidel Ifedi (613-951-1569; fax: 613-951-1333; fidel.ifedi@statcan.ca), Culture, Tourism and the Centre for Education Statistics. ■

OTHER RELEASES

Employer pension plans (trusteed pension funds)

Third quarter 2001

For the first time ever, trusteed pension funds recorded a negative cash flow. Revenues in the third quarter were \$8.9 billion and expenditures were \$13.8 billion, resulting in a shortfall of \$4.8 billion.

Net income had been very high throughout 2000, the direct result of large profits made from the sale of stocks when the market value of stocks was much higher than the price the funds originally paid for them. Net income fell sharply in the first two quarters of 2001, primarily the result of lower profits on the sale of stocks. In the third quarter, losses resulted from selling stocks when their market value was very low. However, the funds continued to buy other stocks, which indicated a strategy to reduce exposure in some economic sectors and increase it in others.

The market value of the assets of trusteed pension funds declined nearly 5% to \$541.6 billion. This was the fourth consecutive quarterly decline from the peak value of \$614.0 billion in the third quarter of 2000. The drop in value is a consequence of the drop in world stock prices. Over the year since the third quarter of 2000, the TSE 300 Composite Index lost 34% of its value, and its American counterpart, the Standard & Poor's 500, lost 28%.

Fund managers continued to increase investment in foreign assets. In the third quarter, the industry had 22% of its total assets invested in foreign content, or \$113 billion when measured at the purchase price.

Quarterly estimates of trusteed pension funds provides data on the revenues, expenditures and assets of employer-sponsored pension plans as of September 30, 2001. It also contains a time series and analysis relating changes in the data to financial indicators.

Available on CANSIM: table 280-0001.

The third quarter 2001 issue of *Quarterly estimates of trusteed pension funds*, Vol. 29, no. 3 (74-001-XIB, \$14/\$47; 74-001-XPB, \$19/\$62) is now available. See *How to order products*.

For more information on related products and services, or to enquire about the concepts, methods or data quality of this release, contact Client Services (1-888-297-7355; 613-951-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division. ■

Deliveries of major grains

February 2002

Data on February grain deliveries are now available.

Available on CANSIM: table 001-0001.

The February 2002 issue of the *Cereals and oilseeds review* (22-007-XIB, \$11/\$112; 22-007-XPB, \$15/\$149) will be available in May. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Susan Anderson (613-951-3859; sue.anderson@statcan.ca), Agriculture Division. ■

Placement of chicks and turkey poult

February 2002 (preliminary)

Chick placements were estimated at 50.3 million birds in February, up 2.6% from February 2001. Turkey poult placements increased 4.1% to 1.6 million birds.

Available on CANSIM: table 003-0021.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Conrad Ogrodnik (613-951-2860; ogrodnik.conrad@statcan.ca) or Rita Athwal (613-951-5022; rita.athwal@statcan.ca), Agriculture Division. ■

NEW PRODUCTS

Coal mining, 2000

Catalogue number 26-206-XIB (\$19).

Monthly Survey of Manufacturing, Vol. 56, no. 1,
January 2002

Catalogue number 31-001-XIB (\$15/\$147).

Canadian international merchandise trade, Vol. 56,
no. 1, January 2002

Catalogue number 65-001-XIB (\$14/\$141).

Canadian international merchandise trade, Vol. 56,
no. 1, January 2002

Catalogue number 65-001-XPB (\$19/\$188).

Quarterly estimates of trustee pension funds,
Vol. 29, no. 3, third quarter 2001

Catalogue number 74-001-XIB (\$14/\$47).

Quarterly estimates of trustee pension funds,
Vol. 29, no. 3, third quarter 2001

Catalogue number 74-001-XPB (\$19/\$62).

**Film and video distribution and wholesaling
survey**, 1999/2000

Catalogue number 87F0010XPE (\$50).

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Catalogue 11-001E (F) English 11-001E/11-001E-001E-001E



Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.



MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are getting it less and less. In 1995, about 10 million took an average of about 10 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak again in 1995, accompanied by sluggish gains in employment and slow economic growth during the year.

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Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by E-mail, send an E-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

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