



The Daily

Statistics Canada

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MAJOR RELEASES

- **Canada's international investment position, fourth quarter 2003** 2
Driven by the increase in Canadian direct investment abroad, Canada's net liability to foreign residents fell to \$205.9 billion during the fourth quarter of 2003, its lowest quarterly level in a year.
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NEW PRODUCTS



MAJOR RELEASES

Canada's international investment position

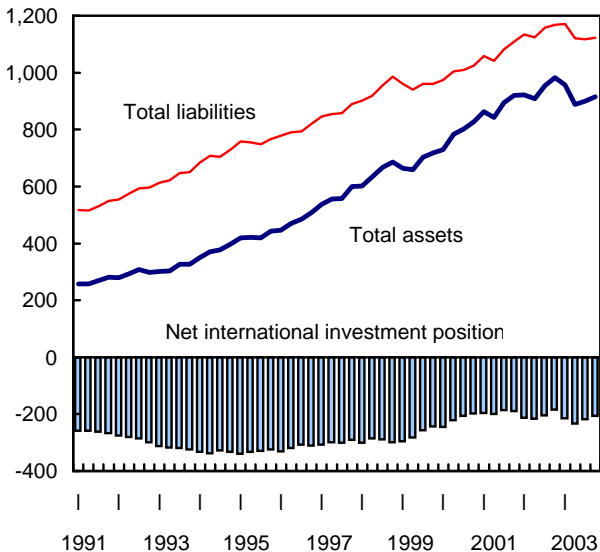
Fourth quarter 2003

Driven by the increase in Canadian direct investment abroad, Canada's net liability to foreign residents fell to its lowest quarterly level in a year during the fourth quarter of 2003.

Canada's net external liabilities (the difference between its external assets and foreign liabilities) reached \$205.9 billion at the end of December, down from \$218.5 billion at the end of September.

Canada's international investment position

\$ billions



Net external liabilities of December represented 16.8% of Canada's gross domestic product, down from 18.0% in the third quarter, but higher than the 15.6% at the end of 2002.

The value of international assets totalled \$915.9 billion, up 1.9% from the third quarter. Canadian direct investment abroad, which increased by \$11.0 billion (+2.8%) in the fourth quarter, was responsible for two-thirds of the increase in the foreign asset position.

In contrast, international liabilities increased only slightly to \$1,121.8 billion. Higher deposit liabilities more than offset lower liabilities for Canadian bonds and foreign direct investment in Canada.

Note to readers

The value of assets and liabilities denominated in foreign currency are converted to Canadian dollars at the end of each period for which a balance sheet is calculated. Most of Canada's foreign assets are denominated in foreign currencies while less than half of our international liabilities are in foreign currencies.

When the Canadian dollar is appreciating in value, the restatement of the value of these assets and liabilities in Canadian dollars lowers the recorded value. The opposite is true when the dollar is depreciating.

The Canadian dollar continued its appreciation compared with the US dollar in the fourth quarter, but lost ground against all other major currencies.

On a year-end basis, the \$205.9 billion in net external liabilities at the close of 2003 was up for the first time since 1998. Net external liabilities at the end of 2002 were \$184.0 billion.

Significant increase in Canadian direct investment abroad

Canadian direct investment abroad reached \$398.2 billion at the end of December, up 2.8% from the end of September.

After three quarters of virtually no acquisitions in 2003, Canadian enterprises increased their direct investment abroad, with acquisitions totalling more than \$9 billion between October and December. It was the most active three months since the fourth quarter of 2000.

Direct investment assets in the United States declined in value by \$5.1 billion to \$164.7 billion, mostly because of the strengthening Canadian dollar against the US dollar. At the same time, the value of Canadian direct investment in all other countries significantly increased to a record \$233.5 billion.

The proportion of Canada's direct investment in the United States continued to decrease. At the end of December, it accounted for only 41.4 % of total direct investment abroad, the lowest proportion on record.

On a year-end basis, the value of Canadian direct investment abroad was down by \$33.6 billion from the end of December 2002.

Holdings of foreign stocks and bonds virtually unchanged

The purchase of foreign securities in the fourth quarter was offset by the decline in the value of

existing assets as the Canadian dollar rose against the US dollar. As a result, the foreign portfolio position remained virtually unchanged at \$235.6 billion.

Canadian holding of foreign stocks reached \$193.3 billion at the end of December, down \$0.7 billion from the end of September.

During the same period, Canadian holdings of foreign bonds increased \$1.1 billion to \$42.3 billion.

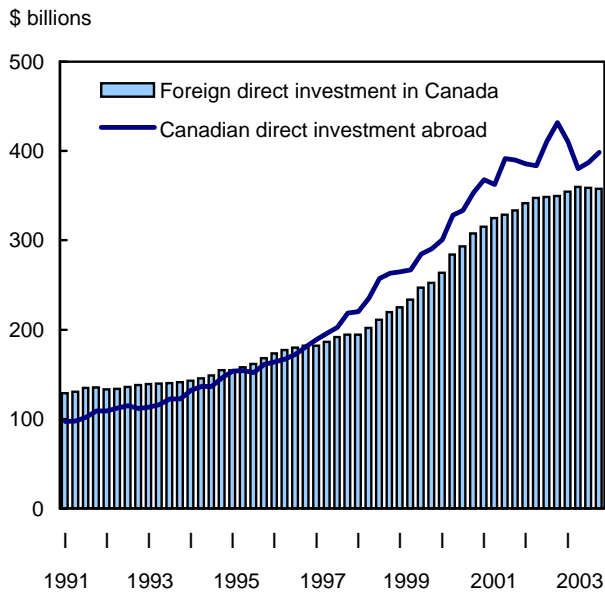
Canada's international reserves reached \$45.7 billion at the end of December, the lowest level since the second quarter of 2000. At the end of 2002, Canada's international reserves had reached \$56.2 billion. The appreciation of the Canadian dollar was responsible for most of this decline.

Foreign direct investment in Canada decreases

Foreign director investment in Canada fell for the second straight quarter between October and December, reaching \$357.7 billion. This followed 25 consecutive quarters of increases.

During the fourth quarter, residents bought back Canadian companies from foreign direct investors.

Foreign direct investment position



It was the first time that foreign direct investment in Canada declined for two quarters in a row since 1990,

the first year for which quarterly foreign direct investment positions were compiled.

On a year-end basis, overall foreign direct investment in Canada at the close of 2003 was up \$8.3 billion from the end of 2002.

The net direct investment position (the difference between Canadian direct investment abroad and foreign direct investment in Canada) increased to \$40.5 billion at the end of December.

Decline in foreign holdings of Canadian bonds

Foreign holdings of Canadian bonds reached \$405.0 billion at the end of December, down \$3.3 billion from the end of September.

Between the end of 2002 and the end of 2003, the value of bonds held by foreign investors dropped by \$38.7 billion mostly because of the increase in the value of the Canadian dollar compared with the US dollar. More than one-half of the outstanding Canadian bonds held abroad are issued in US dollars.

Foreign investors continued to acquire Canadian shares during the quarter. At the end of December, they held \$78.8 billion worth, the highest level since the first quarter of 2001.

The strong performance of the Canadian stock market in 2003 encouraged foreign investors to buy Canadian stocks. The position increased by 6.9% in 2003 as the S&P/TSX composite index gained over 24% during the year.

Foreign holdings of Canadian money market paper were virtually unchanged from the end of the third quarter at \$21.1 billion.

Available on CANSIM: tables 376-0042, 376-0055 to 376-0057 and 376-0059.

Definitions, data sources and methods: survey number 1537.

The fourth quarter 2003 issue of *Canada's International Investment Position* (67-202-XIE, \$23/\$51) will be available soon. See *How to order products*.

For general information, contact Client Services (613-951-1855; infobalance@statcan.ca). To enquire about the methods, concepts or data quality of this release, contact Éric Simard (613-951-7244), Balance of Payments Division.

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Canada's international investment position at period-end

	2001	2002	First quarter 2003	Second quarter 2003	Third quarter 2003	Fourth quarter 2003
	\$ billions					
Assets						
Canadian direct investment abroad	389.7	431.8	410.4	380.1	387.2	398.2
Portfolio investment abroad						
Foreign bonds	37.1	40.0	41.1	40.9	41.2	42.3
Foreign stocks	203.5	219.2	203.9	190.3	194.0	193.3
Other investment						
Loans	68.6	71.1	73.7	66.2	59.8	58.6
Allowances	-11.9	-12.0	-12.1	-11.8	-11.8	-11.7
Deposits	108.9	102.3	114.1	100.3	101.7	108.3
Official international reserves	53.3	56.2	50.5	47.2	47.7	45.7
Other assets	70.4	74.7	74.8	75.0	79.4	81.2
Total assets	919.6	983.3	956.4	888.2	899.2	915.9
Liabilities						
Foreign direct investment in Canada	333.6	349.4	354.3	359.9	358.7	357.7
Portfolio investment						
Canadian bonds	421.4	443.7	435.3	417.7	408.3	405.0
Canadian stocks	74.1	73.7	73.6	74.7	76.8	78.8
Canadian money market	21.5	25.2	24.5	23.5	21.1	21.1
Other investment						
Loans	55.5	58.5	56.7	53.7	53.2	54.3
Deposits	181.1	194.5	204.1	170.0	178.0	183.1
Other liabilities	21.8	22.4	22.3	21.7	21.6	21.8
Total liabilities	1,109.0	1,167.3	1,170.7	1,121.1	1,117.7	1,121.8
Net international investment position	-189.4	-184.0	-214.3	-233.0	-218.5	-205.9



OTHER RELEASES

Architectural services 2002

Propelled by an ongoing housing boom, architectural service firms posted a record \$1.8 billion in operating revenues in 2002, up 18.5% from 2001. For the first time since 1989, the 200,000-unit mark of residential permits was surpassed for a single year, as municipalities authorized the construction of 215,400 new dwelling units in 2002, up 29% from 2001.

The \$1.5 billion in income fees accounted for 82% of total operating revenues.

Residential projects, which grew significantly, generated 20% of fees compared with 17% in 2001. Institutional projects accounted for 41%, the largest source, followed by commercial projects at 27%.

Ontario accounted for 50% of total revenues, followed by Quebec at 16%, British Columbia at 15%, and Alberta at 12%.

The industry's operating profit margin of 15% changed little from 2001.

Of close to 15,000 employees, four out of five were full-time employees. The share of part-time employees declined to less than 6%, compared with more than 8% in 2001. Contract employees accounted for 14% of total.

The industry, comprising nearly 4,600 architectural establishments, is dominated by small firms. In 2002, market share of the 20 largest firms dropped to 16% from 18% in 2001.

Architecture remains a predominantly local practice, with only a handful of firms having offices in more than one province. In 2002, fee income from foreign projects totalled \$51 million, representing less than 3% of industry revenues. The United States remained the single largest foreign market, absorbing 60% of industry exports.

Available on CANSIM: table 360-0004.

Definitions, data sources and methods: survey number 2420.

Results from the 2002 Annual Survey of Architectural Services are now available.

Detailed tables at the provincial level for a range of industry characteristics providing breakdown of revenues, expenses, and employment are also included in the data release package. To order a free copy, contact Denyse Brazeau (613-951-5634; fax: 613-951-6696; denyse.brazeau@statcan.ca).

For more information, or to enquire about the concepts, methods or data quality of this release,

contact Kyoomars Haghandish (613-951-6304; fax: 613-951-6696; kyoomars.haghandish@statcan.ca), Service Industries Division. ■

Aboriginal Peoples Survey community profiles for children and youth 2001

Data from the 2001 Aboriginal Peoples Survey community profiles for the children's population are now available online. The 2001 Aboriginal Peoples Survey (APS) is a post-censal survey of adults and children who reported Aboriginal ancestry, Aboriginal identity, registered Indian status and/or Band membership on the 2001 Census. Approximately 41,000 children living in private households in the provinces and territories were selected to participate in the survey. The data were collected in the fall of 2001 through the spring of 2002.

The APS community profiles for children provide information on the communities with 200 or more people and 75 or more children that took part in the 2001 Aboriginal Peoples Survey. They also provide information on general health, health care utilization, activities of daily living and medical conditions, physical injuries, dental care, nutrition, education, social activities and relationships, language, child care arrangements and household.

Definitions, data sources and methods: survey number 3250.

The Aboriginal Peoples Survey community profiles for children and youth are now available free on the *Community profiles* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kristen Underwood (613-951-9005), Housing Family and Social Statistics Division. ■

Pipeline transportation of crude oil and refined petroleum products September 2003

Data on the net receipts of crude oil and equivalent hydrocarbons, liquefied petroleum gases and refined petroleum products, pipeline exports of crude oil and deliveries of crude oil by pipeline to Canadian refineries are now available for September 2003.

Available on CANSIM: tables 133-0001 to 133-0005.

Definitions, data sources and methods: survey numbers, including related surveys, 2148 and 2191.

For more information, or to enquire about the concepts, methods or data quality of this

release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

Farm Product Price Index, January 2004, Vol. 4, no. 1
Catalogue number 21-007-XIB
(free).

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

MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, 65% of Canadian cities are average of about six 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 relatively weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Manufactured Index, May 1997** 3
- **Short-term Expectations Survey** 3
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