



The Daily

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Releases

Characteristics of international travellers

First quarter 2005 (preliminary)

Lured by the charm of Europe as well as the Caribbean sun, Canadians travelled in record numbers to overseas nations between January and March this year.

Canadian residents made over 2 million overnight trips to overseas countries during the first three months of 2005, a 7.9% increase from the same quarter last year and a first quarter record high.

In doing so, they spent an estimated \$2.8 billion, a 7.4% increase and the highest level for the first three months of any year.

Even though overnight travel to the United States fell short of an all-time high, the gain in overseas travel was enough to set a first-quarter record for total overnight travel abroad.

In total, Canadians made 5.5 million overnight trips outside the country, up 9.8%. Of these, about 3.4 million were to the United States, an 11.0% gain.

The top three overseas destinations for Canadians were still Mexico, the Dominican Republic and Cuba, although travel to the Dominican Republic fell 10.6%.

At the same time, four European nations (the United Kingdom, France, Germany and Italy) posted the biggest year-over-year gains in Canadian travel overseas.

In fact, the number of Canadians who visited Italy almost tripled during the first three months of the year. This increase coincided with Easter celebrations hosted by the Vatican and the failing health of Pope John Paul II.

Top 10 overseas countries visited by Canadians

	First quarter 2005 ^P	First quarter 2004 ^r	First quarter 2004 to first quarter 2005 % change
	Visits '000	Visits '000	
Mexico	480	421	14.1
Dominican Republic	283	316	-10.6
Cuba	265	257	3.4
United Kingdom	125	92	36.0
France	86	64	33.8
Hong Kong	71	55	29.4
Germany	56	40	39.3
Italy	48	17	177.7
Australia	44	42	3.6
Thailand	42	40	5.4

^P Preliminary.

^r Revised.

Trips from overseas to Canada rise

While Canadians were travelling in record numbers overseas, overseas visitors were flocking to Canada.

For the first time in four years, Canada recorded a first quarter increase in the number of overnight trips from overseas travellers. About 619,000 visitors arrived here between January and March, up 16.1% from the same three months last year.

Only two nations in Canada's top 10 overseas markets recorded declines in overnight travel during the first quarter: Taiwan (-1.3%) and China (-4.0%).

The United Kingdom remained the top overseas market with 143,000 overnight trips to Canada, up 22.5% from the first quarter of 2004.

However, travel was up 43.2% from Mexico, the largest increase. This coincided with Easter celebrations in March, a popular vacation time for Mexican residents.

Overseas residents spent an estimated \$857 million on overnight trips in Canada, up 9.0% from the first quarter of 2004.

Travel south of the border: Canadian travellers take advantage of the rising loonie

First quarter Canadian travel to the United States increased for the second consecutive year, thanks in part to gains made by the loonie. The Canadian dollar was up 7.4% in value against the American greenback in the first quarter of 2005, compared to the same quarter in 2004.

Florida continued to be the most popular destination, as more than 900,000 Canadian residents travelled to the Sunshine State. Michigan had the largest increase in overnight visits (+18.7%).

But Canadians also flocked to Arizona, with a 30.1% increase in spending and a 49.0% increase in the number of nights they spent in the state. Although it was the ninth most popular state in terms of visits, Arizona was fourth in terms of spending and third for the number nights spent there.

Pleasure trips, which accounted for 56.8% of overnight Canadian travel to the United States, rose 11.3% from the first quarter of 2004. At the same time, the number of trips to visit friends and relatives rose 16.0%.

The stronger loonie may also have been a factor in the highest first quarter level of overnight car trips by Canadians to the United States since 1997. These trips rose 9.2% to 1.7 million. In addition, the number of

overnight trips taken by air reached its highest level for the first quarter since 2001.

Canadian spending in the United States rose 11.8% to about \$2.7 billion. Average spending per trip edged up from \$801 to \$807.

Jump in American travel to Canada

Of the 2.7 million overnight trips to Canada between January and March, 2.1 million were from the United States, a 1.8% gain.

Washington was the most popular state of origin as over 300,000 state residents made overnight trips to Canada, although there were 5.0% fewer visitors from the state compared to the first quarter of 2004.

Among the top 10 states of origin for overnight travel to Canada, Maine recorded the largest decline (-15.2%) and Illinois registered the largest increase (+26.1%).

Overnight travel by air from the United States rose 9.4% to surpass the 700,000 trip mark. Meanwhile, overnight travel by car fell 2.5%. It was the third consecutive year in which the number of first-quarter overnight car trips fell.

Americans spent nearly \$1.1 billion in Canada, up 4.3% from the first quarter of 2004. This spending accounted for nearly 55.7% of total spending by foreign overnight travellers in Canada.

Definitions, data sources and methods: survey number 3152.

This release summarises data now available from the International Travel Survey. Tables, various statistical profiles and micro-data files detailing the characteristics of international travellers using preliminary first quarter 2005 data, as well as revised 2004 data, are now available on request.

Data on characteristics of international travellers for the second quarter 2005 will be released on November 28.

To obtain one or more of these products, contact Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-2909; cult.tourstats@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Frances Kremarik (613-951-4240; fax: 613-951-2909; frances.kremarik@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

Top US states visited by Canadians, first quarter

State	Overnight visits			Expenditures		
	2004 ^r	2005 ^p	2004 to 2005	2004 ^r	2005 ^p	2004 to 2005
	'000		% change	\$'000,000		% change
Florida	865	922	6.6	838	912	8.8
New York	324	364	12.4	104	119	14.7
California	280	326	16.4	252	306	21.4
Washington	272	309	13.6	52	59	14.2
Nevada	230	225	-2.5	200	166	-17.2
Michigan	189	224	18.7	36	41	13.7
Georgia	148	163	10.6	33	38	17.3
South Carolina	161	162	0.5	90	89	-1.5
Arizona	144	159	10.9	137	178	30.1
Virginia	138	159	15.3	16	15	-9.1

^p Preliminary.

^r Revised.

Person-trips, person-nights and selected expenditures by foreign travellers in Canada, first quarter 2005 (preliminary)

	Trips	Nights	Average number of nights	Spending	Spending per trip	Spending per night	Trips
	'000			\$'000,000	\$	\$	% change (2004 to 2005)
United States: Total	2,100	6,802	3.24	1,076	512	158	1.8
Auto	1,239	3,505	2.83	398	321	114	-2.5
Plane	710	2,847	4.01	622	876	218	9.4
Business	441	1,335	3.03	332	752	248	-1.4
Pleasure	1,018	3,417	3.36	556	546	163	1.0
Visiting relatives and friends	394	1,344	3.41	94	239	70	6.0
Overseas: Total	619	8,309	13.41	857	1,384	103	16.1

Overnight travel between Canada and other countries

	Trips				Expenditures			
	Fourth quarter 2004 ^r	First quarter 2004 ^r	First quarter 2005 ^p	2004 to 2005	Fourth quarter 2004 ^r	First quarter 2004 ^r	First quarter 2005 ^p	2004 to 2005
	'000			% change	'000,000			% change
Canadian trips abroad	4,155	4,967	5,452	9.8	3,520	5,022	5,502	9.6
To the United States	2,987	3,049	3,384	11.0	1,722	2,443	2,732	11.8
To other countries	1,168	1,917	2,068	7.9	1,798	2,578	2,770	7.4
Travel to Canada	3,395	2,597	2,720	4.7	2,352	1,811	1,933	6.8
From the United States	2,656	2,064	2,100	1.8	1,406	1,031	1,076	4.3
From other countries	740	533	619	16.1	946	779	857	10.0

^r Revised figures.

^p Preliminary figures.

Overnight travel between Canada and other countries

	Trips			Expenditures		
	2003 ^r	2004 ^r	2003 to 2004	2003 ^r	2004 ^r	2003 to 2004
	'000		% change	\$'000,000		% change
Canadian trips abroad	17,739	19,595	10.5	15,698	17,475	11.3
To the United States	12,666	13,856	9.4	8,075	8,664	7.3
To other countries	5,074	5,739	13.1	7,624	8,811	15.6
Travel to Canada	17,420	19,032	9.3	11,683	13,557	16.0
From the United States	14,232	15,088	6.0	7,288	8,168	12.1
From other countries	3,188	3,944	23.7	4,395	5,389	22.6

^r Revised figures.



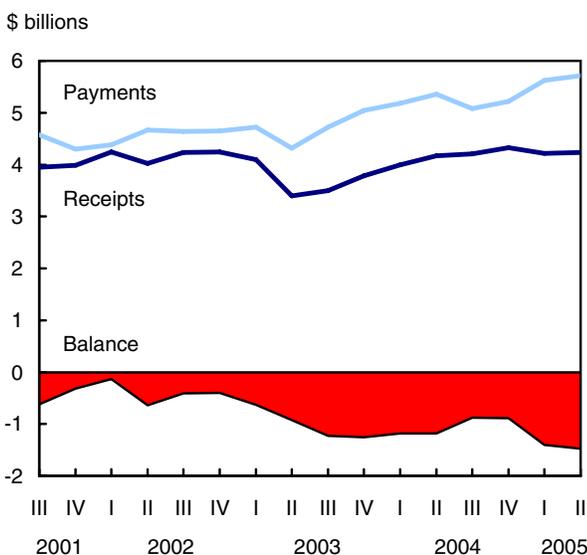
International travel account

Second quarter 2005 (preliminary)

Canada's international travel deficit hit its highest level in 12 years during the second quarter of 2005, as spending by Canadians abroad reached an all-time high.

The deficit (the difference between spending by Canadian residents abroad and spending by foreigners in Canada) reached an estimated \$1.5 billion, up \$71 million from the first three months of the year.

Canada's travel deficit highest in twelve years



Specifically, the increase in the deficit was fuelled by record Canadian spending overseas. As a result, total spending abroad increased 1.6% to a record high of more than \$5.7 billion.

On the other hand, spending by foreigners in Canada edged up 0.4% to slightly over \$4.2 billion. This was just short of the \$4.3 billion record set in the last quarter of 2004.

The spending distribution by Canadian travellers has changed drastically since the deficit's previous high recorded in the second quarter of 1993. At that time, 71.3% of Canadian spending abroad was in the United States, with the remainder spent in overseas countries. During the second quarter of 2005, spending in the United States had fallen to 54.3% of total spending.

Note to readers

This international travel account analysis is based on preliminary quarterly data, seasonally adjusted unless otherwise stated. Amounts are in Canadian dollars and are not adjusted for inflation.

Receipts represent spending by foreigners travelling in Canada, including education spending and medical spending. **Payments** represent spending by Canadian residents travelling abroad, including education spending and medical spending.

Overseas countries are those other than the United States.

Travel deficit with the United States drops for first time in a year

Canada's travel deficit with the United States fell for the first time in a year during the second quarter of 2005. The \$707-million deficit was \$25 million below the first quarter level, but still the second highest in the last seven and a half years.

The decline in spending by Canadian residents in the United States was larger than the drop in spending by American travellers in Canada.

Spending south of the border fell to \$3.1 billion, down 1.5% from the record high established the previous quarter. A slight drop in overnight trips may have contributed to this decrease, as 0.2% fewer Canadians made such trips to the United States.

Spending by Americans visiting Canada also fell, but at a slower pace. Americans spent \$2.4 billion in the second quarter, a 0.9% decline from the first quarter and its lowest level in over a year. Spending was down despite a 0.2% increase in overnight travel from the United States.

The value of the Canadian dollar against its American counterpart slipped 1.4% to US \$0.80 between the first and second quarters of 2005.

Record spending by Canadians pushes deficit with overseas countries to new high

The travel deficit with overseas countries soared to a record high of \$771 million during the second quarter of 2005, up \$97 million from the first.

The jump in the deficit was fuelled by record spending by Canadians travelling overseas. They spent over \$2.6 billion during the second quarter, 5.4% more than the previous high set in the first quarter. The increase in spending was in line with a 3.8% jump in overnight trips to overseas countries.

Spending by overseas residents in Canada also reached unprecedented levels during the second quarter of 2005. Over \$1.8 billion was spent in Canada by overseas travellers, up 2.1% from the first quarter.

International travel account receipts and payments

	Second quarter 2004	First quarter 2005 ^r	Second quarter 2005 ^p	First to second quarter 2005
Seasonally adjusted ¹				
	\$ millions		% change	
United States				
Receipts	2 459	2 416	2 395	-0.9
Payments	3 028	3 148	3 102	-1.5
Balance	- 569	- 732	- 707	
All other countries				
Receipts	1 713	1 802	1 839	2.1
Payments	2 328	2 476	2 611	5.4
Balance	- 616	- 675	- 771	
Total				
Receipts	4 172	4 218	4 234	0.4
Payments	5 356	5 624	5 713	1.6
Balance	-1 184	-1 407	-1 478	

^r Revised figures.

^p Preliminary figures.

1. Data may not add to totals due to rounding.

The last time that overseas spending in Canada fell during a quarter was at the height of the SARS outbreak two years ago.

Record overnight travel to Canada from overseas countries contributed to the increase in spending, as over 1.1 million overseas residents visited Canada in the second quarter, up 7.1% from the previous quarter.

During the second quarter of 2005, the value of the Canadian dollar gained against most major overseas currencies, including the euro, the British pound and the Japanese yen.

Definitions, data sources and methods: survey numbers, including related surveys, 3152 and 5005.

The international travel account for the second quarter of 2005 will be released on November 28.

For more information, or to inquire about the concepts, methods and data quality of this release, contact Eric Desjardins (613-951-1781; eric.desjardins@statcan.ca) or Client services, Culture, Tourism and the Centre for Education Statistics (1-800-307-3382; 613-951-7608; fax: 613-951-2909; cult.tourstats@statcan.ca). ■

Study: Impact of the exchange rate on investment

1981 to 1997

This new study, a joint effort between Statistics Canada and the Bank of Canada, examines the relationship between exchange rates and investment from 1981 to 1997, using industry-level data for 22 Canadian manufacturing industries.

During the 1990s, as the value of the Canadian dollar fell against its American counterpart, there was considerable speculation among analysts that the depreciation would dampen investment.

This was because of the large volumes of machinery and equipment that manufacturers were importing, and the higher costs they would encounter because of the exchange rate.

Three sets of results have emerged from this study. First, the study results reveal that only investment in other machinery and equipment is responsive to exchange rate movements. Investments in other assets, such as information technology and structures, are not affected by movements in the exchange rate.

Second, the study shows that the volatility of exchange rates can play a crucial role in investment decisions. There is a distinction on how total investment reacts to exchange rate shocks in a low- and high-volatility environment. When the exchange rate variability is very high, firms may be uncertain about the persistence of exchange rate movements. As a result, they would not act promptly to adjust their investment, which leads to a weak link between investment and exchange rates.

Third, exchange rate changes have more significant effects in low profit margin industries. This may arise because producers in high profit margin industries are more able to absorb exchange rate shocks to their overall profitability than are producers in low profit margin industries.

The study "The effects of the exchange rate on investment: Evidence from Canadian manufacturing industries" was published recently by the Bank of Canada. The article is available free online.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Faouzi Tarkhani (613-951-5314; faoutar@statcan.ca), fax: 613-951-3292, Micro-economic Analysis Division. ■

Supply and disposition of crude oil and natural gas

June 2005 (preliminary)

Crude oil production declined 4.6% compared to the same month last year, continuing the downward trend observed since the beginning of the year. Production fell 6.3% during the first six months of the year compared to the same period a year earlier. This decrease was attributable to sustained lower synthetic crude oil production in Alberta (-30.8%) compared to the first six months of 2004, and lower offshore production from Newfoundland and Labrador (-8.2%).

Crude oil and natural gas

	June 2004	June 2005	June 2004 to June 2005 % change
thousands of cubic metres			
Crude oil and equivalent hydrocarbons¹			
Production	12 436.1	11 870.1	-4.6
Exports	8 606.6	7 541.5	-12.4
Imports ²	4 302.9	3 963.6	-7.9
Refinery receipts	8 908.4	8 164.2	-8.4
millions of cubic metres			
Natural gas³			
Marketable production	12 990.0	12 783.6	-1.6
Exports	8 428.2	7 808.5	-7.4
Domestic sales ⁴	3 911.8	3 782.6	-3.3
thousands of cubic metres			
Crude oil and equivalent hydrocarbons¹			
Production	74 889.2	70 194.2	-6.3
Exports	47 598.6	43 453.4	-8.7
Imports ²	26 985.9	26 054.5	-3.5
Refinery receipts	54 568.0	52 635.5	-3.5
millions of cubic metres			
Natural gas³			
Marketable production	83 880.2	84 330.7	0.5
Exports	51 865.1	52 912.8	2.0
Domestic sales ⁴	40 128.7	39 653.7	-1.2

1. Disposition may differ from production because of inventory change, industry own-use, etc.
2. Crude oil received by Canadian refineries from foreign countries for processing. Data may differ from International Trade Division (ITD) estimates because of timing differences and the inclusion of crude oil landed in Canada for future re-export in the ITD data.
3. Disposition may differ from production because of inventory change, usage as pipeline fuel, pipeline losses, line-pack fluctuations, etc.
4. Include direct sales.

Exports in June, which accounted for 63.5% of total production, were down 12.4% from a year earlier.

Marketable natural gas production fell 1.6% compared with June 2004. Domestic sales fell 3.3% compared to the same month last year, because of a 4.7% decline in industrial sales. Marketable gas production advanced by 0.5% during the first six months of the year compared with same period in 2004.

Available on CANSIM: tables 126-0001 and 131-0001.

Definitions, data sources and methods: survey number 2198.

Preliminary data are available on CANSIM at the national level to June 2005 inclusive. At the national and provincial level, detailed information is available for crude oil (126-0001) up to June 2005 inclusive, and for natural gas (131-0001) up to March 2005 inclusive.

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. ■

Mineral wool including fibrous glass insulation

July 2005

Data on mineral wool including fibrous glass insulation are now available for July.

Available on CANSIM: table 303-0059.

Definitions, data sources and methods: survey number 2110.

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; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Asphalt roofing

July 2005

Data on asphalt roofing are now available for July.

Available on CANSIM: table 303-0052.

Definitions, data sources and methods: survey number 2123.

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; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

New products

The Dairy Review, April to June 2005, Vol. 66, no. 2
Catalogue number 23-001-XIB (\$29/\$96).

Steel, Tubular Products and Steel Wire, June 2005,
Vol. 1, no. 6
Catalogue number 41-019-XIE (\$6/\$51).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

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MAJOR RELEASES

- **Urban transit, 1995** 2
Changes in expenditure on taking urban transit; Canadians are riding it less and less. In 1996, each Canadian took an average of about 40 trips on some form of urban transit, the lowest level in the past 20 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.

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