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Releases

Canada's international transactions in securities, November 2005	2
Foreign investment in Canadian securities reached its highest level for 2005 with non-residents purchasing \$5.4 billion worth in November. Investment in foreign securities continued in November as Canadians acquired \$2.3 billion worth.	
Current economic conditions	5
Travel between Canada and other countries, November 2005	5
Canadian Tobacco Use Monitoring Survey, February to June 2005	7
Construction Union Wage Rate Index, December 2005	7
Construction type plywood, November 2005	7
Particleboard, oriented strandboard and fibreboard, November 2005	7

New products	8
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Releases

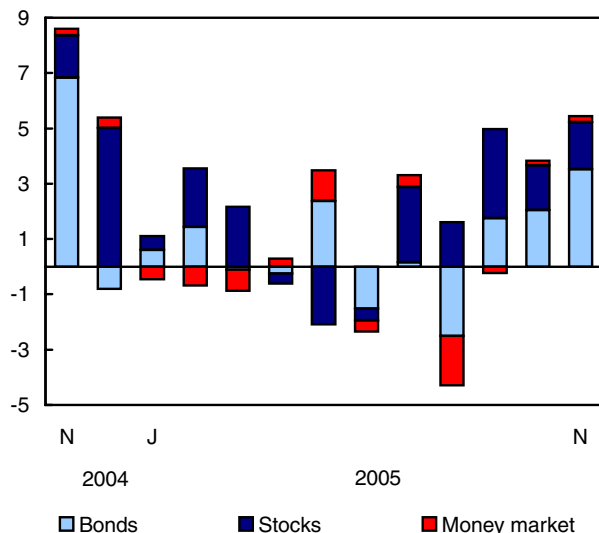
Canada's international transactions in securities

November 2005

Foreign investment in Canadian securities reached its highest level for 2005 with non-residents purchasing \$5.4 billion worth in November. More than two-thirds of November's purchases were in Canadian bonds.

Foreign portfolio investment in Canadian securities

Billions of dollars



Investment in foreign securities continued in November as Canadians acquired \$2.3 billion worth. Investment was roughly split between foreign stocks and money market paper, while for the first time in over a year, Canadians sold off some of their holdings of foreign bonds.

Foreign investment in Canadian bonds reaches a high for 2005

Foreign investors made their largest investment of the year in Canadian bonds in November, buying \$3.5 billion worth. This marked the third consecutive month of foreign buying of Canadian bonds totalling \$7.3 billion. Purchases in November occurred

Related market information

Canadian short-term **interest rates** increased 25 basis points to 3.31% while US rates increased 17 basis points to 3.88%. Continuing to favour investment in the United States, the differential between the two countries dropped to 0.57% from 0.65% the month before.

Canadian long-term interest rates fell 10 basis points to 4.06% as US rates fell 11 basis points to 4.49%. Although still favouring investment in the United States, the resulting differential of 0.43% remained virtually unchanged from the month before.

Canadian **stock prices** rebounded in November with the S&P/TSX Composite Index closing the month at 10,824.1, an increase of 4.2% from October's close. Meanwhile, US stock prices, as measured by the Standard and Poor's Composite Index, rose 3.5%, closing November at 1,249.5.

Partially offsetting its losses in October, the **Canadian dollar** increased 1.04 US cents in November and ended the month at 85.70 US cents.

Definitions

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

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.

almost exclusively in federal government and federal government enterprise issues, with foreign investment of \$1.9 billion and \$1.2 billion respectively.

Overall, purchases were led by American investors in November as they bought \$1.4 billion in Canadian bonds following a reduction in their holdings of \$2.7 billion the month before. The remaining investment over the month was evenly split among British and Asian investors. On a currency basis, \$2.4 billion worth was invested in Canadian dollar denominated bonds in November, the largest investment in Canadian dollar bonds in 12 months. The Canadian dollar closed the month at 85.70 US cents, up over 1 US cent from the month before and an increase of over 5 US cents since January 2005.

Transactions in Canadian money market paper were once again relatively subdued in November

with non-residents purchasing \$236 million worth. Investment was concentrated in corporate issues with European investors responsible for most of the buying.

Foreign investors continue to buy Canadian shares

After purchasing \$1.6 billion worth of Canadian stocks in October, foreign investors made a further \$1.7 billion investment in November. It was the fifth straight month of foreign investment in Canadian equities with the purchases over this period predominantly in existing issues. Overall, purchases were spread across the globe but it was American investors who were responsible for most of November's investment. Investors out of the United Kingdom did however offset some of these purchases by divesting some of their holdings over the month.

In what has become somewhat predictable, non-residents continued to invest heavily in shares of Canadian natural resource firms in November, despite a drop in overall natural resource prices over the month. At the same time, Canadian stock prices rebounded, up 4.2% for the month.

Canadians add to their holdings of foreign securities

In November, Canadian investment in foreign securities increased by \$2.3 billion following a \$3.9 billion investment in October. However, included in this was a rare divestment of foreign bonds of \$729 million. Investment in overseas and US corporate issues persisted in November, but this was overwhelmed by a \$2.0 billion reduction in holdings of US government bonds, the largest divestment of these securities by Canadians since September 2003.

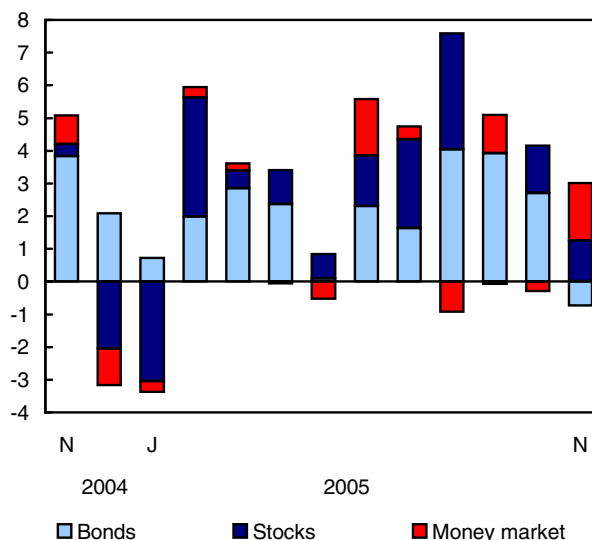
Meanwhile, Canadians increased their holdings of foreign stocks by \$1.2 billion during the month. The increase occurred in US equities (\$1.9 billion) as Canadians divested \$637 million worth of overseas shares. The growth in holdings of US equities was due in large part to a takeover of a Canadian firm by an American company in which Canadian investors received new shares of the US company as payment for their stake in the Canadian firm.

Canadian investment in foreign money market paper surged in November after a slight decrease in holdings the month before. Purchases in November totalled \$1.8 billion, a record investment by Canadians in foreign money market paper. Acquisitions of US

corporate and overseas issues amounted to \$1.2 billion and \$731 million respectively with a minor divestment of US treasury bills.

Canadian portfolio investment in foreign securities

\$ billions Reverse of balance of payments signs



Available on CANSIM: tables 376-0018 to 376-0029, 376-0042, 376-0058 and 376-0063.

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

The November 2005 issue of *Canada's International Transactions in Securities* (67-002-XIE, \$15/\$142) will soon be available.

Data on Canada's international transactions in securities for December 2005 will be released on February 16.

For general information or to order data, contact Client Services (613-951-1855; infobalance@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact David Filipic (613-951-1864), Balance of Payments Division.

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Canada's international transactions in securities

	August 2005	September 2005	October 2005	November 2005	January to November 2004	January to November 2005
\$ millions						
Foreign investment in Canadian securities	-2,698	4,732	3,831	5,447	50,885	18,076
Bonds (net)	-2,498	1,754	2,038	3,510	20,867	7,524
Outstanding	-1,017	5,529	558	2,342	6,845	6,501
New issues	1,488	4,480	3,670	1,754	44,058	31,773
Retirements	-3,507	-8,122	-2,745	-997	-32,056	-32,805
Change in interest payable ¹	539	-134	555	411	2,019	2,055
Money market paper (net)	-1,811	-244	178	236	-816	-2,169
Government of Canada	-1,505	588	86	-428	-3,504	-391
Other	-306	-831	93	664	2,688	-1,777
Stocks (net)	1,611	3,222	1,614	1,701	30,834	12,721
Outstanding	1,042	3,023	4,024	1,515	10,182	11,606
Other transactions	569	199	-2,410	186	20,653	1,115
Canadian investment in foreign securities	-6,666	-5,007	-3,854	-2,281	-19,614	-38,658
Bonds (net)	-4,037	-3,922	-2,704	729	-13,173	-21,901
Stocks (net)	-3,556	88	-1,454	-1,247	-3,636	-13,315
Money market paper (net)	927	-1,172	304	-1,764	-2,806	-3,442

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.

■

Current economic conditions

Output growth slowed early in the autumn of 2005, partly due to strikes. The underlying trend of the economy remained strong, as investment and exports continued to grow while retail sales rebounded.

Energy continued to dominate in the West. British Columbia exported 71% more energy in 2005, and as a result energy outranked wood for the first time ever as its leading export. This mostly reflects soaring natural gas prices. Rebuilding in the United States also boosted exports of wood products and building materials. Still, exports of wood products were down 8% in 2005 as a result of weaker demand and increased competition. The United States increased its imports of lumber from Europe and of processed wood from China by an amount equal to one-third of the drop in imports from Canada.

On the Prairies, shipments held onto their sizable 2.6% gain registered in September, led by goods destined for industrial use. Building permits in 2005 were nearly double the previous year's levels.

Resources were also a major source of growth in Quebec. Industrial building permits remained at high levels, and this was reflected in more shipments of capital goods in October. These trends occurred as several major projects were launched in the energy sector, including wind energy and hydroelectricity. Whereas in Canada just under one-quarter of the increase in employment in 2005 came from construction, in Quebec nearly the entire increase was attributable to that industry.

Ontario saw a marked improvement in household demand. The largest drop in the price of gasoline in Canada in October led to a 1% rebound in retail sales after two consecutive declines of the same size. Ontario also posted the largest increase in housing starts in November, rebounding from their lowest level since 1998. In Ontario, vacancy rates fell in most large urban centres for the first time this decade. Furthermore, prices on the rental market remained the highest in Canada, boosted by the formation of new households.

Definitions, data sources and methods: survey numbers, including related surveys, 1301, 1901, 2152, 2306, 2406 and 3701.

The January 2006 print version of the *Canadian Economic Observer*, Volume 19, no. 1 (11-010-XPB, \$25/\$243) is now available. See *How to order products*.

The January issue of Statistics Canada's flagship publication for economic statistics, *Canadian Economic Observer*, also summarizes the major economic events that occurred in December and presents the feature article "Multipliers and outsourcing: How industries

interact with each other and affect GDP." A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

Visit *Canadian Economic Observer's* page online. From the *Canadian Statistics* page, choose *National Accounts*, then click on the banner ad for *Canadian Economic Observer*. For more information, contact Philip Cross (613-951-9162; ceo@statcan.ca), Current Economic Analysis Group. ■

Travel between Canada and other countries November 2005

Travel by Canadian residents abroad recorded its highest monthly level in over four years in November.

An estimated 3.7 million Canadians travelled abroad, up 1.3% from October and the highest month on record since August 2001. This was due to a 1.6% increase in trips to the United States. (Unless otherwise specified, data are seasonally adjusted.)

Over 3.2 million Canadians travelled to the United States, the highest level recorded since August 2001. Although same-day car travel remained stable, overnight travel to the United States rose 3.5% to nearly 1.3 million trips.

While overnight plane travel remained unchanged in November, the number of overnight car trips jumped 5.2%. Overnight travel by other modes of travel increased 7.8% from October.

Canadian travel to overseas countries fell 3.0% as 508,000 Canadian residents took trips to non-US destinations.

In terms of inbound travel, just under 3.0 million visitors arrived in Canada in November, up 1.0% from October.

Travel to Canada from the United States rose 0.7% to about 2.6 million trips despite a decline in the number of same-day car trips.

About 1.2 million Americans headed north of the border for overnight trips, a 3.0% increase from October. While overnight plane travel increased by 0.6%, Americans made more than 700,000 overnight car trips, a gain of 2.9%.

An estimated 380,000 residents from overseas countries took overnight trips to Canada, up 1.4% from October.

Of the top 12 overseas markets, 7 recorded increases with the Netherlands and Japan leading the way at 19.6% and 12.5% respectively. An estimated 19,000 travellers visited Canada from Mexico, the highest month on record for this market.

The Canadian dollar fell 0.3% in November compared to the US greenback and stood at 84.7 US cents. The loonie rose against the euro, the British pound sterling and the Japanese yen.

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

Definitions, data sources and methods: survey number 5005.

The November 2005 issue of *International Travel, Advance Information*, Vol. 21,

no. 11 (66-001-PIE, \$7/\$59) is now available. See *How to order products*.

For general information, 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; frances.kremarik@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

Travel between Canada and other countries

	October 2005 ^r	November 2005 ^p	October to November 2005	November 2005	November 2004 to November 2005
	seasonally adjusted			unadjusted	
	'000		% change	'000	% change
Canadian trips abroad¹	3,678	3,727	1.3	3,242	3.3
to the United States	3,154	3,219	2.1	2,877	3.6
to Other Countries	524	508	-3.0	365	0.8
Same-day car trips to the United States	1,878	1,884	0.3	1,783	2.4
Total trips, one or more nights	1,753	1,781	1.6	1,394	4.1
United States ²	1,230	1,273	3.5	1,029	5.4
Car	691	727	5.2	534	3.6
Plane	442	442	0.0	432	7.5
Other modes of transportation	97	104	7.8	64	6.1
Other countries ³	524	508	-3.0	365	0.8
Travel to Canada¹	2,922	2,950	1.0	2,025	-10.1
from the United States	2,542	2,559	0.7	1,827	-12.0
from Other Countries	380	391	3.0	199	12.6
Same-day car trips from the United States	1,267	1,252	-1.2	1,064	-15.5
Total trips, one or more nights	1,541	1,582	2.6	881	-1.5
United States ²	1,166	1,201	3.0	687	-4.9
Car	705	726	2.9	405	-6.9
Plane	335	337	0.6	245	-1.7
Other modes of transportation	126	139	10.2	38	-3.3
Other countries ³	375	380	1.4	193	13.1
Most important overseas markets⁴					
United Kingdom	75	72	-4.1	33	8.7
Japan	38	42	12.5	25	15.5
France	31	32	2.7	12	2.6
Germany	29	29	2.2	12	17.9
Mexico	17	19	9.3	8	32.1
Australia	16	16	0.6	8	1.3
South Korea	15	15	-0.9	9	5.7
Netherlands	10	12	19.6	4	20.8
China	11	11	-2.0	10	24.4
Hong Kong	9	9	-0.2	5	-6.4
Taiwan	9	9	-2.7	5	9.2
Italy	8	9	12.1	5	12.6

^p Preliminary.

^r Revised.

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.

Canadian Tobacco Use Monitoring Survey

February to June 2005

Data from the first cycle of the 2005 Canadian Tobacco Use Monitoring Survey (CTUMS) is now available. The CTUMS, conducted since 1999 by Statistics Canada on behalf of Health Canada, provides timely, reliable and continuous data on tobacco use and related issues. Its objective is to track changes in smoking status and amount smoked, especially among young people aged 15 to 24, who are most at risk for taking up smoking.

Definitions, data sources and methods: survey number 4440.

Data collected from February to June 2005 from about 9,400 respondents are now available in the *Canadian Tobacco Use Monitoring Survey Microdata File* (82M0020XCB, \$2,140). See *How to order products*.

For information on the public-use microdata file or to enquire about the concepts, methods or data quality of this release, contact Client Services (1-800-461-9050; 613-951-3321; fax: 613-951-4527; ssd@statcan.ca), Special Surveys Division.

For information about the survey results, contact Carolyn Sexauer, Media Relations, Health Canada (613-948-4629; carolyn_sexauer@hc-sc.gc.ca), or visit the Tobacco Control Program Web site (http://www.hc-sc.gc.ca/hl-vs/tobac-tabac/index_e.html). ■

Construction Union Wage Rate Index

December 2005

The Construction Union Wage Rate Index (including supplements) for Canada remained unchanged in December compared to the revised November level of 133.6 (1992=100). The composite index increased 2.0% compared with the revised December 2004 index (131.0).

Union wage rates are published for 16 trades in 20 metropolitan areas for both the basic rates and rates including selected supplementary payments. Indexes on a 1992=100 time base are calculated for the same metropolitan areas and are published for those where a majority of trades are covered by current collective agreements.

Available on CANSIM: tables 327-0003 and 327-0004.

Definitions, data sources and methods: survey number 2307.

The fourth quarter 2005 issue of *Capital Expenditure Price Statistics* (62-007-XIE, \$20/\$59) will be available in March.

For more information, or to enquire about the concepts, methods, and data quality for this release, contact Client Services Unit (613-951-9606; fax: 613-951-1539, infounit@statcan.ca) or Louise Chagné (613-951-3393), Prices Division. ■

Construction type plywood

November 2005

Data on construction type plywood for November are now available.

Available on CANSIM: tables 303-0056 and 303-0057.

Definitions, data sources and methods: survey number 2138.

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. ■

Particleboard, oriented strandboard and fibreboard

November 2005

Data on particleboard, oriented strandboard and fibreboard are now available for November.

Available on CANSIM: table 303-0058.

Definitions, data sources and methods: survey number 2141.

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

Canadian Economic Observer, January 2006, Vol. 19, no. 1

Catalogue number 11-010-XPB (\$25/\$243).

Industry Price Indexes, November 2005, Vol. 31, no. 11

Catalogue number 62-011-XIE (\$19/\$175).

Industry Price Indexes, November 2005, Vol. 31, no. 11

Catalogue number 62-011-XPE (\$24/\$233).

Analytical Paper Series: Service Industries Division: Changing Market Trends: How Technology and Global Conditions Affect the Canadian Travel

Industry, no. 49

Catalogue number 63F0002XIE2006049

(free).

International Travel, Advance Information, November 2005, Vol. 21, no. 11

Catalogue number 66-001-PIE (\$7/\$59).

Canadian Tobacco Use Monitoring Survey Microdata File, 2005 (cycle 1)

Catalogue number 82M0020XCB (\$2,140).

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; -XCB or -XCE are electronic versions on compact disc and -XBB or -XBE a database.

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 The Daily	
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Thursday, June 5, 1997 For release at 9:30 a.m.	
MAJOR RELEASES	
• Urban transit, 1995 Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.	2
• Productivity, hourly compensation and unit labour cost, 1995 Growth in productivity among Canadian businesses also noticeably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	4
OTHER RELEASES	
Map-based Index: May 1997	3
Short-term Expectations Survey	9
Steel primary forms, week ending May 31, 1997	12
Egg production: Apr 1997	12
PUBLICATIONS RELEASED	11
 	

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