



The Daily

Statistics Canada

Thursday, March 23, 2006

Released at 8:30 a.m. Eastern time

Releases

Current economic conditions	2
Survey on Financing of Small- and Medium-sized Enterprises, 2004	3
Federal science expenditures intended to directly benefit developing countries, 2004-2005	4
Employer pension plans (trusteed pension funds), third quarter 2005	4
Electric power generation, transmission and distribution, 2004	5

New products	6
---------------------	----------



Current economic conditions

Business investment led growth in the fourth quarter, driven by rising commodity prices, according to the review of current economic conditions that appears today in the *Canadian Economic Observer*. Business investment consolidated its place as the most dynamic sector of the economy, rising 10.7% in 2005. This was its largest gain since early 1998.

Moreover, firms intend to invest 9% more in 2006 than they did in 2005, with energy and transportation leading widespread gains.

The most striking turnaround has been in non-residential construction investment. It has risen 10.6% in the past four quarters, a strong recovery from declines posted as recently as the previous year. This upswing was evident in both engineering (driven by the energy sector) and building.

Firms plan to step up investment in plant and equipment the most in the Prairie provinces. Manitoba leads the way in investment intentions with a 16% advance. Manufacturing is driving this increase, up 61%, followed by mining, utilities and transportation. Capital spending in utilities has nearly doubled over the last two years, powered by projects to supply electricity to Ontario.

The booming oil and gas sector fuelled higher capital spending plans in Alberta and Saskatchewan. In Alberta, the recent surge in development of the oilsands led to a sharp increase in pipelines this year to carry the output of these projects to market.

Ontario was next with an 11% forecast increase in business investment. Over one-third of the hike was in utilities as the province grappled with a shortfall of electric power generation. Finance, retailing, transportation and mining also plan large gains. Transportation equipment accounts for over one-third of manufacturing investment in Ontario.

Firms in Quebec plan the smallest increase in capital spending of the major provinces, up 3.5% after falling in 2005. Manufacturers cut investment in both years. This reflects the recent completion of major smelting and refinery projects. These declines were only partly offset by modest gains in mining and utilities and sluggish spending by services.

The 7% increase in British Columbia was led by transport and trade. This overcame surprising weakness in mining and oil and gas, despite high prices, and cutbacks in lumber.

Investment plans were weak overall in the Atlantic region. Newfoundland, posted a decline, after the completion of major projects in mining and offshore oil last year.

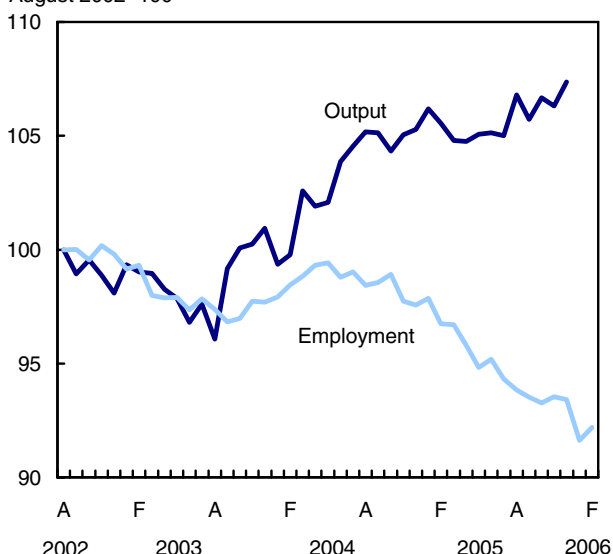
New Brunswick was hamstrung by steep cuts in its forestry sector. Nova Scotia was the lone bright spot, buoyed by energy-related investments in utilities and manufacturing.

Job growth continued in February and the unemployment rate equaled its record low. Manufacturing jobs recovered about one-third of January's large decline, but employment in this sector, however, remained about 5% (or over 100,000) below February 2005's level.

The total decline in manufacturing employment since the peak in early 2003 is currently almost 10%. This overall loss approaches the declines in 1981 and 1982 and 1989 to 1991. But unlike those two recessions, manufacturing output has continued to rise over the last two years.

The loss of manufacturing jobs does not reflect a weak output

August 2002=100



The recent slide in factory jobs reflects the emphasis employers have put on boosting productivity in the face of the squeeze on profit from rising input costs (notably energy) and lower prices for their exports as a result of the appreciating exchange rate.

The current account surplus rose to a quarterly record of \$13.3 billion. The increase was driven by two developments that may continue for some time.

First was a \$3 billion jump in energy exports, lifting them over 50% ahead of a year ago, as the volume of exports has begun to respond to soaring prices.

Second was a drop in interest payments on foreign debt, as both government and corporations have used

part of their surpluses to pay down debt while the rising dollar has reduced the cost of servicing this debt.

The print version of the March 2006 issue of the *Canadian Economic Observer*, Vol. 19, no. 3 (11-010-XPB, \$25/\$243) is now available. See *How to order products*.

This issue of Statistics Canada's flagship publication for economic statistics also summarizes the major economic events that occurred in February and presents two feature articles. The first is entitled "Canada's place in world trade, 1990 to 2005" and the second, "Changes in foreign control under different regulatory climates: Multinationals in Canada".

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

For more information on the *Canadian Economic Observer*, go to the *Canadian Statistics* page of our Web site, choose *National Accounts*, then click on the banner ad for *Canadian Economic Observer*.

For more information or to enquire about the concepts, methods or data quality of this release, contact Philip Cross (613-951-9162; ceo@statcan.ca), Current Economic Analysis Group. ■

Survey on Financing of Small- and Medium-sized Enterprises

2004

The bigger the enterprise is in terms of employees, the higher its average outstanding debt, according to results from the Survey on Financing of Small- and Medium-sized Enterprises.

Businesses with 1 to 4 employees had average debt of \$187,000 in 2004. Those with 5 to 19 employees carried an average of \$489,000 in debt, while the average among businesses with 20 to 99 employees was \$2.2 million.

In total, small- and medium-sized enterprises had \$377 billion in total debt outstanding in 2004, up 4.7% compared with \$360 billion four years earlier.

On the other hand, the average for all enterprises declined 5.1% from \$293,000 in 2000 to \$278,000 in 2004.

This is because the number of enterprises rose faster than total debt during the four-year period.

Total debt is comprised of all liabilities on business' balance sheets. It includes loans and mortgages from banks and other financial institutions, credit card balances, lease obligations, credit obtained from crown corporations, short-term trade credit owed to suppliers and loans from private individuals.

The survey, conducted in the fall and winter of 2004, covered about 3,500 responding firms with fewer than 500 employees and less than \$50 million in revenue. Survey results cover seven industry groupings, five employment sizes, six geographic regions and start-ups as opposed to established firms.

On a sectoral basis, average debt rose slightly between 2000 and 2004 among businesses in three key sectors: wholesale and retail trade; tourism; and agricultural and primary industries.

However, average outstanding debt among businesses in the manufacturing sector declined by about one-quarter to \$390,000. At the same time, their total debt fell 15% to about \$29 billion.

This result is consistent with independent findings for larger incorporated enterprises as reported by Statistics Canada's quarterly financial statistics for enterprises. Those data show borrowings rose 6.0% from 2001 to 2004 among non-financial industries. However, they declined 4.3% in the manufacturing sector.

Small- and medium-sized businesses cited "personal savings" and "retained earnings" as the most important sources of financing continuing operations. Others were lines of credit, trade credit of suppliers, commercial loans and personal credit cards. These were also the sources most frequently cited in 2000.

Note: The Survey on Financing of Small- and Medium-sized Enterprises 2004 was conducted in partnership with Industry Canada and Finance Canada as part of a data collection program on small- and medium-sized businesses. The first results of the survey, which covered topics such as requests for loans, approval of loan applications and measures of firm satisfaction with their credit suppliers, were released in *The Daily* on February 21, 2006. Today's release publishes an additional set of data tables that show the financing structure, as well as measures of profitability, of small and medium enterprises using balance sheet and income statement information.

Total and average liabilities outstanding

	2000		2004	
	Total	Average	Total	Average
	\$ billions	\$	\$ billions	\$
All small and medium sized enterprises	360	293,000	377	278,000
Selected employee size groups				
1 to 4	75	155,000	82	187,000
5 to 19	101	481,000	89	489,000
20 to 99	71	1,564,000	77	2,212,000
Selected industries				
Agriculture/primary	55	325,000	60	346,000
Manufacturing	34	528,000	29	390,000
Wholesale/retail trade	69	342,000	73	344,000
Tourism	24	290,000	32	298,000

Definitions, data sources and methods: survey number 2941.

For more information, or data sets, or to enquire about the concepts, methods or data quality of this release, contact Klaus Kostenbauer (613-951-2904; 1-877-679-2746), Small Business and Special Surveys Division.

For additional information on related research topics and data sets, consult Industry Canada's Web site. ■

Federal science expenditures intended to directly benefit developing countries

2004-2005 (preliminary)

Preliminary data for 2004-2005 from the Survey on Federal Science Expenditures Intended to Directly Benefit Developing Countries indicate that the federal government spent \$495 million on science and technology to benefit developing countries, or 5.7% of Canada's total expenditures on science and technology (\$8.7 billion) in 2005.

The Canadian International Development Agency and the International Development Research Centre accounted for 97% of federal expenditures on developing countries.

The majority of science and technology expenditures were in the areas of public health, agricultural production and agricultural technologies, representing 74% of expenditures on developing countries.

For further information, or to enquire about the concepts, methods or data quality, contact Julio Rosa (613-951-6598; fax: 613-951-9920; juliomiguel.rosa@statcan.ca) or Louise Earl

(613-951-2880; louise.earl@statcan.ca), Science, Innovation and Electronic Information Division. ■

Employer pension plans (trusteed pension funds)

Third quarter 2005

The value of the retirement savings of millions of Canadian workers with trusteed pension plans reached \$776.3 billion in the third quarter of 2005, up 5.8% compared to the previous quarter.

Historically, the funds' value peaked in the third quarter of 2000 at \$614.4 billion, and then fell to a low of \$532.4 billion in the first quarter of 2003. The main influence on the value of the funds is the value of stocks traded on the world's stock exchanges.

In the third quarter, revenues were \$26.6 billion, expenditures were \$9.0 billion, for a net cash flow of \$17.6 billion. Cash flow for the previous quarter was \$11.6 billion. The increase was primarily due to profits from the trading of equities, and from the rise in their market value.

Contributions were \$7.2 billion, and benefits paid out \$7.0 billion. The value of contributions and benefits has been rising since 2000 as employers increased contributions to reduce unfunded liabilities, and as the number of retirees has grown.

About 4.6 million Canadian workers are members of trusteed plans. Of these, 2.5 million are public sector workers in municipal, provincial, and federal governments and enterprises, crown corporations, government boards, commissions and agencies, and public educational and health institutions. Private sector workers make up the remaining 2.1 million.

A further one million workers have employer pension plans funded by government consolidated revenue funds, or by insurance company contracts. (Data in this release refer only to the trusteed plans, and all values are in current dollars).

Available on CANSIM: tables 280-0002 to 280-0004.

Definitions, data sources and methods: survey number 2608.

With the release of data today, all quarters back to the first quarter of 2004 have been revised.

For more information about the current survey results and related products and services, or to enquire about the concepts, methods, or data quality of this release, contact Client Services

(613-951-7355; 1-888-297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division. ■

Electric power generation, transmission and distribution 2004

Electric power producers earned operating revenues of \$49.9 billion in 2004, up 1.6% from 2003. The industry registered a net income of \$5.2 billion in 2004, up 59.4% from 2003, as operating expenses edged up 0.1% to \$39.7 billion, reflecting the lower cost of purchased electricity. Net electricity generation in Canada increased 1.4% to 577 terawatt hours.

The 2004 issue of *Electric Power Generation, Transmission and Distribution* (57-202-XIB, \$26) will soon be available.

Definitions, data sources and methods: survey numbers, including related surveys, 2001, 2194 and 2196.

For more information, to order data, 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

Canadian Economic Observer, March 2006, Vol. 19, no. 3
Catalogue number 11-010-XPB (\$25/\$243).

Insights on the Canadian Economy: Changes in Foreign Control under Different Regulatory Climates: Multinationals in Canada, no. 13
Catalogue number 11-624-MIE2006013
(free).

Aboriginal Peoples Survey 2001: Provincial and Territorial Reports: Off Reserve Aboriginal Population, 2001
Catalogue number 89-618-XIE
(free).

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.

How to order products




To order by phone, please refer to:

- The title
 - The catalogue number
 - The volume number
 - The issue number
 - Your credit card number.
- From Canada and the United States, call: **1-800-267-6677**
From other countries, call: **1-613-951-7277**
To fax your order, call: **1-877-287-4369**
For address changes or account inquiries, call: **1-800-700-1033**

To order by mail, write to: Statistics Canada, Finance, 6th floor, R.H. Coats Bldg., Ottawa, K1A 0T6.
Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

To order by Internet, write to: infostats@statcan.ca or download an electronic version by accessing Statistics Canada's website (www.statcan.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.

Catalogue 11-001-XIE (F) English 11-001-XIE001-0000-0000-0000	
 The Daily	
Statistics Canada	
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-warmed 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
 	

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-G, 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".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2004. Citation in newspaper, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001-XIE, along with date and page references.