



# The Daily

Statistics Canada

**Friday, May 12, 2006**

Released at 8:30 a.m. Eastern time

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## Releases

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<b>Canadian international merchandise trade, March 2006</b>	2
Imports and exports both registered gains in March, halting two months of modest slowdowns. Canada's merchandise trade surplus with the world narrowed sharply as the value of imports rose at three times the pace of exports.	
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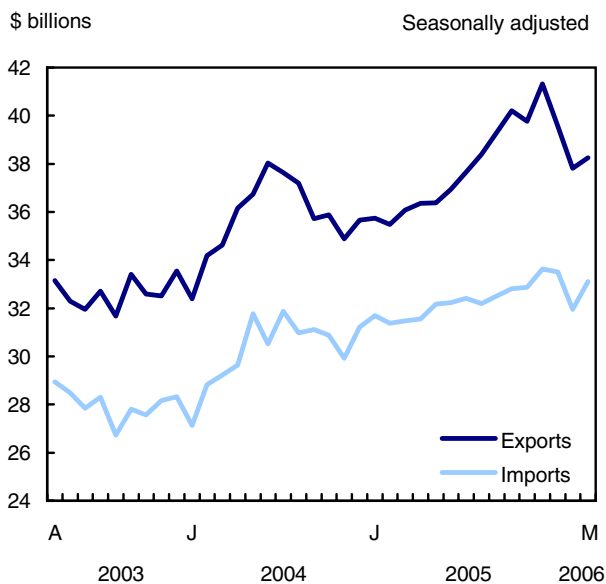
## Releases

### Canadian international merchandise trade

March 2006

Imports and exports of merchandise goods both registered gains in March, halting two months of modest slowdowns. Canada's merchandise trade surplus with the world narrowed sharply as the value of imports rose at three times the pace of exports.

#### Exports and imports



Exports increased 1.1% to \$38.3 billion, while imports were up 3.6% to \$33.1 billion. As a result, the trade surplus fell from a revised \$5.9 billion in February to \$5.1 billion in March.

An increase in machinery and equipment, primarily the result of strong aircraft exports, pushed up exports in March. Increases in imports of crude petroleum, machinery and equipment, as well as consumer goods and automotive goods returned imports to near-record levels.

After hitting a record high \$41.3 billion in December 2005, exports had declined in January and February as shipments of passenger autos, aircraft and lumber retreated. Falling energy prices also contributed to the decline.

Imports, which rose rapidly last year as business investment boomed, slipped during the first two months

#### Note to readers

Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services.

Balance of payments data are available for the United States, Japan and the United Kingdom. Trade data for all other individual countries are available on a customs basis only.

#### Revisions

In general, merchandise trade data are revised on an ongoing basis for each month of the current year. Customs basis data are revised for the previous data year each quarter.

Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates with actual figures, changes in classification of merchandise based on more current information, and changes to seasonal adjustment factors.

Revised data are available in the appropriate CANSIM tables.

of 2006. In March, importers resumed investment, with airlines' fleet expansion fuelling a jump in aircraft imports and continued expansion in the natural resources sector driving up imports of industrial machinery.

Exports to the United States remained flat in March, while Canadian companies imported 2.5% more from south of the border than they did in February. As a result, the trade surplus with the United States narrowed from \$9.0 billion to \$8.5 billion.

#### Exports: Surge in machinery and equipment

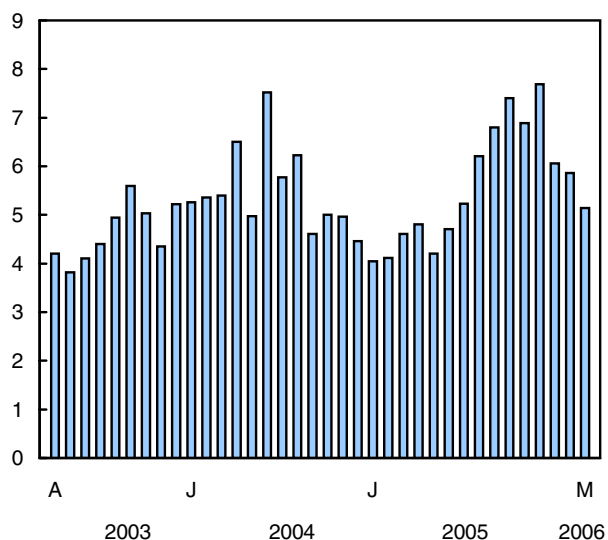
Outbound shipments of machinery and equipment, the biggest export sector, rebounded from two months of decline, surging 8.1% in March to more than \$8.2 billion. This returned export values of machinery and equipment to levels of December 2005 when they were the highest since January 2003, a very strong month for aircraft exports.

March's rebound was driven primarily by foreign demand for aircraft, engines and parts (+53.2%). Exports of aircraft have registered an upward trend since early 2005 as increased military activities have fuelled demand for Canadian planes and helicopters. This increase returned aircraft export values to January's levels.

Exports of agricultural and fishing products advanced 3.0% in March. The gain was led by growth in exports of wheat (+18.8%), fish and fish preparations (+5.9%), crude vegetable products (+9.9%), and live animals (+4.5%). March marked the third consecutive increase in wheat exports and the second consecutive month for live animal exports.

**Trade balance**

\$ billions



Live cattle exports increased by over 20% in March, as a result of an increase in the number of feeder cattle and slaughter steers and heifers flowing to the United States from Canada. Total quantities of live cattle exported in March were comparable to those in recorded for March 2002. This is the first time that export quantities have approached pre-ban levels since the import ban on cattle under the age of 30 months was lifted.

Exports of industrial goods and materials were virtually unchanged at \$7.2 billion in March. This occurred in the wake of a two-month decline and a gain of nearly \$200 million in December 2005 when these exports hit a record high \$7.4 billion. Exports of zinc and copper hit record-high values in March as a result of the continuous climb in price for these commodities. However, gains in metals and other industrial materials were matched by declines in chemicals and nickel ores and other metal ores.

Energy exports remained at \$7.4 billion as gains in exports of coal and electricity were matched by a decline in outbound shipments of natural gas. Natural gas exports fell 2.4%, the third consecutive decline, the result of lower prices.

Real exports, or exports adjusted for price, of crude petroleum were up in March. However, a third consecutive drop in crude petroleum export prices offset

the gain in volumes, resulting in export values holding at \$2.9 billion.

Exports of forestry products slipped a further 0.8% following an 8.6% drop in February. Exports of newsprint and other paper products were up 6.3% after declines in the first two months of 2006; however, shrinking exports of lumber and sawmill products, as well as wood pulp and other products, pushed values down for the month.

Exports of automotive products dropped 2.0% to \$7.2 billion in March despite a 3.3% gain in trucks and other motor vehicles and a 3.2% increase in motor vehicle parts. For the second straight month, exports of passenger autos and chassis registered sizable losses, down 6.6%. While production of high-demand models remain strong, there has been a slowdown in motor vehicle production overall in recent months.

**Imports: Demand for foreign machinery and equipment continues**

The growth in imports was widespread as six of the seven import sectors registered gains.

Imports of machinery and equipment recorded 2.9% growth in March, reaching \$9.4 billion. Inbound shipments of aircrafts, engines and parts were the driving force, rising 20.3% as airlines continued their fleet expansion activities.

Within industrial machinery, imports of engines, turbines and motors registered their fifth consecutive gain in March and increases were also recorded for excavating machinery, drilling and mining machinery and other industrial machinery.

Energy imports rose 14.3% to \$2.9 billion as a surge in demand from Eastern Canadian refineries fuelled an 18.0% increase in inbound shipments of crude petroleum to \$2.0 billion. The increase was volume-based as import prices for crude petroleum were stable in March. This differs from the decline in crude export prices as Eastern Canadian refineries import sweet, light crude while Western Canadian crude producers export primarily heavy, sour crude. Sweet, light crude tends to be higher-priced and register greater price gains in the market than heavy, sour crude petroleum. Refineries had imported a sizeable volume of crude petroleum in November 2005 but volumes had dropped considerably in the months following until this growth in March.

Also contributing to the growth in energy products were advancing imports of coal and refined petroleum, up 9.3% and 4.9%, respectively. A rebound from February's price decline accounts for the rise in import values of refined petroleum.

Imports of industrial goods and materials jumped 3.8% to \$6.9 billion following a decline in February. Inbound shipments of metals and metal ores climbed 11.8% to \$2.2 billion as imports of precious metals rebounded from February's decline. While a 51.0% increase in volumes accounted for the vast majority of the jump in precious metal import values, the continued rise in prices of precious metals since the end of 2005 also contributed to the increase. Chemicals and plastics also registered gains, rising 2.0% to \$2.5 billion.

Imports of automotive products rose 1.6% in March to \$6.5 billion. Growth in inbound shipments of trucks and other motor vehicles (+11.4%), along with passenger autos and chassis (+1.8%) more than offset a 2.3% decline of incoming motor vehicle parts. Canadian demand for trucks, large for industrial use and smaller for personal use, has been thriving, leading to imports of over \$1.0 billion each month since October 2003.

Imports of other consumer goods rose 2.4% to \$4.3 billion in March driven by inbound shipments of pharmaceutical products from the United States. Meanwhile, imports of agricultural and fishing products edged up to \$1.9 billion while forestry products edged down to \$248.0 million.

**Available on CANSIM: tables 228-0001 to 228-0003 and 228-0033 to 228-0046.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.**

The March 2006 issue of *Canadian International Merchandise Trade*, Vol. 60, no. 3 (65-001-XIB, free) is now available. To obtain a copy, go to the *Our products and services* page of our website. The publication includes tables by commodity and country on a customs basis. Current account data (which incorporate merchandise trade statistics, service transactions, investment income and transfers) are available quarterly in *Canada's Balance of International Payments* (67-001-XIE, free).

Merchandise trade data are available in PDF format on the morning of release.

For more information on products and services, contact Anne Couillard (1-800-294-5583; 613-951-6867). To enquire about the concepts, methods or data quality of this release, contact Diana Wyman (613-951-3116), International Trade Division.

□

**Merchandise trade**

	February 2006 <sup>r</sup>	March 2006	February to March 2006	March 2005 to March 2006	January to March 2005	January to March 2006	January–March 2005 to January–March 2006
Seasonally adjusted, \$ current							
	\$ millions		% change		\$ millions		% change
<b>Principal trading partners</b>							
<b>Exports</b>							
United States	30,419	30,413	0.0	3.5	87,588	93,205	6.4
Japan	774	923	19.3	11.1	2,459	2,553	3.8
European Union	2,546	2,828	11.1	26.3	6,768	8,011	18.4
Other OECD countries <sup>1</sup>	1,406	1,332	-5.3	8.6	3,336	3,931	17.8
All other countries	2,674	2,756	3.1	14.5	7,158	7,930	10.8
<b>Total</b>	<b>37,819</b>	<b>38,252</b>	<b>1.1</b>	<b>6.0</b>	<b>107,308</b>	<b>115,630</b>	<b>7.8</b>
<b>Imports</b>							
United States	21,357	21,895	2.5	3.4	63,666	65,240	2.5
Japan	922	883	-4.2	-6.6	2,888	2,768	-4.2
European Union	3,261	3,565	9.3	8.1	9,478	10,222	7.8
Other OECD countries <sup>1</sup>	1,793	1,892	5.5	-1.4	5,812	5,664	-2.5
All other countries	4,630	4,874	5.3	17.4	12,694	14,679	15.6
<b>Total</b>	<b>31,962</b>	<b>33,109</b>	<b>3.6</b>	<b>5.2</b>	<b>94,537</b>	<b>98,572</b>	<b>4.3</b>
<b>Balance</b>							
United States	9,062	8,518	...	...	23,922	27,965	...
Japan	-148	40	...	...	-429	-215	...
European Union	-715	-737	...	...	-2,710	-2,211	...
Other OECD countries <sup>1</sup>	-387	-560	...	...	-2,476	-1,733	...
All other countries	-1,956	-2,118	...	...	-5,536	-6,749	...
<b>Total</b>	<b>5,857</b>	<b>5,143</b>	<b>...</b>	<b>...</b>	<b>12,771</b>	<b>17,058</b>	<b>...</b>
<b>Principal commodity groupings</b>							
<b>Exports</b>							
Agricultural and fishing products	2,587	2,666	3.1	11.3	7,291	7,875	8.0
Energy products	7,408	7,384	-0.3	19.4	17,256	22,635	31.2
Forestry products	2,901	2,879	-0.8	-7.5	9,354	8,955	-4.3
Industrial goods and materials	7,220	7,221	0.0	2.3	20,792	21,713	4.4
Machinery and equipment	7,599	8,218	8.1	4.4	23,246	23,882	2.7
Automotive products	7,330	7,180	-2.0	4.1	21,593	22,380	3.6
Other consumer goods	1,428	1,449	1.5	1.7	4,335	4,288	-1.1
Special transactions trade <sup>2</sup>	787	726	-7.8	10.3	1,998	2,262	13.2
Other balance of payments adjustments	559	530	-5.2	9.1	1,444	1,641	13.6
<b>Imports</b>							
Agricultural and fishing products	1,866	1,871	0.3	5.1	5,481	5,660	3.3
Energy products	2,533	2,894	14.3	14.2	7,601	8,137	7.1
Forestry products	250	248	-0.8	-5.3	796	753	-5.4
Industrial goods and materials	6,635	6,890	3.8	2.7	19,677	20,568	4.5
Machinery and equipment	9,191	9,455	2.9	5.2	26,609	28,185	5.9
Automotive products	6,363	6,463	1.6	4.7	19,270	19,551	1.5
Other consumer goods	4,167	4,267	2.4	4.1	12,221	12,811	4.8
Special transactions trade <sup>2</sup>	356	417	17.1	7.2	1,233	1,097	-11.0
Other balance of payments adjustments	601	604	0.5	11.0	1,652	1,810	9.6

<sup>r</sup> revised

... figures not appropriate or not applicable

1. Includes Australia, Canada, Iceland, Mexico, New Zealand, Norway, South Korea, Switzerland and Turkey.

2. These are mainly low valued transactions, value of repairs to equipment, and goods returned to country of origin.

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## Personal services industry

2004

Business is growing steadily in the personal services industry, according to the latest survey of establishments that provide services ranging from haircuts and facials to laundry and funeral services.

According to the Annual Survey of Personal Services, firms providing personal services in Canada in 2004 experienced rising revenues in the main components of the industry. Together, those firms earned an estimated \$8.6 billion in that year, up from \$8.0 billion in 2003 and \$7.6 billion in 2002.

Personal care providers, which include hair and esthetic salons, spas and the like, accounted for about 46% of the industry's total earnings. These establishments earned about \$3.9 billion in 2004, up from \$3.5 billion in 2003 and \$3.2 billion in 2002.

Laundry and dry cleaning services accounted for the next largest share of revenues, earning \$1.9 billion, and funeral service providers earned the third largest share at \$1.5 billion in 2004.

Operating expenses for all personal service establishments increased in 2004. Businesses spent an estimated total of \$7.9 billion in their daily operations.

Profit margins were 7.9%, down from 10.7% in 2003.

Salaries, wages and benefits still account for the largest expense for these companies, amounting to almost 41% of their operating expenses.

Industry data for 2004 are available now for Canada and the provinces, including revenues, expenses, salaries and wages and profit margins.

**Available on CANSIM: table 359-0001.**

**Definitions, data sources and methods: survey number 2424.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bob Allan (613-951-2648; [bob.allan@statcan.ca](mailto:bob.allan@statcan.ca)) or Joan Farnworth (613-951-6303; fax: 613-951-6696; [farnjoa@statcan.ca](mailto:farnjoa@statcan.ca)), Service Industries Division. ■

## Research and development in the health field

1988 to 2005 (preliminary)

Research and development (R&D) in the health field is gaining importance in Canada, accounting for nearly one-quarter of total spending on R&D in 2005, according to preliminary figures.

Gross spending on health R&D amounted to an estimated \$6.0 billion last year, 6.8%, or \$379 million higher than the level in 2004.

R&D on health accounted for 23% of gross domestic spending on R&D in 2005. A decade earlier, it represented only 16%.

The higher education sector accounted by far for the lion's share of R&D spending on health, about 62%.

This sector, which includes universities and teaching hospitals, performed an estimated \$3.7 billion of R&D on health, up 10.0% from 2004 and more than double the level from 1995. The business enterprise sector performed more than \$2.0 billion, up 2.6%.

The largest funders of R&D spending on health were the business enterprise sector and the higher education sector, which contributed about \$1.6 billion each in 2005. They were followed by the federal government sector, which contributed \$1.2 billion.

**Definitions, data sources and methods: survey numbers, including related surveys, 4201, 4204, 4208, 4209, 4210 and 4212.**

The service bulletin *Science Statistics: Estimates of Total Spending on Research and Development in the Health Field in Canada, 1988 to 2005*, Vol. 30, no. 3 (88-001-XIE, free) is now available. To obtain a copy, go to the *Our products and services* page of our website.

For more information, or to enquire about the methods, concepts or data quality of this release, contact Janet Thompson, (613-951-2580; [janet.thompson@statcan.ca](mailto:janet.thompson@statcan.ca)) or Gisèle Bellefeuille (613-951-7113; [gisele.bellefeuille@statcan.ca](mailto:gisele.bellefeuille@statcan.ca)), Science, Innovation and Electronic Information Division. ■

## Non-residential Building Construction Price Index

First quarter 2006

The composite price index (1997=100) for non-residential building construction reached 138.6 in the first quarter, up 1.4% from the previous quarter and 6.3% higher compared with the first quarter of 2005. As in the previous quarter, the quarterly increase was mostly the result of material and labour cost increases and a strong market for non-residential building construction.

The indexes for Calgary and Edmonton both rose 1.7% from the fourth quarter, followed by Toronto and Vancouver (+1.5% each), Ottawa–Gatineau, Ontario part (+1.4%), Halifax (+1.2%) and Montréal (+0.8%).

Calgary had the largest change (+8.0%) from the first quarter of 2005, followed by Vancouver (+7.6%), Edmonton (+7.4%), Toronto (+6.2%), Halifax (+5.4%), Ottawa–Gatineau, Ontario part (+5.2%) and Montréal (+4.6%).

**Note:** Non-residential building construction price indexes provide an indication of changes in construction costs in six census metropolitan areas or CMAs (Halifax, Montréal, Toronto, Calgary, Edmonton and Vancouver) and the Ontario part of the Ottawa–Gatineau CMA. Three construction categories (industrial, commercial and institutional buildings) are represented by selected models (a light factory building, an office building, a warehouse, a shopping centre and a school). Besides the census metropolitan areas and composite indexes, a further breakdown of the changes in costs is available by trade group (structural, architectural, mechanical and electrical) within the building types. These price indexes are derived from surveys of general and special trade group contractors. They report data on various categories of costs (material, labour, equipment, taxes, overhead and profit) relevant to the detailed construction specifications included in the surveys.

## Non-residential building construction price indexes<sup>1</sup> (1997=100)

	First quarter 2006	First quarter 2005 to first quarter 2006	Fourth quarter 2005 to first quarter 2006
		% change	
<b>Composite</b>	<b>138.6</b>	<b>6.3</b>	<b>1.4</b>
Halifax	125.1	5.4	1.2
Montréal	131.8	4.6	0.8
Ottawa–Gatineau, Ontario part	137.3	5.2	1.4
Toronto	144.2	6.2	1.5
Calgary	142.4	8.0	1.7
Edmonton	139.9	7.4	1.7
Vancouver	132.5	7.6	1.5

1. Go online to view the census subdivisions that comprise the census metropolitan areas.

**Available on CANSIM: tables 327-0039 and 327-0040.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2317 and 2330.**

The first quarter 2006 issue of *Capital Expenditure Price Statistics* (62-007-XIE) will be available in July.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mark Martin (613-951-9606; fax: 613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)), Prices Division. ■

## Export and import price indexes

March 2006

Current- and fixed-weighted export and import price indexes (1997=100) on a balance of payments basis are now available. Price indexes are listed from January 1997 to March 2006 for the five commodity sections and the major commodity groups (62 exports and 61 imports).

Current- and fixed-weighted US price indexes (1997=100) are also available on a customs basis. Price indexes are listed from January 1997 to March 2006. Included with the US commodity indexes are the 10 all-countries and US-only Standard International Trade Classification section indexes.

Indexes for the five commodity sections and the major commodity groups are also available now on a customs basis.

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**Note:** The International Trade Division has now produced and will be updating and disseminating chain Fisher real dollar values (reference year 1997) for Canadian international merchandise exports and imports. This series is not available in CANSIM. Interested users who wish to order are advised to contact the Marketing and Client Services Section of the International Trade Division (1-800-294-5583) or for explanation of the methodology and concepts, contact Bernard Lupien (613-951-6872).

**Available on CANSIM: tables 228-0001 to 228-0003 and 228-0033 to 228-0046.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.**

The March 2006 issue of *Canadian International Merchandise Trade*, Vol. 60, no. 3 (65-001-XIB, free) is now available. To obtain a copy, go to the *Our products and services* page of our website.

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

Anne Couillard (1-800-294-5583; 613-951-9647), International Trade Division. ■

### **Steel primary forms, weekly data**

Week ending May 6, 2006 (preliminary)

Steel primary forms production for the week ending May 6 totalled 317 499 metric tonnes, down 0.5% from 318 985 tonnes a week earlier and up 18.1% from 268 751 tonnes in the same week of 2005.

The year-to-date total as of May 6 was 5 460 901 tonnes, down 2.6% from 5 605 069 tonnes in the same period of 2005.

**Definitions, data sources and methods: survey number 2131.**

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](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■



## New products

**Update on Analytical Studies Research**  
Catalogue number 11-015-XIE  
(free).

**Canadian International Merchandise Trade,**  
March 2006, Vol. 60, no. 3  
Catalogue number 65-001-XIB  
(free).

**Science Statistics,** Vol. 30, no. 3  
Catalogue number 88-001-XIE  
(free).

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

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Statistics Canada

Thursday, June 5, 1997  
For release at 9:00 a.m.



**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, 64% of Canadian households had access to a car, up from 58% in 1985. The lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses was notably weak again in 1995, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Highwood Index May 1997** 3
- **Short-term Expectations Survey** 3
- **State primary terms, value ending May 31, 1997** 13
- **Flag production, April 1997** 13

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### Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

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*The Daily, May 12, 2006*

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**Release dates: May 15 to 19, 2006**

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(Release dates are subject to change.)

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<b>Release date</b>	<b>Title</b>	<b>Reference period</b>
15	<b>Monthly Survey of Manufacturing</b>	March 2006
15	<b>New motor vehicle sales</b>	March 2006
17	<b>Wholesale trade</b>	March 2006
17	<b>Canada's international transactions in securities</b>	March 2006
18	<b>Consumer Price Index</b>	April 2006
18	<b>Travel between Canada and other countries</b>	March 2006
19	<b>Retail trade</b>	March 2006
19	<b>Economic importance of transportation</b>	2001

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