



# The Daily

## Statistics Canada

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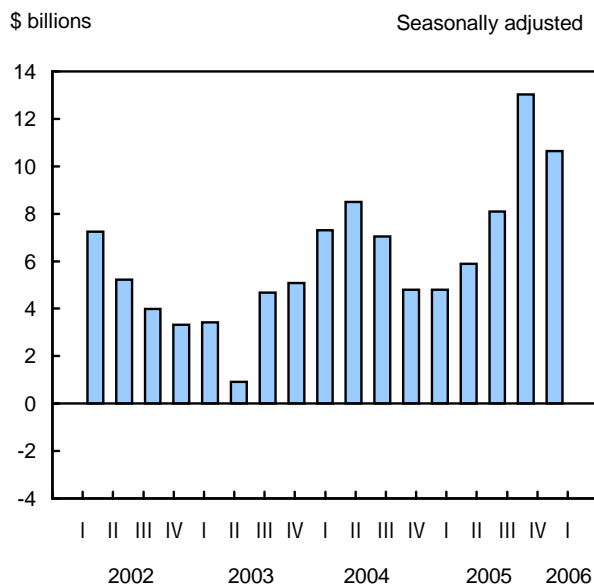
## Releases

### Canada's balance of international payments

First quarter 2006

Canada's current account surplus with the rest of the world, on a seasonally adjusted basis, dropped \$2.4 billion in the first quarter of 2006 to \$10.7 billion. The decline was mostly the result of a sharp drop in the value of energy exports, which was very high in the fourth quarter of 2005.

#### Current account balance



In the capital and financial account (not seasonally adjusted), Canada's international assets and liabilities grew by the same value. The increase to Canada's foreign assets came from record high acquisitions by portfolio investors.

#### Current account

##### Goods surplus falls

The surplus on trade in goods fell by \$3.3 billion to \$17.2 billion in the first quarter. Lower prices for natural gas tempered Canada's exports of energy products, after reaching a record level in the fourth

#### Note to readers

Annual and quarterly data have been revised for reference years 2002 to 2005. This is in keeping with the general policy to revise National Accounts statistics back four years at the time of the first quarter data release. Broadly, the revisions reflect more current sources of information coming from annual surveys and administrative data.

The **balance of payments** covers all economic transactions between Canadian residents and non-residents. It includes the current account and the capital and financial account.

The **current account** covers transactions on goods, services, investment income and current transfers. Transactions in exports and interest income are examples of receipts, while imports and interest expense are payments. The balance from these transactions determines if Canada's current account is in surplus or deficit.

The **capital and financial account** is mainly composed of transactions in financial instruments. Financial assets and liabilities with non-residents are presented under three functional classes: direct investment, portfolio investment and other investment. These investments belong either to Canadian residents (Canadian assets) or to foreign residents (Canadian liabilities). Transactions resulting in a capital inflow are presented as positive values while capital outflows from Canada are shown as negative values.

A current account surplus or deficit should correspond to an equivalent outflow or inflow in the capital and financial account. In other words, the two accounts should add to zero. In fact, as data are compiled from multiple sources, the two balance of payments accounts rarely equate. As a result, the **statistical discrepancy** is the net unobserved inflow or outflow needed to balance the accounts.

quarter of 2005. Imports dropped more modestly in the quarter as the volume of crude oil purchases declined.

Exports of goods fell \$4.7 billion in the first quarter. Exports of energy products led the way as lower prices pushed down the export values for these products by \$4.0 billion. In the first quarter, prices of natural gas decreased by nearly 30% after strong increases during the previous two quarters.

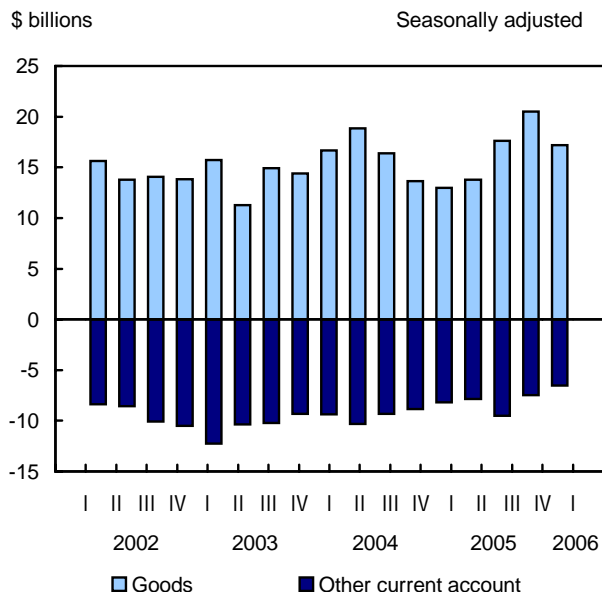
During the last three quarters, the value of energy products represented on average over 20% of all exports, compared to less than 16% in 2004.

Automotive product exports were down by \$1.0 billion in the first quarter, the drop being spread among automobiles, trucks, and parts.

Total imports of goods declined by \$1.4 billion and again energy products accounted for the largest share. However, the drop in imports of energy products came

mainly from lower volumes, not through lower prices as was the case for the exports of energy products.

### Goods and other current account balances



### Lower profits on direct investment

Lower profits earned by foreign investors on their direct investment in Canada, combined with lower interest payments on portfolio bond liabilities, were the two main factors behind the \$1.3 billion decrease in the investment income deficit. The \$2.3 billion deficit in the first quarter was the lowest since 1978.

Following two strong quarters, profits earned by foreign direct investors decreased \$2.4 billion in the first quarter of 2006. Although still important, lower profits in the energy sector accounted for half of this drop.

The first quarter also saw lower profits earned by Canadians on their direct investment abroad. As the decline was only \$1.2 billion, the balance for income on direct investment swung to a positive value for the first time since the first quarter of 1994.

Interest paid on Canadian portfolio bond liabilities continued its downward trend, which started in 2003, while interest received on foreign bonds remained above the \$1 billion mark, twice the average amount recorded between 2000 and 2004.

### Services deficit increased slightly

In the first quarter, the deficit on trade in services rose for the fourth time in the last five quarters. The deficit in the travel account increased \$0.2 billion

to \$1.8 billion. Changes in other service components largely offset each other.

The \$1.8 billion deficit in travel was the largest in 14 years. While Canadian travelers continued to increase their spending abroad, the spending of foreign travelers in Canada decreased for a fifth consecutive quarter. Over this period of five quarters, the travel deficit has risen by \$1.0 billion.

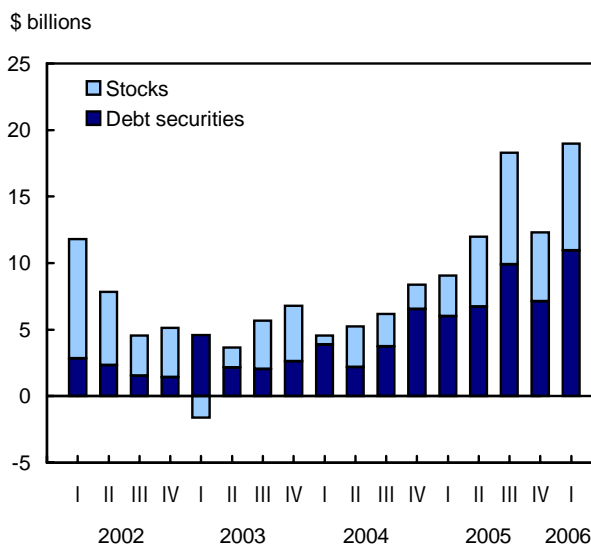
### Financial account

#### Record investment in foreign securities

During the first quarter, Canadian investors bought a record amount of foreign securities consisting of debt instruments and equities. Over half of the \$19.0 billion investment in the first quarter was in foreign bonds, itself a record. Foreign content limits for tax-deferred Canadian investment vehicles were eliminated during 2005, contributing to the activity.

Some \$9.9 billion flowed into foreign bonds, with most of the investment (60%) going to US treasuries and corporate bonds. The remaining \$3.9 billion was invested in overseas bonds. A sizable portion of the record investment in foreign bonds consisted of "Maple" bonds. This rapidly growing segment of the bond market involves foreign issuers marketing debt denominated in Canadian dollars to institutional investors in Canada.

### Canadian portfolio investment abroad<sup>1</sup>



1. Reverse of balance of payments signs.

Canadians purchased \$8.0 billion of foreign equities in the first quarter, the second highest quarterly investment in the past four years. Over

four-fifths went to buy US shares with the remainder to overseas equities. Canadian investors also purchased \$1.0 billion worth of foreign money market paper. Canadians bought \$1.5 billion of overseas paper while selling \$0.5 billion of their holdings of US government and corporate paper.

#### Direct investment abroad moderated by sale of assets

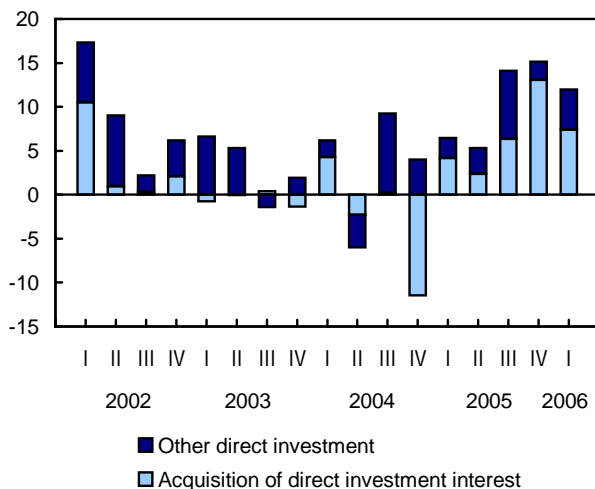
In the first quarter, Canadian direct investment in foreign economies was just over half of that of the previous quarter. At \$6.6 billion, it was driven by injections of working capital into existing foreign affiliates. Canadians sold off more direct investment assets overseas than they acquired during the quarter, resulting in negative net acquisitions. From an industry perspective, investment was spread, led by the finance and insurance sector. Geographically, about three-quarters went to the American economy.

#### Foreign direct investment in Canada robust for a third straight quarter

Foreign direct investment in Canada advanced strongly for a third consecutive quarter. Although less than the previous two quarters, the \$12.0 billion of direct investment was again largely due to acquisitions. Two-thirds of this foreign direct investment went to the energy and metallic minerals sector while over half of the investment came from Europe.

#### Foreign direct investment in Canada

\$ billions



#### Foreign investment in Canadian securities strongest in five quarters

Foreign investors bought \$8.2 billion worth of Canadian securities led by purchases of outstanding Canadian equities. It was the largest net investment in Canadian securities by foreign investors in the last five quarters. Overall investment in debt instruments was negligible, as foreign investors bought money market paper but sold bonds.

The \$8.1 billion net foreign investment in Canadian equities was led by the acquisition of \$10.6 billion of outstanding Canadian shares by non-residents. This was partly offset by reductions associated with the foreign takeover of Canadian firms, which saw foreign (portfolio) shareholders in these firms exchanging their Canadian shares for cash or foreign shares. US investors were behind most (80%) of the investment in the quarter as they were in 2005. The first quarter purchases occurred against a backdrop of rising Canadian share prices: the S&P/TSX Composite Index rose more than 22% over a nine month period.

#### Foreign investors buy Canadian paper but sell bonds for a second straight quarter

Foreign investors made a significant investment in Canadian money market paper for a second consecutive quarter. The fourth quarter investment of \$3.1 billion was the highest value in more than five years. The \$2.0 billion foreign investment during the first quarter went to federal t-bills. During the quarter, the government of Canada had a large issue of US-pay Canada bills. Regionally, the investment was entirely purchased by American investors. With short-term rates on the rise in both countries, US rates continue to be higher with the differential at the end of the period at 65 basis points, favouring investment in the United States.

Non-residents sold Canadian bonds for a third consecutive quarter. The divestment of \$1.9 billion in the quarter was largely the result of net retirements (retirements less new issues). There have been high levels of retirements over the past three quarters and at the same time new issues sold in foreign markets have trended down. However, non-residents continued to buy outstanding bonds, mainly denominated in Canadian dollars. Over the first quarter, the divestment was led by European investors while investors from Japan continued to move against the trend and buy Canadian bonds.

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### Transactions in deposits, loans and reserves

The other investment account recorded a net inflow of \$4.6 billion. The inflow was mostly related to higher liabilities, both loans and deposits. On the asset side, Canada's official international reserves rose by \$3.8 billion, the highest quarterly increase in six years. The Canadian dollar ended the first quarter virtually the same as it began, at 85.6 US cents. The Canadian dollar was down somewhat against most other major foreign currencies.

Available on CANSIM: tables 376-0001 to 376-0017 and 376-0035.

**Definitions, data sources and methods: survey numbers, including related surveys, 1534, 1535, 1536 and 1537.**

The first quarter 2006 issue of *Canada's Balance of International Payments* (67-001-XIE, free) will be available soon.

The balance of international payments data for the second quarter of 2006 will be released on August 30.

For general information, contact Client Services (613-951-1855; [infobalance@statcan.ca](mailto:infobalance@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Arthur Ridgeway (613-951-8907), Balance of Payments Division.

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## Balance of payments

	First quarter 2005	Second quarter 2005	Third quarter 2005	Fourth quarter 2005	First quarter 2006	2004	2005
	Not seasonally adjusted						
	\$ millions						
<b>Current account</b>							
Receipts							
Goods and services	120,833	130,461	131,581	135,153	129,109	492,984	518,028
Goods	106,140	114,276	112,599	120,045	114,076	429,121	453,060
Services	14,693	16,185	18,982	15,108	15,033	63,863	64,968
Investment income	10,528	12,805	11,307	13,559	12,104	37,532	48,199
Direct investment	5,721	7,120	5,467	7,686	6,207	20,677	25,994
Portfolio investment	2,911	3,069	3,208	3,455	3,492	10,182	12,644
Other investment	1,896	2,616	2,631	2,418	2,405	6,673	9,561
Current transfers	2,292	1,830	1,816	2,128	2,960	7,427	8,066
<b>Current account receipts</b>	<b>133,653</b>	<b>145,097</b>	<b>144,704</b>	<b>150,839</b>	<b>144,173</b>	<b>537,943</b>	<b>574,293</b>
Payments							
Goods and services	112,345	121,145	115,462	117,945	117,868	440,218	466,896
Goods	92,521	101,457	95,584	98,649	97,054	363,639	388,210
Services	19,824	19,688	19,878	19,296	20,814	76,580	78,686
Investment income	15,747	17,154	17,027	17,082	15,008	62,346	67,010
Direct investment	6,635	7,898	8,338	8,082	5,509	27,489	30,953
Portfolio investment	6,740	6,838	6,848	6,765	6,534	28,139	27,192
Other investment	2,371	2,418	1,842	2,234	2,965	6,717	8,865
Current transfers	3,133	1,651	1,817	1,985	3,446	7,746	8,585
<b>Current account payments</b>	<b>131,224</b>	<b>139,950</b>	<b>134,306</b>	<b>137,011</b>	<b>136,322</b>	<b>510,310</b>	<b>542,491</b>
<b>Balances</b>							
Goods and services	8,488	9,316	16,119	17,208	11,241	52,765	51,132
Goods	13,620	12,819	17,015	21,396	17,022	65,482	64,850
Services	-5,131	-3,503	-896	-4,188	-5,781	-12,717	-13,718
Investment income	-5,219	-4,349	-5,720	-3,523	-2,904	-24,814	-18,811
Direct investment	-915	-778	-2,870	-397	698	-6,812	-4,960
Portfolio investment	-3,829	-3,769	-3,640	-3,310	-3,042	-17,957	-14,548
Other investment	-475	198	790	184	-560	-44	696
Current transfers	-841	180	-1	143	-485	-319	-519
<b>Current account balance</b>	<b>2,429</b>	<b>5,147</b>	<b>10,398</b>	<b>13,828</b>	<b>7,851</b>	<b>27,633</b>	<b>31,802</b>
<b>Capital and financial account<sup>1, 2</sup></b>							
<b>Capital account</b>	<b>1,472</b>	<b>1,712</b>	<b>1,769</b>	<b>979</b>	<b>1,016</b>	<b>4,449</b>	<b>5,932</b>
<b>Financial account</b>	<b>-12,391</b>	<b>-9,624</b>	<b>-7,236</b>	<b>-5,857</b>	<b>-810</b>	<b>-36,956</b>	<b>-35,109</b>
Canadian assets, net flows							
Canadian direct investment abroad	-9,229	-8,180	-12,786	-11,105	-6,587	-56,274	-41,300
Portfolio investment	-9,073	-11,991	-18,291	-12,297	-18,968	-24,369	-51,652
Foreign bonds	-6,284	-5,601	-9,234	-6,496	-9,944	-15,290	-27,615
Foreign stocks	-3,091	-5,263	-8,407	-5,187	-8,018	-8,092	-21,947
Foreign money market	302	-1,127	-651	-614	-1,005	-987	-2,089
Other investment	-15,351	-2,775	-13,277	9,238	-5,388	-7,396	-22,164
Loans	-334	3,886	-251	5,229	-2,225	3,505	8,529
Deposits	-9,372	-4,448	-12,911	11,043	2,459	-10,666	-15,688
Official international reserves	-3,437	585	1,092	108	-3,800	3,427	-1,653
Other assets	-2,206	-2,798	-1,207	-7,141	-1,823	-3,662	-13,352
<b>Total Canadian assets, net flows</b>	<b>-33,652</b>	<b>-22,946</b>	<b>-44,355</b>	<b>-14,164</b>	<b>-30,944</b>	<b>-88,039</b>	<b>-115,116</b>
Canadian liabilities, net flows							
Foreign direct investment in Canada	6,445	5,295	14,109	15,135	11,998	1,995	40,984
Portfolio investment	5,362	-807	3,836	81	8,165	54,267	8,472
Canadian bonds	2,067	896	-1,934	-2,212	-1,905	18,955	-1,183
Canadian stocks	5,235	-2,679	7,389	-812	8,057	35,742	9,133
Canadian money market	-1,940	976	-1,619	3,105	2,013	-429	522
Other investment	9,453	8,834	19,174	-6,910	9,971	-5,179	30,551
Loans	7,710	3,249	-5,423	-3,528	4,134	-2,345	2,007
Deposits	-1,235	5,187	24,654	336	5,111	-531	28,942
Other liabilities	2,979	398	-58	-3,717	726	-2,303	-398
<b>Total Canadian liabilities, net flows</b>	<b>21,261</b>	<b>13,322</b>	<b>37,118</b>	<b>8,307</b>	<b>30,134</b>	<b>51,083</b>	<b>80,008</b>
<b>Total capital and financial account, net flows</b>	<b>-10,920</b>	<b>-7,912</b>	<b>-5,467</b>	<b>-4,878</b>	<b>205</b>	<b>-32,507</b>	<b>-29,177</b>
Statistical discrepancy	8,491	2,765	-4,931	-8,951	-8,057	4,874	-2,625

1. A minus sign denotes an outflow of capital resulting from an increase in claims on non-residents or from a decrease in liabilities to non-residents.

2. Transactions are recorded on a net basis.

## Current account

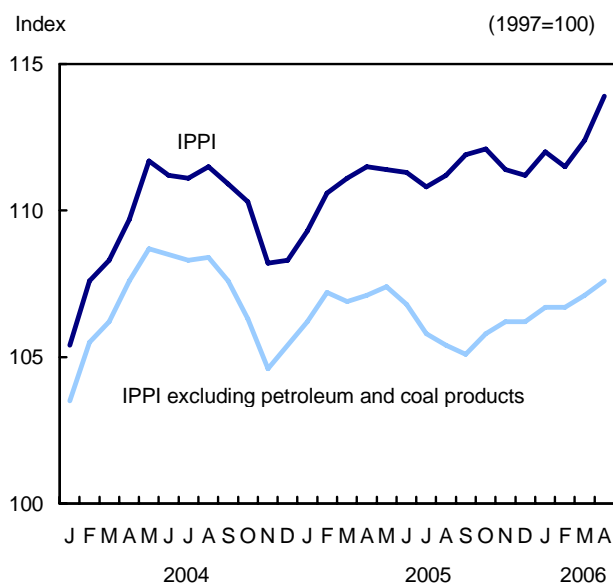
	First quarter 2005	Second quarter 2005	Third quarter 2005	Fourth quarter 2005	First quarter 2006	2004	2005
	Seasonally adjusted						
	\$ millions						
<b>Receipts</b>							
Goods and services	124,184	126,139	131,319	136,386	131,699	492,984	518,028
Goods	107,964	109,942	115,095	120,060	115,316	429,121	453,060
Services	16,220	16,197	16,225	16,327	16,382	63,863	64,968
Travel	4,218	4,107	4,100	4,035	3,972	16,745	16,460
Transportation	2,882	2,842	2,919	2,989	2,990	11,024	11,632
Commercial services	8,700	8,808	8,742	8,865	8,991	34,511	35,115
Government services	420	441	463	438	429	1,582	1,761
Investment income	10,709	12,516	11,433	13,541	12,299	37,532	48,199
Direct investment	5,827	6,925	5,613	7,629	6,301	20,677	25,994
Interest	235	310	340	391	241	754	1,275
Profits	5,592	6,615	5,273	7,239	6,059	19,923	24,718
Portfolio investment	2,922	3,067	3,217	3,438	3,507	10,182	12,644
Interest	861	912	1,042	1,190	1,166	2,387	4,006
Dividends	2,061	2,155	2,175	2,248	2,341	7,795	8,638
Other investment	1,960	2,524	2,603	2,474	2,491	6,673	9,561
Current transfers	1,941	2,010	2,060	2,056	2,421	7,427	8,066
Private	690	623	661	614	691	2,785	2,587
Official	1,250	1,387	1,400	1,442	1,731	4,642	5,479
<b>Total receipts</b>	<b>136,833</b>	<b>140,665</b>	<b>144,812</b>	<b>151,983</b>	<b>146,419</b>	<b>537,943</b>	<b>574,293</b>
<b>Payments</b>							
Goods and services	114,273	115,910	117,075	119,637	118,334	440,218	466,896
Goods	94,969	96,183	97,493	99,565	98,120	363,639	388,210
Services	19,305	19,727	19,582	20,072	20,214	76,580	78,686
Travel	5,497	5,526	5,520	5,717	5,812	20,747	22,260
Transportation	4,221	4,391	4,413	4,503	4,592	16,001	17,528
Commercial services	9,346	9,571	9,413	9,615	9,572	38,885	37,946
Government services	240	238	237	237	238	946	952
Investment income	15,373	16,855	17,604	17,177	14,623	62,346	67,010
Direct investment	6,665	7,429	8,726	8,134	5,707	27,489	30,953
Interest	578	582	579	574	575	2,280	2,313
Profits	6,087	6,847	8,147	7,559	5,132	25,209	28,640
Portfolio investment	6,772	6,839	6,823	6,758	6,579	28,139	27,192
Interest	5,855	5,937	5,799	5,649	5,388	24,137	23,239
Dividends	918	903	1,024	1,109	1,192	4,003	3,953
Other investment	1,936	2,587	2,056	2,286	2,337	6,717	8,865
Current transfers	2,393	2,012	2,037	2,143	2,811	7,746	8,585
Private	1,180	1,202	1,202	1,228	1,924	4,657	4,812
Official	1,214	810	835	915	887	3,089	3,773
<b>Total payments</b>	<b>132,040</b>	<b>134,777</b>	<b>136,717</b>	<b>138,957</b>	<b>135,769</b>	<b>510,310</b>	<b>542,491</b>
<b>Balances</b>							
Goods and services	9,911	10,229	14,244	16,749	13,364	52,765	51,132
Goods	12,995	13,759	17,602	20,494	17,196	65,482	64,850
Services	-3,084	-3,530	-3,358	-3,745	-3,832	-12,717	-13,718
Travel	-1,279	-1,420	-1,419	-1,682	-1,840	-4,002	-5,800
Transportation	-1,339	-1,550	-1,494	-1,515	-1,602	-4,977	-5,897
Commercial services	-646	-763	-671	-750	-581	-4,374	-2,831
Government services	180	203	226	201	191	636	810
Investment income	-4,664	-4,339	-6,172	-3,636	-2,324	-24,814	-18,811
Direct investment	-838	-504	-3,113	-505	593	-6,812	-4,960
Interest	-342	-272	-239	-184	-334	-1,527	-1,038
Profits	-496	-232	-2,874	-321	928	-5,286	-3,922
Portfolio investment	-3,850	-3,772	-3,606	-3,320	-3,072	-17,957	-14,548
Interest	-4,993	-5,024	-4,757	-4,459	-4,221	-21,750	-19,234
Dividends	1,143	1,253	1,151	1,139	1,149	3,793	4,686
Other investment	24	-64	547	188	155	-44	696
Current transfers	-453	-2	23	-87	-390	-319	-519
Private	-490	-579	-542	-614	-1,233	-1,872	-2,225
Official	37	577	564	528	844	1,554	1,706
<b>Current account</b>	<b>4,794</b>	<b>5,888</b>	<b>8,095</b>	<b>13,026</b>	<b>10,651</b>	<b>27,633</b>	<b>31,802</b>

## Industrial product and raw materials price indexes

April 2006

Monthly prices for manufactured goods at the factory gate were up in April, as prices for petroleum and primary metal products increased. Raw materials prices also increased in April, the result of higher prices for crude oil and non-ferrous metals.

### Prices for manufactured goods continue to rise



Prices charged by manufacturers, as measured by the Industrial Product Price Index (IPPI), were up 1.3% from March to April. Higher prices for petroleum products and primary metal products were the major contributors to this monthly increase.

The 12-month change in the IPPI was 2.2%, up from March's year-over-year increase of 1.2%. Higher prices for petroleum products, primary metal products and chemical products were the major contributors to this annual increase.

The Raw Materials Price Index (RMPI) was up 5.7% from March to April, following an increase of 0.9% in March and due primarily to higher prices for crude oil and non-ferrous metals.

Compared to April of last year, raw materials cost factories 12.9% more, up significantly from the year-over-year change of 5.3% in March.

### Note to readers

The **Industrial Product Price Index (IPPI)** reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including the transportation, wholesale, and retail costs.

Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp, paper, and wood products. Therefore, a rise or fall in the value of the Canadian dollar against its US counterpart affects the IPPI.

The **Raw Materials Price Index (RMPI)** reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Unlike the IPPI, the RMPI includes goods not produced in Canada.

In April, the IPPI (1997=100) stood at 113.9, up from March's revised level of 112.4. The RMPI (1997=100) reached 160.9, up from a revised level of 152.2 in March.

### IPPI: Prices for petroleum products and primary metals are up

On a month-over-month basis, manufacturers' prices were up 1.3%, mainly due to higher prices for gasoline and fuel oil as well as primary metal products.

Petroleum and coal products prices increased 9.6% compared to March. If petroleum and coal product prices had been excluded, the IPPI would have increased 0.5% rather than 1.3%.

Prices for primary metal products rose 6.4%, the largest increase observed since the 5.6% rise in February 2004. Strong demand, low inventories and concerns about supply pushed up prices for primary copper products (+25.0%), refined zinc products (+30.7%), primary nickel products (+20.0%), silver products (+18.8%) as well as refined gold products (+7.4%).

Prices for pulp and paper products, non-metallic mineral products as well as metal fabricated products also increased in April but to a much lesser degree.

However, prices for motor vehicles and other transport equipment were down 0.6% from March, due primarily to a stronger Canadian dollar. Lumber and other wood products decreased 1.0% from March to April, mainly due to an ample supply of softwood lumber. Prices for chemical products declined 1.1% as lower prices were recorded for synthetic resins.

Prices for meat, fish and dairy products, fruit, vegetable and feed products as well as machinery and equipment also declined in April.



### IPPI: Petroleum and primary metal products continue to be the major factors in the 12-month change

On a 12-month basis, the IPPI was up 2.2% in April, an increase from the year-over-year change of 1.2% in March.

Prices for petroleum and coal products rose 19.5% from April 2005, up from March's increase of 11.8%. If petroleum and coal product prices had been excluded, the IPPI would have increased 0.5%, rather than 2.2% from a year ago.

Prices for primary metal products were up 12.2% compared to a year ago. Significantly high prices on a year-over-year basis were observed for copper products (+65.0%) and refined zinc products (+124.5%). Prices for aluminum (+12.4%), silver (+56.6%) and gold (+31.0%) products also contributed to the annual increase.

Chemical products increased 2.3%, due to higher prices for inorganic industrial chemicals. Prices were also higher than one year ago for rubber, leather and plastic fabricated products, non-metallic mineral products, fruit, vegetable and feed products, tobacco products and furniture and fixtures.

On the other hand, lumber and other wood products declined 6.2% from April 2005 to April 2006, as year-over-year decreases were recorded for softwood lumber (-9.4%), particleboard (-9.9%) and pulpwood chips (-8.0%).

Motor vehicles and other transport equipment prices were down 5.1% from a year ago, mainly as a result of a stronger Canadian dollar.

Prices for pulp and paper products, meat, fish and dairy products as well as electrical and communication products were also down from a year ago.

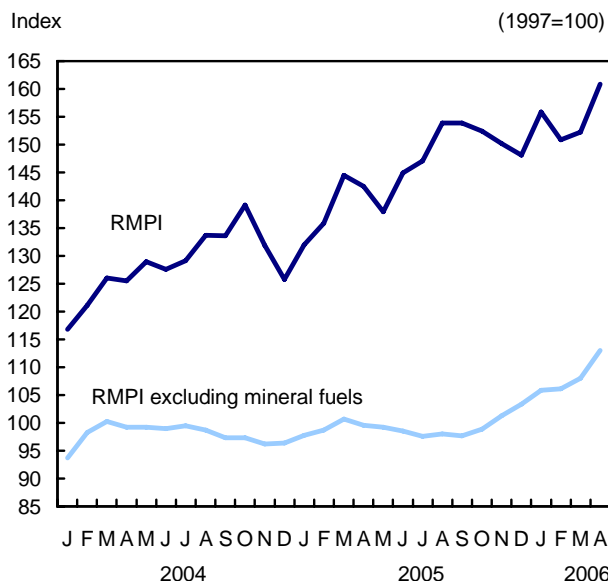
### RMPI: Crude oil and non-ferrous metals push up raw materials prices

On a monthly basis, raw materials prices rose 5.7% in April, following an increase of 0.9% in March. Mineral fuels increased 6.8% compared to March. Prices for crude oil were up by 10.4%, mainly due to increased concerns over supply.

Non-ferrous metals prices rose 15.6%, the largest monthly increase since the peak of 9.6% reached in February 2004. High demand, especially from China, and limited supply pushed up prices for zinc (+31.2%), copper (+25.4%), nickel (+19.9%), silver (+18.8%) and gold (+7.4%).

Prices for ferrous materials, vegetable products and wood products also increased in April but to a lesser degree.

### Raw materials prices are up again



Prices for animal and animal products fell 2.3% as decreases were registered for unprocessed whole milk, hogs for slaughter and cattle for slaughter.

On a 12-month basis, the price of raw materials rose 12.9% in April, a significant increase from the 5.3% year-over-year gain in March.

Mineral fuels were up 12.4% with crude oil prices rising 12.9% and natural gas prices increasing 10.0% from a year ago. If mineral fuels had been excluded, the RMPI would have increased 13.5% instead of rising 12.9%.

Prices for non-ferrous metals rose 61.3%, mainly because of higher prices for zinc, radio-active concentrates, copper, gold and silver. Prices for vegetable products and non-metallic minerals were also up from a year ago.

On the other hand, prices for ferrous materials, wood products as well as animal and animal products were down compared to April 2005.

### Impact of the exchange rate

Between March and April, the value of the Canadian dollar against the US dollar was up 1.2%. As a result, the total IPPI excluding the effect of the exchange rate would have risen 1.7% instead of its actual increase of 1.3%.

On a 12-month basis, the value of the Canadian dollar rose 8.1% against the US dollar. If the impact of the exchange rate had been excluded, producer prices would have risen 4.3% between April 2005 and April 2006, rather than their actual increase of 2.2%.

---

### Higher prices for intermediate goods

Prices for intermediate goods increased 1.6% from March. Higher prices for petroleum products, primary metal products, pulp and paper products as well as beverages were the major contributors to this monthly rise.

These increases were partly offset by lower prices for chemical products, lumber products, meat, fish and dairy products and fruit, vegetable and feed products.

Producers of intermediate goods received 3.5% more for their goods in April 2006 than in April 2005. Higher prices were registered for petroleum products, primary metal products, rubber, leather and plastic fabricated products, chemical products and non-metallic mineral products.

These increases were partly offset by lower prices for lumber products, pulp and paper products, motor vehicles, meat, fish and dairy products and fruit, vegetable and feed products.

### Finished goods prices increase

On a monthly basis, prices for finished goods were up 0.6% from March. Higher prices for petroleum products, pulp and paper products and metal fabricated products were the major contributors to this monthly rise.

These increases were partly offset by lower prices for motor vehicles and electrical and communication products.

Compared with April 2005, prices for finished goods remained unchanged. Higher prices for petroleum products, tobacco products, chemical products, fruit, vegetable and feed products, furniture and fixtures and rubber, leather and plastic fabricated products were offset by lower prices for motor vehicles, electrical and communication products, lumber products, machinery and equipment and meat, fish and dairy products.

**Available on CANSIM: tables 329-0038 to 329-0049 and 330-0006.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2306 and 2318.**

The April 2006 issue of *Industry Price Indexes* (62-011-XIE, free, 62-011-XPE, \$24/\$233) will be available soon.

The industrial product and raw material price indexes for May will be released on June 29.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Client Services Unit (613-951-9606, fax: 613-951-1539, [infounit@statcan.ca](mailto:infounit@statcan.ca)) or Danielle Gouin (613-951-3375, [danielle.gouin@statcan.ca](mailto:danielle.gouin@statcan.ca)), Prices Division.

□

## Industrial product price indexes (1997=100)

	Relative importance	April 2005	March 2006 <sup>r</sup>	April 2006 <sup>p</sup>	April 2005 to April 2006	March to April 2006
					% change	
<b>Industrial product price index (IPPI)</b>	<b>100.00</b>	<b>111.5</b>	<b>112.4</b>	<b>113.9</b>	<b>2.2</b>	<b>1.3</b>
<b>IPPI excluding petroleum and coal products</b>	<b>94.32</b>	<b>107.1</b>	<b>107.1</b>	<b>107.6</b>	<b>0.5</b>	<b>0.5</b>
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	5.78	107.8	106.8	106.3	-1.4	-0.5
Fruit, vegetables, feeds and other food products	5.99	102.7	104.1	103.9	1.2	-0.2
Beverages	1.57	121.4	122.0	122.1	0.6	0.1
Tobacco and tobacco products	0.63	178.0	187.9	187.9	5.6	0.0
Rubber, leather and plastic fabricated products	3.30	113.1	118.6	118.4	4.7	-0.2
Textile products	1.58	99.8	100.3	100.2	0.4	-0.1
Knitted products and clothing	1.51	104.5	104.7	104.9	0.4	0.2
Lumber and other wood products	6.30	95.4	90.4	89.5	-6.2	-1.0
Furniture and fixtures	1.59	113.8	117.4	117.4	3.2	0.0
Pulp and paper products	7.23	105.7	103.5	104.3	-1.3	0.8
Printing and publishing	1.70	115.5	115.8	115.6	0.1	-0.2
Primary metal products	7.80	119.3	125.8	133.8	12.2	6.4
Metal fabricated products	4.11	122.3	121.9	122.2	-0.1	0.2
Machinery and equipment	5.48	107.2	107.3	107.0	-0.2	-0.3
Motor vehicles and other transport equipment	22.16	97.9	93.5	92.9	-5.1	-0.6
Electrical and communications products	5.77	94.1	93.4	93.2	-1.0	-0.2
Non-metallic mineral products	1.98	114.6	118.8	119.2	4.0	0.3
Petroleum and coal products <sup>1</sup>	5.68	192.8	210.1	230.3	19.5	9.6
Chemicals and chemical products	7.07	119.5	123.7	122.3	2.3	-1.1
Miscellaneous manufactured products	2.40	110.9	112.4	113.2	2.1	0.7
Miscellaneous non-manufactured products	0.38	146.9	213.9	221.1	50.5	3.4
<b>Intermediate goods<sup>2</sup></b>	<b>60.14</b>	<b>113.1</b>	<b>115.2</b>	<b>117.1</b>	<b>3.5</b>	<b>1.6</b>
First-stage intermediate goods <sup>3</sup>	7.71	125.1	130.6	136.2	8.9	4.3
Second-stage intermediate goods <sup>4</sup>	52.43	111.3	112.8	114.2	2.6	1.2
<b>Finished goods<sup>5</sup></b>	<b>39.86</b>	<b>109.1</b>	<b>108.4</b>	<b>109.1</b>	<b>0.0</b>	<b>0.6</b>
Finished foods and feeds	8.50	112.3	113.1	113.0	0.6	-0.1
Capital equipment	11.73	103.1	100.9	100.4	-2.6	-0.5
All other finished goods	19.63	111.4	110.8	112.6	1.1	1.6

<sup>r</sup> revised<sup>p</sup> preliminary

1. This index is estimated for the current month.

2. Intermediate goods are goods used principally to produce other goods.

3. First-stage intermediate goods are items used most frequently to produce other intermediate goods.

4. Second-stage intermediate goods are items most commonly used to produce final goods.

5. Finished goods are goods most commonly used for immediate consumption or for capital investment.

## Raw materials price indexes (1997=100)

	Relative importance	April 2005	March 2006 <sup>r</sup>	April 2006 <sup>p</sup>	April 2005 to April 2006	March to April 2006
					% change	
<b>Raw materials price index (RMPI)</b>	<b>100.00</b>	<b>142.5</b>	<b>152.2</b>	<b>160.9</b>	<b>12.9</b>	<b>5.7</b>
Mineral fuels	35.16	235.4	247.7	264.5	12.4	6.8
Vegetable products	10.28	80.5	82.0	83.0	3.1	1.2
Animals and animal products	20.30	104.6	104.9	102.5	-2.0	-2.3
Wood	15.60	77.8	74.2	74.9	-3.7	0.9
Ferrous materials	3.36	136.0	120.3	122.5	-9.9	1.8
Non-ferrous metals	12.93	115.0	160.5	185.5	61.3	15.6
Non-metallic minerals	2.38	134.8	141.0	141.0	4.6	0.0
<b>RMPI excluding mineral fuels</b>	<b>64.84</b>	<b>99.6</b>	<b>108.0</b>	<b>113.0</b>	<b>13.5</b>	<b>4.6</b>

<sup>r</sup> revised<sup>p</sup> preliminary

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## Employment Insurance

March 2006 (preliminary)

An estimated 502,710 Canadians received regular Employment Insurance benefits in March (seasonally adjusted), virtually unchanged from February.

Increases in Quebec (+0.5%) and Ontario (+0.7%) were offset by decreases in the western provinces. Alberta and British Columbia have posted declines for seven consecutive months. At the national level, the number of regular beneficiaries fell by 4.9% from March of last year and has decreased by 10% in the last four years.

Regular benefit payments in March totalled \$670.5 million, while 223,260 people made initial and renewal claims.

**Note:** With this release, the annual revision to the seasonally adjusted series has been completed back to January 2003. Employment Insurance Statistics Program data are produced from an administrative data source and may, from time to time, be affected by changes to the *Employment Insurance Act* or administrative procedures.

The number of beneficiaries for this month is a measure of all persons who received Employment Insurance benefits from the 12th to the 18th of the month. This coincides with the reference week of the Labour Force Survey. The regular benefit payments figure measures the total of all monies paid to individuals from the 1st to the end of the month.

**Available on CANSIM: tables 276-0001 to 276-0006, 276-0009, 276-0011, 276-0015 and 276-0016.**

**Definitions, data sources and methods: survey number 2604.**

Data on Employment Insurance for April will be released on June 27.

For general information or to order data, contact Client Services (613-951-4090; 1-866-873-8788; [labour@statcan.ca](mailto:labour@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Gilles Groleau (613-951-4091), Labour Statistics Division. □

## Employment Insurance statistics

	March 2006	February 2006	March 2005	February to March 2006	March 2005 to March 2006
Seasonally adjusted					
				% change	
Regular beneficiaries	502,710 <sup>P</sup>	502,500 <sup>r</sup>	528,340	0.0	-4.9
Regular benefits paid (\$ millions)	670.5 <sup>P</sup>	689.9 <sup>r</sup>	720.4	-2.8	-6.9
Initial and renewal claims received ('000)	223.3 <sup>P</sup>	217.1 <sup>r</sup>	255.9	2.8	-12.8
Unadjusted					
All beneficiaries ('000) <sup>1</sup>	930.3 <sup>P</sup>	944.8 <sup>P</sup>	974.1		
Regular beneficiaries ('000)	637.4 <sup>P</sup>	644.0 <sup>P</sup>	669.6		
Initial and renewal claims received ('000)	197.8	171.4	219.1		
Payments (\$ millions)	1,338.5	1,416.5	1,334.2		
Year-to-date (January to March)					
			2006	2005	2005 to 2006
					% change
Claims received ('000)			699.9	745.1	-6.1
Payments (\$ millions)			4,374.3	4,376.2	0.0

<sup>r</sup> revised

<sup>P</sup> preliminary

1. "All beneficiaries" includes all claimants receiving regular benefits (for example, as a result of layoff) or special benefits (for example, as a result of illness) and are representative of data for the Labour Force Survey reference week which is usually the week containing the 15th of the month.

## Number of beneficiaries receiving regular benefits

	March 2006 <sup>P</sup>	February to March 2006	March 2005 to March 2006
Seasonally adjusted			
			% change
<b>Canada</b>	<b>502,710</b>	<b>0.0</b>	<b>-4.9</b>
Newfoundland and Labrador	38,540	-0.3	2.8
Prince Edward Island	7,870	0.5	-4.3
Nova Scotia	28,590	0.2	-6.6
New Brunswick	33,000	-0.2	-5.3
Quebec	176,910	0.5	-0.6
Ontario	131,230	0.7	-1.9
Manitoba	10,950	-1.7	-14.5
Saskatchewan	9,530	-3.6	-17.8
Alberta	18,720	-2.0	-22.3
British Columbia	44,150	-1.1	-15.8
Yukon	850	0.0	-4.5
Northwest Territories	780	1.3	6.8
Nunavut	400	-2.4	0.0

<sup>P</sup> preliminary

**Note:** The number of beneficiaries includes all claimants who received regular benefits for the Labour Force Survey reference week, usually containing the 15th day of the month.

## Restaurants, caterers and taverns

March 2006 (preliminary)

Total estimated sales of the restaurants, caterers and taverns industry reached \$3.3 billion in March, an 8.0%

increase over March 2005. (Data are neither seasonally adjusted, nor adjusted for inflation). Favourable economic conditions and particularly mild weather in

March are amongst the factors that have contributed to this result.

The largest year-over-year increases, at the provincial level, were recorded in Saskatchewan (+15.3%), Alberta (+11.8%), British Columbia (+10.8%) and Quebec (+9.2%). Ontario, which has the largest provincial share of the industry in Canada with 39% of the food service industry sales in March 2006, recorded a year-over-year increase of 5.2%.

The year-over-year increase in sales, at the national level, was due to higher sales at limited service (+10.0%) and full service restaurants (+9.8%). These two sectors accounted for 86% of industry sales in March. Food service contractors also did well

(+13.7%) and accounted for 6.4% of the industry sales in March 2006.

**Available on CANSIM: table 355-0001.**

**Definitions, data sources and methods: survey number 2419.**

For more information, to enquire about the concepts, methods or data quality, or to obtain the new methodology paper about the survey, contact Alain Mbassegue (613-951-2011; fax: 613-951-6696, [alain.mbassegue@statcan.ca](mailto:alain.mbassegue@statcan.ca)), Service Industries Division.

## Food services sales

	March 2005 <sup>r</sup>	February 2006 <sup>r</sup>	March 2006 <sup>p</sup>	March 2005 to March 2006
not seasonally adjusted				
	\$ thousands			% change
<b>Total, food services sales</b>	<b>3,016,480</b>	<b>2,865,271</b>	<b>3,257,171</b>	<b>8.0</b>
Full service restaurants	1,401,079	1,361,807	1,538,253	9.8
Limited service restaurants	1,135,146	1,070,467	1,248,292	10.0
Food service contractors	184,226	188,306	209,393	13.7
Social and mobile caterers	54,493	54,000	52,858	-3.0
Drinking places	241,536	190,691	208,375	-13.7
<b>Provinces and territories</b>				
Newfoundland and Labrador	36,847	30,312	36,396	-1.2
Prince Edward Island	10,610	9,886	11,432	7.7
Nova Scotia	67,745	59,987	74,238	9.6
New Brunswick	55,082	49,253	56,322	2.3
Quebec	607,046	596,749	662,960	9.2
Ontario	1,198,278	1,116,331	1,260,821	5.2
Manitoba	76,505	71,937	80,723	5.5
Saskatchewan	71,856	69,871	82,848	15.3
Alberta	376,390	370,874	420,785	11.8
British Columbia	505,898	481,316	560,331	10.8
Yukon	2,463	2,056	2,515	2.1
Northwest Territories	7,301	6,471	7,399	1.3
Nunavut	457	226	401	-12.3

<sup>r</sup> revised

<sup>p</sup> preliminary



## Computer and peripherals price indexes

March 2006

The computer and peripherals price indexes (2001=100) are now available for March.

The index for commercial computers declined 1.1% from February to 37.4. The index for consumer computers fell 1.5% to 20.2.

In the case of computer peripherals, monitor prices declined 0.5% to 62.7 and printer prices declined 0.8% to 52.1.

These indexes are available at the Canada level only.

**Available on CANSIM: tables 331-0001 and 331-0002.**

**Definitions, data sources and methods: survey number 5032.**

For more information on these indexes, contact Client Services (1-866-230-2248; 613-951-9606; [infounit@statcan.ca](mailto:infounit@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Fred

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Barzyk (613-951-2493; [fred.barzyk@statcan.ca](mailto:fred.barzyk@statcan.ca)), Prices Division. ■

## **Aircraft movement statistics: Major airports**

March 2006

The activity at major Canadian airports picked up in March 2006, but remained well below the peak reached in 1999. In March 2006, the 98 Canadian airports with NAV CANADA air traffic control towers or flight service stations reported 466,697 aircraft take-offs and landings, an increase of 3.4% compared to March 2005 (451,442 movements). However, the level of aircraft movement activity was 15.6% lower than the 552,829 take-offs and landings observed in March 1999.

Itinerant movements (flights from one airport to another), accounting for 71% of the movements at these airports, were 11.5% lower compared to the March 1999 level, while local movements (flights that remain in the vicinity of the airport), accounting for the remaining 29%, were 24.0% lower compared to March 1999.

The March 2006 monthly report, Vol. 1 (TP141, free) is available on Transport Canada's website at the following URL (<http://www.tc.gc.ca/pol/en/Report/tp141e/tp141.htm>).

**Note:** The TP 141 monthly report is issued in two volumes. Volume 1 presents statistics for the major Canadian airports (i.e., those with NAV CANADA air traffic control towers or flight service stations). Volume 2 presents statistics for the smaller airports (i.e., those without air traffic control towers). Both volumes are available free upon release on Transport Canada's website.

## **Definitions, data sources and methods: survey number 2715.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; ([aviationstatistics@statcan.ca](mailto:aviationstatistics@statcan.ca)), Transportation Division. ■

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Statistics Canada

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• <b>Productivity, hourly compensation and unit labour cost, 1995</b>	4
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