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Releases

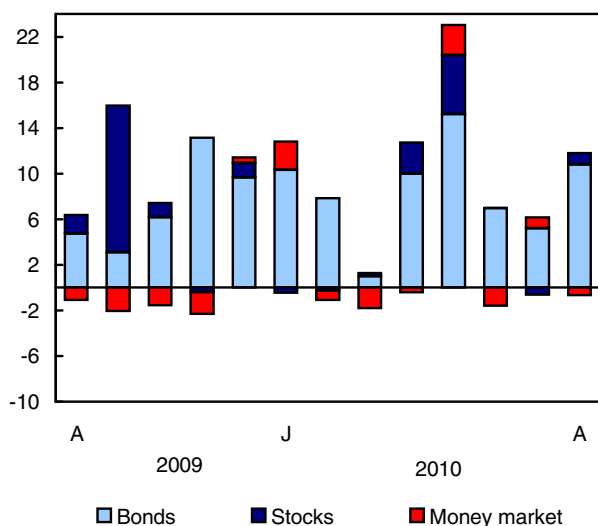
Canada's international transactions in securities

August 2010

Cross-border financial activity in securities in August extended the trend of significant foreign investment in Canadian bonds and moderate Canadian investment in foreign equities that has been evident over most of the last 20 months. Non-residents purchased \$11.1 billion of Canadian securities in August with the majority of the investment going to corporate and government business enterprise bonds. Meanwhile, Canadians acquired \$3.4 billion of foreign securities, led by foreign stocks.

Foreign portfolio investment in Canadian securities

\$ billions



Non-residents favour Canadian corporate bonds

Non-residents invested \$10.8 billion in Canadian bonds in August, the second largest inflow in 2010. Canadian private corporate bonds attracted \$5.3 billion of foreign inflows, a level last seen in November 2009. Foreign acquisitions of net new issues accounted for nearly 60% of these inflows, led by bonds of resources

Note to readers

All values in this release are net transactions unless otherwise stated.

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.

Government of Canada paper includes treasury bills and US-dollar Canada bills.

and transportation firms offering attractive yields. In addition, non-residents continued to acquire sizeable amounts of Canadian mortgage bonds on secondary markets.

Foreign investors purchased \$3.2 billion worth of federal government enterprise bonds in August, the highest level since May 2009. Foreign inflows were almost equally split between net new issues and secondary market transactions.

Foreign purchases of both federal and provincial government bonds were lower in August. Over the month, Canadian long-term interest rates dropped to their lowest level since December 2008.

Non-residents reduced their holdings of Canadian money market instruments by \$705 million. The divestment was concentrated on paper issued by provinces and federal government enterprises, mainly due to retirements. Foreign investment in federal government paper slowed to \$404 million in August.

Foreign investment in Canadian stocks increases

Non-residents acquired \$995 million of Canadian stocks in August, driven by an increase in foreign purchases on secondary markets as Canadian stock prices rose 1.7%. This inflow was moderated by retirements of Canadian equities due to cross-border mergers and acquisitions.

Canadian investment in US stocks accelerates

Canadian investors added \$2.5 billion of foreign stocks to their portfolios in August, the largest such outflow since March. The activity was led again by pension and mutual funds. Of the investment, three-quarters were directed to US stocks, making for the 10th month of acquisitions of these instruments, even as American equity prices retreated 4.7% in August. The balance of the Canadian investment comprised acquisitions of non-US stocks, following a sizeable divestment in July.

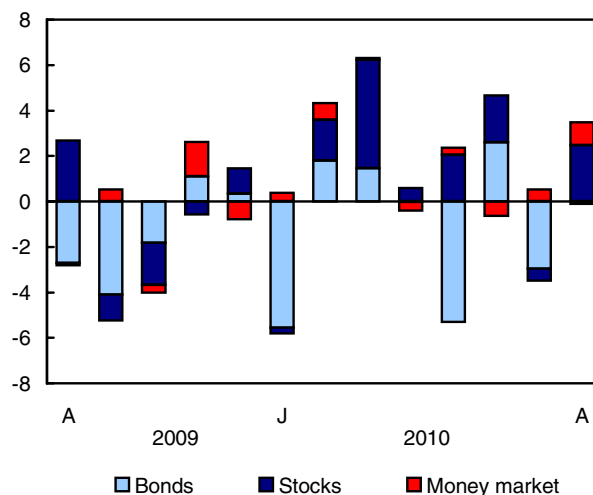
Canadians place funds in foreign short-term debt instruments

Canadians acquired \$1.0 billion of foreign money market instruments in August. This activity was the largest in nine months and focussed on US Treasury bills. The differential between long- and short-term US interest rates fell substantially in August as long-term rates dropped 50 basis points.

Residents further reduced their holdings of foreign bonds in August by \$109 million. The divestment was in US bonds, mostly US corporate bonds, due to retirements of maple bonds (the Canadian dollar-denominated foreign bonds). On the other hand, Canadians added bonds issued by European banks.

Canadian portfolio investment in foreign securities¹

\$ billions



1. 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 number 1535.

The August 2010 issue of *Canada's International Transactions in Securities* (67-002-X, free) will soon be available.

Data on Canada's international transactions in securities for September will be released on November 18.

For more information, or to order data, contact Client Services (613-951-1855; infobalance@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact Yiling Zhang (613-951-2057; yiling.zhang@statcan.gc.ca), Balance of Payments Division.

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Canada's international transactions in securities

	June 2010	July 2010	August 2010	January to August 2009	January to August 2010
	Cumulative transactions				
	\$ millions				
Foreign investment in Canadian securities	5,402	5,508	11,090	68,944	75,749
Bonds (net)	6,970	5,198	10,801	51,913	67,346
Outstanding	6,568	4,626	5,190	21,713	51,498
New issues	8,735	2,782	5,808	53,228	39,517
Retirements	-6,044	-2,893	-1,437	-24,458	-25,379
Change in interest payable ¹	-2,290	683	1,240	1,430	1,710
Money market paper (net)	-1,616	966	-705	5,722	619
Government of Canada	-2,196	1,575	404	7,894	3,401
Other	580	-609	-1,110	-2,172	-2,782
Stocks (net)	48	-655	995	11,309	7,784
Outstanding	56	-536	1,178	9,606	6,191
Other transactions	-7	-119	-183	1,703	1,593
Canadian investment in foreign securities	-4,008	2,987	-3,384	-14,739	-6,817
Bonds (net)	-2,596	2,960	109	4,559	8,080
Money market paper (net)	650	-519	-1,013	-977	-1,984
Stocks (net)	-2,061	546	-2,480	-18,321	-12,914

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.

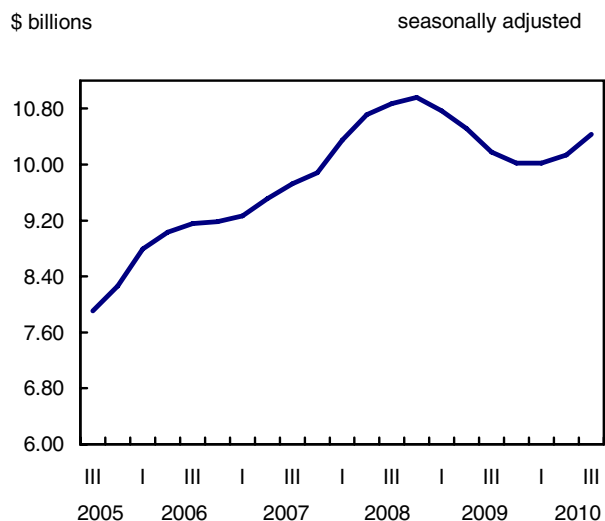
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Investment in non-residential building construction

Third quarter 2010

Investment in non-residential building construction reached \$10.4 billion in the third quarter, a 2.9% increase from the second quarter and the third consecutive quarterly gain. The increase was mainly the result of higher spending on commercial and industrial buildings.

Investment increases in non-residential building construction



In the third quarter, investment fell in two provinces: Saskatchewan and Alberta. In Saskatchewan, the decline was due to lower spending in the industrial and institutional components, while, in Alberta, it was due to lower institutional spending.

Ontario had the largest increase, mainly as a result of higher spending on commercial and industrial building construction.

Locally, 21 of the 34 census metropolitan areas recorded gains. The largest gain was in Toronto, where investment rose 7.5% to \$1.8 billion, mainly as a result of increased spending in the commercial component.

The largest decline was in Barrie and was attributable to decreased spending in the institutional and industrial components.

Note to readers

All data in this release are seasonally adjusted and expressed in current dollars unless otherwise specified.

Investments in non-residential building construction exclude engineering construction. This series is based on the Building Permits Survey of municipalities, which collects information on construction intentions.

Work put-in-place patterns are assigned to each type of structure (industrial, commercial and institutional). These work patterns are used to distribute the value of building permits according to project length. Work put-in-place patterns differ according to the value of the construction project; a project worth several million dollars will usually take longer to complete than will a project of a few hundred thousand dollars.

Additional data from the capital and repair expenditures surveys are used to create this investment series. Investments in non-residential building data are benchmarked to Statistics Canada's System of National Accounts of non-residential building investment series.

For the purpose of this release, the census metropolitan area of Ottawa-Gatineau (Ontario/Quebec) is divided into two areas: the Ottawa part and the Gatineau part.

Commercial component

Investors put \$5.9 billion into commercial projects, up 4.1% from the second quarter, the third consecutive quarterly gain.

The third quarter increase was the result of higher spending on transportation and recreational buildings, especially in Ontario and Alberta.

Overall, commercial investment rose in eight provinces. The largest increase occurred in Ontario, where investment rose 7.2% to \$2.4 billion.

British Columbia had the largest decline, mainly as a result of lower spending in several commercial construction categories.

Industrial component

Investment in the industrial component increased 4.3% to \$1.1 billion in the third quarter. It was the second quarterly increase in a row following seven consecutive quarters of declines.

The third quarter gain was due to higher investment in the construction of primary industry buildings in eight provinces and the construction of utilities buildings in six provinces.

Provincially, the most substantial contributions to the quarterly increase came from Ontario, where investment rose 7.3% to \$453 million, and from Alberta, where it was up 6.5% to \$237 million.

In contrast, Saskatchewan recorded the largest decline, mostly as a result of lower investment in manufacturing plants.

Institutional component

After two quarters of declines, investment in institutional construction edged up 0.4% in the third quarter to \$3.4 billion. The biggest contributing factor was higher spending on educational facilities in nine provinces.

The largest increases were in Ontario and Quebec, both of which recorded higher spending in the construction of educational facilities.

In contrast, Alberta had the largest decline, mainly the result of lower spending in the construction of health care facilities and government buildings.

Available on CANSIM: table 026-0016.

Definitions, data sources and methods: survey number 5014.

More detailed data on investment in non-residential building construction are also available in free tables online from the *Key resource* module of our website under *Summary tables*.

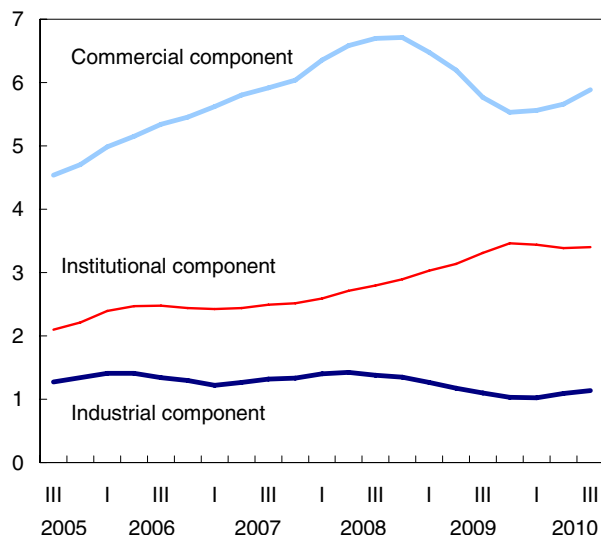
For more information, or to enquire about the concepts, methods or data quality of this release, contact Don Overton (613-951-1239; bdp_information@statcan.gc.ca), Investment and Capital Stock Division.

□

Commercial, institutional and industrial components

\$ billions

seasonally adjusted



Investment in non-residential building construction, by census metropolitan area¹

	Third quarter 2009	Second quarter 2010	Third quarter 2010	Second quarter to third quarter 2010	Third quarter 2009 to third quarter 2010
Seasonally adjusted					
	\$ millions			% change	
Total	7,760	7,547	7,819	3.6	0.8
St. John's	45	41	49	17.7	7.8
Halifax	93	101	105	3.8	12.7
Moncton	41	46	51	11.5	24.6
Saint John	50	43	42	-4.0	-17.5
Saguenay	72	48	52	7.4	-27.5
Québec	264	220	217	-1.2	-17.7
Sherbrooke	44	48	59	22.4	35.1
Trois-Rivières	49	49	43	-11.7	-12.6
Montréal	796	851	881	3.5	10.7
Ottawa-Gatineau, Ontario/Quebec	380	394	388	-1.5	2.1
Gatineau part	79	65	52	-19.1	-33.4
Ottawa part	301	329	336	1.9	11.4
Kingston	60	52	48	-8.1	-20.5
Peterborough	23	32	33	3.7	45.3
Oshawa	98	100	106	6.4	8.8
Toronto	1,713	1,670	1,796	7.5	4.8
Hamilton	238	220	234	6.4	-1.9
St. Catharines-Niagara	68	88	108	22.0	59.6
Kitchener-Cambridge-Waterloo	196	240	272	13.1	38.9
Brantford	33	34	34	-1.2	2.8
Guelph	39	51	50	-2.0	28.1
London	140	120	141	17.2	0.6
Windsor	51	76	91	20.1	77.7
Barrie	131	103	87	-15.3	-33.7
Greater Sudbury	53	63	64	0.5	20.2
Thunder Bay	28	19	25	31.0	-10.2
Winnipeg	148	143	148	3.2	0.2
Regina	88	99	101	2.1	14.9
Saskatoon	176	149	155	3.6	-11.9
Calgary	1,056	963	953	-1.0	-9.7
Edmonton	701	654	650	-0.6	-7.2
Kelowna	84	122	113	-7.5	33.6
Abbotsford-Mission	35	23	21	-10.8	-39.9
Vancouver	642	545	580	6.4	-9.6
Victoria	126	136	122	-10.1	-2.7

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

Note: Data may not add up to totals as a result of rounding.

Investment in non-residential building construction, by building type, by province and territory

	Third quarter 2009	Second quarter 2010	Third quarter 2010	Second quarter to third quarter 2010	Third quarter 2009 to third quarter 2010
Seasonally adjusted					
	\$ millions			% change	
Canada					
Total non-residential	10,175	10,135	10,428	2.9	2.5
Industrial	1,099	1,089	1,136	4.3	3.4
Institutional	3,310	3,389	3,403	0.4	2.8
Commercial	5,766	5,657	5,890	4.1	2.2
Newfoundland and Labrador					
Total non-residential	72	69	84	22.6	17.1
Industrial	5	4	9	111.7	103.1
Institutional	20	26	26	0.5	29.6
Commercial	47	38	48	27.3	3.1
Prince Edward Island					
Total non-residential	32	21	24	11.9	-25.4
Industrial	8	2	5	88.5	-41.2
Institutional	9	7	8	16.8	-1.2
Commercial	15	11	11	-7.3	-30.9
Nova Scotia					
Total non-residential	161	184	205	11.1	27.1
Industrial	19	21	25	20.0	32.4
Institutional	61	64	74	16.5	22.1
Commercial	82	100	106	5.8	29.7
New Brunswick					
Total non-residential	167	173	183	5.6	9.5
Industrial	22	18	15	-15.7	-32.1
Institutional	59	84	95	13.0	61.2
Commercial	86	71	73	2.1	-15.2
Quebec					
Total non-residential	1,763	1,782	1,812	1.7	2.8
Industrial	240	251	244	-3.1	1.3
Institutional	571	528	544	3.2	-4.6
Commercial	952	1,003	1,024	2.1	7.5
Ontario					
Total non-residential	3,777	3,894	4,105	5.4	8.7
Industrial	376	422	453	7.3	20.4
Institutional	1,295	1,242	1,260	1.5	-2.7
Commercial	2,106	2,230	2,391	7.2	13.5

Note: Data may not add up to totals as a result of rounding.

Investment in non-residential building construction, by building type, by province and territory

	Third quarter 2009	Second quarter 2010	Third quarter 2010	Second quarter to third quarter 2010	Third quarter 2009 to third quarter 2010
Seasonally adjusted					
	\$ millions		% change		
Manitoba					
Total non-residential	216	208	221	6.1	2.2
Industrial	28	19	24	24.3	-14.7
Institutional	68	53	60	13.6	-11.6
Commercial	120	136	137	0.5	13.9
Saskatchewan					
Total non-residential	369	371	367	-1.0	-0.6
Industrial	73	60	48	-20.6	-34.7
Institutional	130	135	128	-5.4	-2.0
Commercial	165	175	191	9.1	15.6
Alberta					
Total non-residential	2,390	2,229	2,228	-0.1	-6.8
Industrial	242	223	237	6.5	-1.7
Institutional	738	826	777	-6.0	5.3
Commercial	1,410	1,179	1,213	2.8	-14.0
British Columbia					
Total non-residential	1,172	1,118	1,123	0.5	-4.2
Industrial	82	59	68	15.7	-16.8
Institutional	338	390	399	2.3	18.0
Commercial	752	670	657	-1.9	-12.7
Yukon					
Total non-residential	12	32	28	-13.4	131.9
Industrial	3	7	6	-3.8	108.9
Institutional	5	9	9	1.0	103.7
Commercial	4	16	12	-25.6	177.7
Northwest Territories					
Total non-residential	38	39	34	-13.4	-10.5
Industrial	1	1	1	-12.6	68.8
Institutional	16	20	16	-19.0	-0.6
Commercial	21	18	17	-7.3	-20.5
Nunavut					
Total non-residential	7	15	17	13.1	140.8
Industrial	0	1	0	-45.2	23.9
Institutional	2	6	5	-3.1	223.6
Commercial	5	9	11	26.9	119.0

Note: Data may not add up to totals as a result of rounding.



Study: Productivity trends of unincorporated enterprises in the Canadian economy

1987 to 2005

Between 1987 and 2005, the level of labour productivity in the unincorporated sector, which consists mainly of small, self-employed businesses, was significantly lower than it was for corporations.

In 2005, output per hour worked in the unincorporated sector was \$23.20, about 53% of the \$43.40 in output per hour worked in the corporate sector. In 1987, the proportion was 54%, and in 1997, 48%.

The number of unincorporated self-employed grew by 2.7% a year between 1987 and 1999. Between 2000 and 2005, it declined by 0.5% a year.

From 1990 to 1997, 53% of job growth in the whole economy came from the unincorporated sector. In contrast, unincorporated self-employment actually declined during the post-2000 period. In 2005, more than 1.5 million self-employed were unincorporated.

Unincorporated enterprises were typically smaller than those in the corporate sector and used less capital per worker. In 2002, the typical Canadian corporation employed eight times as many workers as the average unincorporated firm, and had about twice the capital per worker. Owners of unincorporated enterprises, excluding health and professional services, also had less educational attainment than managers in general.

The difference between the unincorporated and the corporate sectors was much more pronounced for goods-producing industries than for services. In 2005, output per hour worked in the goods-producing unincorporated sector was one-third of that in the goods-producing corporate sector: \$21.50 per hour compared with \$63.00.

In the services industries, the difference was smaller. In 2005, gross domestic product per hour worked in the unincorporated sector approached 70% of the level in the corporate sector.

Relative growth in productivity in the unincorporated and corporate sectors differed significantly over time. From 1987 to 1997, unincorporated labour productivity fell at an annual average rate of 0.3%, while corporate productivity rose 1.3%.

Between 1997 and 2005, unincorporated productivity increased 3.2% on average a year, twice the rate of 1.5% in corporate productivity.

This change in relative growth was due less to differences in the growth of output than to differences in the growth of hours worked.

The decline in the relative productivity of the unincorporated sector in the 1990s was associated with an increase in the number of those self-employed who hired no workers. Likewise, the increase in the productivity of the unincorporated group after 2000 was associated with declines in the unincorporated self-employed with no paid workers.

Note: The research paper "Productivity Trends of Unincorporated Enterprises in the Canadian Economy, 1987 to 2005," examines the productivity growth of unincorporated enterprises between 1987 and 2005 and compares it with the productivity growth of firms in the corporate sector. Labour productivity (as measured by output per hour worked) is an indicator of the efficiency with which producers make use of labour in the production process.

The research paper "Productivity Trends of Unincorporated Enterprises in the Canadian Economy, 1987 to 2005," part of the publication *The Canadian Productivity Review* (15-206-X2010028, free), is now available from the *Key resource* module of our website under *Information for analysts and researchers*. Similar studies from the Economic Analysis Division are available at (www.statcan.gc.ca/economicanalysis).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Luke Rispoli (613-951-6407), Economic Analysis Division. ■

Small and Medium-sized Enterprises Data Warehouse

2002 to 2007

Data are now available on small and medium-sized enterprises (SMEs) in Canada through the Small and Medium-sized Enterprises Data Warehouse.

This data warehouse, which features standardized concepts and definitions of SMEs, contains a census of all such enterprises by year from 2002 to 2007. It supports custom tabulations and analysis of SMEs, by geographical areas including enterprise counts; employment; revenue; new enterprise entrants and exits; business performance (survival rates); and high growth companies (gazelles).

To avoid response burden and to minimize costs, the data warehouse is based on existing administrative data sources from Statistics Canada and the Canada Revenue Agency.

Definitions, data sources and methods: survey number 5157.

Custom tabulations are available through the Business Special Surveys and Technology Statistics Division on a cost recovery basis.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (bsstdinfo@statcan.gc.ca), Business Special Surveys and Technology Statistics Division. ■

Monthly Survey of Large Retailers

August 2010

Data from the Monthly Survey of Large Retailers are now available for August.

Available on CANSIM: table 080-0009.

Definitions, data sources and methods: survey number 5027.

A data table is also available from the *Summary Tables* module of our website.

For more information, or to order data, contact Client Services (toll-free 1-877-421-3067; 613-951-3549; retailinfo@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact Abdulelah Mohammed (613-951-7719), Distributive Trades Division. ■

New products and studies

Study: The Canadian Productivity Review:
"Productivity Trends of Unincorporated Enterprises
in the Canadian Economy, 1987 to 2005," no. 28
Catalogue number 15-206-X2010028 (PDF, free;
HTML, free)

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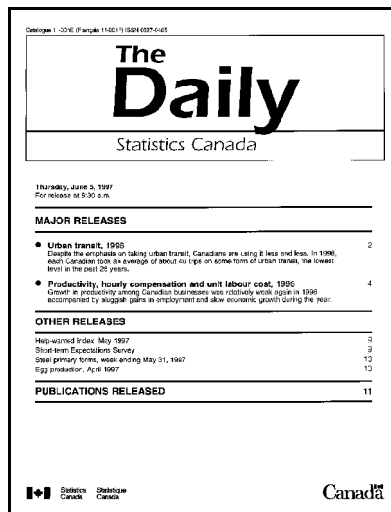
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