

The Daily

Statistics Canada

Tuesday, March 2, 2010

Released at 8:30 a.m. Eastern time

Releases

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<p>Total funds raised by domestic non-financial sectors decreased to \$235 billion (seasonally adjusted at annual rates) in the fourth quarter from \$271 billion in the third quarter. Total government borrowing and borrowing by non-financial private corporations eased in the fourth quarter while household borrowing reached \$108 billion, up from \$93 billion in the previous quarter.</p>	
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Releases

Financial flow accounts

Fourth quarter of 2009

Total funds raised by domestic non-financial sectors decreased to \$235 billion (seasonally adjusted at annual rates) in the fourth quarter from \$271 billion in the third quarter. Total government borrowing and borrowing by non-financial private corporations eased in the fourth quarter while household borrowing reached \$108 billion, up from \$93 billion in the previous quarter.

Over the last quarter of 2009, funds raised by way of bonds, mortgage and consumer credit accelerated while equity financing slowed down. There was a notable switch from equity financing to domestic fixed-income instrument financing by non-financial corporations. The federal government and corporations reduced their short-term debt with significant redemptions of short-term paper.

Rising equity prices and higher Government of Canada marketable bond yields along with stable mortgage rates highlighted financial market developments in the fourth quarter. The Standard and Poor's composite index increased almost 3%, marking the third consecutive quarterly increase and leading to a year-over-year increase of above 30%. The Canadian dollar appreciated for the fourth consecutive quarter relative to its US counterpart, closing the quarter at US 94.8 cents.

Borrowing costs were relatively stable during the fourth quarter of 2009. The 5-year conventional mortgage rate remained almost unchanged at 5.5% while average yields on Government of Canada 3-5 year bonds increased slightly in the fourth quarter. The Bank of Canada's target overnight rate remained unchanged during the quarter.

Persons and Unincorporated Businesses

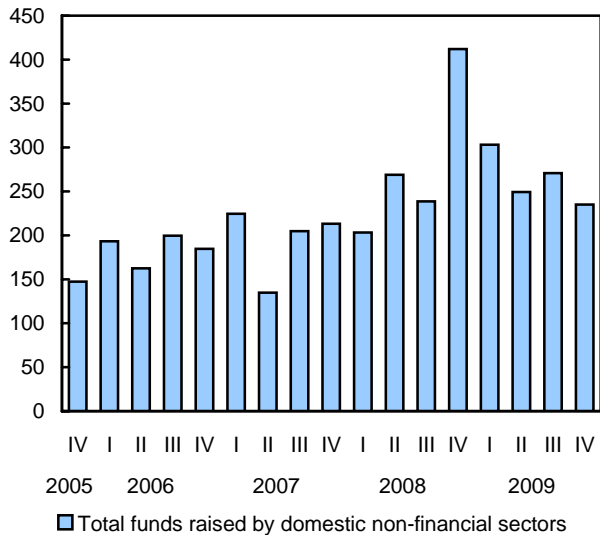
Household borrowing increased during the fourth quarter, reaching \$108 billion (seasonally adjusted at annual rates), up from \$93 billion in the previous quarter. But it remained below the peak reached in the second quarter of 2008 (\$125 billion).

Mortgage borrowing by households increased for a third consecutive quarter, reflecting higher existing home sales and renovation activity as well as an increase in new housing construction. Consumer credit rose 7% to \$43 billion during the quarter, due in part to increased spending on durable goods, particularly motor vehicles.

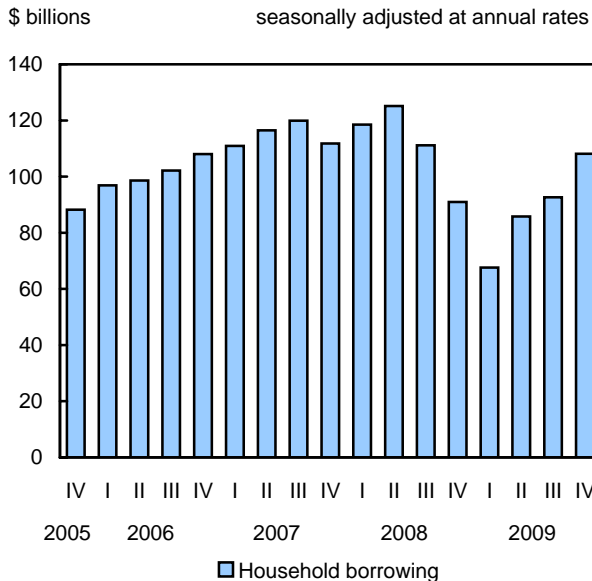
Recent increases in borrowing have been offset by lower interest rates resulting in a decrease in the household debt service ratio (interest payments as a percentage of personal disposable income) to 7.45% in the fourth quarter, from 7.98% in the fourth quarter of 2008. The debt service ratio was virtually unchanged from the third quarter.

Demand for funds decelerates

\$ billions seasonally adjusted at annual rates



Household borrowing up



Government

The overall government sector was again a net borrower from the rest of the economy. The growth of revenues outpaced that of outlays resulting in a lower net borrowing position from the third quarter of 2009.

Borrowing by all levels of government decelerated to \$98 billion in the fourth quarter (expressed at seasonally adjusted annual rates, or \$25 billion on a quarterly basis), down from \$119 billion in the third. Both provincial and federal governments raised funds largely by issuing bonds. The federal government retirement of short-term debt accelerated in the fourth quarter of 2009.

Corporations

The corporate sector remained a net lender to the rest of economy.

Equity financing of non-financial private corporations slowed in the fourth quarter, while bond issuance strengthened. Their net issuance of bonds in the fourth quarter was \$31 billion, up from \$20 billion in the third quarter. The corporate sector has used a diverse set of financing vehicles since the fourth quarter of 2008. Funds were largely raised through loans in the

fourth quarter of 2008, followed by a return to equity financing in the first three quarters of 2009, and bond issuance in the fourth quarter.

Institutional investors and financial institutions used both fixed-income instruments and equity to finance their activities.

Non-residents

Canada posted its fourth consecutive quarterly current account deficit, with the deficit decreasing from the previous quarter. Consequently, the non-resident sector continued to be a net lender in the fourth quarter of 2009, albeit at a slower pace compared to the previous quarter. Foreign investors purchased Canadian securities, especially bonds of all levels of government. Meanwhile, foreign investment in equities decelerated, while investment in short-term paper decreased. Canadian institutions increased their loans to foreigners, while institutional investors reduced portfolio investments abroad (unadjusted for seasonal variation).

Products, services and contact information

Available on CANSIM: tables 378-0015 to 378-0048.

Definitions, data sources and methods: survey number 1804.

The *National economic accounts* module, accessible from the *Key resource* section of our website, features an up-to-date portrait of national and provincial economies and their structure.

Detailed analysis on today's release, including additional tables, will soon be found in the fourth quarter 2009 issue of *Canadian Economic Accounts Quarterly Review*, Vol. 8, no. 4 (13-010-X, free) available from the *Key resource* module of our website under *Publications*.

The complete quarterly *Financial Flow Accounts: Data Tables*, fourth quarter 2009, Vol. 2, no.4 (13-020-X, free), is also now available from the *Key resource* module of our website under *Publications*.

For more information, or to enquire about the concepts, methods or data quality of this release contact the information officer (613-951-3640, iead-info-dcrd@statcan.gc.ca), Income and Expenditure Accounts Division.

□

Financial market summary table

	Third quarter 2008	Fourth quarter 2008	First quarter 2009	Second quarter 2009	Third quarter 2009	Fourth quarter 2009	2008	2009
Seasonally adjusted at annual rates								
\$ millions								
Funds raised								
Persons and unincorporated business	111,152	90,940	67,600	85,804	92,624	108,156	111,441	88,546
Consumer credit	30,476	22,260	23,680	34,544	40,144	43,016	30,615	35,346
Loans	10,648	9,060	-4,472	-3,952	-6,984	2,788	7,751	-3,155
Mortgages	70,028	59,620	48,392	55,212	59,464	62,352	73,075	56,355
Non-financial private corporations	70,672	58,060	27,552	51,184	58,488	33,400	68,975	42,656
Loans	29,844	50,644	-18,884	-27,732	-37,032	-15,964	23,383	-24,903
Short-term paper	-6,864	-3,568	672	-18,048	-12,604	-28,736	2,538	-14,679
Mortgages	16,992	17,368	6,484	10,400	11,784	16,596	19,007	11,316
Bonds	21,968	-8,964	16,900	56,044	19,740	31,208	11,363	30,973
Shares	8,732	2,580	22,380	30,520	76,600	30,296	12,684	39,949
Non-financial government enterprises	-2,996	-3,324	6,120	1,900	1,052	-4,884	-3,684	1,047
Loans	780	-28	688	2,464	1,060	-3,488	305	181
Short-term paper	-1,236	-532	-276	-1,472	-372	344	-540	-444
Mortgages	-4	4	-8	-4	-4	4	3	-3
Bonds	-2,536	-2,768	5,716	912	368	-1,744	-3,452	1,313
Shares	0	0	0	0	0	0	0	0
Federal government	7,192	219,972	180,804	48,828	105,832	17,396	72,109	88,215
Loans	152	144	-144	4	132	248	153	60
Short-term paper	18,940	183,124	71,968	1,240	-8,972	-46,844	65,711	4,348
Bonds	-11,900	36,704	108,980	47,584	114,672	63,992	6,245	83,807
Other levels of government	52,644	46,332	21,040	61,612	12,784	80,964	31,839	44,100
Loans	1,352	1,240	3,016	1,456	2,160	2,912	1,109	2,386
Short-term paper	32,116	30,256	-13,168	2,200	8,800	23,572	14,837	5,351
Mortgages	-4	0	4	0	0	0	0	1
Bonds	19,180	14,836	31,188	57,956	1,824	54,480	15,893	36,362
Total funds raised by domestic non-financial sectors	238,664	411,980	303,116	249,328	270,780	235,032	280,680	264,564
Consumer credit	30,476	22,260	23,680	34,544	40,144	43,016	30,615	35,346
Loans	42,776	61,060	-19,796	-27,760	-40,664	-13,504	32,701	-25,431
Short-term paper	42,956	209,280	59,196	-16,080	-13,148	-51,664	82,546	-5,424
Mortgages	87,012	76,992	54,872	65,608	71,244	78,952	92,085	67,669
Bonds	26,712	39,808	162,784	162,496	136,604	147,936	30,049	152,455
Shares	8,732	2,580	22,380	30,520	76,600	30,296	12,684	39,949

Production and disposition of tobacco products

January 2010

Canadian manufacturers produced 1.7 billion cigarettes in January, up 29.7% from the previous month. The total number of cigarettes sold decreased by 8.0% to 1.7 billion and closing inventories increased by 2.8% to 1.8 billion cigarettes in January.

Note: This survey collects data on the production of tobacco products in Canada by Canadian manufacturers and the disposition or sales of this production. It does not collect data on imported tobacco products. Therefore, sales information in this release is not a proxy for domestic consumption of tobacco products.

Available on CANSIM: table 303-0062.

Definitions, data sources and methods: survey number 2142.

The January 2010 issue of *Production and Disposition of Tobacco Products*, Vol. 39, no. 1 (32-022-X, free), is now available from the *Key resource* module of our website under *Publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; manufact@statcan.gc.ca), Manufacturing and Energy Division. ■

Investment in non-residential building construction

Fourth quarter 2009 (revised)

Following the release of the Canadian economic accounts for the fourth quarter of 2009, revised data of the investment in non-residential building for the fourth quarter are now available.

Available on CANSIM: table 026-0016.

Definitions, data sources and methods: survey number 5014.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bechir Oueriemmi, (613-951-1165; bdp_information@statcan.gc.ca), Investment and Capital Stock Division. ■

Residential construction investment

Fourth quarter 2009

Data on residential construction investment are now available for the fourth quarter.

Available on CANSIM: table 026-0013.

Definitions, data sources and methods: survey number 5016.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Nicole Charron (613-951-0087; bdp_information@statcan.gc.ca), Investment and Capital Stock Division. ■

Electric power statistics

December 2009

Data on electric power are now available for December.

Available on CANSIM: tables 127-0002 and 127-0003.

Definitions, data sources and methods: survey number 2151.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; energ@statcan.gc.ca), Manufacturing and Energy Division. ■

School board revenues and expenditures

2007

Data are now available for school board revenues and expenditures up to 2007.

Available on CANSIM: tables 478-0010 to 478-0012.

Definitions, data sources and methods: survey number 3119.

For more information, to order data, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-307-3382; 613-951-7608; fax: 613-951-9040; educationstats@statcan.gc.ca), Tourism and the Centre for Education Statistics Division. ■

New products and studies

Financial Flow Accounts: Data Tables, Fourth quarter 2009, Vol. 2, no. 4
Catalogue number 13-020-X (HTML, free)

Production and Disposition of Tobacco Products, January 2010, Vol. 39, no. 1
Catalogue number 32-022-X (PDF, free; HTML, free)

Income Research Paper Series : User's Guide for Cross-Sectional Public-Use Microdata File: Survey of Labour and Income Dynamics (SLID), 2007, no. 1
Catalogue number 75F0002M2010001 (PDF, free; HTML, free)

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Catalogue 11-001-XIE (Previous 11-001-XIE-1000-1026-0107)

The Daily

Statistics Canada

Thursday, May 09, 2008
Released at 9:30 a.m. Eastern time

Releases

Canada's balance of international payments, first quarter 2008 2
The current account surplus with the rest of the world (on a seasonally adjusted basis) increased sharply to \$5.3 billion in the first quarter of 2008, led by higher prices for several export commodities combined with a lower trade deficit in the financial account. Energy and transportation items for Canada gained significantly from the appreciation in price of the previous quarter, while Canada's direct investment abroad continued to strengthen.

Payroll employment, earnings and hours, March 2008 7

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2006 Census profiles

With the inclusion of the national and territory release components, the complete Canadian profiles is now available for census divisions, census subdivisions, dissemination areas, forward sortation areas, designated places, urban areas, and census metropolitan areas and census agglomerations with census subdivisions. To obtain these profiles in electronic format (costs vary for different geography levels), contact Statistics Canada's National Contact Centre.

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications and library Services Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

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