

# The Daily

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## Statistics Canada

**Wednesday, April 14, 2010**

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### Releases

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|   |   |
|---|---|
| <b>Foreign direct investment, 2009</b>  | 2 |
| The value of Canadian direct investment abroad assets declined by 7.5% in 2009. This was largely the result of the revaluation effect of a substantially stronger Canadian dollar at year-end, and declines were concentrated in assets in the United States. |   |
| Households and the Environment Survey: Energy Use, 2007   | 5 |
| Film, television and video post-production, 2008  | 5 |
| Industrial chemicals and synthetic resins, 2008 and 2009  | 5 |
| Travel arrangement services, 2008   | 6 |
| Asphalt roofing, February 2010  | 6 |

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|                                 |   |
|---------------------------------|---|
| <b>New products and studies</b> | 7 |
|---------------------------------|---|

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## Releases

### Foreign direct investment 2009

The value of Canadian direct investment abroad assets declined by 7.5% in 2009. This was largely the result of the revaluation effect of a substantially stronger Canadian dollar at year-end, and declines were concentrated in assets in the United States.

The appreciation of the Canadian dollar against most foreign currencies subtracted about \$72 billion from the overall Canadian direct investment position abroad, while foreign direct investment in Canada was up 1.6%. This was well below the average annual growth of 9% of foreign direct investment in Canada over the last decade, and reflected considerably slower investment activity in the year, especially from the United States.

The net direct investment asset position narrowed to \$43.9 billion, from \$100.8 billion in 2008.

The United States and the United Kingdom remained the two top destinations for Canadian direct investment abroad, though investment continues to diversify geographically. Canadian direct investment assets at the end of 2009 were spread over countries on most continents, with 35 countries having at least \$1 billion in investment.

Foreign direct investment in Canada was more concentrated, with 26 countries having more than \$1 billion in direct investment in Canada at the end of 2009. In fact, about three-quarters of the direct investment in Canada originates from three countries: The United States, the United Kingdom and the Netherlands.

#### Canadian direct investment in the United States down sharply, generating a net liability position

Canadian direct investment assets in the United States decreased \$36.4 billion to \$261.3 billion. The stronger Canadian currency relative to the US dollar removed \$41 billion from the investment position in that

#### Note to readers

*This is the annual release of detailed foreign direct investment data. This release contains country detail for direct investment that is drawn from the annual survey. This information is not available at the time of the quarterly International Investment Position release.*

*Direct investment is a component of the international investment position that refers to investment of a resident entity in one country obtaining a lasting interest in an enterprise resident in another country. The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence by the investor on the management of the enterprise.*

*In practice, direct investment is deemed to occur when a company owns at least 10% of the voting equity in a foreign enterprise. This release presents the cumulative year-end positions for direct investment. In the Canadian statistics, direct investment is measured as the total value of equity, net long-term claims and net short-term claims held by the enterprise across the border.*

*Direct investment is often channelled through intermediate holding companies or other legal entities before reaching its ultimate destination. Since these entities are generally in the financial sector, this sector accounts for a larger share on an immediate investor basis than if the ultimate destination were known. This is especially the case for Canadian direct investment abroad.*

#### Currency valuation

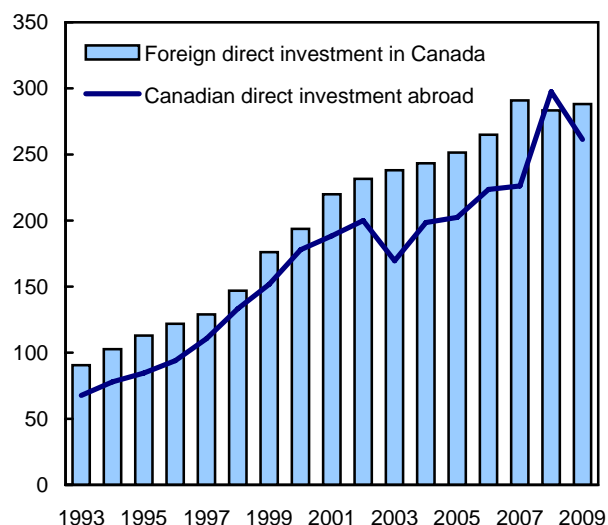
*The value of direct investment abroad is denominated in foreign currency and converted to Canadian dollars at the end of each period for which a year-end position is calculated. When the Canadian dollar is appreciating in value, the restatement of the value of direct investment abroad in Canadian dollars decreases the recorded value. The opposite is true when the dollar is depreciating. Foreign direct investment in Canada is directly recorded in Canadian dollars and the fluctuation of the Canadian dollar has no impact on the recorded value.*

*In 2009, the Canadian dollar gained ground (+14%) against the US dollar. It also appreciated by 11% against the euro and 16% against the Japanese yen, but edged up about 4% on the British pound.*

country. The share of direct investment in the United States to total direct investment abroad declined to 44%, compared with 46% in 2008.

### Foreign direct investment position with the United States

\$ billions



On the other hand, foreign direct investment from the United States increased by \$4.8 billion at the end of 2009 to \$288.3 billion. American investors still hold the majority of the direct investment in Canada at about 52%. However, this proportion has steadily declined over the past years and fell below 60% in 2007, in comparison to 67% in 1998.

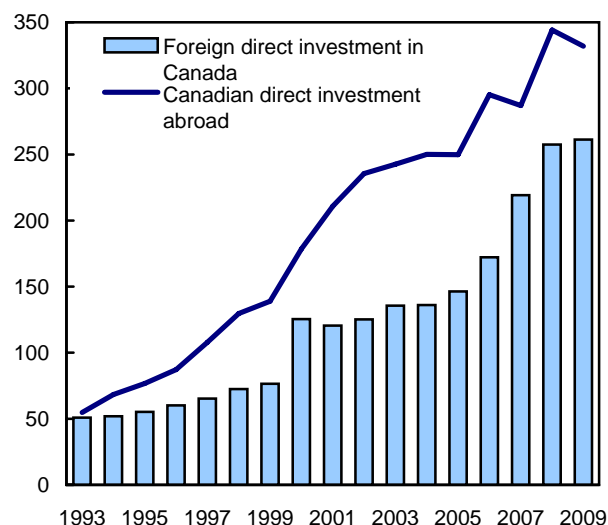
Canada had a net direct investment liability of \$26.8 billion with the United States at the end of 2009, compared with a net asset of \$14.2 billion a year earlier. This swing was dominated by declines in the value of Canadian direct investment assets in the US economy.

### Canadian direct investment in other countries also declines, but overall net asset position sustained

Canada posted a net direct investment asset position with most other countries at year-end 2009, amounting to \$70.7 billion. Nevertheless, the year was marked by a narrowing in the net asset position, resulting mainly from declines in the value of Canadian direct investment abroad.

### Foreign direct investment position with all countries excluding the United States

\$ billions



Canadian direct investment in the United Kingdom rose \$5.6 billion to \$65.4 billion on strong investment flows, further solidifying its position as the second most popular destination for Canadian direct investment abroad. A modest gain of about 4% by the Canadian dollar against the British pound had very little impact on Canadian direct investment assets in the United Kingdom. The United Kingdom remained the country with the second largest direct investment position in Canada, at 11.5% or \$63.5 billion. Canada's net direct investment position with the United Kingdom swung from a net liability position of \$7.0 billion in 2008 to a net asset of \$1.9 billion in 2009.

The value of Canadian direct investment assets abroad decreased in all other major European countries at the end of 2009, largely as the result of the strengthening of the Canadian dollar relative to many currencies. Nevertheless, Canada's most significant European destinations of direct investment remained Ireland, with investments totalling \$22.7 billion; France with \$15.9 billion; Hungary at \$12.2 billion; the Netherlands and Germany with \$9.8 billion and \$9.6 billion, respectively; and, Switzerland at \$6.7 billion.

In terms of foreign direct investment in Canada, the Netherlands stood at 8.5% or \$46.5 billion. In 2009, four other European countries topped the list of nations with foreign direct investment in Canada. They were Switzerland (\$21.2 billion), France (\$18.2 billion), Germany (\$13.9 billion) and Luxembourg (\$9.9 billion).

Canadian direct investment in Caribbean countries was also affected by the currency appreciation in 2009. Total direct investment in Barbados, Bermuda and Cayman Islands combined declined by 7.9 billion to 78.4 billion. Canadian direct investors were also active in South America, with investments of \$11.4 billion in Brazil and \$8.3 billion in Chile.

The share of BRIC (Brazil, Russia, India, China) countries in total Canadian direct investment abroad continued to trend upward, rising to 3% in 2009, from 2% in 2008. Similarly, the proportion of BRIC countries in

total foreign direct investment in Canada strengthened further, up to 5% in 2009 compared with 4% in 2008.

**Available on CANSIM: table 376-0051.**

**Definitions, data sources and methods: survey number 1537.**

For general information or to order data, contact Client Services (613-951-1855; [infobalance@statcan.gc.ca](mailto:infobalance@statcan.gc.ca)). To enquire about the methods, concepts or data quality of this release please contact Christian Lajule (613-951-2062; [christian.lajule@statcan.gc.ca](mailto:christian.lajule@statcan.gc.ca)) or Mukesh Ralhan (613-951-9038; [mukesh.ralhan@statcan.gc.ca](mailto:mukesh.ralhan@statcan.gc.ca)), Balance of Payments Division.

## Foreign direct investment positions at year-end

|  | 2006         | 2007         | 2008         | 2009         |
|--|--------------|--------------|--------------|--------------|
|  | \$ billions  |              |              |              |
| <b>Canadian direct investment abroad</b>   |              |              |              |              |
| United States                              | 224.0        | 226.5        | 297.7        | 261.3        |
| United Kingdom                             | 58.5         | 59.8         | 59.8         | 65.4         |
| Barbados                                   | 40.6         | 32.5         | 45.8         | 40.8         |
| Ireland                                    | 20.0         | 18.4         | 24.4         | 22.7         |
| Cayman Islands                             | 16.8         | 18.7         | 22.5         | 19.4         |
| Bermuda                                    | 18.1         | 15.8         | 18.0         | 18.2         |
| France                                     | 16.3         | 15.1         | 17.1         | 15.9         |
| Australia                                  | 6.8          | 7.5          | 8.7          | 12.8         |
| Hungary                                    | 6.6          | 9.5          | 13.1         | 12.2         |
| Brazil                                     | 9.0          | 7.8          | 9.9          | 11.4         |
| Netherlands                                | 8.1          | 7.3          | 10.0         | 9.8          |
| Germany                                    | 8.9          | 8.8          | 10.7         | 9.6          |
| Chile                                      | 4.6          | 7.0          | 9.7          | 8.3          |
| Switzerland                                | 7.6          | 7.2          | 6.9          | 6.7          |
| Mexico                                     | 5.2          | 4.8          | 4.3          | 4.9          |
| All other countries                        | 67.8         | 66.4         | 83.0         | 73.8         |
| <b>Total</b>                               | <b>518.8</b> | <b>513.1</b> | <b>641.6</b> | <b>593.3</b> |
| <b>Foreign direct investment in Canada</b> |              |              |              |              |
| United States                              | 265.1        | 291.0        | 283.5        | 288.3        |
| United Kingdom                             | 39.4         | 56.6         | 66.8         | 63.5         |
| Netherlands                                | 24.8         | 36.7         | 49.2         | 46.5         |
| Switzerland                                | 14.6         | 15.9         | 20.9         | 21.2         |
| France                                     | 17.2         | 17.2         | 17.6         | 18.2         |
| Brazil                                     | 12.9         | 14.1         | 14.4         | 14.8         |
| Germany                                    | 8.4          | 9.1          | 13.9         | 13.9         |
| Japan                                      | 13.4         | 13.6         | 12.9         | 13.1         |
| Luxembourg                                 | 6.6          | 4.2          | 7.0          | 9.9          |
| All other countries                        | 34.8         | 51.7         | 54.6         | 60.0         |
| <b>Total</b>                               | <b>437.2</b> | <b>510.1</b> | <b>540.8</b> | <b>549.4</b> |

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## Households and the Environment Survey: Energy Use

2007

Natural gas and electricity were the most common types of energy used for home heating in 2007, accounting for four-fifths of all the energy consumed by Canadian households.

Just under half (47%) of households used natural gas as their main heating fuel, while 37% used electricity. A further 9% used oil, 6% used wood or wood pellets and 1% used propane.

Electricity was the principal source of energy in three provinces: Quebec, Newfoundland and Labrador and New Brunswick. Natural gas is generally unavailable to most households East of Ontario.

The average Canadian household consumed 106 gigajoules of energy for use in the home in 2007. One gigajoule has the energy content of a 30-litre tank of gasoline.

Average household energy consumption was highest in Alberta and Saskatchewan; households in Quebec and British Columbia had the lowest. Households in apartments used on average one-third the amount of energy used by households in single-family dwellings.

Between 2003 and 2007, half of Canadian households that owned their dwelling and were not in an apartment made an improvement to their dwelling intended to reduce energy consumption, such as improving the insulation or upgrading doors, windows or roofs. Households in Prince Edward Island (60%), Ontario (58%) and Manitoba (55%) were most likely to have made an improvement.

**Note:** These data came from the energy use supplement of the 2007 Households and the Environment Survey. This supplement had three themes: heating fuels and equipment; energy consumption by household and dwelling characteristics; energy-saving practices and retrofitting practices.

**Definitions, data sources and methods:** survey number 3881.

The *Households and the Environment: Energy Use Report*, 2007 (11-526-S, 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 information officer (613-951-0297; fax: 613-951-0634; [environ@statcan.gc.ca](mailto:environ@statcan.gc.ca)), Environment Accounts and Statistics Division. ■

## Film, television and video post-production

2008

The 2008 edition of *Service Bulletin: Film, Television and Video Post-production*, which contains industry highlights along with financial data including revenues, expenses, and operating profit margins, is now available.

**Available on CANSIM:** table 361-0025.

**Definitions, data sources and methods:** survey number 2415.

The publication *Service Bulletin: Film, Television and Video Post-production*, 2008 (87-009-X, free), is now available from the *Key resource* module of our website under *Publications*.

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## Industrial chemicals and synthetic resins

2008 and 2009

Data for industrial chemicals and synthetic resins for 2008 and 2009 are now available.

**Available on CANSIM:** table 303-0053.

**Definitions, data sources and methods:** survey number 2183.

The publication *Industrial Chemicals and Synthetic Resins* (46-002-X, free) has been discontinued. To obtain copies of our previous monthly publications which are available until June 2009, go to the *Key resource* module of our website under *Publications*.

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## Travel arrangement services

2008

The 2008 edition of *Service Bulletin: Travel Arrangement Services*, which contains industry highlights along with financial data including revenues, expenses, and operating profit margins, is now available.

**Definitions, data sources and methods: survey number 2423.**

The publication *Service Bulletin: Travel Arrangement Services*, 2008 (63-250-X, free), is now available from the *Key resource* module of our website under *Publications*.

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## Asphalt roofing

February 2010

Data on asphalt roofing are now available for February as well as revised data for January.

**Available on CANSIM: table 303-0052.**

**Definitions, data sources and methods: survey number 2123.**

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