

The Daily

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Releases

National balance sheet accounts, fourth quarter 2010	2
National net worth edged up 0.3% to \$6.3 trillion in the fourth quarter, the slowest quarterly growth of the year. Growth in non-financial assets was largely offset by an increase in net foreign debt.	
Industrial capacity utilization rates, fourth quarter 2010 and Annual 2010	7
Canadian industries operated at 76.4% of their production capacity in the fourth quarter, up slightly from 76.2% in the third quarter. This was the sixth consecutive quarterly increase in the rate, although the pace of growth slowed progressively during 2010.	
Steel wire and specified wire products, January 2011	11
Steel pipe and tubing, January 2011	11
Intellectual property management in federal science-based departments, 2009/2010	11
New products and studies	12



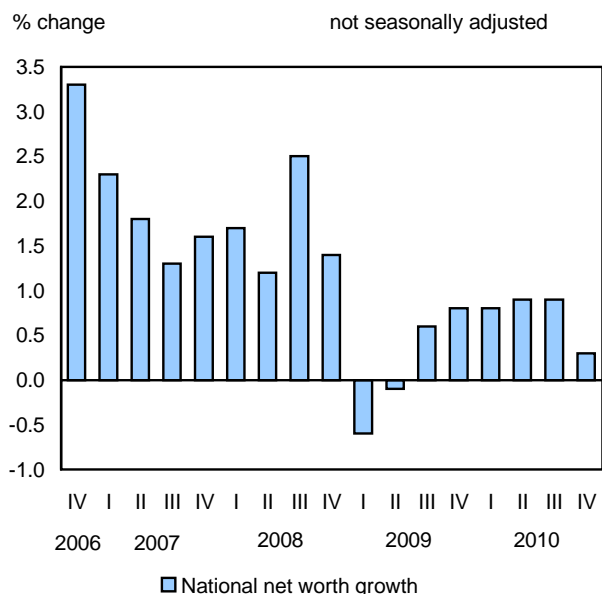
Releases

National balance sheet accounts

Fourth quarter 2010

National net worth edged up 0.3% to \$6.3 trillion in the fourth quarter, the slowest quarterly growth of the year. Growth in non-financial assets, mainly in residential structures, was largely offset by an increase in net foreign debt. On a per capita basis, national net worth grew to \$184,200 in the fourth quarter, up from \$183,900 in the previous quarter.

National net worth grows at a slower pace



The advance in national wealth was largely offset by a further increase in Canada's net foreign debt. This largely reflects continued foreign investment in Canadian debt securities, mainly government and corporate bonds in the fourth quarter. This was in line with Canada's ongoing current account deficit as well as the impact of a stronger Canadian dollar on foreign currency denominated international assets.

Household net worth continues to rise

Household net worth rose 2.2% to \$6.2 trillion in the fourth quarter, following a 3.0% increase in the third

Note to readers

The National balance sheet accounts (NBSA) comprise the balance sheets of all sectors of the economy: the persons and unincorporated business (households), corporate, government, and non-resident sectors. They cover all national non-financial assets and financial claims and their associated liabilities outstanding in all sectors.

National net worth is national wealth less net foreign liabilities (that is, what is owed to non-residents less what non-residents owe to Canadians). Alternatively, it is the sum of the net worth of the persons and unincorporated business, corporate, and government sectors.

Household credit market debt comprises consumer credit, mortgage, and loan debt of households, non-profit institutions serving households, and unincorporated businesses.

Corporate equity is treated as a liability on the balance sheet of the corporate sector since it represents a claim by shareholders on the corporate sector. As a result, as equity prices increase, corporate net worth will tend to decline, reflecting the increase in the corporate sector's equity liabilities.

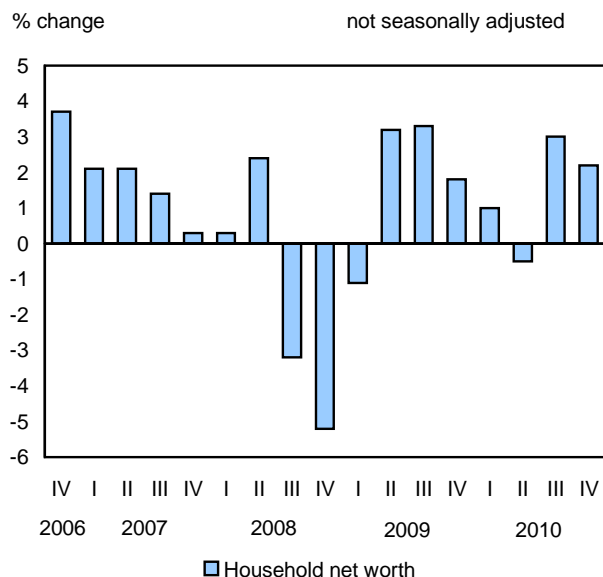
As of the release of the NBSA for the third quarter of 2009, a number of sectors and categories that were previously published have been combined, in order to provide more relevant sector and category information.

Quarterly series, at both book and market value, are available from the first quarter of 1990. Annual market value data are published from 1970, while book value estimates remain available from 1961. Marketable securities are at market value, unless otherwise stated. For more information on the market value estimates, consult the National Balance Sheet estimates at market value page of our website.

quarter. Household per capita net worth increased from \$178,200 in the third quarter to \$181,700 in the fourth quarter.

The gain in the Standard and Poor's / Toronto Stock Exchange composite index of about 9% in the fourth quarter was reflected in rising values of household equities (including mutual funds) and pension assets, albeit at a slower pace than the previous quarter. Equity holdings of the household sector increased by \$129 billion in 2010 while they increased by \$194 billion in 2009, after a \$306 billion drop in 2008.

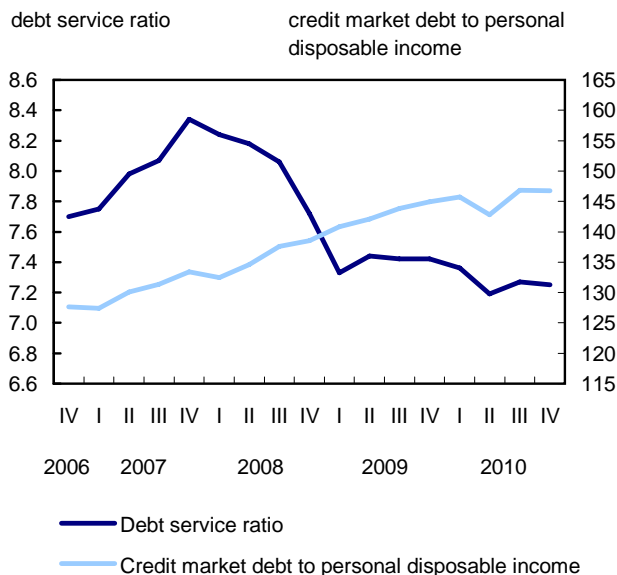
Household net worth up again



Household mortgage debt and consumer credit debt advanced in the fourth quarter, the latter reflecting increased purchases of durable goods. The ratio of household credit market debt to personal disposable income edged down to 146.8%, as a 1.8% gain in personal disposable income outstripped that of the credit market debt.

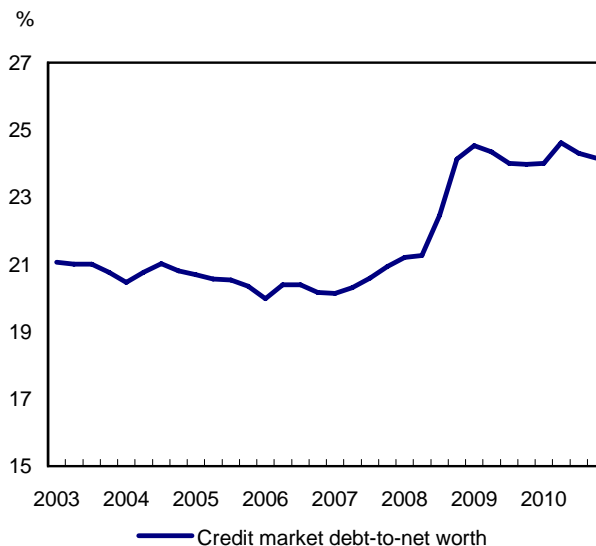
While the Bank of Canada overnight rate remained unchanged in the fourth quarter, the five-year fixed mortgage rate declined. The debt service ratio edged down in the fourth quarter, reflecting lower borrowing costs as well as increased personal disposable income. This ratio has continued to trend down since the third quarter of 2008.

Debt service ratio lowered



Home owners equity as a percentage of real estate assets fell marginally, continuing the trend set in 2010. However, the broader measure of household credit market debt to net worth edged down to 24.2%. This marked the second consecutive quarterly decline in this aggregate, reflecting the impact of improvements in equity markets on net worth over the past two quarters.

Household credit market debt to net worth down slightly



Government net debt rose

The government net debt (expressed at book value) increased by \$19 billion in the fourth quarter and the ratio of net debt to gross domestic product stood at 45.1%, continuing its upward trend since the third quarter of 2008 when it stood at 35.4%.

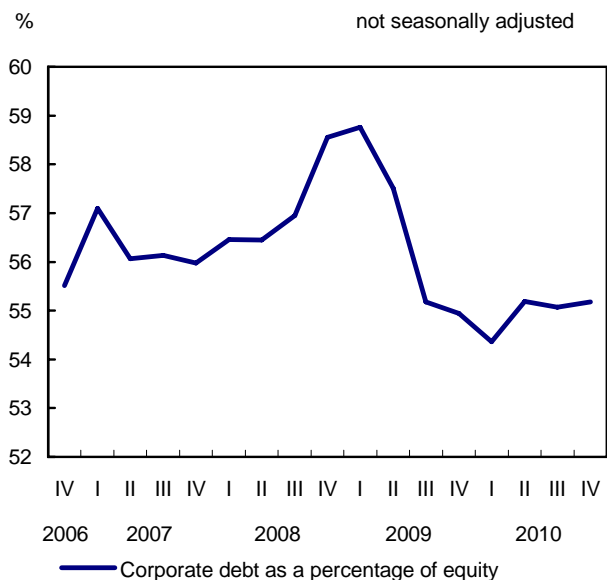
The federal government continued to borrow through both treasury bills and bonds, while provincial governments increased debt largely through short-term paper financing.

Corporate debt to equity edges up

The increase in corporate debt was largely in new issues of bonds, with a considerable portion of these securities purchased by non-residents. However, the revaluation effect of a rising Canadian dollar on outstanding foreign currency denominated Canadian liabilities moderated the increase in bond debt outstanding in the quarter.

Increases in debt marginally exceeded equity issues and undistributed earnings, resulting in the credit market debt-to-equity ratio (expressed at book value) to edge up to 55.2% in the fourth quarter.

Corporate debt to equity edges up



Equity investment of financial corporations increased

Consistent with the market gains over the fourth quarter, the value of investments in marketable securities, notably shares, of institutional investors, such as trustee pension plans and mutual funds, increased markedly. Holdings of foreign investments by financial institutions increased strongly as well, while their increases in holdings of bonds and short-term paper were modest. Canadian currency and deposits liabilities of financial institutions were relatively unchanged in the fourth quarter.

Available on CANSIM: tables 378-0012 to 378-0014 and 378-0049 to 378-0116.

Definitions, data sources and methods: survey number 1806.

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

The fourth quarter 2010 *National Balance Sheet Accounts: Data Tables*, Vol. 3, no. 4 (13-022-X, free), is now available from the *Key resource* module of our website under *Publications*.

Additional tables and links to other releases from the national accounts can be found in the fourth quarter 2010 issue of *Canadian Economic Accounts Quarterly Review*, Vol. 9, no. 4 (13-010-X, free). This publication is now available from the *Key resource* module of our website under *Publications*. This publication will be updated on March 15, at the time of the labour productivity, hourly compensation and unit labour cost release. Revised estimates of the National balance sheet accounts for the first, second and third quarters of 2010 are released, along with those for the fourth quarter of 2010.

Data for the first quarter of 2011 will be released on June 20.

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

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National balance sheet accounts

	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010	Third quarter 2010	Fourth quarter 2010	Third quarter to fourth quarter 2010
Market value, not seasonally adjusted							
	\$ billions						change in \$ billions
National net worth¹	6,087	6,137	6,186	6,243	6,297	6,318	21
	0.6	0.8	0.8	0.9	0.9	0.3	
National wealth ¹	6,200	6,269	6,362	6,454	6,519	6,574	55
	1.2	1.1	1.5	1.4	1.0	0.8	
Net foreign debt	-113	-132	-175	-211	-222	-256	-34
National net worth, by sector							
Household sector	5,792	5,895	5,954	5,924	6,100	6,232	132
Corporate sector	317	271	250	361	248	136	-112
Government sector	-22	-29	-18	-41	-51	-50	1
	\$						change in \$
National net worth per capita	179,700	180,900	182,000	183,000	183,900	184,200	300

1. The first line is the series itself expressed in billions of dollars. The second line is the period-to-period percentage change.

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

Household sector indicators

	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010	Third quarter 2010	Fourth quarter 2010
Market value, not seasonally adjusted						
Household sector						
Net worth						
Household net worth per capita (\$)	171,000	173,700	175,200	173,700	178,200	181,700
Net worth as a percentage of personal disposable income (%)	602.29	610.48	612.04	599.43	612.30	616.91
Total assets to net worth (%)	124.35	124.31	124.34	124.97	124.63	124.49
Financial assets to net worth (%)	68.73	68.91	68.73	68.15	68.73	69.08
Financial assets to non-financial assets (%)	123.60	124.37	123.62	119.93	122.93	124.67
Owner's equity as a percentage of real estate (%)	68.17	68.02	68.14	67.89	67.79	67.70
Real estate as a percentage of personal disposable income (%)	289.44	292.22	294.81	295.20	296.91	296.51
Debt						
Household debt (\$ billions)	1,410	1,433	1,449	1,479	1,503	1,526
Household debt per capita (\$)	41,600	42,200	42,600	43,400	43,900	44,500
Credit market debt (\$ billions)	1,390	1,413	1,429	1,458	1,482	1,505
Debt to personal disposable income (%)	145.70	146.97	147.79	144.73	148.87	148.77
Credit market debt to personal disposable income (%)	143.84	144.94	145.73	142.79	146.87	146.75
Consumer credit and mortgage liabilities to personal disposable income (%)	132.34	133.72	134.54	132.06	135.94	135.77
Debt to total assets (%)	19.58	19.56	19.57	19.98	19.76	19.67
Debt to net worth (%)	24.35	24.31	24.34	24.97	24.63	24.49
Credit market debt to net worth (%)	24.00	23.97	24.00	24.61	24.30	24.16
Consumer credit and mortgage liabilities to net worth (%)	22.09	22.12	22.14	22.76	22.48	22.35
Debt to gross domestic product (%)	92.20	93.83	93.69	94.03	94.12	94.12

Corporate sector indicators

	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010	Third quarter 2010	Fourth quarter 2010
Market value, not seasonally adjusted						
Corporate sector						
Net new issuance of debt, non-financial corporations (\$ billions)	-1	-1	9	5	12	12
Net new issuance of debt, financial corporations (\$ billions)	10	9	1	7	15	20
Net new issuance of share equity, non-financial corporations (\$ billions)	18	8	7	9	3	3
Private non-financial corporations total debt to equity (%)	171.78	169.91	169.55	172.51	169.54	166.37
Private non-financial corporations credit market debt to equity (book value) (%)	55.18	54.94	54.36	55.19	55.07	55.18

Government sector indicators

	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010	Third quarter 2010	Fourth quarter 2010
Market value, not seasonally adjusted						
Government sector						
Net new issuance of debt, federal government (\$ billions)	25	4	13	4	13	7
Net new issuance of debt, other levels of government (\$ billions)	2	23	4	25	-1	14
Total government gross debt (book value) - (\$ billions)	1,616	1,643	1,684	1,704	1,727	1,742
Federal government gross debt (book value) - (\$ billions)	769	775	795	789	804	811
Other levels of government gross debt (book value) - (\$ billions)	844	865	877	911	919	929
Total government net debt (book value) - (\$ billions)	-645	-664	-678	-703	-712	-731
Federal government net debt (book value) - (\$ billions)	-513	-518	-533	-542	-551	-558
Other levels of government net debt (book value) - (\$ billions)	-289	-302	-308	-325	-335	-349
Total government gross debt (book value) to gross domestic product (%)	105.64	107.58	108.87	108.28	108.16	107.45
Federal government gross debt (book value) to gross domestic product (%)	50.26	50.75	51.42	50.12	50.34	50.03
Other levels of government gross debt (book value) to gross domestic product (%)	55.16	56.63	56.69	57.92	57.58	57.26
Total government net debt (book value) to gross domestic product (%)	42.16	43.46	43.81	44.66	44.59	45.06
Federal government net debt (book value) to gross domestic (%)	33.51	33.95	34.46	34.44	34.5	34.42
Other levels of government net debt (book value) to gross domestic product (%)	18.9	19.75	19.93	20.67	20.98	21.5

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Industrial capacity utilization rates

Fourth quarter 2010 and annual 2010

Canadian industries operated at 76.4% of their production capacity in the fourth quarter, up slightly from 76.2% in the third quarter. This was the sixth consecutive quarterly increase in the rate, although the pace of growth slowed progressively during 2010.

Overall capacity utilization rates for both manufacturing and non-manufacturing sectors recorded slight changes in the fourth quarter.

For 2010 as a whole, capacity use in Canadian industries intensified to 75.8% from 71.3% in 2009.

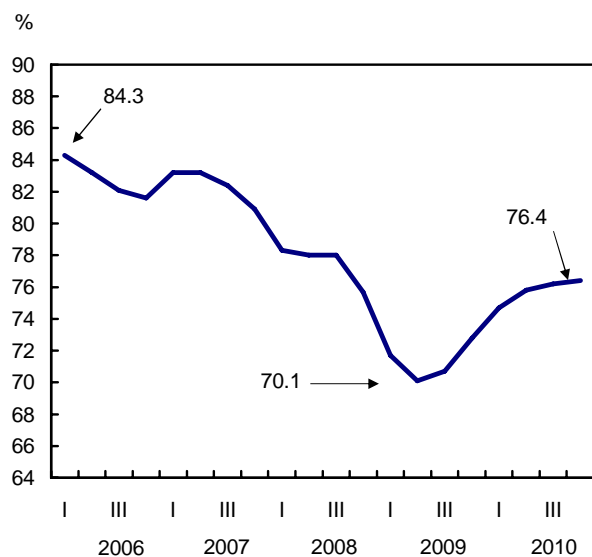
Note to readers

The industrial capacity utilization rate is the ratio of an industry's actual output to its estimated potential output. For most industries, the annual estimates are obtained from the Capital and Repair Expenditures survey while the quarterly distribution is derived from output-to-capital ratio series, the output being the real gross domestic product at factor cost, seasonally adjusted, by industry.

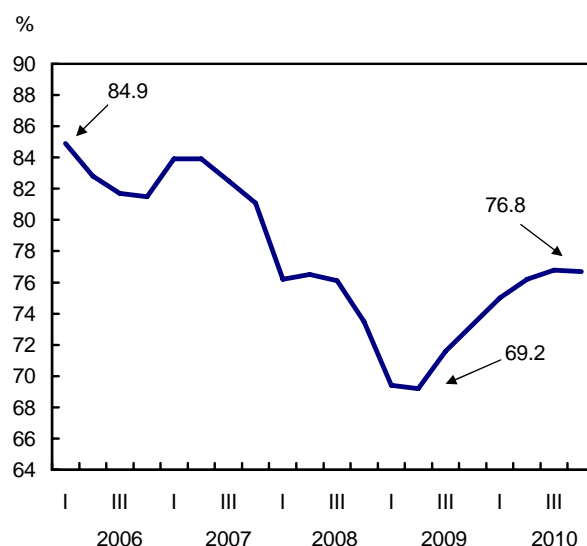
This program covers all manufacturing and selected non-manufacturing industries.

With this release, rates have been revised back to the first quarter of 2008 to reflect updated source data.

Capacity utilization rate growth levels off



Manufacturing: Little overall change



Manufacturing: Little overall change

Canada's manufacturers operated at 76.7% capacity in the fourth quarter, virtually unchanged from 76.8% in the previous quarter, following five consecutive quarterly increases.

Utilization rates rose in 11 of the 21 major manufacturing industries in the fourth quarter.

Among the industries that recorded an increase, the ones that contributed most were computer and electronic products, machinery, paper, clothing and fabricated metals. These were offset by declines in the transportation equipment, primary metals, food, chemicals and beverage industries.

Capacity use in the computer and electronic products industry rose from 87.0% in the third quarter to 97.0% in the fourth quarter, one of the highest rates ever for this industry. This increase was mainly the result of higher production of communications equipment.

Capacity use in machinery manufacturing reached 79.3%, up from 76.9%. This growth was due to increased production of construction, mining and oil and gas field machinery, as well as commercial and service industry machinery.

In the paper industry, capacity use rose from 85.0% to 87.0%, as a result of higher output from pulp mills and paperboard mills.

Non-manufacturing: Capacity use increases in the oil and gas extraction industry

Among non-manufacturing industries, fourth-quarter utilization rates were either stable or underwent moderate change.

Capacity use in the oil and gas extraction industry rose from 81.4% in the third quarter to 83.9% in the fourth quarter.

In the forestry and logging industry, the rate of capacity use declined from 92.9% to 91.6% in the fourth quarter. However, this was still one of the highest rates in the last five years.

The rate of capacity use in the mining sector, excluding oil and gas extraction, remained unchanged at 68.8%. Increased activity in metal ore and non-metallic mineral mining was offset by weakness in support activities.

Capacity utilization in the construction industry also stayed unchanged, its rate remaining at 73.2%. The decline in residential construction was offset by a pickup in engineering construction activity.

In the electric power generation, transmission and distribution industry, the utilization rate was nearly unchanged at 76.7% as production remained stable.

Annual 2010: Capacity use up

Canadian industries operated at 75.8% capacity in 2010, up from 71.3% in 2009. Despite this increase, the 2010 rate was still below the rate of 77.5% in 2008.

Among manufacturing industries, annual capacity use strengthened to 76.2% in 2010, from 70.9% in 2009 and 75.6% in 2008. However, the 2010 rate was lower than the 2007 rate of 82.8%.

Capacity use also increased strongly in 2010 in forestry and logging, mining, and in transportation equipment and non-metallic mineral products manufacturing.

Some industries declined moderately in their capacity use in 2010. These are electric power generation, transmission and distribution, and manufacturers in electrical equipment, appliances and components, printing and related support activities, beverage, food, and plastic products.

Available on CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

Data on industrial capacity utilization rates for the first quarter of 2011 will be released on June 14.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Haaris Jafri (613-951-4307; haaris.jafri@statcan.gc.ca), Investment and Capital Stock Division.

□

Industrial capacity utilization rates: Annual average

	2009 ^r	2010	2009 to 2010
	%		percentage point change
Total industrial	71.3	75.8	4.5
Forestry and logging	75.3	89.7	14.4
Mining and oil and gas extraction	70.6	76.9	6.3
Oil and gas extraction	77.1	80.5	3.4
Mining	56.4	69.5	13.1
Electric power generation, transmission and distribution	80.3	77.4	-2.9
Construction	70.0	72.9	2.9
Manufacturing	70.9	76.2	5.3
Food	81.8	80.8	-1.0
Beverage and tobacco products	71.0	69.8	-1.2
Beverage	73.1	71.5	-1.6
Tobacco	60.7	62.1	1.4
Textile mills	72.5	78.2	5.7
Textile product mills	60.3	65.2	4.9
Clothing	70.2	79.9	9.7
Leather and allied products	59.6	64.1	4.5
Wood products	61.1	68.7	7.6
Paper	82.4	86.4	4.0
Printing and related support activities	72.4	70.4	-2.0
Petroleum and coal products	78.1	78.7	0.6
Chemical	69.9	74.5	4.6
Plastics and rubber products	72.2	72.2	0.0
Plastic products	71.3	70.6	-0.7
Rubber products	76.2	79.9	3.7
Non-metallic mineral products	65.9	76.0	10.1
Primary metal	76.4	81.6	5.2
Fabricated metal products	64.7	71.2	6.5
Machinery	70.5	74.1	3.6
Computer and electronic products	83.5	86.3	2.8
Electrical equipment, appliance and component	72.6	69.9	-2.7
Transportation equipment	63.9	78.6	14.7
Furniture and related products	68.1	71.3	3.2
Miscellaneous manufacturing	74.0	74.7	0.7

^r revised

Industrial capacity utilization rates

	Fourth quarter 2009 ^r	Third quarter 2010 ^r	Fourth quarter 2010	Third quarter to fourth quarter 2010	Fourth quarter 2009 to fourth quarter 2010
	percentage point change				
Total industrial	72.8	76.2	76.4	0.2	3.6
Forestry and logging	78.3	92.9	91.6	-1.3	13.3
Mining and oil and gas extraction	71.6	77.3	78.9	1.6	7.3
Oil and gas extraction	76.6	81.4	83.9	2.5	7.3
Mining	60.7	68.8	68.8	0.0	8.1
Electric power generation, transmission and distribution	80.0	76.8	76.7	-0.1	-3.3
Construction	70.2	73.2	73.2	0.0	3.0
Manufacturing	73.3	76.8	76.7	-0.1	3.4
Food	81.5	80.5	79.1	-1.4	-2.4
Beverage and tobacco products	71.5	71.3	68.0	-3.3	-3.5
Beverage	73.7	73.3	69.7	-3.6	-4.0
Tobacco	61.3	62.5	59.7	-2.8	-1.6
Textile mills	76.1	76.8	79.3	2.5	3.2
Textile product mills	65.1	64.8	62.2	-2.6	-2.9
Clothing	68.6	78.5	85.3	6.8	16.7
Leather and allied products	56.1	64.3	77.5	13.2	21.4
Wood products	64.0	68.3	68.5	0.2	4.5
Paper	86.6	85.0	87.0	2.0	0.4
Printing and related support activities	71.5	69.8	69.6	-0.2	-1.9
Petroleum and coal products	79.1	79.1	75.4	-3.7	-3.7
Chemical	73.4	73.9	71.9	-2.0	-1.5
Plastics and rubber products	74.1	70.7	72.0	1.3	-2.1
Plastic products	73.4	68.8	69.6	0.8	-3.8
Rubber products	77.5	79.3	83.0	3.7	5.5
Non-metallic mineral products	69.4	75.9	74.6	-1.3	5.2
Primary metal	78.8	81.8	79.1	-2.7	0.3
Fabricated metal products	65.3	72.8	73.6	0.8	8.3
Machinery	65.9	76.9	79.3	2.4	13.4
Computer and electronic products	82.3	87.0	97.0	10.0	14.7
Electrical equipment, appliance and component	68.8	70.2	72.2	2.0	3.4
Transportation equipment	73.9	81.2	79.9	-1.3	6.0
Furniture and related products	68.4	71.5	70.8	-0.7	2.4
Miscellaneous manufacturing	70.8	76.0	77.3	1.3	6.5

^r revised

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Steel wire and specified wire products

January 2011

Data on steel wire and specified wire products production are now available for January.

Available on CANSIM: table 303-0047.

Definitions, data sources and methods: survey number 2106.

The January 2011 issue of *Steel, Tubular Products and Steel Wire* (41-019-X, free) will soon be available.

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. ■

Steel pipe and tubing

January 2011

Data on the production and shipments of steel pipe and tubing are now available for January.

Available on CANSIM: table 303-0046.

Definitions, data sources and methods: survey number 2105.

The January 2011 issue of *Steel, Tubular Products and Steel Wire* (41-019-X, free) will soon be available.

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. ■

Intellectual property management in federal science-based departments

2009/2010

Results from the "Intellectual property management" annex to the Survey on Federal Science Expenditures and Personnel are now available.

Available on CANSIM: table 358-0026.

Definitions, data sources and methods: survey number 4212.

For more information or to enquire about the concepts, methods or data quality of this release, contact Monique Doucet (613-951-0299; monique.doucet@statcan.gc.ca), Business Special Surveys and Technology Statistics Division. ■

New products and studies

National Balance Sheet Accounts: Data Tables,
fourth quarter 2010, Vol. 3, no. 4
Catalogue number 13-022-X (HTML, free)

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