

# The Daily

Statistics Canada

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## Releases

### Industrial product and raw materials price indexes, August 2012 2

The Industrial Product Price Index edged down 0.1% in August compared with July, mainly the result of lower prices for motor vehicles and other transportation equipment. The Raw Materials Price Index rose 3.4% in August, largely because of higher prices for mineral fuels, specifically crude oil.

### Canada's international investment position, second quarter 2012 7

Canada's net foreign debt increased \$23.4 billion to \$241.6 billion at the end of the second quarter. This resulted mainly from the impact of weaker stock markets on the relatively larger equity component in Canadian outward investment positions, as well as further foreign investment in the economy in the quarter.

### System of National Accounts Historical Revision, 1981 to the second quarter 2012 11

The implementation of revised international System of National Accounts economic accounting standards resulted in no substantial change to the level, nominal growth rate or real growth rate of Canada's gross domestic product from 1981 through the second quarter of 2012. Similarly, there was no material change to Canada's current account balance over this period.

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The IPPI excluding petroleum and coal products fell 0.5% in August.

## Industrial Product Price Index, 12-month change

Compared with August 2011, the IPPI was down 0.3%. This was the first year-over-year decrease of the index since March 2010.

The main contributor to the decline of the IPPI was the primary metal products group (-10.7%), particularly other non-ferrous metal products (-14.9%), aluminum products (-15.0%), nickel products (-28.4%) and copper and copper alloy products (-12.6%). Silver and platinum were largely responsible for the decrease in other non-ferrous metal products.

Among the other major commodity groups that contributed to the IPPI decline were chemical products and pulp and paper products.

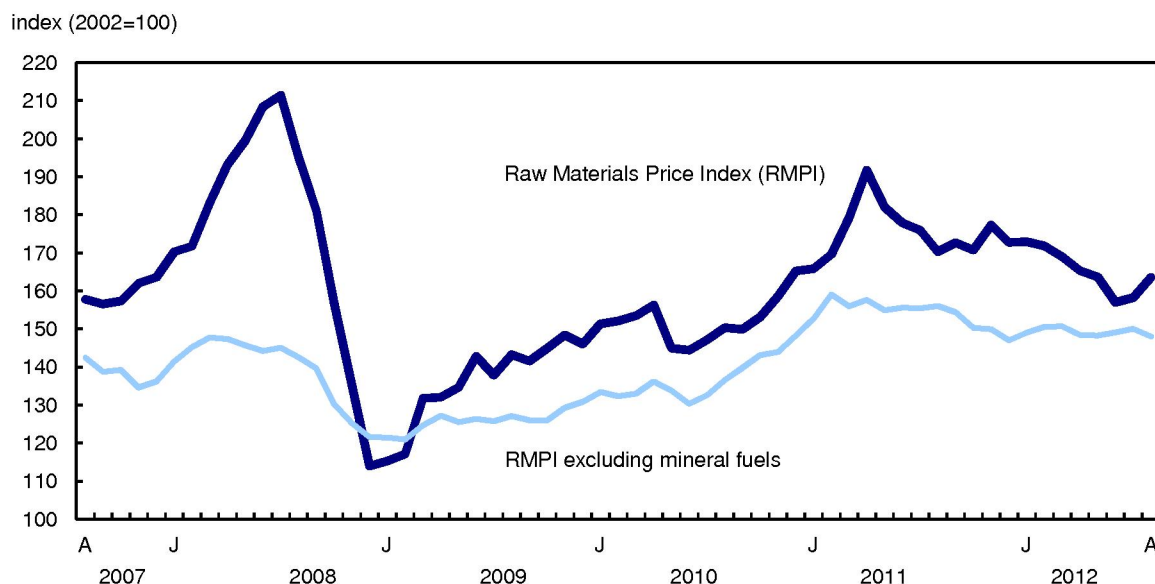
Compared with August 2011, the IPPI decline was moderated primarily by lumber and other wood products (+7.0%), specifically as a result of higher prices for lumber and ties. The motor vehicles and other transportation equipment group was also up on a year-over-year basis.

The 0.9% year-over-year decrease in the value of the Canadian dollar against the US dollar moderated the IPPI decline. Without the impact of the exchange rate, the IPPI would have fallen 0.6% instead of 0.3%.

## Raw Materials Price Index, monthly change

The RMPI rose 3.4% in August, the second consecutive monthly increase, posting the largest gain since November 2011.

**Chart 2**  
**Prices for raw materials increase**



The increase in the RMPI was largely a result of higher prices for mineral fuel (+9.1%), specifically crude oil (+9.8%). The RMPI excluding mineral fuels was down 1.3% in August.

Among the other commodity groups, only vegetable products (+0.1%) rose. The increase was mostly attributable to grains (+4.3%), specifically corn, wheat and barley.

The advance in the RMPI was moderated by lower prices for non-ferrous metals (-3.0%), pushed downward mainly by copper and nickel concentrates as well as radioactive concentrates.

## Raw Materials Price Index, 12-month change

Compared with August 2011, the RMPI fell 4.0%, the sixth consecutive year-over-year decrease. Overall, five of the seven major commodity groups were down.

The largest contributor to the decline of the index was non-ferrous metals (-13.6%), particularly copper and nickel concentrates (-17.2%) and other non-ferrous base metals (-21.1%).

Lower mineral fuel prices (-2.7%) also contributed to the year-over-year decrease in the RMPI. Other commodity groups that posted declines were ferrous materials, vegetable products, and animals and animal products.

Compared with August 2011, the RMPI decline was slightly moderated by wood products (+6.5%), specifically due to higher prices for logs and bolts.

### Note to readers

*All data in this release are seasonally unadjusted and usually subject to revision for a period of six months (for example, when the July index is released, the index for the previous January becomes final).*

*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 transportation, wholesale and retail costs.*

*Canadian producers export many goods. They often indicate their prices in foreign currencies, especially US dollars, which are then converted into Canadian dollars. In particular, this is the case 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. But the conversion into Canadian dollars only reflects how respondents provide their prices. Moreover, this is not a measure that takes into account the full effect of exchange rates, since that is a more difficult analytical task.*

*The conversion of prices received in US dollars is based on the average monthly exchange rate (noon spot rate) established by the Bank of Canada and is available on CANSIM in table 176-0064 (series v37426). Monthly and annual variations in the exchange rate, as described in the release, are calculated according to the indirect quotation of the exchange rate (for example, CAN\$1 = US\$X).*

*The **Raw Materials Price Index (RMPI)** reflects the prices paid by Canadian manufacturers for key raw materials. Many of those prices are set on the world market. However, as few prices are denominated in foreign currencies, their conversion into Canadian dollars has only a minor effect on the calculation of the RMPI.*

**Table 1**  
**Industrial Product Price Index – Not seasonally adjusted**

	Relative importance <sup>1</sup>	August 2011	July 2012 <sup>r</sup>	August 2012 <sup>p</sup>	July to August 2012	August 2011 to August 2012
	%	(2002=100)			% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>114.9</b>	<b>114.6</b>	<b>114.5</b>	<b>-0.1</b>	<b>-0.3</b>
<b>IPPI excluding petroleum and coal products</b>	<b>93.70</b>	<b>107.0</b>	<b>107.1</b>	<b>106.6</b>	<b>-0.5</b>	<b>-0.4</b>
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	6.08	109.3	110.5	110.1	-0.4	0.7
Fruit, vegetable, feeds and other food products	5.52	127.0	129.3	129.9	0.5	2.3
Beverages	1.52	121.9	123.8	123.9	0.1	1.6
Tobacco and tobacco products	0.56	172.8	181.4	181.4	0.0	5.0
Rubber, leather and plastic fabricated products	3.51	119.3	122.0	121.6	-0.3	1.9
Textile products	1.37	104.1	103.8	103.8	0.0	-0.3
Knitted products and clothing	1.33	101.8	103.2	103.2	0.0	1.4
Lumber and other wood products	6.04	88.0	93.9	94.2	0.3	7.0
Furniture and fixtures	2.19	116.4	118.0	118.0	0.0	1.4
Pulp and paper products	6.40	100.4	100.3	99.2	-1.1	-1.2
Printing and publishing	1.84	103.6	105.4	105.0	-0.4	1.4
Primary metal products	6.99	156.3	140.6	139.5	-0.8	-10.7
Fabricated metal products	4.45	124.5	123.8	123.6	-0.2	-0.7
Machinery and equipment	4.41	103.8	106.2	105.8	-0.4	1.9
Motor vehicles and other transport equipment	24.34	76.7	78.5	77.5	-1.3	1.0
Electrical and communications products	5.02	92.9	93.5	93.0	-0.5	0.1
Non-metallic mineral products	2.07	117.9	118.5	118.3	-0.2	0.3
Petroleum and coal products	6.30	233.2	226.7	234.5	3.4	0.6
Chemicals and chemical products	7.19	137.2	134.8	134.5	-0.2	-2.0
Miscellaneous manufactured products	2.60	123.2	123.0	122.7	-0.2	-0.4
Miscellaneous non-manufactured products	0.30	268.9	273.5	263.9	-3.5	-1.9
<b>Intermediate goods<sup>2</sup></b>	<b>62.15</b>	<b>123.6</b>	<b>122.2</b>	<b>122.4</b>	<b>0.2</b>	<b>-1.0</b>
First-stage intermediate goods <sup>3</sup>	7.56	146.6	135.6	134.3	-1.0	-8.4
Second-stage intermediate goods <sup>4</sup>	54.60	120.4	120.4	120.7	0.2	0.2
<b>Finished goods<sup>5</sup></b>	<b>37.85</b>	<b>100.5</b>	<b>102.0</b>	<b>101.7</b>	<b>-0.3</b>	<b>1.2</b>
Finished foods and feeds	7.12	118.6	119.9	119.8	-0.1	1.0
Capital equipment	12.19	86.3	88.1	87.3	-0.9	1.2
All other finished goods	18.54	102.9	104.2	104.2	0.0	1.3

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the annual 2002 values of production.

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.

**Table 2**  
**Raw Materials Price Index – Not seasonally adjusted**

	Relative importance <sup>1</sup>	August 2011	July 2012 <sup>r</sup>	August 2012 <sup>p</sup>	July to August 2012	August 2011 to August 2012
	%	(2002=100)			% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>170.3</b>	<b>158.2</b>	<b>163.5</b>	<b>3.4</b>	<b>-4.0</b>
<b>RMPI excluding mineral fuels</b>	<b>58.56</b>	<b>156.0</b>	<b>150.0</b>	<b>148.0</b>	<b>-1.3</b>	<b>-5.1</b>
Mineral fuels	41.44	190.7	170.1	185.6	9.1	-2.7
Vegetable products	9.89	156.9	153.9	154.0	0.1	-1.8
Animal and animal products	19.81	125.4	125.1	124.1	-0.8	-1.0
Wood	11.82	89.7	95.7	95.5	-0.2	6.5
Ferrous materials	2.88	165.0	144.6	140.0	-3.2	-15.2
Non-ferrous metals	11.32	273.8	243.9	236.7	-3.0	-13.6
Non-metallic minerals	2.82	162.4	167.0	167.0	0.0	2.8

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the annual 2002 values of intermediate inputs.

**Available without charge in CANSIM: tables 329-0056 to 329-0068 and 330-0007.**

Table 329-0056: Industry price indexes by major commodity aggregations.

Table 329-0057: Industry price indexes by industry.

Table 329-0058: Industry price indexes by stage of processing.

Tables 329-0059 to 329-0068: Industry price indexes by commodity.

Table 330-0007: Raw materials price indexes by commodity.

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

The August 2012 issue of *Industry Price Indexes* (62-011-X, free) will be available soon.

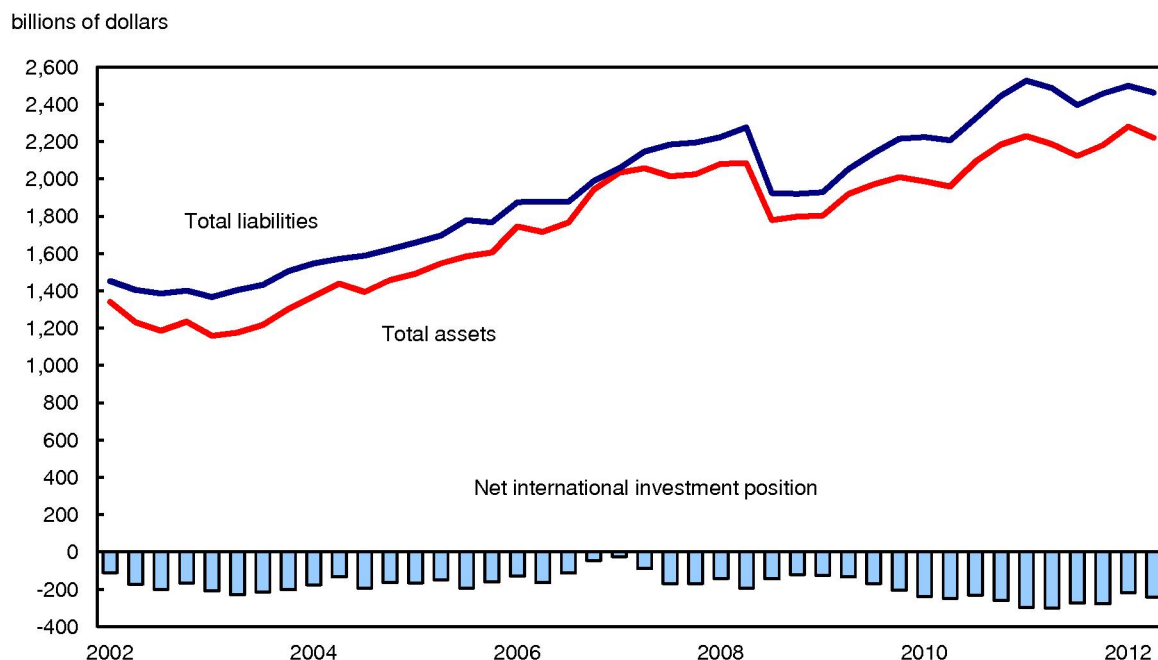
The industrial product and raw materials price indexes for September will be released on October 30.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).

## Canada's international investment position, second quarter 2012

Canada's net foreign debt increased \$23.4 billion to \$241.6 billion at the end of the second quarter. This resulted mainly from the impact of weaker stock markets on the relatively larger equity component in Canadian outward investment positions, as well as further foreign investment in the economy in the quarter.

**Chart 1**  
**Canada's international investment position**



### Weakened foreign stock markets pull international assets down

Canada's international assets at market value declined \$59.9 billion to \$2,220.4 billion. Canadian investment flows abroad of \$5.5 billion in the quarter were more than offset by an \$85.7 billion downward revaluation, mainly due to lower stock markets. The net effect of movements in the exchange rates moderated the decrease in the value of foreign currency denominated international assets by \$20.3 billion. The Canadian dollar lost 2.0% against the US dollar and 5.3% against the Japanese yen. It gained 0.1% against the British pound and 3.3% against the Euro.

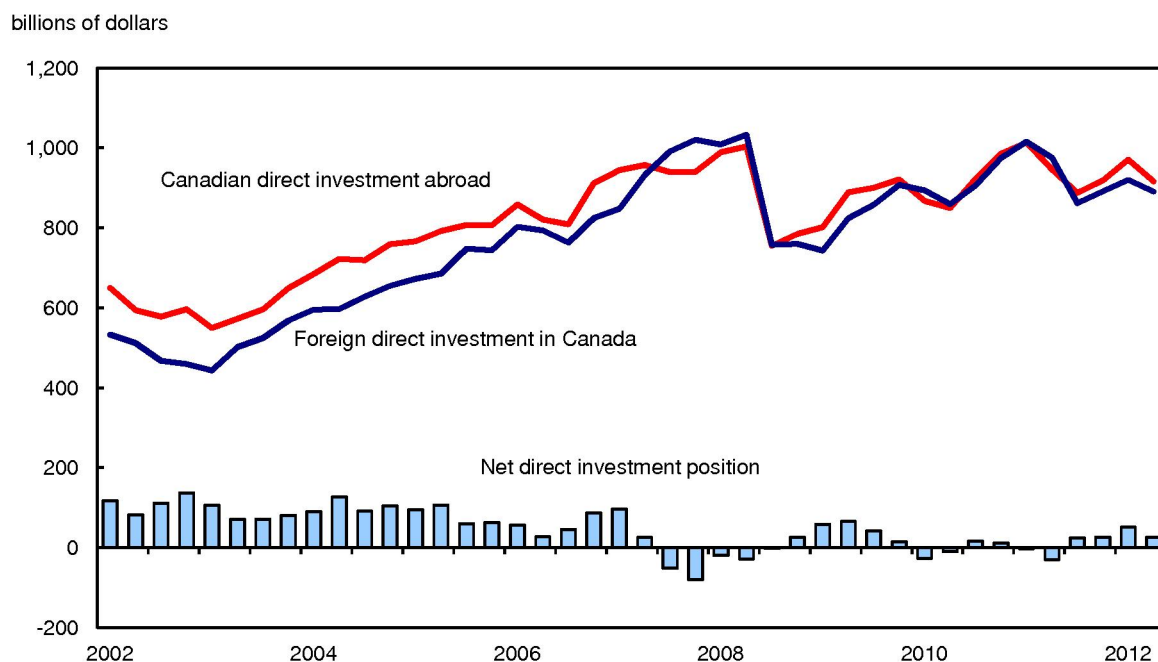
### International liabilities decline despite continued investment from abroad

Canada's international liabilities were down \$36.5 billion to \$2,462.0 billion in the second quarter. Non-residents invested \$16.6 billion in the Canadian economy in the quarter, with \$18.0 billion in Canadian bonds, which was partly offset by withdrawals of deposits. Exchange rate movements also added \$9.9 billion to international liabilities denominated in foreign currencies. However, lower prices on Canadian stock markets had a much larger impact, pulling down the value of non-resident holdings of Canadian equities by \$67.8 billion.

## Canada's net asset position on direct investment at market value narrows

The \$25.6 billion decline in the second quarter in the net direct investment position was led by Canadian assets. Canadian direct investment abroad declined to \$915.8 billion in the second quarter. This reflected the lower prices on international stock markets, which removed \$66.5 billion from the value of direct investment assets. Declines were moderated by the revaluation effect of a depreciation of the Canadian dollar on foreign currency denominated assets abroad as well as by investment outflows in the quarter, which together added \$11.6 billion to the asset position.

**Chart 2**  
**Canada's direct investment position**



On the other side of the ledger, the value of foreign direct investment in Canada was down \$29.4 billion in the second quarter to \$890.4 billion, as Canadian equity markets fell. Direct investment inflows moderated the loss in value, by adding \$10.4 billion to the liability position.

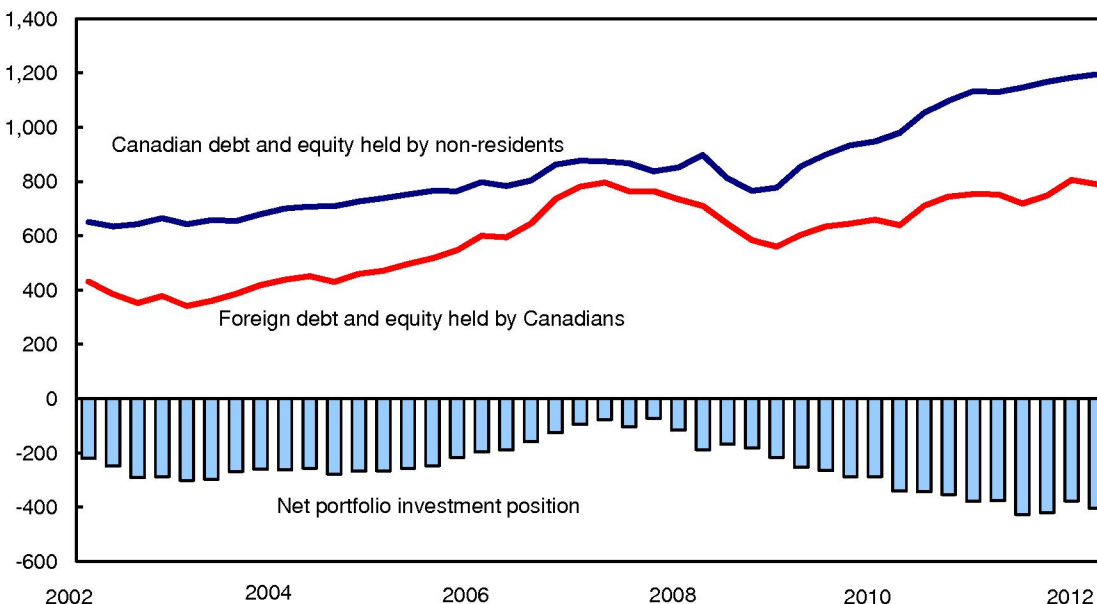
## Net liability position on securities expands further

Canada's net liability on portfolio investment was up in the second quarter. Non-resident holdings of Canadian securities increased \$11.8 billion in the second quarter to \$1,194.7 billion. Foreign investors acquired \$28.5 billion of Canadian securities, mostly in Canadian bonds and money market instruments, but lower prices on the Canadian equity markets removed \$28.1 billion from the value of their holdings of Canadian equities.



**Chart 3**  
**Canada's international portfolio investment position**

billions of dollars



At the same time, the value of Canadian holdings of foreign securities declined by \$15.4 billion to \$790.1 billion. Lower prices on foreign stock markets more than compensated for the impact of exchange rate changes which added \$8.1 billion to the position.

### Note to readers

The comprehensive historical revision to the International Investment Position (IIP) is released with this issue of the quarterly International Investment Position. For more information please see [Historical revisions of the System of National Accounts](#). With this release, the main measure of the IIP accounts now incorporates market valuation for tradeable securities and foreign direct investment equity. This new presentation adds a further dimension to the analysis of Canada's net international investment position and more accurately reflects changes in that position. The IIP at book value is still available, which is linked to the annual foreign direct investment release and includes geographical and industry details compiled at book value. For more information, please see [Valuation of assets and liabilities](#).

### Definition

The international investment position presents the value and composition of Canada's assets and liabilities to the rest of the world. Canada's net international investment position is the difference between these foreign assets and liabilities. The excess of international liabilities over assets can be referred to as Canada's net foreign debt; the excess of international assets over liabilities can be referred to as Canada's net foreign assets.

### Currency valuation

The value of assets and liabilities denominated in foreign currency are converted to Canadian dollars at the end of each period for which a balance sheet is calculated. Most of Canada's foreign assets are denominated in foreign currencies while less than half of Canada's international liabilities are in foreign currencies. When the Canadian dollar is appreciating in value, the restatement of the value of these assets and liabilities in Canadian dollars lowers the recorded value. The opposite is true when the Canadian dollar is depreciating.

**Table 1**  
**Canada's international investment position at period end**

	Fourth quarter 2010	First quarter 2011	Second quarter 2011	Third quarter 2011	Fourth quarter 2011	First quarter 2012	Second quarter 2012
billions of dollars							
<b>Assets</b>	<b>2,184.6</b>	<b>2,228.8</b>	<b>2,186.3</b>	<b>2,122.9</b>	<b>2,180.8</b>	<b>2,280.3</b>	<b>2,220.4</b>
Canadian direct investment abroad	985.6	1,013.5	945.4	886.9	918.2	970.8	915.8
Canadian portfolio investment	743.5	753.5	752.8	718.4	747.0	805.5	790.1
Foreign debt securities	165.0	160.3	153.7	171.0	169.9	163.8	170.3
Foreign money market	6.7	6.8	6.0	6.1	4.8	4.2	3.0
Foreign bonds	158.3	153.5	147.7	164.8	165.1	159.6	167.3
Foreign equity and investment fund shares	578.5	593.1	599.2	547.5	577.1	641.7	619.8
Official international reserves	56.8	58.8	60.3	66.8	66.9	69.2	67.4
Other Canadian investment	398.6	403.1	427.8	450.8	448.6	434.8	447.0
Loans	112.7	111.3	116.8	123.1	124.8	124.6	131.7
Currency and deposits	225.4	232.4	252.5	267.1	259.1	245.5	253.8
Other assets	60.5	59.4	58.6	60.6	64.7	64.7	61.6
<b>Liabilities</b>	<b>2,445.1</b>	<b>2,525.8</b>	<b>2,486.6</b>	<b>2,396.2</b>	<b>2,457.7</b>	<b>2,498.5</b>	<b>2,462.0</b>
Foreign direct investment in Canada	975.0	1,015.9	975.4	861.9	891.6	919.8	890.4
Foreign portfolio investment	1,096.7	1,132.6	1,128.6	1,145.4	1,167.5	1,182.8	1,194.7
Canadian debt securities	643.9	647.1	669.4	739.7	745.2	745.8	785.4
Canadian money market	35.6	36.2	41.3	58.6	68.0	59.9	70.6
Canadian bonds	608.3	610.9	628.0	681.2	677.3	685.9	714.9
Canadian equity and investment fund shares	452.8	485.5	459.3	405.6	422.3	437.0	409.2
Other foreign investment	373.4	377.3	382.6	388.9	398.5	395.9	376.9
Loans	65.8	60.5	60.1	59.7	65.1	61.5	53.8
Currency and deposits	277.6	286.3	292.0	298.3	302.4	302.5	291.7
Special drawing rights	9.2	9.2	9.2	9.7	9.3	9.3	9.3
Other liabilities	20.7	21.3	21.3	21.3	21.7	22.6	22.2
<b>Net international investment position</b>	<b>-260.4</b>	<b>-296.9</b>	<b>-300.3</b>	<b>-273.3</b>	<b>-276.8</b>	<b>-218.2</b>	<b>-241.6</b>

Available without charge in CANSIM: tables 376-0059 and 376-0141 to 376-0144.

Definitions, data sources and methods: survey numbers 1534 and 1537.

For more information, contact Statistics Canada's National Contact Centre  
(toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Komal Bobal (613-951-6645)  
or Marie-Josée Lamontagne (613-951-5179), Balance of Payments Division.

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## System of National Accounts Historical Revision, 1981 to the second quarter 2012

The implementation of revised international System of National Accounts economic accounting standards resulted in no substantial change to the level, nominal growth rate or real growth rate of Canada's gross domestic product (GDP) from 1981 through the second quarter of 2012. Similarly, there was no material change to Canada's current account balance over this period. The revised accounts provide users with additional information that present a more comprehensive picture of the Canadian economy.

### **Note to readers**

*Periodically, the Canadian economic accounts undergo historical revisions, which are much broader in scope than the regular revisions undertaken on an annual basis. These are reserved for incorporating conceptual, classification, presentational and major statistical changes. This release of the Canadian economic accounts incorporates such revisions back to 1981.*

*The changes have yet to be incorporated for years prior to 1981. That work is on-going and Statistics Canada will endeavour to release, at a later date, a consistent gross domestic product by income and by expenditure accounts time series for the period beginning with 1947 on a quarterly basis, and with 1926 on an annual basis. Some of these changes will be reflected in the international accounts as well.*

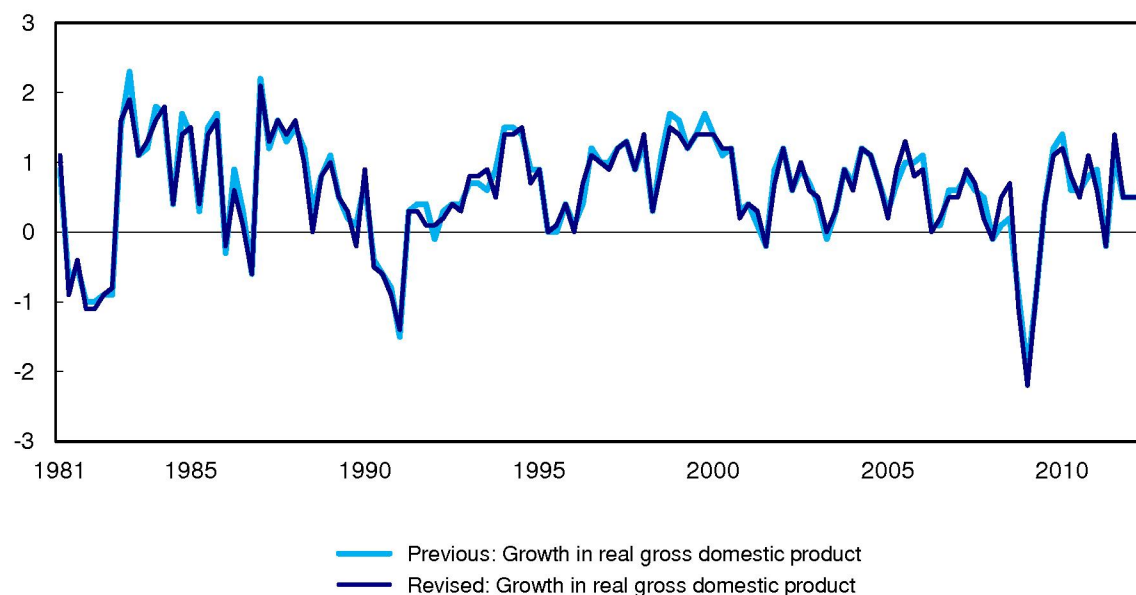
### **Revisions to the growth in gross domestic product**

Revisions to the growth in GDP over the revision period were not substantial. Over the entire 1982 to 2011 period, the mean absolute revision to the annual nominal growth rate in GDP was 0.15 percentage points, while the mean absolute revision to the annual real growth rate in GDP was 0.14 percentage points. The largest upward revision in real growth occurred in 2008 (+0.4) while the largest downward revision occurred in 1999 (-0.4).

Of particular interest are the real rates of growth during business cycles characterized by a recession and a recovery period. The historical revision did little to change the depth or length of the economic contractions that occurred in 1982 and 1991.

**Chart 1**  
**Impact of revisions to the growth in real gross domestic product**

quarterly % change



In 1982, real GDP declined 3.0% and then increased 2.6% in 1983; both rates of growth were slightly lower than the previously estimated rates of growth. In 1991, real GDP declined 2.1%, the same rate of decline as was previously estimated.

Revisions to 2009 incorporate the annual benchmarks from the Canadian input-output tables. While the annual decline in real GDP in 2009 (-2.8%) remains the same, the decline in the fourth quarter of 2008 and first quarter of 2009 were more pronounced than previously estimated. Real GDP fell 1.1% in the fourth quarter of 2008 and 2.2% in the first quarter of 2009 compared with the previously estimated declines of 0.9% and 2.0%.

### Revisions to the level of gross domestic product

In 2007 (the new base and reference year for the Canadian economic accounts), the nominal level of GDP was revised upward by \$36.4 billion, or 2.4% of the previous estimate of GDP.

The main contributor to the increase in the level of GDP was an upward revision to investment. Both research and development activities and military weapons systems are now considered capital assets in the System of National Accounts and are included in the estimate of business and government investment.

Total expenditures by businesses and governments on investment in research and development were \$20.8 billion in 2007, with \$10.3 billion of the expenditures attributable to businesses and \$10.5 billion to governments.

From 1982 to 2011, the average annual growth in investment by businesses and governments in research and development outpaced that of other types of investment. Investment in research and development grew at an average annual pace of 6.2%, while other types of investment grew at an annual pace of 5.3%. However, in the last five years the growth in investment in research and development has lagged other types of investment.

## **Revisions to the current and capital accounts**

The major change associated with this revision is the articulation of new sectors, including non-profit institutions serving households, non-financial corporations, financial corporations and Aboriginal general governments.

The final consumption expenditures of non-profit institutions serving households accounted for 1.4% of total gross domestic product in 2007. From 1981 to 2011, their share of gross domestic product increased from 1.2% to 1.6%.

Financial corporations have taken on an increasingly important role in the corporate sector. Financial corporations' gross operating surplus as a share of total operating surplus increased from 4.9% in 1997 to 8.3% in 2011.

Aside from the increased sector detail, there were some changes to a number of the macro-economic indicators that emanate from existing sector accounts, most notably the household sector aggregates.

In the previous vintage of the Canadian economic accounts, the household sector included the activities of non-profit institutions serving households', Aboriginal general government and some financial corporations. In this new presentation, the sector only includes households and therefore more accurately reflects the incomes and expenditures of households. In addition, the definition of household disposable income is now aligned with the international standard in that transactions such as interest on consumer credit are removed before estimating disposable income.

As a result of these changes, household disposable income in 2007 was lowered by \$45.1 billion or 5% compared with its previous reported value. Similarly, per capita household disposable income was \$26,047, down from the previous estimate of \$27,420.

Household expenditures were also lower with the redefinition of the sector, moving from 56% of GDP to 53% in 2007 under the new vintage. The level of household saving was also lower; however, the household saving rate exhibits the same trend as before — a gradual decline from 1981 to 2005 and a slight upward trend since 2005.

## **Revisions to the international accounts**

In the balance of international payments (BOP), revisions did not materially change the current account balance over time.

The major statistical change to the current account was the upward revision to trade in services from the re-design of the survey vehicles and the incorporation of additional data sources. Both exports and imports of services were revised up, with exports generally revised up more than imports.

However, other revisions to the current account components have tended to revise up the overall current account deficits and revise down surpluses by small amounts over most of the time series from 1981.

The restructuring of the current account to include cross-border compensation of employees was one such revision that resulted in increased payments relative to receipts. Also, investment income payments on portfolio investment were revised up for a number of more recent years, reflecting an upward revision to foreign holdings of Canadian equity securities.

In the capital account and in the financial account of the BOP, statistical revisions from 1981 were minimal in terms of the balance.

The elimination of migrants' funds from transactions, as per the international standard, did alter the totals in both the capital and financial accounts. In addition, this caused a downward revision in the level of household net lending/borrowing.

Portfolio transactions were revised from 1999 forward, and there were some reclassification of transactions across financial account categories that resulted in a closer link to the assets and liabilities of the international investment position.

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Similarly, in the international investment position, statistical revisions were moderate over the time series. At book value, Canada's net foreign debt was largely unchanged, except in more recent years (mainly, 1999 forward). In these years, government international loan assets were revised to reflect a more accurate recording of loan allowances and there was a large upward revision to foreign holdings of Canadian equity securities.

Market valuation of relevant international assets and liabilities is introduced from the first quarter of 1990 and becomes the official valuation of Canada's international investment position. This new measure of Canada's net foreign debt differs from the previous book value measure in earlier periods as the revaluation of assets was relatively larger than that for liabilities. In recent periods, the differences between the market and book value measures of net foreign debt have been relatively small.

**Available without charge in CANSIM: tables 376-0012, 376-0013, 376-0059, 376-0064, 376-0101 to 376-0108, 376-0121, 376-0122, 376-0124, 376-0131 to 376-0138, 376-0141 to 376-0146, 380-0063 to 380-0076, 380-0078 to 380-0085, 380-0100 to 380-0106 and 382-0006.**

**Definitions, data sources and methods: survey numbers 1534, 1535, 1536, 1537, 1901 and 2602.**

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.

For more information, refer to the *Latest Developments in the Canadian Economic Accounts*, (13-605-X, free). This publication 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 Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).

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## Study: Income of Canadian Households, 1981 to 2010

In the three decades between 1981 and 2010, primary household income in Canada more than quadrupled from \$253.7 billion to nearly \$1.1 trillion.

Primary household income, a new aggregate for assessing household income, was developed as part of the historical revisions to the Canadian System of National Accounts. This article in the *Economic Insights* series examines the components of household income.

The term is defined as "incomes that accrue to households as a consequence of their involvement in processes of production or ownership of assets that may be needed for purposes of production".

There are three underlying components to primary household income: employee compensation, net mixed income and net property income. Their shares have remained largely stable over time.

Between 1981 and 2010, the largest component of primary income, compensation of employees, remained relatively constant at around 76%. Employee compensation consists of wages and salaries and includes employers' social contribution to benefits such as health plans, life insurance plans and pension plans.

The relative importance of this employer's contribution has changed over time. During the three decades, these benefits increased at an annual rate of 6.7%, while the annual growth in nominal wages and salaries was 4.9%. Consequently, the share of employee compensation accounted for by employers' social contributions increased from 8.7% in 1981 to 13.3% in 2010.

The second main component, net mixed income, accounted for around 14% of primary income. Net mixed income includes gross operating income from unincorporated businesses, farms and rentals, less the consumption of fixed capital by unincorporated businesses.

Net property income, the net income (receipts less payments) that households accrue from their ownership of financial assets/liabilities or natural resources, accounted for less than 10% of primary household income during 2010.

Dividend income represented an increasing proportion of the property income received by households. Its share rose from 18% in 2000 to 36% in 2010. On the other hand, interest income, as a proportion of property income received, has decreased. Its share fell from 90% of property income received by households in 1991 to 63% in 2010.

This study also examined changes in the composition of transfer income received by households. Social security benefits have eclipsed Employment Insurance benefits as the primary source of government transfers to households.

In 1991, social security benefits accounted for 24% of transfers received by households, while Employment Insurance benefits accounted for 22%. In 2010, social security benefits amounted to 29% of transfers received by households, while Employment Insurance benefits accounted for 11%.

In terms of the transfers paid by households to governments, social insurance contributions have increased in relation to personal income taxes paid.

Of every \$100 in transfers paid by households to governments in 1991, \$23 went to social insurance and \$73 to personal income taxes. By 2010, social insurance contributions accounted for \$28 of every \$100 of household transfers to governments, while personal income taxes accounted for \$67.

The revised national accounts also present data on the transfers between households and the volunteer sector. In 2010, close to 5% of transfers paid by Canadian households went to the non-profit institutions serving households.

**Available without charge in CANSIM: tables 380-0072 to 380-0074.**

The study "Income of Canadian Households: 1981-2010", part of the *Economic Insights* series (11-626-X, free), is now available from the *Key resource* module of our website under *Publications*.

Similar studies from the Economic Analysis Division are available online ([www.statcan.gc.ca/economicanalysis](http://www.statcan.gc.ca/economicanalysis)).

For further information, contact Statistics Canada's National Contact Centre (613-951-8116; toll-free 1-800-263-1136; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Guy Gellatly (613-951-3758) or Karim Moussaly (613-951-2140), Economic Analysis Division.



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## Electric power selling price indexes, May to August 2012

Electric power selling price indexes (2009=100) are now available for May to August.

### **Note to readers**

*The Electric Power Selling Price Index is a monthly series measuring the price movements of sales of electricity by distributors to commercial and industrial users; the data are produced three times per year.*

*Data released are not seasonally adjusted.*

*Indexes for the current year and the previous year are subject to revision.*

**Available without charge in CANSIM: table 329-0073.**

**Definitions, data sources and methods: survey number 2325.**

The August 2012 issue of *Industry Price Indexes* (62-011-X, free) will soon be available.

The electric power selling price indexes for September to December will be released on January 31, 2013.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).

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## Asphalt roofing, August 2012

Data on asphalt roofing are now available for August.

**Available without charge in CANSIM: table 303-0052.**

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

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).

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## Social Policy Simulation Database and Model, version 20.0

The *Social Policy Simulation Database and Model (SPSD/M)*, version 20.0 based on 2008 microdata, is now available. The most recent SPSPD/M can be used to study the impacts of changes to federal and provincial tax and benefit programs on families and governments from 1997 through 2017.

The SPSPD/M is a tool designed to analyze the financial interactions of governments and individuals/families in Canada. It allows estimation of the income redistributive effects or cost implications of changes in the personal taxation (including goods and services tax and other commodity taxes) and cash transfer systems. The SPSPD/M assists analysts examining the potential impacts of changes in taxes, earnings, demographic trends, and a wide range of other factors.

Given specified assumptions, the SPSPD/M allows analysts to answer "what-if" types of questions. What if there were changes to the taxes Canadians paid or transfers they received — who would gain and who would lose? Would single parent households in a particular province be better off? By how much? How much extra money would federal or provincial governments collect or pay out?

As its name implies, the SPSPD/M is comprised of both a database (SPSD) and a model (SPSM). The SPSPD is a statistically-representative database of individuals in their family context with enough information on each individual to compute taxes paid to and cash transfers received from federal and provincial governments. It is created by statistically combining data from survey and administrative sources. The SPSM is a static accounting model which processes each individual and family on the SPSPD, calculates transfers and taxes (including income, payroll, and commodity taxes) using legislated or proposed programs and algorithms, and reports on the results. This microsimulation model can be run using a visual interface, and extensive documentation on both SPSPD and SPSM is included.

### Definitions, data sources and methods: survey number 3889.

The *Social Policy Simulation Database and Model (SPSD/M)*, version 20.0 (89F0002X, \$5,000/\$12,500) is available on CD-ROM.

For further information regarding The [Social Policy Simulation Database and Model \(SPSD/M\)](#), version 20.0, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

To enquire about the concepts, methods or data quality of this release, contact Chantal Hicks (613-951-5311), Modeling Division.

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## New products and studies

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### New products

#### Latest Developments in the Canadian Economic Accounts

Catalogue number 13-605-X (HTML, free)

#### Social Policy Simulation Database and Model (SPSD/M), 1997 to 2017 (Version 20.0, database year 2008)

Catalogue number 89F0002X (CD-ROM, various prices)

### New studies

#### Economic Insights: "Income of Canadian Households: 1981-2010", No. 15

Catalogue number 11-626-X2012015 (HTML, free | PDF, free)

Summary of Revisions to the International Accounts of the Canadian System of National Accounts

#### Latest Developments in the Canadian Economic Accounts

Revisions analysis - Canadian System of National Accounts 2012

#### Latest Developments in the Canadian Economic Accounts



#### Statistics Canada's official release bulletin

Catalogue 11-001-X.

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