# The Daily

# Statistics Canada

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## Releases

Canada's international transactions in securities, August 2012  Non-resident investors acquired \$6.9 billion of Canadian securities in August, as they favoured debt instruments over equity in contrast to July. Canadian investors reduced their holdings of foreign securities by \$1.7 billion, following three straight months of acquisition.					
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Statistics Canada



#### Releases

# Canada's international transactions in securities, August 2012

Non-resident investors acquired \$6.9 billion of Canadian securities in August, as they favoured debt instruments over equity in contrast to July. Canadian investors reduced their holdings of foreign securities by \$1.7 billion, following three straight months of acquisition.

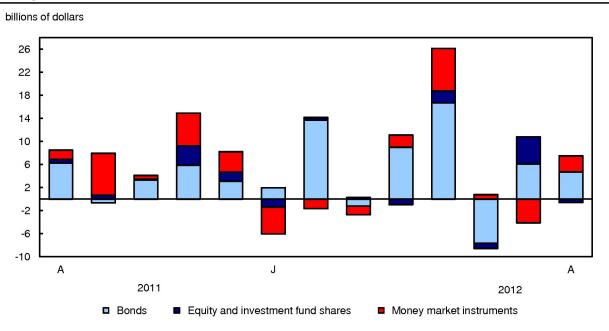
#### Foreign investment in the Canadian debt market focuses on corporate securities

Foreign investors purchased \$7.5 billion of Canadian debt securities in August, up from the \$2.0 billion acquired in July. Non-residents added bonds and money market instruments to their holdings, led by Canadian corporate securities.

Foreign investment in Canadian bonds was \$4.7 billion and targeted new bonds issued by corporations, both private and public. Non-residents reduced their holdings of Canadian government bonds for the second time in three months, mainly federal bonds with short-term maturities. Nonetheless, foreign investors accumulated \$19.5 billion of federal government bonds between January and August of 2012, nearly fourfold the investment recorded during the same period in 2011.

Non-resident investment in the Canadian money market reached \$2.8 billion in August, following a large divestment in July. Foreign acquisitions of paper issued by Canadian private corporations posted the second largest inflow on record. This, combined with investment in provincial government paper, accounted for most of the activity over the month.

**Chart 1 Foreign portfolio investment in Canadian securities** 



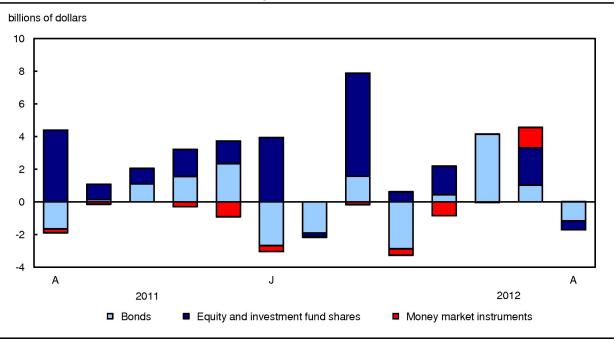
#### Non-residents reduce their holdings of Canadian equities

Foreign investors removed \$0.6 billion from their holdings of Canadian equities in August, after a \$4.7 billion investment in July. The divestment was in a wide variety of Canadian equities transacted on the secondary market. Canadian stock prices increased further in August, posting the largest monthly gain since January.

#### Canadian investors sell foreign debt securities after two months of acquisitions

Canadian investors reduced their holdings of foreign debt securities by \$1.1 billion in August, following two straight months of investment totalling \$6.4 billion. US government bonds and, to a lesser extent, non-US foreign bonds accounted for most of the reduction. Acquisitions of US corporate bonds and government T-bills moderated the overall divestment over the month. On a year-to-date basis, the level of divestment in foreign debt securities has decreased considerably compared with 2011.

**Chart 2 Canadian portfolio investment in foreign securities** 



### Canadian holdings of foreign equities down

Resident investors, led by pension funds, reduced their holdings of foreign equities by \$0.5 billion in August. Transactions in the month reflected certain portfolio adjustments, Canadians adding \$2.1 billion of US shares and removing \$2.6 billion of non-US foreign shares from their holdings. Most major world equity markets posted gains in August.

#### Note to readers

The data series on international transactions in securities cover portfolio transactions in equity and investment fund shares, bonds and money market instruments for both Canadian and foreign issues.

Equity and investment fund shares include common and preferred equities as well as units/shares of investment funds.

**Debt securities** include bonds and money market instruments.

**Bonds** have an original term to maturity of more than one year.

Money market instruments have an original term to maturity of one year or less.

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

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

Table 1
Canada's international transactions in securities

	June 2012	July 2012	August 2012	January to August 2011 <sup>1</sup>	January to August 2012 <sup>1</sup>
		ı	millions of dollars		
Foreign investment in Canadian					
securities	-7,756	6,673	6,897	62,812	48,124
Debt securities	-6,846	1,988	7,492	47,449	44,445
Money market instruments	783	-4,116	2,769	14,970	1,130
All governments	2,273	-4,314	1,847	13,956	-2,169
Federal government	2,191	-2,858	681	14,232	-5,512
Corporations <sup>2</sup>	-1,490	198	922	1,014	3,300
Bonds	-7,630	6,104	4,723	32,479	43,315
All governments	-1,371	4,880	-487	11,300	28,136
Federal government	-4,077	4,226	-675	4,940	19,538
Corporations <sup>2</sup>	-6.258	1,224	5,210	21,179	15,179
Equity and investment fund shares	-910	4,686	-595	15,363	3,678
Canadian investment in foreign		,		•	,
securities	4,123	4,559	-1,685	9,641	12,136
Debt securities	4,159	2,276	-1,141	-11,709	-1,951
Money market instruments	26	1,247	20	-677	-504
Bonds	4,133	1,029	-1,161	-11,032	-1,448
Equity and investment fund shares	-36	2,283	-544	21,350	14,087

<sup>1.</sup> Cumulative transactions.

Note(s): In this table, a plus sign denotes an increase in investment and a minus sign denotes a decrease in investment. Transactions are recorded on a net basis.

<sup>2.</sup> Includes securities issued by government business enterprises and private corporations.

Available without charge in CANSIM: tables 376-0131 to 376-0138, 376-0145 and 376-0146.

Definitions, data sources and methods: survey number 1535.

Data on Canada's international transactions in securities for September will be released on November 16.

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 Yiling Zhang (613-951-2057; yiling.zhang@statcan.gc.ca), Balance of Payments Division.

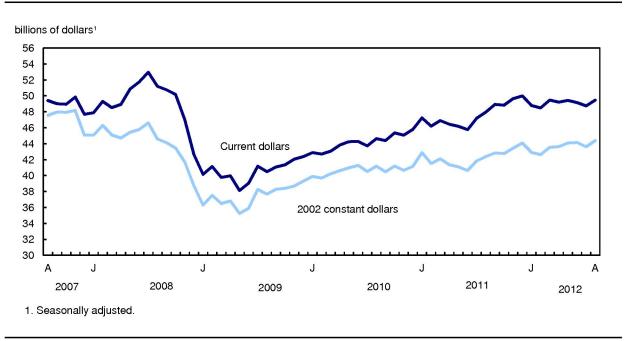
# Monthly Survey of Manufacturing, August 2012

Manufacturing sales increased 1.5% to \$49.5 billion in August, the highest sales level since March 2012. The gain largely reflected increases in the petroleum and coal products, and motor vehicle industries.

Manufacturers in 11 out of 21 industries reported higher sales, representing over three quarters of total manufacturing.

Constant dollar sales were up 1.8% in August, indicating a gain in the volume of manufactured goods sold.

Chart 1
Manufacturing sales increase



# Sales advance in the petroleum and coal product industry

In the petroleum and coal product industry, sales advanced 8.6% to \$6.8 billion. The increase partly stemmed from higher sales at some refineries following slowdowns for maintenance and retooling work (please see Note to readers for additional information). Prices in the industry rose in August according to the Industrial Product Price Index. The sales increase in the petroleum and coal products industry was the fifth rise in eight months. Notwithstanding the gain in August, sales remained below their most recent peak of \$7.5 billion reached in March 2012.

Sales rose 4.4% to \$4.7 billion in the motor vehicle assembly industry. The gain stemmed from larger than usual seasonal increases at some plants following regularly scheduled shutdowns in July. The increase was the 12th in 14 months.

A 3.1% sales decrease to \$3.7 billion in the primary metal industry partly offset the overall gain in total manufacturing. The decrease mostly reflected lower prices for primary metals in August.

#### Sales gains concentrated in Ontario and New Brunswick

Higher sales were reported in eight provinces in August. However, most of the gains were concentrated in Ontario and New Brunswick. Manitoba and Quebec were the two provinces with sales declines in August.

In Ontario, sales were up 2.5% to \$23.1 billion. Advances in the petroleum and coal products industry accounted for almost half of the provincial increase, as refineries ramped up to full production after partial shutdowns. In the motor vehicle industry, sales were up 4.7% to \$4.6 billion, reflecting stronger than normal increases following regularly scheduled shutdowns at some plants. Sales rose 7.2% in the machinery industry to \$1.4 billion, contributing to the overall provincial advance.

Manufacturing sales in New Brunswick rose 7.8% to \$1.7 billion in August, reflecting gains in the non-durable goods industries. The increase was the fifth for the province in seven months.

In Alberta, sales rose 0.5% to \$6.2 billion. The rise stemmed from higher sales in the food (+4.1%) and chemical (+2.6%) industries. These increases were partly offset by declines in the machinery industry (-6.5%).

Manufacturers in Manitoba reported a 4.7% decrease to \$1.3 billion in August. Lower sales of durable goods, such as machinery and transportation equipment industries, were responsible for the provincial decrease.

In Quebec, sales edged down 0.3% to \$11.2 billion, partly reflecting declines in the fabricated metal product (-12.7%) and primary metal (-3.5%) industries. An 11.0% gain in the transportation equipment industry and a 6.5% rise in the petroleum and coal products industry mostly offset the declines.

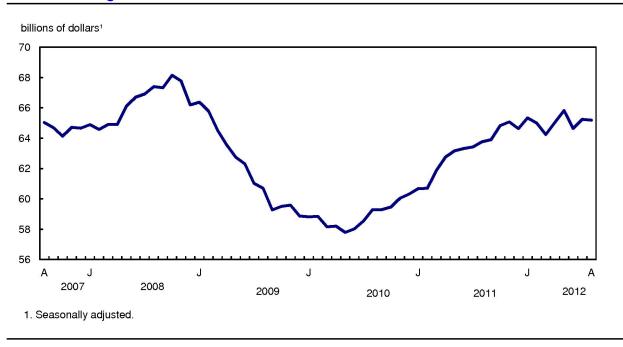
#### Inventories edge down

Manufacturers' inventories edged down 0.1% in August to \$65.2 billion. Inventories fell in 14 of 21 industries, but the decreases were largely offset by higher inventories of petroleum and coal products.

The largest declines in inventories were in the aerospace product and parts (-3.2%), computer and electronic products (-4.1%), fabricated metal product (-2.5%) and primary metal product (-1.7%) industries.

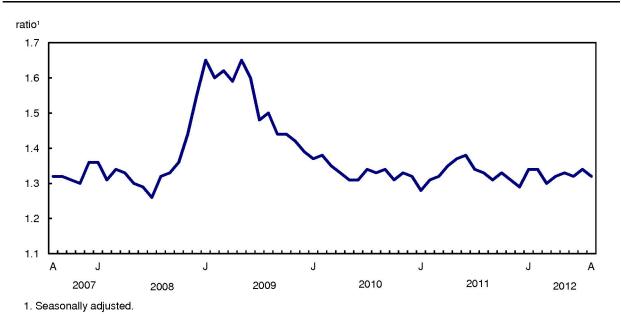
A 10.4% rise in petroleum and coal products inventories partly stemmed from higher finished product inventories reported by most refineries. The gain in inventories in August followed two months of declines.

Chart 2 Inventories edge down



The inventory-to-sales ratio decreased from 1.34 in July to 1.32 in August. The inventory-to-sales ratio is a measure of the time, in months, that would be required to exhaust inventories if sales were to remain at their current level.

**Chart 3 The inventory-to-sales ratio declines** 



#### Unfilled orders decline

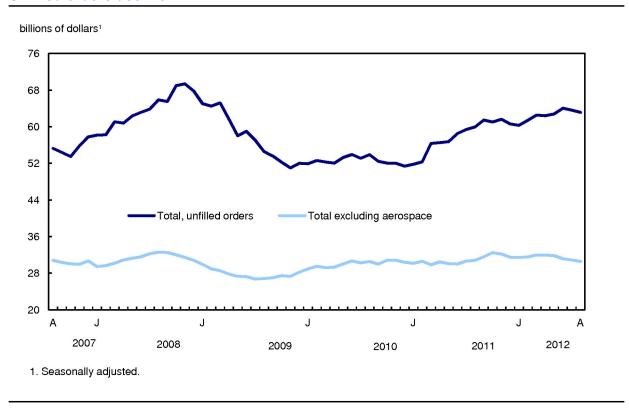
Unfilled orders dropped 0.7% in August to \$63.1 billion. A decline in the aerospace product and parts industry was responsible for approximately one-third of the decrease.

In the aerospace product and parts industry, unfilled orders were down 0.5% to \$32.6 billion. The decrease was attributable to an increase in the value of the Canadian dollar relative to the US dollar in August. A large portion of unfilled orders in this industry are held in US dollars.

Unfilled orders were down 1.5% in the machinery industry to \$8.0 billion, reflecting a widespread decrease in the backlog of orders.

In the primary metal and fabricated metal product industries, unfilled orders declined 6.9% and 1.3% respectively.

Chart 4 Unfilled orders decline



In August, new orders increased 1.4% to \$49.0 billion, reflecting gains in the petroleum and coal products and motor vehicle industries. Declines in the primary metal, and computer and electronic product industries offset a portion of the gains.

#### Note to readers

In the petroleum and coal product industry, between April and June 2012, there were partial shutdowns at several plants for retooling and maintenance work, resulting in decreases in reported sales. Production returned to more normal levels by July and August as the work was completed. However, as of this release, the reported sales data received from several refineries are under review, which resulted in changes to July and may result in subsequent revisions to this industry. Readers are advised to use the sales figures with caution.

Preliminary data are provided for the current reference month. Results for the three previous months are revised based on late or updated respondent data.

All data in this release are seasonally adjusted and are expressed in current dollars unless otherwise specified. For more information on seasonal adjustment, see Seasonal adjustment and identifying economic trends.

**Non-durable goods industries** include food, beverage and tobacco products, textile mills, textile product mills, clothing, leather and allied products, paper, printing and related support activities, petroleum and coal products, chemicals, and plastics and rubber products.

**Durable goods industries** include wood products, non-metallic mineral products, primary metal, fabricated metal products, machinery, computer and electronic products, electrical equipment, appliances and components, transportation equipment, furniture and related products and miscellaneous manufacturing.

#### Production-based industries

For the aerospace industry and shipbuilding industries, the value of production is used instead of sales of goods manufactured. This value is calculated by adjusting monthly sales of goods manufactured by the monthly change in inventories of goods in process and finished products manufactured.

Unfilled orders are a stock of orders that will contribute to future sales assuming that the orders are not cancelled.

**New orders** are those received whether sold in the current month or not. New orders are measured as the sum of sales for the current month plus the change in unfilled orders from the previous month to the current month.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	August 2011	July 2012 <sup>r</sup>	August 2012 <sup>p</sup>	July to August 2012	August 2011 to August 2012
		millions of dollars		% cha	nge <sup>1</sup>
Manufacturing sales (current dollars)	47,950	48,748	49,461	1.5	3.2
Manufacturing sales (2002 constant					
dollars)	42,377	43,591	44,383	1.8	4.7
Manufacturing sales (current dollars)					
excluding motor vehicles, parts and					
accessories	42,700	42,139	42,699	1.3	0.0
Inventories	63,759	65,236	65,189	-0.1	2.2
Unfilled orders	59,940	63,613	63,149	-0.7	5.4
Unfilled orders excluding motor vehicles,					
parts and accessories	59,296	63,160	62,665	-0.8	5.7
New orders	48,487	48,319	48,997	1.4	1.1
New orders excluding motor vehicles,	,	,	,		
parts and accessories	43,191	41,752	42,204	1.1	-2.3
Inventory-to-sales ratio	1.33	1.34	1.32		

r revised

p preliminary

<sup>...</sup> not applicable

<sup>1.</sup> Percent change calculated at thousands of dollars for current dollars, and millions of dollars for constant dollars.

Table 2 Manufacturing sales: Industry aggregates - Seasonally adjusted

	August 2011	July 2012 <sup>r</sup>	August 2012 <sup>p</sup>	July to August 2012	August 2011 to August 2012
	1	millions of dollars		% change <sup>1</sup>	
Food manufacturing	7,173	7,048	7,066	0.3	-1.5
Beverage and tobacco product	914	962	973	1.2	6.4
Textile mills	130	163	148	-9.3	13.4
Textile product mills	136	150	130	-13.4	-4.2
Clothing manufacturing	181	166	152	-8.1	-15.9
Leather and allied product	33	35	29	-15.2	-11.3
Wood product	1,504	1,700	1,724	1.4	14.6
Paper manufacturing	2,203	2,034	2,050	0.8	-7.0
Printing and related support activities	700	722	716	-0.9	2.2
Petroleum and coal product	6,696	6,258	6,795	8.6	1.5
Chemical	4,005	3,925	3,942	0.4	-1.6
Plastics and rubber products	1,843	1,971	1,968	-0.2	6.8
Non-metallic mineral product	1,087	1,155	1,178	2.0	8.4
Primary metal	4,084	3,859	3,740	-3.1	-8.4
Fabricated metal product	2,777	2,997	2,961	-1.2	6.6
Machinery	2,879	3,144	3,169	0.8	10.1
Computer and electronic product	1,305	1,185	1,212	2.3	-7.1
Electrical equipment, appliance and					
component	830	873	869	-0.4	4.8
Transportation equipment	7,481	8,623	8,852	2.7	18.3
Motor vehicle	3,634	4,536	4,733	4.4	30.2
Motor vehicle body and trailer	303	323	335	3.5	10.5
Motor vehicle parts	1,616	2,072	2,028	-2.1	25.5
Aerospace product and parts	1,382	1,203	1,233	2.5	-10.8
Railroad rolling stock	145	99	113	13.9	-22.1
Ship and boat building	98	116	132	14.4	34.6
Furniture and related product	857	939	916	-2.5	6.9
Miscellaneous manufacturing	1,130	840	869	3.5	-23.1
Non-durable goods industries	24,015	23,433	23,969	2.3	-0.2
Durable goods industries	23,935	25,315	25,492	0.7	6.5

<sup>&</sup>lt;sup>r</sup> revised

p preliminary

1. Percent change calculated at thousands of dollars.

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	August 2011	July 2012 <sup>r</sup>	August 2012 <sup>p</sup>	July to August 2012	August 2011 to August 2012
	millions of dollars			% cha	nge <sup>1</sup>
Canada	47,950	48,748	49,461	1.5	3.2
Newfoundland and Labrador	387	598	610	2.1	57.5
Prince Edward Island	104	103	106	3.6	2.7
Nova Scotia	871	768	799	4.1	-8.2
New Brunswick	1,633	1,567	1,689	7.8	3.5
Quebec	11,478	11,241	11,210	-0.3	-2.3
Ontario	21,965	22,559	23,114	2.5	5.2
Manitoba	1,257	1,328	1,266	-4.7	0.8
Saskatchewan	1,087	1,201	1,210	0.8	11.3
Alberta	5,957	6,179	6,208	0.5	4.2
British Columbia	3,207	3,201	3,243	1.3	1.1
Yukon	3	3	3	-3.6	-4.9
Northwest Territories and Nunavut	1	2	1	-38.0	26.5

<sup>&</sup>lt;sup>r</sup> revised

Available without charge in CANSIM: tables 304-0014, 304-0015 and 377-0008.

Definitions, data sources and methods: survey number 2101.

Data from the September Monthly Survey of Manufacturing will be released on November 15.

For further information regarding the Monthly Survey of Manufacturing, contact Statistics Canada's National Contact Centre (613-951-8116; toll-free 1-800-263-1136; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Michael Schimpf (613-951-9832; michael.schimpf@statcan.gc.ca) or Jeff Paul (613-951-7328; jeff.paul@statcan.gc.ca), Manufacturing and Energy Division.

<sup>&</sup>lt;sup>p</sup> preliminary

<sup>1.</sup> Percent change calculated at thousands of dollars.

# Farm Input Price Index, second quarter 2012

The Farm Input Price Index rose 0.7% in the second quarter, following a 2.7% increase in the first quarter. This was the eighth consecutive quarterly increase for the index.

Animal production (+1.9%) contributed the most to the quarterly movement of the index. This component has been the largest contributor to the price movement in five of the last eight quarters.

The index increased in six provinces during the second quarter. Quebec (+1.9%) and Ontario (+0.9%) contributed the most to the national growth. These increases were partially offset by a decline in British Columbia (-1.0%). This was the second time since 2009 that Alberta has not led the growth of the index. Quebec's price increase was led by prepared feed costs (+12.3%). Increases in prices in Alberta were dampened by the price of cattle (-2.1%).

Nationally, farm input prices increased 5.4% in the second quarter from the second quarter of 2011.

Animal production (+8.3%) contributed the most to the annual movement of the index, but the overall increase was offset by decreases in general business costs (-0.5%). Animal production costs have contributed the most to the annual price movement of the index since the third quarter of 2010.

Higher annual animal production costs were primarily the result of cattle prices rising 15.6% and prepared feed costs increasing 10.9% since the second quarter of 2011.

Year over year, Alberta (+6.4%) and Ontario (+5.0%) contributed the most to the advance of the Farm Input Price Index. Alberta has contributed the most to the annual movement of the index since the third quarter of 2010. The annual increase in the index was slightly offset by the annual decline measured in British Columbia (-0.4%).

#### Note to readers

For more information about the methodology, go to the "Definitions, data sources and methods" section by clicking survey number 2305, which appears below.

Table 1
Farm Input Price Index, by component, Canada – Not seasonally adjusted

	<u> </u>	•		<u> </u>		
	Relative importance <sup>1</sup>	Second quarter 2011 <sup>r</sup>	First quarter 2012 <sup>r</sup>	Second quarter 2012 <sup>p</sup>	First quarter to second quarter 2012	Second quarter 2011 to second quarter 2012
	%		(2002=100)		% ch	nange
Farm input total	100.00	136.2	142.5	143.5	0.7	5.4
Buildings	9.36	132.3	134.0	133.3	-0.5	0.8
Machinery and motor vehicles	19.27	144.1	147.3	147.2	-0.1	2.2
General business costs	15.33	135.1	134.6	134.4	-0.1	-0.5
Crop production	23.17	154.7	168.1	169.7	1.0	9.7
Animal production	32.88	120.4	128.0	130.4	1.9	8.3

r revised

p preliminary

<sup>1.</sup> The relative importance is based on the average values of production from 2002 to 2005.

Table 2
Farm Input Price Index, total, by region – Not seasonally adjusted

	Relative importance <sup>1</sup>	Second quarter 2011 <sup>r</sup>	First quarter 2012 <sup>r</sup>	Second quarter 2012 <sup>p</sup>	First quarter to second quarter 2012	Second quarter 2011 to second quarter 2012
	%		(2002=100)		% ch	nange
Canada	100.00	136.2	142.5	143.5	0.7	5.4
Eastern Canada	44.21	132.6	137.8	139.4	1.2	5.1
Newfoundland and Labrador	0.23	132.9	139.5	137.8	-1.2	3.7
Prince Edward Island	0.99	130.4	135.1	136.4	1.0	4.6
Nova Scotia	1.15	131.1	139.2	138.9	-0.2	5.9
New Brunswick	1.13	134.5	144.3	139.7	-3.2	3.9
Quebec	16.24	129.3	133.5	136.1	1.9	5.3
Ontario	24.47	134.8	140.3	141.6	0.9	5.0
Western Canada	55.79	139.1	146.1	146.8	0.5	5.5
Manitoba	9.96	137.3	143.2	144.6	1.0	5.3
Saskatchewan	16.14	149.0	157.5	158.6	0.7	6.4
Alberta	23.62	134.3	142.3	142.9	0.4	6.4
British Columbia	6.06	134.5	135.3	134.0	-1.0	-0.4

r revised

Available without charge in CANSIM: table 328-0015.

Definitions, data sources and methods: survey number 2305.

The Farm Input Price Index for the third quarter will be released on January 15, 2013.

 $<sup>^{\</sup>it p}$  preliminary

<sup>1.</sup> The relative importance is based on the average values of production from 2002 to 2005.

# Aircraft movement statistics: Small airports, July 2012

The number of take-offs and landings for 133 airports without air traffic control towers reached 79,145 movements in July. Peterborough, Ontario (4,328 movements) and Sherbrooke, Quebec (3,881 movements) were the most active sites. Of the 131 airports for which year-over-year comparisons were possible, 69 reported increases.

Available without charge in CANSIM: tables 401-0021 and 401-0022.

Definitions, data sources and methods: survey number 2715.

The July 2012 issue of *Aircraft Movement Statistics: Airports without Air Traffic Control Towers (TP 141)* (51-008-X, free) is now available from the *Key resource* module of our website under *Publications*. This report, which presents monthly statistics for Canadian airports without NAV CANADA air traffic control towers and/or flight service stations, is a joint publication of Statistics Canada and Transport Canada.

# 2011 Census of Population advisory: Language

On Wednesday, October 24, 2012, Statistics Canada will release the fourth and last round of data from the 2011 Census of Population, which will provide an in-depth portrait of Canada's language diversity.

Key findings will be available in an online report entitled *Linguistic Characteristics of Canadians*. It will examine the evolution of languages in Canada between 2006 and 2011.

Specifically, the report will release findings on changes in the use of immigrant languages, as well as developments in Canada's linguistic duality, that is, English and French both as mother tongue and language spoken most often at home.

Data will also be available on the use of multiple languages in the home, English-French bilingualism and Aboriginal languages.

Three companion reports will also be available. They will analyse Aboriginal languages, immigrant languages and the presence of French in Canada and the provinces and territories.

Various products and services will be found on the 2011 Census website from the Language release topic. For example, the Data products category will offer a wide range of standard geographic areas, available in the Census Profile, Topic-based tabulations and the Highlight tables.

All four reports and the various products pertaining to the release will be available on our website at 8:30 a.m. Eastern time on October 24.

# Steel pipe and tubing, August 2012

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

#### Note to readers

Revised data for May and July are also available.

Available without charge in CANSIM: table 303-0046.

Definitions, data sources and methods: survey number 2105.

The August 2012 issue of Steel, Tubular Products and Steel Wire (41-019-X, free) will soon be available.

# Steel wire and specified wire products, August 2012

Data on the production of steel wire and specified wire products are now available for August.

Available without charge in CANSIM: table 303-0047.

Definitions, data sources and methods: survey number 2106.

The August 2012 issue of Steel, Tubular Products and Steel Wire (41-019-X, free) will soon be available.

# New products and studies

#### **New products**

Aircraft Movement Statistics: Airports Without Air Traffic Control Towers (TP 141), July 2012 Catalogue number 51-008-X (HTML, free | PDF, free)



#### Statistics Canada's official release bulletin

Catalogue 11-001-X.

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