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Canada's current account deficit (on a seasonally adjusted basis) decreased \$0.5 billion to \$15.5 billion in the third quarter. In the financial account (unadjusted for seasonal variation), increased foreign investment in Canadian securities and reduced Canadian assets held abroad in the form of currency and deposits were the largest contributors to the inflows of funds.

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The Industrial Product Price Index declined 0.3% in October, mainly because of lower prices for petroleum and coal products. The Raw Materials Price Index fell 2.3%, led by mineral fuels.

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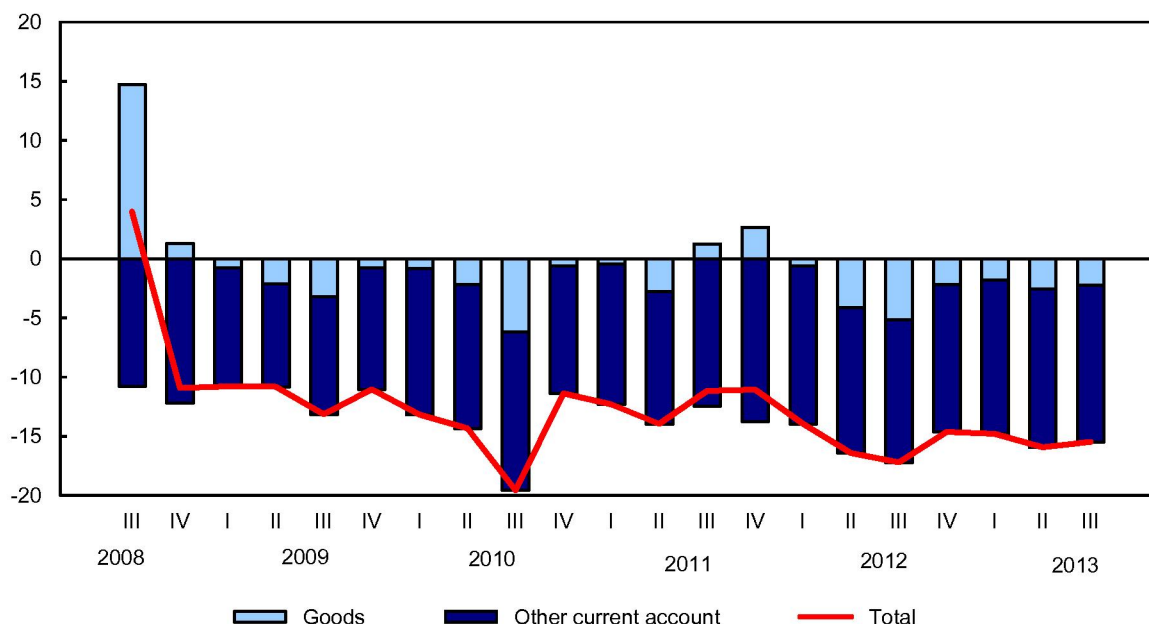
Releases

Canada's balance of international payments, third quarter 2013

Canada's current account deficit (on a seasonally adjusted basis) decreased \$0.5 billion to \$15.5 billion in the third quarter. This change largely reflected reduced deficits on trade in goods and services as well as on investment income flows.

Chart 1 Current account balances

billions of dollars, seasonally adjusted



In the financial account (unadjusted for seasonal variation), increased foreign investment in Canadian securities and reduced Canadian assets held abroad in the form of currency and deposits were the largest contributors to the inflows of funds in the economy.

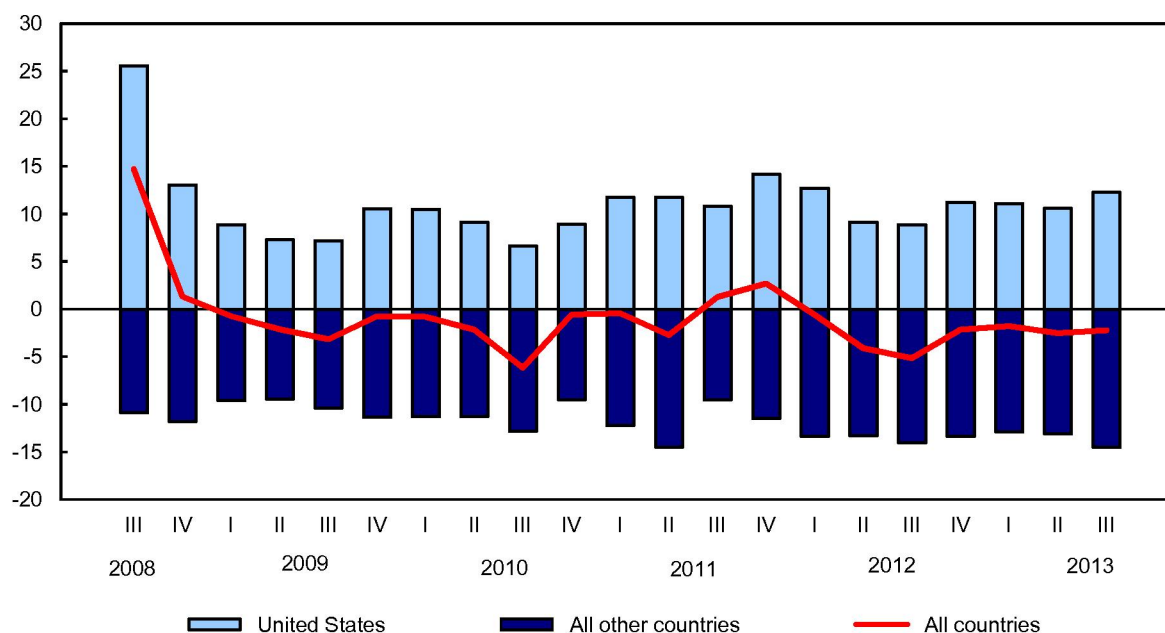
Current account

Deficit on trade in goods reduced

The deficit on trade in goods narrowed \$0.3 billion to \$2.2 billion in the third quarter, as exports strengthened more than imports. The trade surplus with the United States was up \$1.7 billion, largely accounted for by exports of energy and automotive products. However, the trade deficit with other countries expanded to \$14.5 billion as exports were down \$1.2 billion and imports were up slightly.

Chart 2
Goods balances by geographic areas

billions of dollars, seasonally adjusted



Overall exports of goods were up \$1.4 billion to \$120.1 billion, led by stronger sales of energy products. Crude oil dominated the \$3.0 billion increase in energy products, mostly on higher prices, while lower natural gas exports moderated the gains in the energy account. Exports of metal and non-metallic mineral products were down \$0.8 billion, reflecting lower volumes of precious metals. Higher exports of motor vehicles products were offset by lower sales of aircraft.

Total imports of goods advanced \$1.1 billion to \$122.3 billion. Chemical products were up \$0.7 billion on higher volumes of lubricants and other petroleum refinery products. Imports of consumer goods were up \$0.4 billion. Motor vehicles and parts increased \$0.3 billion, as imports of parts strengthened and cars weakened. Imports of energy products were down \$0.5 billion because of lower volumes of refined petroleum energy products, despite higher purchases of crude petroleum.

Lower deficit on trade in services

The overall deficit on transactions in services narrowed \$0.3 billion to \$5.9 billion in the third quarter. The travel deficit was reduced \$0.2 billion, in line with higher spending in Canada by foreign travellers. In addition, lower imports of commercial services resulted in a slightly higher surplus in this account.

Investment income deficit shrinks

The deficit on cross border investment income flows was down \$0.6 billion to \$5.9 billion in the third quarter. This reflected declines in the direct investment account and gains in the portfolio account.

On the payments side, earnings of foreign direct investors in Canada fell by \$0.3 billion, while interest paid to foreigners on their holdings of Canadian securities was up \$0.1 billion, mainly related to corporate bonds.

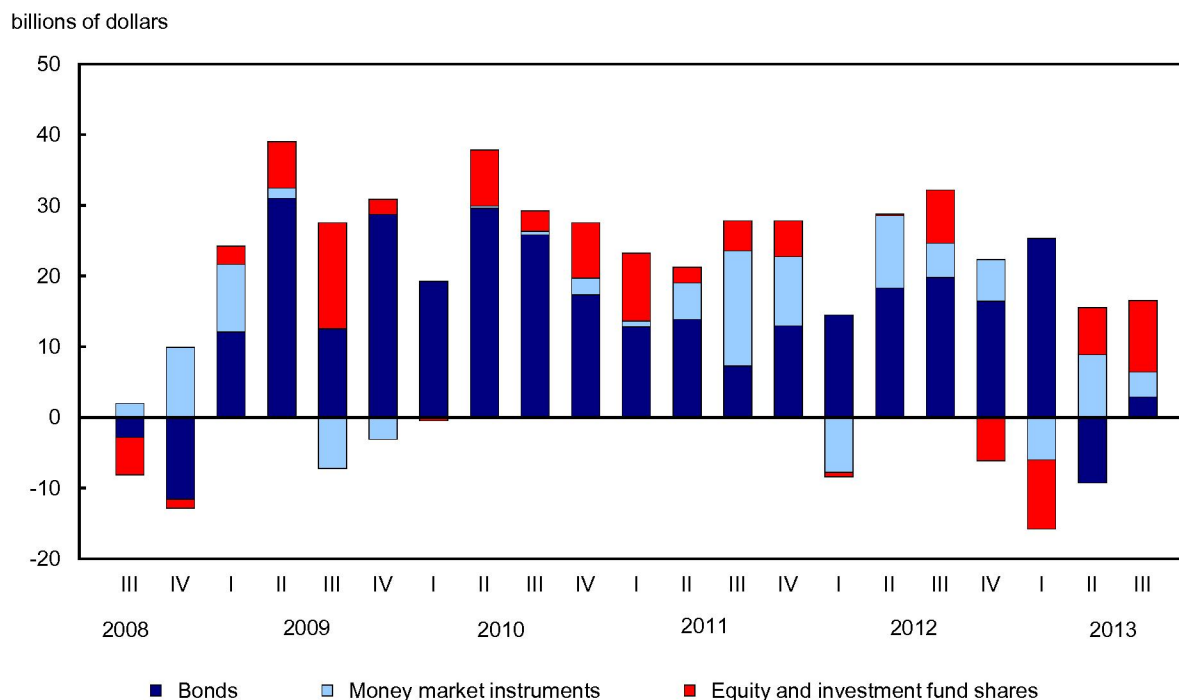
On the receipt side of the ledger, earnings by Canadian direct investors declined by \$0.1 billion. At the same time, dividends received by Canadian portfolio investors were up \$0.2 billion.

Financial account

Foreign investment in Canadian securities focuses on equities

Foreign investment in Canadian securities increased to \$16.5 billion in the third quarter, the highest such activity in a year. Non-resident investors favoured securities from the private corporate sector, mainly in the form of shares. Nevertheless, foreign investment in Canadian securities has slowed considerably in 2013 compared with levels observed in the previous four years, though the composition of this activity has evolved in recent years.

Chart 3
Foreign investment in Canadian securities



Non-resident investors acquired \$10.1 billion of Canadian equities in the third quarter, the largest investment in four years. Secondary market purchases accounted for the bulk of the activity, which was mainly concentrated in September. Canadian stock prices advanced 5.4% in the third quarter, following a 4.9% decline in the second quarter.

There was \$6.4 billion worth of foreign investment in Canadian debt securities in the third quarter. Non-residents increased their holdings of short- and long-term debt securities, favouring both government paper and private corporate bonds. Foreign investors injected \$3.5 billion worth of funds into the Canadian money market, largely federal paper. The overall supply of these instruments was up in the quarter but at a slower pace than in the previous quarter.

Foreign investment in Canadian bonds was \$2.9 billion, following a divestment in the second quarter. Non-residents added further to their holdings of private corporate bonds in the third quarter, mainly new issues denominated in foreign currencies. At the same time, they reduced their portfolio of federal government bonds for a second straight quarter, mainly reflecting retirements of these instruments.

Canadian investment in foreign stocks resumes

Canadian purchases of foreign securities were up to \$5.3 billion in the third quarter. Investors acquired mainly foreign bonds as well as foreign shares, the latter following a divestment in the second quarter.

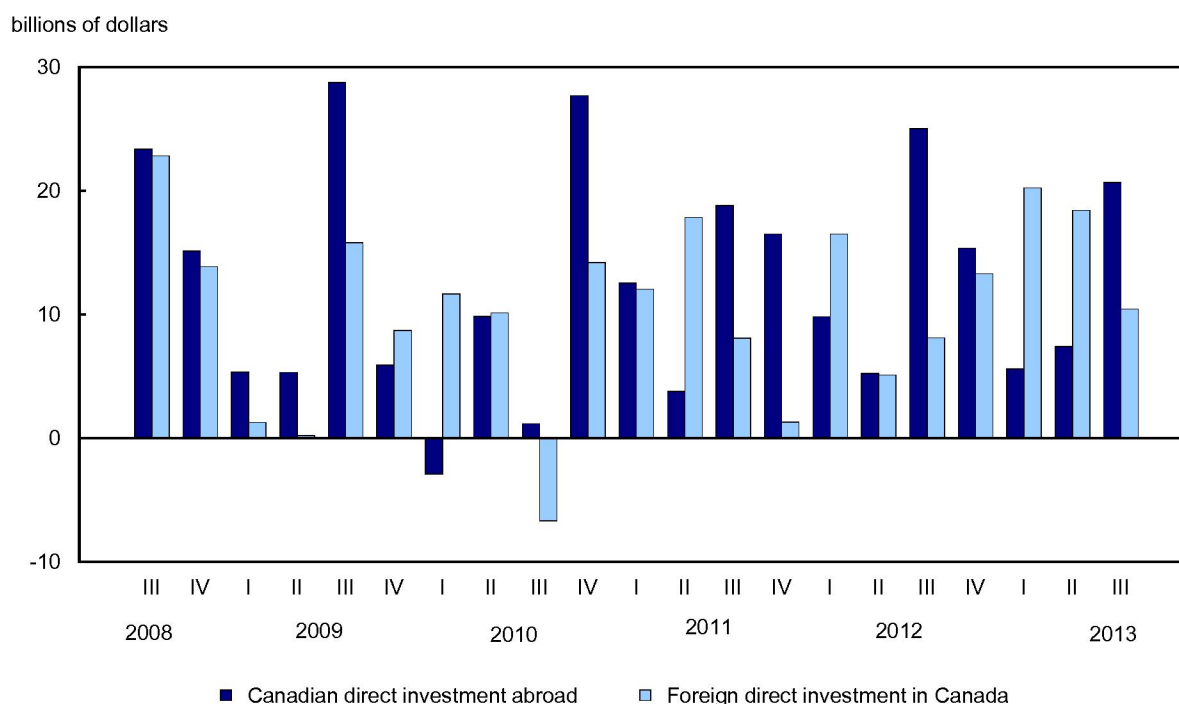
Acquisitions of foreign bonds by Canadians were \$3.0 billion, marking a sixth straight quarter of such investment. This activity was all in non-US foreign bonds, as acquisitions of US corporate bonds were offset by a reduction in holdings of US government bonds in the quarter.

Canadian investment in foreign stocks amounted to \$2.2 billion, following a \$1.9 billion divestment in the second quarter. This included \$1.7 billion of non-US foreign stocks, on par with the level of investment of the second quarter. Canadian investment in US equities resumed in the third quarter, accounting for the remainder of the activity. US stock prices were up 4.4% in the quarter, a third straight quarterly gain.

Canadian direct investment abroad strengthens

Foreign direct investment activity resulted in a net outflow of funds in the third quarter, as outward direct investment outpaced inward direct investment for the first time this year.

Chart 4
Foreign direct investment



Canadian direct investment abroad reached \$20.7 billion. This was the largest such outflow of funds in a year and was led by merger and acquisition transactions. On a geographical basis, more than half of the investment was placed in the United States.

Foreign direct investment in Canada slowed for a second straight quarter to \$10.4 billion. US direct investors accounted for most of the inflows, which were widespread across most industrial groups.

Transactions in currency and deposits add to the net borrowing of funds from abroad

Transactions in the other investment categories of the financial account generated a net inflow of funds of \$17.0 billion in the third quarter. Most of this activity reflected a reduction in currency and deposit assets of banks held abroad. An increase in Canada's official international reserves moderated this reduction in the quarter.

Note to readers

The **balance of international payments** covers all economic transactions between Canadian residents and non-residents in three accounts: the current account, the capital account and the financial account.

The **current account** covers transactions in goods, services, compensation of employees, investment income and secondary income (current transfers).

The **current account** data in this release are seasonally adjusted. For more information on seasonal adjustment, see *Seasonal adjustment and identifying economic trends*.

The **capital account** covers capital transfers and transactions in non-produced non-financial assets.

The **financial account** comprises transactions in financial assets and liabilities.

In principle, a net lending (+) / net borrowing (-) derived from the sum of the current and capital accounts corresponds to a net lending (+) / net borrowing (-) derived from the financial account. In practice, as data are compiled from multiple sources, this is rarely the case and gives rise to measurement error. The **discrepancy** (net errors and omissions) is the unobserved net inflow or outflow.

For more information about the balance of payments, consult the "[Frequently asked questions](#)" section in the National economic accounts module of our website. The module also presents the most recent balance of payments statistics.

Table 1
Balance of payments – Not seasonally adjusted

	Third quarter 2012	Fourth quarter 2012	First quarter 2013	Second quarter 2013	Third quarter 2013	2011	2012
millions of dollars							
Capital account and current account							
Net lending / net borrowing, from capital account and current account	-16,809	-14,251	-15,100	-16,539	-16,201	-48,476	-62,354
Current account balances	-16,805	-14,121	-15,055	-16,537	-16,197	-48,466	-62,215
Goods and services	-11,793	-6,978	-7,257	-10,365	-8,893	-21,866	-36,221
Goods	-7,130	-1,403	429	-3,587	-4,670	753	-12,016
Services	-4,662	-5,575	-7,686	-6,778	-4,223	-22,618	-24,205
Primary income	-4,112	-6,748	-5,974	-6,271	-6,362	-23,117	-22,448
Compensation of employees	-531	-513	-511	-543	-563	-1,962	-2,037
Investment income	-3,581	-6,235	-5,463	-5,728	-5,798	-21,155	-20,411
Direct investment	1,328	-738	113	28	-629	-798	260
Portfolio investment	-4,867	-4,955	-4,806	-4,948	-4,953	-19,269	-19,172
Other investment	-41	-542	-770	-809	-216	-1,088	-1,500
Secondary income	-900	-396	-1,823	99	-942	-3,483	-3,546
Capital account balance	-4	-129	-45	-2	-4	-10	-139
Financial account^{1, 2}							
Net lending / net borrowing, from financial account	-20,019	-18,056	-10,178	-10,553	-17,989	-55,422	-63,807
Net acquisition of financial assets	59,199	41,990	9,744	6,583	10,253	107,379	120,839
Canadian direct investment abroad	25,008	15,357	5,590	7,401	20,655	51,602	55,401
Canadian portfolio investment in foreign securities	8,907	16,973	6,680	3,764	5,294	18,331	35,141
Foreign debt securities	2,712	12,307	2,495	5,633	3,138	-7,924	11,933
Foreign money market instruments	815	-659	150	939	104	-2,036	-1,615
Foreign bonds	1,897	12,966	2,345	4,694	3,033	-5,888	13,548
Foreign equity and investment fund shares	6,195	4,665	4,185	-1,869	2,156	26,255	23,208
Official international reserves	1,073	124	2,807	-444	1,740	8,061	1,697
Other Canadian investment abroad	24,212	9,537	-5,332	-4,138	-17,436	29,386	28,600
Loans	20,319	-7,976	6,768	-11,060	3,975	14,630	23,856
Currency and deposits	1,238	1,707	-3,326	9,296	-18,336	28,172	-402
Other assets	2,655	15,807	-8,774	-2,374	-3,075	-13,416	5,146
Net incurrence of liabilities	79,218	60,047	19,922	17,136	28,243	162,801	184,646
Foreign direct investment in Canada	8,114	13,284	20,231	18,418	10,427	39,254	42,990
Foreign portfolio investment in Canadian securities	32,168	16,195	9,537	6,281	16,544	100,100	83,205
Canadian debt securities	24,646	22,337	19,351	-403	6,426	78,964	82,237
Canadian money market instruments	4,862	5,915	-5,996	8,871	3,546	32,021	13,255
Canadian bonds	19,784	16,422	25,347	-9,273	2,880	46,943	68,982
Canadian equity and investment fund shares	7,522	-6,142	-9,814	6,684	10,119	21,136	968
Other foreign investment in Canada	38,937	30,569	-9,846	-7,562	1,271	23,446	58,452
Loans	8,689	2,921	-1,484	2,798	662	-1,361	5,731
Currency and deposits	29,718	28,000	-9,296	-10,240	595	22,870	52,279
Special drawing rights	0	0	0	0	0	0	0
Other liabilities	530	-352	935	-120	13	1,937	442
Discrepancy (net errors and omissions)	-3,210	-3,806	4,921	5,986	-1,789	-6,946	-1,453

1. Transactions are recorded on a net basis.

2. In the financial account, a plus sign denotes an increase in investment and a minus sign denotes a decrease in investment.

Table 2
Current account – Seasonally adjusted

	Third quarter 2012	Fourth quarter 2012	First quarter 2013	Second quarter 2013	Third quarter 2013	2011	2012
millions of dollars							
Current account receipts	155,544	157,225	159,308	161,205	162,065	619,460	629,007
Goods and services	134,200	136,267	139,372	140,058	141,542	540,658	546,614
Goods	112,989	115,249	118,111	118,625	120,058	456,807	462,528
Services	21,211	21,018	21,261	21,433	21,484	83,850	84,086
Travel	4,345	4,436	4,467	4,502	4,583	16,624	17,388
Transportation	3,321	3,328	3,438	3,472	3,446	13,588	13,508
Commercial services	13,175	12,854	13,003	13,109	13,105	52,071	51,597
Government services	370	400	354	350	350	1,567	1,593
Primary income	18,901	18,455	17,539	17,879	18,002	69,328	72,646
Compensation of employees	300	297	307	305	305	1,154	1,205
Investment income	18,601	18,157	17,231	17,573	17,697	68,174	71,441
Direct investment	12,117	11,631	10,562	10,796	10,688	44,030	45,390
Interest	870	878	904	838	872	2,667	3,371
Profits	11,248	10,752	9,658	9,958	9,816	41,363	42,019
Portfolio investment	5,137	5,217	5,336	5,405	5,645	18,946	20,574
Interest on debt securities	1,247	1,259	1,328	1,424	1,495	5,051	4,938
Dividends on equity and investment fund shares	3,890	3,957	4,008	3,980	4,150	13,895	15,636
Other investment	1,347	1,310	1,333	1,373	1,364	5,198	5,478
Secondary income	2,443	2,503	2,397	3,268	2,522	9,475	9,747
Private transfers	724	729	710	1,300	707	2,952	2,921
Government transfers	1,719	1,773	1,687	1,968	1,815	6,523	6,826
Current account payments	172,754	171,853	174,086	177,127	177,531	667,926	691,222
Goods and services	145,549	144,397	147,286	148,726	149,635	562,523	582,835
Goods	118,138	117,393	119,896	121,148	122,276	456,055	474,544
Services	27,410	27,004	27,391	27,578	27,359	106,468	108,291
Travel	8,787	8,773	8,894	9,118	9,030	32,974	35,030
Transportation	6,027	5,885	5,905	6,032	6,003	23,674	23,697
Commercial services	12,267	12,016	12,262	12,098	11,996	48,517	48,247
Government services	329	330	330	329	330	1,303	1,317
Primary income	23,789	24,085	23,425	24,826	24,404	92,445	95,093
Compensation of employees	815	821	832	841	850	3,116	3,241
Investment income	22,974	23,264	22,593	23,985	23,555	89,329	91,852
Direct investment	11,280	11,477	10,590	11,337	11,042	44,828	45,129
Interest	922	910	889	900	894	3,843	3,690
Profits	10,358	10,567	9,701	10,437	10,148	40,984	41,439
Portfolio investment	9,958	10,161	10,130	10,424	10,549	38,215	39,745
Interest on debt securities	7,066	7,158	7,188	7,360	7,436	27,654	28,232
Dividends on equity and investment fund shares	2,892	3,003	2,941	3,064	3,113	10,561	11,513
Other investment	1,736	1,625	1,873	2,224	1,964	6,286	6,977
Secondary income	3,417	3,371	3,375	3,575	3,492	12,958	13,293
Private transfers	1,920	1,961	1,966	1,991	1,987	7,473	7,760
Government transfers	1,497	1,410	1,409	1,584	1,505	5,485	5,534
Current account balances	-17,210	-14,629	-14,778	-15,922	-15,466	-48,466	-62,215
Goods and services	-11,349	-8,130	-7,914	-8,668	-8,093	-21,866	-36,221
Goods	-5,149	-2,144	-1,785	-2,523	-2,218	753	-12,016
Services	-6,200	-5,986	-6,129	-6,145	-5,875	-22,618	-24,205
Travel	-4,442	-4,337	-4,427	-4,616	-4,447	-16,351	-17,643
Transportation	-2,706	-2,557	-2,466	-2,561	-2,557	-10,086	-10,188
Commercial services	908	838	740	1,011	1,108	3,554	3,350
Government services	41	70	24	21	20	265	276
Primary income	-4,887	-5,631	-5,886	-6,947	-6,402	-23,117	-22,448
Compensation of employees	-514	-524	-524	-535	-544	-1,962	-2,037
Investment income	-4,373	-5,106	-5,362	-6,412	-5,858	-21,155	-20,411
Direct investment	837	153	-28	-541	-354	-798	260
Interest	-53	-32	15	-62	-22	-1,176	-319
Profits	890	185	-43	-479	-332	379	580
Portfolio investment	-4,821	-4,944	-4,794	-5,020	-4,904	-19,269	-19,172
Interest on debt securities	-5,819	-5,899	-5,861	-5,936	-5,941	-22,604	-23,294
Dividends on equity and investment fund shares	998	955	1,067	916	1,037	3,334	4,123
Other investment	-389	-316	-540	-851	-600	-1,088	-1,500
Secondary income	-974	-869	-978	-307	-970	-3,483	-3,546
Private transfers	-1,196	-1,232	-1,256	-691	-1,279	-4,521	-4,839
Government transfers	222	363	278	384	309	1,038	1,293

Available in CANSIM: tables 376-0012, 376-0013, 376-0101 to 376-0108, 376-0121, 376-0122 and 376-0124.

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

The balance of international payments data for the fourth quarter will be released on February 27, 2014.

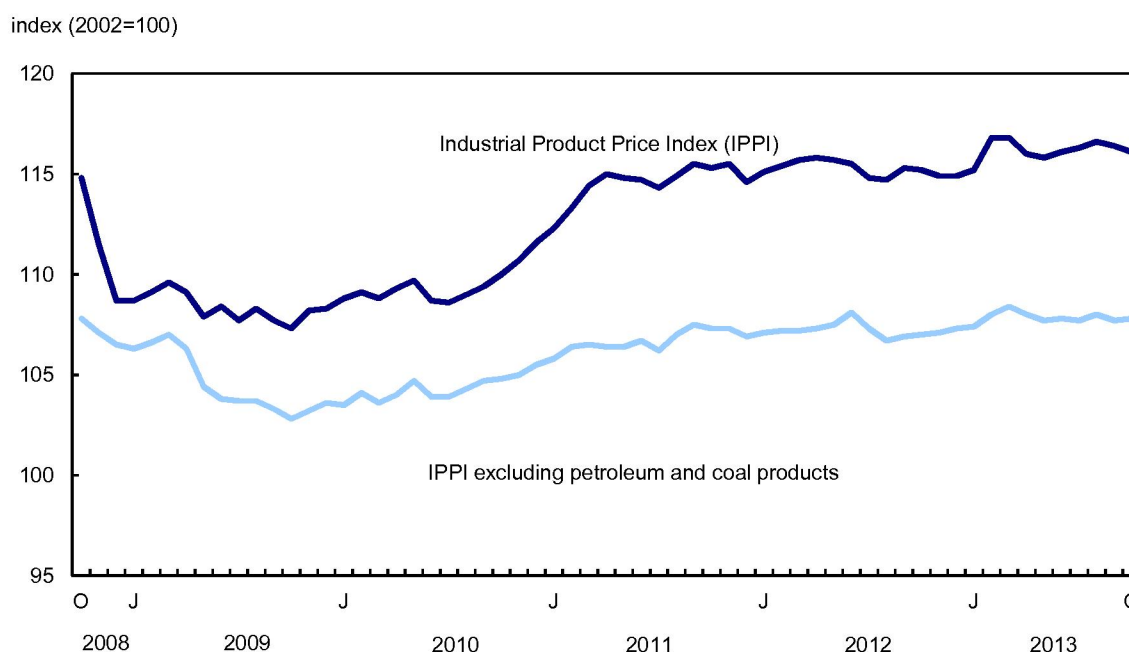
For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Denis Caron (613-951-1861; denis.caron@statcan.gc.ca), International Accounts and Statistics Division.

Industrial product and raw materials price indexes, October 2013

The Industrial Product Price Index (IPPI) declined 0.3% in October, mainly because of lower prices for petroleum and coal products. The Raw Materials Price Index (RMPI) fell 2.3%, led by mineral fuels.

Chart 1
Prices for industrial goods decrease



Industrial Product Price Index, monthly change

The IPPI posted a second consecutive decrease in October, following a 0.2% decline in September. Of the 21 major product groups, 8 were up, 5 were down, and 8 were unchanged.

Petroleum and coal products (-2.4%) was the main contributor to the downward movement of the index, mostly because of lower prices for gasoline (-4.5%), which registered its largest decrease since November 2012. In general, the decline in gasoline prices partly reflects the weakening of demand during autumn. The IPPI excluding petroleum and coal products edged up 0.1% in October.

To a lesser extent, fruit, vegetables and feeds (-0.4%) also contributed to the decrease in the IPPI, mainly because of lower prices for feeds (-2.0%).

Conversely, the decline of the IPPI was moderated in part by lumber and other wood products (+0.6%), largely as a result of higher prices for lumber and ties. Primary metal products (+0.3%) also increased, specifically copper and copper alloy products, aluminum products as well as nickel products.

Industrial Product Price Index, 12-month change

The IPPI rose 0.8% in the 12-month period ending in October, after posting a 1.0% advance in September.

Compared with October 2012, the growth of the IPPI was mainly attributable to motor vehicles and other transportation equipment (+3.2%). The increase in this commodity group was largely because of a 4.7% year-over-year depreciation of the Canadian dollar relative to the US dollar.

Some Canadian producers who export their products report their prices in US dollars. Consequently, the 4.7% decrease in the value of the Canadian dollar relative to the US dollar may have had the effect of increasing the IPPI. Without the measurable effect of the exchange rate, the index would have declined 0.4% instead of rising 0.8%.

Compared with October 2012, lumber and other wood products (+4.8%) also contributed to the increase of the IPPI, primarily as a result of higher prices for lumber and ties (+14.9%). On a year-over-year basis, lumber and ties has not declined since February 2012.

To a more modest extent, pulp and paper products (+3.1%) and electrical and communications products (+2.9%) also contributed to the year-over-year advance of the IPPI.

Compared with October 2012, the advance of the IPPI was moderated by primary metal products (-4.8%), specifically other non-ferrous metal products, nickel products as well as copper and copper alloy products. The decline in other non-ferrous metal products was mainly a result of lower prices for silver and platinum and gold and gold alloys in primary form.

Raw Materials Price Index, monthly change

The RMPI fell 2.3% in October, representing the second consecutive decline. It was also the largest decrease since June 2012. Of the seven major product groups, two were up, four were down, and one was unchanged.

The decline of the index was mainly attributable to lower prices for mineral fuels (-4.1%), specifically crude oil (-4.2%). The decrease in crude oil prices resulted in part from high inventories in North America and lower demand for petroleum products. The RMPI excluding mineral fuels was down 0.5% in October.

To a lesser extent, vegetable products (-3.0%) and animals and animal products (-1.0%) also exerted downward pressure on the RMPI.

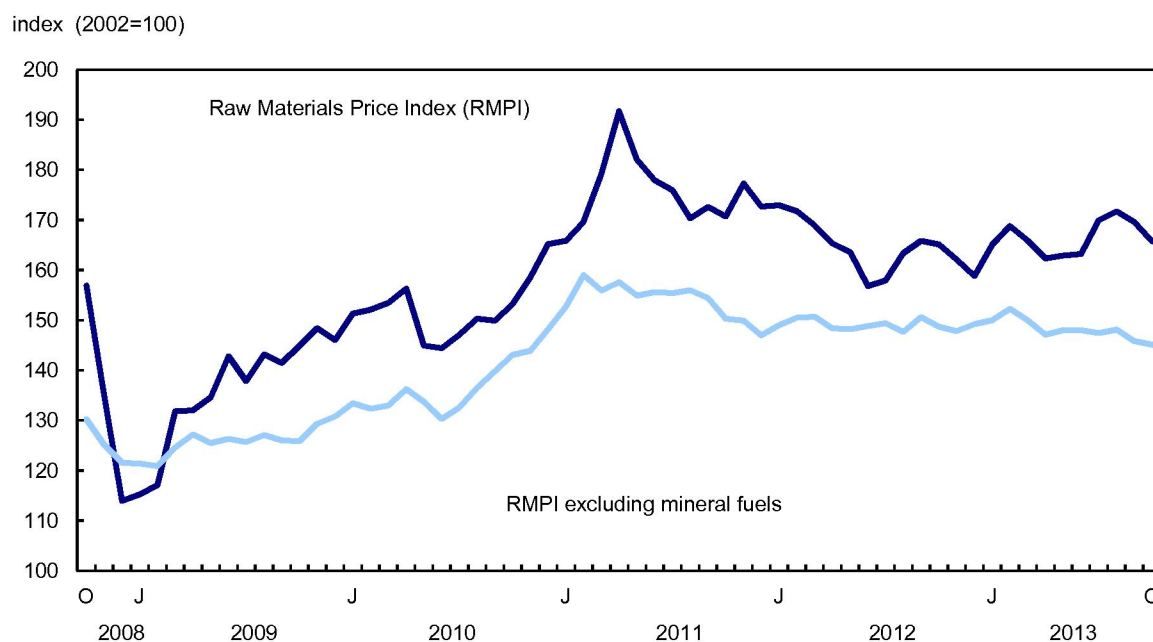
Lower prices for grain (-5.9%), particularly corn (-12.9%), was the main factor in the decline of the vegetable products group, while hogs-swine for slaughter (-2.9%) was largely responsible for the decrease in animals and animal products.

Conversely, the downward movement of the RMPI was moderated slightly by non-ferrous metals (+1.1%), led by higher prices for copper concentrates (+2.3%).

Raw Materials Price Index, 12-month change

The RMPI rose 0.4% in the 12-month period ending in October, after posting a 2.3% gain in September.

Chart 2
Prices for raw materials decrease



Compared with October 2012, the advance of the RMPI was primarily a result of higher prices for mineral fuels (+3.6%), specifically crude oil (+3.6%). The RMPI excluding mineral fuels was down 2.4% on a year-over-year basis.

Animals and animal products (+5.5%) was also a significant factor in the year-over-year advance of the RMPI, mostly because of higher prices for hogs-swine for slaughter (+19.7%) as well as for cattle and calves for slaughter (+8.2%).

Among other commodity groups that contributed to the year-over-year increase in the RMPI were wood products (+8.7%) and ferrous materials (+9.9%).

Compared with the same month one year earlier, the advance of the RMPI was moderated by non-ferrous metals (-8.5%) and vegetable products (-16.2%).

Upcoming changes: Basket update and new classification

Statistics Canada has undertaken two important initiatives for the Industrial Product Price Index (IPPI) and the Raw Materials Price Index (RMPI) program and changes will soon be reflected in both the IPPI and RMPI.

With the January 6, 2014, release of IPPI and RMPI data for November 2013, the IPPI and RMPI series will be converted from 2002=100 to 2010=100, with 2010 as the base year. These indexes will be updated using a weighting pattern based on the 2010 production values of Canadian manufacturers.

At the same time, the classification system will be converted to the North American Product Classification System (NAPCS) developed by Canada, the United States and Mexico. For more information, see [Upcoming changes](#).

To enable users to prepare for the upcoming changes, historical data from January 2010 to April 2013 will be made available on CANSIM on December 10, 2013.

Concordance information between the old CANSIM vectors and the new CANSIM vectors is available at the following link: [Concordance Table between PCG and NAPCS vectors](#). For more information, call us (514-283-8300; toll-free at 1-800-263-1136; infostats@statcan.gc.ca).

Note to readers

As a result of the US government shutdown in October, October IPPI data normally collected from the US Bureau of Labor Statistics, representing 6.7% of the total IPPI, have been imputed. The release of IPPI data for the month of November 2013 on January 6, 2014, will use the most recent Bureau of Labor Statistics data.

With each release, data for the previous six months may have been revised. The indexes are not seasonally adjusted.

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 the transportation, wholesale, and retail costs.

Canadian producers export many goods. They often indicate their prices in foreign currencies, especially in 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. This is not a measure that takes the full effect of exchange rates into account.

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 it 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 ¹	October 2012	September 2013 ^r	October 2013 ^p	September to October 2013	October 2012 to October 2013
	%	(2002=100)			% change	
Industrial Product Price Index (IPPI)	100.00	115.2	116.4	116.1	-0.3	0.8
IPPI excluding petroleum and coal products	93.70	107.0	107.7	107.8	0.1	0.7
Aggregation by commodities						
Meat, fish and dairy products	6.08	110.7	111.5	111.3	-0.2	0.5
Fruit, vegetable, feeds and other food products	5.52	130.2	129.2	128.7	-0.4	-1.2
Beverages	1.52	124.1	124.2	124.2	0.0	0.1
Tobacco and tobacco products	0.56	177.9	182.6	182.6	0.0	2.6
Rubber, leather and plastic fabricated products	3.51	121.8	123.3	123.4	0.1	1.3
Textile products	1.37	103.5	103.8	103.8	0.0	0.3
Knitted products and clothing	1.33	103.2	103.2	103.2	0.0	0.0
Lumber and other wood products	6.04	93.9	97.8	98.4	0.6	4.8
Furniture and fixtures	2.19	118.5	119.2	119.2	0.0	0.6
Pulp and paper products	6.40	99.2	102.1	102.3	0.2	3.1
Printing and publishing	1.84	105.0	106.2	106.2	0.0	1.1
Primary metal products	6.99	143.8	136.5	136.9	0.3	-4.8
Fabricated metal products	4.45	122.8	124.4	124.4	0.0	1.3
Machinery and equipment	4.41	106.2	108.1	108.2	0.1	1.9
Motor vehicles and other transport equipment	24.34	77.3	79.7	79.8	0.1	3.2
Electrical and communications products	5.02	93.4	96.0	96.1	0.1	2.9
Non-metallic mineral products	2.07	118.9	120.1	120.1	0.0	1.0
Petroleum and coal products	6.30	238.6	246.1	240.1	-2.4	0.6
Chemicals and chemical products	7.19	135.5	134.9	134.8	-0.1	-0.5
Miscellaneous manufactured products	2.60	123.9	121.8	121.6	-0.2	-1.9
Miscellaneous non-manufactured products	0.30	244.5	211.2	216.2	2.4	-11.6
Intermediate goods²	62.15	123.4	124.3	124.0	-0.2	0.5
First-stage intermediate goods ³	7.56	136.9	135.9	136.2	0.2	-0.5
Second-stage intermediate goods ⁴	54.60	121.5	122.7	122.4	-0.2	0.7
Finished goods⁵	37.85	101.6	103.4	103.0	-0.4	1.4
Finished foods and feeds	7.12	120.3	120.7	120.7	0.0	0.3
Capital equipment	12.19	87.3	89.6	89.7	0.1	2.7
All other finished goods	18.54	103.9	105.8	104.9	-0.9	1.0

^r revised

^p 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 ¹	October 2012	September 2013 ^r	October 2013 ^p	September to October 2013	October 2012 to October 2013
	%	(2002=100)			% change	
Raw Materials Price Index (RMPI)	100.00	165.1	169.6	165.7	-2.3	0.4
RMPI excluding mineral fuels	58.56	148.7	145.8	145.1	-0.5	-2.4
Mineral fuels	41.44	188.5	203.6	195.3	-4.1	3.6
Vegetable products	9.89	151.6	130.9	127.0	-3.0	-16.2
Animal and animal products	19.81	121.1	129.0	127.7	-1.0	5.5
Wood	11.82	93.8	101.9	102.0	0.1	8.7
Ferrous materials	2.88	140.7	155.6	154.6	-0.6	9.9
Non-ferrous metals	11.32	251.1	227.3	229.7	1.1	-8.5
Non-metallic minerals	2.82	160.3	162.2	162.2	0.0	1.2

^r revised

^p preliminary

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

Available in CANSIM: tables 329-0056 to 329-0068 and 330-0007.

Table 329-0056: Industrial Product Price Index, by major commodity aggregations.

Table 329-0057: Industrial Product Price Index, by industry.

Table 329-0058: Industrial Product Price Index, by stage of processing.

Tables 329-0059 to 329-0068: Industrial Product Price Index, by commodity.

Table 330-0007: Raw Materials Price Index, by commodity.

The tables above, based on 2002=100, will be terminated with the data for the reference month of October 2013. New tables, based on 2010=100, with new vectors will appear in CANSIM with the release of data for the reference month of November 2013.

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

The October 2013 issue of *Industry Price Indexes* (62-011-X) will be available soon. This will be the last issue as all the information currently in the publication can also be found on CANSIM at no charge.

The industrial product and raw materials price indexes for November will be released on January 6, 2014.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Spending on research and development, 2013 (intentions)

Gross domestic expenditures on research and development (R&D) are anticipated to decline 0.9% from 2012 to \$30.4 billion in 2013.

While 2013 gross domestic expenditures on R&D intentions are below the \$30.8 billion peak recorded in 2008, they are 23.3% higher than the \$24.7 billion spent in 2003.

Research and development expenditures by performing sectors

Business enterprises expect to spend \$15.6 billion on R&D in 2013, down 2.8% from the previous year and 6.8% below the pre-recession peak of \$16.8 billion in 2007. This anticipated expenditure accounts for 51% of total spending on R&D by all performing sectors.

The higher education sector anticipates spending \$11.9 billion on R&D, maintaining its position as the second largest R&D performing sector. This sector does not anticipate a significant change between 2012 and 2013 spending levels.

The federal government, the third largest performing sector, anticipates R&D spending at \$2.5 billion, up 1.4% from 2012. However, between 2011 and 2012, federal R&D spending fell 8.0%, reflecting the conclusion of federal science and technology stimulus spending.

The remaining R&D performing sectors (provincial governments, provincial research organizations and private non-profit organizations) intend to spend about half a billion dollars in combined R&D for 2013, up 2.1% from 2012.

Research and development funding by sector

For R&D funding, the business enterprise sector is expected to finance \$14.4 billion in 2013, followed by the federal government sector at \$6.0 billion and the higher education sector at \$5.3 billion.

R&D funding also includes the foreign sector, which is anticipated to finance \$1.8 billion in 2013, relatively unchanged from 2012.

International comparisons

Internationally comparable science and technology data for 2011 are currently available from the Organisation for Economic Co-operation and Development (OECD) Main Science and Technology Indicators. In 2011, Israel had the highest gross domestic expenditures on R&D as a proportion of its gross domestic product, at 4.38, while the OECD average was 2.37. This indicator for Canada is now updated to 1.74 for 2011 and 1.69 for 2012.

Note to readers

Provincial government research and development expenditures were obtained from provincial government participants to the 2010 Provincial Scientific Activities Survey. Provincial government data for 2012 and 2013 are based on an estimation model. Provincial research organization data are collected by a survey.

Gross domestic expenditures on research and development (GERD) data presented are performance based. This means funding sector data are derived from the source of funds indicated by the performing sectors. As a result, GERD funding sector values will not equal funding data collected and released by individual sectors.

Data on international comparisons come from the Organisation for Economic Co-operation and Development's Main Science and Technology Indicators (Volume 13/1).

Table 1
Research and development spending intentions

	2012	2013	2012 to 2013
	millions of dollars		% change
Total, performing sector	30,727	30,448	-0.9
Business enterprises	16,063	15,621	-2.8
Higher education	11,760	11,878	1.0
Federal government	2,437	2,471	1.4
Provincial government and provincial research organizations	343	334	-2.6
Private non-profit	125	144	15.2
Total, funding sector	30,727	30,448	-0.9
Business enterprises	14,864	14,415	-3.0
Federal government	5,934	6,014	1.3
Higher education	5,246	5,299	1.0
Foreign	1,781	1,788	0.4
Provincial government and provincial research organizations	1,773	1,787	0.8
Private non-profit	1,129	1,144	1.3

Note(s): Components may not add up to totals because of rounding. Performing and funding sectors are ranked separately from highest to lowest expenditures.

Available in CANSIM: table 358-0001.

Definitions, data sources and methods: survey number 5198.

The publication *Gross Domestic Expenditures on Research and Development in Canada (GERD) and the Provinces* (88-221-X) is now available from the *Browse by key resource* module of our website, under *Publications*. This publication includes national estimates for 2003 to 2013 and provincial estimates for 2007 to 2011.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

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Research and development personnel, 2011

There were 228,970 full-time equivalent personnel engaged in research and development (R&D) in Canada in 2011, virtually unchanged from 2010. While the business enterprise sector showed a slight increase in R&D personnel, small decreases were experienced across all the other performing sectors.

The business enterprise sector continued to employ the majority of R&D personnel. In 2011, this sector employed 140,420 R&D personnel, representing 61.3% of total R&D personnel. The higher education sector followed with 67,570 (29.5%) R&D personnel, while the government sector (combined federal and provincial) had 19,740 (8.6%).

On a provincial basis, New Brunswick, Ontario, Manitoba and Alberta experienced decreases in R&D personnel compared with 2010. All other provinces and territories showed increases in R&D personnel.

As in previous years, about three-quarters of total R&D personnel worked in Ontario (45%) and Quebec (30%) in 2011. Most of the remaining R&D personnel were located in British Columbia (10%) and Alberta (7%).

R&D personnel are classified into three categories (researchers, technicians and support staff) in accordance with the International Standard Classification of Occupation. Almost 70% of R&D personnel in 2011 were researchers with 157,360 full-time equivalents, followed by technicians with 51,080 (22%) and support staff with 20,530 (9%).

Only the support staff category experienced a decline between 2010 and 2011, as the number of full-time equivalent R&D personnel fell 7.6%. The number of support staff has been declining each year since its peak of 34,090 in 2008. The main contributor to this decrease in support staff was the business enterprise sector. Meanwhile, the number of researchers surpassed its pre-recession peak and reached its highest level in 2011 with 157,360 full-time equivalent R&D personnel.

Total R&D personnel in full-time equivalent per 1,000 total employment is an international indicator published by the Organisation for Economic Co-operation and Development (OECD). This indicator for Canada is now updated to 13.0 for 2011 compared with 13.2 in 2010. Recently published OECD data for 2011 show that Finland had the highest ratio of R&D personnel per 1,000 total employment at 21.7, while Romania with 3.3 was the lowest ratio.

Note to readers

Research and development (R&D) personnel encompass a variety of occupations which are classified into three categories according to the International Standard Classification of Occupation: researchers, technicians and support staff. Researchers generally include scientists and engineers who engage in the conception and creation of new knowledge, products, processes, methods and systems. Technicians are individuals whose main tasks require technical knowledge and experience in R&D related fields such as engineering or physical and life sciences. Support staff encompass skilled and unskilled craftsmen, secretarial and clerical staff that participate in R&D projects.

Data on international comparisons come from the Organisation for Economic Co-operation and Development's Main Science and Technology Indicators (Volume 13/1).

Table 1

Total research and development personnel in full-time equivalent per 1,000 total employment, selected Organisation for Economic Co-operation and Development countries, 2010 and 2011¹

	2010	2011
	ratio	
Finland	22.5	21.7
Slovenia	13.5	16.4
Germany	13.5	13.7
Japan	13.6	13.5
Canada	13.2	13.0
Russian Federation	12.0	11.9
United Kingdom	11.2	11.4
Italy	9.1	9.4
Romania	2.9	3.3

1. This release and CANSIM table 383-0010 contain updated data for Canada.

Source: Organisation for Economic Co-operation and Development, Main Science and Technology Indicators, Volume 2013/1, Table 10.

Available in CANSIM: tables 358-0159 and 358-0160.

Definitions, data sources and methods: survey number 5193.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Natural gas disposition, 2012

Preliminary data on the disposition of natural gas are now available for 2012.

Definitions, data sources and methods: survey number 2167.

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Electric power thermal generating station fuel consumption, 2012 (final)

Selected data from the annual Electric Power Thermal Generating Station Fuel Consumption Survey are now available for 2012.

Note to readers

The Electric Power Thermal Generating Station Fuel Consumption Survey provides data on the amount of fuel consumed by thermal generating plants, the cost of the fuel consumed for electric power generation and the amount of electricity generated from these fuels.

Available in CANSIM: tables 127-0004 to 127-0006.

Definitions, data sources and methods: survey number 2196.

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Coal mining, 2011 (final)

Final data on coal mining are now available for 2011.

Definitions, data sources and methods: survey number 2177.

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New products

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