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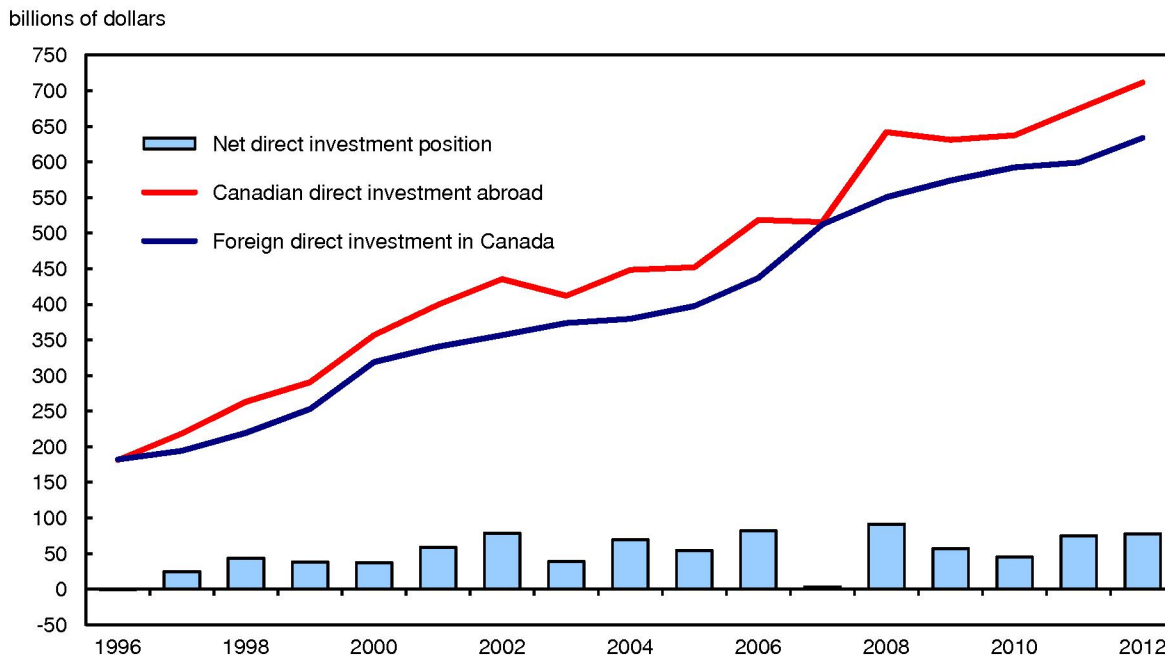
Releases

Foreign direct investment, 2012

Canadian direct investment abroad increased 5.5% in 2012, led by growth in the investment position with the United States. The level of foreign direct investment in Canada grew at a similar rate of 5.8%, mainly on higher investment from Europe and the United States.

Canadian direct investment abroad expanded by \$37.0 billion to \$711.6 billion in 2012. At the same time, foreign direct investment in Canada advanced \$34.6 billion to \$633.9 billion. As a result, Canada's net direct investment asset position edged up to \$77.7 billion in 2012.

Chart 1
Foreign direct investment position



Canadian direct investment abroad targets the United States and the United Kingdom

The United States remained the top destination for Canadian direct investment in 2012, as the asset position in that country increased by a further \$15.3 billion to \$289.4 billion at the end of the year. Canadian firms also added \$6.7 billion to their investment position in the United Kingdom, which remained the second largest destination for Canadian investment with a total position of \$86.8 billion at the end of 2012.

Canadian direct investment in all other countries was up \$15.0 billion to \$335.4 billion, led by increases in Norway, Chile, and Australia.

Europe and the United States lead the increase in foreign direct investment in Canada

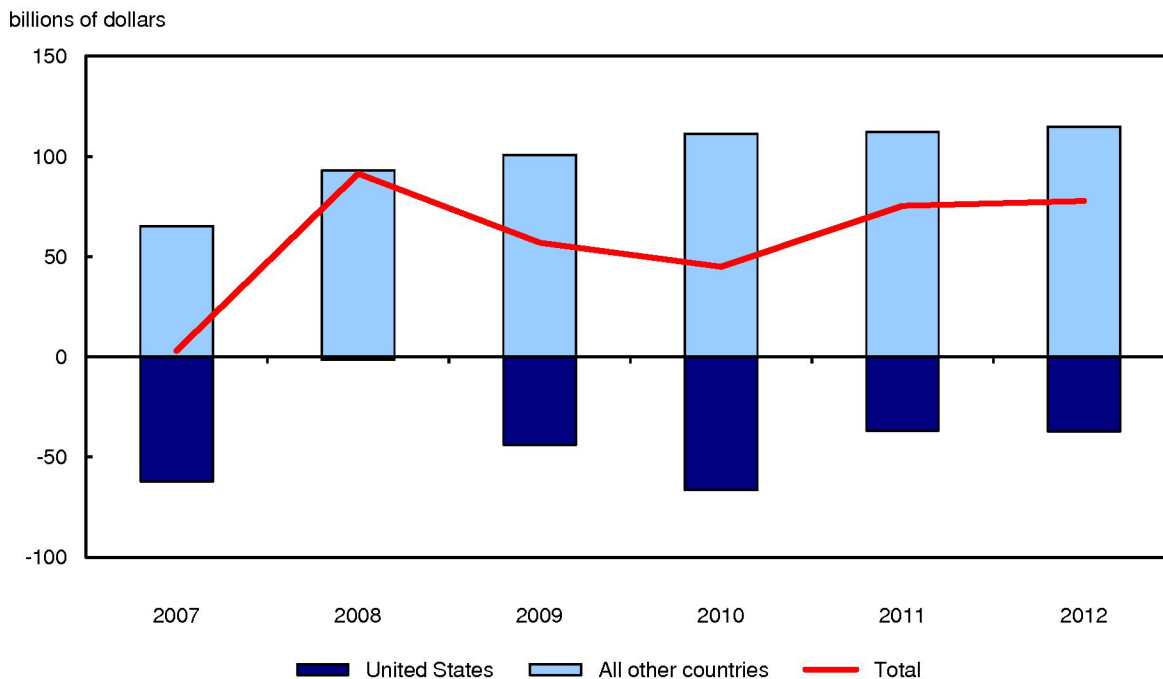
A significant increase in investment from Europe accounted for almost half of the overall rise in foreign direct investment in Canada. Investment from the continent rose by \$17.0 billion to \$212.1 billion at the end of 2012, led by a \$7.3 billion increase from the United Kingdom. The Netherlands remained the largest European investor in Canada at the end of 2012 with total investment of \$61.4 billion, followed by the United Kingdom with \$54.6 billion.

The other notable increase came from the United States, as that country's direct investment in Canada rose by \$15.6 billion to \$326.5 billion in 2012. While the United States remains by far the largest foreign direct investor in Canada, the past decade has seen a gradual decline in that country's share of direct investment in Canada from 64.9% in 2002 to 51.5% in 2012.

Canada's net direct investment position differs geographically

Canada continued to maintain a net direct investment liability position with the United States at the end of 2012, which has fluctuated over the last five years. This compared with an increasing net direct investment asset position with the rest of the world.

Chart 2
Net direct investment position



Finance and management are main sectors for investment both abroad and in Canada

In 2012, 52.9% of total Canadian direct investment abroad was in the finance, insurance and management industries, followed by the mining and oil and gas extraction sector with 18.8%. Meanwhile, the share of investment in manufacturing fell below 10% for the first time, continuing a decline which has seen that sector's share of Canadian investment abroad decline from a peak of 31.9% in 2000.

The finance, insurance and management industries also accounted for a significant share of foreign direct investment in Canada with 32.6% of total investment in 2012. The manufacturing sector remained a significant destination of foreign direct investment in 2012 with a 28.7% share, while the mining and oil and gas extraction industry accounting for a further 19.0%.

Note to readers

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

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

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

Foreign direct investment by country and by industry: *Following international standards, direct investment is based on the country of ownership of the immediate direct investor company for foreign direct investment in Canada, and to the country of the immediate investee company for Canadian direct investment abroad. This implies that direct investment is largely attributed to the first investor/investee country, rather than the ultimate investor/investee country. This occurs because direct investment is often channelled through intermediate holding companies or other legal entities in other countries before reaching its ultimate destination. Since these entities are generally in the financial sector, this sector accounts for a larger share of foreign direct investment on an immediate country basis than it would on an ultimate country basis*

Currency valuation

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

In 2012, the Canadian dollar appreciated by 2.2% against the US dollar, 0.6% against the euro and 15.1% against the Japanese yen. It depreciated by 2.3% against the British pound.

Table 1
Foreign direct investment positions at year-end

	2009	2010	2011	2012
	billions of dollars			
Canadian direct investment abroad	630.8	637.3	674.6	711.6
United States	255.4	251.3	274.1	289.4
United Kingdom	74.4	83.9	80.1	86.8
Barbados	53.2	50.0	58.7	59.3
Cayman Islands	22.3	24.0	29.2	30.2
Australia	12.5	22.0	24.8	26.9
Luxembourg	7.0	13.6	17.8	19.7
Ireland	22.9	22.2	19.0	15.8
Chile	13.3	12.0	11.4	13.7
Hungary	13.4	12.8	11.9	13.7
Bermuda	12.1	11.2	10.8	11.8
Netherlands	11.0	9.8	13.5	11.6
Brazil	8.6	10.3	9.9	9.8
Germany	10.0	8.2	7.3	7.4
Hong Kong	6.1	7.0	7.1	7.1
All other countries	108.6	98.9	99.0	108.2
Foreign direct investment in Canada	573.9	592.4	599.3	633.9
United States	299.3	317.7	310.9	326.5
Netherlands	56.3	53.6	59.9	61.4
United Kingdom	47.1	42.4	47.3	54.6
Luxembourg	13.9	20.9	22.2	24.6
Switzerland	23.5	19.7	20.3	21.4
Japan	14.5	12.7	15.4	17.5
Brazil	13.2	17.3	14.5	15.8
France	17.6	17.4	13.2	14.8
China	12.2	12.1	11.5	12.0
Germany	9.4	8.2	11.0	11.7
All other countries	67.0	70.6	73.1	73.4

Available in CANSIM: tables 376-0051, 376-0052 and 376-0054.

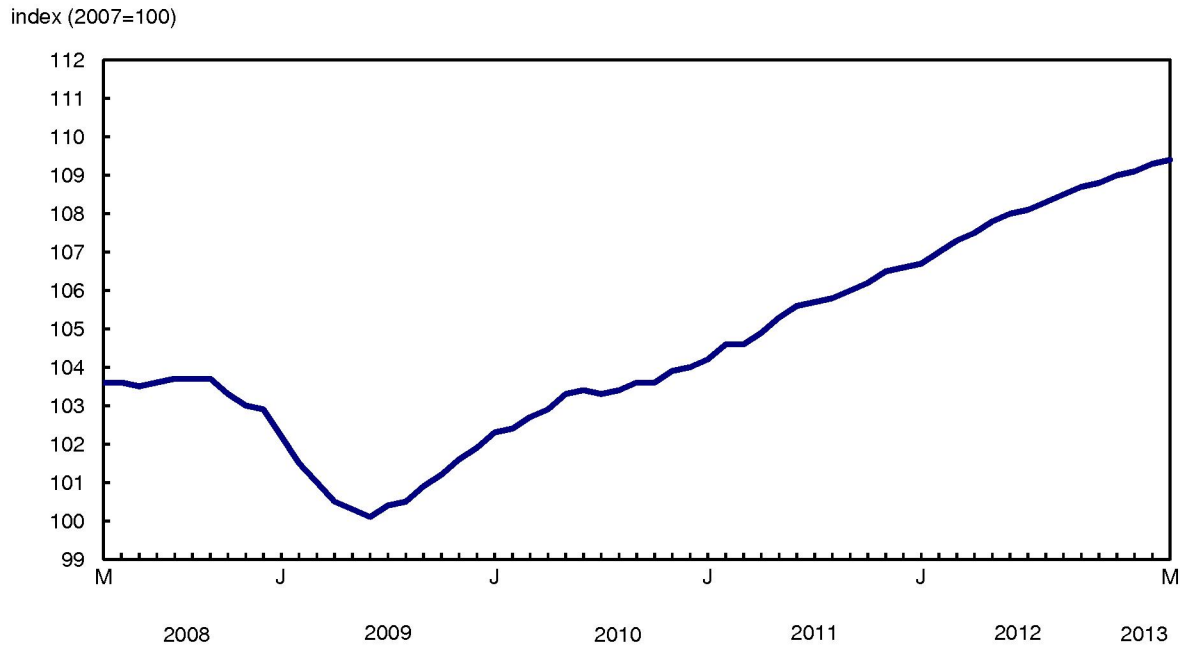
Definitions, data sources and methods: survey number 1537.

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

New Housing Price Index, March 2013

The New Housing Price Index (NHPI) rose 0.1% in March, following a 0.2% increase in February. The month-over-month gains in the index have ranged from 0.1% to 0.3% for the past 12 months.

Chart 1
New Housing Price Index



Calgary was the top contributor to the advance in March, up 0.3% from February. Builders indicated that increases in material and labour costs as well as market conditions were the main reasons for higher prices.

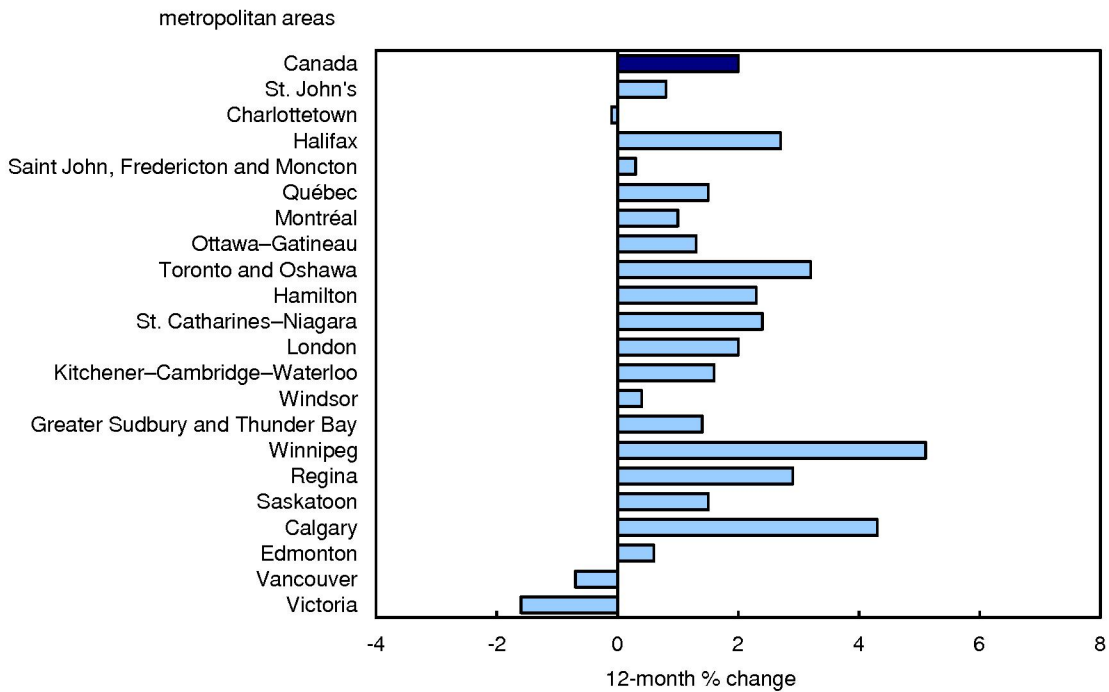
For the second month in a row, the largest monthly price advance occurred in Regina (+0.7%). This follows little or no change throughout the second half of 2012. Builders reported higher material and labour costs as the main reason for price increases in March.

Saskatoon and Windsor followed closely, with prices for new homes rising by 0.5% in both regions. This was the largest price increase in Saskatoon since April 2012, and the first increase this year, as builders cited higher land development costs as the primary reason for the advance. The increase in Windsor, the largest since February 2012, comes after nearly seven months of no price changes, with builders reporting they were no longer offering bonuses to stimulate sales.

Prices for new houses were also up from February in Winnipeg (+0.3%), Hamilton (+0.2%), and the combined metropolitan region of Toronto and Oshawa (+0.1%).

In March, prices decreased 0.2% in Vancouver, as builders lowered their prices to finalize sales. Prices were unchanged in 9 of the 21 metropolitan regions surveyed.

Chart 2
Winnipeg posts the largest year-over-year price increase



On a year-over-year basis, the NHPI rose 2.0% in the 12 months to March, following a 2.1% increase the previous month. Annual price increases at the national level have been decelerating since the start of 2013.

The main contributor to the advance was the combined region of Toronto and Oshawa, where the year-over-year increase in the contractors' selling prices was 3.2%. However, this was down substantially from the 6.2% reported in March 2012, as annual price increases in this region have been generally decelerating.

For the fourth consecutive month, Winnipeg recorded the largest year-over-year price movement in Canada. Prices were up 5.1% in March, compared with a 4.2% advance over the same period in 2012.

In Calgary, annual prices rose 4.3%, following an identical increase in February and several consecutive months of accelerating annual price increases. Other significant year-over-year increases occurred in Regina (+2.9%) and Halifax (+2.7%).

Among the 21 metropolitan regions surveyed, 3 posted 12-month price declines in March. The largest annual decreases were in British Columbia, where new housing prices continued to fall in both Victoria (-1.6%) and Vancouver (-0.7%). Annual prices fell by 0.1% in Charlottetown, the ninth consecutive month of year-over-year price declines for the region.

Note to readers

The New Housing Price Index measures changes over time in the selling prices of new residential houses agreed upon between the contractor and the buyer at the time of the signing of the contract. It is designed to measure the changes in the selling prices of new houses where detailed specifications pertaining to each house remain the same between two consecutive periods. The prices collected from builders and included in the index are market selling prices less value added taxes, such as the Federal Goods and Services Tax (GST) or the Harmonized Sales Tax (HST).

The provincial government of British Columbia introduced legislation on May 14, 2012, announcing the return to a provincial sales tax on April 1, 2013. From April 1, 2012, until March 31, 2013, there are new housing transitional rebates in place. After the transition is complete, the provincial sales tax on building materials in British Columbia will be embedded in contractors' selling prices of new houses. These changes will be reflected in the New Housing Price Index as reported by respondents.

Effective April 1, 2013, in Prince Edward Island, the federal 5% GST is combined with a reduced 9% provincial tax to create a single 14% HST. Previously, only the GST (5%) was applied to new homes. Under the new rules, the tax applied to the purchase of a new home will be 14%.

The indexes are not subject to revision and are not seasonally adjusted.

Table 1
New housing price indexes – Not seasonally adjusted¹

	Relative importance ²	March 2012	February 2013	March 2013	February to March 2013	March 2012 to March 2013
	%	(2007=100)			% change	
Canada total	100.0	107.3	109.3	109.4	0.1	2.0
House only	...	107.5	109.9	110.0	0.1	2.3
Land only	...	106.3	107.5	107.6	0.1	1.2
St. John's	1.83	146.7	147.9	147.9	0.0	0.8
Charlottetown	0.22	102.8	102.7	102.7	0.0	-0.1
Halifax	1.21	113.9	117.0	117.0	0.0	2.7
Saint John, Fredericton and Moncton ³	0.52	108.0	108.1	108.3	0.2	0.3
Québec	2.70	120.8	122.6	122.6	0.0	1.5
Montréal	9.60	115.2	116.4	116.3	-0.1	1.0
Ottawa–Gatineau	4.97	115.0	116.4	116.5	0.1	1.3
Toronto and Oshawa ³	27.21	115.4	119.0	119.1	0.1	3.2
Hamilton	3.25	104.9	107.1	107.3	0.2	2.3
St. Catharines–Niagara	1.01	105.9	108.4	108.4	0.0	2.4
London	1.69	108.9	111.1	111.1	0.0	2.0
Kitchener–Cambridge–Waterloo	2.02	109.4	111.1	111.1	0.0	1.6
Windsor	0.67	98.7	98.6	99.1	0.5	0.4
Greater Sudbury and Thunder Bay ³	0.63	106.2	107.7	107.7	0.0	1.4
Winnipeg	2.39	127.8	133.9	134.3	0.3	5.1
Regina	1.12	153.3	156.6	157.7	0.7	2.9
Saskatoon	2.20	118.0	119.2	119.8	0.5	1.5
Calgary	11.55	96.2	100.0	100.3	0.3	4.3
Edmonton	12.78	90.5	91.0	91.0	0.0	0.6
Vancouver	11.23	98.1	97.6	97.4	-0.2	-0.7
Victoria	1.22	86.1	84.8	84.7	-0.1	-1.6

... not applicable

1. Values have been rounded.

2. The relative importance is calculated using a price adjusted three-year average of the value of building completions for each metropolitan area.

3. In order to ensure data confidentiality, the following census metropolitan areas and census agglomeration are grouped together as follows: Saint John, Fredericton and Moncton; Toronto and Oshawa; and Greater Sudbury and Thunder Bay.

Note(s): View the census subdivisions that comprise the metropolitan areas online.

Available in CANSIM: table 327-0046.

Definitions, data sources and methods: survey number 2310.

The first quarter 2013 issue of *Capital Expenditure Price Statistics* (62-007-X) will be available in July.

The New Housing Price Index for April will be released on June 13.

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

New products and studies

New products

National Symmetric Input-Output Tables - Aggregation Level S, 2009
Catalogue number 15-207-X (CD-ROM)

National Symmetric Input-Output Tables - Aggregation Level L, 2009
Catalogue number 15-208-X (CD-ROM)

Provincial Symmetric Input-Output Tables: Aggregation Level S, 2009
Catalogue number 15-211-X (CD-ROM)

Input-Output Model Simulations (National Model), 2009
Catalogue number 15F0004X (Diskette, various prices)

Input-Output Model Simulations (Interprovincial Model), 2009
Catalogue number 15F0009X (Diskette, various prices)

National and Provincial Multipliers, 2009
Catalogue number 15F0046X (Diskette)



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