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Releases

Study: Investment intensity in Canada and the United States, 1990 to 2011

Non-residential investment intensity for the business sector was, on average, 15% higher in Canada than in the United States between 1990 and 2011.

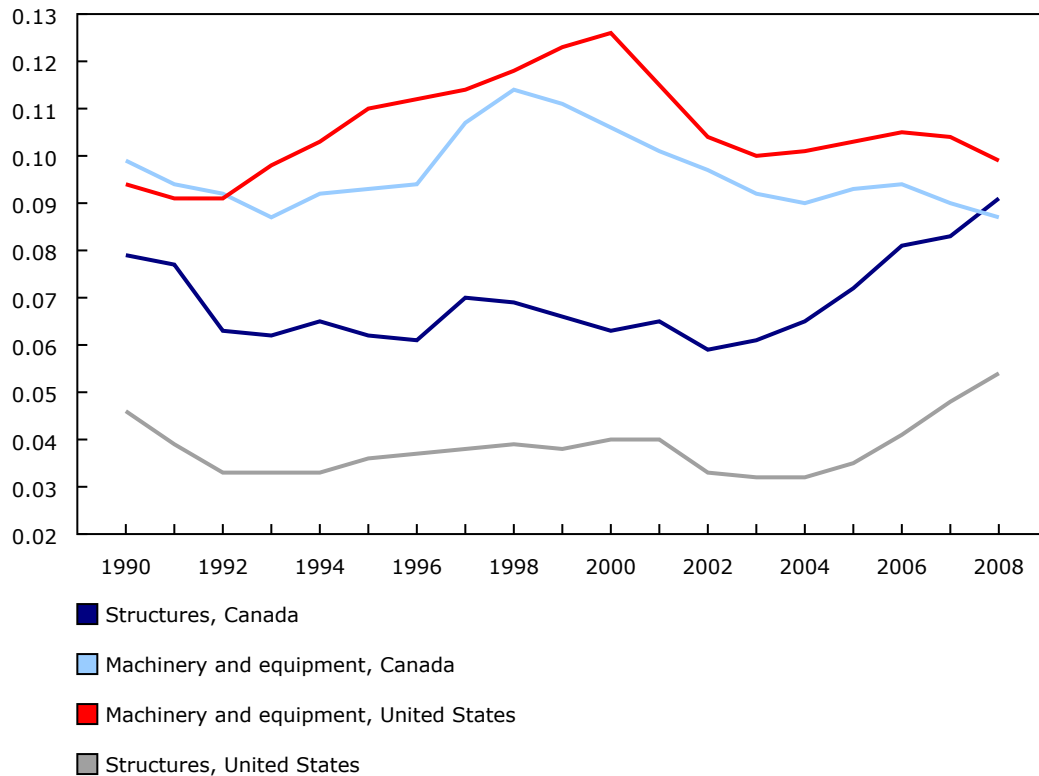
This gap between the two countries occurred largely because Canadian businesses had higher investment intensity in buildings and engineering structures, including pipelines, rail lines, dams and mining facilities.

Investment intensity is measured by the ratio of investment to gross domestic product. It captures the extent to which current resources are devoted to future production via investment in long-lived assets. It also reflects an economy's commitment to providing tangible long-lived assets to support production. Increases in the amount of capital per worker made available to workers via investment in these assets are the primary contributor to gains in labour productivity. Canada's investment intensity in non-residential structure assets was, on average, 80% higher than the United States'.

Chart 1

Business sector non-residential investment intensity (current dollars), by asset type, Canada and the United States, 1990 to 2008

ratio of investment to gross domestic product



Note(s): Authors' calculations.

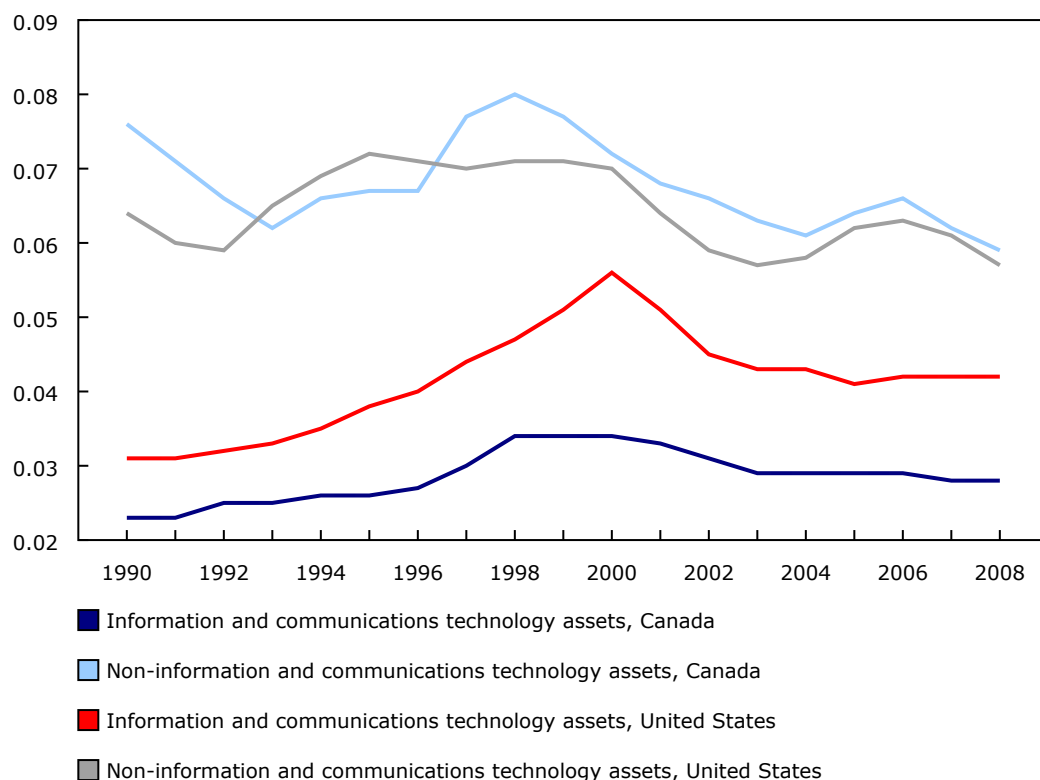
Source(s): Statistics Canada, CANSIM tables 031-0003 and 379-0023. US Bureau of Economic Analysis, "Value Added by Industry" table and "Non-residential Detailed Estimates for Investment" table.

At the same time, Canada's investment intensity was similar on average to the United States' for machinery and equipment that did not involve information and communications technology. Notably, Canadian investment intensity was about 30% lower for machinery and equipment that did involve information and communications technology.

Measures of aggregate investment intensity for structures—machinery and equipment that did involve information and communications technology as well as machinery and equipment that did not—will vary across countries if there are differences in industrial structure and can change in response to industrial restructuring.

Chart 2
Business sector machinery and equipment investment intensity (current dollars), by asset type, Canada and the United States, 1990 to 2008

ratio of investment to gross domestic product



Note(s): Authors' calculations.

Source(s): Statistics Canada, CANSIM tables 031-0003 and 379-0023. US Bureau of Economic Analysis, "Value Added by Industry" table and "Non-residential Detailed Estimates for Investment" table.

Compared with the United States, Canada specialized more in mining, oil and gas and utilities industries, all of which invested heavily in engineering structures and machinery and equipment that did not involve information and communications technology. In contrast, industries that are information and communications technology-intensive, such as information, professional services, and finance insurance and real estate, were less important in Canada than in the United States.

Overall, differences in industrial structure between the two countries accounted on average for 70% of the Canada–United States gap in structures and buildings and 26% of the gap in information and communications technology investment over the time period studied.

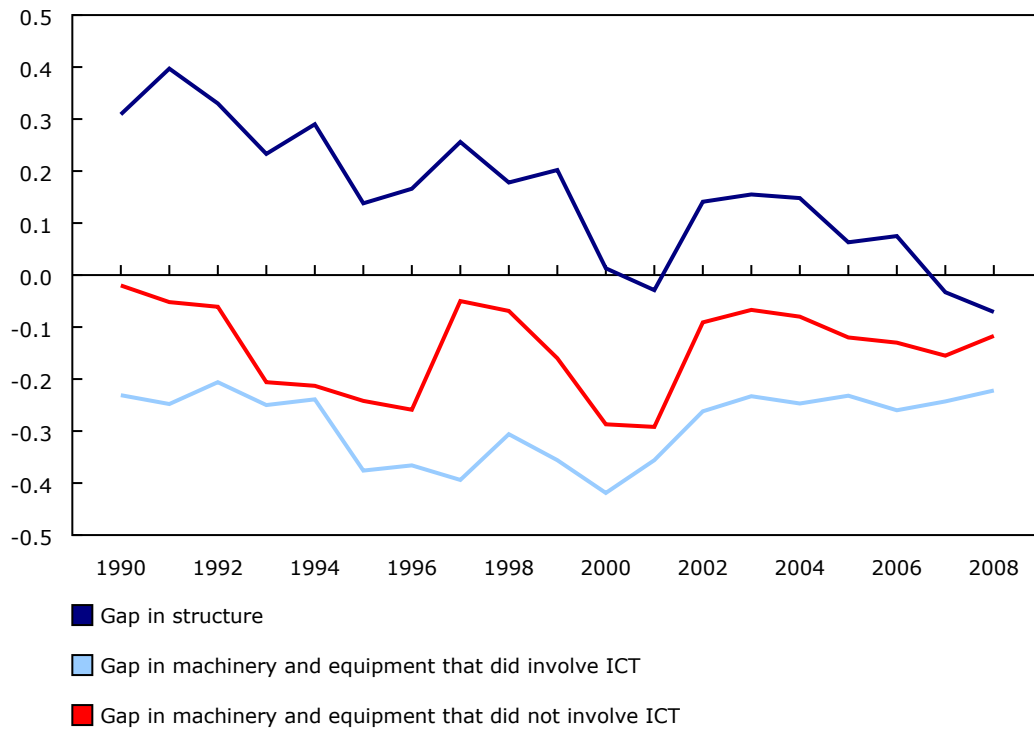
Throughout the 1990-to-2008 period, Canada also had a relatively constant small positive advantage in investment intensity for machinery and equipment that did not involve information and communications technology. But that advantage disappears when industry structure is taken into account.

Moreover, changes in industrial structure in the post-2000 period widened the gap in information and communications technology investment intensity since information and communications technology-intensive industries, such as information, professional services, and finance, insurance and real estate, grew more slowly in Canada than in the United States.

The trend in aggregate within-industry differences excluding differences in industrial structure indicates that the two countries moved closer to one another over the period. The gaps in within-industry investment intensity between Canada and the United States declined post 2000 for the two asset types (engineering and buildings, and machinery and equipment that did involve information and communications technology) where the uncorrected averages were diverging over the period studied. The positive within-industry gap in buildings and engineering structure declined as did the negative gap for machinery and equipment that did involve information and communications technology.

Chart 3
Within-industry investment intensity difference, Canada and the United States, corrected for differences in industry composition, by asset type, non-residential business sector, 1990 to 2008

logarithmic difference



Note(s): Authors' calculations. Information and communications technology (ICT).
Source(s): Statistics Canada. US Bureau of Economic Analysis.

Note to readers

Non-residential investment includes machinery and equipment, buildings other than residential structures and engineering structures such as dams, pipelines, rails and track. These data were taken from CANSIM (Statistics Canada) and the US Bureau of Economic Analysis website in December 2012 and January 2013 respectively.

The research paper "Investment Intensity in Canada and the United States, 1990 to 2011," part of the *Economic Analysis Research Paper Series* ([11F0027M](#)), is now available from the *Browse by key resource* module of our website under *Publications*.

Similar studies are also available in the [Update on Economic Analysis](#) module of our website.

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

To enquire about the concepts, methods or data quality of this release, contact Wulong Gu (613-951-0754; wulong.gu@statcan.gc.ca) or John Baldwin (613-951-8588; john.baldwin@statcan.gc.ca), Economic Analysis Division.

Job vacancies in brief, three-month average ending in July 2014

In July, there were 223,000 job vacancies among Canadian businesses, relatively unchanged compared with July 2013. There were 6.2 unemployed people for every job vacancy, little changed from 12 months earlier.

The national job vacancy rate was 1.5% in July, similar to the rate observed a year earlier.

Note to readers

Monthly data are based on three-month moving averages. For example, data for the current month are based on an average of the data from the current month and the previous two months.

Data on job vacancies are not seasonally adjusted and should only be compared on a year-over-year basis. Given this is a new data series, trends are not yet available; therefore, data should be interpreted with caution.

With each release, data for the current reference month are subject to revision. Data have been revised for the previous month. Users are encouraged to request and use the most up-to-date data for each month.

The differences between estimates presented in the text are statistically significant at the 68% confidence level.

Available in CANSIM: tables [284-0001](#) and [284-0003](#).

Definitions, data sources and methods: survey number [5202](#).

The job vacancies release for August will be on November 18.

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).

Entrepreneurship Indicators Database, 2011

Selected data pertaining to the entrepreneurship of Canadian enterprises are now available for 2011 upon request.

Definitions, data sources and methods: survey number [5157](#).

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).

New products and studies

New products

Statistics Canada International Symposium Series: Proceedings: "Symposium 2013: Producing Reliable Estimates from Imperfect Frames", 2013
Catalogue number [11-522-X2012000](#) (CD-ROM)

Wholesale Trade, August 2014, Vol. 77, no. 8
Catalogue number [63-008-X](#) (HTML | PDF)

New studies

Economic Analysis (EA) Research Paper Series: "Investment Intensity in Canada and the United States, 1990 to 2011", No. 95
Catalogue number [11F0027M2014095](#) (HTML | PDF)



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