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Releases

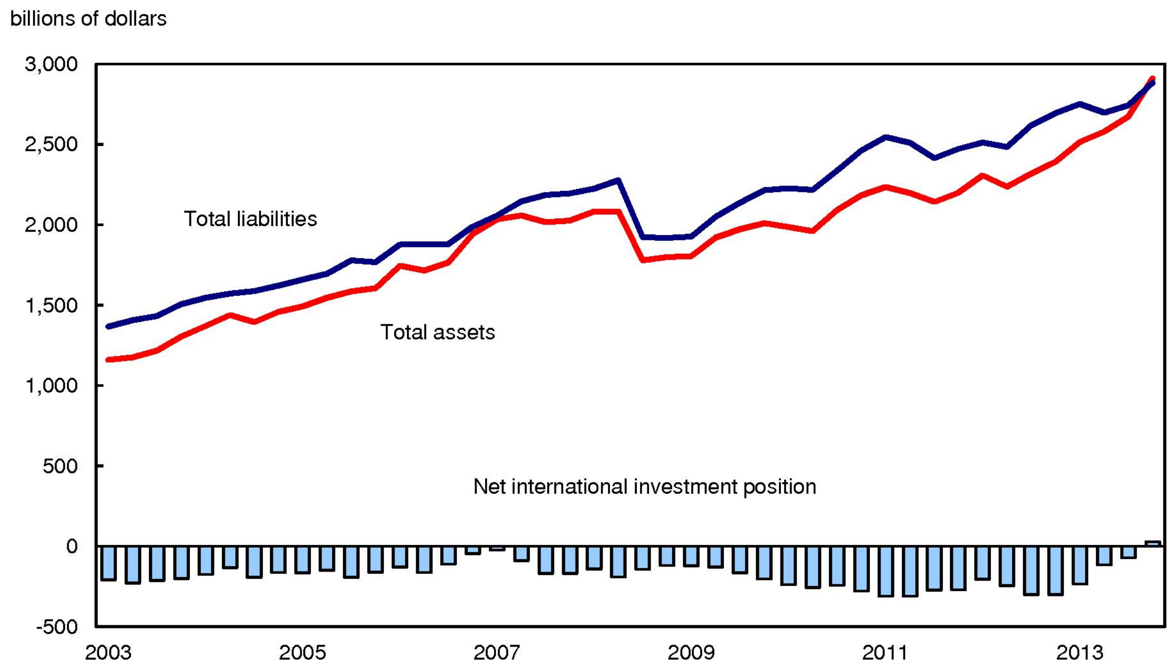
Releases

Canada's international investment position, fourth quarter 2013

Canada's net foreign debt was reduced by $98.1 billion in the fourth quarter, edging Canada into a net asset position of $26.7 billion. The decline was attributable to relatively stronger foreign equity markets and a weaker Canadian dollar, which raised the value of Canada's international assets more than it increased the value of its international liabilities.

Over the course of 2013, Canada's overall net international investment position increased by $328.8 billion, despite an ongoing current account deficit. Geographically, Canada's net foreign indebtedness with the United States decreased by $176.4 billion to $280.0 billion at the end of 2013. At the same time, Canada's net asset position with the aggregate "other countries" increased by $152.4 billion to $306.7 billion.

Chart 1
Canada's international investment position



International assets outpace international liabilities, led by stronger foreign equity markets

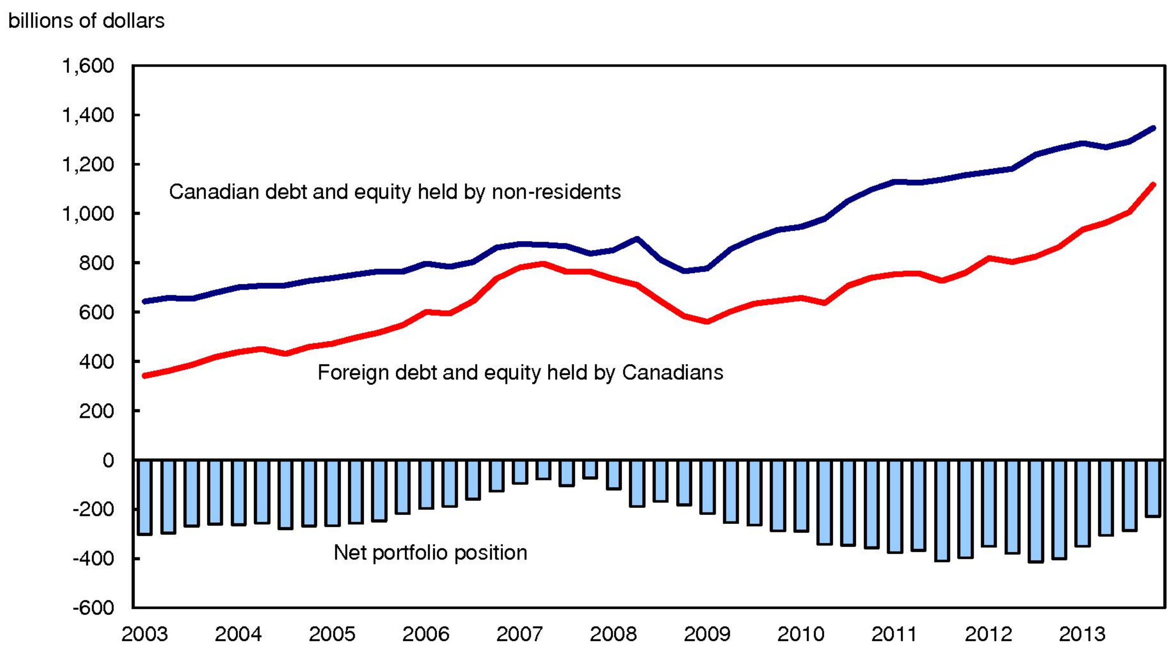
Canada's international assets increased by $239.6 billion to $2,911.5 billion by the end of the fourth quarter. This was the result of gains associated with the strong performance of foreign stock markets as well the weaker Canadian dollar's upward revaluation effect on foreign currency denominated international assets. Over the quarter, the Canadian dollar lost 3.1% against the US dollar, 5.4% against the British pound and 4.9% against the euro but gained 3.7% against the Japanese yen. During the same period, the US Standard and Poor's 500 stock market index increased by 9.9%.

For their part, Canada's international liabilities increased by $141.5 billion in the fourth quarter to $2,884.8 billion, largely as a result of gains in Canadian stock prices. Inflows of funds from abroad to finance the ongoing current account deficit and the upward revaluation of selected liabilities denominated in foreign currencies added to the overall increase in Canadian international liabilities.

Canada's net foreign liability position on portfolio investment declines again

Canada's net liability on cross-border holdings of securities declined for a fifth straight quarter, reaching $229.5 billion. The increase in Canadian holdings of foreign securities was led by the strong performance on foreign equity markets. The gains in non-resident holdings of Canadian liabilities were less pronounced and mainly resulted from higher Canadian stock prices.

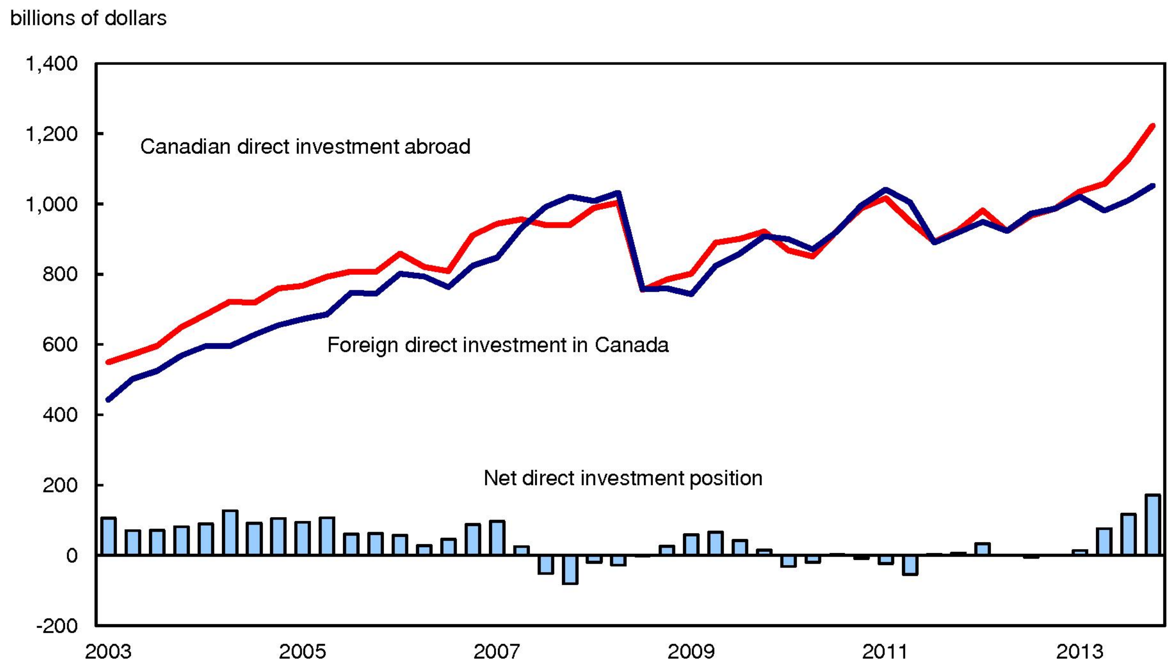
Chart 2
Portfolio investment position



Canada's net foreign asset position on direct investment expands further

Canada's net asset position on cross-border direct investment increased by $54.5 billion to $170.9 billion at the end of the fourth quarter. Canadian direct investment abroad increased by $95.7 billion to $1,222.6 billion. Higher foreign equity prices were the largest contributor to this change. Generally stronger foreign currencies relative to the Canadian dollar also supported asset growth in the quarter, as a result of the upward revaluation of these assets. On the other side of the ledger, the value of foreign direct investment in Canada was up $41.2 billion to $1,051.6 billion. This reflected the appreciation of Canadian equity prices on non-resident assets, as well as direct investment inflows from abroad of $10.4 billion in the quarter.

Chart 3
Direct investment position



Note to readers

The main measure of the International Investment Position Account now incorporates market valuation for tradeable securities and foreign direct investment equity. This presentation adds a further dimension to the analysis of Canada's net international investment position and more accurately reflects changes in that position. The International Investment Position at book value is still available, as the annual foreign direct investment release includes geographical and industry details. For more information see Valuation of assets and liabilities.

Currency valuation

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

Change to annual revision practices

The Canadian System of macroeconomic accounts is implementing a new revision policy. Annual revisions for Canada's international investment position, which affect the three most recent calendar years, will take place in December rather than June, as was previously the practice. For more information, see Latest Developments in the Canadian Economic Accounts (13-605-X).

Definitions

*The **international investment position** presents the value and composition of Canada's assets and liabilities to the rest of the world.*

*Canada's **net international investment position** is the difference between Canada's assets and liabilities to the rest of the world.*

*The excess of international liabilities over assets can be referred to as Canada's **net foreign debt**.*

*The excess of international assets over liabilities can be referred to as Canada's **net foreign assets**.*

Table 1
Canada's international investment position at period end

	Fourth quarter 2012	First quarter 2013	Second quarter 2013	Third quarter 2013	Fourth quarter 2013
Assets	**2,392.4**	**2,515.7**	**2,579.5**	**2,671.9**	**2,911.5**
Canadian direct investment abroad	986.9	1,035.1	1,057.3	1,126.8	1,222.6
Canadian portfolio investment	863.6	934.7	962.5	1,005.2	1,116.4
Foreign debt securities	182.9	188.0	188.9	193.6	213.5
Foreign money market	3.1	3.2	4.4	4.5	5.0
Foreign bonds	179.9	184.8	184.5	189.1	208.4
Foreign equity and investment fund shares	680.7	746.7	773.7	811.6	903.0
Official international reserves	68.2	71.3	72.5	73.6	76.5
Other Canadian investment	473.7	474.6	487.2	466.3	496.0
Loans	141.3	146.6	140.6	142.2	145.1
Currency and deposits	246.7	247.9	265.5	243.8	262.5
Other assets	85.8	80.1	81.1	80.3	88.4
Liabilities	**2,694.5**	**2,750.2**	**2,695.8**	**2,743.3**	**2,884.8**
Foreign direct investment in Canada	987.4	1,020.9	981.3	1,010.4	1,051.6
Foreign portfolio investment	1,264.4	1,285.0	1,268.8	1,291.6	1,345.9
Canadian debt securities	839.6	859.2	857.1	847.5	860.8
Canadian money market	80.9	75.5	85.5	88.4	80.5
Canadian bonds	758.7	783.7	771.5	759.1	780.3
Canadian equity and investment fund shares	424.8	425.8	411.8	444.1	485.1
Other foreign investment	442.7	444.3	445.7	441.3	487.3
Loans	62.5	69.1	69.9	71.6	74.2
Currency and deposits	350.1	344.9	345.7	340.2	383.5
Special drawing rights	9.2	9.1	9.5	9.4	9.8
Other liabilities	20.8	21.3	20.6	20.0	19.8
Net international investment position	**-302.1**	**-234.6**	**-116.4**	**-71.4**	**26.7**

Available in CANSIM: tables 376-0059, 376-0142 and 376-0144.

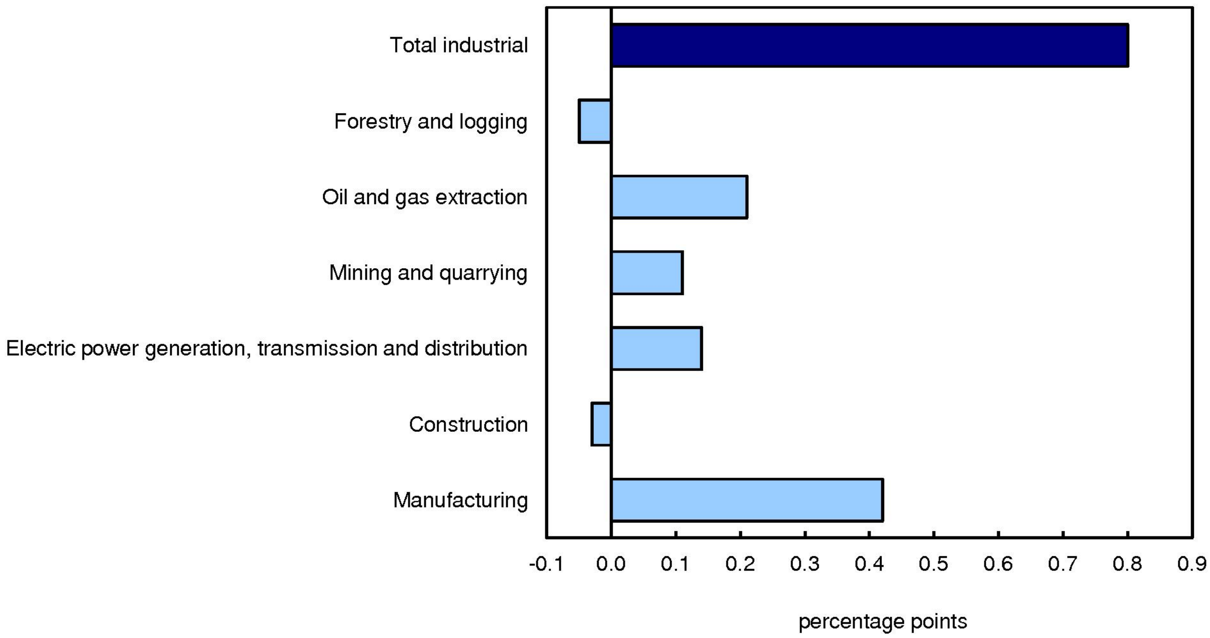
Definitions, data sources and methods: survey numbers 1534 and 1537.

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

Industrial capacity utilization rates, fourth quarter 2013 and annual 2013

Canadian industries operated at 82.0% of their production capacity in the fourth quarter, up from 81.2% in the third quarter. The manufacturing and oil and gas extraction industries were the main sources of this increase.

Chart 1
Main industrial sectors' contribution to the change in the industrial capacity utilization rate, fourth quarter 2013



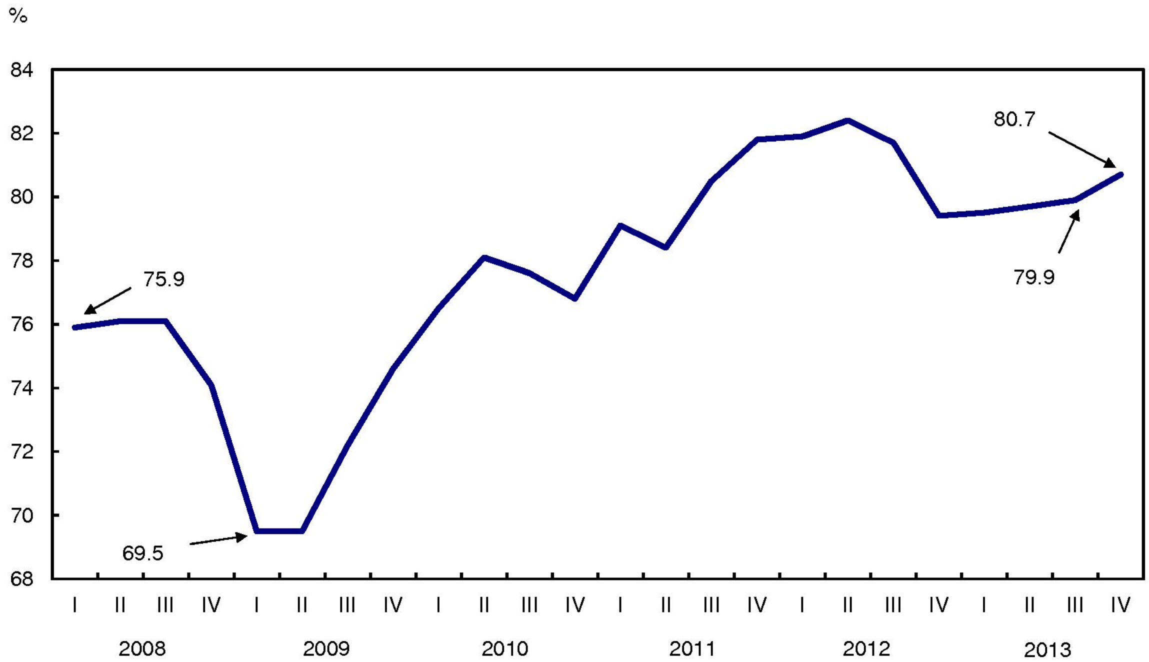
Manufacturing led upward by the transportation equipment and food industries

The manufacturing sector was the main source of growth in the capacity utilization rate in the fourth quarter, accounting for more than half of the overall increase.

The manufacturing sector operated at 80.7% of its capacity in the fourth quarter, up 0.8 percentage points from the third quarter. The transportation equipment manufacturing and food manufacturing industries were largely responsible for this increase.

Of the 21 major groups in the manufacturing sector, 9 increased their capacity utilization. Capacity use was down in 12 industries, notably the fabricated metal products industry and the computer and electronic product manufacturing industry.

Chart 2
Capacity utilization in manufacturing increases



In the transportation equipment manufacturing industry, the rate rose 3.0 percentage points to 90.6% in the fourth quarter. Higher production of motor vehicles and motor vehicle parts and of aerospace products and parts was the main source of this increase.

For food manufacturers, capacity use rose from 74.2% to 77.5% in the fourth quarter. This increase was due to higher production in every subsector of the industry, except dairy product manufacturing and sugar and confectionery product manufacturing.

Non-manufacturing industries: The oil and gas extraction industry leads the increase for a second consecutive quarter

As in the third quarter, the oil and gas extraction industry was the predominant source of growth in the capacity utilization rate for non-manufacturing industries in the fourth quarter.

Higher extraction of non-conventional crude petroleum was primarily responsible for pushing the oil and gas extraction industry's capacity utilization rate up 1.5 percentage points to 87.5%.

After declining for eight consecutive quarters, the mining and quarrying industry's capacity utilization was up 1.5 percentage points to 63.1%, as a result of an increase in metallic and non-metallic mineral production.

Higher demand for electricity was responsible for an increase in the electric power generation, transmission and distribution industry's capacity use, which rose 1.6 percentage points to 89.1%.

Reduced activity in the forestry and logging industry accounted for the 3.2 percentage-point decline in its capacity utilization rate to 86.2% in the fourth quarter.

Average annual rate down for the first time since 2009

Compared with 2012, the average capacity utilization rate of Canadian industries fell 0.2 percentage points to 81.3% in 2013, the first annual decrease since 2009.

The average annual rate in the manufacturing sector was 80.0% in 2013, down from 81.4% in 2012. This decline was partly offset by the increase posted by non-manufacturing industries.

Mining was the lone non-manufacturing industry with a lower capacity utilization rate compared with 2012, edging down 0.1 percentage points to 62.9% in 2013. This was the second consecutive annual decrease for this industry.

Compared with 2012, the industries with the largest percentage-point gains in capacity use in 2013 were wood product manufacturing, furniture and related product manufacturing, and forestry and logging. The largest declines were in machinery and fabricated metal products.

Note to readers

*The **industrial capacity utilization rate** is the ratio of an industry's actual output to its estimated potential output.*

For most industries, the annual estimates are obtained from the Capital and Repair Expenditures Survey while the quarterly pattern is derived from output-to-capital ratio series, the output being the real gross domestic product at basic prices, seasonally adjusted, by industry.

This program covers all manufacturing and selected non-manufacturing industries.

With this release on industrial capacity utilization rates, data were revised back to the first quarter of 2013 to reflect updated source data.

Table 1
Industrial capacity utilization rates

	Fourth quarter 2012	Third quarter 2013[r]	Fourth quarter 2013	Third quarter to fourth quarter 2013	Fourth quarter 2012 to fourth quarter 2013
	%			percentage point change	
Total industrial	**80.8**	**81.2**	**82.0**	**0.8**	**1.2**
Forestry and logging	84.0	89.4	86.2	-3.2	2.2
Mining and oil and gas extraction	76.8	77.6	79.2	1.6	2.4
Oil and gas extraction	85.1	86.0	87.5	1.5	2.4
Mining and quarrying	60.8	61.6	63.1	1.5	2.3
Electric power generation, transmission and distribution	88.1	87.5	89.1	1.6	1.0
Construction	84.0	84.2	84.1	-0.1	0.1
Manufacturing	79.4	79.9	80.7	0.8	1.3
Food	74.7	74.2	77.5	3.3	2.8
Beverage and tobacco products	72.0	71.0	73.2	2.2	1.2
Beverage	72.7	71.9	74.2	2.3	1.5
Tobacco	66.8	64.7	66.0	1.3	-0.8
Textiles	64.9	68.4	70.5	2.1	5.6
Textile mills	70.9	75.6	78.5	2.9	7.6
Textile product mills	60.1	62.6	64.2	1.6	4.1
Clothing	69.3	67.6	61.9	-5.7	-7.4
Leather and allied products	70.2	69.8	63.2	-6.6	-7.0
Wood products	82.4	84.7	84.0	-0.7	1.6
Paper	87.2	89.3	89.7	0.4	2.5
Printing and related support activities	71.1	68.9	68.7	-0.2	-2.4
Petroleum and coal products	80.5	80.4	78.5	-1.9	-2.0
Chemical products	76.7	75.9	78.3	2.4	1.6
Plastics and rubber products	75.8	79.0	78.3	-0.7	2.5
Plastic products	74.8	78.0	77.4	-0.6	2.6
Rubber products	80.3	83.7	82.7	-1.0	2.4
Non-metallic mineral products	72.7	71.1	70.9	-0.2	-1.8
Primary metal	79.2	83.6	85.4	1.8	6.2
Fabricated metal products	79.4	79.0	77.1	-1.9	-2.3
Machinery	77.9	81.8	83.6	1.8	5.7
Computer and electronic products	84.9	77.3	73.6	-3.7	-11.3
Electrical equipment, appliances and components	76.9	74.9	71.2	-3.7	-5.7
Transportation equipment	87.8	87.6	90.6	3.0	2.8
Furniture and related products	76.7	80.6	79.2	-1.4	2.5
Miscellaneous manufacturing	79.0	80.8	76.9	-3.9	-2.1

r *revised*

Table 2
Industrial capacity utilization rates: Annual average

	2011	2012	2013	2011 to 2012	2012 to 2013
	%			percentage point change	
Total industrial	**80.6**	**81.5**	**81.3**	**0.9**	**-0.2**
Forestry and logging	87.0	83.2	85.8	-3.8	2.6
Mining and oil and gas extraction	79.8	77.4	78.1	-2.4	0.7
Oil and gas extraction	84.9	85.0	86.0	0.1	1.0
Mining and quarrying	69.6	63.0	62.9	-6.6	-0.1
Electric power generation, transmission and distribution	87.9	86.4	88.2	-1.5	1.8
Construction	79.8	83.1	84.0	3.3	0.9
Manufacturing	80.0	81.4	80.0	1.4	-1.4
Food	79.8	76.8	75.8	-3.0	-1.0
Beverage and tobacco products	72.6	73.0	73.3	0.4	0.3
Beverage	73.5	74.1	74.4	0.6	0.3
Tobacco	65.8	65.4	65.3	-0.4	-0.1
Textiles	71.2	70.6	67.4	-0.6	-3.2
Textile mills	76.8	77.7	73.8	0.9	-3.9
Textile product mills	66.6	64.9	62.4	-1.7	-2.5
Clothing	73.4	70.9	67.1	-2.5	-3.8
Leather and allied products	72.1	71.8	69.0	-0.3	-2.8
Wood products	75.1	80.7	84.3	5.6	3.6
Paper	87.9	86.4	88.5	-1.5	2.1
Printing and related support activities	69.1	70.1	69.4	1.0	-0.7
Petroleum and coal products	79.5	79.4	79.0	-0.1	-0.4
Chemical products	75.8	77.0	77.2	1.2	0.2
Plastics and rubber products	77.6	78.2	77.7	0.6	-0.5
Plastic products	75.5	77.1	76.7	1.6	-0.4
Rubber products	86.2	83.4	82.6	-2.8	-0.8
Non-metallic mineral products	77.0	76.8	68.9	-0.2	-7.9
Primary metal	85.1	83.0	83.2	-2.1	0.2
Fabricated metal products	80.3	82.5	78.5	2.2	-4.0
Machinery	81.7	85.6	81.5	3.9	-4.1
Computer and electronic products	89.6	83.3	80.5	-6.3	-2.8
Electrical equipment, appliances and components	76.7	76.2	75.7	-0.5	-0.5
Transportation equipment	83.5	90.8	87.0	7.3	-3.8
Furniture and related products	74.3	76.4	79.1	2.1	2.7
Miscellaneous manufacturing	81.2	78.9	80.9	-2.3	2.0

Available in CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

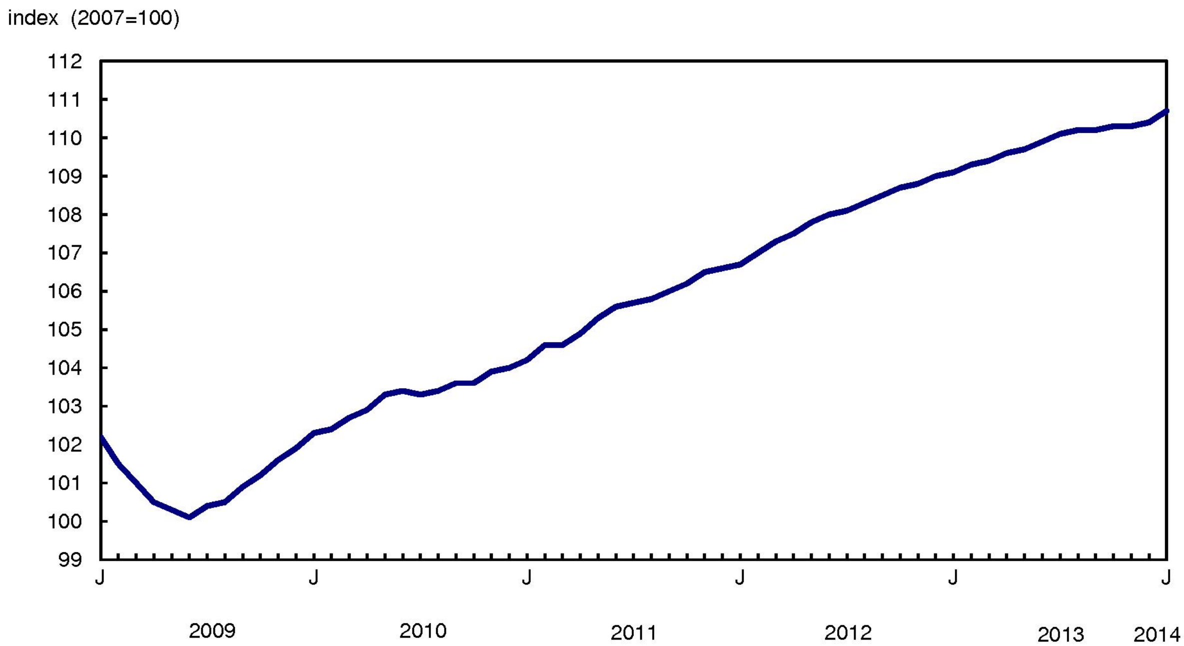
Data on industrial capacity utilization rates for the first quarter will be released on June 12.

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 Housing Price Index, January 2014

The New Housing Price Index (NHPI) rose 0.3% in January, following a 0.1% gain in December. The national increase was the largest since May 2012 and mainly the result of strong gains in the Prairie region.

Chart 1
New Housing Price Index



The metropolitan region of Calgary was the top contributor to the January rise, with prices up 1.3% over December. Builders reported that higher material and labour costs as well as market conditions were the primary reasons for the increase, the largest in the region since April 2007.

The biggest monthly price gain in January was in Saskatoon (+1.4%), where builders raised list prices to coincide with the new calendar year. The advance marked the largest monthly increase in the city since March 2008.

Prices were also up in Winnipeg (+0.5%), as builders moved to new phases of development with higher land development costs. Price changes in this region had been fluctuating between 0.0% and 0.2% since June 2013.

Prices were down 0.3% in Kitchener–Cambridge–Waterloo for the second consecutive month. New housing prices also fell 0.3% in Charlottetown. The decrease, the largest in that region since December 2012, was mainly due to lower negotiated selling prices between builders and buyers.

Prices for new homes declined 0.2% in Ottawa–Gatineau, St. Catharines–Niagara and Hamilton. Builders in both Ottawa–Gatineau and St. Catharines–Niagara offered promotional pricing to stimulate sales. Prices in the St. Catharines–Niagara region had not decreased since May 2012. In Hamilton, lower negotiated selling prices were the main reason for the January price decline.

Prices were unchanged in 7 of the 21 metropolitan areas surveyed in January.

On a year-over-year basis, the NHPI rose 1.5% in January, following a 1.3% increase in December. The pace of annual growth had been slowing since August.

The two main contributors to the annual advance were Calgary and the combined metropolitan region of Toronto and Oshawa. Calgary saw a 7.0% increase, its highest annual rise since July 2007. The combined region of Toronto and Oshawa reported a 1.4% year-over-year increase in contractors' selling prices for the third month in a row.

New housing prices were up 3.5% in January in both Saskatoon and Regina compared with the same month in 2013. This was the largest increase in Saskatoon since December 2010.

Other significant year-over-year increases occurred in St. Catharines–Niagara (+2.6%) and Winnipeg (+2.5%). In Winnipeg, the pace of growth in new home prices has been slowing for the past six months.

Among the 21 metropolitan areas surveyed, 5 posted 12-month price declines in January: Ottawa–Gatineau and Vancouver (both down 1.1%), Victoria (-0.8%) as well as Edmonton and Kitchener–Cambridge–Waterloo (both down 0.2%). This was the first annual decrease in Kitchener–Cambridge–Waterloo since June 2013.

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

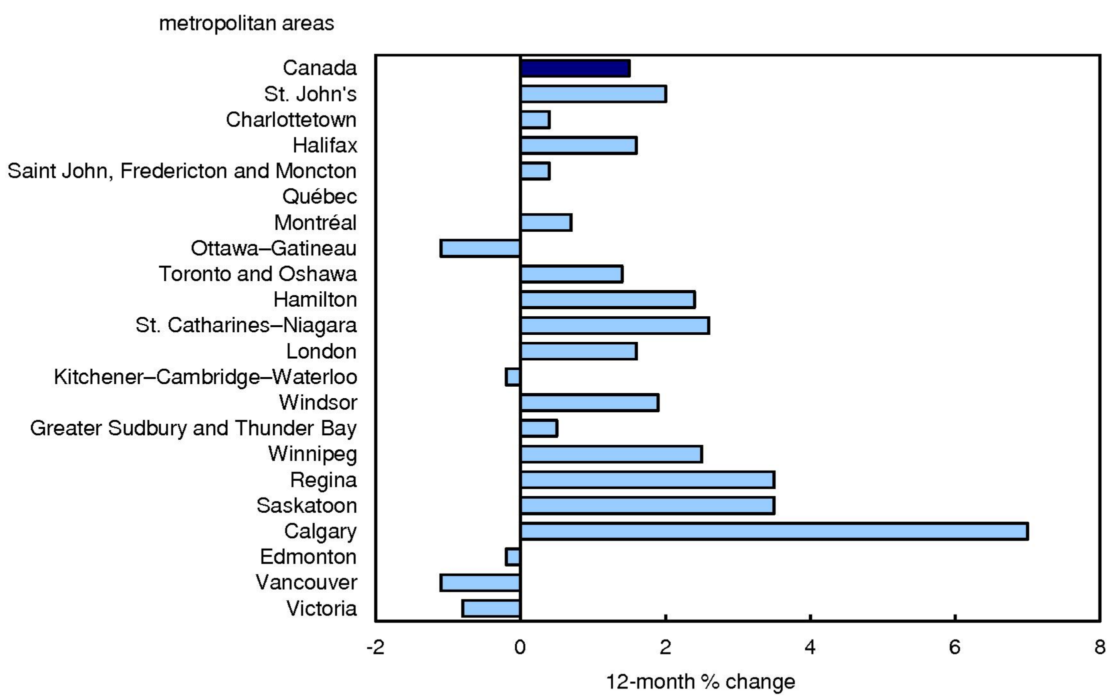


Table 1
New Housing Price Index – Not seasonally adjusted[1]

	Relative importance[2]	January 2013	December 2013	January 2014	December 2013 to January 2014	January 2013 to January 2014
	%	(2007=100)			% change	
Canada total	**100.0**	**109.1**	**110.4**	**110.7**	**0.3**	**1.5**
House only	**...**	**109.8**	**111.2**	**111.5**	**0.3**	**1.5**
Land only	**...**	**107.4**	**108.2**	**108.4**	**0.2**	**0.9**
St. John's	1.76	148.0	150.9	150.9	0.0	2.0
Charlottetown	0.18	102.7	103.4	103.1	-0.3	0.4
Halifax	1.15	115.9	117.7	117.7	0.0	1.6
Saint John, Fredericton and Moncton[3]	0.46	107.9	108.4	108.3	-0.1	0.4
Québec	2.35	122.6	122.7	122.6	-0.1	0.0
Montréal	8.27	116.2	117.0	117.0	0.0	0.7
Ottawa–Gatineau	4.50	116.6	115.5	115.3	-0.2	-1.1
Toronto and Oshawa[3]	28.01	119.0	120.4	120.7	0.2	1.4
Hamilton	3.20	107.0	109.8	109.6	-0.2	2.4
St. Catharines–Niagara	1.03	107.9	110.9	110.7	-0.2	2.6
London	1.65	110.7	112.5	112.5	0.0	1.6
Kitchener–Cambridge–Waterloo	1.67	111.1	111.2	110.9	-0.3	-0.2
Windsor	0.73	98.6	100.4	100.5	0.1	1.9
Greater Sudbury and Thunder Bay[3]	0.61	107.7	108.2	108.2	0.0	0.5
Winnipeg	2.77	133.8	136.5	137.2	0.5	2.5
Regina	1.31	154.5	159.9	159.9	0.0	3.5
Saskatoon	2.63	119.2	121.7	123.4	1.4	3.5
Calgary	12.18	99.0	104.5	105.9	1.3	7.0
Edmonton	12.68	91.0	90.9	90.8	-0.1	-0.2
Vancouver	11.78	97.5	96.5	96.4	-0.1	-1.1
Victoria	1.08	84.8	84.1	84.1	0.0	-0.8

... 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.*

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 survey covers the following dwelling types: single dwellings, semi-detached and row houses (town house or garden home). 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 or the Harmonized Sales Tax.

The index is not subject to revision and is not seasonally adjusted.

Available in CANSIM: tables 327-0046 and 327-0050.

Definitions, data sources and methods: survey number 2310.

The New Housing Price Index for February will be released on April 10.

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).

Maintenance Enforcement Survey: Child and spousal support, 2012/2013

The Maintenance Enforcement Survey and the Survey of Maintenance Enforcement Programs (SMEP) data for 2012/2013 are now available. The SMEP longitudinal file for 2005/2006 to 2012/2013 is also now available.

Available in CANSIM: tables 259-0001 to 259-0010.

Definitions, data sources and methods: survey number 3324.

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Study: Interpreting Monthly Changes in Employment from the Labour Force Survey

The study "Interpreting Monthly Changes in Employment from the Labour Force Survey" is now available.

The study "Interpreting Monthly Changes in Employment from the Labour Force Survey" is now available as part of the publication *Economic Insights* (11-626-X) from the *Browse by key resource* module of our website choose *Publications*.

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