



Infomat

A Weekly Review

Friday, August 2, 2002

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◆ Foreign investors seek bonds

Foreign investors increased their Canadian holdings in May, and for the first time this year ventured into equities.

◆ Use of Internet at home still growing

Internet use from home took another big jump in 2001, but the rate of growth is easing off. Just under half of the nation's 12 million households had at least one regular user.

◆ Gambling revenues skyrocket

Net revenue from government-run lotteries, video lottery terminals and casinos reached more than \$10.7 billion in 2001, four times the level in 1992.

◆ Crime rate up for first time in 10 years

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Little sign of resurgence in business investment

Government departments and Canadian homebuyers, who are clamouring for new homes, are expected to account for most of the increase in investment intentions this year, rather than private businesses.

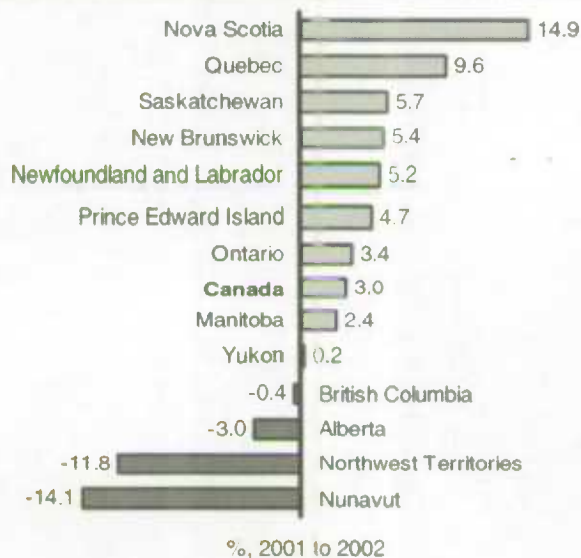
Total capital spending in Canada on plant, equipment and housing should surpass \$200 billion in 2002, up sharply from a February measurement of about \$194.0 billion, according to revised intentions of public and private investment.

Total investment is expected to reach \$201.7 billion in 2002. This would represent a 3.0% increase from 2001, as opposed to the 1.0% decline anticipated in first intentions announced in *The Daily* on February 27, 2002.

Housing investment alone is expected to rise 11.9% to \$48.2 billion as a result of increases in the two major components: new housing and renovations.

(continued on page 2)

Capital spending intentions



Little sign of resurgence... (continued from page 1)

Businesses, governments and institutions are expected to invest \$153.5 billion on plant and equipment, compared with the \$150.4 billion forecast in February. This would be an increase of only 0.4% from 2001. However, there is still little sign of resurgence in business investment, as the upward revision of \$3.1 billion is largely concentrated in government departments and utilities.

Capital spending by municipalities in 2002 is expected to reach \$10.7 billion, up 26.5% from 2001. The increase is concentrated in construction spending on infrastructure.

Combined with all other levels of government, spending by departments should reach \$20.7 billion, up 20.5%.

It appears that capital spending by governments in 2002 (excluding health and education) will surpass that of manufacturing for the first time. However, recent improvement in manufacturing operating profits and capacity utilization may reverse this trend.

Spending in the utilities sector, which continues to grow, is expected to reach \$11.1 billion, up 22.2%. This growth is derived

from the electric power industry, which reported a 26.2% increase, largely from projects in Quebec and Ontario.

Investment in conventional oil and gas extraction this year is expected to decline by \$3.2 billion. This drop is reflected in the lowered level of well completions and drilling activity for 2002, as well as low prices for oil and gas.

Investment in the information and communication technology sector is expected to amount to \$14.7 billion in 2002, down 9.0%. A decline of 16.4% is anticipated in the manufacturing component, where falling demand for goods is reflected in lower shipments and low capacity use.

Most regions are still expecting increases in investment, largely a result of the stellar growth in the housing market. Two regions are expected to outpace all others in investment growth. Nova Scotia is expected to lead with a 14.9% increase, and capital spending in Quebec is expected to rise 9.6%.

Private and public investment in Canada, revised intentions 2002 (Internet: 61-206-X1B, \$33) is now available. For more information, contact Gilbert Paquette (1-800-571-0494; 613-951-9818; gilbert@statcan.ca), Investment and Capital Stock Division.

Foreign investors seek bonds

Foreign investors increased their Canadian holdings in May, and for the first time this year ventured into equities.

Foreign holdings of Canadian securities rose by \$1.9 billion, mainly through continued investment in bonds.

Meanwhile, Canadian investors slowed their purchases of foreign securities after three months of heavy buying.

Foreign investors added \$1.3 billion to their holdings of Canadian bonds in May, bringing their investment over the first five months of 2002 to \$7.5 billion. This is about half the net accumulation during the first five months of last year, when new corporate issues in foreign markets were double those of this year.

So far in 2002, foreign investors have added \$10.7 billion to their holdings of Canadian corporate bonds. However, they have reduced their holdings of government and government enterprise bonds by \$3.2 billion.

American investors were the main buyers of Canadian bonds in 2002, adding \$12.3 billion to their holdings. The combined holdings of Asian and European investors fell \$4.8 billion.

For the first time in 2002, foreign investors added to their holdings of Canadian equities, albeit by a small \$0.5 billion. American investors led the way in May, adding \$1.1 billion to their holdings, but Europeans sold off \$0.5 billion.

Canadians investors slowed their purchases of foreign equities in May, investing only \$0.6 billion. This was in sharp contrast to the \$10.5 billion that resident investors poured into foreign shares in February, March and April.

Canadian investment in foreign equities over the first five months of 2002 reached \$11.6 billion. Two-thirds went to U.S. shares and one-third to overseas shares. Although there was a negligible investment in foreign bonds in May, the \$4.2 billion invested so far this year has mainly gone to U.S. treasuries.

The May 2002 issue of Canada's international transactions in securities (Internet: 67-002-X1B, \$14/\$132; paper: 67-002-XPB, \$18/\$176) is now available. For more information, contact Donald Granger (613-951-1864), Balance of Payments Division.

Use of Internet at home still growing

Internet use from home took another big jump in 2001, but the rate of growth is easing off, according to the Household Internet Use Survey.

More than 5.8 million of the nation's 12 million households had at least one member who regularly used the Internet from home, up 1.1 million, or 23%, from 2000. This was somewhat less than the gain of 1.4 million during the previous year.

Over half of households that reported regular home use turned to the Internet as a source of information to access news sites or to search for government information online. Three in five households used the Internet as a source for medical or health-related information.

Half of the regular home users had a household member who played games. Three out of five households spent 20 or more hours each month surfing the World Wide Web. The number of households that used the Internet 20 hours or more each month from home grew by about 723,000, or 25%.

Almost half of the regular users from home had at least one household member in 2001 who used the Internet as a tool for formal education or training. The bulk of this group went online to do research for projects or assignments, or to solve academic problems.

About one-quarter of households that reported regular home use indicated that at least one member used the Internet for work-related business. This was the case for nearly 1.5 million households, up from just over 1 million in 2000. Almost one-fifth of regular home use in 2001 involved employees taking advantage of the Internet to work scheduled hours at home.

Quebec and Prince Edward Island had the highest growth rates for regular access from home. For the fifth straight year, however, British Columbia had the highest proportion of households regularly accessing the Internet from home.

Additional data tables related to the information presented in this article are available on Statistics Canada's website (www.statcan.ca). From the Canadian statistics page, choose Culture, leisure and travel, then Internet. For more information, contact Jonathan Ellison (613-951-5882, jonathan.ellison@statcan.ca), Science, Innovation and Electronic Information Division.

Gambling revenues skyrocket

Net revenue from government-run lotteries, video lottery terminals and casinos reached more than \$10.7 billion in 2001, four times the level in 1992, according to new data.

Of the \$10.7 billion generated from government-run gambling, about \$6.0 billion was profit. This level was three and a half times the profit of the \$1.7 billion governments realized from gambling in 1992.

Operations run by First Nations, such as casinos and bingo palaces, are not included in that total. Nor are charity casinos or illegal gambling operations, such as those available on the Internet.

On average, every individual aged 18 and over in Canada spent \$424 gambling in 2000, compared with \$130 in 1992. The average varied from a low of \$106 per person in the three territories to a high of \$536 in Manitoba.

In 2000, lotteries accounted for 30% of all net non-charity gambling revenue, casinos 32%, VLTs 25%, and slot machines outside casinos 13%.

Men living alone spent an average of \$1,120 on gambling, more than twice the \$450 spent by women living alone.

Employment in the gambling industry rose from 12,000 in 1992 to 41,000 in 2001. Women accounted for 55% of all workers in gambling, compared with 46% in other industries.

Gambling revenues and profits

	Revenue		Profit		Share of total revenue*	
	1992	2000	1992	2000	1992	2000
	\$ millions (current)				%	
Canada	2,734	10,019	1,680	5,553	1.9	5.2
Newfoundland and Labrador	80	166	42	93	2.3	4.0
Prince Edward Island	20	28	7	16	2.7	3.0
Nova Scotia	125	319	72	153	2.8	5.6
New Brunswick	117	176	49	88	2.7	3.4
Quebec	693	2,584	472	1,376	1.8	5.0
Ontario	853	3,117	529	1,836	1.9	4.8
Manitoba	153	459	105	228	2.5	5.5
Saskatchewan	62	319	39	263	1.1	4.4
Alberta	225	1,182	125	954	1.6	6.3
British Columbia	403	918	239	539	2.2	3.6
Yukon, Northwest Territories and Nunavut	5	7	1	7	0.3	0.3

* The share of total revenue calculation is based on gambling revenue and total provincial revenue.

The "Fact-sheet on gambling" is now available free on Statistics Canada's website (www.statcan.ca). From the Our products and services page, choose Indepth. Select Perspectives on labour and income, then Perspectives: The online edition. For more information, contact Henry Pold (613-951-4608; perspectives@statcan.ca), Labour and Household Surveys Analysis Division.

Crime rate up for first time in 10 years

Canada's crime rate edged up in 2001 for the first time in a decade, in the wake of a sharp jump in car thefts as well as increases in impaired driving offences and drug charges.

Police reported 55,000 more criminal incidents than in 2000, resulting in a 1% increase in the rate of *Criminal Code* offences. Of the 2.4 million incidents, excluding traffic offences, 13% were violent crimes, 52% were property crimes, and the remaining 35% were other offences such as mischief, disturbing the peace, prostitution or arson.

Police reported about 309,000 violent crimes in 2001, up 7,000 from the previous year. This nudged the violent crime rate up 1%, the second consecutive increase following seven years of decline. Last year's violent crime rate was 6% lower than a decade ago, but 52% higher than 20 years ago.

Police reported 554 homicides, eight more than in 2000. Despite the small increase, the rate remained stable for the third consecutive year at 1.8 homicides for every 100,000 population.

The rate of sexual assaults rose slightly (+0.7%), primarily because of an 8% increase in Quebec. However, Quebec still reported the lowest rate among the provinces. The more serious categories of sexual assault declined. The rate of criminal harassment, commonly known as stalking, fell 5%. However, between 1996 and 2000, this rate had increased 45%.

The robbery rate remained relatively stable in 2001. Robberies involving firearms have been dropping over the past decade, including a 12% decline last year. One in every seven robberies was committed with a firearm.

Minor assaults account for almost two-thirds of all violent crimes each year. In 2001, the rate of minor assaults advanced 1%, the key factor in the rise of the violent crime rate.

The property crime rate edged down 1% in 2001 to its lowest level in nearly 30 years. A 5% decline in break-ins contributed to the overall drop.

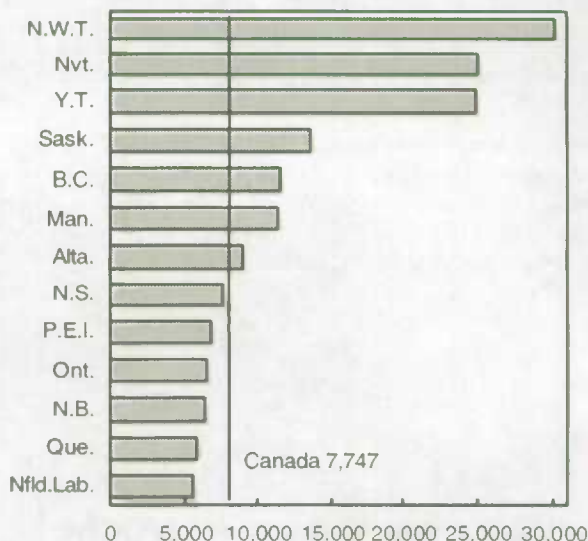
Impaired driving rose for the first time in nearly 20 years, but the increase may be attributed to changes in reporting. During the 1990s, police tended to issue roadside suspensions, rather than charging drivers just over the legal limit. These offences were not sent to the Uniform Crime Reporting (UCR) survey unless police formally charged the driver. Beginning in 2001, the Royal Canadian Mounted Police began sending these incidents to the UCR survey as "actual" incidents of impaired driving.

Note to readers

Data on incidents that come to the attention of the police are captured and forwarded to the Canadian Centre for Justice Statistics via the Uniform Crime Reporting (UCR) survey according to a nationally-approved set of common scoring rules, categories and definitions.

Crime rate

Per 100,000 population, 2001



Drug offences, most involving cannabis, rose 3% to 92,000. More than two-thirds of cannabis offences were for possession. The rate for both cocaine and heroin offences dropped, while the rate of "other" drugs, such as ecstasy, increased 3%.

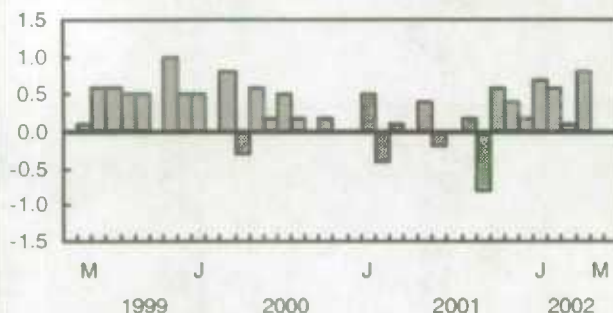
Manitoba, Saskatchewan and Alberta recorded the largest increases in provincial crime rates. The crime rate fell in only three provinces: Quebec, Newfoundland and Labrador, and New Brunswick.

Juristat: Crime statistics in Canada, 2001, (Internet: 85-002-XIE, \$8/\$70; paper: 85-002-XPE, \$10/\$93) is now available. For more information, contact Information and Client Services (1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics.

Current trends

Gross domestic product

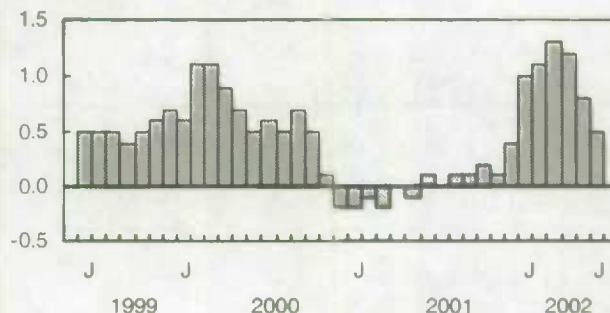
% change, previous month



Total economic activity was unchanged in May, after rising 0.8% in April.

Composite index

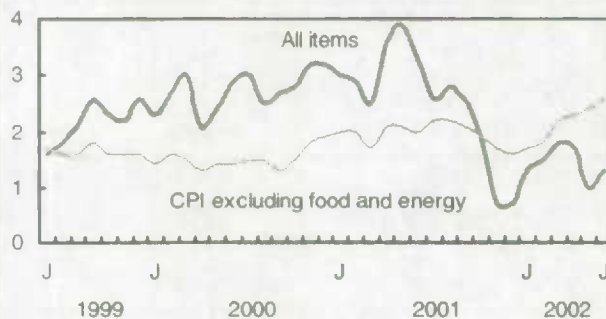
% change, previous month



The leading indicator gained 0.5% in June. The advance was broadly based, led by manufacturing.

Consumer Price Index

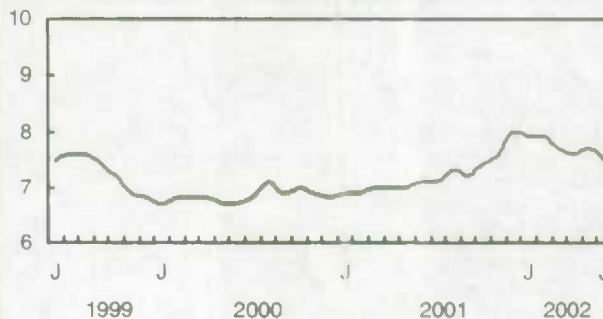
% change, previous year



Consumer prices for goods and services were 1.3% higher in June than they were a year earlier. Excluding food and energy, prices rose 2.6%.

Unemployment rate

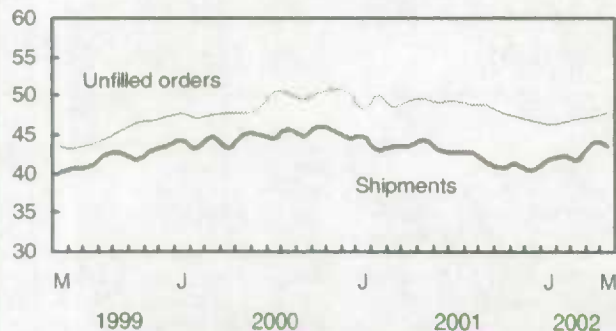
%



In June, the unemployment rate fell 0.2 percentage points to 7.5%.

Manufacturing

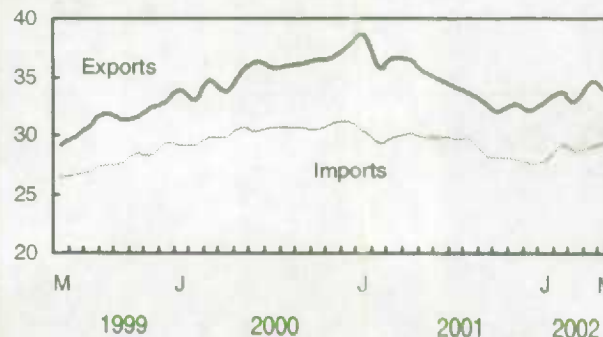
\$ billions



Manufacturers' shipments fell back 1.4% in May to \$43.4 billion. The backlog of unfilled orders rose 0.8% to \$47.7 billion.

Merchandise trade

\$ billions



In May, the value of merchandise exports declined 1.9% to \$33.9 billion. Imports rose 1.2% to \$29.4 billion.

Note: All series are seasonally adjusted except the Consumer Price Index.

Latest statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billions, 1997) ¹	May*	966.7	0.0%	2.6%
Composite Index (1992=100)	June	177.3	0.5%	6.7%
Operating profits of enterprises (\$ billions)	Q1 2002	34.7	9.0%	-16.3%
Capacity utilization rate (%) ²	Q1 2002	81.7	1.3†	-2.3†
DOMESTIC DEMAND				
Retail trade (\$ billions)	May	25.1	-1.3%	3.8%
New motor vehicle sales (thousands of units)	May	145.8	2.2%	10.8%
Wholesale trade (\$ billions)	May	34.5	-1.2%	4.2%
LABOUR				
Employment (millions)	June	15.4	0.4%	2.1%
Unemployment rate (%)	June	7.5	-0.2†	0.4†
Participation rate (%)	June	66.8	0.1†	0.9†
Average weekly earnings (\$)	May*	677.03	0.30%	2.38%
Help-wanted Index (1996=100)	June	127.6	0.6%	-16.8%
Regular Employment Insurance beneficiaries (in thousands)	May	554.2	4.2%	9.9%
INTERNATIONAL TRADE				
Merchandise exports (\$ billions)	May	33.9	-1.9%	-4.2%
Merchandise imports (\$ billions)	May	29.4	1.2%	-1.5%
Merchandise trade balance (all figures in \$ billions)	May	4.5	-1.0	-1.1
MANUFACTURING				
Shipments (\$ billions)	May	43.4	-1.4%	-2.0%
New orders (\$ billions)	May	43.8	-1.1%	-1.7%
Unfilled orders (\$ billions)	May	47.7	0.8%	-3.8%
Inventory/shipments ratio	May	1.43	0.02	-0.05
PRICES				
Consumer Price Index (1992=100)	June	119.0	0.3%	1.3%
Industrial Product Price Index (1997=100)	June*	106.7	-0.2%	-1.2%
Raw Materials Price Index (1997=100)	June*	111.6	-1.8%	-4.0%
New Housing Price Index (1992=100)	May	110.1	0.6%	4.2%

Note: All series are seasonally adjusted with the exception of the price indexes.

* new this week

† percentage point

¹ 1997 replaces 1992 as the base year used in determining prices for gross domestic product by industry. Also, valuation has been changed from factor cost to basic prices.

² Calculation of the rates of capacity use is now based on the 1997 North American Industrial Classification System (NAICS), which has replaced the 1980 Standard Industrial Classification.

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Products released from July 25 to 31, 2002

SUBJECT AREA Title of product	Period	Catalogue number	Price (\$) (issue/subscription)
AGRICULTURE			
Farm product price index	May 2002	21-007-XIB	free
Stocks of frozen and chilled meat products	July 2002	23-009-XIE	free
ANALYTICAL STUDIES			
The evolving workplace series: The "who, what, when and where" of gender pay differentials	June 2002	71-584-MPE	15
BALANCE OF PAYMENTS AND FINANCIAL FLOWS			
Canada's international transactions in securities	May 2002	67-002-XIB	14/132
Canada's international transactions in securities	May 2002	67-002-XPB	18/176
GEOGRAPHY			
Postal code conversion file	May 2002	92F0027XDB	9,000
Postal codes by federal ridings file	May 2002	92F0028XDB	2,900
HEALTH STATISTICS			
Health reports, Vol. 13, no. 4		82-003-XIE	15/44
Health reports, Vol. 13, no. 4		82-003-XPE	20/58
INCOME AND EXPENDITURE ACCOUNTS			
National income and expenditure accounts, quarterly estimates	Q1 2002	13-001-XPB	44/145
INVESTMENT AND CAPITAL STOCK			
Private and public investment in Canada, revised intentions	2002	61-206-XIB	33
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Production and disposition of tobacco products	June 2002	32-022-XIB	5/47
Pulpwood and wood residue statistics	May 2002	25-001-XIB	6/55
Sawmills and planing mills	May 2002	35-003-XIB	9/86
Supply and disposition of crude oil and natural gas	February 2002	26-006-XPB	19/186
PRICES			
Industry price indexes	May 2002	62-011-XPB	22/217
PUBLIC INSTITUTIONS			
The control and sale of alcoholic beverages in Canada	2001	63-202-XIB	29
SERVICE INDUSTRIES			
Restaurant, caterer and tavern statistics	May 2002	63-011-XIE	6/55

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