

# The Daily

## Statistics Canada

Friday, December 11, 2009

Released at 8:30 a.m. Eastern time

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### Releases

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<b>Canada's international investment position, third quarter 2009</b>	2
Canada's net foreign debt position increased to \$84.3 billion at the end of the third quarter, reflecting the continued appreciation of the Canadian dollar as well as a larger current account deficit.	
New Housing Price Index, October 2009	5
Study: Social participation of children with disabilities, 2006	7
Survey of Suppliers of Business Financing, 2008	7
Cement, October 2009	8
Labour statistics consistent with the System of National Accounts, 2005 to 2008	8
Social Policy Simulation Database and Model	8

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### New products and studies

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10

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### Release dates: December 14 to 18, 2009

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11



## Releases

### Canada's international investment position

Third quarter 2009

Canada's international assets were \$1,419.8 billion at the end of the third quarter, down 3.3% from the second quarter. Meanwhile, international liabilities edged up to \$1,504.1 billion. As a result, Canada's net foreign debt position expanded to \$84.3 billion at the end of the third quarter, reflecting the continued appreciation of the Canadian dollar as well as a larger current account deficit.

Changes in exchange rates continued to dominate the change in the value of international assets and liabilities in the third quarter. The revaluation of Canada's foreign assets and liabilities from the appreciation of the Canadian dollar accounted for just over 90% of the \$49.5 billion increase in the net foreign debt position in the third quarter, and the financing of an expanded current account deficit largely accounted for the remainder of the increase.

#### Note to readers

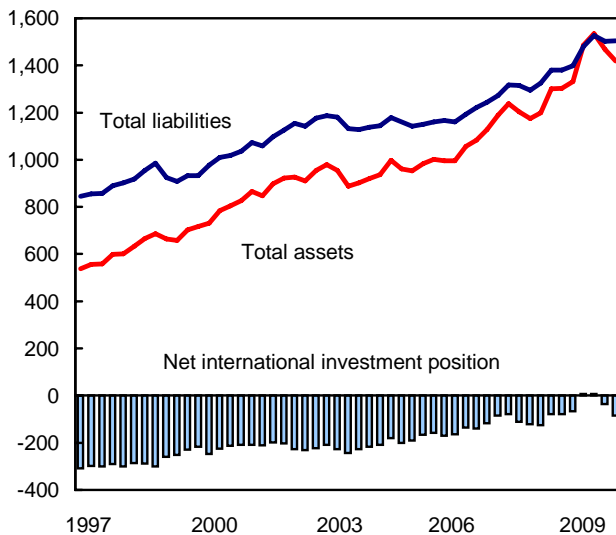
The international investment position presents the value and composition of Canada's foreign assets and liabilities to the rest of the world. Canada's net international investment position is the difference between these foreign assets and liabilities. The excess of international liabilities over assets 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. The valuation of the assets and liabilities in the international investment position are measured at book value, unless otherwise stated. Book value represents the value of assets and liabilities recorded in the books of the enterprise in which the investment is made.

#### Currency valuation

The value of assets and liabilities denominated in foreign currency are converted to Canadian dollars at the end of each period for which a balance sheet is calculated. 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 dollar is depreciating.

#### Canada's international investment position

\$ billions



#### Canadian dollar appreciation lowers value of international assets more than liabilities

The Canadian dollar appreciated strongly against all major currencies in the third quarter. The domestic

currency gained 8.6% against the US dollar, 1.2% against the Japanese Yen, 4.1% against the Euro, and 11.8% against the British Pound.

These exchange rate changes had a much larger impact on Canada's international assets than on international liabilities. There was an \$86.8 billion decline in the value of foreign currency denominated international assets and a \$42.1 billion reduction in the value of international liabilities. Most of Canada's foreign assets are denominated in foreign currencies while less than half of our international liabilities are in foreign currencies.

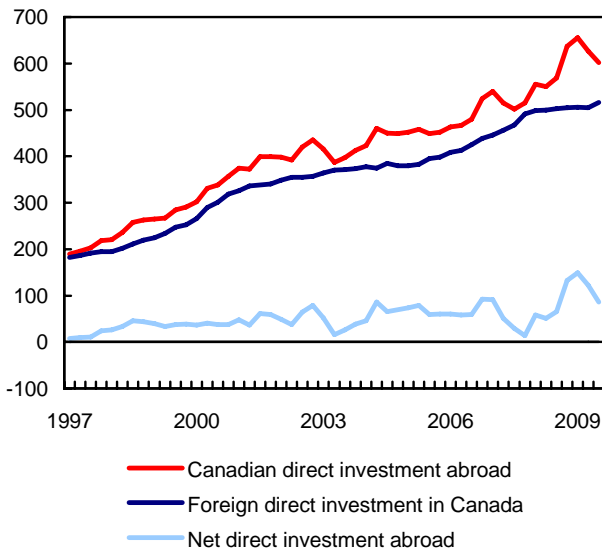
#### The value of Canadian direct investment activity abroad swamped by the appreciation of the Canadian dollar

Despite a pickup in outward direct investment activity in the third quarter, the value of Canadian direct investment assets was down \$25.3 billion (-4.0%) to \$601.4 billion by quarter end. This resulted from a \$43.3 billion revaluation of foreign currency denominated direct investment assets, as the Canadian dollar strengthened substantially.

On the liability side, transactions led to an \$11.5 billion increase in foreign direct investment in Canada. The overall impact was a reduction in the net foreign direct investment asset position to \$85.6 billion.

## Direct investment position

\$ billions



## Canadian dollar appreciation also lowers domestic valuation of foreign security holdings

Canadian investors removed \$5.5 billion from their holdings of foreign securities in the third quarter, while currency revaluations lowered the value of these holdings by another \$25 billion.

Non-resident investors added a further \$19 billion of Canadian securities to their portfolios in the third quarter. This increase in liabilities was more than offset by a downward revaluation in Canadian foreign currency denominated liabilities. As a result, the decline in Canadian foreign assets was larger than that for Canadian liabilities held by non-residents, and the net foreign liability position on portfolio securities widened further.

## Large increase in Canada's international official reserves does not affect international investment position

Strong activity in other assets was primarily a reflection of new allocations by the International Monetary Fund of Special Drawing Rights. The allocation added \$9 billion to both international official reserve assets and to other liabilities in the third quarter, with no effect on the net international investment position.

Large inflows of foreign currency deposits in the third quarter were offset by the revaluation effect of the appreciation of the Canadian dollar.

## Currency revaluation effect offsets the gains in foreign equity markets

Canada's overall international investment position can also be calculated with assets and liabilities of tradable securities valued at market prices. By this measure, the net foreign debt position also rose, going to \$47.2 billion at the end of the third quarter. Canadian assets were up 0.6% to \$1,704.1 billion while liabilities rose 2.9% to \$1,751.3 billion, even as foreign equity markets rallied more than Canadian equity markets during the quarter. The large gains in Canadian holdings of foreign equity assets were dampened by losses resulting from the appreciation of the Canadian dollar during the quarter.

**Available on CANSIM: tables 376-0055 to 376-0057 and 376-0059.**

**Definitions, data sources and methods: survey number 1537.**

The third quarter 2009 issue of *Canada's International Investment Position* (67-202-X, free) will be available soon.

For more information, contact Client Services (613-951-1855; [infobalance@statcan.gc.ca](mailto:infobalance@statcan.gc.ca)). To enquire about the methods, concepts or data quality of this release, contact Komal Bobal (613-951-6645), Balance of Payments Division.

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Canada's international investment position at period end

	Fourth quarter 2005	Fourth quarter 2006	Fourth quarter 2007	Fourth quarter 2008	First quarter 2009	Second quarter 2009	Third quarter 2009
	\$ billions						
<b>Assets</b>							
Canadian direct investment abroad	452.2	524.7	515.4	637.3	655.1	626.7	601.4
Portfolio investment abroad							
Foreign bonds	82.3	124.0	135.4	141.9	144.7	136.8	123.0
Foreign bonds at market value	88.8	133.7	153.3	176.0	176.5	172.4	161.8
Foreign stocks	196.8	227.3	226.6	278.9	292.7	280.4	263.1
Foreign stocks at market value	445.0	582.2	603.8	451.6	424.3	469.3	507.1
Foreign money market	13.1	20.0	7.5	3.5	5.8	5.0	4.4
Foreign money market at market value	13.1	20.1	7.5	3.5	5.8	5.1	4.4
Other investments							
Loans	45.9	72.9	77.3	94.5	97.3	98.7	99.8
Deposits	120.8	132.2	157.9	225.2	228.6	214.1	210.8
Official international reserves	38.0	41.0	40.6	51.4	53.1	50.8	60.7
Official international reserves at market value	38.4	40.9	40.7	53.4	54.9	51.9	62.3
Other assets	47.2	45.9	37.9	53.5	57.2	55.1	56.4
Total assets							
At book value	996.4	1,188.1	1,198.6	1,486.2	1,534.6	1,467.5	1,419.8
With portfolio investment at market value	1,251.4	1,552.7	1,593.9	1,694.9	1,699.7	1,693.3	1,704.1
<b>Liabilities</b>							
Foreign direct investment in Canada	397.8	438.6	491.3	504.9	505.5	504.3	515.8
Portfolio investment							
Canadian bonds	387.9	409.2	384.7	454.1	472.9	483.2	471.3
Canadian bonds at market value	414.5	431.5	399.5	467.9	472.1	495.5	498.0
Canadian stocks	93.5	99.0	95.8	96.0	97.7	101.5	111.6
Canadian stocks at market value	271.4	318.7	371.0	241.7	237.1	288.6	332.1
Canadian money market	20.8	24.5	22.0	34.9	44.8	44.4	36.3
Canadian money market at market value	20.9	24.7	22.2	35.0	45.0	44.6	36.4
Other investment							
Loans	38.2	53.0	61.2	64.6	69.0	59.1	56.1
Deposits	201.0	226.8	243.5	301.2	313.7	286.3	280.5
Other liabilities	22.0	21.6	26.0	23.9	24.1	23.5	32.4
Total liabilities							
At book value	1,161.3	1,272.7	1,324.4	1,479.4	1,527.8	1,502.3	1,504.1
With portfolio investment at market value	1,365.8	1,514.9	1,614.7	1,639.1	1,666.5	1,701.9	1,751.3
<b>Net international investment position</b>							
At book value	-164.9	-84.6	-125.7	6.7	6.8	-34.8	-84.3
With portfolio investment at market value	-114.4	37.7	-20.7	55.9	33.2	-8.7	-47.2



## New Housing Price Index

October 2009

The New Housing Price Index (NHPI) rose 0.3% in October following a 0.5% increase in September. The monthly index has been increasing since July.

Between September and October, prices increased the most in Québec (+1.1%), followed by Vancouver (+0.7%). Hamilton as well as Greater Sudbury and Thunder Bay both registered 0.5% increases.

In Québec, some builders reported higher prices as a result of increased material costs, while others reported higher land prices due to the scarcity of supply.

In Vancouver, prices continued to rise as the interest of new home buyers and market conditions continued to improve.

In Hamilton as well as in Greater Sudbury and Thunder Bay, a number of builders returned to list prices after reporting lower negotiated selling prices in previous months.

In October, two cities in Canada recorded monthly decreases in new housing prices, Charlottetown (-0.7%) and Edmonton (-0.3%).

In Charlottetown, builders lowered their prices to remain competitive.

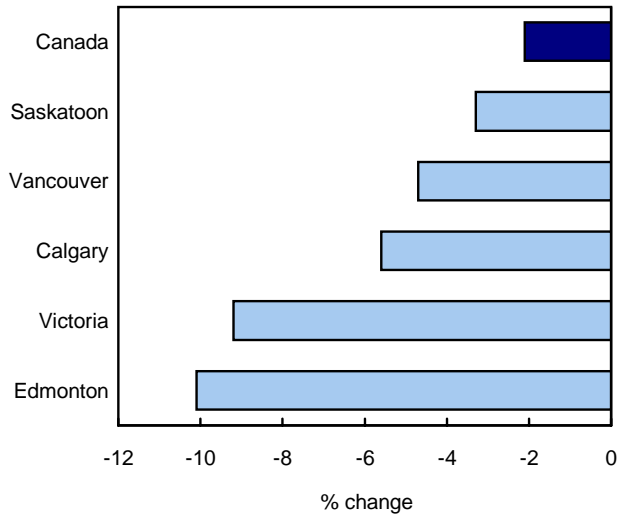
In Edmonton, developers offered discounts on lots to builders and the latter lowered their lot prices to stimulate sales.

Year over year, the NHPI was down 2.1% in October following a 2.7% decline in September. Despite the improvement observed in the NHPI, the largest decreases continued to be in Western Canada.

On the Prairies, 12-month declines were recorded in Edmonton (-10.1%), Calgary (-5.6%) and Saskatoon (-3.3%).

Year-over-year declines were also reported in the West Coast cities of Victoria (-9.2%) and Vancouver (-4.7%).

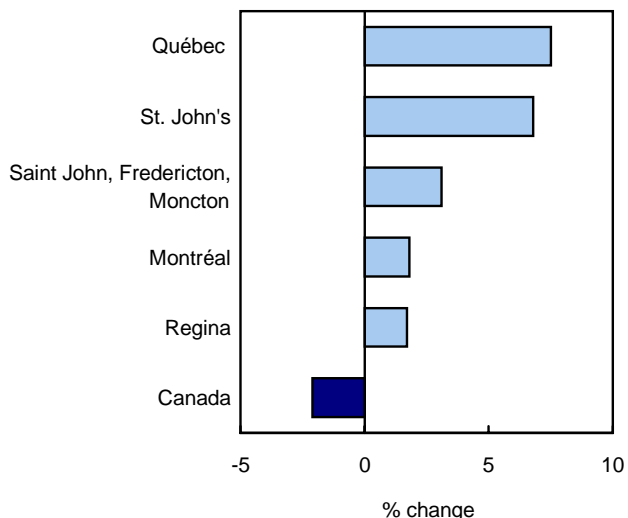
**Percentage change from the same month of the previous year (cities with the smallest or negative change)**



Among surveyed cities, the largest year-over-year increase was in Québec (+7.5%). Land values have been growing in this city as a result of increased demand and fewer available lots, as well as new development phases with higher land costs.

On a year-over-year basis, prices in St. John's (+6.8%) and in Saint John, Fredericton and Moncton (+3.1%) also increased. Contractors' selling prices were also higher in Montréal (+1.8%) and Regina (+1.7%).

**Percentage change from the same month of the previous year (cities with the largest positive change)**



Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The third quarter 2009 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available in January 2010.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-3902; toll-free 1-866-230-2248; fax: 613-951-3117; [prices-prix@statcan.gc.ca](mailto:prices-prix@statcan.gc.ca)), Producer Prices Division.

**New housing price indexes**

	October 2009	October 2008 to October 2009	September to October 2009
	(1997=100)	% change	
<b>Canada total</b>	<b>154.8</b>	<b>-2.1</b>	<b>0.3</b>
House only	163.2	-2.1	0.4
Land only	137.6	-2.4	-0.1
St. John's	183.1	6.8	0.0
Charlottetown	120.4	0.8	-0.7
Halifax	150.7	0.4	0.0
Saint John, Fredericton and Moncton	121.0	3.1	0.0
Québec	168.9	7.5	1.1
Montréal	166.2	1.8	0.4
Ottawa-Gatineau	171.4	1.3	0.0
Toronto and Oshawa	146.2	-0.1	0.3
Hamilton	151.3	-1.0	0.5
St. Catharines-Niagara	155.2	-1.9	0.0
London	144.4	0.8	0.0
Kitchener	143.1	0.5	0.1
Windsor	103.3	0.0	0.2
Greater Sudbury and Thunder Bay	112.7	0.2	0.5
Winnipeg	183.3	1.0	0.0
Regina	252.9	1.7	0.0
Saskatoon	213.4	-3.3	0.3
Calgary	232.7	-5.6	0.3
Edmonton	206.8	-10.1	-0.3
Vancouver	116.9	-4.7	0.7
Victoria	106.3	-9.2	0.0

**Note:** View the census subdivisions that comprise the metropolitan areas online.

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## Study: Social participation of children with disabilities

2006

Just under two-thirds (63%) of the 125,000 children aged 5 to 14 with disabilities were engaged in some kind of organized sport or other physical activity in 2006, such as playing soccer, swimming or dancing. Most of these children were doing some activity at least once a week.

About 54% of children with disabilities took lessons in some type of non-sport interest, or belonged to clubs or community groups; a large majority of participants did something every week. Nearly three-quarters (72%) were linked to their peers through some type of electronic network.

This study examined factors that influence the participation of a child with disabilities in certain social activities. These activities were divided into three groupings: participation in organized sports and physical activities; participation in organized non-sport activities, such as clubs or community groups; and participation in virtual networks with peers, such as communicating through chat rooms or e-mails.

After controlling for other influences, the factors that had a positive association with participation of a child with disabilities in organized sports included the parents' level of involvement in their child's classroom and school activities, family income and a child's place of residence.

For example, the odds of taking part in sports were three times higher for a youngster whose parent was active in the classroom, compared with a child whose parent did not have a high level of involvement. A child with a disability who lived in an urban area had odds of participating that were almost twice as high as those of a child who lived in a rural area.

With respect to organized non-sport activities, a high level of parental support at school was also associated with a child's participation. Family income did not significantly influence whether a child participated in clubs or other organized non-sport activities.

In addition, data showed that children who had a non-physical disability, such as a speech or learning disability, had lower odds of engagement in non-sport activities than children with a physical disability only. Girls also had higher odds than boys of participating in non-sport activities.

Factors associated with participation in virtual peer networks such as e-mailing were somewhat different. This was the only one of the three social activity groupings in which severity of disability was significantly associated with participation. Data showed that a child with a severe disability had much lower odds of being

engaged in an electronic peer network than a child with a mild disability, after controlling for other influences.

**Note:** This article assesses factors that influence the social engagement of children aged 5 to 14 with disabilities who live with their parents. It focuses on participation in social activities outside the family home and outside regular school hours. Data for this article came from the child component of the 2006 Participation and Activity Limitation Survey. This survey gathers information about children whose daily activities are limited by a physical, mental, or other health-related condition or problem. As a result, findings are not available for children without disabilities.

**Definitions, data sources and methods: survey number 3251.**

The two articles that are part of the Living with disability series "Defining disability in the Participation and Activity Limitation Survey" and "Social participation of children with disabilities" are now available in the December 2009 issue of *Canadian Social Trends*, no. 88 (11-008-X, free). From the *Key resource* module of our website, choose *Publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-5979; [sasd-dssea@statcan.gc.ca](mailto:sasd-dssea@statcan.gc.ca)), Social and Aboriginal Statistics Division. ■

## Survey of Suppliers of Business Financing 2008

Data on business financing is now available for 2008 from the Survey of Suppliers of Business Financing. This is the final release of the survey in its current format. The program is under review and the survey content is being updated for future releases.

**Definitions, data sources and methods: survey number 2514.**

Consult our website for summary data tables for 2008. Industry Canada's website (<http://sme-fdi.gc.ca>) provides a complete set of data tables.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jason Leonard (613-951-5593; [jason.leonard@statcan.gc.ca](mailto:jason.leonard@statcan.gc.ca)) or Mario Vella (613-951-1395; [mario.vella@statcan.gc.ca](mailto:mario.vella@statcan.gc.ca)), Industrial Organization and Finance Division. ■

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## Cement

October 2009

Data on cement are now available for October.

**Available on CANSIM: tables 303-0060 and 303-0061.**

**Definitions, data sources and methods: survey number 2140.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; [manufact@statcan.gc.ca](mailto:manufact@statcan.gc.ca)), Manufacturing and Energy Division. ■

## Labour statistics consistent with the System of National Accounts

2005 to 2008 (revised)

Revised data of hours worked, number of jobs and labour compensation covering the entire Canadian economy, by industry and by province and territory, from 2005 to 2008 are now available. Preliminary data for 2008 were published in *The Daily* on May 13, 2009, as part of the release entitled "Hours worked and labour productivity in the provinces and territories."

The revised data are based on the integration of various sources of labour market statistics, including the input-output benchmarks for 2005 (revised) and 2006 (preliminary) published on November 5, 2009, to produce a labour input database consistent with the concepts of the Canadian System of National Accounts and with the input-output industry coding.

Table 383-0009, published today, contains provincial and territorial labour statistics by job category (employee jobs, self-employed jobs and all jobs), sector (business and non-business) and industry at the S level of aggregation only.

In the near future, productivity accounts will also publish revised data with additional industry detail (CANSIM table 383-0010), and for the first time provincial and territorial labour productivity data (table 383-0011).

**Available on CANSIM: table 383-0009.**

**Definitions, data sources and methods: survey number 5103.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact the information officer (613-951-3640; [iead-info-dcrd@statcan.gc.ca](mailto:iead-info-dcrd@statcan.gc.ca)), Income and Expenditure Accounts Division. ■

## Social Policy Simulation Database and Model

The *Social Policy Simulation Database and Model* (SPSD/M), Version 16.2 based on 2004 microdata is now available. The most recent SPSPD/M can be used to study the effects of changes to federal and provincial tax and benefit programs on families and governments from 1991 through 2014.

The SPSPD/M is a tool designed to analyze the financial interactions of governments and individuals/families in Canada. It allows estimation of the income redistributive effects or cost implications of changes in the personal taxation (including Goods and Services Tax and other commodity taxes) and cash transfer systems. The SPSPD/M assists analysts examining the potential impacts of changes in taxes, earnings, demographic trends, and a wide range of other factors.

The SPSPD/M allows analysts to answer "what-if" types of questions. What if there were changes to the taxes Canadians paid or transfers they received, who would gain and who would lose? Would single parent households in a particular province be better off? By how much? How much extra money would federal or provincial governments collect or pay out?

As its name implies, the SPSPD/M is comprised of both a database (SPSD) and a model (SPSM). The SPSPD is a statistically-representative database of individuals in their family context with enough information on each individual to compute taxes paid to and cash transfers received from federal and provincial governments. It is created by statistically combining data from survey and administrative sources.



The SPSM is a static accounting model which processes each individual and family on the SPSP, calculates transfers and taxes (including income, payroll, and commodity taxes) using legislated or proposed programs and algorithms, and reports on the results. This microsimulation model can be run using a visual interface and extensive documentation on both SPSP and SPSM is included.

**Definitions, data sources and methods: survey number 3889.**

The *Social Policy Simulation Database and Model* (SPSP/M), version 16.2, is now available on CD-ROM (89F0002X, \$5,000/\$12,500).

For more information, to order a copy or to enquire about the concepts, methods or data quality of this release, contact Chantal Hicks (613-951-5311; [spsdm@statcan.gc.ca](mailto:spsdm@statcan.gc.ca)), Socio-economic Analysis and Modeling Division. ■

## New products and studies

**Canadian Social Trends**, winter 2009, no. 88  
**Catalogue number 11-008-X** (PDF, free; HTML, free)

**All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.**

**Social Policy Simulation Database and Model**, 1991 to 2014 (Version 16.2, database year 2004)  
**Catalogue number 89F0002X** (CD-ROM, various prices)

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

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**Release dates: December 14 to 18, 2009**

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(Release dates are subject to change.)

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<b>Release date</b>	<b>Title</b>	<b>Reference period</b>
14	<b>Industrial capacity utilization rates</b>	Third quarter 2009
14	<b>National balance sheet accounts</b>	Third quarter 2009
15	<b>Labour productivity, hourly compensation and unit labour cost</b>	Third quarter 2009
15	<b>New motor vehicle sales</b>	October 2009
15	<b>Leading indicators</b>	November 2009
16	<b>Monthly Survey of Manufacturing</b>	October 2009
16	<b>Travel between Canada and other countries</b>	October 2009
17	<b>Consumer Price Index</b>	November 2009
17	<b>Canada's international transactions in securities</b>	October 2009
18	<b>Wholesale trade</b>	October 2009

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