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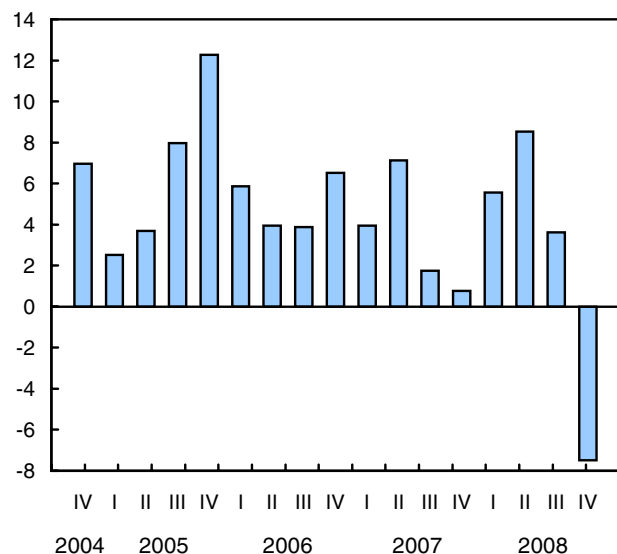
Canada's balance of international payments

Fourth quarter 2008

The current account balance with the rest of the world (on a seasonally-adjusted basis) was a deficit of \$7.5 billion in the fourth quarter of 2008, the first since the second quarter of 1999. The swing to deficit in the quarter was driven by a lower surplus for trade in goods. This primarily reflected the continued weakening of export volumes compounded by substantial declines in export commodity prices in the fourth quarter, especially pronounced for most energy products. Deterioration in the investment income deficit was also a contributing factor.

Current account balance

\$ billions seasonally adjusted



In the capital and financial account (unadjusted for seasonal variation), Canadians repatriated funds in the fourth quarter of 2008, as investors reduced their holdings of foreign securities by a record amount. Both inward and outward foreign direct investment activity was down, reflecting worldwide economic and credit conditions.

Note to readers

The **balance of payments** covers all economic transactions between Canadian residents and non-residents, in two accounts, the current account and the capital and financial account.

The **current account** covers transactions in goods, services, investment income and current transfers. Exports and interest income are examples of receipts, while imports and interest expense are payments. The overall balance of receipts and payments is Canada's current account **surplus** or **deficit**.

The **capital and financial account** is mainly composed of transactions in financial instruments. Financial assets and liabilities with non-residents are presented in three functional classes: direct investment, portfolio investment and all other types of investment. These flows arise from financial activities of either Canadian residents (foreign assets of Canadian investors) or non-residents (Canadian liabilities to foreign investors). Transactions resulting in capital inflows to Canada are presented as positive values while those giving rise to capital outflows from Canada are shown as negative values.

In principle, a current account surplus corresponds to an equivalent net outflow in the capital and financial account; and, a current account deficit corresponds to an equivalent net inflow in the capital and financial account. In other words, the two accounts should add to zero. In practice, as data are compiled from multiple sources, this is rarely the case and gives rise to measurement error. The **statistical discrepancy** is the unobserved net inflow or outflow.

Current account

Lowest goods surplus in almost 15 years, as most energy prices decline sharply

In the fourth quarter of 2008, the goods surplus dropped \$10.6 billion to \$3.7 billion, its lowest level since the first quarter of 1994.

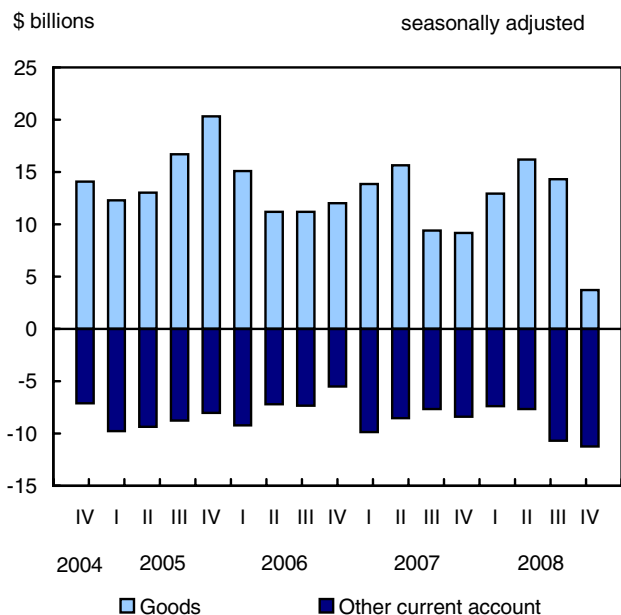
The value of goods exported fell \$12.6 billion during the fourth quarter. This followed advances in the first three quarters that were supported by strong price gains (driven by energy) in the first half of the year, despite declining export volumes. The largest export declines in the fourth quarter were in energy products (-26.6%) and were entirely due to much lower prices for most products, as volumes advanced.

Industrial goods exports were down \$4.0 billion through a combination of lower volumes and lower prices in the fourth quarter. The reduction in volume was widespread, with copper and nickel (including ores and alloys) registering the largest price reductions. Exports of automotive products resumed their downward trend. However, machinery and equipment exports improved

further, led by higher prices for aircraft and for other machinery and equipment.

The value of imported goods fell back \$2.0 billion in the fourth quarter, with energy prices also a major factor. Energy product imports declined 16.7%, despite higher volumes. Imports of automotive products reached their lowest level in more than 10 years, with more than two-thirds of the decline in passenger autos. Price increases led imports of machinery and equipment to a high, despite generally lower volumes.

Goods and other current account



Investment income deficit widens on portfolio investment

The investment income deficit increased \$0.8 billion in the fourth quarter of 2008, as portfolio investment receipts were down and portfolio investment payments were up. Lower holdings of and yields on foreign debt securities led to a \$0.5 billion reduction in the interest received by Canadians. However, interest paid on Canadian bonds increased \$0.4 billion. This increase was focussed in US dollar-denominated corporate bonds and reflected the substantial depreciation (-14%) of the Canadian dollar vis-à-vis the US dollar in the quarter.

Income from subsidiaries of both Canadian and foreign direct investors were down in the fourth quarter, in line with sagging corporate profits, especially in the energy sector.

Services deficit edges up, reflecting travel and commercial services activity

Larger commercial service payments, partially offset by higher travel receipts, led to a slight increase in the services deficit during the fourth quarter.

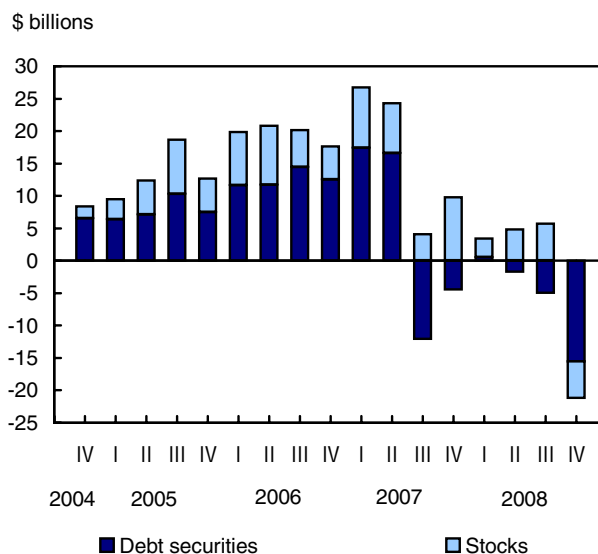
As the Canadian dollar lost value against the US dollar during the fourth quarter, spending by Canadian travellers fell for US destinations but increased for overseas destinations. Both receipts from US and overseas travellers improved slightly in the fourth quarter, with more US spending in Canada than in any other quarter of 2008.

Capital and financial account

Canadian investors shed foreign securities

In the context of turmoil in global financial markets and a sharp depreciation of the Canadian dollar, Canadian investors removed an unprecedented amount of foreign securities from their portfolios in the fourth quarter. This divestment reached \$21.2 billion in debt and equity instruments, and marked the end of 29 years of net investment in foreign securities by Canadians.

Canadian portfolio investment abroad¹



1. Reverse of balance of payments signs.

Canadians continued to reduce their holdings of foreign debt instruments over the fourth quarter, a trend that began in August of 2007. The fourth quarter of 2008 marked a divestment of \$15.5 billion, largely foreign bonds. In addition, investors sold foreign equities

in the quarter for the first time in nearly six years. Most of the divestment in foreign securities occurred in October when global stock markets recorded substantial losses. Canadian holdings of foreign equities were further reduced in the quarter by significant unrealized capital losses.

Canadian direct investment abroad weakens

Canadian direct investment abroad increased \$11.6 billion. While relatively strong, this was about half the level of investment in the previous quarter. Takeover activity remained modest in the fourth quarter, with outflows mainly comprised of funds placed in existing foreign subsidiaries. Over 80% of the investment was directed to the US economy, and nearly three-quarters in the energy and financial sectors. This capped a year of robust Canadian direct investment abroad.

Foreign direct investment in Canada also moderates

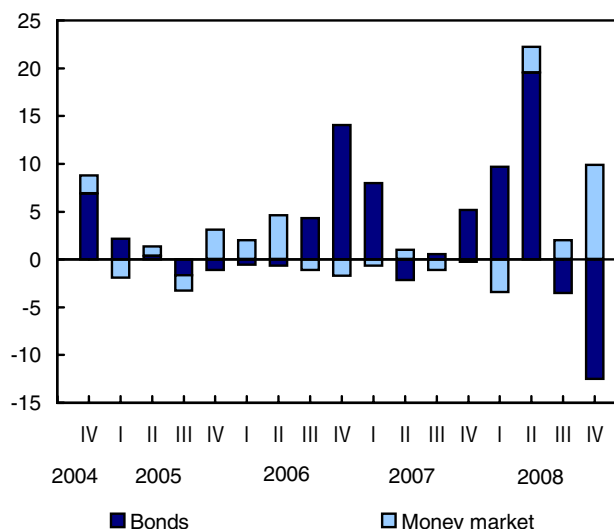
Foreign direct investment in Canada was at a similar level to Canadian direct investment abroad. Inflows slowed to \$10.0 billion in the fourth quarter, as Canadian corporate earnings and equity values fell. Inflows were equally split between acquisitions and other flows. For a second straight quarter, foreign direct investment was concentrated in the Canadian energy and metallic mineral sector with investments of \$6.3 billion as energy prices dropped significantly. Direct investment into Canada in 2008 was less than half of the level reached in 2007.

Non-residents adjust their portfolios of Canadian securities

Foreign investors removed \$4.1 billion from their holdings of Canadian securities in the fourth quarter, in particular bonds. Divestment of \$12.5 billion in Canadian bonds was the highest observed since the third quarter of 2003, and was attributable to retirements of federal and private corporate bonds.

Foreign portfolio investment in Canadian debt securities

\$ billions



Non-residents adjusted their portfolios significantly in favour of more liquid investments in the Canadian money market, as the Canadian dollar depreciated and the differential on short-term rates between Canada and the US moved substantially in favour of investment in Canada. Foreign purchases of Canadian short-term paper reached a high of \$9.9 billion, mainly federal and federal enterprise issues. This may have also reflected the large supply of Canadian Treasury bills in the fourth quarter.

Available on CANSIM: tables 376-0001 to 376-0017 and 376-0035.

Definitions, data sources and methods: survey numbers, including related surveys, 1534, 1535, 1536 and 1537.

The fourth quarter 2008 issue of *Canada's Balance of International Payments* (67-001-XWE, free) will be available soon.

The balance of international payments data for the first quarter of 2009 will be released on May 29.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-1855; infobalance@statcan.gc.ca), Balance of Payments Division.

□

Balance of payments

	Fourth quarter 2007	First quarter 2008	Second quarter 2008	Third quarter 2008	Fourth quarter 2008	2007	2008
	Not seasonally adjusted						
	\$ millions						
Current account							
Receipts							
Goods and services	126,697	131,040	147,243	147,840	131,800	530,332	557,922
Goods	110,833	115,591	130,091	128,608	115,627	463,051	489,916
Services	15,864	15,450	17,152	19,232	16,172	67,280	68,006
Investment income	18,685	17,469	20,061	16,795	15,012	71,417	69,338
Direct investment	9,657	8,744	11,261	8,456	7,057	37,139	35,518
Portfolio investment	5,240	5,416	5,772	5,599	5,027	21,683	21,815
Other investment	3,788	3,308	3,028	2,741	2,928	12,595	12,005
Current transfers	2,709	2,755	2,229	2,105	3,153	9,545	10,242
Current account receipts	148,091	151,264	169,532	166,741	149,965	611,294	637,502
Payments							
Goods and services	123,394	125,107	137,189	136,578	134,397	501,474	533,271
Goods	101,825	102,018	114,235	113,776	112,694	415,006	442,724
Services	21,569	23,089	22,954	22,802	21,703	86,468	90,547
Investment income	21,227	19,888	20,736	21,780	20,975	85,611	83,380
Direct investment	9,384	8,600	10,150	10,594	8,370	38,444	37,714
Portfolio investment	7,506	7,430	7,683	8,065	8,390	30,809	31,569
Other investment	4,337	3,858	2,903	3,122	4,215	16,358	14,097
Current transfers	2,505	3,281	2,265	2,510	2,557	10,601	10,613
Current account payments	147,125	148,277	160,190	160,868	157,929	597,686	627,264
Balances							
Goods and services	3,302	5,933	10,054	11,262	-2,597	28,858	24,651
Goods	9,007	13,572	15,856	14,832	2,933	48,046	47,193
Services	-5,705	-7,639	-5,802	-3,570	-5,530	-19,188	-22,541
Investment income	-2,541	-2,419	-675	-4,985	-5,963	-14,194	-14,042
Direct investment	274	145	1,111	-2,138	-1,313	-1,305	-2,195
Portfolio investment	-2,266	-2,014	-1,911	-2,466	-3,363	-9,126	-9,754
Other investment	-549	-550	125	-381	-1,287	-3,763	-2,093
Current transfers	204	-527	-36	-404	596	-1,056	-371
Current account balance	965	2,987	9,343	5,873	-7,964	13,607	10,239
Capital and financial account^{1, 2}							
Capital account	907	1,199	1,193	1,109	1,023	4,199	4,525
Financial account	2,666	-8,048	-7,581	-9,674	12,375	-21,951	-12,928
Canadian assets, net flows							
Canadian direct investment abroad	-16,017	-29,737	-12,138	-26,865	-11,594	-57,806	-80,334
Portfolio investment	-5,378	-3,454	-3,167	-729	21,243	-48,422	13,893
Foreign bonds	2,932	-685	1,121	4,319	11,598	-28,903	16,353
Foreign stocks	-9,828	-2,891	-4,815	-5,685	5,718	-30,941	-7,672
Foreign money market	1,518	121	527	637	3,927	11,422	5,212
Other investment	-8,997	-18,524	-7,698	-437	-9,044	-63,866	-35,704
Loans	1,770	-3,684	1,734	6,446	-5,385	-9,819	-888
Deposits	-6,691	-14,229	-7,761	-8,521	-7,810	-41,993	-38,321
Official international reserves	588	247	-1,816	-779	679	-4,644	-1,669
Other assets	-4,664	-858	145	2,417	3,471	-7,410	5,175
Total Canadian assets, net flows	-30,392	-51,715	-23,004	-28,030	605	-170,093	-102,145
Canadian liabilities, net flows							
Foreign direct investment in Canada	49,270	16,527	4,673	17,785	10,025	116,706	49,010
Portfolio investment	-27,122	9,952	27,838	-6,831	-4,142	-31,591	26,817
Canadian bonds	5,198	9,698	19,541	-3,508	-12,507	11,540	13,225
Canadian stocks	-32,039	3,698	5,617	-5,323	-1,532	-41,994	2,460
Canadian money market	-280	-3,445	2,679	2,000	9,897	-1,137	11,132
Other investment	10,910	17,189	-17,088	7,402	5,887	63,027	13,390
Loans	7,423	504	-1,911	2,950	385	10,670	1,928
Deposits	4,417	16,165	-15,598	4,270	8,111	48,574	12,947
Other liabilities	-931	520	421	183	-2,609	3,783	-1,485
Total Canadian liabilities, net flows	33,058	43,668	15,423	18,356	11,770	148,143	89,217
Total capital and financial account, net flows	3,573	-6,848	-6,388	-8,565	13,398	-17,752	-8,403
Statistical discrepancy	-4,538	3,861	-2,955	2,692	-5,434	4,144	-1,836

1. A minus sign denotes an outflow of capital resulting from an increase in claims on non-residents or from a decrease in liabilities to non-residents.

2. Transactions are recorded on a net basis.

Current account

	Fourth quarter 2007	First quarter 2008	Second quarter 2008	Third quarter 2008	Fourth quarter 2008	2007	2008
	Seasonally adjusted						
	\$ millions						
Receipts							
Goods and services	128,018	134,251	143,345	146,460	133,866	530,332	557,922
Goods	111,151	117,399	126,265	129,436	116,817	463,051	489,916
Services	16,866	16,852	17,080	17,025	17,049	67,280	68,006
Travel	4,161	4,022	4,056	4,040	4,094	16,634	16,212
Transportation	3,005	3,112	3,311	3,338	3,264	12,157	13,025
Commercial services	9,271	9,263	9,260	9,184	9,198	36,775	36,905
Government services	429	455	454	462	493	1,714	1,864
Investment income	18,879	17,756	19,115	17,326	15,141	71,417	69,338
Direct investment	9,672	8,941	10,528	8,933	7,117	37,139	35,518
Interest	516	558	721	804	490	1,935	2,574
Profits	9,156	8,382	9,807	8,129	6,627	35,203	32,944
Portfolio investment	5,338	5,413	5,604	5,643	5,155	21,683	21,815
Interest	1,832	1,655	1,771	1,802	1,299	8,089	6,527
Dividends	3,505	3,757	3,833	3,841	3,856	13,594	15,288
Other investment	3,870	3,403	2,983	2,749	2,869	12,595	12,005
Current transfers	2,384	2,404	2,555	2,457	2,826	9,545	10,242
Private	605	575	617	625	705	2,656	2,523
Official	1,779	1,828	1,938	1,832	2,121	6,890	7,720
Total receipts	149,281	154,410	165,016	166,243	151,833	611,294	637,502
Payments							
Goods and services	124,710	126,722	132,793	137,808	135,948	501,474	533,271
Goods	101,996	104,460	110,054	115,125	113,085	415,006	442,724
Services	22,714	22,262	22,740	22,683	22,863	86,468	90,547
Travel	7,530	7,194	7,250	7,217	7,194	26,663	28,855
Transportation	5,358	5,239	5,311	5,602	5,564	20,032	21,716
Commercial services	9,551	9,551	9,907	9,591	9,821	38,691	38,871
Government services	275	277	271	273	284	1,082	1,105
Investment income	21,173	19,609	20,947	22,101	20,723	85,611	83,380
Direct investment	9,542	8,597	10,143	10,565	8,409	38,444	37,714
Interest	622	612	611	640	609	2,484	2,471
Profits	8,920	7,985	9,532	9,925	7,800	35,960	35,242
Portfolio investment	7,553	7,441	7,648	8,053	8,426	30,809	31,569
Interest	5,458	5,464	5,570	5,854	6,275	22,746	23,163
Dividends	2,095	1,977	2,078	2,199	2,151	8,063	8,405
Other investment	4,078	3,571	3,157	3,482	3,888	16,358	14,097
Current transfers	2,620	2,515	2,743	2,708	2,648	10,601	10,613
Private	1,630	1,557	1,619	1,681	1,602	6,794	6,458
Official	990	958	1,124	1,027	1,046	3,807	4,155
Total payments	148,503	148,845	156,483	162,617	159,319	597,686	627,264
Balances							
Goods and services	3,307	7,529	10,552	8,652	-2,081	28,858	24,651
Goods	9,155	12,939	16,211	14,310	3,732	48,046	47,193
Services	-5,848	-5,410	-5,659	-5,658	-5,814	-19,188	-22,541
Travel	-3,369	-3,172	-3,194	-3,177	-3,100	-10,029	-12,643
Transportation	-2,353	-2,127	-2,001	-2,264	-2,300	-7,875	-8,691
Commercial services	-280	-289	-648	-407	-623	-1,915	-1,966
Government services	155	178	184	189	209	632	759
Investment income	-2,293	-1,852	-1,832	-4,775	-5,582	-14,194	-14,042
Direct investment	130	344	385	-1,632	-1,292	-1,305	-2,195
Interest	-106	-53	110	164	-119	-548	103
Profits	236	397	275	-1,796	-1,174	-757	-2,298
Portfolio investment	-2,215	-2,028	-2,044	-2,410	-3,271	-9,126	-9,754
Interest	-3,625	-3,809	-3,799	-4,052	-4,976	-14,657	-16,636
Dividends	1,410	1,780	1,755	1,642	1,705	5,531	6,882
Other investment	-208	-168	-173	-733	-1,019	-3,763	-2,093
Current transfers	-236	-111	-187	-250	178	-1,056	-371
Private	-1,025	-982	-1,002	-1,055	-897	-4,139	-3,936
Official	789	870	814	805	1,075	3,083	3,565
Current account	778	5,565	8,532	3,626	-7,486	13,607	10,239

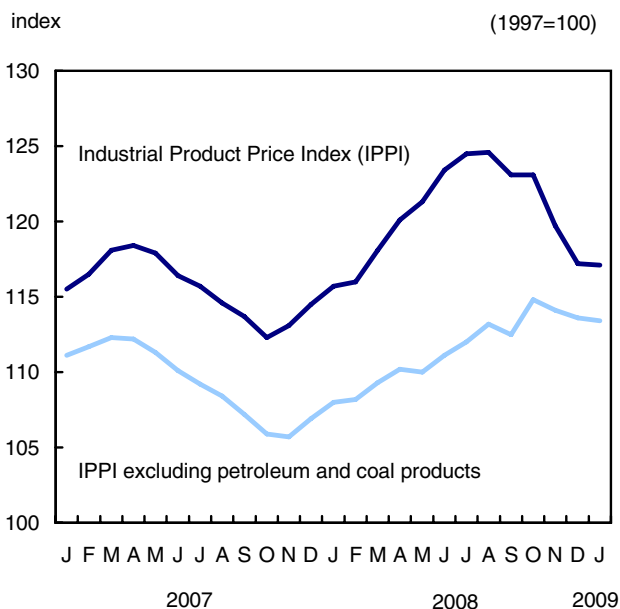
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Industrial product and raw materials price indexes

January 2009

The Industrial Product Price Index (IPPI) declined 0.1% in January compared with December, while the Raw Materials Price Index (RMPI) rose 1.4%. The strong downward movement registered by these two indexes during the previous two months halted in January, with petroleum prices strengthening on world markets.

Prices for industrial goods decrease slightly



The IPPI decreased 0.1% in January, stabilizing after declines of 2.8% in November and 2.1% in December. Prices for petroleum and coal products increased 1.6%, after registering five substantial monthly declines in a row.

Excluding petroleum and coal products, the IPPI fell 0.2%, a third monthly decrease following declines of 0.6% in November and 0.4% in December. Of the 20 major groups, 12 posted a price decrease, notably motor vehicles and other transport equipment (-0.4%), pulp and paper products (-1.0%), and lumber and other wood products (-1.5%). These three product groups were sensitive to the change in the Canadian dollar in relation to its US counterpart.

The Canadian dollar rose 0.7% against the US dollar in January. Some Canadian producers who export their products to the United States are generally paid in prices that are fixed in US dollars. Consequently, the relative weakness of the US dollar in relation to the Canadian

Note to readers

The **Industrial Product Price Index (IPPI)** reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including the transportation, wholesale, and retail costs.

Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp and paper products, and wood products. Determining the full effect of fluctuating exchange rates on the IPPI is a difficult analytical task. However, it should be noted that many prices collected to calculate the IPPI are quoted in US dollars and then converted into Canadian dollars. Therefore, a rise or fall in the value of the Canadian dollar against its US counterpart affects the IPPI.

The conversion of prices received in US dollars is based on the average monthly exchange rate (noon spot rate) established by the Bank of Canada, and it is available on CANSIM in table 176-0064 (series v37426). Monthly and annual variations in the exchange rate, as described in the text, are calculated according to the indirect quotation of the exchange rate (for example, CAN\$1 = US\$X).

The **Raw Materials Price Index (RMPI)** reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Unlike the IPPI, the RMPI includes goods not produced in Canada.

dollar had the effect of lowering their Canadian dollar equivalent prices. If the exchange rate used to convert these prices had remained unchanged, the IPPI would have risen 0.1% compared with December, instead of declining 0.1%.

12-month change: Industrial Product Price Index continues to post slower growth

Year over year, the IPPI rose 1.2% in January, which marks a continuing deceleration in the growth of the index. This was the weakest advance in the index in 10 months.

This slowing in the growth of the IPPI in January was mainly caused by a substantial 28.4% drop in the prices for petroleum and coal products compared with a year ago, the largest annual decline since December 2001.

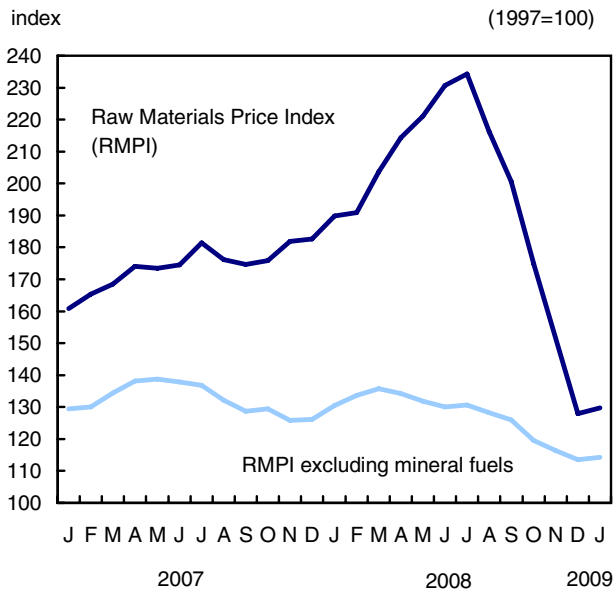
The prices for products other than petroleum and coal were up 5.0%, representing a third consecutive slowing in growth. Contributing the most to the increase in the IPPI were motor vehicles and other transport equipment, as well as pulp and paper products, pushed up in part by the depreciation of the Canadian dollar in relation to its US counterpart.

The Canadian dollar lost 17.5% of its value compared with January 2008, and if the direct effect of the exchange rate had been excluded, the IPPI would have declined 4.9% instead of increasing 1.2%.

Raw Materials Price Index posts a turn around after five substantial declines in a row

The RMPI posted a monthly increase of 1.4% in January, compared with a substantial decline of 15.4% in December. Despite this rebound in prices, the level of the index remained 14.2% lower than in November 2008, owing to the size of December's decline.

Raw materials prices increase



Prices for mineral fuels rose 2.8%, a marked change from the 29.9% drop in December and the substantial declines registered since August 2008. Excluding mineral fuels, the RMPI rebounded with a 0.6% increase, compared with the strong declines observed in the last five months of 2008. Apart from mineral fuels, vegetable products made a modest contribution to the rise in the RMPI.

From January 2008 to January 2009, raw materials continued and accelerated their downward movement, falling 31.6%, compared with December's decrease of 29.9%. The drop in raw material prices was attributable to the strong 48.5% decline for mineral fuels and, to a lesser extent, to decreases in prices for non-ferrous metals (-35.6%) and vegetable products (-12.0%).

Available on CANSIM: tables 329-0038 to 329-0049 and 330-0006.

Definitions, data sources and methods: survey numbers, including related surveys, 2306 and 2318.

The January 2009 issue of *Industry Price Indexes* (62-011-XWE, free) will soon be available.

The industrial product and raw material price indexes for February will be released on March 31.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9606, fax: 613-951-2848, prices-prix@statcan.gc.ca), Prices Division.

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Industrial product price indexes

	Relative importance	January 2008	December 2008 ^r	January 2009 ^p	January 2008 to January 2009	December 2008 to January 2009
		(1997=100)			% change	
Industrial Product Price Index (IPPI)	100.00	115.7	117.2	117.1	1.2	-0.1
IPPI excluding petroleum and coal products	94.32	108.0	113.6	113.4	5.0	-0.2
Aggregation by commodities						
Meat, fish and dairy products	5.78	108.2	112.8	112.6	4.1	-0.2
Fruit, vegetables, feeds and other food products	5.99	115.7	115.3	116.3	0.5	0.9
Beverages	1.57	125.6	127.3	127.2	1.3	-0.1
Tobacco and tobacco products	0.63	218.1	222.2	222.5	2.0	0.1
Rubber, leather and plastic fabricated products	3.30	116.5	122.3	121.9	4.6	-0.3
Textile products	1.58	99.3	103.3	103.5	4.2	0.2
Knitted products and clothing	1.51	104.8	104.8	104.9	0.1	0.1
Lumber and other wood products	6.30	81.1	84.7	83.4	2.8	-1.5
Furniture and fixtures	1.59	121.1	124.0	124.1	2.5	0.1
Pulp and paper products	7.23	103.0	116.1	114.9	11.6	-1.0
Printing and publishing	1.70	115.9	125.1	125.0	7.9	-0.1
Primary metal products	7.80	136.2	121.1	121.7	-10.6	0.5
Metal fabricated products	4.11	124.9	136.4	136.2	9.0	-0.1
Machinery and equipment	5.48	104.2	112.6	112.4	7.9	-0.2
Motor vehicles and other transport equipment	22.16	86.2	99.4	99.0	14.8	-0.4
Electrical and communications products	5.77	89.4	97.1	97.0	8.5	-0.1
Non-metallic mineral products	1.98	125.1	126.7	127.7	2.1	0.8
Petroleum and coal products ¹	5.68	259.4	182.8	185.7	-28.4	1.6
Chemicals and chemical products	7.07	131.5	139.0	138.5	5.3	-0.4
Miscellaneous manufactured products	2.40	116.6	123.4	123.8	6.2	0.3
Miscellaneous non-manufactured products	0.38	408.6	299.3	292.8	-28.3	-2.2
Intermediate goods²	60.14	121.1	120.5	120.2	-0.7	-0.2
First-stage intermediate goods ³	7.71	150.4	125.7	124.6	-17.2	-0.9
Second-stage intermediate goods ⁴	52.43	116.7	119.8	119.6	2.5	-0.2
Finished goods⁵	39.86	107.7	112.2	112.5	4.5	0.3
Finished foods and feeds	8.50	116.2	119.2	119.2	2.6	0.0
Capital equipment	11.73	95.8	106.8	106.5	11.2	-0.3
All other finished goods	19.63	111.1	112.5	113.2	1.9	0.6

^r revised

^p preliminary

1. This index is estimated for the current month.

2. Intermediate goods are goods used principally to produce other goods.

3. First-stage intermediate goods are items used most frequently to produce other intermediate goods.

4. Second-stage intermediate goods are items most commonly used to produce final goods.

5. Finished goods are goods most commonly used for immediate consumption or for capital investment.

Raw materials price indexes

	Relative importance	January 2008	December 2008 ^r	January 2009 ^p	January 2008 to January 2009	December 2008 to January 2009
		(1997=100)			% change	
Raw Materials Price Index (RMPI)	100.00	189.8	128.0	129.8	-31.6	1.4
Mineral fuels	35.16	318.0	159.2	163.7	-48.5	2.8
Vegetable products	10.28	129.1	108.6	113.6	-12.0	4.6
Animals and animal products	20.30	102.8	111.4	110.3	7.3	-1.0
Wood	15.60	82.6	81.7	80.9	-2.1	-1.0
Ferrous materials	3.36	152.8	144.8	146.4	-4.2	1.1
Non-ferrous metals	12.93	213.3	136.5	137.3	-35.6	0.6
Non-metallic minerals	2.38	160.5	173.4	175.4	9.3	1.2
RMPI excluding mineral fuels	64.84	130.5	113.5	114.2	-12.5	0.6

^r revised

^p preliminary

Food services and drinking places

December 2008 (preliminary)

Current dollar sales for the food services and drinking places industry declined 2.2% from November to December to just under \$4.0 billion.

While sales declined, the price of food purchased in restaurants increased by 0.1% between November and December, according to the Consumer Price Index.

All sectors of the industry posted lower sales relative to November. The largest decline in sales in December was in the special food services sector (-4.9%), comprising food service contractors, caterers and mobile food services.

Full-service restaurants, where patrons order and pay for meals at their table, posted a sales decrease of 2.4% in December. Sales declined by 1.5% at limited-service restaurants, where patrons order and pay for their meals at the counter. Sales at drinking places were also down by 1.5%.

All provinces saw lower sales in December except Prince Edward Island.

Note: All data in this release are seasonally adjusted and expressed in current dollars. Preliminary estimates are provided for the current reference month. Raw estimates, based on late responses, are revised for the two previous months. Seasonally adjusted estimates are revised for the three previous months. Starting in summer 2009, annual revisions will take place once a year, for all months in the previous years. The purpose is to correct any significant problems that have been found that apply for an extended period.

Available on CANSIM: table 355-0006.

Definitions, data sources and methods: survey number 2419.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Marc Racette (613-951-2924; fax: 613-951-6696; marc.racette@statcan.gc.ca), or Pierre Felx (613-951-0075; pierre.felix@statcan.gc.ca), Service Industries Division.

Food services and drinking places

	December 2007	September 2008 ^r	October 2008 ^r	November 2008 ^r	December 2008 ^p	November to December 2008
Seasonally adjusted						
	\$ thousands					% change
Total, food services sales	3,838,303	3,994,787	4,025,813	4,042,218	3,953,342	-2.2
Full-service restaurants	1,791,204	1,813,208	1,811,867	1,855,399	1,810,910	-2.4
Limited-service eating places	1,541,100	1,662,914	1,683,403	1,665,052	1,639,395	-1.5
Special food services	314,052	318,059	329,451	321,874	306,075	-4.9
Drinking places	191,947	200,606	201,092	199,893	196,962	-1.5
Provinces and territories						
Newfoundland and Labrador	41,507	47,787	48,905	48,524	47,333	-2.5
Prince Edward Island	11,964	13,841	13,974	14,192	14,257	0.5
Nova Scotia	89,503	93,630	99,249	100,681	98,540	-2.1
New Brunswick	63,359	71,264	71,721	71,844	70,991	-1.2
Quebec	758,845	802,345	814,173	820,376	809,172	-1.4
Ontario	1,477,563	1,507,784	1,513,991	1,507,011	1,486,230	-1.4
Manitoba	108,658	115,196	116,947	119,162	116,194	-2.5
Saskatchewan	103,099	107,386	109,874	110,774	107,015	-3.4
Alberta	537,211	575,193	567,865	570,138	547,544	-4.0
British Columbia	634,744	649,111	658,104	668,018	644,853	-3.5
Yukon	3,495	3,801	3,723	4,051	F	F
Northwest Territories	7,632	6,780	6,641	6,753	F	F
Nunavut	723	669	646	694	F	F

^r revised

^p preliminary

F unreliable

Note: Figures may not add up to totals due to rounding.

Crude oil and natural gas: Supply and disposition

December 2008 (preliminary)

Domestic production of crude oil and equivalent hydrocarbons totalled 13.8 million cubic metres in December, up 7.4% from December 2007.

Deliveries of crude oil and equivalent hydrocarbons to the export market increased by 12.8% in December compared with the same month in 2007. In December 2008, 69.4% of Canada's total production went to the export market.

Marketable natural gas production totalled 14.1 billion cubic metres in December, down 4.4% compared with December 2007.

Natural gas exports made up 65.9% of marketable natural gas production in December 2008.

Domestic sales of natural gas fell 10.3% in December from the same month in 2007. This decrease was the result of lower sales to the industrial sector.

Note: Preliminary data are available on CANSIM at the national level to December 2008 inclusive. At the national and provincial level detailed information is available for crude oil (126-0001) up to October 2008 inclusive, and for natural gas (131-0001) up to February 2008 inclusive.

Available on CANSIM: tables 126-0001 and 131-0001.

Definitions, data sources and methods: survey number 2198.

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; energ@statcan.gc.ca), Manufacturing and Energy Division.

Crude oil and natural gas: Supply and disposition (key indicators)

	December 2007	December 2008p	December 2007 to December 2008
	thousands of cubic metres		% change
Crude oil and equivalent hydrocarbons			
Supply ¹			
Production	12 900.2	13 858.1	7.4
Imports ²	3 825.2	3 664.9	-4.2
Disposition			
Refinery receipts ³	8 903.5	8 422.5	-5.4
Exports	8 524.8	9 613.9	12.8
	millions of cubic metres		% change
Natural gas			
Supply ⁴			
Marketable production ⁵	14 772.2	14 120.0	-4.4
Imports	1 940.6	1 128.4	-41.9
Disposition			
Domestic sales ⁵	9 672.2	8 675.2	-10.3
Exports	10 735.2	9 304.0	-13.3

^p preliminary

1. Disposition may differ from supply because of inventory change, own consumption, losses and adjustments.

2. Data may differ from International Trade Division estimates because of timing and the inclusion of crude oil landed in Canada for future re-export.

3. Volumetric receipts at refineries of all domestic and imported crude oils for refinery processing or storage.

4. Disposition may differ from supply because of inventory change, usage as pipeline fuel, pipeline losses, line-pack fluctuations.

5. Receipts from fields after processing for the removal or partial removal of some constituents and impurities and that meet specifications for residential, commercial and industrial use; and including other adjustments.

6. Domestic sales includes residential, commercial, industrial and direct sales (for example direct, non-utility, sales for consumption where the utility acts solely as transporter).

Computer and peripherals price indexes

January 2009

The index for commercial computers increased 0.06% from December to 35.75 (2002=100) in January. The index for consumer computers declined 0.15% to 19.90.

In the case of computer peripherals, monitor prices increased 1.04% from a month earlier to 52.47, while printer prices decreased 1.09% to 45.52.

These indexes are available at the Canada level only.

Available on CANSIM: tables 331-0004 and 331-0005.

Definitions, data sources and methods: survey number 5032.

For more information, contact Client Services (toll-free 1-866-230-2248; 613-951-9606; prices-prix@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact Lu Li (613-951-1290; lu.li@statcan.gc.ca), Prices Division. ■

Commercial Software Price Index

January 2009

The Commercial Software Price Index increased 0.11% from December to 73.65 (2002=100) in January.

Note: The Commercial Software Price Index is a monthly series measuring the change in the purchase price of pre-packaged software typically bought by businesses and governments.

This index is available at the Canada level only.

Available on CANSIM: table 331-0003.

Definitions, data sources and methods: survey number 5068.

For more information, contact Client Services (toll-free 1-866-230-2248; 613-951-9606; prices-prix@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact Lu Li (613-951-1290; lu.li@statcan.gc.ca), Prices Division. ■

Placement of hatchery chicks and turkey poults

January 2009 (preliminary)

Placements of hatchery chicks on farms decreased 3.9% from the same month a year earlier to 56.6 million birds in January. Placements of turkey poults on farms decreased 15.2% to 1.6 million birds.

Available on CANSIM: table 003-0021.

Definitions, data sources and methods: survey number 5039.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bernadette Alain (902-893-7251; bernadette.alain@statcan.gc.ca) or Sandra Venturino (613-951-9278; sandra.venturino@statcan.gc.ca), or call our information line (toll-free 1-800-465-1991), Agriculture Division. ■

Production and disposition of tobacco products

January 2009

Canadian manufacturers produced 1.6 billion cigarettes in January, up 49.7% from the previous month. The total number of cigarettes sold decreased by 23.3% to 1.3 billion and closing inventories increased by 14.0% to 2.0 billion cigarettes in January.

Note: This survey collects data on the production of tobacco products in Canada by Canadian manufacturers and the disposition or sales of this production. It does not collect data on imported tobacco products. Therefore, sales information in this release is not a proxy for domestic consumption of tobacco products.

Available on CANSIM: table 303-0062.

Definitions, data sources and methods: survey number 2142.

The January 2009 issue of *Production and Disposition of Tobacco Products*, Vol. 38, no. 1 (32-022-XWE, free) is now available from the *Publications* module of our website.

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

New products

Production and Disposition of Tobacco Products,
January 2009, Vol. 38, no. 1
Catalogue number 32-022-XWE
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All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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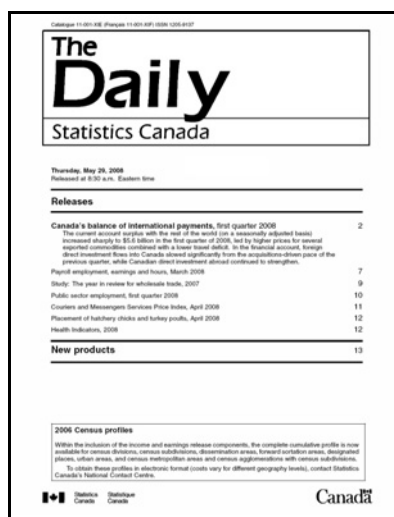
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Release dates: March 2009

(Release dates are subject to change.)

Release date	Title	Reference period
2	Canadian economic accounts	Fourth quarter 2008
2	Gross domestic product by industry	December 2008
5	Building permits	January 2009
11	New Housing Price Index	January 2009
12	Canada's international investment position	Fourth quarter, 2008
13	Canadian international merchandise trade	January 2009
13	Labour Force Survey	February 2009
16	National balance sheet accounts	Fourth quarter 2008
16	Industrial capacity utilization rates	Fourth quarter 2008
17	Monthly Survey of Manufacturing	January 2009
17	Labour productivity, hourly compensation and unit labour cost	Fourth quarter 2008
18	Health Reports	2007
18	Wholesale trade	January 2009
19	Canada's international transactions in securities	January 2009
19	Consumer Price Index	February 2009
19	Travel between Canada and other countries	January 2009
20	Retail trade	January 2009
20	New motor vehicle sales	January 2009
23	Leading indicators	February 2009
24	Employment Insurance	January 2009
30	National tourism indicators	Fourth quarter 2008
31	Industrial product and raw materials price indexes	February 2009
31	Gross domestic product by industry	January 2009
31	Payroll employment, earnings and hours	January 2009