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Canada's overall current account deficit (on a seasonally adjusted basis) widened by $2.6 billion to reach $11.0 billion in the second quarter, marking the seventh straight quarter of deficit. Cross border financial transactions (unadjusted for seasonal variation) resulted in further significant inflows of funds to the Canadian economy, led again by foreign purchases of Canadian securities.

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The Industrial Product Price Index edged up 0.1% in July, led mainly by primary metal products. The Raw Materials Price Index rose 1.8%, largely because of higher prices for crude oil.

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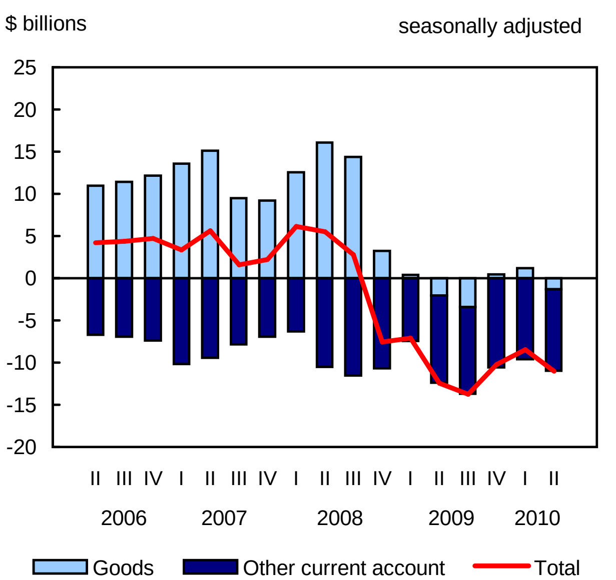
Releases

Canada's balance of international payments

Second quarter 2010

Canada's overall current account deficit (on a seasonally adjusted basis) widened by $2.6 billion to reach $11.0 billion in the second quarter, marking the seventh straight quarter of deficit. Export growth for goods slowed while import growth remained strong, which led to a deterioration in the merchandise trade balance. At the same time, a lower deficit on investment income flows with non-residents was partially offset by a higher deficit on international trade in services.

Current account balances



Cross border financial transactions (unadjusted for seasonal variation) resulted in further significant inflows of funds to the Canadian economy in the second quarter, led again by foreign purchases of Canadian securities. Non-residents acquired Canadian bonds at an unprecedented rate and foreign investment in Canadian stocks rebounded.

Note to readers

*The **balance of international 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.*

*The **capital and financial account** is mainly comprised of transactions in financial assets and liabilities.*

*In principle, a current account surplus/deficit corresponds to an equivalent net outflow/inflow in the capital and financial account. In practice, as international transactions 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.*

For more information about the balance of payments, consult the "Frequently asked questions" section in the National economic accounts *module of our website. The module also presents the most recent balance of payments statistics.*

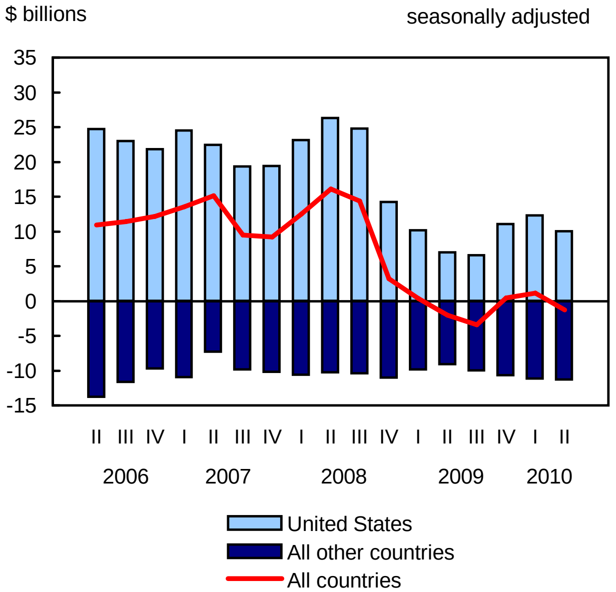
Current account

Swing in the goods balance led by trade flows with the United States

The balance on trade in goods declined $2.5 billion in the second quarter to return to a deficit position, following two quarters of surplus. Exports advanced by less than imports, largely reflecting trade results with the United States. The goods surplus with the United States shrank by $2.3 billion, following two quarters of gains.

Exports of goods rose by $1.2 billion, substantially less than in the previous quarter. Energy products and industrial goods were the two main contributors to the recovery in goods exported during the previous three quarters, but they both declined in the second quarter of 2010.

Goods balances by geographic area



The exports of energy products fell $1.9 billion in the second quarter, with prices down for all components except coal. Overall, volumes were unchanged, as lower volumes of crude petroleum were offset by higher volumes of natural gas. Following a gain of $5.0 billion over the three previous quarters, exports of industrial goods edged down $0.3 billion on lower volumes.

Exports of automotive products continued to gain ground, up $1.9 billion, with automobiles surpassing the $10 billion mark for the first time since the second quarter of 2007. Machinery and equipment exports were up $1.2 billion, as volumes increased after six quarters of declines and prices advanced for the first time in five quarters.

Imports of goods increased $3.7 billion in the second quarter, led by machinery and equipment imports, which rose by $1.9 billion on higher volumes for all components, while prices were down for a fifth quarter. Imports of industrial goods continued to strengthen, up $1.2 billion, with half of the gains from metal and metal ores. Automotive products imports edged up, as stronger imports of automotive parts were largely offset by lower imports of cars and trucks.

Canadian travel abroad widens the deficit on services

The deficit on trade in services expanded by $0.3 billion in the second quarter, led by travel and travel related components. The travel deficit reached a high of $3.5 billion, up $0.5 billion from the previous quarter. The transportation deficit also expanded in the second quarter, up $0.2 billion, as Canadian travellers increased purchases from foreign carriers.

Canadian spending abroad increased $0.4 billion in the second quarter, reflecting both travel to the United States and overseas destinations. Overnight trips made by Canadians were up almost 4%. However, foreign spending in Canada was down 1.1%, as both American travellers and overseas travellers reduced their spending in Canada.

International trade in commercial services registered a $0.4 billion surplus in the second quarter after being in balance the quarter before. Exports increased while imports declined slightly.

Lower payments lead to decline in investment income deficit

The second quarter saw reduced international flows of investment income, with Canadian payments down more than receipts. Direct investment income accounted for these changes.

Profits earned by foreign direct investors in Canada fell by $0.7 billion, as both earnings and dividends shrank. The largest reductions came in the food, beverage and tobacco sector and the finance and insurance sector. While Canadian direct investors received higher dividends, profits on investments abroad declined $0.4 billion, led by the finance and insurance sector.

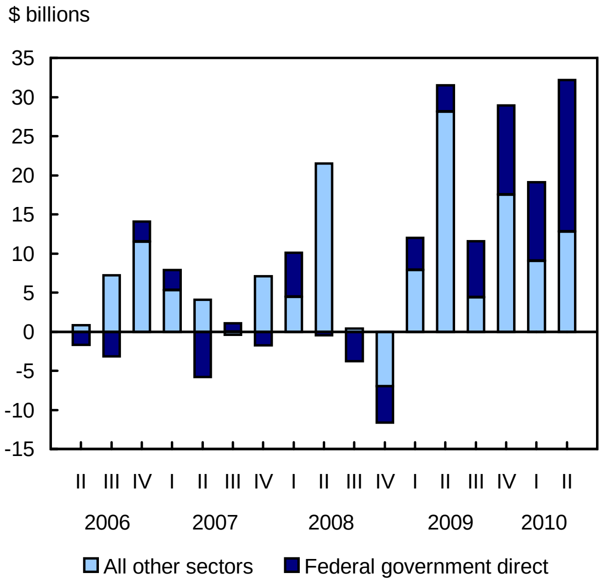
Capital and financial account

Foreign investors continue to acquire significant amounts of Canadian securities

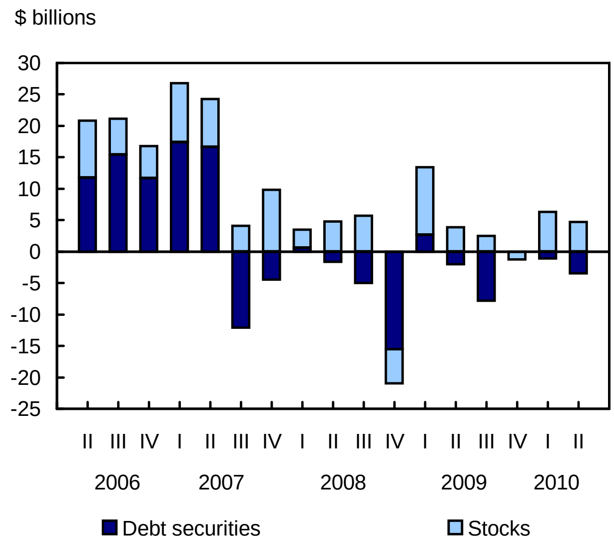
Non-resident acquisitions of Canadian securities amounted to $40.7 billion, more than double the investment in the first quarter. Increased inflows from abroad in the second quarter were the result of continued significant foreign investment in Canadian bonds, led by federal government bonds, as well as a rebound in acquisitions of Canadian stocks. There were also modest foreign investments in the Canadian money market following three quarters of withdrawals.

Non-residents added Canadian bonds to their portfolios for a sixth consecutive quarter, buying $32.2 billion in the second quarter. This was driven by unprecedented foreign purchases of federal government bonds of $19.4 billion, with investment in federal bonds so far in 2010 already exceeding that of 2009. The balance of the activity was largely accounted for by foreign acquisitions of new provincial bonds denominated in foreign currencies.

Foreign portfolio investment in Canadian bonds



Canadian portfolio investment abroad[1]



1. Reverse of balance of payments signs.

Foreign investment in Canadian equities rebounded in the second quarter to reach $7.9 billion, following a small divestment in the previous quarter. Against the backdrop of declining share prices, non-residents purchased gold stocks as well as investment funds tracking broad market indices. The bulk of this activity took place in May, when Canadian stock prices retreated for the first time since January 2010.

Foreign investment of $610 million in the Canadian money market in the second quarter was relatively modest and dominated by paper issued by non-financial corporations. In addition, there was marginal investment in federal short-term paper, as short-term interest rates increased to their highest level since February 2009.

Canadian investment in foreign securities remains modest and focused on equities

Canadians acquired $1.2 billion of foreign securities in the second quarter, down from a $5.2 billion investment in the first quarter. Investment in the second quarter again focused on foreign equities, while holdings of both short- and long-term debt securities were reduced.

Canadian investment in foreign equities of $4.7 billion in the second quarter was led by demand from Canadian pension plans. Over 60% of the activity targeted the American market, marking the largest such investment in the United States since the first quarter of 2009. US stock prices fell by 11.9% in the second quarter, the most pronounced decline since the fourth quarter of 2008, when global stock markets experienced significant corrections.

Canadians removed a further $2.7 billion from their holdings of foreign bonds in the quarter, on sales of US government bonds. This was partially offset by investment in non-US foreign bonds, mainly bonds issued by national governments from the European Union with high credit ratings. Canadians also divested $744 million of foreign money market instruments after two quarters of investment, mostly through reduced holdings of paper issued by US financial corporations.

Outward direct investment strengthens and inward direct investment slows

Canadian direct investment abroad advanced to $9.4 billion in the second quarter, following a net repatriation of funds in the first quarter. Over half of the outflows in the second quarter were channelled to the US economy, and about 20% were related to mergers and acquisitions. Direct investment abroad in the first half of 2010 was similar to levels observed in the first half of 2009; however, these still amounted to the lowest such outflows for the first six months of a year since 1996.

Foreign direct investors injected $9.7 billion into the Canadian economy in the second quarter, and although a fourth straight quarter of investment, it was down from the previous quarter. Mergers and acquisitions were a small part of this activity. Investors from the United States and the United Kingdom were again the major contributors, and the Canadian energy and metallic mineral sector continued to be the driving force with investments totalling $7.2 billion. For the one-year period ending June 2010, foreign direct investment in this sector was significant at $27.8 billion, after a major slowdown in the first half of 2009.

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 second quarter 2010 issue of *Canada's Balance of International Payments* (67-001-X, free) will be available soon.

The balance of international payments data for the third quarter will be released on November 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.

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Balance of payments

	Second quarter 2009	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010	2008	2009
	Not seasonally adjusted						
	$ millions						
Current account							
Receipts							
Goods and services	106,619	108,615	111,639	114,141	120,515	562,109	436,673
Goods	89,742	90,252	95,466	97,804	102,827	489,995	369,529
Services	16,877	18,362	16,173	16,337	17,688	72,113	67,144
Investment income	14,576	14,942	14,529	15,601	15,956	71,881	57,378
Direct investment	7,423	8,576	8,674	9,710	10,077	37,781	30,070
Portfolio investment	5,104	4,562	4,362	4,205	4,185	22,217	19,799
Other investment	2,049	1,805	1,493	1,685	1,694	11,883	7,509
Current transfers	1,929	1,787	2,012	3,074	1,854	10,574	8,622
Current account receipts	**123,124**	**125,344**	**128,179**	**132,817**	**138,325**	**644,563**	**502,673**
Payments							
Goods and services	113,887	115,731	117,855	119,793	127,195	538,184	463,904
Goods	91,242	93,701	96,277	96,076	103,754	443,752	374,097
Services	22,646	22,030	21,578	23,717	23,441	94,432	89,807
Investment income	18,281	18,995	18,717	20,274	19,154	88,302	71,523
Direct investment	8,048	9,407	9,048	9,590	9,363	41,586	30,764
Portfolio investment	8,209	8,256	8,170	8,354	8,672	32,285	32,950
Other investment	2,025	1,332	1,499	2,330	1,118	14,431	7,808
Current transfers	2,111	2,450	2,633	3,715	2,280	11,159	10,770
Current account payments	**134,280**	**137,176**	**139,205**	**143,782**	**148,629**	**637,645**	**546,196**
Balances							
Goods and services	-7,268	-7,116	-6,216	-5,652	-6,680	23,925	-27,231
Goods	-1,500	-3,449	-811	1,728	-927	46,244	-4,568
Services	-5,768	-3,668	-5,406	-7,380	-5,753	-22,319	-22,663
Investment income	-3,705	-4,053	-4,189	-4,673	-3,197	-16,422	-14,145
Direct investment	-625	-832	-374	120	714	-3,805	-694
Portfolio investment	-3,105	-3,694	-3,808	-4,148	-4,487	-10,068	-13,151
Other investment	24	473	-6	-644	575	-2,548	-299
Current transfers	-182	-663	-621	-641	-426	-585	-2,148
Current account balance	**-11,156**	**-11,832**	**-11,026**	**-10,966**	**-10,304**	**6,918**	**-43,523**
Capital and financial account[1, 2]							
Capital account	**1,220**	**1,136**	**693**	**1,186**	**1,269**	**4,650**	**3,969**
Financial account	**7,028**	**7,336**	**13,137**	**10,067**	**11,987**	**-7,072**	**39,960**
Canadian assets, net flows							
Canadian direct investment abroad	-4,356	-26,817	-10,921	2,700	-9,444	-86,214	-44,389
Portfolio investment	-1,910	5,337	1,344	-5,180	-1,241	13,653	-8,667
Foreign bonds	1,699	7,493	378	2,301	2,710	16,354	9,030
Foreign stocks	-3,899	-2,472	1,316	-6,285	-4,695	-7,914	-15,850
Foreign money market	289	317	-350	-1,196	744	5,212	-1,847
Other investment	-2,233	-32,765	-12,881	-34,767	-4,591	-37,611	-50,805
Loans	-6,670	-6,830	-4,679	-14,414	3,215	-242	-17,460
Deposits	-134	-11,270	-10,420	-13,246	-289	-37,335	-19,058
Official international reserves	-547	-13,074	3,082	-3,667	54	-1,711	-11,618
Other assets	5,119	-1,590	-864	-3,440	-7,571	1,677	-2,669
Total Canadian assets, net flows	**-8,499**	**-54,244**	**-22,458**	**-37,246**	**-15,276**	**-110,172**	**-103,861**
Canadian liabilities, net flows							
Foreign direct investment in Canada	-2,454	16,770	7,536	13,441	9,675	58,975	21,327
Portfolio investment	39,154	19,488	28,079	18,392	40,706	29,797	110,865
Canadian bonds	31,484	11,547	28,935	19,125	32,170	15,926	83,955
Canadian stocks	6,566	14,996	2,097	-482	7,926	2,746	26,246
Canadian money market	1,104	-7,055	-2,954	-251	610	11,125	665
Other investment	-21,173	25,322	-19	15,480	-23,118	14,327	11,629
Loans	-11,883	-728	-1,084	1,793	-1,453	4,759	-11,081
Deposits	-8,760	16,846	1,118	12,811	-21,977	10,495	13,878
Other liabilities	-530	9,204	-54	876	313	-927	8,831
Total Canadian liabilities, net flows	**15,526**	**61,580**	**35,595**	**47,313**	**27,263**	**103,099**	**143,821**
Total capital and financial account, net flows	**8,247**	**8,471**	**13,830**	**11,253**	**13,257**	**-2,422**	**43,929**
Statistical discrepancy	2,908	3,361	-2,805	-287	-2,953	-4,496	-405

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

	Second quarter 2009	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010	2008	2009
	Seasonally adjusted						
	$ millions						
Receipts							
Goods and services	104,909	106,842	112,236	117,173	118,555	562,109	436,673
Goods	88,008	90,377	95,375	99,684	100,884	489,995	369,529
Services	16,901	16,465	16,861	17,489	17,671	72,113	67,144
Travel	3,877	3,842	3,869	4,053	4,006	16,544	15,520
Transportation	2,477	2,445	2,534	2,704	2,676	12,170	10,119
Commercial services	10,069	9,717	10,026	10,281	10,541	41,665	39,681
Government services	478	461	433	451	448	1,734	1,824
Investment income	13,760	15,070	14,909	15,649	15,304	71,881	57,378
Direct investment	6,679	8,618	9,020	9,814	9,479	37,781	30,070
Interest	893	1,028	1,003	916	954	3,064	3,902
Profits	5,786	7,590	8,016	8,898	8,525	34,717	26,168
Portfolio investment	5,011	4,635	4,451	4,113	4,130	22,217	19,799
Interest	1,383	1,240	1,227	1,115	980	6,603	5,493
Dividends	3,628	3,395	3,224	2,998	3,150	15,614	14,307
Other investment	2,070	1,818	1,438	1,722	1,696	11,883	7,509
Current transfers	2,227	1,990	1,901	2,723	2,079	10,574	8,622
Private	722	672	661	779	728	2,767	2,804
Official	1,505	1,318	1,240	1,944	1,351	7,807	5,819
Total receipts	**120,896**	**123,902**	**129,046**	**135,545**	**135,938**	**644,563**	**502,673**
Payments							
Goods and services	112,560	115,780	117,630	121,264	125,409	538,184	463,904
Goods	90,028	93,765	94,939	98,511	102,168	443,752	374,097
Services	22,532	22,016	22,692	22,752	23,241	94,432	89,807
Travel	6,947	7,037	7,063	7,097	7,515	28,629	27,692
Transportation	4,819	4,770	5,016	5,062	5,221	22,255	19,656
Commercial services	10,435	9,884	10,276	10,261	10,179	42,288	41,155
Government services	331	326	337	331	326	1,260	1,304
Investment income	18,207	19,205	18,816	19,977	18,763	88,302	71,523
Direct investment	7,774	9,436	9,217	9,614	8,860	41,586	30,764
Interest	826	816	802	739	699	3,969	3,285
Profits	6,948	8,620	8,415	8,874	8,160	37,617	27,479
Portfolio investment	8,215	8,201	8,161	8,409	8,661	32,285	32,950
Interest	6,262	6,304	6,267	6,226	6,377	23,419	25,156
Dividends	1,953	1,897	1,894	2,183	2,284	8,866	7,794
Other investment	2,218	1,568	1,439	1,955	1,243	14,431	7,808
Current transfers	2,584	2,686	2,803	2,765	2,784	11,159	10,770
Private	1,550	1,659	1,665	1,660	1,678	7,000	6,523
Official	1,034	1,026	1,138	1,104	1,106	4,159	4,247
Total payments	**133,351**	**137,671**	**139,249**	**144,006**	**146,956**	**637,645**	**546,196**
Balances							
Goods and services	-7,651	-8,939	-5,394	-4,091	-6,853	23,925	-27,231
Goods	-2,019	-3,388	436	1,172	-1,284	46,244	-4,568
Services	-5,631	-5,551	-5,830	-5,263	-5,570	-22,319	-22,663
Travel	-3,070	-3,195	-3,194	-3,044	-3,509	-12,085	-12,172
Transportation	-2,341	-2,325	-2,482	-2,359	-2,545	-10,085	-9,537
Commercial services	-366	-166	-250	20	363	-622	-1,474
Government services	146	135	96	119	121	474	520
Investment income	-4,448	-4,135	-3,907	-4,328	-3,459	-16,422	-14,145
Direct investment	-1,096	-818	-197	200	619	-3,805	-694
Interest	66	212	201	176	255	-904	618
Profits	-1,162	-1,030	-399	24	365	-2,900	-1,312
Portfolio investment	-3,204	-3,566	-3,710	-4,296	-4,531	-10,068	-13,151
Interest	-4,880	-5,064	-5,040	-5,111	-5,396	-16,816	-19,664
Dividends	1,675	1,498	1,330	815	866	6,748	6,513
Other investment	-148	249	-1	-232	453	-2,548	-299
Current transfers	-357	-696	-902	-42	-706	-585	-2,148
Private	-829	-987	-1,004	-881	-950	-4,233	-3,719
Official	471	291	102	840	245	3,648	1,572
Current account	**-12,455**	**-13,770**	**-10,204**	**-8,460**	**-11,018**	**6,918**	**-43,523**

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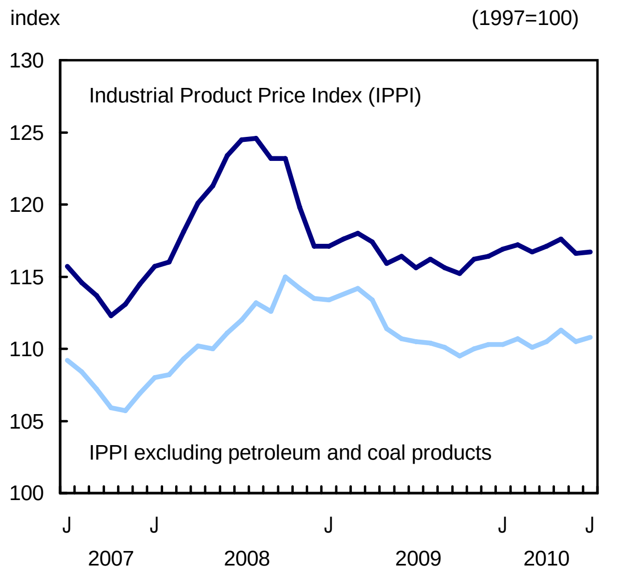
Industrial product and raw materials price indexes

July 2010

The Industrial Product Price Index (IPPI) edged up 0.1% in July, led mainly by primary metal products. The Raw Materials Price Index (RMPI) rose 1.8%, largely because of higher prices for crude oil.

Prices for industrial goods increase slightly



The IPPI edged up 0.1%, following a 0.9% drop in June. In July, 12 major product groups were up compared with 7 in June.

In July, the IPPI advance was mainly led by primary metal products (+1.4%), while lower petroleum and coal prices (-0.9%) had a moderating influence on the overall index.

Other than primary metal products, few products made a significant contribution to the IPPI increase. Among them, motor vehicles and other transportation equipment (+0.3%) as well as pulp and paper products (+0.6%) posted advances, as a result of the depreciation of the Canadian dollar relative to its American counterpart.

In July, the 0.5% decrease in the value of the Canadian dollar against the US dollar had a modest influence on the IPPI gain. Some Canadian producers who export their products to the United States are generally paid on the basis of prices set in US dollars. Consequently, the weakness of the Canadian dollar in relation to the American dollar had the effect of increasing the corresponding prices in Canadian dollars. If the exchange rate used to convert these prices had remained at the same level, the IPPI would have been unchanged instead of up 0.1%.

Excluding petroleum and coal prices, the IPPI rose 0.3% in July compared with a 0.7% decline in June.

Conversion of indexes to 2002=100

*In September 2010, the **Industrial Product Price Index** (IPPI) and the **Raw Materials Price Index** (RMPI) will be published on the time base of 2002=100, with 2002 weights.*

The new indexes will appear in CANSIM with the publication of data for the reference month of August 2010. The new series will appear in new CANSIM tables with new vectors. The old indexes, based on 1997=100, will be terminated with the data for the reference month of July 2010.

All data in this release are seasonally unadjusted and are subject to revision for six months (for example, when the July index is released, the index for the preceding January becomes final).

*The **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.*

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 **RMPI** reflects the prices paid by Canadian manufacturers for key raw materials. Many of those prices are set on the world market. However, most prices are denominated in Canadian dollars. For this reason, conversion into Canadian dollars has only a minor effect on the calculation of the RMPI. Moreover, the full effect of exchange rates on the RMPI is not measured, since that is a more difficult analytical task.*

12-month change in the IPPI: Third consecutive increase

The IPPI was up 1.0% in July compared with the same month a year earlier. The index posted a third consecutive gain, smaller than the increase in May (+1.5%) but larger than the one in June (+0.2%).

The increase in the IPPI over the past 12 months was led mostly by higher prices for primary metal products (+9.4%) and petroleum and coal products (+7.5%). To a lesser extent, chemical products (+4.6%) as well as pulp and paper products (+2.3%) contributed to the advance of the IPPI in July.

The IPPI year-over-year advance was moderated by lower prices for motor vehicles and other transportation equipment (-3.9%). This decline was primarily a result of a 7.6% appreciation of the Canadian dollar relative to the US dollar. If the direct effect of the exchange rate had been excluded, the IPPI would have risen 2.8% instead of 1.0%.

Between July 2009 and July 2010, prices for products excluding petroleum and coal increased 0.3%, registering its first gain since May 2009.

Raw Materials Price Index: Upswing after two consecutive declines

The Raw Materials Price Index (RMPI) increased 1.8% following consecutive declines in May (-7.3%) and June (-0.2%).

In July, higher prices for mineral fuels (+1.8%) and, to a lesser extent, non-ferrous metals (+3.6%) and vegetable products (+4.1%) were the main factors in the RMPI growth.

Prices for almost all major products were up, except for wood products and non-metallic minerals.

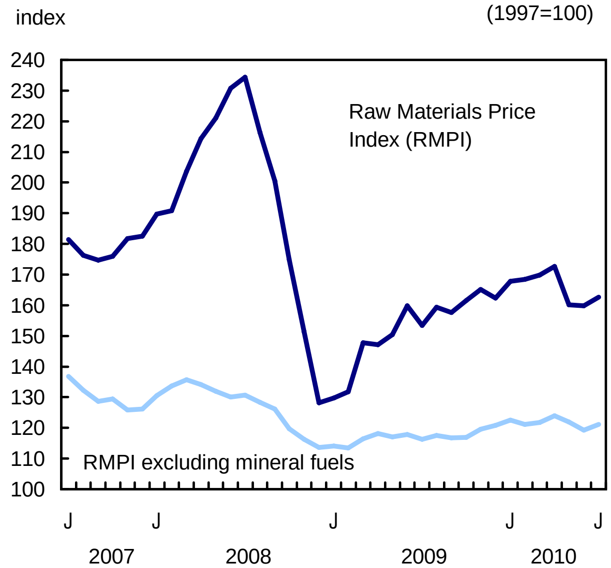
Crude oil prices rose 3.0% in July following a 2.4% increase in June. These consecutive advances were insufficient to bring the index back up to its level prior to May, the month when crude oil prices (-14.2%) fell significantly.

Excluding mineral fuels, the RMPI rebounded 1.7% following two consecutive monthly declines.

Compared with the same month a year earlier, raw materials prices increased 6.0% in July, after remaining unchanged in June. In July, raw material prices were up mainly as a result of higher prices for mineral fuels, which increased 7.9%.

The prices of non-ferrous metals (+7.9%), ferrous materials (+20.4%) as well as animals and animal products (+3.1%) contributed, to a lesser extent, to the year-over-year RMPI advance in July.

Raw materials prices increase



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

Tables 329-0040 to 329-0049: Industrial Product Price Index by commodity.

Table 329-0039: Industrial Product Price Index by total commodity aggregation and stage of processing.

Table 329-0038: Industrial Product Price Index by industry.

Table 330-0006: Raw Materials Price Index by commodity.

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

The July 2010 issue of *Industry Price Indexes* (62-011-X, free) will soon be available.

The industrial product and raw material price indexes for August will be released on September 29.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-888-951-4550; 613-951-4550; fax: 613-951-3117; *ppd-info-dpp@statcan.gc.ca*), Producer Prices Division.

❑

Industrial product price indexes

	Relative importance[1]	July 2009	June 2010[r]	July 2010[p]	June to July 2010	July 2009 to July 2010
		(1997=100)			% change	
Industrial Product Price Index (IPPI)	**100.00**	**115.6**	**116.6**	**116.7**	**0.1**	**1.0**
IPPI excluding petroleum and coal products	**94.32**	**110.5**	**110.5**	**110.8**	**0.3**	**0.3**
Aggregation by commodities						
Meat, fish and dairy products	5.78	112.8	113.3	113.1	-0.2	0.3
Fruit, vegetables, feeds and other food products	5.99	117.9	116.3	116.7	0.3	-1.0
Beverages	1.57	129.7	132.0	131.9	-0.1	1.7
Tobacco and tobacco products	0.63	223.7	224.6	224.6	0.0	0.4
Rubber, leather and plastic fabricated products	3.30	120.3	123.3	123.0	-0.2	2.2
Textile products	1.58	102.1	101.3	101.5	0.2	-0.6
Knitted products and clothing	1.51	105.1	104.0	104.2	0.2	-0.9
Lumber and other wood products	6.30	82.2	82.3	81.9	-0.5	-0.4
Furniture and fixtures	1.59	124.6	124.5	124.5	0.0	-0.1
Pulp and paper products	7.23	106.5	108.3	109.0	0.6	2.3
Printing and publishing	1.70	124.5	124.0	124.1	0.1	-0.3
Primary metal products	7.80	124.3	134.1	136.0	1.4	9.4
Metal fabricated products	4.11	131.6	131.8	131.9	0.1	0.2
Machinery and equipment	5.48	110.6	108.0	108.1	0.1	-2.3
Motor vehicles and other transport equipment	22.16	93.7	89.7	90.0	0.3	-3.9
Electrical and communications products	5.77	94.3	91.4	91.5	0.1	-3.0
Non-metallic mineral products	1.98	129.1	129.2	129.2	0.0	0.1
Petroleum and coal products[2]	5.68	209.9	227.6	225.6	-0.9	7.5
Chemicals and chemical products	7.07	128.9	134.6	134.8	0.1	4.6
Miscellaneous manufactured products	2.40	122.6	126.5	126.5	0.0	3.2
Miscellaneous non-manufactured products	0.38	268.5	211.7	215.8	1.9	-19.6
Intermediate goods[3]	**60.14**	**118.2**	**120.8**	**121.0**	**0.2**	**2.4**
First-stage intermediate goods[4]	7.71	124.1	134.3	136.1	1.3	9.7
Second-stage intermediate goods[5]	52.43	117.3	118.8	118.7	-0.1	1.2
Finished goods[6]	**39.86**	**111.7**	**110.2**	**110.4**	**0.2**	**-1.2**
Finished foods and feeds	8.50	120.6	121.6	121.6	0.0	0.8
Capital equipment	11.73	102.7	99.1	99.3	0.2	-3.3
All other finished goods	19.63	113.2	112.0	112.1	0.1	-1.0

r revised
p preliminary
1. *The relative importance is based on the 1997 values of production at December 1996 prices.*
2. *This index is estimated for the current month.*
3. *Intermediate goods are goods used principally to produce other goods.*
4. *First-stage intermediate goods are items used most frequently to produce other intermediate goods.*
5. *Second-stage intermediate goods are items most commonly used to produce final goods.*
6. *Finished goods are goods most commonly used for immediate consumption or for capital investment.*

Raw materials price indexes

	Relative importance[1]	July 2009	June 2010[r]	July 2010[p]	June to July 2010	July 2009 to July 2010
		(1997=100)			% change	
Raw Materials Price Index (RMPI)	**100.00**	**153.4**	**159.8**	**162.6**	**1.8**	**6.0**
RMPI excluding mineral fuels	**64.84**	**116.3**	**119.2**	**121.2**	**1.7**	**4.2**
Mineral fuels	35.16	233.6	247.5	252.0	1.8	7.9
Vegetable products	10.28	110.3	104.5	108.8	4.1	-1.4
Animals and animal products	20.30	110.3	113.6	113.7	0.1	3.1
Wood	15.60	75.0	75.5	75.4	-0.1	0.5
Ferrous materials	3.36	129.1	154.3	155.4	0.7	20.4
Non-ferrous metals	12.93	160.8	167.5	173.5	3.6	7.9
Non-metallic minerals	2.38	176.3	174.6	174.6	0.0	-1.0

r revised
p preliminary
1. *The relative importance is based on the 1997 values of intermediate inputs at December 1996 prices.*

■

Public sector employment

Second quarter 2010 (preliminary)

Public sector employment on a seasonally adjusted basis declined 0.2% from the first quarter to 3.6 million in the second quarter. This decline offset a slight gain in the previous quarter.

The quarter-to-quarter decline was primarily concentrated in the provincial and territorial general government sector (-0.9%). Employment also fell in school boards (-0.3%) and in government business enterprises (-0.2%).

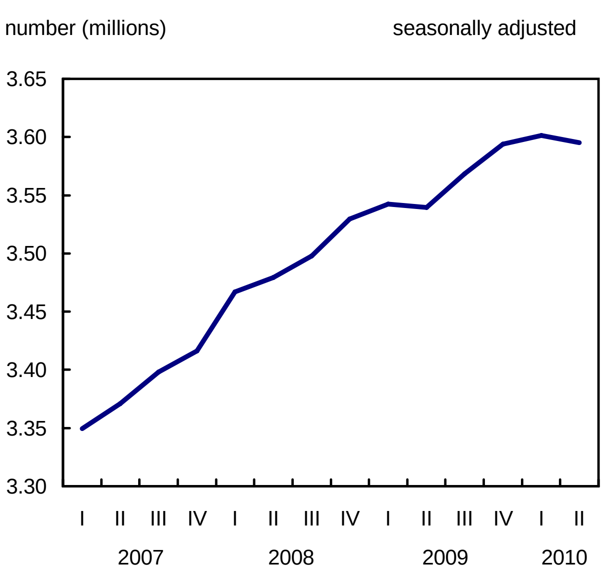
Federal general government employment edged down 0.1%, while employment remained unchanged in the health and social service institutions.

Employment rose by 0.7% in universities and colleges, and by 0.6% in local general government sectors. These increases continued an upward trend.

Public sector employees represented 20.3% of total employment in Canada in the second quarter, down from 20.5% in the first quarter. This decline was attributable to growth in private sector employment during this period. It was the second consecutive quarterly decrease, reversing an upward trend that started in 2007.

Between the second quarter of 2009 and second quarter of 2010, total public sector wages and salaries rose 0.3%.

Public sector employment



Note: The public sector includes all economic entities controlled by government, and comprises four major components: the three levels of government (federal, provincial and territorial and local) and each has a general government component comprising ministries, departments, agencies and non-autonomous funds, autonomous funds and organizations, and non-autonomous pension plans; provincial and territorial government also includes universities and colleges, and health and social service institutions; local government also includes school boards; and, the fourth component government business enterprises, which are institutional units controlled by government but that operate on an autonomous basis as commercial corporations in the marketplace.

Available on CANSIM: tables 183-0002 and 183-0004.

Definitions, data sources and methods: survey number 1713.

For a more detailed description of how public sector employment is defined and reconciled with other information sources, refer to the document entitled *Reconciliation of Public Sector Employment Estimates from Multiple Information Sources* by clicking on survey number 1713.

Available on CANSIM: tables 183-0021 and 183-0022.

Data tables on public sector employment are also available in the *National economic accounts* module of our website.

For more information, or to order data, contact Client Services (613-951-0767; *pssd-info-dssp@statcan.gc.ca*). To enquire about the concepts, methods or data quality of this release, contact Alain Baril (613-951-4131; *alain.baril@statcan.gc.ca*), Public Sector Statistics Division.

Public sector employment

	First quarter 2010	Second quarter 2010	First quarter to second quarter 2010
	Seasonally adjusted		
	thousands		% change
Public sector	**3,601**	**3,595**	**-0.2**
General government	1,385	1,385	0.0
Federal	421	421	-0.1
Provincial and territorial	359	356	-0.9
Local	604	608	0.6
Educational institutions	1,061	1,061	0.1
Universities and colleges[1]	383	386	0.7
School boards	677	675	-0.3
Health and social service institutions	839	839	0.0
Government business enterprises	314	313	-0.2

1. *Includes vocational and trade institutions.*

Note: *Numbers may not add up due to rounding.*

■

Food services and drinking places

June 2010 (preliminary)

Sales for the food services and drinking places industry increased 0.3% from May to $4.1 billion in current dollars in June. During the same period, the price of food purchased in restaurants increased 0.2%, as measured by the Consumer Price Index.

In June, three of the industry's four sectors posted higher sales. The largest increase occurred in the special food services sector (+2.3%), which includes food service contractors, caterers and mobile food services.

Similarly, sales increased by 0.7% at limited-service restaurants and by 1.5% in drinking places.

Full-service restaurants (-0.7%) was the only sector to post a decline.

Provincially, six provinces recorded higher sales, with the largest increase in Saskatchewan (+1.4%).

Note: All data in this release are seasonally adjusted and expressed in current dollars.

Seasonally adjusted data are revised for the three previous months. Data are also revised annually. Revisions to improve data quality and coherence are based on information not available at the time of the initial data. Caution should be exercised when comparing recent data that have not yet undergone an annual revision with older data (prior to April 2009) that have been revised.

Available on CANSIM: table 355-0006.

Definitions, data sources and methods: survey number 2419.

For more information, or to obtain data, contact Client Services (toll-free 1-877-801-3282; 613-951-4612; *servicesind@statcan.gc.ca*). To enquire about the concepts, methods or data quality of this release, contact Pierre Felx (613-951-0075), Service Industries Division.

Food services and drinking places

	June 2009	March 2010r	April 2010r	May 2010r	June 2010p	May to June 2010
	Seasonally adjusted					
	$ thousands					% change
Total, food services sales	**3,979,526**	**4,106,626**	**4,082,233**	**4,093,343**	**4,104,564**	**0.3**
Full-service restaurants	1,742,140	1,782,606	1,766,090	1,780,381	1,768,169	-0.7
Limited-service eating places	1,709,490	1,777,269	1,780,347	1,772,271	1,784,848	0.7
Special food services	311,558	335,034	325,636	331,155	338,894	2.3
Drinking places	216,338	211,717	210,160	209,536	212,653	1.5
Provinces and territories						
Newfoundland and Labrador	48,700	51,657	52,019	51,130	51,813	1.3
Prince Edward Island	14,126	14,685	14,851	14,333	14,330	-0.0
Nova Scotia	104,138	106,816	107,305	105,110	106,394	1.2
New Brunswick	79,064	82,300	81,325	82,378	82,183	-0.2
Quebec	793,316	826,729	819,476	810,351	797,065	-1.6
Ontario	1,488,021	1,541,630	1,546,839	1,551,797	1,569,529	1.1
Manitoba	120,846	121,950	121,298	121,358	121,780	0.3
Saskatchewan	115,469	118,111	116,115	118,707	120,317	1.4
Alberta	552,591	565,899	557,324	569,294	573,472	0.7
British Columbia	650,979	663,908	652,001	655,722	653,827	-0.3
Yukon	3,987	4,359	4,343	4,255	F	F
Northwest Territories	6,882	7,211	7,778	7,446	F	F
Nunavut	1,407	1,371	1,559	1,462	F	F

r *revised*
p *preliminary*
F *too unreliable to be published*
Note: *Figures may not add up to totals due to rounding.*

■

Commercial Software Price Index
July 2010

The Commercial Software Price Index (CSPI) decreased by 1.2% in July from the previous month.

Year over year, the CSPI decreased by 4.5%.

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 release presents data that are not seasonally adjusted and the indexes published are subject to a six month revision period after dissemination of a given month's data.

This index is available at the Canada level only.

Available on CANSIM: table 331-0003.

Definitions, data sources and methods: survey number 5068.

The commercial software price indexes for August will be released on September 24.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-888-951-4550; 613-951-4550; fax: 613-951-3117; *ppd-info-dpp@statcan.gc.ca*), Producer Prices Division. ■

Computer and peripherals price indexes
July 2010

From June to July, the price index for commercial computers decreased 1.5% and the index for consumer computers decreased 1.3%.

In the case of computer peripherals, monitor prices decreased 1.1% in July compared with the previous month, while printer prices increased 5.1%.

Note: The computer and peripherals price indexes are monthly series measuring changes over time in the price of computers and computer peripherals sold to governments, businesses and consumers. This release presents data that are not seasonally adjusted and the indexes published are subject to a six month revision period after dissemination of a given month's data.

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.

The computer and peripherals price indexes for August will be released on September 24.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-4550; toll-free 1-888-951-4550; fax: 613-951-3117; *ppd-info-dpp@statcan.gc.ca*), Producer Prices Division. ■

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