Non-Residential Fixed Assets 2007 Revision

November 21, 2007

This release of 2007 Fixed Assets includes not only the normal update of an additional year of data along with the standard revisions to the most recent years but also a significant change to the level at which the perpetual inventory method (PIM) is applied.

The PIM generates an estimate of the capital stock by accumulating past purchases of assets taking account of asset lives and depreciation. In essence the PIM adds each year's gross investment (gross fixed capital formation) to the capital stock of the previous year. The PIM requires: information on the value of investment, price indexes for capital goods, mean service lives, and depreciation profiles.

The application of the PIM methodology employed in the capital stock estimates for this release is the same as previously but changes have been made to the level at which the PIM has been applied for the calculation of the Canada by industry stocks and depreciation. Where as previously the PIM was carried out at the asset level of detail at Canada level, it is now calculated at the provincial asset level detail. Prior to this release, the provincial dimension of the data was developed at the component level (Building Construction, Engineering Construction, Machinery and Equipment) and benchmarked to the national level.

Investment

Only the data from 2001 forward have been affected by standard revisions to the current dollar investment series. There have not been any changes to the way current dollar investment series are developed and revised. The year 2007 has been added and revisions to the years 2001-2006 have been incorporated.

Price Indexes

Price indexes have been converted from a 1997 reference year to 2002 reference year. Constant dollar values and chained dollar values will be expressed in terms of 2002 prices. These changes will affect data from 1955 to date.