



Infomat

A Weekly Review

Friday, July 26, 1996

OVERVIEW

◆ Foreign investment in Canadian securities flat

In May, foreign investors bought a record amount of Canadian stocks and sold similar a quantity of money market paper, leaving net foreign investment flat.

◆ Inflation remains stable

In June, the CPI rose 1.4%, slightly lower than May's increase.

◆ Construction and exports boost composite index

In June, the leading indicator continued to grow steadily as final demand, led by construction and exports, picked up.

◆ Retail sales unchanged

In May, retail sales were virtually unchanged for a fourth consecutive month.

◆ Wholesale trade continues to increase

In May, sales by wholesalers rose for the fifth straight month. May's increase reflected similar advances in exports and manufacturing.

◆ Median income in 1994 up from year before

Canada's taxfilers reported a median total income of \$18,500 in 1994, up 2.5% from the year before. The increase for women well outpaced that for men.

Foreign investment in Canadian securities flat

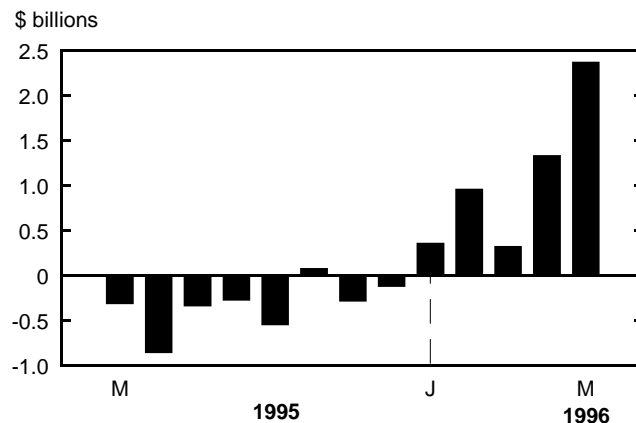
In May, foreign investors bought a record amount of Canadian stocks (\$2.4 billion) and sold off a similar quantity of money market paper. This left foreign investment flat, following three months of net purchases totalling over \$8 billion. Meanwhile, Canadian investors sold off a small amount of foreign securities after accumulating approximately \$5.5 billion in the first four months of 1996.

So far this year, foreign investors, mainly from the United States, have accumulated more than \$5 billion of Canadian stocks. In fact, foreign trading in Canadian stocks (sales and purchases) has averaged over \$10 billion per month from January to May 1996, well ahead of the \$7 billion monthly average of the previous two years. This increase in activity coincided with a year-to-date gain in Canadian share prices of 11.3% (as measured by the TSE 300 index).

In the Canadian money market, foreigners redeemed Government of Canada treasury bills for the second straight month. This brought their disinvestment of short-term paper during April and May to nearly \$4 billion. Conversely, in February and March they had acquired almost \$7 billion. May's \$2.5 billion disinvestment coincided with the short-term interest rate differential, which, for the second month in a row, favoured investment in the United States over Canada.

(continued on page 2)

Foreign investment in Canadian stocks



... Foreign investment in Canadian securities flat

Canadians sold \$0.7 billion of foreign bonds (mostly U.S. government bonds) and bought the same amount of overseas stocks in May. For more than a year, Canadian investors, led by pension and mutual funds, have directed some 80% of their equity investment to overseas stocks, with only 20% going to U.S. equities.

Available on CANSIM: matrix 2330.

The May 1996 issue of *Canada's international transactions in securities* (67-002-XPB, \$17/\$170) will be available in August. For further information, contact Don Granger (613-951-1864), Balance of Payments Division.

Inflation remains stable

In June, consumers paid 1.4% more for the goods and services measured by the Consumer price index (CPI) than they did a year earlier. This rate, the same as in March and April, was slightly lower than May's 1.5% rise.

Price increases were greatest for new vehicles, gasoline, meat (other than beef), telephone services, residential rents and restaurant meals. Prices fell for mortgage interest expenses, new houses, fresh vegetables, beef and clothing.

Between May and June, the cost of goods and services fell 0.1%, mainly due to lower charges for transportation, and clothing and footwear. Higher food prices offset some of the drop.

After rising 14.3% between February and May, gasoline prices declined 2.9% in June. Crude petroleum prices, which increased 28.2% between February and April before retreating in May, were a major factor behind these changes.

The Consumer price index, June 1996
% change, previous year*

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	1.4	1.2	2.2	-0.1	3.6
Newfoundland	1.3	2.7	0.1	0.2	2.9
Prince Edward Island	2.3	2.8	0.9	1.0	3.2
Nova Scotia	1.8	0.4	4.3	1.9	2.7
New Brunswick	0.8	-1.4	1.3	1.3	1.6
Quebec	1.6	2.0	4.9	0.9	3.6
Ontario	1.2	0.5	0.2	-0.3	3.7
Manitoba	1.9	1.2	-0.2	0.5	4.8
Saskatchewan	1.5	1.0	2.7	2.4	2.4
Alberta	2.1	2.3	3.1	1.2	3.6
British Columbia	1.0	1.3	3.6	-2.3	3.6
Whitehorse	1.9	2.1	3.3	-0.2	4.3
Yellowknife	1.3	0.7	4.2	0.0	4.8

* Data are not seasonally adjusted.

Air fares fell 3.9% in June, while the auto insurance index dropped 1.0% due to premium reductions in British Columbia. Toronto bus and subway prices rose, and travel by ferry and train also became more expensive.

Prices fell for nearly all types of clothing. Sale prices were partly the result of the late arrival of warm weather, which discouraged sales of summer wear. Shelter charges decreased 0.1%, due entirely to owner-accommodation expenses: mortgage interest costs dropped for a seventh straight month (-0.2%), while homeowners' maintenance and repair costs fell for the first time in five months (-1.1%).

Food prices rose 0.6%, mainly due to higher prices for fresh fruit, fresh vegetables, and pork. For fresh vegetables, seasonally higher prices for potatoes, and much higher prices for lettuce were partly offset by a large drop in tomato prices. Furniture and kitchen utensil prices also increased.

Across Canada, annual increases in provincial CPIs ranged from 0.8% in New Brunswick to 2.3% in Prince Edward Island. New Brunswick's rate was kept low by significant drops in the prices of food from stores, gasoline, alcoholic beverages and tobacco products; Prince Edward Island experienced larger-than-average changes in the prices of food from stores, new houses, clothing, and personal care items.

Between May and June, price changes ranged from a 0.5% decline in New Brunswick (due to widespread price drops) to a 0.5% increase in Prince Edward Island (due to an unusually large increase in the food index, and price rises for gasoline, vehicle rentals and ferry fares).

Available on CANSIM: matrices 7440-7454, 7477 and 7478.

The June 1996 issue of *The consumer price index* (62-001-XPB, \$10/\$100) is now available. For further information, contact Sandra Shadlock (613-951-9606; fax: 613-951-2848), Prices Division. (See also "Current trends" on page 6.)

Construction and exports boost composite index

The leading indicator maintained its steady growth observed since the beginning of the year, rising 0.5% in June. Final demand, led by construction and exports, continued to pick up, as spending on durable goods remained weak. Six of the 10 components increased — one less than in May — while two were unchanged.

The housing index continued to expand rapidly (+2.4%), remaining the main source of growth in household demand. Housing starts increased for the second straight month, rising to

their highest level in 17 months. Conversely, house sales levelled off, outlays for housing-related goods dipped, and sales of other durable goods rose only marginally. The chances of some weakness persisting were increased by June's sharp drop in employment.

Activity in the manufacturing sector remained low as prices for some key resources, such as paper and metal products, fell. The trend for new orders of durable goods was slightly negative, while the shipments-to-inventories ratio of finished goods was flat for the second straight month. Investment-related industries continued to do well, however, as non-residential building grew sharply in the first half of the year. Services employment increased steadily, led by demand by firms.

(continued on page 3)

Retail and wholesale trade, May 1996

Seasonally adjusted

	Retail sales		Wholesale sales	
	\$ million	% change, previous month	\$ millions	% change, previous month
Canada	17,800	0.0	21,108	1.5
Newfoundland	286	-0.8	188	-13.0
Prince Edward Island	81	0.0	47	-0.5
Nova Scotia	557	1.4	491	-8.3
New Brunswick	447	-0.4	304	-0.6
Quebec	4,197	1.0	4,693	0.7
Ontario	6,464	-0.6	9,048	2.0
Manitoba	648	1.9	737	-1.8
Saskatchewan	580	-0.3	713	11.6
Alberta	1,900	-0.2	2,050	3.1
British Columbia	2,593	-0.6	2,810	1.7
Yukon	23	0.2	13	1.1
Northwest Territories	40	-2.0	14	-5.4

In May, wholesalers' inventories fell 0.6% to \$31.3 billion. Except for March, inventory levels have fallen in every month since January. Because the growth in sales outpaced the growth in inventories, the stocks-to-sales ratio fell for a fifth straight month, to 1.48, its lowest level since March 1995.

Available on CANSIM: matrices 59, 61, 648 and 649.

The May 1996 issue of **Wholesale trade** (63-008, \$18/\$180) will be available shortly. For further information, contact Catherine Mamay (613-951-9683), Industry Division.

Median income in 1994 up from year before

Canada's taxfilers reported a median total income of \$18,500 in 1994, up 2.5% from the year before. In 1994 dollars, median total income increased by \$459.

The increase for women well outpaced that for men. The national median income for women reached \$14,200, up \$569 (+4%), while the level for men hit \$24,900, a 1% rise (\$243). The national median total income of women was 57% that of men, which was up slightly from 55% in 1993. The gap between men and women was the smallest in the Yukon, where women's median total income was 68% that of men's. Prince Edward Island reported the smallest provincial gap. Alberta was the province with the largest median total income gap between men and women, replacing Nova Scotia from 1993. In Alberta, women's median total income was 53% of that reported by men.

The overall median total income rose in every province and territory except the Yukon, where it dropped by \$53. Even so, taxfilers in the Yukon still reported the nation's highest median income at \$22,900, followed closely by the Northwest Territories at \$22,700. Median total income in Newfoundland rose \$268 from 1993, but the province's taxfilers still reported the nation's lowest level at \$14,000.

Note to readers

Neighbourhood income and demographics data for 1994 were obtained from income tax returns filed in the spring of 1995.

The definition of total income includes: employment income, investment income, transfer payments, RRSP income and other income.

Taxfilers in Ontario, Alberta, British Columbia and the territories had higher median total incomes than the national level, positions they have consistently held over the past years. Ontario registered a median total income of \$20,400 (+2.3%), highest among the provinces. Ontario again reported the highest provincial median incomes for both men and women.

Of the five major component of total income, employment income is the largest portion in every province and territory, usually two-thirds or more of total income. In 1994, 72% of the nation's total income came from employment, virtually unchanged from 1993. Transfer payment from governments, though substantially lower, came next at 19%.

For further information, contact Client Services (613-951-9720; fax: 613-951-4745; the Internet: saadinfo@statcan.ca), Small Area and Administrative Data Division.

New from Statistics Canada

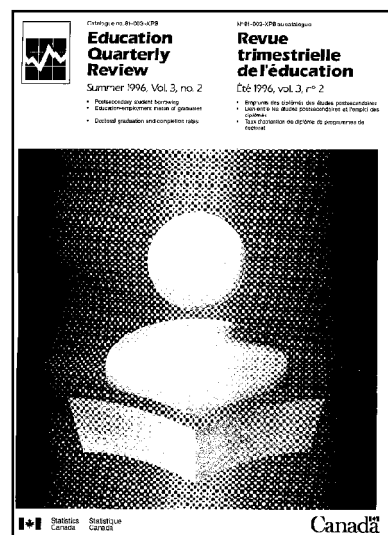
Neighbourhood income and demographics

1994

National data on income and age are now available. Produced annually, these data are a unique source of information for small areas and are ideal for supporting market analyses and policy decisions. The data are available for provinces and territories, cities, towns, census metropolitan areas, census agglomerations, census divisions, as well as forward sortation areas (the first three characters of postal codes) and letter carrier walks (groupings of postal codes). Data were obtained from income tax returns filed in the spring of 1995.

The census metropolitan area of Toronto had a median total income of \$20,600, with amounts ranging from \$12,600 for the M5T forward sortation area to \$41,100 for the North York portion of M4N. The forward sortation areas in the Montreal census metropolitan area (median total income \$17,800) ranged from \$10,800 in H3N to \$35,100 in H3E. The census metropolitan area of Vancouver had a median total income of \$19,900, ranging from \$10,400 in V6A to \$29,700 in V7G.

For further information on this release, please contact Client Services (613-951-9720; fax: 613-951-4745; the Internet: saadinfo@statcan.ca), Small Area and Administrative Data Division.



Education quarterly review

Summer 1996

The summer 1996 issue of *Education quarterly review* presents articles on the following issues: postsecondary student borrowing, education-employment match of graduates, and doctoral graduation and completion rates.

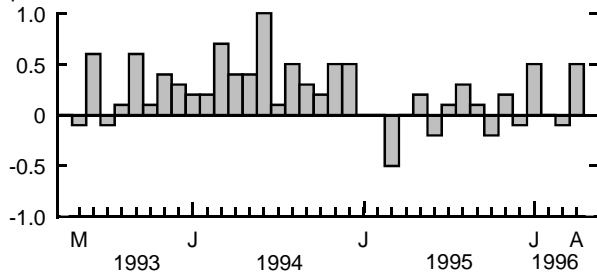
Additional information offered in each issue of *Education quarterly review* includes an insight into education surveys — their variables and potential for research — as well as a series of social, economic and education indicators for Canada, the provinces and territories, and the G-7 countries.

*The summer 1996 issue of **Education quarterly review** (81-003-XPB, \$20/\$66) is now available. For further information, contact Jim Seidle (613-951-1500; fax: 613-951-9040; Internet: seidjim@statcan.ca), Education, Culture and Tourism Division.*

Current trends

Gross domestic product

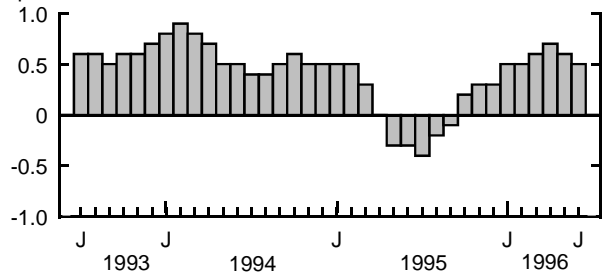
% change,
previous month



Real gross domestic product at factor cost rose 0.5% in April.

Composite index

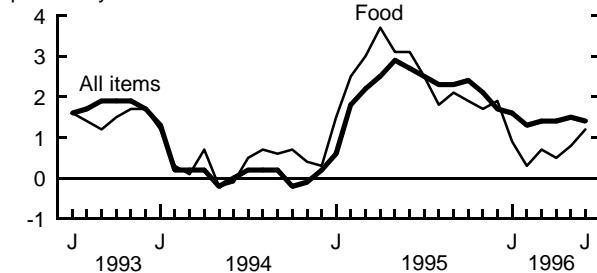
% change,
previous month



The composite index grew by 0.5% between May and June.

Consumer price index

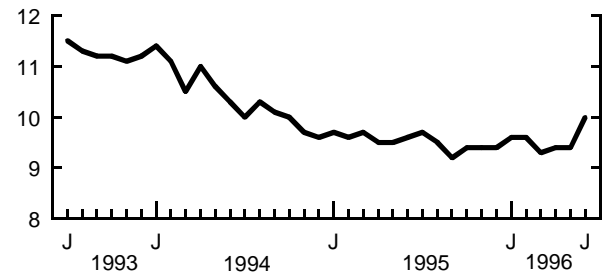
% change,
previous year



Consumers paid 1.4% more for goods and services in June 1996 than the year before. Food prices rose by 1.2%.

Unemployment rate

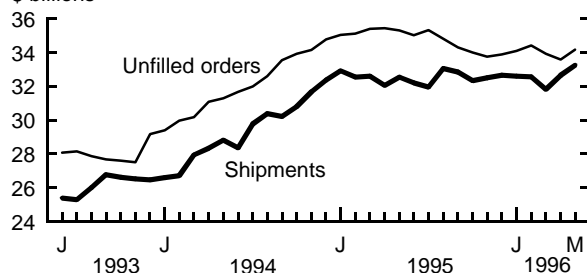
%



In June, the unemployment rate rose to 10.0%.

Manufacturing

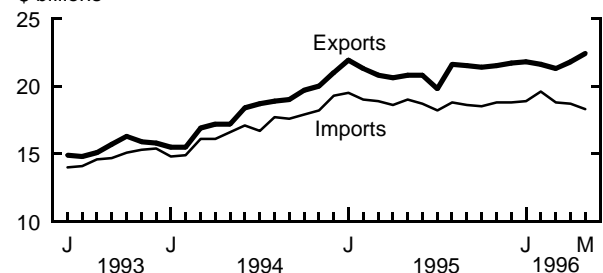
\$ billions



Manufacturers' shipments rose 1.8% in May to \$33.2 billion. The level of unfilled orders rose 1.7% to \$34.2 billion.

Merchandise trade

\$ billions



In May, the value of merchandise exports rose 2.9% from April to \$22.4 billion. Imports declined by 2.1% to \$18.3 billion.

Note: All series are seasonally adjusted except the consumer price index.

Latest monthly statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billion, 1986)	April	548.1	0.5%	1.3%
Composite index (1981=100)	June*	178.4	0.5%	3.4%
Operating profits of enterprises (\$ billion)	1st quarter	21.6	-7.5%	-7.2%
Capacity utilization (%)	1st quarter	82.8	-0.1†	-3.0†
DOMESTIC DEMAND				
Retail trade (\$ billion)	May*	17.8	0.0%	1.1%
New motor vehicle sales ('000 units)	May	97.0	8.2%	2.3%
LABOUR				
Employment (millions)	June	13.6	-0.4%	0.9%
Unemployment rate (%)	June	10.0	0.6†	0.4†
Participation rate (%)	June	64.8	0.0†	-0.1†
Labour income (\$ billion)	April	35.3	0.3%	2.5%
Average weekly earnings (\$)	April	575.48	-0.2%	1.3%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	May	22.4	2.9%	7.9%
Merchandise imports (\$ billion)	May	18.3	-2.1%	-3.8%
Merchandise trade balance (all figures in \$ billion)	May	4.1	1.0	2.4
MANUFACTURING				
Shipments (\$ billion)	May	33.2	1.8%	2.1%
New orders (\$ billion)	May	33.8	4.6%	4.4%
Unfilled orders (\$ billion)	May	34.2	1.7%	-3.2%
Inventory/shipments ratio	May	1.36	-0.03	0.00
PRICES				
Consumer price index (1986=100)	June*	135.6	-0.1%	1.4%
Industrial product price index (1986=100)	May	129.5	0.5%	0.9%
Raw materials price index (1986=100)	May	137.9	-0.9%	3.4%
New housing price index (1986=100)	May	131.5	-0.1%	-2.5%

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

* new this week

† percentage point

Infomat

A weekly review

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Publications released from July 19 to 25, 1996

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
BALANCE OF PAYMENTS					
Canada's balance of international payments	1st quarter 1996	67-001-XPB	36/120	44/144	51/168
EDUCATION, CULTURE AND TOURISM					
Education quarterly review	Summer 1996	81-003-XPB	20/66	24/80	28/93
Touriscope: international travel, advance information	May 1996	66-001-PPB	7/70	9/84	10/98
HOUSEHOLD SURVEYS					
The labour force	June 1996	71-001-XPB	23/230	28/276	33/322
INDUSTRY					
Crude petroleum and natural gas production	April 1996	26-006-XPB	18/180	22/216	26/252
Mineral wool including fibrous glass insulation	June 1996	44-004-XPB	6/60	8/72	9/84
Monthly survey of manufacturing	May 1996	31-001-XPB	19/190	23/228	27/266
Primary iron and steel	May 1996	41-001-XPB	6/60	8/72	9/84
Production and disposition of tobacco products	June 1996	32-022-XPB	6/60	8/72	9/84
INTERNATIONAL TRADE					
Canadian international merchandise trade	May 1996	65-001-XPB	19/182	22/219	26/255
Exports, merchandise trade					
microfiche version	1995	65-202-XMB	100	120	140
paper version	1995	65-202-XPB	250	300	350
Imports by commodity					
microfiche version	May 1996	65-007-XMB	35/350	42/420	49/490
paper version	May 1996	65-007-XPB	75/750	90/900	105/1,050
NATIONAL ACCOUNTS AND ENVIRONMENT					
National economic and financial accounts, quarterly estimates	1st quarter 1996	13-001-XPB	42/140	51/168	59/196

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Key release calendar: AUGUST 1996

Monday	Tuesday	Wednesday	Thursday	Friday
			1 Business conditions survey: Canadian manufacturing industries, July 1996	2 Farm input price index, Second quarter 1996
5	6 Building permits, June 1996	7	8 Help-wanted index, July 1996	9 Labour force index, July 1996 New housing price index, June 1996
12	13 New motor vehicle sales, June 1996	14 Families, 1994	15	16 Consumer price index, July 1996 Travel between Canada and other countries, June 1996
19 Monthly survey of manufacturing, June 1996 Livestock statistics, 1996	20 Canadian international merchandise trade, June 1996	21 Composite index, July 1996 Farm cash receipts, Second quarter 1996	22 Quarterly financial statistics for enterprises, Second quarter 1996 Canada's international transactions in securities, June 1996 Retail trade, June 1996	23 Wholesale trade, June 1996
26 Field crop reporting series: July 31 crop production estimates	27 Characteristics of international travellers, First quarter 1996 Seniors, 1994	28 Industrial product price index, July 1996 Raw materials price index, July 1996	29 Employment, earnings and hours, June 1996 International travel account, Second quarter 1996	30 National economic and financial accounts, Second quarter 1996 Balance of international payments, Second quarter 1996 Real gross domestic product at factor cost by industry, June 1996

* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may change.