



The Daily

Statistics Canada

Thursday, June 19, 1997

For release at 8:30 a.m.

MAJOR RELEASES

- **Retail trade, April 1997**
Retailers rang up sales as consumers returned to stores in April. Retail sales advanced 1.1% to \$19.1 billion.

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- **Canadian international merchandise trade, April 1997**
Following two months of flat growth, imports surged ahead 4.3% in April to a record \$22.9 billion. Exports remained steady at \$24.6 billion.

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OTHER RELEASES

- Export and import price indexes, April 1997

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- Steel primary forms, week ending June 14, 1997

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- Average prices of selected farm inputs, May 1997

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- Average prices of selected farm inputs, June 1997

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PUBLICATIONS RELEASED

Canadian economic observer

June 1997

The June issue of Statistics Canada's flagship publication for economic statistics, *Canadian economic observer*, analyses the current economic conditions, summarizes the major economic events that occurred in May, and features an article on provincial trends in gross domestic product. A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The June 1997 issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) is now available. See *How to order publications*. For further information, contact Cyndi Bloskie (613-951-3634; Internet: ceo@statcan.ca), Current Economic Analysis Group.



MAJOR RELEASES

Retail trade

April 1997

After a pause in March, consumers returned to stores in April. Retail sales advanced 1.1% to \$19.1 billion. This increase offset the 0.8% decline retailers recorded in March. Retail sales were 7.2% higher in April 1997 compared with the same month in 1996. The strong gain posted by retailers in the past seven months follows two years of weak growth.

The advances in retail sales since the fall of 1996 have been built on factors other than income growth. The extended period of low interest rates may have the dual effect of reducing the financing costs of big-ticket items and dampening the enticement of households to save. Savings rates declined to 1.7% in the first quarter of 1997. This is the lowest rate of household savings since 1947, the date for which savings rates were first calculated. Consumer credit has risen to \$132.6 billion in March 1997, which is 5.3% greater than the level observed in September 1996. Meanwhile, growth in disposable income has remained modest.

Auto sector drives ahead

In terms of dollar sales, the monthly increase in retail sales was strongest in the automotive sector (+2.0% or a \$141 million increase). Over three-quarters of the advances in this sector were due to increasing sales by motor and recreational vehicle dealers (+2.3%). Automotive parts, accessories and service stores (+2.3%) and gasoline service stations (+0.6%) both reported higher sales in April. The automotive sector has generally been growing since the spring of 1995 and has accounted for most of the sales growth at the end of 1996.

Most other sectors see improvements

Five of the remaining six retail sectors posted increases in April. Advances were also strong in stores classified as other retail (+3.5%), followed by drug stores (+1.3%), clothing stores (+0.8%), general merchandise stores (+0.3%) and furniture stores (+0.5%).

Of the stores that are classified as "other retail", the "other semi-durable" and the "other durable goods" groups posted the strongest gains. Sales by the "other semi-durable" group, which includes book stores, florist shops, hardware stores, toy stores and gift shops, rose by 4.7%. Sales by the "other durable

Note to readers

The federal Goods and Services Tax (GST), provincial sales taxes (PST) and the Harmonized Sales Tax (HST) are not included in retail sales estimates.

The Harmonized Sales Tax was implemented in Newfoundland, Nova Scotia and New Brunswick on April 1, 1997. This may have had an effect on the timing of consumer purchases as some commodities that were PST exempt are now taxed. There is an offsetting effect as other commodities are subject to a smaller HST than the combined GST and PST.

goods" group of stores, which includes sporting goods, bicycles, records, jewellery, watches and cameras shops, advanced by 6.3%. As the composition of the "other retail" sector is heterogeneous, monthly sales by this group are generally erratic, with the April increase following a 2.1% drop in March.

Only food stores recorded a decline in sales in April (-0.7%). Consumers spent less in supermarkets and grocery stores (-0.5%) and in other more specialized food stores (-3.1%). However, sales by food retailers have generally been increasing since March 1996 after a decline observed from early 1995.

In other sectors, sales by drugstores have generally been rising after a period of decline from May 1996 until August 1996. Sales by clothing stores have been rising since January 1996. Advances in the furniture sector have generally been strong since the spring of 1996.

Sales decline in Manitoba

Retail sales in Manitoba fell by 4.3% in April. This contrasts with the fairly healthy pattern of growth observed in this province from the spring of 1996. Excluding Manitoba, total retail sales grew by 1.3% in April.

Several other provinces experienced declines in retail sales in April, but none were of the magnitude reported by Manitoba.

Related indicators of May sales

The number of employees in retail trade decreased by 0.5% in May. Total employment increased 0.4% in May. The number of housing starts in May rose by 4.6% from the same period in 1996. Retail trade in the United States decreased 0.1% in May.

Available on CANSIM: matrices 2299, 2398-2417 and 2420.

The April 1997 issue of *Retail trade* (63-005-XPB, \$21/\$206) will be available shortly. See *How to order publications*.

For further information on this release, contact Louise Généreux (613-951-3549). For analytical information, contact Greg Peterson (613-951-3592), Retail Trade Section, Distributive Trades Division.

Retail sales

	April 1996	March 1997 ^r	April 1997 ^p	April 1996 to April 1997
	Unadjusted			
	\$ millions			% change
Food	4,227	4,518	4,440	5.0
Supermarkets and grocery stores	3,879	4,182	4,112	6.0
All other food stores	348	336	329	-5.5
Drug and patent medicine stores	1,000	1,006	1,020	2.0
Clothing	947	877	994	5.0
Shoe stores	134	101	138	3.4
Men's clothing stores	107	99	114	6.9
Women's clothing stores	302	283	336	11.1
Other clothing stores	404	394	406	0.5
Furniture	775	838	870	12.2
Household furniture and appliance stores	604	650	668	10.5
Household furnishings stores	171	188	202	18.1
Automotive	7,144	6,607	8,229	15.2
Motor vehicle and recreational vehicle dealers	4,883	4,366	5,751	17.8
Gasoline service stations	1,290	1,292	1,300	0.7
Automotive parts, accessories and services	971	949	1,178	21.3
General merchandise stores	1,752	1,803	1,902	8.6
Retail stores not elsewhere classified	1,681	1,597	1,783	6.0
Other semi-durable goods stores	502	492	583	16.3
Other durable goods stores	396	357	424	7.0
All other retail stores not elsewhere classified	783	749	775	-1.0
Total, retail sales	17,527	17,245	19,239	9.8
Total excluding motor vehicle and recreational vehicle dealers	12,644	12,879	13,488	6.7
Department store type merchandise	5,372	5,372	5,795	7.9
Provinces and territories				
Newfoundland	283	271	297	4.8
Prince Edward Island	73	72	77	5.9
Nova Scotia	541	530	575	6.4
New Brunswick	433	385	468	8.1
Quebec	4,256	4,087	4,799	12.8
Ontario	6,298	6,151	6,859	8.9
Manitoba	623	632	661	6.1
Saskatchewan	572	570	649	13.6
Alberta	1,871	1,957	2,107	12.6
British Columbia	2,513	2,527	2,679	6.6
Yukon	23	21	24	2.8
Northwest Territories	40	41	43	6.1

^p Preliminary figures.

^r Revised figures.

Retail sales

	April 1996	Jan. 1997 ^r	Feb. 1997 ^r	March 1997 ^r	April 1997 ^p	March 1997 to April 1997	April 1996 to April 1997
Seasonally adjusted							
	\$ millions					% change	
Food	4,417	4,664	4,679	4,656	4,623	-0.7	4.7
Supermarkets and grocery stores	4,066	4,306	4,316	4,311	4,289	-0.5	5.5
All other food stores	352	358	364	345	334	-3.1	-4.9
Drug and patent medicine stores	1,035	1,068	1,068	1,045	1,058	1.3	2.2
Clothing	1,044	1,088	1,101	1,081	1,090	0.8	4.4
Shoe stores	139	150	145	129	144	11.5	3.7
Men's clothing stores	124	128	131	133	131	-1.2	5.6
Women's clothing stores	330	350	358	353	360	1.8	9.1
Other clothing stores	451	460	466	466	455	-2.3	0.9
Furniture	852	945	961	949	954	0.5	12.0
Household furniture and appliance stores	667	735	747	735	739	0.6	10.9
Household furnishings stores	186	210	214	214	215	0.4	15.8
Automotive	6,629	7,070	7,164	7,122	7,263	2.0	9.6
Motor vehicle and recreational vehicle dealers	4,267	4,576	4,609	4,612	4,719	2.3	10.6
Gasoline service stations	1,383	1,399	1,393	1,380	1,388	0.6	0.4
Automotive parts, accessories and services	979	1,095	1,162	1,129	1,155	2.3	18.0
General merchandise stores	1,939	2,036	2,090	2,101	2,106	0.3	8.6
Retail stores not elsewhere classified	1,911	2,002	1,996	1,954	2,022	3.5	5.8
Other semi-durable goods stores	568	666	670	638	668	4.7	17.6
Other durable goods stores	455	459	462	453	482	6.3	5.9
All other retail stores not elsewhere classified	889	877	864	863	872	1.1	-1.9
Total, retail sales	17,828	18,874	19,060	18,907	19,117	1.1	7.2
Total excluding motor vehicle and recreational vehicle dealers	13,561	14,298	14,451	14,294	14,398	0.7	6.2
Department store type merchandise	5,893	6,263	6,352	6,267	6,359	1.5	7.9
Provinces and territories							
Newfoundland	288	295	293	298	297	-0.4	2.8
Prince Edward Island	79	81	81	83	83	0.0	5.7
Nova Scotia	552	580	583	583	583	0.0	5.6
New Brunswick	450	436	439	433	473	9.3	5.1
Quebec	4,192	4,572	4,682	4,473	4,655	4.1	11.1
Ontario	6,493	6,624	6,774	6,862	6,835	-0.4	5.3
Manitoba	641	680	696	693	663	-4.3	3.5
Saskatchewan	587	621	633	618	658	6.5	12.2
Alberta	1888	2,109	2,109	2,109	2,118	0.4	12.2
British Columbia	2,593	2,810	2,701	2,689	2,685	-0.2	3.5
Yukon	24	25	24	25	25	0.7	2.1
Northwest Territories	41	42	44	42	42	0.6	3.6

- Amount too small to be expressed.

^p Preliminary figures.

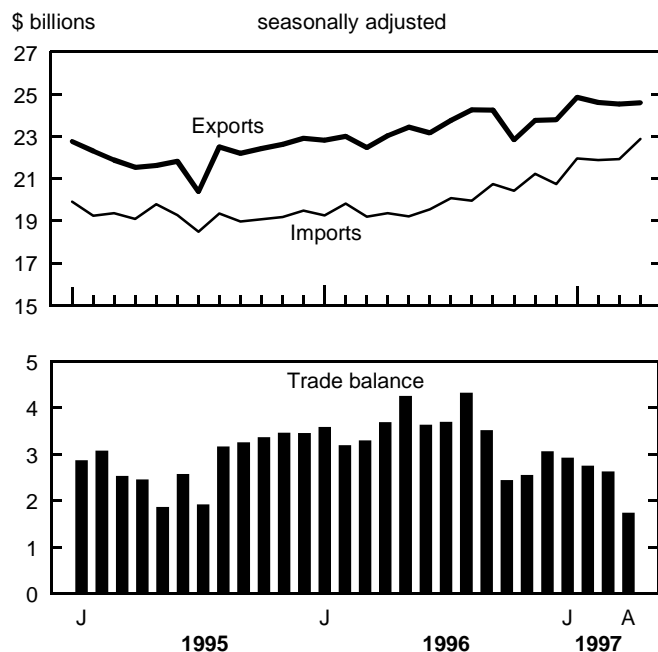
^r Revised figures.

Canadian international merchandise trade

April 1997

Following two months of flat growth, imports surged ahead 4.3% in April to a record \$22.9 billion. All sectors posted gains, with the largest advances recorded in machinery, energy products, and auto parts. Although more goods were imported from all major trading partners except Japan, shipments from the United States contributed the most to the monthly increase.

Surge in imports lowers trade balance



Exports were little changed for a third consecutive month in April (+0.3%), holding steady at \$24.6 billion. Although shipments of machinery edged up, moderately lower exports for most other sectors offset much of the gain. Increased exports to the United States and the European Union were all but overshadowed by reduced shipments to all other trading partners.

Strong import growth combined with steady exports pulled down the trade surplus to \$1.7 billion in April from \$2.6 billion a month earlier. Surpluses with the United States and Japan both declined and deficits increased with all other trading partners.

Note to readers

Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services. In the first quarter of 1997, the overall merchandise trade surplus of 8.2 billion contrasted with a current account deficit of \$1.2 billion.

Machinery and energy boost imports

After surging in January and posting healthy gains in February and March, machinery imports jumped again in April (+5.4%). The increase was composed mainly of industrial machinery — from assembly line equipment to wood processing machines. Accounting for more than a third of all imports in 1997, purchases of machinery and equipment have been on the rise for three consecutive quarters.

Energy imports rebounded in April as crude oil regained two-thirds of the ground lost since January. Increases for both crude oil and refined petroleum reflected growth in prices as well as volumes. Demand for crude oil may show continued strength as oil refiners begin gearing up for the summer driving season.

Imports of automotive products advanced for a second consecutive month in April (+2.3%). Parts imports were behind much of the gain, as automakers bumped up monthly production. Although slightly more trucks were imported in the month, a decline in passenger cars pulled down overall vehicle imports. At the same time, domestic sales of cars and trucks cooled off, after increasing in February and March.

In addition to buying more machinery, manufacturers increased their purchases of industrial goods and materials in April (+2.0%). Imports advanced for 12 of the 17 industrial goods categories — especially flat rolled steel, metal ores, fabricated metal products, and chemicals. The volume of industrial goods imports in April stood 19% above its level of a year earlier, reflecting steady growth in industry demand.

Posting a fourth consecutive increase, consumer imports climbed a further 1.6% in April, as merchants continued to restock shelves with books, clothing and general merchandise primarily from the United States. Meanwhile, agricultural imports grew 2.4%, bolstered mainly by robust beverage imports and rising coffee prices.

Offsetting movements keep exports steady

After slowing slightly in March, machinery exports resumed a modest upward path in April, advancing 1.2%. Gains were widespread, from agricultural

machinery and telecommunications equipment to machinery used in the forestry and mining industries.

Automotive exports were little changed in April (+0.3), as a drop in truck shipments all but offset small increases for passenger cars and auto parts. The reduced flow of truck exports was in part a reflection of lower vehicle sales in the United States.

Exports of energy products slipped another 1.1% in April, dropping to a level 13.2% below the most recent peak in December. A rebound in natural gas prices after a three-month slide was not enough to counter declines for most other energy-related exports. In particular, a third monthly slip for crude oil was central to the overall decline.

Elsewhere in natural resources, declines were recorded for agricultural exports and forestry products. Widespread declines in agricultural products brought the sector down by 2.3%. Wheat shipments were an exception, showing improvement for the first time since the fall of 1996. Despite continued strength in newsprint, forestry sector exports dropped another 2.6% in April, pulled down by lower sales of woodpulp and lumber. Although pulp exports have been trending modestly upward over the past year, high inventories relative to demand are still a problem for the industry.

Revisions

Merchandise trade data are revised on a continuing basis for every month of the current year. Factors that create the need for revisions include: the late receipt of import and export documentation, incorrect information on customs documents, replacement of estimated figures with actual values once available, changes to classification of merchandise based on more current information, and updated seasonal adjustments.

Historical revision to balance-of-payments data: Note that international trade data on a balance-of-payments basis (BoP) have been revised as far back as 1926. In addition to the types of changes noted above, this "historical revision" reflects the new international reporting standards of the International Monetary Fund (as published in the *Balance of Payments Manual, 5th*

edition, United Nations System of National Accounts, 1993).

Revised BoP-based data from 1986 to 1997 are now available.

Available on CANSIM: matrices 3620-3625, 3651, and 3685. (For revised data prior to 1986) matrices 2360-2369.

In contrast to the BoP information, raw customs-based data were only revised back to 1994, in accordance with the usual annual revision policy of International Trade Division; in normal years both customs and BoP-based data are revised for the previous four years with the release of April data. Please note that, on a seasonally adjusted basis, the revisions to customs-based data span the period 1986 to 1997 for consistency reasons.

Revised customs-based data, both raw and seasonally adjusted, are now available.

Available on CANSIM: matrices 3611-3616, 3618, 3619, 3686-3713, 3718-3720 and 3887-3913.

This release contains a summary of the merchandise trade data, which will be available shortly in *Canadian international merchandise trade* (65-001-XPB, \$19/\$188). The publication will include tables by commodity and country on a customs basis. Current account data, which incorporate merchandise trade statistics, services transactions, investment income and transfers, are available on a quarterly basis in *Canada's balance of international payments* (67-001-XPB, \$38/\$124). See *How to order publications*.

For more timely receipt of the merchandise trade data, a fax service is available on the morning of release.

For further information on this release, contact Suzie Carpentier (613-951-9647; 1 800 294-5583), Marketing and Client Services Section, International Trade Division.

Merchandise trade of Canada

	Feb. 1997	Mar. 1997	Apr. 1997	Feb. 1997 to Mar. 1997	Mar. 1997 to Apr. 1997	Jan.- Apr. 1996	Jan.- Apr. 1997	Jan.- Apr. 1996 to Jan.- Apr. 1997	Apr. 1996 to Apr. 1997
Seasonally adjusted, current dollars									
	\$ millions		% change		\$ millions		% change		
Principal trading partners									
Exports									
United States	19,810	19,784	20,007	-0.1	1.1	71,157	79,534	11.8	12.2
Japan	1,172	1,128	1,029	-3.8	-8.8	3,847	4,541	18.0	-4.1
European Union	1,294	1,228	1,349	-5.1	9.9	6,190	5,197	-16.0	-12.3
Other OECD countries ¹	359	426	339	18.7	-20.4	1,950	1,538	-21.1	-36.6
All other countries	1,975	1,963	1,873	-0.6	-4.6	8,173	7,780	-4.8	-8.5
Total	24,610	24,530	24,597	-0.3	0.3	91,317	98,591	8.0	6.8
Imports									
United States	16,684	16,631	17,144	-0.3	3.1	58,693	67,123	14.4	17.2
Japan	660	659	631	-0.2	-4.2	2,379	2,614	9.9	10.9
European Union	1,807	1,968	2,155	8.9	9.5	6,866	7,834	14.1	23.1
Other OECD countries ¹	800	760	923	-5.0	21.4	3,031	3,266	7.8	26.6
All other countries	1,930	1,908	2,027	-1.1	6.2	6,670	7,796	16.9	20.7
Total	21,881	21,926	22,879	0.2	4.3	77,640	88,633	14.2	18.2
Balance									
United States	3,126	3,153	2,863	...	...	12,464	12,411	...	...
Japan	512	469	398	...	...	1,468	1,927	...	...
European Union	-513	-740	-806	...	...	-676	-2,637	...	...
Other OECD countries ¹	-441	-334	-584	...	...	-1,081	-1,728	...	...
All other countries	45	55	-154	...	...	1,503	-16	...	...
Total	2,729	2,604	1,718	...	...	13,677	9,958	...	...
Principal commodity groupings²									
Exports									
Agricultural and fishing products	1,840	1,909	1,866	3.8	-2.3	7,518	7,448	-0.9	-7.1
Energy products	2,811	2,550	2,521	-9.3	-1.1	8,605	10,769	25.1	6.3
Forestry products	3,076	3,053	2,974	-0.7	-2.6	12,053	12,014	-0.3	6.4
Industrial goods and materials	4,124	4,407	4,321	6.9	-2.0	16,230	17,144	5.6	5.4
Machinery and equipment	4,959	4,948	5,005	-0.2	1.2	18,832	19,772	5.0	5.4
Automotive products	5,846	5,688	5,705	-2.7	0.3	20,506	23,487	14.5	9.1
Other consumer goods	727	737	724	1.4	-1.8	2,660	2,899	9.0	6.3
Special transactions trade ³	983	969	1,251	-1.4	29.1	3,657	4,154	13.6	34.4
Imports									
Agricultural and fishing products	1,223	1,240	1,270	1.4	2.4	4,569	4,968	8.7	12.1
Energy products	1,055	763	1,035	-27.7	35.6	2,997	4,013	33.9	27.5
Forestry products	189	191	202	1.1	5.8	616	764	24.0	34.7
Industrial goods and materials	4,287	4,261	4,345	-0.6	2.0	14,741	16,988	15.2	19.5
Machinery and equipment	6,993	7,100	7,483	1.5	5.4	25,385	28,556	12.5	20.7
Automotive products	4,631	4,646	4,751	0.3	2.3	16,428	18,808	14.5	15.1
Other consumer goods	2,317	2,320	2,358	0.1	1.6	8,548	9,261	8.3	10.4
Special transactions trade ³	617	602	605	-2.4	0.5	2,233	2,456	10.0	5.6

... Figures not appropriate or not applicable.

¹ Includes Australia, Iceland, Mexico, New Zealand, Norway, Switzerland and Turkey.

² Figures not adjusted to balance-of-payments basis.

³ Mainly low-valued transactions, value of repairs to equipment and goods returned to country of origin.

OTHER RELEASES

Export and import price indexes

April 1997

Current- and fixed-weighted export and import price indexes (1986=100) on a balance-of-payments basis are now available. Price indexes are listed from January 1986 to April 1997 for the five commodity sections and the major commodity groups (62 exports and 61 imports).

Current- and fixed-weighted U.S. price indexes (1986=100) are also available on a customs basis. Price indexes are listed from January 1986 to April 1997. Included with the U.S. commodity indexes are the 10 all-countries and United States only standard international trade classification (SITC) section indexes.

Indexes for the five commodity sections and the major commodity groups are also now available on a customs basis.

Available on CANSIM: matrices 3611-3616, 3618-3629, 3651 and 3685.

The April 1997 issue of *Canadian international merchandise trade* (65-001-XPB, \$19/\$188) will be available shortly. See *How to order publications*.

For further information on this release, contact Denis Pilon (613-951-4808), Price Index Unit, International Trade Division. ■

Steel primary forms

Week ending June 14, 1997 (preliminary)

Steel primary forms production for the week ending June 14, 1997, totalled 311 932 tonnes, up 3.7% from

the week-earlier 300 828 tonnes and up 21.8% from the year-earlier 256 024 tonnes. The cumulative total at the end of the week was 6 931 242 tonnes, a 4.3% increase compared with 6 643 017 tonnes for the same period in 1996.

For further information on this release, contact Andy Shinnan (613-951-3515; Internet: shinand@statcan.ca), Manufacturing, Construction and Energy Division. ■

Average prices of selected farm inputs

May 1997

Average prices for selected farm inputs for May 1997 are now available by geographic region.

Available on CANSIM: matrices 550-582.

For further information on this release, contact Sandra Shadlock (613-951-9606; fax: 613-951-2848; Internet: shadsan@statcan.ca), Prices Division. ■

Average prices of selected farm inputs

June 1997 (preliminary)

Preliminary estimates of average prices for selected farm inputs for June 1997 are now available by geographic region.

For further information, contact the Client Services Unit, (613-951-9606), Prices Division. ■

PUBLICATIONS RELEASED

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 Statistics Canada	
Thursday, June 19, 1997 For release at 9:30 a.m.	
MAJOR RELEASES	
• Urban transit, 1995	2
<small>Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, 65% of Canadian households, on average of about 1.8 people, had some form of urban transit, the lowest level in the past 25 years.</small>	
• Productivity, hourly compensation and unit labour cost, 1996	4
<small>Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.</small>	
OTHER RELEASES	
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Statistics Canada's official release bulletin

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