

# The Daily

Statistics Canada

Wednesday, August 20, 1997

For release at 8:30 a.m.

---

## MAJOR RELEASES

---

- **Wholesale trade, June 1997** 2  
Following two consecutive monthly increases, wholesalers' total sales slipped 0.8% in June to \$23.6 billion. Overall, sales have been very strong (+11.8%) in the first half of 1997 compared with the same period a year earlier.
- **Canadian international merchandise trade, June 1997** 5  
Exports fell 1.1% as automotive products decreased 5.8%. Lower imports of machinery and equipment (-3.8%) also contributed to a 1.0% overall decline in imports.

---

## OTHER RELEASES

---

Export and import price indexes, June 1997 8

---

**PUBLICATIONS RELEASED** 9

---



## MAJOR RELEASES

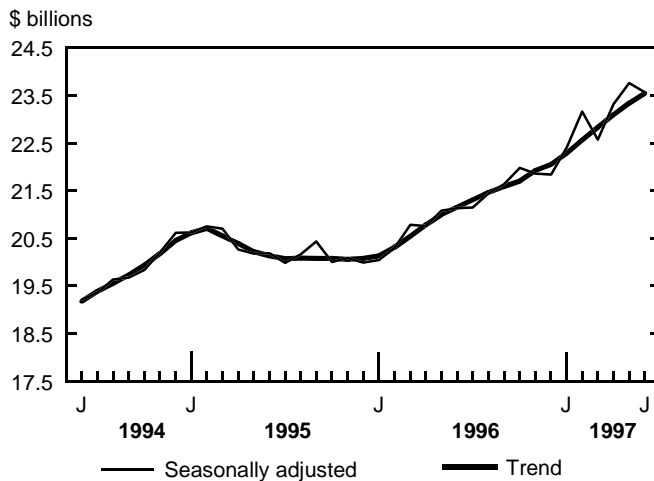
### Wholesale trade

June 1997 (preliminary)

Following two consecutive monthly increases, wholesalers' total sales slipped 0.8% in June to \$23.6 billion. Overall, sales have been very strong (+11.8%) in the first half of 1997 compared with the same period a year earlier.

Wholesalers reported weaker sales in 6 of the 11 trade groups in June, which accounted for 61% of total sales. The most important declines were recorded in sales of motor vehicles (-5.4%), farm machinery (-4.3%), metals and hardware (-4.0%) and food products (-1.7%).

Upward trend in sales since early 1996



### Weaker sales of motor vehicles and parts

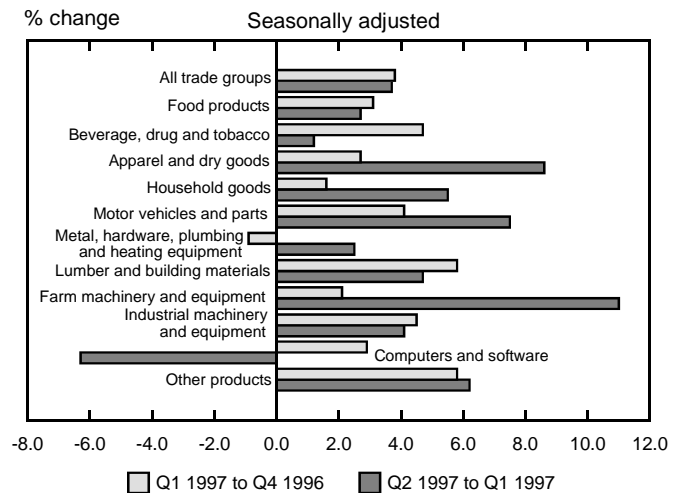
Wholesalers of motor vehicles and parts reported a 5.4% decline in sales for June. A drop in sales of new motor vehicles (-1.5%) and in exports of passenger cars (-10.9%) may have been responsible for June's weak performance. Nevertheless, sales of motor vehicles and parts, which represent on average 11% of all sales by wholesalers, have been following an upward trend since the end of 1995.

### Quarterly sales up

Quarterly sales have been increasing since the beginning of 1996, with the strongest increases

recorded in the first two quarters of 1997. Sales by wholesalers were particularly strong for farm machinery (+11%) in the second quarter of 1997 compared with the previous quarter. Wholesalers of farm machinery reported sales increases of more than 10% in April and in May of 1997. On the other hand, sales of computers and software declined considerably in the second quarter of 1997 (-6.3%), contrasting with the good performance of the other trade groups.

Quarterly sales up for most trade groups in 1997



### Strong increase in inventories for June

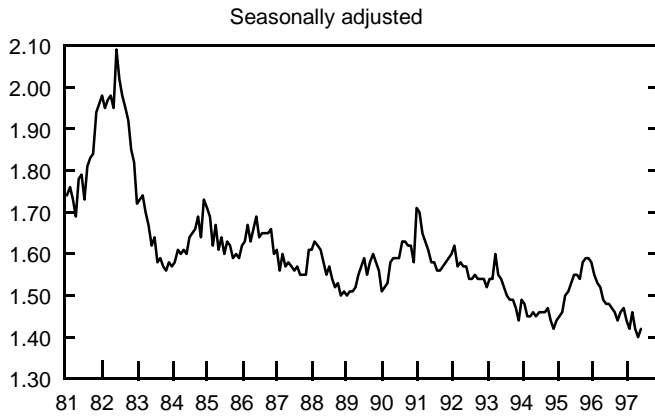
As sales fell in June, inventories reached \$33.6 billion, up 1.2% from the previous month. Since the middle of 1996, wholesalers have been increasing inventories to meet higher demand.

Higher inventories in conjunction with lower sales moved the inventories-to-sales ratio to 1.42 in June compared with the historic low of 1.40 recorded in May. Since 1981, the inventories-to-sales ratio has been on a downward trend, which partially reflects the just-in-time shipments philosophy introduced in the 1980s.

The inventories-to-sales ratio normally peaks during a slowdown of the economy (e.g., 1981-82, 1990 and 1995). During these periods, wholesalers face a weaker demand for their products and consequently accumulate more inventories.

---

**Inventories-to-sales ratio on a downward trend**



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

The June 1997 issue of *Wholesale trade* (63-008-XPB, \$19/\$186) will be available shortly. See *How to order publications*.

For further information on this release, contact Paul Gratton (613-951-3541) or Jacques Dorion (613-951-3538), Wholesale Trade Section, Distributive Trades Division. □

Wholesale merchants' sales and inventories

	June 1996	March 1997 <sup>r</sup>	April 1997 <sup>r</sup>	May 1997 <sup>r</sup>	June 1997 <sup>p</sup>	May 1997 to June 1997	June 1996 to June 1997
seasonally adjusted							
	\$ millions					% change	
<b>Sales, all trade groups</b>	<b>21,132</b>	<b>22,566</b>	<b>23,313</b>	<b>23,758</b>	<b>23,559</b>	<b>-0.8</b>	<b>11.5</b>
Food products	3,702	3,933	3,940	4,037	3,969	-1.7	7.2
Beverage, drug and tobacco products	1,345	1,374	1,404	1,388	1,380	-0.6	2.6
Apparel and dry goods	502	471	541	499	509	1.9	1.3
Household goods	676	668	771	716	730	1.9	8.0
Motor vehicles, parts and accessories	2,250	2,373	2,650	2,790	2,639	-5.4	17.3
Metals, hardware, plumbing and heating equipment and supplies	1,644	1,637	1,701	1,747	1,676	-4.0	2.0
Lumber and building materials	1,711	2,075	2,106	2,127	2,144	0.8	25.3
Farm machinery, equipment and supplies	576	674	741	823	788	-4.3	36.7
Industrial and other machinery, equipment and supplies	3,137	3,367	3,563	3,503	3,556	1.5	13.4
Computers, packaged software and other electronic machinery	2,031	2,177	2,069	2,087	2,169	4.0	6.8
Other products	3,557	3,818	3,828	4,040	3,999	-1.0	12.4
Newfoundland	190	186	185	191	192	0.1	0.9
Prince Edward Island	51	47	43	51	51	-0.6	-0.4
Nova Scotia	477	491	501	477	528	10.6	10.6
New Brunswick	301	290	304	307	302	-1.5	0.4
Quebec	4,620	4,793	4,935	5,002	4,933	-1.4	6.8
Ontario	9,212	9,875	10,175	10,362	10,331	-0.3	12.1
Manitoba	772	856	891	962	938	-2.5	21.6
Saskatchewan	697	809	878	925	943	1.9	35.1
Alberta	2,026	2,352	2,446	2,528	2,500	-1.1	23.4
British Columbia	2,762	2,841	2,927	2,927	2,816	-3.8	1.9
Yukon	12	12	11	12	12	5.7	0.3
Northwest Territories	12	15	16	14	14	-0.7	19.9
<b>Inventories, all trade groups</b>	<b>31,234</b>	<b>32,844</b>	<b>33,186</b>	<b>33,157</b>	<b>33,565</b>	<b>1.2</b>	<b>7.5</b>
Food products	2,338	2,539	2,491	2,503	2,534	1.2	8.4
Beverage, drug and tobacco products	1,634	1,727	1,751	1,716	1,739	1.3	6.4
Apparel and dry goods	1,034	1,098	1,138	1,099	1,099	-0.1	6.2
Household goods	1,459	1,345	1,401	1,408	1,427	1.4	-2.2
Motor vehicles, parts and accessories	3,816	3,859	3,820	3,785	3,843	1.5	0.7
Metals, hardware, plumbing and heating equipment and supplies	2,676	2,885	2,917	2,975	3,016	1.4	12.7
Lumber and building materials	3,061	3,058	3,061	3,098	3,226	4.1	5.4
Farm machinery, equipment and supplies	1,594	1,853	1,893	1,946	1,995	2.5	25.1
Industrial and other machinery, equipment and supplies	7,000	7,327	7,547	7,584	7,672	1.2	9.6
Computers, packaged software and other electronic machinery	1,908	2,109	1,994	1,967	1,957	-0.5	2.5
Other products	4,713	5,043	5,174	5,077	5,059	-0.4	7.3

<sup>r</sup> Revised figures.

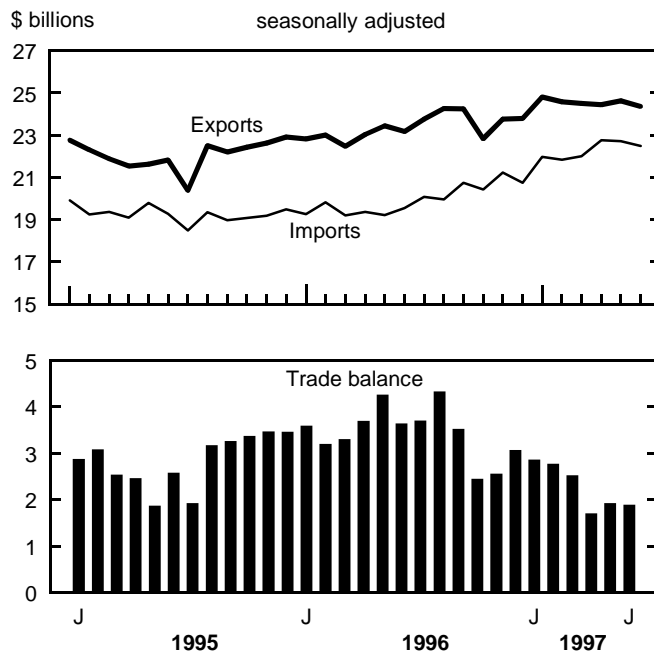
<sup>p</sup> Preliminary figures.

## Canadian international merchandise trade

June 1997

After registering a small gain in May (+0.8%) exports decreased 1.1% in June — continuing a flat trend. Lower exports of automotive products (-5.8%) and machinery (-2.1%) accounted for most of the drop. Only exports of energy products posted a gain, climbing 3.0% as exports of crude petroleum, natural gas and electricity all edged up. Exports to all trading partners fell. Exports to Japan continued a downward trend that began in February, dropping another 8.5% in June. Weak exports in both April and June resulted in a 0.7% decline over the first quarter of 1997.

Exports, imports and trade balance



After a large increase in April and little change in May, imports declined by 1% in June. Most of the decline resulted from lower imports of machinery and equipment (-3.8%) and industrial goods (-3.0%). Imports of these products had been climbing steadily over the last year.

The trade balance held at \$1.8 billion and has now been below the \$2-billion mark for the third consecutive month. The January-to-June trade balance sits at \$13.5 billion compared with a record \$21.5 billion surplus from January to June in 1996. Most of the decline can be attributed to strong import growth in business

### 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 \$8.1 billion contrasted with a current account deficit of \$1.2 billion.

investment related goods and low growth in automotive and energy exports.

### Lower automotive exports drag exports down

After increasing 1.1% in May, automotive exports declined 5.8% in June. Most of this drop was due to parts shortages experienced at some automobile assembly plants. The decline in June, combined with a strong January contributed to a second-quarter drop of 5.5% in automotive exports over the first quarter of 1997.

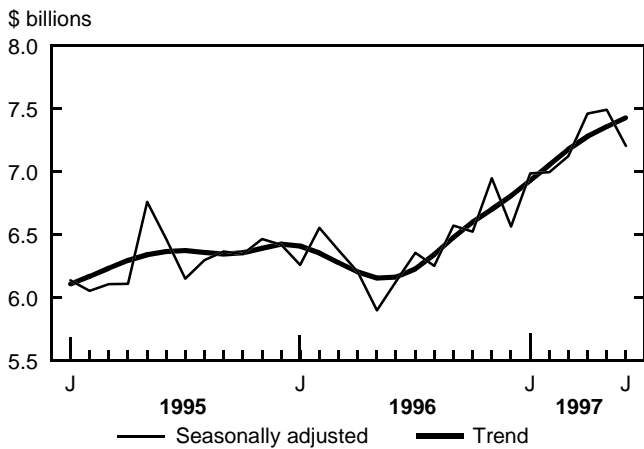
The U.S. quotas continue to have an effect on forestry exports as many lumber producers have reached their quarterly quota limits and have shut down operations. Exports of forestry products remained flat in June, but posted a 1.2% increase in the second quarter of 1997.

Exports of energy products (+3.0%) edged up again in June. Crude petroleum, natural gas and electricity all posted modest gains, making up for large price-induced reductions in March and April.

### Declines in machinery and equipment cause pause in imports

Overall, the decline in imports was partly offset by increased imports of automobile products and energy. All in all, imports increased 3.3% over the first quarter of 1997 and remained 14.9% higher in the first six months of 1997 than in the same period of 1996.

**Imports of machinery and equipment**



Large reductions in imports of aircraft, aircraft engines and parts from Europe contributed to the decline from May. Most other types of machinery imports (office machines, communication equipment, special equipment and tools) posted modest declines. Overall, however, machinery and equipment imports remain 4.9% higher than in the first quarter of 1997.

In June, energy imports rebounded (+23.7%) from a large decline in May, but second-quarter results remained 9.2% lower than the first quarter. The price of crude oil, which dropped by 25% since December 1996 was the main cause for the decline.

Imports of both trucks (+12.7%) and passenger cars (+10.8%) experienced robust gains in June after falling in May. Partly offsetting these increases was a reduction in motor vehicle parts and accessories (-4.1%).

**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, changes to classification of merchandise based on more current information, and updated seasonal adjustments. Revised data can be obtained by accessing the relevant CANSIM matrices.

**Available on CANSIM: matrices 3611-3616, 3618-3629, 3651, 3685-3713, 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

	April 1997	May 1997	June 1997	April 1997 to May 1997	May 1997 to June 1997	Jan.- June 1996	Jan.- June 1997	Jan.- June 1996 to Jan.- June 1997	June 1996 to June 1997
seasonally adjusted, \$ current									
	\$ millions			% change		\$ millions		% change	
<b>Principal trading partners</b>									
<b>Exports</b>									
United States	19,760	20,032	19,904	1.4	-0.6	108,629	119,136	9.7	6.7
Japan	1,005	910	833	-9.5	-8.5	5,808	6,193	6.6	-16.9
European Union	1,355	1,362	1,357	0.5	-0.4	8,972	7,972	-11.1	-2.6
Other OECD countries <sup>1</sup>	319	396	374	24.1	-5.6	2,784	2,238	-19.6	-14.0
All other countries	1,995	1,919	1,881	-3.8	-2.0	11,724	11,748	0.2	12.4
Total	24,433	24,619	24,351	0.8	-1.1	137,917	147,287	6.8	5.1
<b>Imports</b>									
United States	17,163	17,188	17,062	0.1	-0.7	88,532	101,515	14.7	13.0
Japan	651	687	709	5.5	3.2	3,541	4,049	14.3	21.4
European Union	2,171	2,285	2,061	5.3	-9.8	9,964	12,148	21.9	29.1
Other OECD countries <sup>1</sup>	805	736	765	-8.6	3.9	4,517	4,636	2.6	6.5
All other countries	1,962	1,825	1,891	-7.0	3.6	9,843	11,412	15.9	21.7
Total	22,751	22,720	22,488	-0.1	-1.0	116,397	133,760	14.9	15.0
<b>Balance</b>									
United States	2,597	2,844	2,842	...	...	20,097	17,621	...	...
Japan	354	223	124	...	...	2,267	2,144	...	...
European Union	-816	-923	-704	...	...	-992	-4,176	...	...
Other OECD countries <sup>1</sup>	-486	-340	-391	...	...	-1,733	-2,398	...	...
All other countries	33	94	-10	...	...	1,881	336	...	...
Total	1,682	1,899	1,863	...	...	21,520	13,527	...	...
<b>Principal commodity groupings<sup>2</sup></b>									
<b>Exports</b>									
Agricultural and fishing products	1,894	1,819	1,742	-4.0	-4.2	11,104	11,048	-0.5	4.6
Energy products	2,265	2,284	2,352	0.8	3.0	13,248	14,932	12.7	2.1
Forestry products	3,027	3,084	3,078	1.9	-0.2	17,775	18,272	2.8	7.8
Industrial goods and materials	4,388	4,275	4,236	-2.6	-0.9	24,441	25,745	5.3	3.0
Machinery and equipment	5,135	5,164	5,058	0.6	-2.1	28,364	30,211	6.5	6.0
Automotive products	5,678	5,742	5,409	1.1	-5.8	31,413	34,648	10.3	0.5
Other consumer goods	735	732	735	-0.4	0.4	4,021	4,382	9.0	8.1
Special transactions trade <sup>3</sup>	1,051	1,053	1,054	0.2	0.1	5,527	6,065	9.7	13.7
<b>Imports</b>									
Agricultural and fishing products	1,265	1,295	1,240	2.4	-4.2	6,868	7,499	9.2	7.2
Energy products	1,037	751	929	-27.6	23.7	4,560	5,592	22.6	32.7
Forestry products	201	200	190	-0.5	-5.0	917	1,155	26.0	25.0
Industrial goods and materials	4,367	4,397	4,266	0.7	-3.0	22,234	25,683	15.5	12.9
Machinery and equipment	7,459	7,489	7,203	0.4	-3.8	37,410	43,252	15.6	17.6
Automotive products	4,829	4,776	4,886	-1.1	2.3	25,047	28,660	14.4	12.8
Other consumer goods	2,367	2,418	2,344	2.2	-3.1	12,793	14,045	9.8	10.4
Special transactions trade <sup>3</sup>	593	541	572	-8.8	5.7	3,375	3,588	6.3	-1.9

... Figures not appropriate or not applicable.

<sup>1</sup> Includes Australia, Iceland, Mexico, New Zealand, Norway, Switzerland and Turkey.

<sup>2</sup> Figures not adjusted to balance-of-payments basis.

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

---

## OTHER RELEASES

---

### Export and import price indexes

June 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 June 1997 for the 5 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 June 1997. Included with the U.S. commodity indexes are the 10 all-countries and U.S.-only standard

international trade classification (SITC) section indexes. Indexes for the 5 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 June 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. ■



## PUBLICATIONS RELEASED

**Railway carloadings, June 1997**  
**Catalogue number 52-001-XPB**  
(Canada: \$11/\$103; outside Canada: US\$11/US\$103).

**Science statistics: Service bulletin**, Vol. 21, no. 9 (Estimation of research and development expenditures in the higher education sector, 1995 to 1996)  
**Catalogue number 88-001-XPB**  
(Canada: \$8/\$79; outside Canada: US\$8/US\$79).

**All prices exclude sales tax.**

### How to order publications

Simplify your data search with the *Statistics Canada Catalogue* (11-204E, \$16; outside Canada: 16\$US).

Its keyword index will guide you to statistics on Canada's social and economic activity.

#### Order publications by phone:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:

**1-800-267-6677**

From other countries call:

**1-613-951-7277**

To fax your order:

**1-800-889-9734**

Address changes or account inquiries:

**1-800-700-1033**

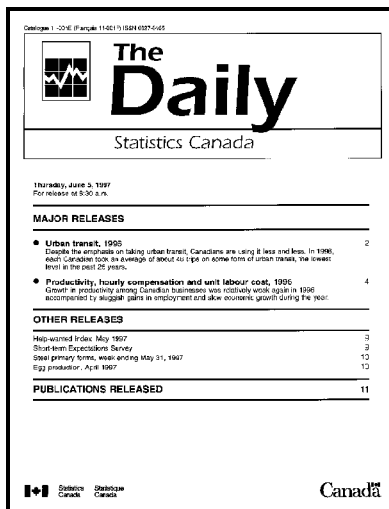
Internet:

**order@statcan.ca**

**To order a publication by mail write:** Statistics Canada, Circulation Management, Operations and Integration Division, Ottawa, K1A 0T6.

Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

**Authorized agents and bookstores also carry Statistics Canada's catalogued publications.**



### Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To receive *The Daily* from the Internet, send an E-mail message to [listproc@statcan.ca](mailto:listproc@statcan.ca). Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Editor: Duncan Currie (613-951-1103)

Head of Official Release: Chantal Prévost (613-951-1088)

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 1997. Citation in newsprint, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001E, along with date and page references.