



The Daily

Statistics Canada

Friday, July 17, 1998

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- **Canadian international merchandise trade, May 1998** 2
 Merchandise exports were unchanged in May and continued to show little sign of resuming the growth posted in 1997. Merchandise imports lost most of the gains posted in April — falling 1.9% in May. Like exports, merchandise imports have experienced very little growth since the fourth quarter of 1997.
 - **Composite Index, June 1998** 5
 The Composite Index grew by 0.5% in June, unchanged from May.
-

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MAJOR RELEASES

Canadian international merchandise trade

May 1998

Merchandise exports were unchanged in May and continued to show little sign of resuming the growth posted in 1997. Merchandise imports lost most of the gains posted in April — falling 1.9% in May. Like exports, merchandise imports have experienced very little growth since the fourth quarter of 1997.

Retooling shutdowns in the automotive sector, coupled with continuing weak commodity prices, left exports unchanged in May. Exports of consumer goods and machinery and equipment remained the only bright spots showing moderate growth since the fourth quarter of 1997.

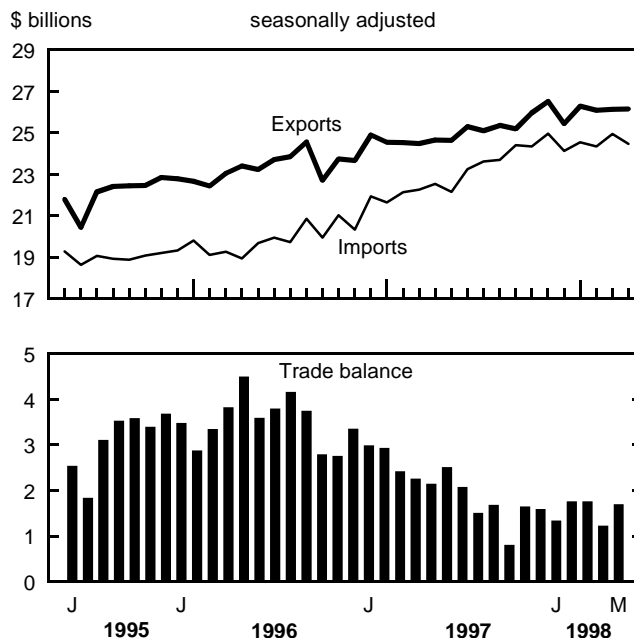
Sluggish domestic automotive sales, slowing business investment and declines in energy prices contributed to lower imports of automotive products, machinery and equipment and energy products in May. Offsetting these declines was the continued strong performance of consumer goods (+3.1%) and agricultural and fishing products (+1.1%).

The merchandise trade balance rose to \$1.7 billion in May, up from \$1.2 billion in April. The trade balance with the United States remained strong at about \$2.8 billion while the balance with Japan remained weak.

Note to readers

Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services.

Exports, imports and trade balance



Machinery and equipment exports slow after strong gains last year

After increasing substantially in 1997, imports of machinery and equipment have begun to level off. These declines are consistent with investment intentions released earlier this year, which projected a slowdown in the growth of machinery and equipment investment in 1998.

Imports of energy products continued to decline, as prices of crude petroleum remained weak. In addition, imports of coal and related products, which were unusually strong in April, fell back to normal levels.

Weakening domestic sales of passenger cars contributed to a 5.4% decline in passenger car imports in May. Motor vehicle parts fell for the second consecutive month. Most indications are that this weakness will continue, as strikes in the automotive

sector in June and July begin to affect Canadian imports. Declines in passenger car and motor vehicle part imports were offset by advances in truck and other motor vehicle imports (+1.8%). Truck and other motor vehicle imports now stand almost \$300 million more per month than at the beginning of 1997, when the recent upward trend began.

Imports of consumer goods continued to climb — a trend that emerged last year and has shown little evidence of slowing down. The increases were spread across most groups, as six out of the eight major commodity groupings posted growth. This was consistent with the data on retail sales and consumer spending, which has been strong the last two quarters.

Exports to Asia remain weak

Exports to Japan jumped 19.3% in May after falling by almost the same amount in April. The May increase was simply a reflection of weakness in April rather than a sign of renewed strength in exports to Japan. Exports of softwood lumber increased \$30 million but remain almost \$100 million below 1997 levels. In addition, exports of inorganic chemicals jumped \$19 million but reflect only a one time movement rather than a sustained increase.

Declining exports to East Asia continue to affect industrial good exports, which were virtually unchanged since the fourth quarter of 1997. The declines were mostly due to price, as reduced demand in Asia has driven down the price of many commodities on the world market and has hurt Canadian exporters. In particular, aluminum exports have been declining steadily since November 1997, as reduced demand in Asia has driven down the price (-11.3% since January).

Machinery and equipment exports remain strong despite May setback

Exports of machinery and equipment fell in May, as three months of exceptionally strong exports of other transportation equipment ended (mostly rail cars). The 20.4% decline in other transportation equipment accounted for all of the 0.9% drop in total machinery and equipment exports.

Even with the decline in May, machinery and equipment exports remained strong. Aircraft exports, while falling 2.9% in May, remain 23.9% higher than a year ago when the recent upward trend began. Likewise, telecommunication equipment and related product exports continued to increase and show signs of having a strong quarter.

Although retail sales of automobiles in the United States posted their largest gains since February 1997, this has not translated into increased exports by Canadian car manufacturers. Many of the new vehicle sales in the United States were from inventories rather than new production. In addition, transportation problems continued to limit the number of cars that could be exported in May.

Revisions

Data on a balance-of-payments basis have been revised from 1992 to the current month, following the seasonal adjustment of group 701, "undistributed balance-of-payments adjustments", for the first time. In general, 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 in classification of merchandise based on more current information, and updated seasonal adjustments. Revised data can be obtained by consulting the appropriate CANSIM matrices.

Available on CANSIM: matrices 3618, 3619, 3651, 3685-3713, 3718-3720, 3887-3913, 8430-8435 and 8438-8447.

This release contains a summary of the merchandise trade data to be published 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 quarterly in *Canada's balance of international payments* (67-001-XPB, \$38/\$124). See *How to order publications*.

For readers who need the information on a more timely basis, merchandise trade data are also available by fax on the morning of release.

For further information on this release, contact Jocelyne Elibani (613-951-9647 or 1 800 294-5583), Marketing and Client Services Section, International Trade Division. □

Merchandise trade of Canada

	March 1998	April 1998	May 1998	March to April 1998	April to May 1998	Jan. to May 1997	Jan. to May 1998	Jan.-May 1997 to Jan.-May 1998	May 1997 to May 1998
seasonally adjusted, \$ current									
	\$ millions			% change		\$ millions		% change	
Principal trading partners									
Exports									
United States	21,576	21,796	21,713	1.0	-0.4	98,560	107,558	9.1	9.8
Japan	802	695	829	-13.3	19.3	5,613	3,969	-29.3	-18.9
European Union	1,445	1,394	1,471	-3.5	5.5	6,747	7,323	8.5	5.7
Other OECD countries ¹	693	672	566	-3.0	-15.8	3,403	3,043	-10.6	-24.5
All other countries	1,563	1,578	1,559	1.0	-1.2	8,757	8,169	-6.7	-8.6
Total	26,080	26,135	26,139	0.2	0.0	123,079	130,063	5.7	6.0
Imports									
United States	18,542	18,970	18,912	2.3	-0.3	83,686	93,981	12.3	11.0
Japan	822	778	825	-5.4	6.0	3,332	4,009	20.3	21.2
European Union	2,182	2,221	2,038	1.8	-8.2	10,049	10,448	4.0	-9.7
Other OECD countries ¹	965	938	897	-2.8	-4.4	4,642	4,654	0.3	1.7
All other countries	1,831	2,026	1,793	10.6	-11.5	8,755	9,311	6.4	7.3
Total	24,342	24,933	24,465	2.4	-1.9	110,463	122,403	10.8	8.6
Balance									
United States	3,034	2,826	2,801	—	—	14,874	13,577	—	—
Japan	-20	-83	4	—	—	2,281	-40	—	—
European Union	-737	-827	-567	—	—	-3,302	-3,125	—	—
Other OECD countries ¹	-272	-266	-331	—	—	-1,239	-1,611	—	—
All other countries	-268	-448	-234	—	—	2	-1,142	—	—
Total	1,738	1,202	1,674	—	—	12,616	7,660	—	—
Principal commodity groupings									
Exports									
Agricultural and fishing products	2,045	2,056	2,100	0.5	2.1	9,902	10,471	5.7	5.8
Energy products	1,899	1,890	1,988	-0.5	5.2	11,399	9,641	-15.4	-8.7
Forestry products	2,922	2,871	2,864	-1.7	-0.2	14,642	14,535	-0.7	-2.9
Industrial goods and materials	4,810	4,687	4,807	-2.6	2.6	22,707	23,830	4.9	6.5
Machinery and equipment	6,261	6,499	6,439	3.8	-0.9	27,227	31,407	15.4	14.7
Automotive products	6,294	6,241	6,035	-0.8	-3.3	28,781	30,898	7.4	6.2
Other consumer goods	964	998	1,004	3.5	0.6	4,223	4,846	14.8	17.4
Special transactions trade ²	372	368	370	-1.1	0.5	1,616	1,828	13.1	10.6
Other BOP adjustments	513	526	533	2.5	1.3	2,583	2,606	0.9	-1.3
Imports									
Agricultural and fishing products	1,375	1,409	1,424	2.5	1.1	6,279	6,959	10.8	9.4
Energy products	680	735	633	8.1	-13.9	4,530	3,678	-18.8	-23.6
Forestry products	199	198	213	-0.5	7.6	967	1,010	4.4	7.0
Industrial goods and materials	4,825	5,021	4,940	4.1	-1.6	21,788	24,518	12.5	11.0
Machinery and equipment	8,020	8,253	8,081	2.9	-2.1	36,147	40,454	11.9	7.9
Automotive products	5,567	5,528	5,433	-0.7	-1.7	23,762	27,282	14.8	13.0
Other consumer goods	2,694	2,734	2,819	1.5	3.1	11,759	13,569	15.4	15.7
Special transactions trade ²	494	572	442	15.8	-22.7	2,974	2,499	-16.0	-19.5
Other BOP adjustments	488	484	481	-0.8	-0.6	2,258	2,434	7.8	3.2

— Figures not appropriate or not applicable.

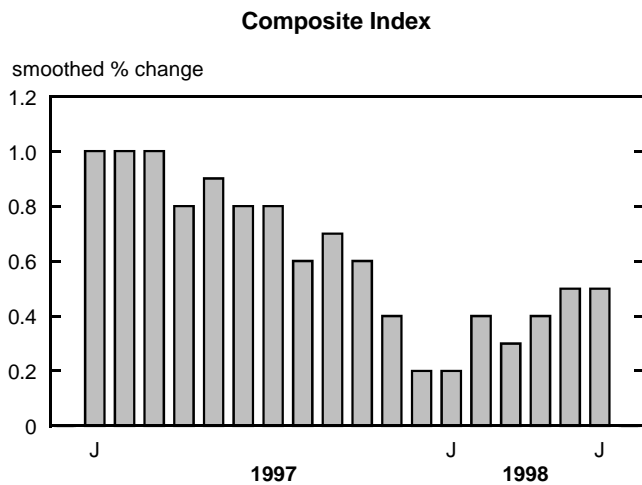
¹ Includes Australia, Iceland, Mexico, New Zealand, Norway, Switzerland, Turkey, Poland, South Korea, Hungary and the Czech Republic.

² These are mainly low valued transactions, value of repairs to equipment, and goods returned to country of origin.

Composite Index

June 1998

The leading indicator grew by 0.5% in June, the same as in May. Six of the ten components increased in June versus seven in May. The housing index turned down for the first time in four months, while a softening in the stock market and manufacturing also served to check overall growth.



Household spending remained mixed. After three consecutive small increases, the housing index

returned to a downward trend with housing starts falling to their lowest level in a year and a half. This decrease accompanied labour disputes in the construction industry, as well as a recent buildup in the overhang of vacant units. Conversely, durable goods sales picked up and demand for automobiles recovered, as strong income gains were reinforced by lower prices.

In manufacturing, new orders have not risen in four months, while weak export demand held the ratio of shipments to stocks at the same level as the previous month. In services, employment continued to expand although less rapidly than before.

The slowing of the stock market, which shaved 0.1% off the growth of the overall Composite Index, was led by a sharp retreat in the natural resource sector.

The growth of the U.S. leading indicator slowed slightly, checked by manufacturing demand and the stock market. Job losses in manufacturing accelerated in June, as labour disputes started in the auto industry and as exports to Asia continued to worsen.

Available on CANSIM: matrix 191.

For further information, the July issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) will be available shortly. See *How to order publications*.

For further information on this release, contact Francine Roy (613-951-3627), Current Economic Analysis Group. □

Composite Index

	Jan. 1998	Feb. 1998	March 1998	April 1998	May 1998	June 1998	Last month of data available
							% change
Composite leading indicator (1981=100)	202.4	203.2	203.8	204.6	205.7	206.7	0.5
Housing index (1981=100) ¹	127.2	126.6	126.7	127.1	127.4	127.2	-0.2
Business and personal services employment ('000)	2,188	2,205	2,222	2,237	2,250	2,261	0.5
TSE 300 stock price index (1975=1,000)	6,781	6,821	6,943	7,112	7,275	7,383	1.5
Money supply, M1 (\$ millions, 1981) ²	38,342	38,807	39,125	39,452	39,859	40,273	1.0
U.S. composite leading indicator (1967=100) ³	223.5	223.7	223.9	224.2	224.6	224.9	0.1
Manufacturing							
Average workweek (hours)	39.1	38.9	38.7	38.6	38.5	38.4	-0.3
New orders, durables (\$ millions, 1981) ⁴	15,461	15,490	15,452	15,391	15,394	15,391	0.0
Shipments/inventories of finished goods ⁴	1.68	1.67	1.65	1.65	1.65	1.65	0.00 ⁵
Retail trade							
Furniture and appliance sales (\$ millions, 1981) ⁴	1,303.7	1,313.6	1,322.6	1,334.0	1,343.9	1,351.3	0.6
Other durable goods sales (\$ millions, 1981) ⁴	4,394.3	4,461.0	4,492.2	4,514.3	4,528.1	4,550.0	0.5
Unsmoothed composite	202.8	206.5	204.2	207.5	208.9	208.9	0.0

¹ Composite Index of housing starts (units) and house sales (multiple listing service).

² Deflated by the Consumer Price Index for all items.

³ The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.

⁴ The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for two preceding months.

⁵ Difference from previous month.



OTHER RELEASES

Export and import price indexes

May 1998

Current- and fixed-weighted export and import price indexes (1992=100) on a balance-of-payments basis are now available. Price indexes are listed from January 1992 to May 1998 for the five commodity sections and the major commodity groups (62 exports and 61 imports).

Current- and fixed-weighted U.S. price indexes (1992=100) are also available on a customs basis. Price indexes are listed from January 1992 to May 1998. Included with the U.S. commodity indexes are the 10 all countries and U.S. only standard international trade classification 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: 3585, 3618, 3619, 3651, 8430-8435 and 8438-8447.

The May 1998 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 Jocelyne Elibani (613-951-9647 or 1 800 294-5583), Marketing and Client Services Section, International Trade Division. ■

New data from GST administrative records 1992 to 1997

Data on the average fair market value (purchase price) of new homes in Canada and average rebates of the goods and services tax paid on these homes is now available.

Since the GST was implemented in 1991, individuals who purchase or build new homes, or

who substantially renovate existing ones, have been entitled to a partial rebate of the GST paid on the home.

This new series contains previously undocumented rebates and new housing statistics on the basis of province or territory, census metropolitan area or census agglomeration, and component census subdivisions. Data are also available by type, that is, whether the owner or a builder constructed the home, or whether it was co-operative housing.

This data should not be confused with housing starts or average purchase price for all homes in Canada. For example, if an individual were to be eligible for a rebate, the purchase price of a new home had to be \$450,000 or less, and the home had to be built or purchased for personal use. There were also several other criteria.

Between 1992 and 1997, the average price of new homes in Canada for which a rebate was paid to homeowners increased 8.1% to \$159,024. At the provincial level, the largest price increase occurred in Manitoba (+10.7%), while the largest price decline was in Newfoundland (-8.3%).

During the six-year period, the average rebate in Canada increased from \$3,352 to \$3,706.

Available on CANSIM: matrix 9998.

General trends and characteristics of the administrative data file are analyzed in the publication *Average fair market value/purchase price for new homes in Canada — New data from GST administrative records* (64-507-XIE, \$35), which are now available. See *How to order publications*.

For further information on this release, contact Crystal Sowards (613-951-7162; sewacry@statcan.ca, or Monique Simard (613-951-2092; simmon@statcan.ca), Tax Data Division. □

Average fair market value of homes for which GST rebates were paid

	1992	1996	1997	1992 to 1997
	\$			% change
Canada	147,153	154,096	159,024	8.1
Newfoundland	103,133	88,306	94,597	-8.3
Prince Edward Island	97,782	100,331	102,751	5.1
Nova Scotia	103,249	104,557	109,215	5.8
New Brunswick	89,187	96,414	97,637	9.5
Quebec	96,457	99,515	101,410	5.1
Ontario	177,731	177,224	182,576	2.7
Manitoba	116,817	130,323	129,283	10.7
Saskatchewan	120,905	126,006	127,923	5.8
Alberta	142,774	145,961	153,609	7.6
British Columbia	177,057	190,444	194,235	9.7
Yukon Territory	124,025	158,585	154,544	24.6
Northwest Territories	149,798	183,024	186,997	24.8

Crushing statistics

June 1998

Oilseed processors crushed 256 882 metric tonnes of canola in June, up 0.7% compared with the 254 984 metric tonnes crushed in May. Oil production totalled 107 995 tonnes while meal production amounted to 158 108 tonnes.

The crush increased 0.7% in June to 256 882 tonnes from 254 984 in May. In the first 11 months of the 1997/98 crop year, processors crushed 2 990 113 tonnes of canola, eclipsing the previous crop year record of 2 752 927 tonnes established in 1995/96.

Available on CANSIM: matrix 5687.

The June 1998 issue of *Cereals and oilseeds review* (22-007-XPB, \$15/\$149) will be released in August. See *How to order publications*.

For further information on this release contact Rick Burroughs (613-951-2890; burrric@statcan.ca) or Les Macartney (613-951-8714; macales@statcan.ca), Grain Marketing Unit, Agriculture Division. ■

Low income measures, low income after tax cut-offs and low income after tax measures

Low income measures (LIMs), low income after tax cut-offs (LICOs-IAT) and low income after tax measures (LIMs-IAT) are alternatives to the traditional low income cut-offs (LICOs) for measuring the size, prevalence and

composition of the low income population. Historical sets of these three alternative measures, covering the years 1980 to 1996, are now available in *Low income measures, low income after tax cut-offs and low income after tax measures* (13F0019XPB, \$5).

Two reports based on these alternative measures, presenting 1980 to 1996 low income statistics from Survey of Consumer Finances data, are also available in *Low income after tax, 1996* (13-592-XPB, \$40) and *Low income measures, 1996* (13-582-XPB, \$30).

For further information, to order this report or for custom tabulations, contact Client Services Unit (613-951-7355 or 1 888 297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division. ■

Addendum to Deposit accepting institutions: Activities and economic performance

The release on the activities and economic performance of deposit-accepting institutions in the *Daily* of July 8, 1998, used the concept of service fees employed by the System of National Accounts. This concept, which has been in use since the 1960s, includes a wide range of items (e.g., service charges on deposit accounts, other payment services such as automated teller service charges for cash withdrawals including Interac, Plus and Cirrus fees, standby commitment and other loan fees, mortgage fees, acceptance fees, guarantees and letters of credit fees, automatic banking machine fees, telephone

banking center fees, credit and debit card service fees, intersegment non interest revenues and gains and losses on the sales of assets). These service fees are paid by corporations and institutions as well as individual consumers. This concept of service fees

may differ somewhat from the general usage of the term.

For further information, contact Tarek M. Harchaoui (613-951-9856; harctar@statcan.ca), Industrial Organization and Finance Division. ■

PUBLICATIONS RELEASED

Infomat — A weekly review, July 17, 1998 (Internet version)

Catalogue number 11-002-XIE

(Canada: \$3; outside Canada: US\$3).

Infomat — A weekly review, July 17, 1998

Catalogue number 11-002-XPE

(Canada: \$4/\$145; outside Canada: US\$4/US\$145).

National economic and financial accounts, Quarterly estimates, first quarter 1998

Catalogue number 13-001-XPB

(Canada: \$44/\$145; outside Canada: US\$44/US\$145).

Construction type plywood, April 1998

Catalogue number 35-001-XPB

(Canada: \$7/\$62; outside Canada: US\$7/US\$62).

Steel wire and specified wire products, May 1998

Catalogue number 41-006-XPB

(Canada: \$7/\$62; outside Canada: US\$7/US\$62).

Refined petroleum products, April 1998

Catalogue number 45-004-XPB

(Canada: \$21/\$206; outside Canada: US\$21/US\$206).

Oil pipeline transport, April 1998

Catalogue number 55-001-XPB

(Canada: \$12/\$114; outside Canada: US\$12/US\$114).

New motor vehicle sales, April 1998

Catalogue number 63-007-XIB

(Canada: \$13/\$24; outside Canada: US\$13/US\$24).

Average fair market value/purchase price for new homes in Canada — New data from GST administrative records, 1992 to 1997

Catalogue number 64-507-XIE

(Canada: \$35; outside Canada: US\$35).

All prices exclude sales tax.

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Statistics Canada	
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MAJOR RELEASES	
• Urban transit, 1995 Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 4.5 trips on some form of urban transit, the lowest level in the past 25 years.	2
• Productivity, hourly compensation and unit labour cost, 1995 Growth in productivity among Canadian businesses was notably weak again in 1995 accompanied by sluggish gains in employment and slow nominal growth during the year.	4
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RELEASE DATES

July 20 to July 24, 1998
(Release dates are subject to change.)

Release date	Title	Reference period
20	Wholesale trade	May 1998
21	Retail trade	May 1998
21	Labour productivity	1997
21	Employment Insurance	May 1998
22	Private and public investments in Canada	1998 (revised)
22	Canadian crime statistics	1997
23	Canada's international transactions in securities	May 1998
