



The Daily

Statistics Canada

Wednesday, October 20, 1999
For release at 8:30 a.m.

MAJOR RELEASES

- **Canadian international merchandise trade, August 1999**
Exports and imports continued to grow in August. The trade balance reached \$3.6 billion, its highest level since September 1996.

2

- **Wholesale trade, August 1999**
Wholesale sales advanced 1.4% in August, with sales of motor vehicles, parts and accessories and food products accounting for much of the increase.

5

OTHER RELEASES

- Food consumption, 1998

8
- Export and import price indexes, August 1999

8
- Stocks of frozen poultry meat, October 1, 1999

9
- Travel between Canada and other countries - correction, August 1999

9

PUBLICATIONS RELEASED

10



MAJOR RELEASES

Canadian international merchandise trade

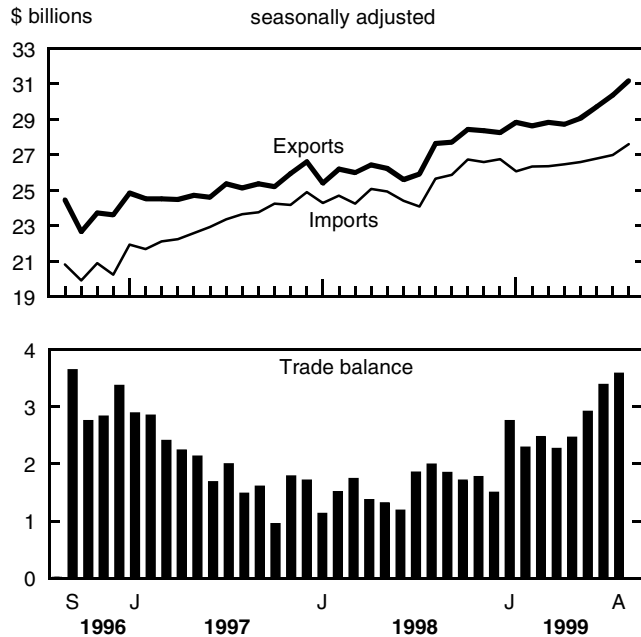
August 1999

Exports (+2.7%) and imports (+2.3%) continued to grow in August. The trade balance reached \$3.6 billion, its highest level since September 1996.

A vibrant automotive sector, propelled by strong North American demand, was the driving force behind the increase in both exports and imports. All other sectors fluctuated only slightly, except for the machinery and equipment sector, which grew 1.1% mainly because of strong imports of drilling equipment.

The trade balance grew \$194 million from July to August, reaching \$3.58 billion, its highest level since the \$3.64 billion in September 1996. At \$22.1 billion since January, the trade balance has already surpassed the total 1998 balance of \$18.9 billion.

Exports, imports and trade balance



A vibrant automotive sector pushed up exports

The 2.7% increase in exports in August was almost entirely due to a robust automotive sector. Although all automotive sub-sectors were up, exports of cars

Note to readers

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

(+21.7%) and trucks (+15.6%) were particularly strong. These gains were influenced by stronger American demand for Canadian-built models.

Exports for virtually all other sectors declined slightly

Falling lumber prices in conjunction with a temporary building slowdown in the United States caused by hot weather brought forestry exports down 4.3% in August. This decline was somewhat offset by the wood pulp and newsprint sub-sectors. Strong performances in these sub-sectors were due to increases in volume.

Exports of energy products fell slightly in August, due mainly to declines in electricity and crude oil exports. These declines were mainly caused by lower demand in the United States. A 4.2% rise in natural gas exports was driven by price rather than volume.

Declining exports of zinc, iron and nickel ores drove down the entire industrial goods sector. However, this sector's overall drop was cushioned by the fourth consecutive increase in exports of chemical products, plastics and fertilizers, as well as a strong performance for metals and alloys. In particular, copper exports were up 4.8% in August, mainly due to higher prices caused by recent strikes at Chilean ports and North American mine closures.

Imports continued their upward trend

Imports of automotive products rose for the fourth consecutive month. Although all sub-sectors advanced, the strongest growth was in truck imports. Since January, truck imports, particularly those for tractor-trailers, have risen 33.7% as the transportation industry upgrades its fleets.

Imports of machinery and equipment rose 1.1% in August, mainly due to strong demand for drilling equipment imported from England. However, other sub-sectors such as aircraft declined sharply.

Strong growth in imports of minerals, steel bars and other iron and steel products pushed up the entire industrial goods sector. Higher mineral imports reflected

a return to more normal levels of iron imports after July's poor performance. Despite the 20.1% monthly increase in August, imports of other iron and steel products have fallen 25.2% since January. This downward trend can be attributed to weak demand for large diameter pipes and steel agricultural machinery as well as the sharp drop in crude oil prices earlier this year.

Revisions

In general, merchandise trade data are revised on an ongoing basis for each month of the current year. Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates with actual figures (once available), changes in classification of merchandise based on more current information, and seasonal adjustments. Consult the appropriate CANSIM matrices for revised data.

Available on CANSIM: matrices 3618, 3619, 3651, 3685-3699, 3701-3711, 3713, 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; 65-001-XIB, \$14/\$141). The publication will include tables by commodity and country on a customs basis. Current account data (which incorporate merchandise trade statistics, service 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*.

Readers may obtain merchandise trade data on a more timely basis by fax on the morning of release.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jocelyne Elibani, (613-951-9647; 1 800 294-5583), Marketing and Client Services Section, International Trade Division. □

Merchandise trade

	July 1999 ^r	Aug. 1999	July to Aug. 1999	Aug. to Aug. 1999	Jan. to Aug. 1998	Jan. to Aug. 1999	Jan.-Aug. 1998 to Jan.-Aug. 1999
seasonally adjusted, \$ current							
	\$ millions		% change		\$ millions		% change
Principal trading partners							
Exports							
United States	26,200	27,191	3.8	16.1	173,688	202,386	16.5
Japan	668	699	4.6	-11.5	6,380	6,103	-4.3
European Union	1,596	1,476	-7.5	-6.6	11,952	11,789	-1.4
Other OECD countries ¹	554	585	5.6	20.1	4,901	4,509	-8.0
All other countries	1,352	1,226	-9.3	-9.9	12,560	10,549	-16.0
Total	30,370	31,177	2.7	12.8	209,483	235,337	12.3
Imports							
United States	20,791	21,078	1.4	6.8	151,459	163,824	8.2
Japan	851	882	3.6	5.0	6,522	6,790	4.1
European Union	2,273	2,462	8.3	15.2	16,746	18,171	8.5
Other OECD countries ¹	1,075	1,147	6.7	24.1	7,332	8,304	13.3
All other countries	1,996	2,030	1.7	0.6	15,370	16,156	5.1
Total	26,986	27,599	2.3	7.6	197,429	213,244	8.0
Balance							
United States	5,409	6,113	...	...	22,229	38,562	...
Japan	-183	-183	...	...	-142	-687	...
European Union	-677	-986	...	...	-4,794	-6,382	...
Other OECD countries ¹	-521	-562	...	...	-2,431	-3,795	...
All other countries	-644	-804	...	...	-2,810	-5,607	...
Total	3,384	3,578	...	...	12,054	22,093	...
Principal commodity groupings							
Exports							
Agricultural and fishing products	2,197	2,137	-2.7	5.6	16,541	16,912	2.2
Energy products	2,679	2,664	-0.6	23.6	16,133	18,022	11.7
Forestry products	3,466	3,318	-4.3	11.2	23,165	25,624	10.6
Industrial goods and materials	4,897	4,855	-0.9	-0.3	38,685	37,544	-2.9
Machinery and equipment	7,296	7,179	-1.6	5.1	52,133	55,287	6.0
Automotive products	7,576	8,764	15.7	32.7	47,137	63,919	35.6
Other consumer goods	1,128	1,146	1.6	7.4	8,072	9,110	12.9
Special transactions trade ²	611	621	1.6	11.9	3,345	4,859	45.3
Other balance-of-payments adjustments	520	493	-5.2	-12.1	4,276	4,060	-5.1
Imports							
Agricultural and fishing products	1,469	1,487	1.2	1.2	11,372	11,762	3.4
Energy products	808	824	2.0	8.4	5,958	6,005	0.8
Forestry products	230	232	0.9	13.2	1,637	1,796	9.7
Industrial goods and materials	5,071	5,178	2.1	1.9	39,686	40,399	1.8
Machinery and equipment	8,960	9,062	1.1	5.5	65,942	70,835	7.4
Automotive products	6,339	6,743	6.4	21.4	42,337	50,088	18.3
Other consumer goods	3,080	3,052	-0.9	2.6	22,411	24,216	8.1
Special transactions trade ²	510	503	-1.4	-9.4	4,282	4,077	-4.8
Other balance-of-payments adjustments	519	520	0.2	10.9	3,802	4,072	7.1

^r Revised figures.

... Figures not appropriate or not applicable.

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

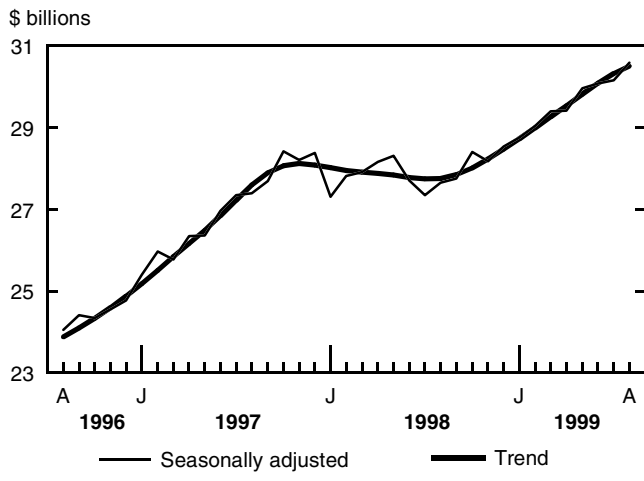
² These are mainly low valued transactions, value of repairs to equipment and goods returned to country of origin.

Wholesale trade

August 1999 (preliminary)

Wholesale sales advanced 1.4% in August, with sales of both motor vehicles, parts and accessories and food products accounting for most of this gain. Generally, wholesale sales have been climbing over the past several years, with the exception of the first half of 1998 when sales levelled off.

Wholesale sales continue their strong advance



Sales by wholesalers in August amounted to \$30.6 billion. Of the 11 broadly defined trade groups, 7 recorded monthly increases. Gains were led by wholesalers of apparel and dry goods (+5.6%) followed by wholesalers of motor vehicles, parts and accessories (+3.4%). Notable monthly improvements were posted by wholesalers of metals, hardware, plumbing and heating equipment and supplies (+2.9%) and wholesalers of food products (+2.6%). Wholesalers of farm machinery, equipment and supplies incurred a notable decline (-4.1%), leaving sales for the month 16.2% below the level of August 1998.

All cylinders firing in the auto sector

Wholesale sales of motor vehicles, parts and accessories expanded 3.4% in August, leaving the year-over-year increase for this group at 20.8%. Except for a decline from late 1997 until the fall of 1998, sales of motor vehicles, parts and accessories have been generally climbing since mid-1996. Wholesalers of these products are benefiting from strong auto sales in both Canada and the United States. Canada's

auto manufacturing sector has been reacting to the demands by adding shifts. As well, the auto parts manufacturing sector has been adding capacity by constructing new factories.

Wholesale sales of food products increased 2.6% in August. Except for a pause during the latter half of 1997 and the spring of 1998, sales in this group have been climbing for a number of years.

Wholesalers of metals, hardware plumbing and heating equipment and supplies recorded a 2.9% increase in sales, a partial recovery from the 5.4% decrease in July. After a lacklustre 1998, sales had been generally rising during 1999. Increased prices for base metals and steel contributed to August's increase. Wholesalers reported large orders from oil companies following the recent increases in the world price of oil.

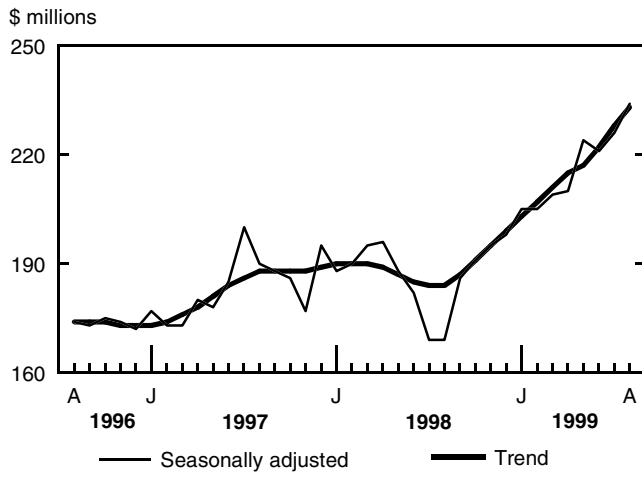
In response to preparations for the back-to-school and winter season, wholesalers of apparel and dry goods posted the largest percentage increase of all groups, up 5.6% to \$536 million. This comes on the heels of two months of notable decreases in June (-3.6%) and July (-3.9%). Despite August's increase, sales in the apparel and dry goods group remain 3.4% below the August 1998 level. Sales in this group have generally been going down since mid-1998 after strong increases in 1997 and the first half of 1998.

Wholesalers linked to the agricultural sector did not fare well in August. After declines in five of the last six months, sales of farm machinery, equipment and supplies fell a further 4.1% in August. Except for a brief respite in late 1998, sales have generally fallen since the fall of 1997.

Newfoundland generally continues to outpace other provinces

Sales by Newfoundland wholesalers were up 3.4% in August, building on July's 2.1% increase. Sales have been rising since mid-1998 and at a pace well above any other province. Wholesalers reported large contracts to supply government agencies, hospitals and schools with industrial machinery and equipment along with computers and related equipment.

Sales by Newfoundland wholesalers continue to advance



The other Atlantic provinces all showed advances above 2%. Wholesalers in Prince Edward Island, notably those involved with the fishing sector, recorded sales above the level expected for this time of year, resulting in a 16.6% increase from July. This marks the first major increase since the summer of 1998.

Decreased sales were recorded by wholesalers in Manitoba (-1.3%), Saskatchewan (-2.2%) and British Columbia (-0.5%). Sales by wholesalers in Manitoba and Saskatchewan are influenced heavily by the fortunes of the agricultural industry. Current world grain prices are very low and this hampers the purchasing power of grain farmers. Generally, sales by wholesalers in Manitoba and Saskatchewan fell during the fall of 1998. They have since risen but have plateaued in recent months.

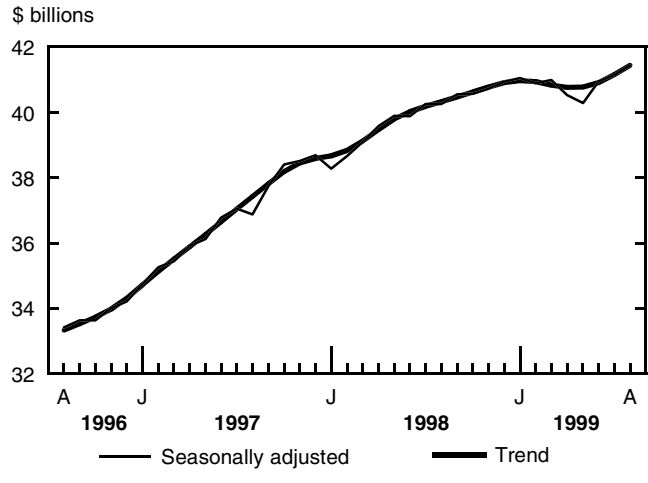
Many wholesalers in British Columbia, particularly those in the forestry sector, felt the effects of a slowdown in housing starts in Canada and the United States in August. The unusually hot weather slowed construction, causing a rise in lumber inventory that resulted in depressed prices and slower sales. Though sales by British Columbia wholesalers had been diminishing throughout 1998, sales have been generally increasing since early 1999.

Inventories moved up

Inventories held by wholesalers increased 0.7% in August, bringing the level to \$41.4 billion. Except for a

slight decline during the first quarter of 1999, inventory levels continue to accumulate as they have generally done for the past several years.

Inventories moved up in August



The inventories-to-sales ratio dipped from 1.36 in July to 1.35 in August. The last four months have seen the ratio fluctuate around 1.35, its level in late 1997. The ratio had climbed to 1.45 by mid-1998 and has since fallen to its current level.

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

The August 1999 issue of *Wholesale trade* (63-008-XIB, \$14/\$140) will be available shortly. See *How to order publications*.

For data or general information, contact the Client Services Unit (613-951-3549; 1 877 421-3067; wholesaleinfo@statcan.ca). To enquire about the concepts, methods and data quality of this release, contact Greg Parsons (613-951-0062; parsons@statcan.ca), Wholesale Trade Section, Distributive Trades Division. □

Wholesale merchants' sales and inventories

	August 1998	May 1999 ^r	June 1999 ^r	July 1999 ^r	August 1999 ^p	July to August 1999	August 1998 to August 1999
seasonally adjusted							
	\$ millions					% change	
Sales, all trade groups	27,649	29,955	30,077	30,153	30,582	1.4	10.6
Food products	4,321	4,599	4,628	4,496	4,611	2.6	6.7
Beverage, drug and tobacco products	1,854	1,902	1,928	1,916	1,939	1.2	4.6
Apparel and dry goods	554	548	528	507	536	5.6	-3.4
Household goods	792	827	834	848	841	-0.9	6.1
Motor vehicles, parts and accessories	4,945	5,611	5,606	5,779	5,973	3.4	20.8
Metals, hardware, plumbing and heating equipment and supplies	1,874	2,016	2,046	1,935	1,991	2.9	6.2
Lumber and building materials	2,001	2,351	2,370	2,372	2,347	-1.0	17.3
Farm machinery, equipment and supplies	685	625	625	598	574	-4.1	-16.2
Industrial and other machinery, equipment and supplies	4,050	4,266	4,336	4,377	4,446	1.6	9.8
Computers, packaged software and other electronic machinery	2,764	3,194	3,154	3,336	3,379	1.3	22.3
Other products	3,809	4,017	4,022	3,989	3,947	-1.1	3.6
Sales by province and territory							
Newfoundland	169	224	221	226	234	3.4	38.5
Prince Edward Island	50	50	49	50	58	16.6	16.0
Nova Scotia	499	595	573	562	575	2.4	15.2
New Brunswick	344	377	366	364	372	2.2	8.0
Quebec	5,629	6,198	6,138	6,162	6,307	2.4	12.1
Ontario	13,468	14,851	14,899	14,984	15,221	1.6	13.0
Manitoba	887	930	945	958	946	-1.3	6.6
Saskatchewan	864	877	905	889	870	-2.2	0.7
Alberta	2,635	2,629	2,686	2,652	2,705	2.0	2.7
British Columbia	3,079	3,200	3,271	3,285	3,270	-0.5	6.2
Yukon	11	10	9	9	9	2.1	-16.2
Northwest Territories	..	13	12	13	13	4.4	..
Nunavut	..	2	2	2	2	32.8	..
Inventories, all trade groups	40,253	40,279	40,941	41,141	41,428	0.7	2.9
Food products	2,579	2,810	2,773	2,757	2,795	1.4	8.4
Beverage, drug and tobacco products	2,130	2,266	2,343	2,396	2,404	0.3	12.9
Apparel and dry goods	1,266	1,212	1,213	1,238	1,219	-1.5	-3.7
Household goods	1,547	1,557	1,565	1,510	1,488	-1.4	-3.8
Motor vehicles, parts and accessories	5,662	5,718	5,863	6,074	6,086	0.2	7.5
Metals, hardware, plumbing and heating equipment and supplies	3,510	3,533	3,541	3,525	3,554	0.8	1.3
Lumber and building materials	3,656	3,551	3,684	3,681	3,771	2.4	3.1
Farm machinery, equipment and supplies	2,326	2,163	2,158	2,134	2,153	0.9	-7.4
Industrial and other machinery, equipment and supplies	9,908	9,860	10,125	10,134	10,185	0.5	2.8
Computers, packaged software and other electronic machinery	2,518	2,518	2,582	2,579	2,624	1.7	4.2
Other products	5,151	5,090	5,094	5,113	5,149	0.7	0.0

^r Revised figures.

^p Preliminary figures.

.. Figures not available.

OTHER RELEASES

Food consumption

1998

Fruit and vegetables remain an important part of the Canadian diet according to 1998 data on the amount of food available for consumption.

Overall, each Canadian ate almost 121 kg of fruit in 1998, up from about 111 kg in 1990. Despite levelling off in recent years, the consumption of traditional fruit juices such as apple, orange and grapefruit has contributed significantly to this increase in total fruit consumption.

The favorite fruit was still bananas, of which each person ate almost 14 kg in 1998, followed by apples at 12 kg per person and oranges (including mandarins and clementines) at 10 kg.

Each individual ate more than 183 kg of vegetables (including potatoes) in 1998. Despite some trailing off in the past couple of years, this total remains almost 8% higher than the 170 kg consumed at the beginning of the decade.

In terms of fresh vegetables (excluding potatoes), consumption increased from 65 kg per person in the early 1990s to just over 67 kg in 1998. The growing use of fresh-cut products in the food service industry and in retail grocery outlets, year-round availability and increased variety are factors in this growth. Lettuce, onions, carrots, tomatoes and cabbage were all popular choices.

Potatoes again topped the list as the most popular vegetable among consumers. Last year each individual ate on average more than 75 kg of potatoes, in fresh form or as processed products such as french fries, potato chips, stuffed baked potatoes or frozen mashed potatoes. This compares with an average intake of 65 kg in 1990.

Consumption of oils and fats increased to over 33 kg in 1998 compared with 22 kg at the beginning of the decade. This increase was prompted by the growing use of salad and shortening oils in salad dressings, deep-fried products and commercially prepared cookies, pastries, specialty breads and croissants.

Data are also available on consumption trends of selected products in the United States for comparison with those for Canada. For example, in 1998 each Canadian ate 15.2 dozen eggs and almost 12 kg of cheese, compared with about 20 dozen eggs and almost 13 kg of cheese consumed by each American.

Per capita consumption of red meat increased in 1998 in both Canada and the United States after steady declines since the mid-1970s. In Canada, much

of this increase can be attributed to higher demand for pork. Consumption of all poultry continued to increase — driven in part by strong consumer demand in both countries for a wide variety of convenient processed food products. Overall, Americans eat more red meat and poultry than Canadians.

These data show that the trend to lower milk consumption and to lower-fat varieties is occurring in both Canada and the United States. However, cream consumption has continued to steadily increase in both countries during the past few years.

Note: These data represent food available for consumption and not actual quantities of food consumed in Canada. This is because they do not allow for losses in stores, households, private institutions or restaurants. Consumption patterns of other products such as dairy, beef and poultry were released in *The Daily* on June 16, 1999.

Available on CANSIM: matrices 2268-2272.

Historical consumption data from 1984 to 1998 for fruits, vegetables, oils and fats and fish plus detailed information on production, stocks, international trade and supplies used by manufacturers will be available shortly in *Food consumption in Canada, part II* (32-230-XPB, \$35; 32-230-XIB, \$26). See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Debbie Dupuis (613-951-2553), or Patricia Chandler (613-951-2506; fax: 613-951-3868), Agriculture Division. ■

Export and import price indexes

August 1999

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 August 1999 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 August 1999. 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 3618, 3619, 3651, 3685, 8430-8435, and 8438-8447.

The August 1999 issue of *Canadian international merchandise trade* (65-001-XPB, \$19/\$188 or 65-001-XIB, \$14/\$141) will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality for this release, contact Jocelyne Elibani (613-951-9647 or 1 800 294-5583), Marketing and Client Services Section, International Trade Division. ■

Stocks of frozen poultry meat

October 1, 1999 (preliminary)

Data for stocks of frozen poultry meat in cold storage on October 1, 1999 are now available.

Available on CANSIM: matrices 5675-5677.

For more information, or to enquire about the concepts, methods or data quality for this release, contact Sandra Giefeldt (613-951-2505), Livestock and Animal Products Section, Agriculture Division. ■

Travel between Canada and other countries - correction

August 1999

The last paragraph in the *Daily* release of October 19 on *Travel between Canada and other countries* should read as follows:

Among travellers from Canada's 10 most important markets other than the United States, those from Mexico (+13.8%) and Taiwan (+10.9%) made substantially more overnight trips to Canada than in August 1998, while travellers from Hong Kong (-17.5%) recorded the largest drop in trips to Canada (unadjusted data).

For more information, contact Johanne Plante (613-951-1910; fax: 613-951-2909; johanne.plante@statcan.ca), Tourism Statistics Program. ■

PUBLICATIONS RELEASED

National income and expenditure accounts, second quarter 1999
Catalogue number 13-001-XPB
(Canada: \$44/\$145; outside Canada: US\$44/US\$145).

Employment, earnings and hours, July 1999
Catalogue number 72-002-XPB
(Canada: \$32/\$320; outside Canada: US\$32/US\$320).

All prices exclude sales tax.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; and -XPB or -XPE denote a paper version.

How to order publications

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

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: **1-877-287-4369**
Address changes or account inquiries: **1-800-700-1033**

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.

To order by Internet: write to order@statcan.ca or download an electronic version by accessing Statistics Canada's Web site (www.statcan.ca), under the headings *Products and services*, *Downloadable publications*.

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 access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by E-mail, send an E-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Editor: Dan Smythe (613-951-1103, smytdan@statcan.ca)
Head of Official Release: Chantal Prévost (613-951-1088), prevcha@statcan.ca

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 1999. Citation in newspaper, 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.