



The Daily

Statistics Canada

Thursday, July 29, 1999

For release at 8:30 a.m.

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Industrial product prices in June showed little change from their May level and stood close to 1% higher than a year earlier.
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Historical statistics of Canada (second edition)

An electronic version of the compendium *Historical statistics of Canada – second edition* is now available. This unique reference volume was published in 1983 as a paper publication and has been out of print for many years (the first edition was published in 1965). It depicts the growth and development of Canada from Confederation in 1867 to the modern era in short texts and extensive statistical tables.

Many requests were received from researchers to make this volume available in electronic form. In response, Statistics Canada has re-issued the original content of this publication on its Internet site without any alterations to the original text and data.

The compendium, originally published by the Social Science Federation of Canada and Statistics Canada, provides professionals and students with an important statistical source for historical research and analysis. In addition to time series on employment, housing, health care, education and the national accounts, it includes descriptions designed to aid interpretation and use of the data and draws together references to the many original sources.

The electronic version of *Historical statistics of Canada – second edition* (11-516-XIE) can be accessed free on Statistics Canada's Web site (www.statcan.ca), either as HTML (text) and csv files (tables) or as Adobe Acrobat files that may be downloaded.

For more information, contact Linda McCormick, (613-951-6478), Dissemination Division.



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MAJOR RELEASES

Industrial Product Price Index

June 1999 (preliminary)

Industrial product prices in June showed little change from their May level and stood close to 1% higher than a year earlier.

In June, the Industrial Product Price Index was 120.2, up from May's (revised) level of 120.1 (1992=100).

The most significant price increases in June were for softwood lumber and pulp. Most of these increases were offset by price declines for non-ferrous primary metal products and products of the petroleum industry.

In mid-June, the value of the U.S. dollar against the Canadian dollar was about C\$1.46. This was little changed from its value in mid-May and a little below its value in mid-June 1998, when it had been about C\$1.47.

12-month price changes

June 1998-June 1999

	Change	Excluding exchange rate effect
	%	
Manufacturers' prices		
All goods	0.8	1.0
Intermediate goods ¹	0.5	0.6
First-stage goods ²	-0.6	-0.4
Second-stage goods ³	0.8	0.9
Finished goods ⁴	1.4	1.6
Foods and feeds	1.3	1.3
Capital goods	1.1	1.4
Other finished goods	1.7	2.0
Other prices		
Raw material prices (RMPI)	5.4	...
Retail prices (CPI)		
Food purchased from stores	0.9	...
Goods excluding food purchased from stores	1.5	...
U.S. manufacturers' prices	1.3	...

¹ Used mainly as inputs into industry.

² Used mainly as inputs into basic industries.

³ Used mainly as inputs into other industries.

⁴ Used for immediate consumption or for capital investment.

... Figures not appropriate or not applicable.

Twelve-month change in manufacturing industry prices, excluding the effect of the exchange rate, continuing to rise

If the effects of the changes in the value of the Canadian dollar were excluded for prices quoted in U.S.

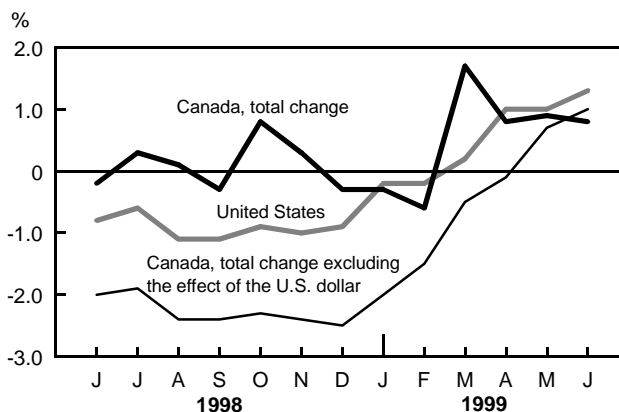
Note to readers

The Industrial Product Price Index (IPPI) reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index (CPI), the IPPI excludes indirect taxes and all the costs that occur between the time when a good leaves the plant and the time when the final user takes possession of it, including the transportation, wholesale and retail costs.

Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp, paper and wood products. A rise or fall in the value of the Canadian dollar against the U.S. dollar therefore affects the IPPI. A 1.0% change in the value of the Canadian dollar against the U.S. dollar has been estimated to change the IPPI by approximately 0.3%.

dollars in June, the 12-month change in industrial prices would have been 1.0% instead of 0.8%. This was the sixth consecutive increase in the 12-month change in industrial prices, excluding the effect of the exchange rate. In December 1998, it had been -2.5%.

12-month change in manufacturing prices (excluding the effect of the U.S. dollar) is up again



In the United States, manufacturing industry output prices edged up 0.1% in June to stand 1.3% higher than a year earlier. Between November 1998 and June 1999, the 12-month change in U.S. manufacturing industry prices increased from -1.0% to +1.3%.

Softwood lumber prices up

In June, softwood lumber prices were up 5.2% from their May level. Softwood lumber price levels increased across the country, with the largest gain in the interior of British Columbia. Price increases were most noteworthy for spruce in Ontario and for Douglas fir and spruce, pine and fir in the interior of British Columbia. On the west coast of British Columbia, prices continued downward for western red cedar.

In Canada, domestic softwood lumber prices increased 4.0% while export prices rose 5.7%. In the United States, softwood lumber prices were up 4.5%.

These price increases occurred despite the decline in U.S. housing starts that more than erased their 5.6% jump in the previous month, falling to their lowest annual level since May 1998. In Canada, however, housing starts were up 5.0% in June, increasing to their highest level since March 1998.

Prices up for pulp

Average pulp prices were up 3.1% in June. The most significant increase was for exported bleached sulphate wood pulp (+3.7%). Domestic bleached sulphate wood pulp was up 1.4%. Bleached sulphate wood pulp makes up about four-fifths of Canadian pulp production, most of which is exported. In the United States, average pulp prices were up 2.9%.

During the March through June period, pulp prices recovered somewhat as market conditions strengthened. Average prices in June were up 10.7% from their February low, but remained 4.9% below their level a year earlier. In the United States, average pulp prices were 5.5% below their level in June 1998.

Prices down for non-ferrous primary metal products

Price declines among non-ferrous primary metal products were fairly general. The most significant declines were for primary copper products (-10.9%) and nickel products (-3.9%). In world markets, fund managers contributed to the former by short-selling copper and may have contributed to the latter by profit-taking. As noted in the Raw Materials Price Index, prices were down for raw copper (-11.1%) and nickel (-4.4%).

Other declines in non-ferrous metal product prices included primary aluminum products (-0.9%), refined zinc (-4.7%), primary lead (-7.5%), gold (-5.7%) and silver and platinum (-4.9%). The drop in prices for gold and gold-alloy products reflected the drop in gold prices

that followed the decision of the Swiss and British banks to sell part of their gold reserves.

Prices down for products of the petroleum industry

Prices in the petroleum product industry edged down 1.3% in June following a 19.5% increase from March through May. This decline occurred despite a continued increase in crude oil prices, up 0.9% in June as shown in the Raw Materials Price Index.

At the retail level, gasoline prices fell in June after three consecutive increases, dropping 1.5% as noted in the Consumer Price Index. Competition in Ontario and Quebec is reported to have contributed to this decline in retail gasoline prices.

Overview

In June, Canadian seasonally adjusted total employment showed little change for a fifth consecutive month, edging up fractionally after its slight decrease in May. In the manufacturing sector, however, employment rose for a second consecutive month, passing March's peak. June also saw increases in both housing starts and in sales of existing homes.

May's seasonally adjusted figures showed increases, after declines in April, for manufacturing shipments, exports and both wholesale and retail sales.

In the United States, Canada's major trading partner, industrial production in June continued to rise by 0.2% as manufacturing output edged up 0.1%. However, seasonally adjusted housing starts were down noticeably. Also in June, unemployment edged up marginally to 4.3% as non-farm employment rose by 268,000.

In Japan, Canada's second largest national export market, industrial production is estimated to have recovered 1.3% in June after hitting a new low in May. The 12-month change in Japanese domestic wholesale prices was -1.7% in June, unchanged from its May level.

Elsewhere in eastern Asia, western media reports have been indicating some concern over the direction of economic conditions in China. Economic growth has been estimated to have slowed to below 8% in the second quarter, despite the large public infrastructure program. The trade balance is down two-thirds in the first half of 1999, perhaps hurt by the relatively strong Chinese currency. There has also been deflation in consumer prices for some time along with relatively slow growth for personal income.

The European Union (EU), as a group, is an even larger export market for Canada than Japan. The four European G7 members dominate it. For these countries, the most recent figures for the 12-month change in industrial prices were: -1.4% in Italy (May), -1.5% in Germany (June) and -2.4% in France (May). In the United Kingdom, the 12-month change in manufacturing prices in June was +1.0%, however, it was -0.3% excluding excise taxes.

In May, industrial production in the United Kingdom remained stable after edging up in February and March. British industrial production for the March-May period was 0.9% less than a year earlier. In Italy, industrial production continued to decline in May and stood 4.6% below its level a year earlier. In Germany, May's

industrial production was flat for a third consecutive month and was 1.3% below the level a year earlier. In France, industrial production in May slipped somewhat but remained 0.2% higher than a year earlier.

Available on CANSIM: matrices 1870-1878.

The June 1999 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available at the end of August. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Client Services Unit (613-951-3350; fax: 613-951-1539; infounit@statcan.ca), Prices Division. □

Industrial product price indexes
(1992=100)

	Relative importance	June 1998	May 1999 ^r	June 1999 ^p	June 1998 to June 1999	May to June 1999
					% change	
Industrial Product Price Index (IPPI)	100.00	119.2	120.1	120.2	0.8	0.1
Intermediate goods¹	59.28	119.2	119.6	119.8	0.5	0.2
First-stage intermediate goods ²	7.91	119.6	118.6	118.9	-0.6	0.3
Second-stage intermediate goods ³	51.37	119.1	119.8	120.0	0.8	0.2
Finished goods⁴	40.72	119.1	120.8	120.8	1.4	0.0
Finished foods and feeds	10.38	112.5	114.0	114.0	1.3	0.0
Capital equipment	10.21	123.1	124.3	124.4	1.1	0.1
All other finished goods	20.13	120.4	122.6	122.5	1.7	-0.1
Aggregation by commodities						
Meat, fish and dairy products	7.27	118.3	119.3	118.9	0.5	-0.3
Fruit, vegetable, feed, miscellaneous food products	6.72	113.1	110.5	110.5	-2.3	0.0
Beverages	2.12	112.3	115.9	115.9	3.2	0.0
Tobacco and tobacco products	0.72	131.6	139.4	139.4	5.9	0.0
Rubber, leather, plastic fabric products	3.01	113.5	112.7	113.2	-0.3	0.4
Textile products	1.82	110.2	108.4	108.5	-1.5	0.1
Knitted products and clothing	1.93	109.4	110.0	110.0	0.5	0.0
Lumber, sawmill, other wood products	5.20	132.1	147.9	152.8	15.7	3.3
Furniture and fixtures	1.46	115.0	115.6	115.7	0.6	0.1
Pulp and paper products	7.65	131.5	124.2	124.8	-5.1	0.5
Printing and publishing	3.05	131.0	133.3	133.3	1.8	0.0
Primary metal products	7.58	120.2	118.5	117.2	-2.5	-1.1
Metal fabricated products	4.11	123.3	122.8	122.7	-0.5	-0.1
Machinery and equipment	4.08	113.6	114.3	114.4	0.7	0.1
Autos, trucks, other transportation equipment	18.76	129.5	130.3	130.3	0.6	0.0
Electrical and communications products	6.03	106.1	106.2	105.8	-0.3	-0.4
Non-metallic mineral products	2.12	113.0	113.7	114.0	0.9	0.3
Petroleum and coal products ⁵	6.01	95.1	102.9	101.8	7.0	-1.1
Chemicals and chemical products	7.60	114.1	115.1	115.1	0.9	0.0
Miscellaneous manufactured products	2.45	116.5	117.9	117.5	0.9	-0.3
Miscellaneous non-manufactured commodities	0.31	115.6	118.2	117.4	1.6	-0.7

^r Revised figures.

^p Preliminary figures.

¹ Intermediate goods are used principally to produce other goods.

² First-stage intermediate goods are used most frequently to produce other intermediate goods.

³ Second-stage intermediate goods are most commonly used to produce final goods.

⁴ Finished goods are goods most commonly used for immediate consumption or for capital investment.

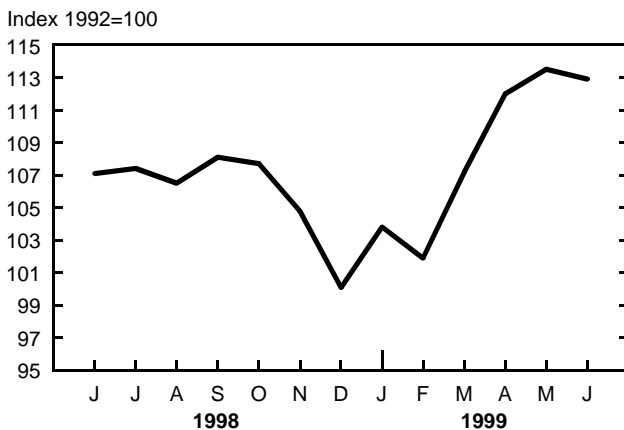
⁵ This index is estimated for the current month.

Raw Materials Price Index

June 1999 (preliminary)

After three months of relatively strong price increases, the Raw Materials Price Index eased back in June (-0.5%). Overall, prices were fairly flat, with non-ferrous metal and animal product prices accounting for the bulk of the decline. These effects were partly offset by marginally higher crude oil and wood prices. The Raw Materials Price Index stood at 112.9 in June, down from May's figure of 113.5 (1992=100).

Raw material prices edge down in June



June's raw material prices remained 5.4% above their level of a year earlier, the largest 12-month advance in over two years.

Non-ferrous metal prices weaken

Non-ferrous metal prices weakened 4.4% in June, the result of widespread price declines.

Copper fell 11.1% to stand at its lowest level in over a decade. In general, copper prices have been falling since their peak in January 1995, leaving June's level 52.2% below this high. Expanded output by low-cost producers has kept inventories high while demand from East Asian economies has been weak over the past couple of years.

In the wake of recent price upturns, both nickel and zinc concentrate prices lost ground in June, falling 4.4% and 4.6% respectively. Zinc concentrate prices were also down on a yearly basis (-3.4%), whereas nickel prices have risen considerably (+18.2%) over the past year.

Gold prices fell 5.7% to 20-year lows. Prices weakened on news of plans by British and Swiss

Note to readers

The Raw Materials Price Index (RMPI) reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Also, unlike the Industrial Product Price Index, the RMPI includes goods that are not produced in Canada.

banks to sell significant holdings of gold just as the International Monetary Fund proposed its own sell-off to fund a debt-relief program.

Animal product prices edge down

After two months of gains, animal product prices edged down 1.4% in June. Lower cattle and hog prices were largely responsible for this decline, while hog prices alone were the driving force behind a 2.0% yearly decline in animal product prices.

Hog prices fell 5.6% in June, unable to sustain the 36.2% increase realized in the preceding two months. Prices lost ground after a report indicated a larger than expected herd size in the United States. This news prompted farmers to sell their hogs to avoid further potential price decreases. Hog prices, which tumbled 66.9% in the second half of 1998, have been recovering throughout most of 1999. Despite recent gains, prices remained 18.1% lower than in June 1998.

There were also more cattle on feedlots than expected, prompting a 1.3% monthly drop in cattle prices. While June's prices were the lowest of 1999, they remained 2.9% higher than a year earlier.

Crude oil prices gain ground

Mineral fuel prices increased marginally (+0.9%) in June, the result of higher prices for crude oil (+0.9%) and coal (+2.4%).

Crude oil prices gained ground as vacation driving spurred demand, bringing about the fourth consecutive monthly increase. A strike threat by Venezuelan oil workers also influenced the rise in crude oil prices. Venezuela is OPEC's third largest producer. Crude oil prices have stabilized over the past two months after rising 46.5% from February to April. Yearly prices were also quite robust, posting a 33.0% gain.

By virtue of its weight in the Raw Materials Price Index, the category of mineral fuels (90% of which is crude oil) exerts considerable influence over total prices. If mineral fuels were excluded, raw material prices for June would have fallen 1.1%, more than twice the actual decline (-0.5%). The impact of mineral fuels was even more pronounced on a 12-month basis. Excluding mineral fuels, the Raw Materials Price Index

would have dropped 2.5% rather than the 5.4% price increase for the total index.

Wood prices continue upward trend

With their fifth monthly price increase in June, wood prices continued their upward trend, rising 0.6%. For the second consecutive month, prices strengthened for both pulpwood (+0.7%) and logs (+0.5%).

A solid U.S. housing market for most of the year was largely responsible for ongoing strength in the log market. Builders are the biggest lumber users and demand from this source has been growing; there were 7% more U.S. building permits issued in the first six months of 1999 compared with the same period in 1998. June's 0.5% increase in log prices extended the four-month upward trend. Log prices experienced an even more dramatic increase on a yearly basis, gaining 10.2%. Pulpwood prices edged up for a second month but remained 1.9% weaker on a yearly basis.

Wheat prices gain

As a group, vegetable product prices slipped 0.2% in June as lower canola and soybean prices were partly offset by increases for wheat and unrefined sugar prices.

Canola and soybean prices continued their downward trend, falling 4.3% and 2.6% respectively. Good growing conditions for soybeans, canola's major competitor, raised concerns that the record soybean acreage in the United States will produce another bumper crop. Soybean prices stood at their lowest

level in over six years, 46.1% below their peak of April 1997 and down 27.9% on a yearly basis. Similarly, canola prices have fallen to their lowest level in over five years, dropping 23.2% on a yearly basis.

In contrast, wheat prices gained 2.2% on reports of heavy buying and wet weather that delayed spring planting. June's prices remained 7.1% below those of June 1998 and 47.2% below the peak of May 1996.

Sugar prices rose 4.7% in June as Russia, the world's largest importer, stepped up sugar buying to avoid a 45% duty that will be imposed August 1. In contrast to the monthly picture, sugar prices have tumbled 21.2% since last June.

Ferrous metal prices

In June, both iron ore prices and iron and steel scrap prices were relatively stable with increases of 0.1% and 0.3% respectively. On a yearly basis, however, prices appeared more sluggish. Iron ore prices were down 8.9% while iron and steel scrap prices tumbled 22.2%.

Available on CANSIM: matrix 1879.

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Raw materials price indexes (1992=100)

	Relative importance	June 1998	May 1999 ^r	June 1999 ^p	June 1998 to June 1999	May to June 1999
					% change	
Raw Materials Price Index (RMPI)	100.00	107.1	113.5	112.9	5.4	-0.5
Mineral fuels	31.47	82.7	106.6	107.6	30.1	0.9
Vegetable products	9.41	132.6	116.0	115.8	-12.7	-0.2
Animals and animal products	24.41	111.3	110.6	109.1	-2.0	-1.4
Wood	14.88	128.2	136.9	137.7	7.4	0.6
Ferrous materials	3.17	138.6	115.0	115.3	-16.8	0.3
Non-ferrous metals	13.81	106.5	106.2	101.5	-4.7	-4.4
Non-metallic minerals	2.85	114.5	118.3	118.3	3.3	0.0
RMPI excluding mineral fuels	68.53	118.3	116.7	115.4	-2.5	-1.1

^r Revised figures.

^p Preliminary figures.

OTHER RELEASES

Steel primary forms

Week ending July 24, 1999 (preliminary)

Steel primary forms production for the week ending July 24, 1999 totalled 282 919 tonnes, down 1.6% from the week-earlier 287 595 tonnes and up 1.3% from the year-earlier 279 378 tonnes. The cumulative total at the end of the week was 9 019 214 tonnes, a 2.7% decrease compared with 9 265 786 tonnes for the same period in 1998.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Greg Milsom (613-951-7093; milsomg@statcan.ca), Manufacturing, Construction and Energy Division. ■

Passenger bus industry

1998 (preliminary)

Preliminary data for the Canadian bus passenger industry are now available. The information is derived from quarterly surveys completed by 101 urban transit companies and approximately 280 other bus companies that earn at least \$200,000 annually. The 280 companies provide scheduled intercity passenger, charter, school bus, shuttle or sightseeing services. The data exclude all school-bus companies with annual revenues less than \$2 million. Data are subject to change.

Available on CANSIM: matrices 346 and 347.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009; laroque@statcan.ca), Transportation Division. ■

PUBLICATIONS RELEASED

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

Canada's international transactions in services, 1998
Catalogue number 67-203-XIB
(Canada: \$30).

All prices exclude sales tax.

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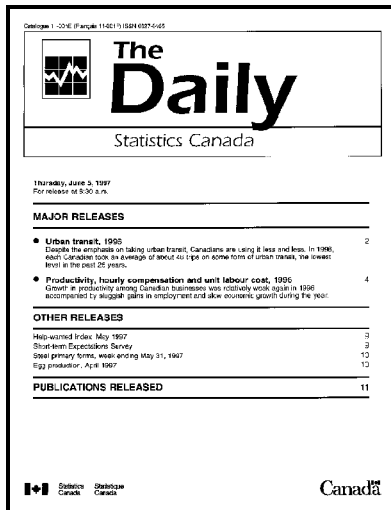
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