



The Daily

Statistics Canada

Monday, January 24, 2000

For release at 8:30 a.m.

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In November, foreign investors continued to increase their holdings of Canadian securities with a massive \$6.8 billion investment. At the same time, Canadian investors returned to foreign markets with a major investment of their own, acquiring a record \$5.9 billion of foreign securities.
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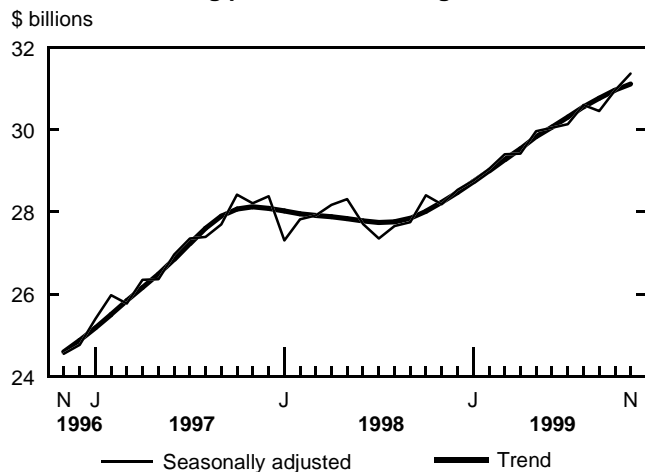
Wholesale trade

November 1999 (preliminary)

Wholesale sales rose 1.3% in November to \$31.4 billion. Increased sales by wholesalers of lumber and building materials, and industrial and other machinery, equipment and supplies were major contributors to this advance.

Wholesalers in 7 of the 11 trade groups reported increases. Except for a period of stagnant sales during the first half of 1998, overall wholesale sales have been generally growing for the past several years.

November's advance continues the strong performance during 1999



November's overall advance was mainly spurred by a 5.2% increase in sales by wholesalers of lumber and building materials as well as a 3.8% gain for wholesalers of industrial and other machinery, equipment and supplies. These two trade groups registered the largest increases in dollars.

Notable percentage increases were reported by wholesalers of apparel and dry goods (+14.2%) and household goods (+4.6%), although their combined results accounted for less than 5% of overall sales.

Among trade groups showing a decline in sales, wholesalers of farm machinery, equipment and supplies had the most severe drop (-8.0%), to be the only group with a year-over-year decrease (-6.0%). Other noteworthy declines were reported by wholesalers of beverage, drug and tobacco products (-2.5%) and

wholesalers of computers, packaged software and other electronic machinery (-2.2%).

Wholesalers of lumber and building materials report increased sales

The lumber sector again saw sales advance with a strong 5.2% jump in November after a 1.1% increase in October. These two advances followed a third quarter with three monthly declines. November's gain appears to be heavily based on domestic construction activity, with the unseasonably warm weather allowing for an extended construction season. The number of housing starts was up in November (+5.0%), as was the value of overall building permits (+4.0%).

Lumber wholesalers benefited from the first increase in four months for lumber prices (+0.8%). Following a brief pause during the summer of 1999, sales are generally rising again. Sales in this group showed strong gains from mid-1998 until the early summer of 1999.

Increased sales of industrial equipment and electrical supplies propelled the 3.8% sales increase by wholesalers of industrial and other machinery, equipment and supplies. Non-domestic demand may have contributed to the increase in sales of industrial equipment — exports of industrial machinery advanced 8.9% in November.

The increased sales of electrical supplies may have benefited from increased domestic building activity and increased spending in the United States during November within the private non-residential sector (+3.0%). Sales by wholesalers of industrial and other machinery, equipment and supplies have generally been increasing since the fall of 1998, following a general period of declining sales that started in the fall of 1997.

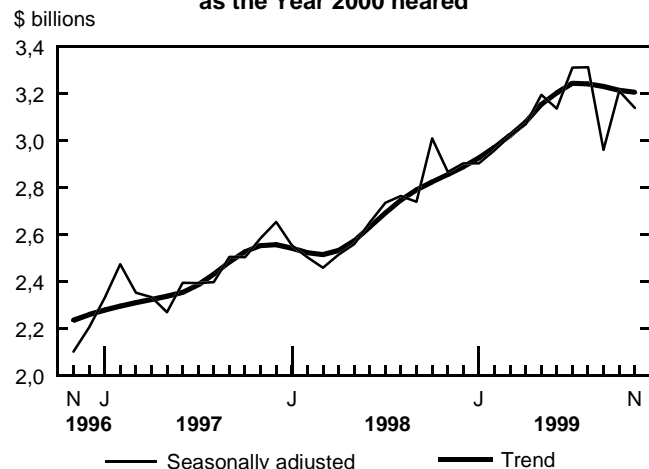
Wholesale sales in computer sector ease off

Sales of computers, packaged software and other electronic machinery dropped 2.2% in November. Despite this decline, inventories were also down 0.8%. Sales have weakened during the latter half of 1999, but remain at a level almost 10% higher than in November 1998. Except for the stagnant sales over the past several months, and a similar lapse in early 1998, wholesale sales within the computer sector have been generally rising for several years.

International trade figures for November show declines in the value of imports (-6.5%) and exports

(-5.1%) of office machines and equipment, which includes computers.

Wholesale sales of computers, packaged software and other electronic machinery weakened as the Year 2000 neared



Sales by wholesalers of farm machinery, equipment and supplies decreased 8.0% on the heels of two very strong increases in September (+6.7%) and in October (+8.9%). Wholesalers within this group also sell equipment related to snow clearing activities; they reported that the unusually warm weather and resulting lack of snow was a factor in the reduced sales.

Despite signs of improved sales in recent months, wholesalers of farm machinery, equipment and supplies have reported generally diminishing sales over the last year and are currently the only group to show a year-over-year sales decrease (-6.0%).

Wholesale sales decline in Nova Scotia and Saskatchewan

Nova Scotia and Saskatchewan were the only provinces to report declines in wholesale sales during November, down 2.9% and 1.0% respectively.

In Nova Scotia, the largest impact was due to a drop in sales by wholesalers in the industrial and other machinery, equipment and supplies group, despite an overall increase in this group for Canada as a whole. After generally rising since mid-1998, wholesale sales in Nova Scotia have turned downward since the spring of 1999.

November's dip in Saskatchewan was mainly the effect of a drop in sales by wholesalers of farm machinery, equipment and supplies and, to a lesser extent, by wholesalers in the other products group. Wholesale sales in Saskatchewan have generally been

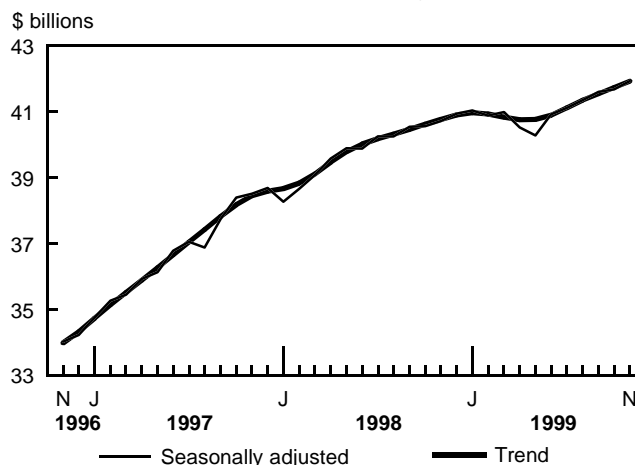
climbing since late 1998. Prior to that, sales reached an historic peak in early 1998 then generally declined until later that year.

Newfoundland wholesalers reported the largest month-to-month increase (+4.6%), which follows two large decreases in September (-5.8%) and October (-2.9%). Sales by Newfoundland wholesalers have generally levelled off since mid-1999, following a period of generally increasing sales from mid-1998.

Inventories climb higher

Inventories held by wholesalers rose 0.6% in November, bringing their value to \$41.9 billion. The major contributors to this rise were the groups with the highest levels of inventory — wholesalers of motor vehicles, parts and accessories (+1.7%) and wholesalers of industrial and other machinery, equipment and supplies (+1.1%).

Wholesalers accumulate higher levels of inventory



The inventories-to-sales ratio dropped from 1.35 in October to 1.34 in November. Even though inventories are increasing, the inventories-to-sales ratio drops if there is a relatively larger increase in sales. The ratio has fluctuated around 1.35 for the preceding six months, the same level seen 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 November 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 or 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

	November 1998 ^r	August 1999 ^r	September 1999 ^r	October 1999 ^r	November 1999 ^p	October 1999 to November 1999	November 1998 to November 1999
seasonally adjusted							
	\$ millions					% change	
Sales, all trade groups	28,178	30,593	30,446	30,945	31,353	1.3	11.3
Food products	4,428	4,668	4,701	4,656	4,752	2.1	7.3
Beverage, drug and tobacco products	1,868	1,948	1,975	1,988	1,938	-2.5	3.7
Apparel and dry goods	538	549	550	544	622	14.2	15.6
Household goods	798	837	826	823	861	4.6	7.8
Motor vehicles, parts and accessories	5,029	5,987	6,088	6,199	6,221	0.3	23.7
Metals, hardware, plumbing and heating equipment and supplies	1,948	2,001	1,994	2,002	2,073	3.5	6.4
Lumber and building materials	2,085	2,351	2,317	2,342	2,464	5.2	18.2
Farm machinery, equipment and supplies	663	583	622	677	623	-8.0	-6.0
Industrial and other machinery, equipment and supplies	4,134	4,441	4,497	4,462	4,632	3.8	12.1
Computers, packaged software and other electronic machinery	2,866	3,312	2,960	3,211	3,139	-2.2	9.6
Other products	3,822	3,915	3,915	4,040	4,027	-0.3	5.4
Sales by province and territory							
Newfoundland	195	229	216	210	219	4.6	12.4
Prince Edward Island	51	58	53	52	53	0.6	4.0
Nova Scotia	522	572	563	562	546	-2.9	4.5
New Brunswick	335	386	376	382	387	1.3	15.8
Quebec	5,779	6,298	6,301	6,357	6,394	0.6	10.6
Ontario	13,832	15,241	15,081	15,437	15,721	1.8	13.7
Manitoba	905	947	923	911	930	2.1	2.8
Saskatchewan	827	875	904	928	919	-1.0	11.1
Alberta	2,581	2,684	2,691	2,749	2,778	1.0	7.6
British Columbia	3,128	3,277	3,313	3,331	3,384	1.6	8.2
Yukon	10	9	12	10	9	-10.6	-13.3
Northwest Territories	..	13	12	13	11	-9.2	..
Nunavut	..	2	2	2	2	-9.0	..
Inventories, all trade groups	40,718	41,347	41,603	41,680	41,933	0.6	3.0
Food products	2,697	2,780	2,776	2,795	2,816	0.7	4.4
Beverage, drug and tobacco products	2,218	2,390	2,474	2,519	2,484	-1.4	12.0
Apparel and dry goods	1,309	1,235	1,279	1,240	1,234	-0.5	-5.7
Household goods	1,540	1,493	1,494	1,540	1,517	-1.5	-1.5
Motor vehicles, parts and accessories	5,703	6,083	6,094	6,125	6,230	1.7	9.2
Metals, hardware, plumbing and heating equipment and supplies	3,518	3,560	3,642	3,705	3,744	1.0	6.4
Lumber and building materials	3,594	3,790	3,742	3,798	3,843	1.2	6.9
Farm machinery, equipment and supplies	2,311	2,186	2,165	2,075	2,071	-0.2	-10.4
Industrial and other machinery, equipment and supplies	9,749	10,197	10,309	10,154	10,262	1.1	5.3
Computers, packaged software and other electronic machinery	2,710	2,594	2,572	2,627	2,606	-0.8	-3.8
Other products	5,369	5,039	5,055	5,103	5,127	0.5	-4.5

^r Revised figures.

^p Preliminary figures.

.. Figures not available.

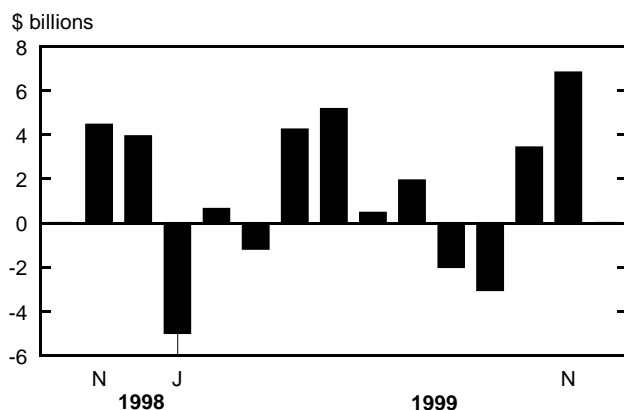
Canada's international transactions in securities

November 1999

In November, foreign investors continued to increase their holdings of Canadian securities with a massive \$6.8 billion investment. This foreign investment, the largest in 15 months, was entirely directed to Canadian bonds and stocks.

At the same time, Canadian investors returned to foreign markets with a major investment of their own, acquiring a record \$5.9 billion of foreign securities. This exceeded the previous high of December 1998 by more than 25%.

Foreign investment in Canadian securities*



* Includes bonds, stocks and money market paper.

Strengthened demand for Canadian bonds leads foreign portfolio investment

For a second straight month, foreign investors increased their holdings of Canadian bonds, as the net purchase in November swelled to \$5.9 billion, more than double that of October. The November investment was dominated by a federal U.S. dollar global bond issue coupled with major foreign purchases of outstanding federal government bonds. U.S. investors accounted for most of the buying with the balance by Europeans.

The differential on long-term government instruments, which drifted in favour of Canada by a narrow margin in October, shifted back to favouring the United States in November by an equally small margin.

Foreign demand for Canadian stocks continued in November as non-residents added a further \$1.5 billion to their holdings. For a second consecutive month,

Related market information

Interest rates

Rising short-term rates in both Canada and the United States pushed the differential favouring investment in the United States to 50 basis point by the end of November. This is the largest spread since May 1999, when the differential shifted in favour of the United States. The differential on long-term government instruments, which drifted in favour of Canada by a small margin in October, shifted back to favouring the United States in November by a marginal 10 basis points.

Stock prices

In November, Canadian stock prices (TSE 300 composite index) outperformed their U.S. counterparts (Standard & Poor's 500 index) by an almost two-to-one margin (+3.7% versus +1.9%). For January to November 1999, Canadian prices have gained 16.0% compared with 13.0% for U.S. prices.

Canadian dollar

The Canadian dollar closed marginally lower in November for the second consecutive month (67.82 U.S. cents). Relative to the U.S. dollar, November's close is mid-way between 1999's high close in June (68.35 U.S. cents) and its lowest close in January (66.18 U.S. cents).

new issues floated in foreign markets spurred foreign investment in equities. The \$14.6 billion foreign investment in Canadian shares for the first 11 months of 1999 has surpassed the record annual investment of 1998.

U.S. investors continued to account for all the foreign buying in November as other foreign investors reduced their holdings by a small amount. Canadian stock prices (TSE 300 composite index) in November outperformed their U.S. counterparts (Standard & Poor's 500 index) by an almost two-to-one margin (+3.7% versus +1.9%).

Foreign investors further reduce their holdings of Canadian money market paper

Continuing the trend seen for most of 1999, foreign investors reduced their holdings of Canadian money market instruments by a further \$0.6 billion in November. Foreigners have reduced their holdings of short-term paper in 9 of the first 11 months of 1999. The reduction has totalled \$13.2 billion, roughly split between federal Treasury bills and paper of other governments and corporations.

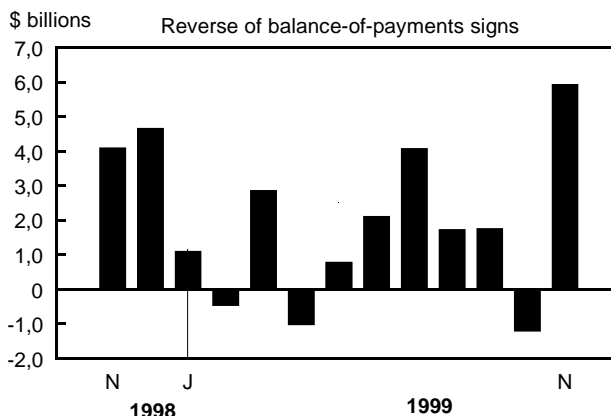
Rising short-term interest rates in both Canada and the United States pushed the differential favouring investment in the United States to 50 basis points by the end of November — the largest spread since the differential shifted in favour of the United States in May 1999.

Record investment in foreign securities by Canadian investors

Canadian investors injected a record \$5.9 billion in foreign stocks and bonds in November. They sharply increased their holdings of foreign stocks by \$3 billion, driven by the foreign acquisition of two Canadian companies, one in the financial sector and the other in the petroleum sector.

Notably, trading in existing foreign shares in the secondary market produced a small divestment, one of the few for 1999. After selling \$1.4 billion of foreign bonds in October, Canadian investors purchased a record \$2.9 billion in November. This latest investment was almost entirely directed to U.S. Treasuries.

Canadian investment in foreign securities*



* Includes bonds and stocks.

Available on CANSIM: matrices 2328-2330, 2378-2380 and 4195.

The November 1999 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176; 67-002-XIB, \$14/\$132) will be available in February. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Don Granger (613-951-1864), Balance of Payments and Financial Flows Division. □

Canada's international transactions in securities

	August 1999	September 1999	October 1999	November 1999	January to November 1998	January to November 1999
\$ millions						
Foreign investment in Canadian securities	-1,984	-3,025	3,413	6,820	21,078	11,510
Bonds (net)	-4,608	-1,643	2,474	5,852	8,766	10,133
Outstanding	-371	948	2,668	3,135	-11,956	11,219
New issues	531	3,526	1,049	3,293	49,984	30,173
Retirements	-5,288	-5,990	-1,730	-1,242	-30,812	-32,588
Change in interest payable ¹	521	-127	487	665	1,550	1,328
Money market paper (net)	327	-2,418	-978	-568	-1,150	-13,216
Government of Canada	1,030	-2,497	-2,018	-170	-2,733	-6,864
Other paper	-703	79	1,040	-397	1,583	-6,352
Stocks (net)	2,297	1,037	1,916	1,535	13,462	14,593
Outstanding (including retirements)	1,921	785	-310	-629	-3,347	6,690
New Issues	375	251	2,226	2,164	16,809	7,904
Canadian investment in foreign securities	-1,711	-1,740	1,184	-5,905	-17,595	-17,547
Bonds (net)	-1,080	-1,989	1,418	-2,882	-5,591	-1,990
Stocks (net)	-632	249	-234	-3,023	-12,004	-15,557

¹ Interest accrued less interest paid.

Note: A minus sign (-) indicates an outflow of money from Canada (i.e., a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad).

■

OTHER RELEASES

Production and disposition of tobacco products

December 1999

Cigarette production declined in December while strong seasonal sales reduced year-end inventories. Production and sales for 1999 were slightly below 1998 levels.

Cigarette production slipped 2% in December compared with November to 3.7 billion cigarettes, but remained 12% higher compared with December 1998. Total production for 1999 reached 47 billion cigarettes, 3% below 1998 figures.

Manufacturers shipped 4.1 billion cigarettes in December, up 13% from November but 5% lower than in December 1998. Shipments for 1999 reached 47 billion cigarettes, down 2% from the 1998 level.

Strong holiday season sales were mainly shipped out of inventories, which had been built up for December. Closing inventories were drawn down to 3.5 billion cigarettes or 17% below the opening inventory level. This was also 3% below the closing inventory at the end of 1998.

Available on CANSIM: matrix 46.

The December 1999 issue of *Production and disposition of tobacco products* (32-022-XIB, \$5/\$47) is now available. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Peter Zylstra (613-951-3511; zylspet@statcan.ca), Manufacturing, Construction and Energy Division. ■

Natural gas sales

November 1999 (preliminary)

Natural gas sales totalled 5 519 million cubic metres in November, down 11.4% from November 1998. Unusually warm weather throughout most of the country resulted in sharply lower sales to the residential (-18.4%) and commercial (-19.0%) sectors. Sales to the industrial sector (including direct sales) fell 6.4% because there was less demand for natural gas by electric utilities and the chemical industry.

Year-to-date sales to the end of November were up 1.5% over the same period in 1998. Sales to the residential (+1.3%) and commercial (+5.1%) sectors

increased largely due to the unseasonably cold weather during the 1999 heating season. Sales to the industrial sector (including direct sales) increased 0.8% over the same period last year.

Natural gas sales

	Nov. 1998	Nov. 1999 ^P	Nov. 1998 to Nov. 1999
	thousands of cubic metres		% change
Natural gas sales	6 228 559	5 518 918	-11.4
Residential	1 458 539	1 189 778	-18.4
Commercial	1 085 770	879 922	-19.0
Industrial	1 758 086	1 737 976	-6.4
Direct	1 926 164	1 711 242	
	Year-to-date		
	1998	1999 ^P	1998 to 1999
	thousands of cubic metres		% change
Natural gas sales	56 764 136	57 627 587	1.5
Residential	12 115 558	12 271 492	1.3
Commercial	8 328 072	8 749 997	5.1
Industrial	19 790 158	18 371 658	0.8
Direct	16 530 348	18 234 440	

^P Preliminary figures.

Available on CANSIM: matrices 1052-1055.

The November 1999 issue of *Natural gas transportation and distribution* (55-002-XPB, \$17/\$165) will be available in February. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Gary Smalldridge (613-951-3567; smalgar@statcan.ca) or Tom Lewis (613-951-3596; talewis@statcan.ca), Energy Section, Manufacturing, Construction and Energy Division. ■

Mineral wool including fibrous glass insulation

December 1999

Manufacturers shipped 2 317 053 square metres of R12 factor (RSI 2.1) mineral wool batts in December, down 22.0% from 2 971 493 square metres a year earlier and down 44.2% from 4 151 323 square metres a month earlier.

Year-to-date shipments to the end of December totalled 32 630 589 square metres, down 0.8% from the same period in 1998.

Available on CANSIM: matrices 40 and 122 (series 32 and 33).

The December issue of *Mineral wool including fibrous glass insulation* (44-004-XIB, \$5/\$47) is now available. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Bob Traversy (613-951-3531; travrob@statcan.ca), Manufacturing, Construction and Energy Division. ■

Railway carloadings

Ten-day period ending December 31, 1999

Non-intermodal traffic loaded during the ten-day period ending December 31, 1999, increased 7.7% to 5.0 million tonnes compared with the same period last year. The number of cars loaded increased 5.2%.

Intermodal traffic tonnage totalled 473 000 tonnes, up 20.8% from the same period in 1998. The year-to-date figures increased 13.1%.

Total traffic increased 8.8% during the period. This brought the year-to-date total to 256.2 million tonnes, an increase of 0.1% compared with the same period in 1998.

All year-to-date figures have been revised.

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. ■

Deliveries of major grains

December 1999

Data on December grain deliveries are now available.

Available on CANSIM: matrices 976-981.

Data are contained in the December issue of *Cereals and oilseeds review* (22-007-XPB, \$15/\$149), which will be available in March. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality for this release, contact Susan Anderson (613-951-3859; sue.anderson@statcan.ca), Grain Marketing Unit, Agriculture Division. ■

PUBLICATIONS RELEASED

Monthly Survey of Manufacturing, November 1999
Catalogue number 31-001-XPB
(Canada: \$20/\$196; outside Canada: US\$20/US\$196).

Production and disposition of tobacco products,
December 1999
Catalogue number 32-022-XIB
(Canada: \$5/\$47).

Mineral wool including fibrous glass insulation,
December 1999
Catalogue number 44-004-XIB
(Canada: \$5/\$47).

Air charter statistics, 1998
Catalogue number 51-207-XIB
(Canada: \$31).

All prices exclude sales tax.

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Thursday, June 3, 1997 For release at 9:30 a.m.	
MAJOR RELEASES	
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<ul style="list-style-type: none"> Productivity, hourly compensation and unit labour cost, 1995 Growth in productivity among Canadian businesses was relatively weak again in 1995 accompanied by sluggish gains in employment and slow economic growth during the year. 	4
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