

The Daily

Statistics Canada

Tuesday, February 22, 2000

For release at 8:30 a.m.

MAJOR RELEASES

- **Wholesale trade, December 1999 and 1999**

In 1999, wholesale sales advanced at more than twice the pace of the previous year in the wake of major gains in computers and other electronic machinery, the auto industry and the lumber and building materials industry. Wholesalers rang up sales last year of \$361.2 billion, up 7.8% from 1998.

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- **Composite Index, January 2000**

In January, the growth of the leading index returned to 0.5%. That marked an easing from December's 0.8% growth, which was temporarily boosted by preparations for the arrival of the year 2000. Demand from firms was the driving force behind growth.

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MAJOR RELEASES

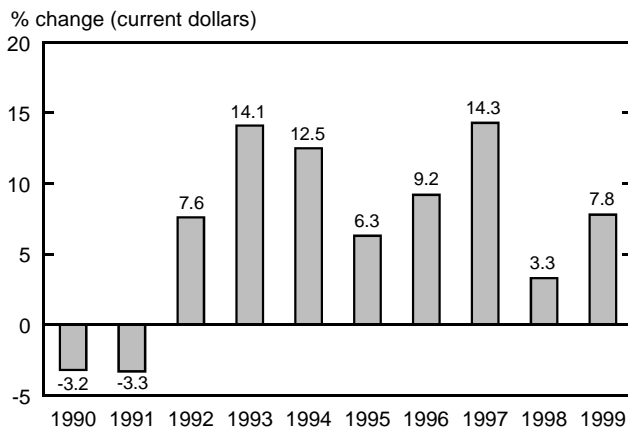
Wholesale trade

December 1999 (preliminary) and 1999

In 1999, wholesale sales advanced at more than twice the pace of the previous year in the wake of major gains in computers and other electronic machinery, the auto industry and the lumber and building materials industry.

Wholesalers rang up sales last year of \$361.2 billion, up 7.8%, and more than double the rate of 3.3% in 1998. Although strong, the rate in 1999 was only the fifth highest since the 1990-91 recession.

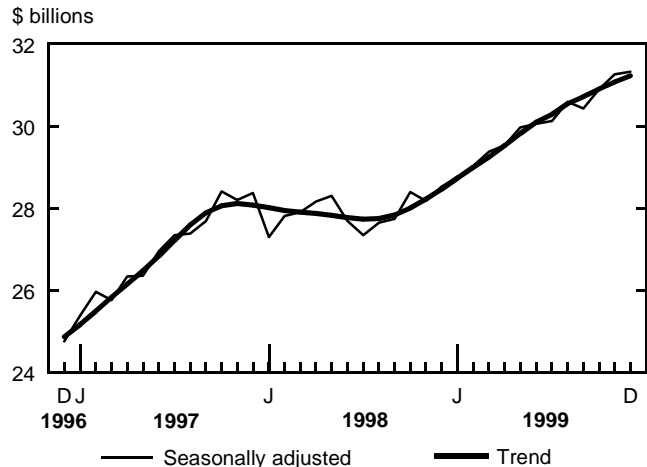
Advance in 1999 does not match best gains since 1991



Wholesalers of computers, packaged software and other electronic machinery led the way in 1999 as their sales increased 15.3%. Right behind were the motor vehicles, parts and accessories sector (+15.1%) and wholesalers of lumber and building materials (+14.4%).

In December, wholesale sales crept up 0.2% from November to \$31.3 billion. Sales have generally been increasing since mid-1998. From the end of 1997 to mid-1998, wholesalers experienced a period of stagnant sales, and that followed generally rising sales in previous years.

Wholesale sales make a small advance in December



December 1999: Strongest gain in lumber and building materials

Wholesalers of lumber and building materials showed the strongest percentage gain in December with sales up 2.7%—their third consecutive monthly increase. Notable advances were also made by wholesalers of food products (+2.0%) and by wholesalers of industrial and other machinery, equipment and supplies (+1.3%).

For a second consecutive month, wholesalers of farm machinery, equipment and supplies registered the largest percentage decline across the sectors (-5.1%). Wholesalers of apparel and dry goods, after a strong increase in November, also showed a large decline in December (-5.0%). Though an infrequent occurrence, wholesalers of computers, packaged software and other electronic machinery posted a second consecutive monthly decline (-2.2%). A 0.9% sales decline in December by wholesalers in the automotive sector was their first in six months.

The value of inventories held grew 1.6% in December to \$42.8 billion. Except for a brief dip in the value of inventories during the first quarter of 1999, inventories have been building for several years. Notable increases in December occurred for wholesalers in the auto sector and for those selling industrial and other machinery, equipment and supplies.

The inventory-to-sales ratio increased to 1.37 in December, up from 1.35 in both October and November.

This ratio peaked at about 1.45 by mid-1998, and then it fell by mid-1999 to the 1.35 range, where it has since remained.

1999: Sales up or unchanged in 11 of the 12 months

Overall wholesale sales generally climbed throughout 1999, with month-to-month sales being either positive or unchanged in 11 of the 12 months. However, this conceals quite varied results by sector.

For wholesalers of computers, packaged software and other electronic machinery, their 1999 result (+15.3%) built upon the strong 10.5% sales increase seen in 1998. Last year's strength occurred despite a drop in the value of sales during the fourth quarter (-2.0%). Along with computer chip shortages late in the year, this 2.0% drop may have been due to a tapering off of service revenue (as contracts are completed), as well as to customers deferring purchases—both factors connected to year 2000 concerns.

Annual variation in wholesale sales, by trade group

	1997 to 1998	1998 to 1999
	% change	
Sales, all trade groups	3.3	7.8
Computers, packaged software and other electronic machinery	10.5	15.3
Motor vehicles, parts and accessories	2.3	15.1
Lumber and building materials	-0.8	14.4
Food products	3.8	8.0
Industrial and other machinery, equipment and supplies	2.2	6.6
Metals, hardware, plumbing and heating equipment and supplies	6.1	4.6
Beverage, drug and tobacco products	6.9	3.0
Household goods	6.0	2.9
Other products	0.2	0.6
Apparel and dry goods	6.1	0.6
Farm machinery, equipment and supplies	-1.0	-11.3

Despite a 0.9% decline in December, wholesalers of motor vehicles, parts and accessories picked up the pace in 1999 with a 15.1% increase, up from 2.3% the previous year. This sector posted four solid quarters in 1999. Wholesalers of motor vehicles, parts and accessories had a very busy year last year as an intermediary between the highly charged manufacturing and retail sectors.

Meanwhile, wholesalers of lumber and building materials recovered from the 0.8% sales drop in 1998 by posting a gain last year of 14.4%. Rising prices for lumber and other forestry products contributed to this higher value of sales. Lumber prices were on average 12.3% higher in 1999 than they were in 1998. That contrasted with the 11.3% drop in lumber prices seen during 1998. Most lumber is used in construction: In 1999, housing starts in Canada increased 9.1% over 1998, while U.S. starts were up 2.9% to their highest level since 1986.

Agricultural sales continue to slide

As with most activities connected to the agricultural sector during 1999, wholesalers of farm machinery, equipment and supplies had to contend with an ongoing sales decline. They came off a 1.0% drop in sales during 1998, and the bad news continued into 1999. Despite increased sales in the first and fourth quarters, overall annual sales for 1999 fell well short of their 1998 level, down 11.3%.

Wholesale activity skews to the East in 1999

Wholesalers in the Atlantic provinces, Ontario and Quebec fared quite well in 1999. Except for Prince Edward Island (+3.6%), those other provinces all had increases well above the 7.8% increase for Canada as a whole. Wholesalers in Western Canada did not fare so well, however. Their 1999 results were either negative or well below the national average. For the four Western provinces, this followed weak sales in 1998, when Saskatchewan was the only one of the four where wholesalers posted an annual sales increase in 1998.

Annual variation in wholesale sales, by province and territory

	1997 to 1998	1998 to 1999
	% change	
Canada	3.3	7.8
Newfoundland	2.0	14.8
Nova Scotia	0.9	13.7
Quebec	6.3	10.5
Ontario	4.8	9.9
New Brunswick	8.2	9.5
Prince Edward Island	9.1	3.6
British Columbia	-2.3	2.9
Manitoba	-0.3	1.2
Alberta	-1.6	0.9
Saskatchewan	4.1	-1.7
Northwest Territories and Nunavut ¹	5.1	-3.4
Yukon	-12.5	-4.8

¹ These territories were combined because separate data have only been available since January 1999.

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

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

To order data, or for general information, contact Client Services (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

	December 1998 ^r	September 1999 ^r	October 1999 ^r	November 1999 ^r	December 1999 ^p	November to December 1999	December 1998 to December 1999
seasonally adjusted							
	\$ millions					% change	
Sales, all trade groups	28,534	30,433	30,900	31,261	31,325	0.2	9.8
Food products	4,491	4,715	4,657	4,767	4,861	2.0	8.2
Beverage, drug and tobacco products	1,889	1,980	1,993	1,964	1,979	0.7	4.8
Apparel and dry goods	551	547	544	612	581	-5.0	5.4
Household goods	794	832	831	861	849	-1.4	7.0
Motor vehicles, parts and accessories	5,189	6,041	6,131	6,167	6,110	-0.9	17.8
Metals, hardware, plumbing and heating equipment and supplies	1,882	1,996	2,005	2,074	2,092	0.9	11.2
Lumber and building materials	2,131	2,341	2,373	2,476	2,543	2.7	19.3
Farm machinery, equipment and supplies	610	621	676	624	592	-5.1	-2.9
Industrial and other machinery, equipment and supplies	4,204	4,508	4,477	4,615	4,677	1.3	11.3
Computers, packaged software and other electronic machinery	2,903	2,948	3,185	3,108	3,041	-2.2	4.7
Other products	3,889	3,904	4,028	3,993	3,999	0.2	2.8
Sales by province and territory							
Newfoundland	198	216	212	217	208	-3.9	5.4
Prince Edward Island	51	53	52	51	51	0.3	1.3
Nova Scotia	589	569	571	543	620	14.2	5.2
New Brunswick	330	378	384	393	394	0.3	19.6
Quebec	5,807	6,305	6,359	6,364	6,481	1.8	11.6
Ontario	14,085	15,050	15,372	15,668	15,541	-0.8	10.3
Manitoba	915	925	915	934	927	-0.8	1.3
Saskatchewan	809	900	920	887	833	-6.1	2.9
Alberta	2,587	2,708	2,772	2,823	2,916	3.3	12.7
British Columbia	3,136	3,304	3,319	3,357	3,329	-0.8	6.2
Yukon	11	12	10	9	11	15.0	0.8
Northwest Territories	..	12	12	11	10	-9.5	..
Nunavut	..	2	2	3	2	-6.8	..
Inventories, all trade groups	40,936	41,656	41,778	42,105	42,785	1.6	4.5
Food products	2,687	2,772	2,793	2,800	2,788	-0.4	3.8
Beverage, drug and tobacco products	2,232	2,482	2,532	2,502	2,604	4.1	16.7
Apparel and dry goods	1,233	1,275	1,235	1,225	1,192	-2.7	-3.4
Household goods	1,528	1,499	1,542	1,541	1,589	3.1	4.0
Motor vehicles, parts and accessories	5,840	6,114	6,180	6,285	6,527	3.8	11.8
Metals, hardware, plumbing and heating equipment and supplies	3,493	3,642	3,711	3,764	3,773	0.2	8.0
Lumber and building materials	3,674	3,746	3,812	3,868	3,984	3.0	8.5
Farm machinery, equipment and supplies	2,324	2,162	2,073	2,066	2,043	-1.1	-12.1
Industrial and other machinery, equipment and supplies	9,904	10,317	10,164	10,310	10,496	1.8	6.0
Computers, packaged software and other electronic machinery	2,659	2,597	2,629	2,607	2,656	1.9	-0.1
Other products	5,362	5,052	5,106	5,135	5,131	-0.1	-4.3

^r Revised figures.

^p Preliminary figures.

.. Figures not available.

Composite Index

January 2000

In January, the growth of the leading index returned to 0.5%. That marked an easing from December's 0.8% growth, which was temporarily boosted by preparations for the arrival of the year 2000. The growth rate is once again equal to its average for all of last year. Demand from firms was the driving force behind growth.

The expansion of business spending, notably investment, was most evident in a fourth straight upturn in new orders for durable goods and in business services jobs. Stock markets levelled off after a surge at the end of 1999, although several technology-related sectors remained bullish.

The growth of the U.S. leading indicator picked up, led by renewed strength in manufacturing demand. As well, the labour, housing and financial markets all continued to improve, which is encouraging for continued growth in exports.

Household demand lost some of its vigour. Housing posted a fourth consecutive decline, with multiple housing starts slumping as the number of completed but unsold units increased. Furniture and appliance

Note to readers

The business leading indicators for Canada were all revised back to 1952. This release uses these revised data. For further information on the reasons for the revisions and for a concordance table that indicates the new databank numbers, consult the CANSIM communiqué published on February 16. Readers should note that there were no conceptual changes made to the system of leading indicators. The revisions were due to a new base year (1992) and to the incorporation of historical revisions to the source data.

sales fell in tandem, their first setback since June 1996. Demand for durable goods rose a modest 0.5%, half its rate of increase two months earlier.

Available on CANSIM: matrix 193.

For more information on the economy, the February issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) is now available. See *How to order publications*

For further information about the concepts, methods or data quality of this release, contact Francine Roy (613-951-3627), Current Economic Analysis Group.

Composite Index

	August 1999 ^r	September 1999 ^r	October 1999 ^r	November 1999 ^r	December 1999 ^r	January 2000	Last month of data available % change
Composite leading indicator (1992=100)	152.4	153.1	153.8	154.7	155.9	156.7	0.5
Housing index (1992=100) ¹	99.9	100.2	99.6	99.1	98.3	97.5	-0.8
Business and personal services employment (⁰⁰⁰)	2,348	2,346	2,345	2,349	2,358	2,365	0.3
TSE 300 stock price index (1975=1,000)	6,984	6,972	7,055	7,158	7,424	7,726	4.1
Money supply, M1 (\$ millions, 1992) ²	78,643	79,397	79,757	80,365	82,007	82,767	0.9
U.S. composite leading indicator (1992=100) ³	107.5	107.6	107.8	107.9	108.0	108.2	0.2
Manufacturing							
Average workweek (hours)	38.8	38.8	38.8	38.7	38.6	38.6	0.0
New orders, durables (\$ millions, 1992) ⁴	20,571	20,421	20,775	21,219	21,510	21,757	1.1
Shipments/inventories of finished goods ⁴	1.88	1.89	1.90	1.91	1.91	1.91	0.00 ⁵
Retail trade							
Furniture and appliance sales (\$ millions, 1992) ⁴	1,362	1,376	1,390	1,403	1,414	1,412	-0.1
Other durable goods sales (\$ millions, 1992) ⁴	6,429	6,452	6,491	6,560	6,585	6,617	0.5
Unsmoothed composite	154.9	154.8	155.1	156.3	158.2	159.3	0.7

^r Revised figures.

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

Department store sales and stocks

December 1999 and 1999

In December, department store sales jumped 0.8% from November to \$1.43 billion. This increase was the first in four months, and it reflected a new sales level for this restructured industry. December sales were 9.9% below the peak reached in August 1999.

Department store sales have been advancing since the start of 1996, except for a slight decrease in the spring of 1998 and the slowdown that started in August 1999.

Last year, annual department store sales increased 6.3% over 1998 to stand at \$17.9 billion. After the 10.3% jump in 1997, this was the largest increase of the decade.

Department store sales advanced in all provinces on an annual basis in 1999. Stores in the region formed by Newfoundland and Prince Edward Island posted the largest sales increase (+12.9%). In most of the other provinces, the sales gains were above the national average. However, in Alberta, Manitoba and the region formed by British Columbia, the Yukon, the Northwest Territories and Nunavut, the sales advances were below the national average.

Department store sales including concessions

	Dec. 1998	Dec. 1999	Dec. 1998 to Dec. 1999	1999	1998 to 1999
	unadjusted				
	\$ millions		% change	\$ millions	% change
Canada	2,649.0	2,696.8	1.8	17,948.8	6.3
Newfoundland and Prince Edward Island ¹	49.2	55.6	12.9	354.3	12.9
Nova Scotia	89.3	92.4	3.5	567.8	6.9
New Brunswick	63.4	68.5	8.1	419.4	6.5
Quebec	449.2	460.2	2.5	3,260.4	6.4
Ontario	1,165.8	1,181.3	1.3	7,720.0	7.5
Manitoba	107.6	108.2	0.5	737.1	4.8
Saskatchewan	85.0	90.4	6.3	598.8	7.4
Alberta	306.1	314.2	2.7	2,088.7	5.7
British Columbia, the Yukon, Northwest Territories and Nunavut ¹	333.5	326.1	-2.2	2,202.0	2.1

¹ For reasons of confidentiality, data for Newfoundland and Prince Edward Island are combined, as are data for British Columbia, the Yukon, the Northwest Territories and Nunavut.

Note: The seasonally adjusted data on department store sales were revised for 1997, 1998 and 1999.

This was done to reflect revisions to data and updates to seasonal factors. Annual comparisons in this release use the sum of the unadjusted estimates. Monthly comparisons are based on seasonally adjusted estimates as usual.

Available on CANSIM: matrices 111-113.

To order data, or for general information, contact Client Services (613-951-3549 or 1 877 421-3067; retailinfo@statcan.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Clérance Kimanyi (613-951-6363; kimacle@statcan.ca), Retail Trade Section, Distributive Trades Division. ■

Civil aviation operating statistics

December 1999

In December, Canadian Airlines reported a 9% decrease in their domestic operations (passenger-kilometres). Air Canada reported a decrease of 2%. Canadian Airlines reported 16% fewer domestic passenger-kilometres in December than in July, before the takeover offer for the company was made. All the data presented here are seasonally adjusted.

Available on CANSIM: matrix 385 (series 1 to 6).

The December 1999 data on civil aviation (operational data) for Air Canada and Canadian Airlines will appear in the March issue of *Aviation service bulletin* (51-004-XIB, \$8/\$82). A print-on-demand service is also available. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Robert Lund (613-951-0125), Aviation Statistics Centre, Transportation Division. ■

Air fare statistics

1998 (preliminary)

In 1998, the average domestic air fare (all types) paid by passengers was \$193, up 5.8% from \$182 in 1997. This was the second consecutive annual increase in the domestic sector. The average international air fare in 1998 rose to \$362, up 0.8% from 1997, the second consecutive annual increase in the international sector. Both domestic and international average

air fares remained below their 1994 record levels of \$200 and \$382, respectively.

The average fare increased despite the fact that a record 87.0% of passengers travelled on discount fares on domestic scheduled services. That was up from the previous record of 83.2% in 1997.

The greatest use of discount fares was on international scheduled services, where a record 90.5% of passengers travelled on a discount. That was up slightly from the 1997 figure of 89.4%.

Preliminary data are now available for the fourth quarter of 1998 and for 1998 as a whole. Information on the types of fares used by passengers is based on data from four Level I air carriers (AirBC, Air Canada, Canadian Airlines International Ltd. and Canadian Regional Airlines) and from four Level II carriers (Air Alliance, Air Nova, Air Ontario and Inter-Canadien).

These data will appear in the February issue of *Aviation service bulletin* (51-004-XIB, \$8/\$82). A print-on-demand service is also available. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Bradley Snider (613-951-0071; snidbra@statcan.ca), Aviation Statistics Centre, Transportation Division. ■

Deliveries of major grains

January 2000

Data on January grain deliveries are now available.

Available on CANSIM: matrices 976-981.

The delivery data are contained in the January issue of *Cereals and oilseeds review* (22-007-XPB, \$15/\$149), which will be available in April. 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. ■

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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, about 40 million Canadians took an average of about 40 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak despite their accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Manufactured Index, May 1997** 3
- **Short-term Expectations Survey** 3
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Editor: Dan Smythe (613-951-1103, smytdan@statcan.ca)

Head of Official Release: Chantal Prévost (613-951-1088), prevcha@statcan.ca

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