

I·N·F·O·M·A·T

A W E E K L Y R E V I E W

Friday, July 18, 1986

OVERVIEW

■ Industrial Product Price Index Down 0.6%

In May, falling petroleum and coal product prices continued to be the principal factor in the monthly change in the IPPI

■ Raw Materials Price Index Up 1.0%

The increase in this index in May followed four consecutive monthly declines

■ Leading Indicator Posts Eleventh Consecutive Increase

The filtered composite indicator rose 1.0% in April

■ Employment Rises by 49,000 in June

The changes in employment and unemployment levels occurred mainly in the 15 to 24 age group

■ Sales of Refined Petroleum Products: May 1986

Sales of refined petroleum products were down 3% from May 1985

■ Retail Trade Gains 8.0%

The growth of retail sales has slowed slightly since February 1986

■ This issue also contains information on Building Permits, Trucking in Canada, Department Store Sales and Construction Building Materials.

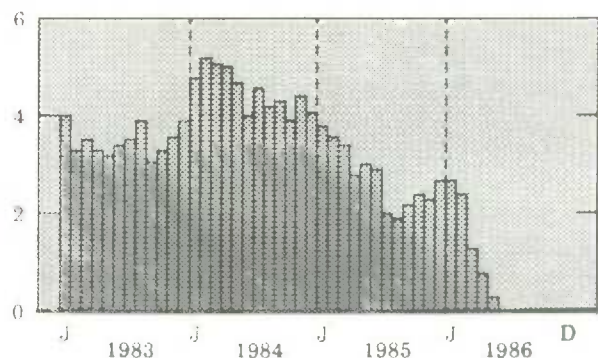
Industrial Product Price Index Down 0.6%

The Industrial Product Price Index, which measures the price movement of commodities sold by Canadian industries, declined 0.6% in May, its fourth consecutive decrease. Falling petroleum and coal product prices continued to be the principal factor in the monthly change in the IPPI. (Their relative importance in the index is exceeded only by one other commodity grouping.) The table on the following page shows the month-over-month changes in refinery purchase prices of crude oil, the refinery selling price of motor gasoline, and the retail selling price of automotive gasoline.

The lumber (-2.6%), newsprint (-1.1%), and motor-vehicle (-0.9%) sectors also posted declines, primarily because the Canadian dollar appreciated. (Any rise in the Canadian dollar automatically means a drop in the prices of export products that are quoted in

(continued on page 2)

Industrial Product Price
(% change, previous year)



Statistics
Canada Statistique
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Canada

... Industrial Product Price Index

US currency.) In 1984, approximately 75% of softwood lumber production, 90% of newsprint production, and 85% of motor vehicle production was exported.

The year-over-year increase in the IPPI was 0.3% in May, the lowest annual rate of change observed since January 1971. The average annual rate of change in the past six months was 1.9%. Without the impact of declining petroleum product prices over the last three months, the average increase would have been 2.9%.

For further information, contact Prices Division (613) 990-9606.

Price Changes

	Jan.	Feb.	Mar.	Apr.	May
	% change, previous month				
Crude Oil *1	-4.4	-16.0	-22.7	-24.0	2.4
Motor gasoline *2	0.7	-0.4	-7.0	-14.4	-5.5
Automotive gasoline *3	0.6	-0.1	-5.3	-10.9	-4.2

*Sources: 1 Raw Materials Price Index; 2 Industrial Product Price Index; 3 Consumer Price Index.

Raw Materials Price Index Up 1.0%

The Raw Materials Price Index (RMPI, 1981=100), which measures price changes in materials purchased by Canadian industries, rose 1.0% in May. This increase follows four consecutive monthly declines that ranged from -2.1% in January to -9.0% in March. The mineral fuels component (whose relative importance in the total index is 45%) was also up (1.9%) for the first time in five months. Higher crude oil prices in May were responsible for the increase as natural gas prices increased slightly and thermal coal prices continued to fall. Overall, this one component has dropped 44.7% since last May, but most of this

decline has occurred since December 1985. Excluding the mineral fuels component from the total RMPI, the index has registered year-over-year advances for six consecutive months.

Another component that contributed to the rise in the RMPI in May was animal and animal products. It was up 1.2% from April, primarily due to higher hog prices (+12.1%). The increase in hog prices was seasonal and occurs each spring after the marketing* peak associated with Easter. The following table supplied by Agriculture Division (990-8706) provides data on Canadian sales of hogs expressed in millions of hundredweight (Hwt) and the average price per hundredweight.

Hog Marketings and Prices

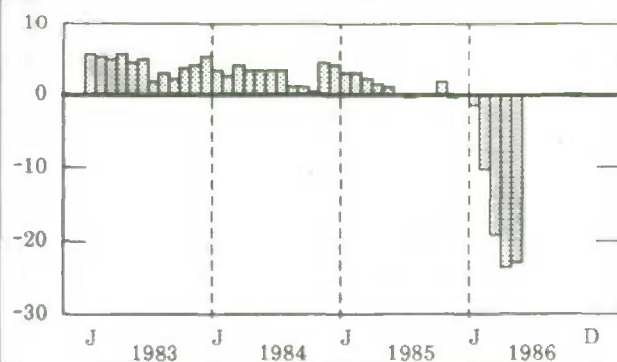
	Jan.	Feb.	Mar.	Apr.	May
Marketings (millions of Hwt)	2.1	2.0	2.5	2.1	1.9
Price (Dollars per Hwt)	71.59	71.68	67.38	64.95	70.99

*the volume of hogs slaughtered or exported live.

For further information, contact Prices Division (613) 990-9609.

Raw Material Price Index

(% change, previous year)



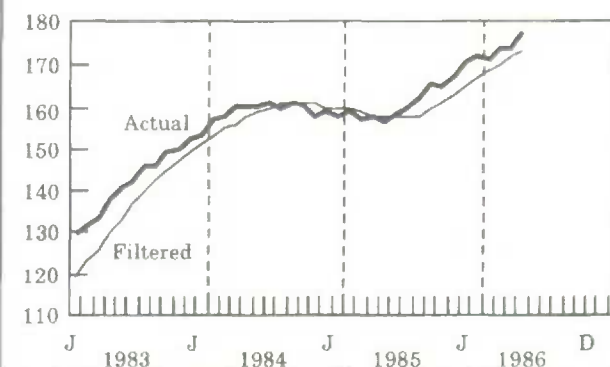
Leading Indicator Posts Eleventh Consecutive Increase

In April, the filtered composite indicator rose 1%, its eleventh consecutive monthly increase. This growth rate was higher than the one recorded the month before, and corresponded to the monthly average of the last three months. The Toronto Stock Exchange registered a 3.5% gain, its fourth large increase in as many months and the largest rise since February 1985. At the same time, the U.S. leading indicator gained 0.7%, its highest increase since December 1983.

Consumer demand indicators improved slightly, as residential construction increased 1.1% (after a drop in March), posting its highest rise in five months. Furniture and appliance sales were up slightly, while new motor vehicles sales recorded a 1.8% decrease. Manufacturing indicators also improved slightly in April.

The real money supply decreased for the third consecutive month; it fell 0.6% to stand at \$10.3 billion.

The Canadian Composite Leading Index
(1971 = 100)



For further information, contact *Econometric Analysis Division* (613) 990-9161.

Employment Rises by 49,000 in June

The Labour Force Survey for June showed that seasonally adjusted employment rose by 49,000, while the unemployment rate edged down to 9.5%.

The 1986 Census contributed significantly to the increase in employment. It employed nearly 40,000 people in June, of which approximately 25,000 were young people. In total, employment rose by 49,000 among young people, with an increase of 58,000 among females and a decrease of 9,000 among young males.

Young people also recorded the major changes in unemployment in June. Total unemployment increased slightly to 1,231,000. A decrease of 18,000 for females aged 15 to 24 was partially offset by an increase of 9,000 in the number of unemployed males in this age group.

The overall unemployment rate declined slightly (0.1), to reach 9.5% in June. The rate was 14.8% for young people, down 0.6 percentage points from April. The rate for females in this age group was 12.6%, its lowest level since 1981. Persons 25 and over had an unemployment rate of 8.0%, up 0.1 from the previous month.

From May to September, data on students participating in the labour market are collected through the Labour Force Survey. The information is compiled for two categories: those students who plan to return to school in September; and those who do not plan to return, or are not certain what they will do.

The level of employment among returning students aged 15 to 24 was 947,000, a substantial increase over the level recorded a year ago. Their rate of unemployment was 14.7%, a decrease of 1.4 percentage points from June 1985. For the other students, the rate was 18.0%, down slightly from last year. Their level of employment increased by more than 10,000 to 195,000.

Labour Force

	Feb.	Mar.	Apr.	May	June
Change, previous month					
Labour force ('000)	-4	-26	53	-79	52
Employment ('000)	-3	-3	56	-68	49
15-24 years ('000)	-23	-4	52	-41	49
25 years & over ('000)	20	1	2	-27	0
Unemployment ('000)	-1	-23	1	-11	3
Unemployment rate	9.8	9.6	9.6	9.6	9.5

For further information, contact *Labour Division* (613) 990-9448.

PUBLICATIONS RELEASED

JULY 11 - 17

EDUCATION, CULTURE AND TOURISM

Financial Statistics of Canadian Universities, 1984-85. Catalogue number 81-002 (Canada: \$4/\$40; Other Countries: \$5/\$50)

The Recording Industry, 1984. Catalogue number 87-001 (Canada: \$4/\$40; Other Countries: \$5/\$50)

HOUSING, FAMILY AND SOCIAL STATISTICS

Canadian Social Trends, 1986. Catalogue number 11-008E (Canada: \$44; Other Countries: \$50)

INDUSTRIAL ORGANIZATION AND FINANCE

Industrial Corporations: Financial Statistics, First Quarter 1986 Preliminary Data. Catalogue number 61-003P (Canada: \$15/\$60; Other Countries: \$16/\$64)

INDUSTRY

Crude Petroleum and Natural Gas Production, March 1986. Catalogue number 26-006 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Gypsum Products, May 1986. Catalogue number 44-003 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Industrial Chemicals and Synthetic Resins, April 1986. Catalogue number 46-002 (Canada: \$5/\$50; Other Countries: \$6/\$60)

Livestock and Animal Products Statistics, 1985. Catalogue number 23-203 (Canada: \$30; Other Countries: \$31)

Oil Pipe Line Transport, March 1986. Catalogue number 55-001 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Production, Sales and Stocks of Major Appliances, May 1986. Catalogue number 43-010 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production, Shipments and Stocks on Hand of Sawmills in British Columbia, April 1986. Catalogue number 35-003 (Canada: \$6/\$60; Other Countries: \$7/\$70)

INDUSTRY - Concluded

Stocks of Fruit and Vegetables, June 1, 1986. Catalogue number 32-010 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Vegetable Oil Mills, 1984. Catalogue number 32-223 (Canada: \$20; Other Countries: \$21)

INTERNATIONAL AND FINANCIAL ECONOMICS

International Travel - Advance Information, May 1986. Catalogue number 66-001P (Canada: \$5/\$50; Other Countries: \$6/\$60)

Travel Price Index, First Quarter 1986. Catalogue number 87-003 (Canada: \$8/\$32; Other Countries: \$9/\$36)

PRICES

Consumer Prices and Price Indexes, January-March 1986. Catalogue number 62-010 (Canada: \$15/\$60; Other Countries: \$16.50/\$66)

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Construction in Canada, 1984-1986. Catalogue number 64-201 (Canada: \$35; Other Countries: \$36)

TRANSPORTATION

Air Passenger Origin and Destination - Canada-United States Report, 1985. Catalogue number 51-205 (Canada: \$35; Other Countries: \$36)

Aviation Statistics Centre - Service Bulletin, Vol. 18, No. 6 Catalogue number 51-004 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95)

Passenger Bus and Urban Transit Statistics, March 1986. Catalogue number 53-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75)

Railway Carloadings, 7-day Period Ending June 21, 1986. Catalogue number 52-005 (Canada: \$75; Other Countries: \$100)

Trucking in Canada, 1984. Catalogue number 53-222 (Canada: \$32; Other Countries: \$33.50)

Sales of Refined Petroleum Products: May 1986

- Sales of refined petroleum products amounted to 6,530,100 cubic meters in May 1986, down 3% from the same month last year.
- Year-to-date sales ending May 1986 dropped 2% to stand at 30,780,300 cubic meters.
- Sales for the 12-month period ending May 1986 fell 0.3% from the year ending April 1986; this decline represents a continuation of the slightly contracting market that has been apparent since mid-1983.

- Most major products continued to experience relatively stable sales for the 12-month ending May 1986, as motor gasoline and light fuel oil were up 0.1% and 0.2% respectively from the year ending April 1986. Diesel oil was the only major product registering an absolute gain over the sales figures of three years ago.

For more information, contact Industry Division (613) 991-3562.

Retail Trade Gains 8.0%

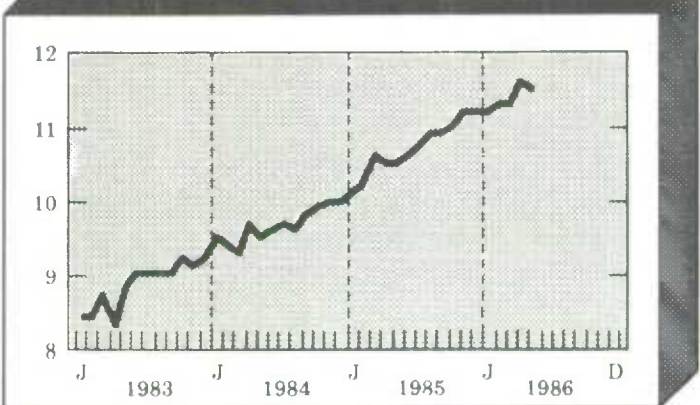
Retail sales totalled \$12.7 billion in May up 8.0% from the same month of 1985. Compared to 1985, when year-over-year sales increases averaged 11.4%, the rate of growth has been slower since February. Cumulative retail sales for the first five months of 1986 amounted to \$53.8 billion, an 8.6% increase over the corresponding period of 1985.

Retail Trade

	Jan.	Feb.	Mar.	Apr.	May
	% change, previous month				
Grocery & meat stores	-0.7	0.8	-0.2	2.8	-0.8
Department stores	0.1	-0.9	2.4	-0.2	0.4
Motor vehicle dealers	-0.9	1.8	-8.2	10.7	-1.8
All stores	-0.4	0.7	-0.5	2.6	-0.2
All stores exc. motor	-0.3	0.4	1.5	0.6	0.2

Sales by motor vehicle dealers, which account for at least one-fifth of all retail sales, were one of the main sources of slower growth in total sales. In 1985, year-over-year sales increases averaged 25.1%, but in

Retail Trade
(Billions \$ s.a.)



1986 this average has dropped to 11.4%. In May, service station year-over-year sales declined (-1.8%) for a second consecutive month. This decrease was mainly attributed to falling gasoline prices. All other types of stores reported higher sales levels.

For further information, contact Industry Division (613) 990-9682.

Building Permits Drop Slightly

The seasonally adjusted value of building permits issued by Canadian municipalities was down 2.1%, to \$1.9 billion in April, its first decrease since December 1985. Following two strong monthly advances, the non-residential sector decreased by 4.6%. The residential sector was virtually unchanged, after dropping 6.8% in March. However, residential permits had recorded their best first quarter performance since 1977.

In April, the value of permits issued for non-residential projects amounted to \$836 million. The commercial sector, which accounted for more than half

Building Permits

	Dec.	Jan.	Feb.	Mar.	Apr.
	% change, previous month				
Residential	-4.5	25.4	3.1	-6.8	-0.1
Non-residential	-10.1	-6.4	14.7	15.2	-4.6
Total	-7.0	11.4	7.4	1.9	-2.1

of this total, was down 5.7%. The value of permits issued for industrial construction also dropped (-17.1%) but in the public sector it increased by 7.8%.

For further information, contact Science, Technology and Capital Stock Division (613) 990-9689.

Trucking in Canada: 1984

In 1984, for-hire trucking* employed 92,142 people, generating \$2.1 billion in salaries and wages. The number of reporting carriers was 5,221. The total operating expenses reported by these carriers reached \$6.8 billion and revenues of \$7.1 billion in 1984. One quarter of these revenues originated from transporting commodities such as motor vehicles and heavy machinery; and 7% came from transporting forest products. A major proportion (71%) of the carriers were involved in intercity transportation of goods (more than 24km on public roads). They earned 90% of total industry revenues.

In private trucking, 2,954 reporting carriers employed 84,100 people, generating \$2.0 billion in salaries and wages. Among these enterprises, there were 1,202 local carriers reporting \$1.5 billion in operating expenses and 1,752 intercity carriers with operating expenses of \$2.6 billion. The most important industry groups associated with private trucking were construction, which accounted for 30% of carriers in private trucking, and manufacturing, which accounted for 19%.

On a provincial or territorial basis, 25% of for-hire carriers were domiciled in Ontario and accounted for 41% of the total operating expenses in the for-hire sector. A further 26% of the for-hire carriers were domiciled in Quebec, but represented only 18% of total for-hire sector operating expenses. Most of the private

truckers were domiciled in Quebec (24.9%) and Ontario (29.2%). These two provinces accounted for 58.4% of the operating expenses.

In addition to the statistics outlined above, *Trucking in Canada: 1984* contains a Special Studies section on particular sectors of the trucking industry. For example data on international trucking show:

- The amount of international revenue earned by Canadian for-hire carriers represented 12.8% of total operating revenues in 1984.
- The highest amount of international revenue was generated by carriers domiciled in Ontario, accounting for 59.5% of total revenues earned by all Canadian-domiciled carriers (\$865 million in 1984).
- More than 90% of the power units used for international transport travelled more than 8,000km in the United States.

*The Canadian trucking industry is divided for statistical purposes into two main components: private trucking and for-hire trucking. Private trucking is defined as the sum of operators with fleets of 15 or more vehicles who carry their own commodities using dedicated drivers on company payroll, leased drivers or broker operators. For-hire trucking represents firms engaged in the transportation of freight for compensation and earning at least \$100,000 from truck transport.

For further information, contact Transportation Division (613) 990-8700.

Department Store Sales By Province in May

Province	Millions of dollars	% change, previous year
Newfoundland	12.6	4.2
Prince Edward Island	5.7	2.8
Nova Scotia	32.9	4.4
New Brunswick	22.7	4.2
Québec	217.4	9.1
Ontario	402.7	12.4
Manitoba	54.7	7.1
Saskatchewan	33.7	6.8
Alberta	138.7	5.4
British Columbia	162.4	9.9

Department Store Sales By Metropolitan Area in May

Metropolitan Area	Millions of dollars	% change, previous year
Calgary	52.5	4.1
Edmonton	63.4	7.3
Halifax-Dartmouth	18.4	2.7
Hamilton	29.1	10.4
Montréal	126.7	9.3
Ottawa-Hull	48.7	7.1
Québec	31.1	9.0
Toronto	162.2	16.4
Vancouver	98.0	12.3
Winnipeg	49.2	6.7

For further information, contact Industry Division (613) 990-9682.

Construction Building Material Price Indexes

	Jan.	Feb.	Mar.	Apr.	May
Non-residential	% change, previous month				
Total materials	1.6	0.1	0.3	1.6	0.1
Architectural	0.8	0.2	0.0	2.1	0.2
Structural	3.1	0.4	1.0	1.5	0.0
Mechanical	1.7	0.2	0.4	1.0	0.1
Electrical	1.2	-0.9	0.0	1.0	0.3

Construction Building Material Price Indexes

	Jan.	Feb.	Mar.	Apr.	May
Residential	% change, previous month				
Total materials	1.6	0.7	1.0	2.1	0.2
Architectural	0.8	1.0	0.2	2.1	0.2
Structural	3.8	0.6	3.6	2.6	0.2
Mechanical	1.5	0.2	0.6	1.7	0.0
Electrical	1.5	-0.3	-0.1	1.1	0.1

For further information, contact Prices Division (613) 990-9606.

Regional Reference Centres

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Each centre has facilities to retrieve information from Statistics Canada's computerized data retrieval systems CANSIM and Telichart. A telephone inquiry service is also available with toll free numbers for regional clients outside local calling areas. Many other valuable services – from seminars to consultations – are offered. Call or write your regional reference centre for information.

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LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	Apr.	428.76	428.39	3.0
Labour Income (\$ million)	Feb.	20,853.9	20,938.5	6.6
Persons with Jobs (million)	June*	12.00	11.70	3.2
Unemployed	June*	1,205,000	1,227,000	-6.8
INVENTORIES				
Department Store (\$ million)	Apr.	4,506	4,185	26.3
Manufacturers' Owned (\$ million)	Apr.	34,491.7	34,591.0	5.0
ORDERS				
Manufacturers' New Orders (\$ million)	Apr.	21,619.9	21,239.8	8.1
Manufacturers' Unfilled Orders (\$ million)	Apr.	24,810.2	24,811.4	3.7
PRICES				
Consumer Price Index (1981 = 100)	May	131.7	131.1	4.1
New House Price Index (1981 = 100)	May	102.6	101.9	7.8
Raw Materials Price Index (1981 = 100)	May*	90.9	89.9	-23.1
Excl. coal, crude oil, natural gas	May*	102.7	102.1	1.3
Industrial Product Price Index (1981 = 100)	May*	119.0	119.7	0.3
CONSTRUCTION				
Building Permits (\$ million)	Apr.*	2,105.2	6,184.1	28.2
Housing Starts - Urban Centres (units)	May	18,396	60,574	28.7
ENERGY				
Coal Production (thousand tonnes)	Apr.	4,553	19,861	-5.4
Electricity Generation (gigawatt hours)	Apr.	35,543	162,866	2.7
Natural Gas Production (million cubic metres)	Mar.	9,258	30,132	-0.3
Petroleum Refining (thousand cubic metres)	May*	5,977.2	32,882.5	-1.8
FOREIGN TRADE				
Exports - Balance of Payments Basis (\$ million)	May	10,247	50,209	-0.1
Imports - Balance of Payments Basis (\$ million)	May	9,322	46,580	11.3
SALES				
Department Store Sales (\$ million)	May	1,084	4,419	8.2
Manufacturers' Shipments (\$ million)	Apr.	21,621.0	82,866	6.9
New Motor Vehicle Sales (\$ million)	May	2,216	9,227	13.4
Retail Sales (\$ million)	May*	12,712.9	53,755	8.6

Statistics are in current dollars and are not seasonally adjusted.
* new this week.

Infomat

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