

I·N·F·O·M·A·T

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

Friday, August 8, 1986

OVERVIEW

■ Foreign Travellers Visit Canada In Record Numbers

The number of visitors from other countries reached record levels in June, and the number of U.S. tourists was the highest since 1973.

■ Foreign Investment in Canadian Securities

Canadian acquisitions of foreign securities generated a record outflow of \$399 million in May.

■ Industrial Product Price Index Unchanged

Following four month-over-month declines, there was no change in the Industrial Product Price Index in June.

■ Raw Materials Price Index Increases 1.9%

The Raw Materials Price Index rose 1.9% in June, its second consecutive monthly rise.

■ Construction Building Materials Price Indexes Decrease In June

The price indexes for residential and non-residential construction building materials were down slightly from the previous month.

This issue also contains information on Crude Oil and Natural Gas Production and on the Canada Handbook.

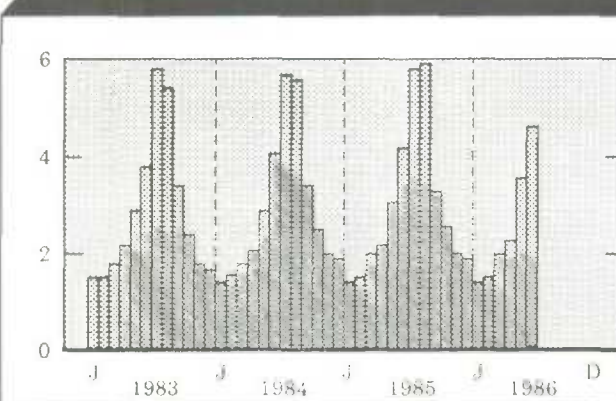
Foreign Travellers Visit Canada in Record Numbers

In the first six months of 1986, the number of foreign travellers entering Canada for one or more nights was 16.0% greater than in the same period in 1985, reaching a record level of 5.8 million. A record number of 5.0 million Americans visited Canada during this period, up 15.8% from last year. More travellers from other countries (up 16.8% from 1985) also chose Canada as their destination, as their number reached a record level of 0.8 million.

For the month of June, the year-over-year increases were not as high as they were in May; the rises were also lower on a cumulative basis, having previously been influenced by large increases in May, during the opening of Expo 86. The number of U.S. residents visiting Canada was 14.2% higher than in June 1985, reaching its highest level since 1973. The

(continued on page 2)

Foreign Visitors
(in millions)



Statistics Canada
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Canada

... Foreign Travellers Visit

number of visitors from other countries rose 23.5%, posting a record high of 272,413. As in May, these increases were most noticeable in British Columbia, where the number of American tourists entering the province for one or more nights jumped by 115.2%, to reach 537,040. This increase was however not as high as the one of 144% recorded in May. Ontario reported a decrease of 5.5%, while Quebec registered a 3.6% increase in its number of American tourists.

In the first five months of 1986, Canadian trips abroad outnumbered foreign visits to Canada. In June, however, long-term visits to Canada by U.S. residents exceeded Canadian visits to the United States for the second month in a row. This difference was not as high as the one recorded in May, since the number of Canadian tourists visiting the United States was up 3.0% from the previous year, while their visits to other countries decreased by 13.3%.

Foreign Investment in Canadian Securities

In May, net sales of outstanding Canadian securities to non-residents resulted in a net inflow of \$431 million. This contrasts with the low level of \$53 million registered in April.

Non-residents continued to increase their holdings of Canadian bonds, producing a net inflow of \$347 million in May. This inflow was much higher than the level of \$84 million recorded in April and almost matched the average of \$319 million reported during the first three months of 1986. Residents of the United States and the United Kingdom reduced their holdings of Canadian bonds, while Japanese residents continued to be net purchasers.

During the month of May, the gross value of stocks traded (sales and purchases) decreased substantially from the previous months. A net inflow of \$84

International Travel

January-June 1986

	Number*	Change from 1985
	'000	%
Foreign Visitors		
United States	5,015	15.8
Other Countries	751	16.8
All Countries	5,767	16.0
Canadian Visitors		
United States	4,871	0.7
Other Countries	1,244	1.4
All Countries	6,115	0.9

* Trips of one or more nights.

For more information, contact International and Financial Economics Division (613) 990-8933.

million followed a small outflow recorded in April, but stood well below the large inflows recorded since October 1985. Residents of the United States and Europe (excluding the United Kingdom) increased their holdings of Canadian stocks.

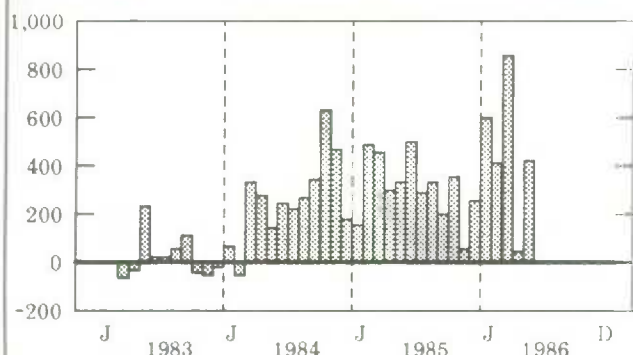
Canadian acquisitions of foreign securities generated a record outflow of \$399 million in May.

Canadian investors increased their holdings of foreign stocks, generating a net outflow of \$177 million. The main element of May's trading in foreign stocks by Canadian residents was a net investment in U.S. and United Kingdom stocks.

In the foreign bond market, Canadian residents were again net purchasers, creating a net outflow of \$222 million. A large increase in Canadian holdings of U.S. bonds (\$200 million) was mainly responsible for this outflow.

Net Sales

(millions \$)



Security Transactions

	Jan.	Feb.	Mar.	Apr.	May
	\$ millions				
Net sales					
Canadian Securities					
Bonds	400	222	355	84	347
Common and preferred stocks	214	191	504	-31	84
Foreign Securities					
Bonds	237	-14	95	-89	-222
Common and preferred stocks	-67	-43	-74	75	-177

For further information, contact International and Financial Economics Division (613) 990-9050.

Industrial Product Price Index Unchanged

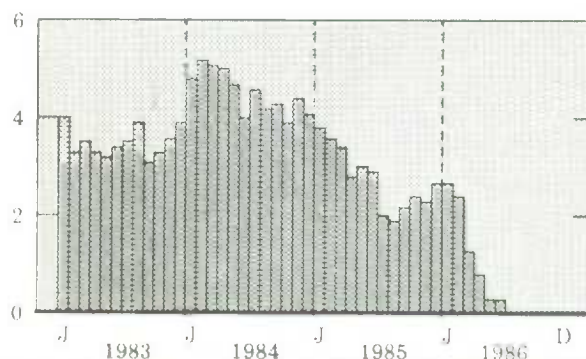
Following four month-over-month declines, there was no change in the Industrial Product Price Index (IPPI, 1981=100) in June. Price decreases for lumber, and petroleum and coal products were offset by higher prices for meat, pulp and paper, and primary metals.

Preliminary estimates show that prices of petroleum and coal products fell by 2.6% in June, reaching a level 21.3% below that in June 1985. Prices for softwood lumber dropped 3.0% – primarily on the export market. The recent increases in hog prices led to substantial increases in prices for various cuts of pork (15.1%), ham (4.6%), and bacon (3.7%). Owing mainly to the 0.8% decline in the Canadian dollar, export prices quoted in US currency rose by 1.0% for wood pulp and by 0.7% for newsprint. Finally, in the case of several metals, refinery-shape prices increased significantly in June. For example, prices for lead and zinc shapes rose by 25.6% and 12.3% respectively.

The year-over-year increase in the IPPI was 0.3%, equal to the change recorded in May. Excluding the petroleum and coal products component, the annual rate of change would have been 3.3% in June.

Industrial Product Price Index

(% change, previous year)



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

Raw Materials Price Index Increases 1.9%

The Raw Materials Price Index (RMPI, 1981=100) rose 1.9% in June, its second consecutive increase following four monthly declines. Of the seven components making up the RMPI, four registered increases, two decreased, and one did not change. An estimated 4.6% rise in the mineral fuels component and a 3.2% increase in the non-ferrous metals com-

ponent were the main sources of upward pressure on the index in June. Excluding the minerals fuels component, the total Raw Materials Price Index rose 0.2% over the month.

The increase in the mineral fuels component was primarily the result of an estimated 6.1% rise in crude oil prices.

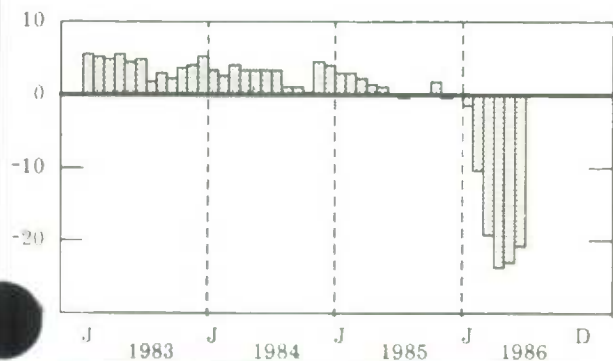
The non-ferrous component registered its first monthly advance in three months. The main reason for this increase was a 25% jump in lead material prices. The current run-up of lead and zinc prices was related to intended and unintended production cut-backs at mines and smelters in a number of countries.

The vegetable products component was down for the third consecutive month, the 3.3% decrease was the largest month-over-month decline since August 1985. Lower vegetable product prices have been observed in June for the last three years.

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

Raw Materials Price Index

(% change, previous year)



Construction Building Material Price Indexes Decrease in June

The price index for residential construction building materials (1981=100) rose 7.8% above its June 1985 level, but was down 0.2% from the previous month, registering its first decrease on a monthly basis since August 1985. This decline stemmed from a decrease (-0.9%) in structural materials, as prices of architectural, mechanical and electrical materials remained relatively stable. The largest decreases were reported in lumber and plywood, offsetting several increases, notably in gypsum wallboard.

Construction Building Material Price Indexes

	Feb.	Mar.	Apr.	May	June
Residential	% change, previous month				
Total materials	0.7	1.1	2.3	0.2	-0.2
Architectural	1.0	0.4	2.3	0.1	0.0
Structural	0.4	3.7	3.0	0.3	-0.9
Mechanical	0.4	0.6	1.8	0.1	0.2
Electrical	-0.3	0.1	1.3	0.8	-0.2

The price index for non-residential building materials was down 0.1% from the previous month, while it stood 5.6% above its June 1985 level. Decreases were recorded in prices of structural materials (-0.2%), while mechanical, electrical and architectural materials rose slightly or remained stable. Price decreases reported in lumber and plywood more than offset gains in gypsum wallboard and wires and cables prices.

Construction Building Material Price Indexes

	Feb.	Mar.	Apr.	May	June
Non-residential	% change, previous month				
Total materials	0.1	0.3	1.7	0.2	-0.1
Architectural	-0.1	0.2	2.2	0.1	0.0
Structural	0.3	1.1	1.4	0.0	-0.2
Mechanical	0.3	0.5	0.9	0.1	0.1
Electrical	-0.9	0.2	1.2	0.8	0.0

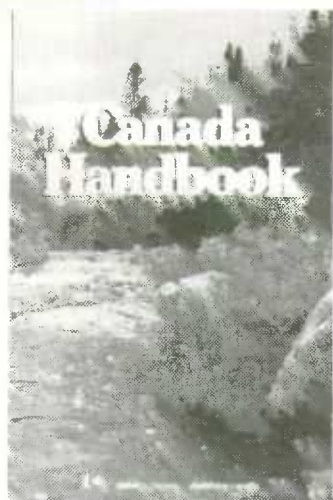
For more information, contact Prices Division (613) 990-9606.

Crude Oil and Natural Gas Production Decreases in April

- Production of crude oil and equivalent hydrocarbons decreased by 3.1% in April from the corresponding month in 1985, to total 7,044 thousand cubic metres; this decline was the third consecutive monthly drop on a year-over-year basis.
- On a cumulative basis, crude oil production amounted to 28,861 thousand cubic metres, down 3.0% from the same period last year.
- During the month of April, exports of crude oil and equivalent hydrocarbons rose 7.0% over their April 1985 level. Imports dropped by 12.2%, thus improving the trade balance over the same period last year.
- Cumulative figures show however that from January to April, imports of crude oil rose by 55.3% from the corresponding period in 1985, while exports recorded an increase of only 7.6%.

- Marketable production of natural gas (5,473 million cubic metres) was 10.7% lower than its April 1985 level. Cumulative figures showed a decrease of 6.8% from the first four months last year.
- Exports of natural gas dropped by 41.6% to 1,204 million cubic metres, registering their steepest drop since September 1959 and the fourth consecutive monthly decline on a year-over-year basis.
- The decrease in natural gas exports on a cumulative basis amounted to 23.5%.
- Canadian sales of natural gas for the January-April period totalled 21,667 million cubic metres, down 0.6% from the corresponding period in 1985.

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



NEW FROM STATISTICS CANADA

Canada Handbook

1986

The 51st edition of the *Canada Handbook*, a portrait of how Canadians live, work and spend their leisure time, is now available. The publication features a very readable text, informative statistical tables and striking colour photographs. It vividly sets out both current and historical information on areas such as the economy, arts and culture, the labour scene and more.

The 1986 *Canada Handbook* (11-403E, \$15), is now available by mail from Publication Sales and Services (613-993-7276). The handbook will also be available at a later date from authorized booksellers.

PUBLICATIONS RELEASED

AGRICULTURE AND NATURAL RESOURCES

Fruit and Vegetable Production, July 1986
Catalogue number 22-003 Canada: \$8/\$60; Other Countries: \$9/\$68

Stocks of Frozen Meat Products July 1986
Catalogue number 32-012 Canada: \$10/\$100; Other Countries: \$11/\$110

CANSIM

Canadian Statistical Review, July 1986 Catalogue number 11-003E Canada: \$20/\$200; Other Countries: \$21.50/\$215

COMMUNICATIONS

Canada Handbook, 1986 Catalogue number 11-403E Canada: \$15; Other Countries: \$16.50

ECONOMETRIC ANALYSIS

Quarterly Economic Summary, July 1986
Catalogue number 13-006 Canada: \$25/\$100; Other Countries: \$26/\$104

Quarterly Economic Summary - Statistical Supplement, July 1986 Catalogue number 13-007E
Canada: \$25/\$100; Other Countries: \$26/\$104

INDUSTRIAL ORGANIZATION AND FINANCE

Financial Institutions - Financial Statistics, First Quarter 1986 Catalogue number 61-006 Canada: \$40/\$160; Other Countries: \$41.50/\$166

INDUSTRY

Coal Mines, 1984 Catalogue number 26-206
Canada: \$20; Other Countries: \$21

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

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Industry - Concluded

Primary Iron and Steel, May 1986 Catalogue number 41-001 Canada: \$4/\$40; Other Countries: \$5/\$50

INDUSTRY MEASURES AND ANALYSIS

Gross Domestic Product by Industry, April 1986
Catalogue number 61-005 Canada: \$10/\$100; Other Countries: \$11/\$110

INTERNATIONAL AND FINANCIAL ECONOMICS

Security Transactions with Non-residents, March 1986 Catalogue number 67-002 Canada: \$15/\$150; Other Countries: \$16/\$160

PRICES

Industry Price Indexes, May 1986 Catalogue number 62-011 Canada: \$15/\$150; Other Countries: \$16/\$160

PUBLIC INSTITUTIONS

Local Government Employment, January-March 1986 Catalogue number 72-009 Canada: \$10/\$40; Other Countries: \$11/\$44

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Building Permits, April 1986 Catalogue number 64-001 Canada: \$20/\$200; Other Countries: \$21/\$210

Fixed Capital Flows and Stocks, 1986 Catalogue number 13-211 Canada: \$40; Other Countries: \$41

Industrial Research and Development Statistics, 1984 (with 1985 and 1986 estimates) Catalogue number 88-202 Canada: \$40; Other Countries: \$41.50



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LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	May	429.34	428.23	2.9
Labour Income (\$ million)	Mar.	21,286.7	21,143.3	5.6
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)	May	4,373	4,506	24.3
Manufacturers' Owned (\$ million)	May*	34,272.9	34,455.2	1.0
ORDERS				
Manufacturers' New Orders (\$ million)	May	21,788.9	21,640.4	0.2
Manufacturers' Unfilled Orders (\$ million)	May	24,856.2	24,796.4	2.6
PRICES				
Consumer Price Index (1981 = 100)	June	131.9	131.7	3.7
New House Price Index (1981 = 100)	June*	103.2	102.6	7.9
Raw Materials Price Index (1981 = 100)	June	92.4	90.9	-21.0
Excl. coal, crude oil, natural gas	June	102.9	102.7	2.1
Industrial Product Price Index (1981 = 100)	June	118.9	119.0	0.3
CONSTRUCTION				
			Year-to-date	
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)	May*	4,440	24,770	-5.3
Electricity Generation (gigawatt hours)	May	34,727	197,599	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)	May	21,729.2	104,630	5.7
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.

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