

I·N·F·O·M·A·T

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

Friday, August 5, 1988

Aug 5 1988

OVERVIEW

■ Trade Surplus on Automotive Products Continues to Decline

In the first quarter of 1988, Canada's trade in automotive products resulted in a surplus of \$121 million, down by more than \$200 million from the first quarter of 1987.

■ Industrial Product Prices Down Slightly

The industrial product price index was down 0.1% in June, its first decrease since February 1988.

■ Growth Rate of Pension Funds Slows

The book value of assets held in trustee pension funds at the end of the first quarter was up 2.1% from the previous quarter and 11.5% from the first quarter of 1987. Both of these growth rates were the lowest recorded since the early 1970s.

■ Raw Material Prices Edge Up

In June, the raw materials price index increased 0.4%, its second consecutive monthly advance following a five-month downturn.

■ Family and Friendship Ties Among Canada's Seniors

A new study looks at the kind of family and friendship ties one can expect to have and how they vary over the course of one's life.

This issue **also** includes an article on **Trucking in Canada**.

Trade Surplus on Automotive Products Continues to Decline

In the first quarter of 1988, Canada's trade in automotive products (motor vehicles, parts, tires and tubes) resulted in a surplus of \$121 million, down by more than \$200 million from the first quarter of 1987. The lower surplus was attributable to stronger growth in imports than exports. Also, the trade surplus with the United States was down slightly, while the deficit with all other countries rose.

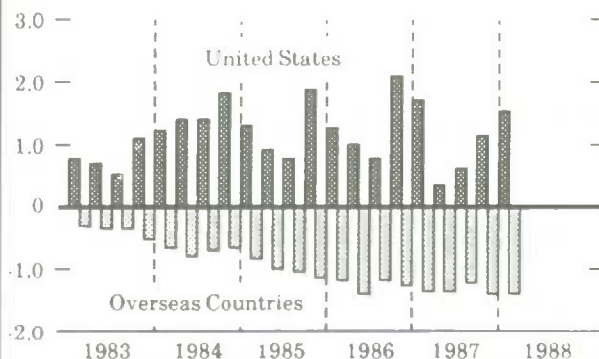
Imports were up 7% to \$9.2 billion. Increases were recorded for all automotive products. The largest advance was recorded for imports of parts, which grew by \$389 million to total \$5.2 billion. Exports, including re-exports, rose 4% to \$9.3 billion. Automobile exports were the principal cause of this increase, rising to \$4.4 billion. Exports of parts, tires and tubes fell, while exports of trucks rose.

Canada's trade surplus in automotive products with the United States was \$1.5 billion, a decline of \$186 million from the same period of the previous year. An examination of the various components reveals that the lower overall surplus was due to a \$599 million

(continued on page 2)

Automotive Trade Balance

(billions of dollars)



Statistics
Canada

Statistique
Canada

Canada

... Trade Surplus on Automotive Products Continues to Decline

increase in the deficit on trade in parts. The surplus on trade in cars rose to \$2.2 billion and the surplus for trucks advanced to \$927 million.

The deficit on trade in automotive products with countries other than the U.S. increased to \$1.4 billion in the first quarter. All categories of products posted deficits, with the largest (\$903 million) being recorded for cars.

Canada imported 262,400 automobiles during the first three months of 1988, an increase of 8% over the same period of 1987. Imports from the United States and Japan increased by the same proportion, so that each preserved the share of the Canadian market they held in the first quarter of 1987 (64% for the U.S. and 27% for Japan). South Korea increased its market share to 4.9% at the expense of imports from France and Sweden.

Balance of Trade - Automotive Products

	January to March		
	1987	1988	Change
millions of dollars			
Exports			
Cars	3,912	4,380	468
Other vehicles	1,629	1,780	151
Parts, tires, tubes and re-exports	3,440	3,187	-253
Imports			
Cars	2,905	3,062	157
Other	881	938	57
Parts, tires, tubes and re-exports	4,837	5,226	389

For further information, contact International Trade Division at (613) 951-1711.

Industrial Product Prices Down Slightly

The industrial product price index (IPPI, 1981=100), which measures the price movements of commodities sold by Canadian industries, was down 0.1% in June, its first decrease since February 1988. On a year-over-year basis, the index was up 3.8% continuing the trend of more moderate advances noted in recent months.

In June, the Canadian dollar appreciated markedly against the American dollar. The effect of this change was most clearly seen in the price decreases for cars, trucks and other transportation equipment and in paper and paper products. Both of these commodity groups have a significant number of prices quoted in U.S. dollars.

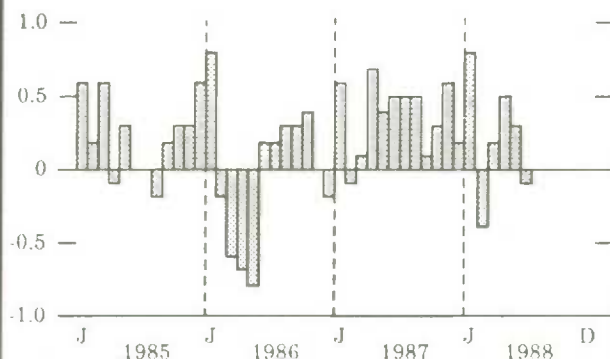
Primary metal products were down (-0.5%) for the first time in four months, reflecting a strong decline in prices for nickel products. Partly offsetting this decrease was a significant rise in copper prices, as well as increases for several steel products.

Industrial Product Price Index

	Feb.	Mar.	Apr.	May	June
% change, previous month					
Total	-0.4	0.2	0.5	0.3	-0.1
Petroleum and coal products	-1.8	-2.4	-1.2	-0.2	-0.2
Excluding coal and petroleum products	-0.3	0.5	0.6	0.3	0.0

Industrial Product Price Index

(% change, previous month)



The petroleum and coal products component showed a decrease of 0.2%, resulting from a drop in motor gasoline prices. This component had declined for nine months, but the size of the decreases has moderated in recent months.

For further information, contact Prices Division at (613) 951-9607 or order Industry Price Indexes (catalogue number 62-011).

Growth Rate of Pension Funds Slows

The book value of assets held in trustee pension funds at the end of the first quarter of 1988 was estimated at \$145.9 billion, up 2.1% from the previous quarter and 11.5% from the amount held one year earlier. Both of these growth rates were the lowest recorded since the early 1970s. Year-to-year increases for the first quarter reached a high of 21.6% in 1980 and have been decreasing since that time.

Bonds and stocks continued to be the two major forms of investment, accounting for 47% and 27% of the total assets respectively. In the first quarter, almost 29% of the growth in assets was in the form of stocks, suggesting renewed confidence in the stock market on the part of pension fund managers. Bonds represented 31% of the increase.

Total income of trustee pension funds was estimated to be \$4.7 billion, down 12% from the same quarter in 1987. Expenditures, estimated at \$2.0 billion, were almost 11% higher than those of the previous year. The net cash flow or new money entering the funds (\$2.7

billion) declined by almost 24% relative to that of the same period of 1987, the largest decrease since the survey began in 1970. The decline in net cash flow explains the relatively small growth in assets in the first quarter.

The decrease in income was attributable to a 60% drop in profit on the sale of securities relative to the same quarter of the previous year. Profit amounted to \$602 million, down from \$1,460 million in the first quarter of 1987. This decrease indicates the continuing effect of the October 1987 drop in the price of stocks.

Each of the three other major components of income recorded an increase relative to the same quarter of 1987: employer contributions (4.5%), employee contributions (15.1%) and investment income (5.2%). Investment income continued to represent the largest source of income (52%).

For further information, order *Quarterly Estimates of Trustee Pension Funds* (catalogue number 74-001) or contact Pensions Section, Labour Division at (613) 951-4034.

Raw Material Prices Edge Up

The raw materials price index (1981=100) increased 0.4% in May, its second consecutive monthly advance following a five-month downturn. The largest component of the index, mineral fuels was unchanged from the previous month.

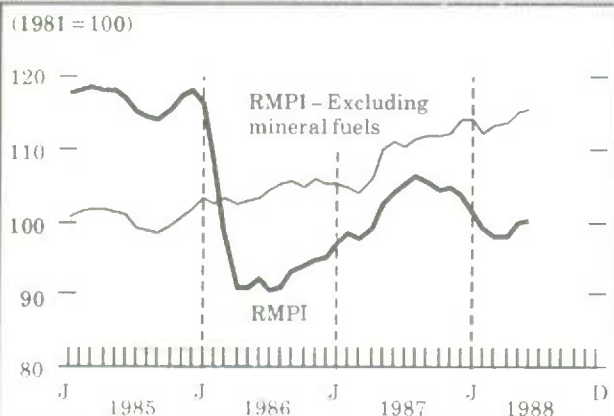
Vegetable product prices were up 5.0%, the third consecutive monthly increase. The advance was mainly due to a 16.4% increase for oilseeds and a 6.1% increase for grains.

The non-ferrous metals component continued to rise on the strength of price increases for copper, lead and zinc. Nickel prices dropped for the second consecutive month, contrasting with the large price gains registered in the preceding six months.

Raw Materials Price Index

	Feb.	Mar.	Apr.	May	June
	% change, previous month				
Total	-2.2	-1.3	0.1	1.9	0.4
Mineral fuels	-3.3	-4.3	-0.9	3.3	0.0
Excluding mineral fuels	-1.7	0.7	0.5	1.1	0.6

Raw Materials Price Index



The animal and animal products component exerted downward pressure on the overall index. It decreased 1.0% in response to lower prices for cattle, calves and fish.

Further information, order *Industry Price Indexes* (catalogue number 62-011) or contact Prices Division at (613) 951-9606.

PUBLICATIONS RELEASED FROM JULY 29 - AUGUST 4

DEMOGRAPHY

Intercensal Annual Estimates of Population, by Sex and Age for Canada, Provinces and Territories, Third Issue, 1981-1986. Catalogue number 91-518 (Canada: \$33; Other Countries: \$34).

Quarterly Demographic Statistics, January-March 1988. Catalogue number 91-002 (Canada: \$7/\$28; Other Countries: \$8/\$32)

EDUCATION, CULTURE AND TOURISM

Culture Statistics, Government Expenditure on Culture in Canada -Preliminary Statistics, 1986-1987. Catalogue number 87-206 (Canada: \$15; Other Countries: \$16).

INDUSTRY

Asphalt Roofing, June 1988. Catalogue number 63-007 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Clothing Industries, 1985. Catalogue number 34-252 (Canada: \$30; Other Countries: \$31.50).

Corrugated Boxes and Wrappers, June 1988. Catalogue number 36-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Department Store Monthly Sales, by Province and Metropolitan Area, May 1988. Catalogue number 63-004 (Canada: \$2.50/\$25; Other Countries: \$3.50/\$35).

Fabricated Metal Products Industries, 1985. Catalogue number 41-251 (Canada: \$30; Other Countries: \$31.50).

Mineral Wool Including Fibrous Glass Insulation, June 1988. Catalogue number 44-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

New Motor Vehicle Sales, January 1988. Catalogue number 45-001 (Canada: \$9/\$90; Other Countries: \$10/\$100).

Other Manufacturing Industries, 1985. Catalogue number 47-250 (Canada: \$30; Other Countries: \$31.50).

Paper and Allied Products Industries - Asphalt Roofing Industry, 1986 Census of Manufactures. Catalogue number 36-250B 2721 (Canada: \$4; Other Countries: \$5).

Paper and Allied Products Industries - Newsprint Industry, 1986 Census of Manufactures. Catalogue number 36-250B 2712 (Canada: \$4; Other Countries: \$5).

Paper and Allied Products Industries - Pulp Industry, 1986 Census of Manufactures. Catalogue number 36-250B 2711 (Canada: \$4; Other Countries: \$5).

Production, Sales and Stocks of Major Appliances, June 1988. Catalogue number 43-010 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Refined Petroleum Products, April 1988. Catalogue number 45-004 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

Rigid Insulating Board, June 1988. Catalogue number 36-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Textile Products Industries, 1985. Catalogue number 34-251 (Canada: \$30; Other Countries: \$31.50).

INTERNATIONAL AND FINANCIAL ECONOMICS

Canadian Economic Observer, July 1988. Catalogue number 11-010 (Canada: \$20/\$200; Other Countries: \$22.50/\$225).

SERVICES

Restaurant, Caterer and Tavern Statistics, April 1988. Catalogue number 63-011 (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

TRANSPORT

Aviation Statistics Centre Service Bulletin, April 1988. Catalogue number 51-004 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

Surface and Marine Transport, Service Bulletin, Vol. 4, No. 5. Catalogue number 50-002 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

Trucking in Canada, 1986. Catalogue number 53-222 (Canada: \$32; Other Countries: \$33.50).

Family and Friendship Ties Among Canada's Seniors

Many of our senior citizens who live alone need a helping hand. How do they get it now? And will they continue to get it in the future as their numbers increase?

A new Statistics Canada study, *Family and Friendship Ties Among Canada's Seniors*, looks at the kind of family and friendship links upon which our seniors rely for support.

With an analysis of data collected in the 1985 General Social Survey, the publication shows how the network of family and friendship ties which one can expect to have varies systematically over the course of one's life. Especially at the oldest ages, the network of one's potential supporters differs strongly between men and women. This book brings to light patterns of personal ties with potential supporters that have never before been the subject of a national study in Canada.

In dealing with the help received by seniors in selected aspects of daily living, such as mobility, self-care, shelter maintenance, meal preparation, and money management, the publication draws attention to the sharp rise in support flows, and in the need for

supports, after 80 years of age. The 1986 Census and the latest population projections indicate a very high growth rate (nearly 4% per year, on average) in the number of Canadians aged 80 and over, both recently and in the near future.

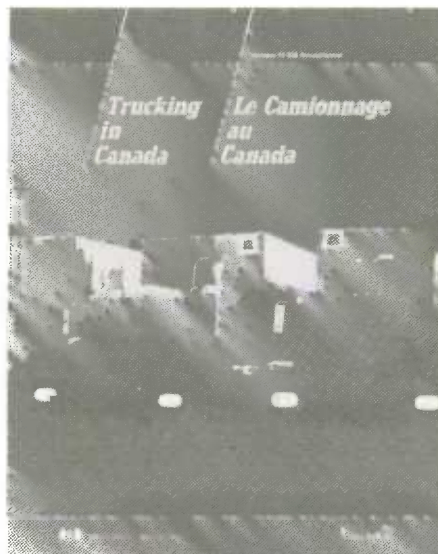
Suggesting that traditional arrangements for the provision of social supports to persons of all ages may have to undergo major transformation in the decades ahead, *Family and Friendship Ties Among Canada's Seniors* argues that the study of human support networks is very important because these supports typically require that those giving assistance allocate substantial amounts of their time to this effort. Since the availability of the needed volume of personal time for human caring services in a given community cannot be easily altered by any specific action on the part of any organization, the assistance exchanged between the elderly and their supporters is a matter worthy of careful consideration by all Canadians as individuals and as family members.

For further information, order *Family and Friendship Ties Among Canada's Seniors* (catalogue number 89-508 or contact Population Studies Division at (613) 951-9752.

Trucking in Canada

Trucking in Canada, 1986 focusses on the performance of the for-hire and private trucking industry, providing information on operating expenses, tonnages, fuel costs and distances travelled. It also includes special studies on current industry topics such as the transport of goods traded between Canada and the United States, the degree of foreign control in the trucking industry, and a historical analysis (1980-1986) of the operating performance by the for-hire trucking industry. Highlights include:

- The for-hire trucking industry transported a record total tonnage of 187.2 million tonnes in 1986, up 16.4% from the previous year.
- Total operating expenses only increased 5.1% from 1985, to total of \$8.6 billion.
- The private trucking carriers survey in 1986 had operating expenses of \$4.1 billion. Average expenses per firm were \$1.5 million.
- Over 58% of the exports and 72% of the imports between Canada and the United States are carried by truck. Nearly half of the total trade originates with or is directed to the North Central States.
- Foreign-controlled firms generated \$651 million or 7.5% of the total revenues earned by the Canadian for-hire trucking industry in 1986.



For further information, order *Trucking in Canada, 1986* (catalogue number 53-222) or contact Transportation Division at (613) 951-2432.



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LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	May	462.29	461.50	5.1
Labour Income (\$ million)	Apr.	25,350	24,956	7.5
Persons with Jobs (million)	June	12.69	12.48	3.1
Unemployed (thousand)	June	973	1,035	-14.8
INVENTORIES				
Department Store (\$ million)	May	4,529	4,612	1.1
Manufacturers' Owned (\$ million)	May	37,772	37,541	6.4
ORDERS				
Manufacturers' New Orders (\$ million)	May	26,321	23,851	15.4
Manufacturers' Unfilled Orders (\$ million)	May	27,785	26,803	21.3
PRICES				
Consumer Price Index (1981 = 100)	June	143.6	143.4	3.9
New House Price Index (1981 = 100)	May	130.0	128.3	9.2
Raw Materials Price Index (1981 = 100)	June*	100.2	99.8	-3.6
Excl. minerals fuels	June*	115.7	115.0	4.2
Industrial Product Price Index (1981 = 100)	June*	127.1	127.2	3.8
CONSTRUCTION				
			Year-to-date	
Building Permits (\$ million)	Feb.	1,915	3,335	15.9
Housing Starts - Urban Centres (units)	May	21,996	72,273	-12.6
ENERGY				
Coal Production (thousand tonnes)	May	5,553	29,548	25.2
Electricity Generation (gigawatt hours)	May	36,668	216,106	2.9
Natural Gas Production (million cubic metres)	Apr.	10,025	45,034	15.1
FOREIGN TRADE				
Exports - Customs Basis (\$ million)	May	11,872	56,995	12.6
Imports - Customs Basis (\$ million)	May	11,148	56,273	20.6
SALES				
Department Store Sales (\$ million)	May	1,016	4,395	-0.9
Manufacturers' Shipments (\$ million)	May	25,339	119,045	10.0
New Motor Vehicle Sales (\$ million)	May	2,864	11,547	15.1
Refined Petroleum Products (thousand cubic metres)	June	6,964	39,397	2.3
Retail Sales (\$ million)	May	14,303	63,241	8.9

Statistics are in current dollars and are not seasonally adjusted.

* new this week.

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