



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, September 28, 1990

OVERVIEW

Foreign Investment in Bonds Still Strong

In July, there was a substantial net foreign investment in Canadian bonds for the second consecutive month, amounting to \$1.7 billion, after a net disinvestment of \$2.2 billion in May.

Shipments Continue to Rise

Seasonally adjusted manufacturers' shipments posted a fourth consecutive increase (0.4%) in July, while unfilled orders continued to register marginal decline.

Retail Sales Advance for Second Straight Month

Retail trade increased 0.8% to \$16.3 billion in July, after a 0.9% gain in June.

Further Decline of Wholesale Sales

In June, the seasonally adjusted sales of wholesale merchants were down 1.1% from May. This fourth consecutive decline was broadly based.

Department Store Sales Post Growth

Seasonally adjusted department store sales including concessions increased 0.5% to \$1.2 billion in July, after stronger growth in June.

Number of Unemployment Insurance Beneficiaries Rising

In July, the seasonally adjusted number of regular unemployment insurance beneficiaries increased 5.9%, continuing the upward trend started in March.

Foreign Investment in Bonds Still Strong

In July, there was a substantial net foreign investment in Canadian bonds for the second consecutive month, amounting to \$1.7 billion, after a net disinvestment of \$2.2 billion in May. Despite large monthly fluctuations, net foreign investment in bonds from January to July was only marginally lower than for the same period in 1989.

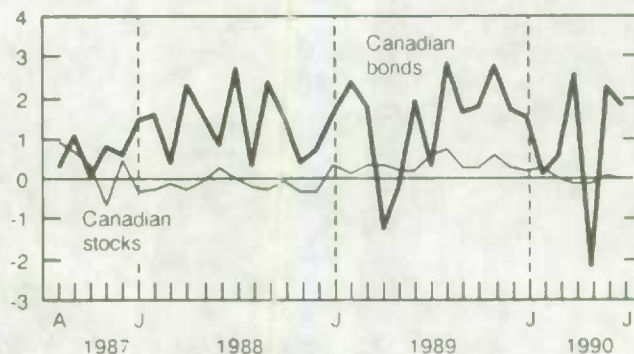
In the secondary market, non-residents made a net investment of \$1.2 billion, which together with the smaller net investment in June barely offset a net disinvestment in the first five months of 1990. Some 60% of net foreign investment in the secondary market, or \$730 million, came from Japan. This was Japan's first substantial net investment in outstanding bonds since January.

Net foreign investment in new issues of Canadian bonds dropped to \$549 million from \$1.7 billion, continuing the pattern of large fluctuations in new issues.

(continued on page 2)

Security Transactions

Billions of dollars



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... Foreign Investment in Bonds Still Strong

There was a net disinvestment of \$24 million in Canadian stocks, reversing a net investment of a similar magnitude in June. For outstanding Canadian stocks, non-residents were net sellers for the fourth consecutive month. The net disinvestment of \$64 million in July came entirely from U.S. investors. From January to July, net foreign investment in Canadian stocks was \$59 million. For the same period in 1989, it was \$1.9 billion.

Residents increased their holdings of foreign bonds by \$198 million, bringing their net investment to more than \$600 million in the last two

months. Residents also increased their holdings of foreign stocks by \$98 million, following a net disinvestment of almost \$600 million in the previous three months. The net investment went to both U.S. stocks (\$38 million) and overseas stocks (\$60 million). From January to July, Canadians made a net investment of \$288 million in overseas stocks and a net disinvestment of \$706 million in U.S. stocks.

For further information, order Security Transactions with Non-residents (catalogue number 67-002) or contact Balance of Payments Division at (613) 951-1864.

Shipments Continue to Rise

In July, seasonally adjusted manufacturers' shipments rose 0.4% to \$25.1 billion, a third consecutive monthly increase. Increases in shipments for the transportation equipment and primary metals industries (both anticipating strikes), along with an increase in refined petroleum products, contributed most to the rise. These increases were partially offset by declines in electrical products, food, fabricated metals, wood, and paper industries.

Inventories declined for the fifth consecutive month, this time by 0.7%. Primary metals and refined petroleum accounted for most of the decrease.

The inventories-to-shipments ratio decreased from 1.50 in June to 1.48.

Unfilled orders declined 0.3% from June. They have decreased in ten of the last twelve months.

New orders increased 0.2% to \$25.0 billion. Aside from a marginal decline in March, new orders have increased at a decelerating rate since February, adding up to a cumulative increase of 8.6%.

For further information, order Monthly Survey of Manufacturing, (catalogue number 31-001) or contact Industry Division at (613) 951-9834.

Retail Sales Advance for Second Straight Month

In July, retail trade increased 0.8% to \$16.3 billion, following a 0.9% gain in June. These two gains, largely linked to the advent of Sunday shopping in Ontario, more than offset the declines posted since the beginning of the year.

As in June, the July increase was broadly based, with 12 of the 16 trade groups recording higher sales. The most significant sales increases are outlined below.

Supermarkets and grocery stores posted an increase of 2.4%, after a small gain in June. This compares with an average monthly gain of 0.1% in the first five months of the year. General merchandise stores increased 1.1%, following a larger increase in June. These two increases more than regained the ground lost in the first part of the year.

Retail Trade

	Mar.	Apr.	May	June	July
	% change, previous month				
Supermarkets & grocery stores	-1.1	1.7	-1.0	0.1	2.4
General Merchandise	-1.1	0.6	-2.6	1.9	1.1
Motor vehicle dealers	3.7	-6.2	0.0	2.1	0.2
All stores	0.4	-1.4	-1.0	0.9	0.8

Motor vehicle dealers, the largest trade group, registered a 0.2% increase after a strong advance in June. This followed an average monthly decline of 0.8% in the first five months of the year.

For further information, order Retail Trade (catalogue number 63-005) or contact Industry Division at (613) 951-3552.

Further Decline of Wholesale Sales

In June, the seasonally adjusted sales of wholesale merchants were down 1.1% from the previous month. This fourth consecutive monthly decline was broadly based, with eight of the nine trade groups posting lower sales.

The fourth consecutive monthly decline (3.1%) registered by wholesalers of non-farm machinery, equipment and supplies had the strongest impact on

the overall decline of wholesale sales. The second largest impact came from a 3.7% decline for wholesalers of metals, hardware, plumbing and heating supplies. This and the previous four declines added up to a cumulative decline of 16% since February.

For further information, order Wholesale Trade (catalogue number 63-008) or contact Industry Division at (613) 951-3540.

Department Store Sales Post Growth

In July, seasonally adjusted department store sales including concessions increased 0.5% to \$1.2 billion. This increase and the strong growth in June (3.1%), were a reversal from weaker performance in the first five months of 1990, when sales posted an average decline of 0.5%.

Department store stocks increased 1.2% to \$4.9 billion, up a second consecutive month after a series of large fluctuations started in January.

The ratio of stocks to sales stood at 4.08, a slight decline from the average of 4.09 in the previous three months.

For further information, order Department Store Sales and Stocks (catalogue number 63-002) or contact Industry Division at (613) 951-3552.

Number of Unemployment Insurance Beneficiaries Rising

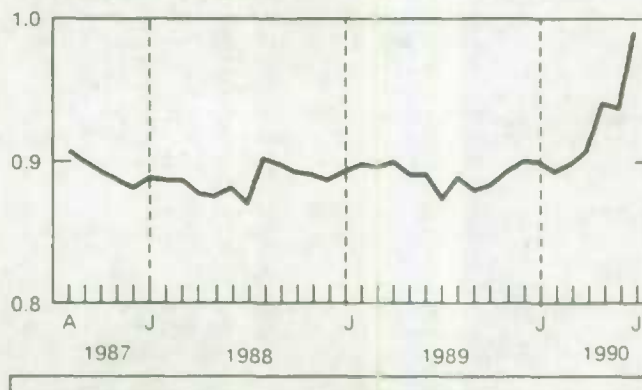
In July, the seasonally adjusted number of regular unemployment insurance beneficiaries increased 5.9% to 991,000 after a marginal decline in the preceding month. Since March, the number of beneficiaries has increased by 11% whereas from January 1989 to February 1990, they had fluctuated between 872,000 and 899,000.

The most notable increases occurred in Quebec (9.3%) and Ontario (8.2%), with smaller increases in other provinces. The number of beneficiaries declined only in Newfoundland (-4.6%) and in the Yukon (-1.1%).

Total benefit payments continued to increase, this time by 4.4%, and reached \$1.1 billion. The number of benefit weeks advanced 1.1% to 48 million.

U.I. Beneficiaries Receiving Regular Benefits

Millions, seasonally adjusted



For further information, order Unemployment Insurance Statistics (catalogue number 73-001) or contact Labour Division at (613) 951-4044.

PUBLICATIONS RELEASED FROM SEPTEMBER 21 TO 27

AGRICULTURE

The Dairy Review, July 1990. Catalogue number 23-001 (Canada: \$12.20/\$122.00; United States: US\$14.60/US\$146.00; Other Countries: US\$17.10/US\$171.00).

EDUCATION, CULTURE AND TOURISM

Education Statistics Bulletin, Full-time Enrolment in Trade and Vocational Programs in Canada 1987-88. Catalogue number 81-002 (Canada: \$4.90/\$49.00; United States: US\$5.90/US\$59.00; Other Countries: US\$6.90/US\$69.00).

Financial Statistics of Education, 1986-87. Catalogue number 81-208 (Canada: \$39.00; United States: US\$47.00; Other Countries: US\$55.00).

HOUSING, FAMILY AND SOCIAL STATISTICS

Canadian Social Trends, Autumn 1990. Catalogue number 11-008E (Canada: \$34.00; United States: US\$40; Other Countries: US\$48).

INDUSTRY

Canned and Frozen Fruits and Vegetables - Monthly, July 1990. Catalogue number 32-011 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Corrugated Boxes and Wrappers, August 1990. Catalogue number 36-004 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Electric Power Statistics, 1989, Actual, 1990-1999 Forecast. Catalogue number 57-204 (Canada: \$27.00; United States: US\$32.00; Other Countries: US\$38.00).

Gas Utilities, June 1990. Catalogue number 55-002 (Canada: \$12.70/\$127.00; United States: US\$15.20/US\$152.00; Other Countries: US\$17.80/US\$178.00).

Monthly Production of Soft Drinks, August 1990. Catalogue number 32-001 (Canada: \$2.70/\$27.00; United States: US\$3.20/US\$32.00; Other Countries: US\$3.80/US\$38.00).

Monthly Survey of Manufacturing, July 1990. Catalogue number 31-001 (Canada: \$17.30/\$173.00; United States: US\$20.80/US\$208.00; Other Countries: US\$24.20/US\$242.00).

Particleboard, Waferboard and Fibreboard, July 1990. Catalogue number 36-003 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Primary Iron and Steel, July 1990. Catalogue number 41-001 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Production and Disposition of Tobacco Products, August 1990. Catalogue number 32-022 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Refined Petroleum Products, June 1990. Catalogue number 45-004 (Canada: \$18.20/\$182.00; United States: US\$21.80/US\$218.00; Other Countries: US\$25.50/US\$255.00).

INDUSTRY - Concluded

Retail Trade, June 1990. Catalogue number 63-005 (Canada: \$14.40/\$144.00; United States: US\$17.30/US\$173.00; Other Countries: US\$20.20/US\$202.00).

INTEGRATION AND WEALTH ACCOUNTS

Financial Flow Accounts, Second Quarter, 1990. Catalogue number 13-014 (Canada: \$12.50/\$50.00; United States: US\$15.00/US\$150.00; Other Countries: US\$17.50/US\$175.00).

INTERNATIONAL TRADE

Preliminary Statement of Canadian International Trade, July 1990. Catalogue number 65-001P (Canada: \$10.00/\$100.00; United States: US\$12.00/US\$120.00; Other Countries: US\$14.00/US\$140.00).

Summary of Canadian International Trade, July 1990. Catalogue number 65-001 (Canada: \$18.20/\$182.00; United States: US\$21.80/US\$218.00; Other Countries: US\$25.50/US\$255.00).

JUSTICE

Canadian Crime Statistics, 1989. Catalogue number 85-205 (Canada: \$37.00; Other Countries: US\$44.00).

LABOUR

Employment, Earnings and Hours, June 1990. Catalogue number 72-002 (Canada: \$38.50/\$385.00; United States: US\$46.20/US\$462.00; Other Countries: US\$53.90/US\$539.00).

Estimates of Labour Income, January-March 1990. Catalogue number 72-005 (Canada: \$22.50/\$90; United States: US\$27.00/US\$108.00; Other Countries: US\$31.50/US\$126.00).

SERVICES, SCIENCES AND TECHNOLOGY

Science Statistics Service Bulletin, The Provincial Distribution of R & D in Canada 1979 to 1988. Catalogue number 88-001 (Canada: \$7.10/\$71.00; United States: US\$8.50/US\$85.00; Other Countries: US\$9.90/US\$99.00).

SOCIAL SURVEY METHODS

Survey Methodology - A Journal of Statistics Canada, June 1990. Catalogue number 12-001 (Canada: \$30.00; United States: US\$36.00; Other Countries: US\$42.00).

TRANSPORTATION

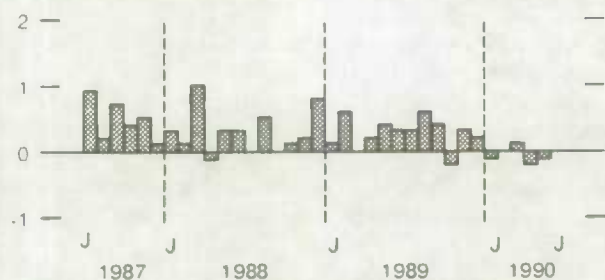
Aviation Statistics Centre Service Bulletin, June 1990. Catalogue number 51-004 (Canada: \$9.30/\$93.00; United States: US\$11.20/US\$112.00; Other Countries: US\$13.00/US\$130.00).

Railway Operating Statistics, June 1990. Catalogue number 52-003 (Canada: \$10.50/\$105.00; United States: US\$12.60/US\$126.00; Other Countries: US\$14.70/US\$147.00).

CURRENT TRENDS*

Gross Domestic Product

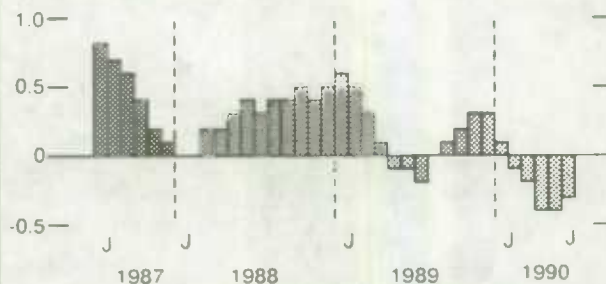
% change, previous month



In June, Real Gross Domestic Product at factor cost was unchanged, following drops of 0.2% in April and 0.1% in May.

Composite Leading Indicator

% change, previous month



In June, the composite leading indicator fell 0.3%, the fifth consecutive monthly decline.

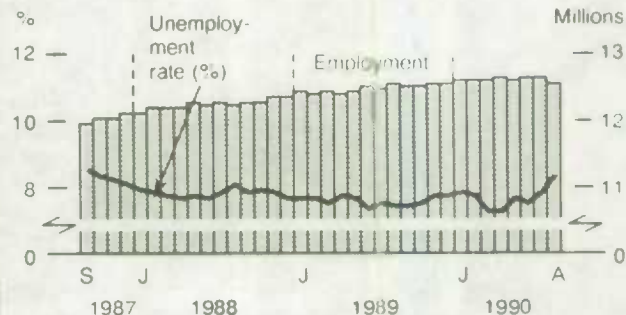
Consumer Price Index

% change, previous year



In August, the Consumer Price Index increased 4.1% from last year, continuing the deceleration started in February.

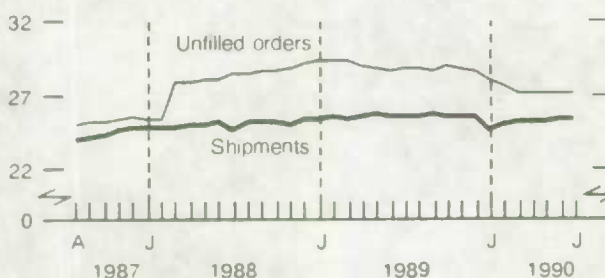
Unemployment Rate and Employment



In August, the unemployment rate reached 8.3%, the highest level since October 1987.

Manufacturing

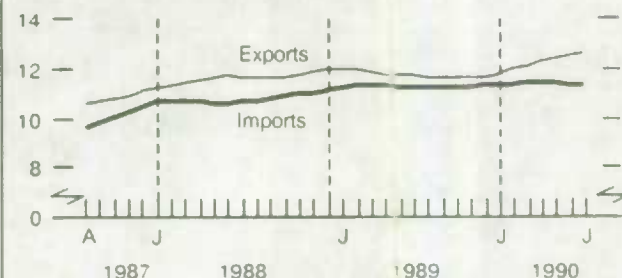
Billions of dollars



Seasonally adjusted manufacturers' shipments posted a fourth consecutive increase (0.4%) in July.

Merchandise Trade

Billions of dollars, short-term trend



In July, the trend for merchandise exports rose for the ninth straight month. The trend for imports posted a fourth consecutive marginal decline.

*All series are seasonally adjusted except the consumer price index.

NEW FROM STATISTICS CANADA



Canadian Social Trends

The Autumn 1990 issue of *Canadian Social Trends* released today presents a review of changes in the Canadian labour force during the 1980s. Prominent amongst its findings is the fact that the service industries now account for more than two-thirds of all workers.

This issue also contains articles on the 1.8 million Canadians with disabilities in 1986. Other topics covered include a profile of the Indo-Chinese in Canada, an article on the declining number of children in Canada, discussion of the characteristics of young offenders, changes in occupations held by women, and a profile of women in school administration. In addition there is an article containing new information on the characteristics of people who live in cooperative housing across Canada.

For further information, order *Canadian Social Trends* (catalogue number 11-008E or contact the editors at (613) 951-2560.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	June	511	0.0%	1.5%
Composite Leading Indicator (1981 = 100)	June	144.2	-0.4%	-0.5%
Profits of Industrial Corporations (\$ billion)	2nd Q	4.6	-24%	-53%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	July*	16.3	0.8%	1.9%
New Motor Vehicle Sales ('000 units)	July	116	-1.0%	-1.8%
LABOUR				
Employment (millions)	August	12.6	-0.5%	0.2%
Unemployment Rate (%)	August	8.3	0.5	0.9
Participation Rate (%)	August	67.0	0.0	-0.2
Labour Income (\$ billion)	June	31.7	-0.5%	6.6%
Average Weekly Earnings (\$)	June	512.30	0.8%	4.7%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	July	12.5	-1.7%	7.3%
Merchandise Imports (\$ billion)	July	11.3	3.5%	6.1%
Merchandise Trade Balance (\$ billion)	July	1.2	-0.6	0.2
MANUFACTURING				
Shipments (\$ billion)	July*	25.1	0.4%	-0.8%
New Orders (\$ billion)	July*	25.0	0.2%	-1.8%
Unfilled Orders (\$ billion)	July*	27.7	-0.3%	-8.0%
Inventory/ Shipments Ratio	July*	1.48	-0.02	-0.03
Capacity Utilization (%)	2nd Q	79.7	-0.5	-5.3
PRICES				
Consumer Price Index (1986 = 100)	August	119.8	0.0%	4.1%
Industrial Product Price Index (1986 = 100)	July	109.2	-0.2%	-0.5%
Raw Materials Price Index (1986 = 100)	July	102.8	-2.3%	-5.5%
New Housing Price Index (1986 = 100)	July	142.7	-0.6%	0.3%

Note: All series are seasonally adjusted with the exception of average weekly earnings and the price indexes.

* New this week.

KEY RELEASE CALENDAR: OCTOBER 1990*

Monday	Tuesday	Wednesday	Thursday	Friday
1 Composite Leading Indicator, July	2	3 Help-wanted Index, September	4	5 Labour Force Survey, September
8	9 New Housing Price Index, August	10 New Motor Vehicle Sales, August Labour Income, July	11 Farm Product Price Index, August	12 International Travel, August
15	16	17	18 International Merchandise Trade, August	19 Consumer Price Index, September
22 Retail Trade, August	23 Survey of Manufacturing, August Wholesale Trade, August	24 Department Store Sales and Stocks, August	25 Building Permits, August	26 Security Transactions with Non-residents, August
29	30	31 Gross Domestic Product, August Industrial Product Price Index, September Raw Materials Price Index, September Employment, Earnings and Hours, August Unemployment Insurance Statistics, August		

* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may change.

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