



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, May 24, 1991

OVERVIEW

■ Retail Trade Declines

After increasing sharply in February, retail sales dropped by 1.3% in March. The decline was primarily due to decreases reported by motor vehicle and recreational vehicle dealers.

■ Non-resident Investment Drops Sharply

In March, non-residents invested \$0.4 billion in all Canadian securities, well below the \$1.9 billion average monthly net investment since October 1990.

■ CPI Remains Unchanged

Following a 0.4% rise in March, due largely to an increase in the federal excise tax on cigarettes, the all-items Consumer Price Index for Canada remained unchanged in April.

■ Imports Continue to Drop but Exports Flatten Out

In March, imports fell by 4.6% to a level of \$10.0 billion while exports decreased marginally (-0.2%) to \$11.2 billion. The downward movements were largely due to substantial drops in both imports and exports of machinery and equipment.

■ Wholesale Trade: Largest Increase in Four Years

Wholesale trade rose by 3.7% to \$14.2 billion in March, the largest gain since February 1987. Of the nine trade groups, six registered increases.

Retail Trade Declines

After an increase in February and a large drop in January which was linked to the GST, estimates indicate that retail sales fell 1.3% in March to a level of \$14.6 billion. In the last seven months retail sales have fallen five times.

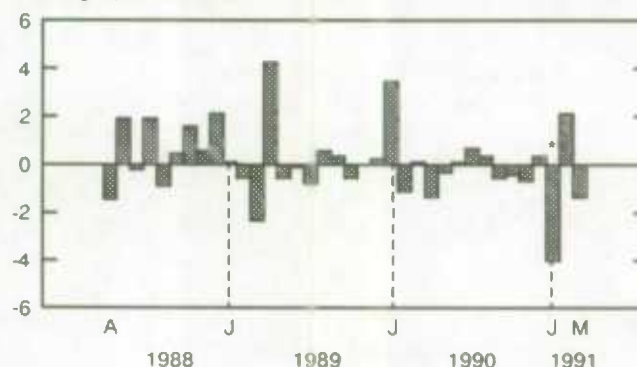
Out of 16 trade groups, half registered declines, one remained unchanged and seven posted increases. Drops were noted for the trade groups related to apparel and the automotive industry.

Motor vehicle and recreational vehicle dealers posted a decline in sales of 3.2%. In the past nine months there have been eight declines. Gasoline service stations reported a decrease of 7.6% following an 8.4% drop in February, while sales of automotive parts, accessories and services fell (-5.6%) for the fourth consecutive month.

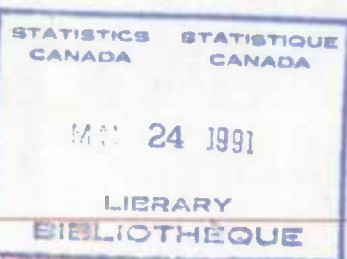
(continued on page 2)

Total Retail Sales

% change, previous month



* The data prior to January 1991 included the Federal Sales Tax (FST), while from January on, the numbers include neither the FST, which has been phased out, nor the GST. The estimate of percentage change for January 1991 has been adjusted to eliminate the effect of the change in taxes.



Statistics
Canada

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Canada

Canada

... Retail Trade Declines

Partly offsetting these decreases were higher sales by supermarkets and grocery stores (1.3%). This was the first increase following five consecutive monthly declines. Household furniture and appliance stores posted a 3.8% rise in sales following a 17.6% increase in February.

In March, retail trade declined in eight of the 10 provinces.

Note: Estimates for retail and wholesale trade for 1991 exclude the GST. Prior to 1991, estimates included the Federal Sales Tax (FST). An estimate of the amount of FST in retail sales has been calculated for total sales in Canada for 1990. However, at the provincial or trade group level, data for 1991 are not strictly comparable to those for previous years.

For further information, order *Retail Trade* (catalogue number 63-005) or contact Industry Division at (613) 951-3551.

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, March 1991

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	14,647	-1.3	14,214	3.7
Newfoundland	272	-5.7	154	-0.5
Prince Edward Island	60	-5.4	28	-0.4
Nova Scotia	472	-4.5	334	3.6
New Brunswick	380	-4.0	236	2.3
Quebec	3,650	-0.3	3,674	7.8
Ontario	5,365	-1.5	5,835	3.2
Manitoba	516	-1.0	437	-1.5
Saskatchewan	441	0.1	450	0.1
Alberta	1,551	0.4	1,353	-0.2
British Columbia	1,924	-1.0	1,698	3.1

Non-resident Investment Drops Sharply

In March, non-residents invested \$0.4 billion in all Canadian securities, well below the \$1.9 billion average monthly net investment since October 1990. The decline was due to sharply lower net foreign investment in Canadian bonds.

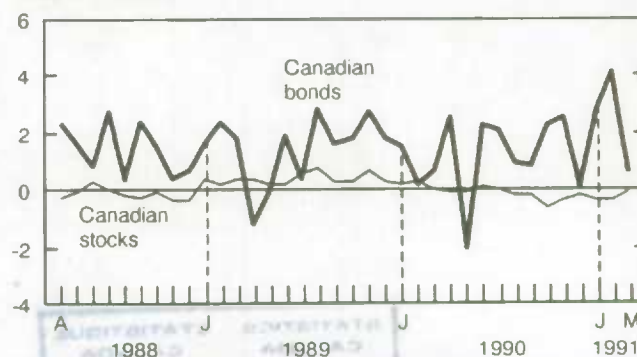
Net investment by non-residents in Canadian bonds amounted to only \$0.5 billion, down substantially from a record \$4.1 billion in February and \$2.7 billion in January. This drop arose primarily from the secondary market in which net disinvestment was the highest since May 1990. Investment in new issues continued to be strong.

New bond sales to non-residents remained solid, reaching \$4.2 billion in March. Canadian borrowers continued to issue bonds directly in foreign markets.

Non-residents invested \$0.2 billion in the Canadian money market, up considerably from the net disinvestment of \$2.0 billion in February. A net investment in other money-market paper was

Security Transactions

Billions of dollars



partially offset by the net disinvestment in Government of Canada treasury bills.

(continued on page 3)

... Non-resident Investment Drops Sharply

Non-residents continued to reduce their holdings of Canadian stocks (-\$0.2 billion), bringing to \$3.2 billion the net disinvestment over the last twelve months.

Residents acquired a net amount of \$0.1 billion of foreign securities, down from \$0.7 billion in February. Small net investments were directed to both foreign bonds and foreign stocks.

For further information, order Canada's International Transactions in Securities (catalogue number 67-002) or contact Balance of Payments Division at (613) 951-1864.

CPI Remains Unchanged

The Consumer Price Index remained unchanged in April following a 0.4% increase in March. Four of the seven major components posted increases while the remaining three declined.

The index for tobacco products and alcoholic beverages rose 0.8%, reflecting identical increases in the tobacco products and alcoholic beverages components. The increase in the former was mostly due to tax increases on cigarettes in Prince Edward Island, New Brunswick and Alberta. Higher prices for beer and liquor were registered in some provinces, contributing to the rise in the alcoholic beverages component.

The food index, which has been rising since December 1990, increased by 0.4% largely due to a rise in the fresh vegetables component (16.7%). Due to low seasonal supplies, higher prices for tomatoes, cucumbers and carrots accounted for most of the advance.

Following two consecutive declines, the housing index rose 0.2% in April. The gain was mainly attributable to higher prices for owned and rented accommodation, electricity and some household furniture.

The health and personal care index rose in April reflecting higher dental care costs.

A 0.8% fall in the transportation index accounted for most of the offsetting pressure on the all-items CPI. This third straight decline was largely due to decreases in the prices of gasoline, new automotive vehicles and air fares.

The clothing index was down in April, following three straight monthly increases. The recreation, reading and education index was also down.

For further information order Consumer Price Index (catalogue number 62-001) or contact Prices Division at (613) 951-8116. (See also "Current Trends" chart on page 6.)

PROVINCIAL PERSPECTIVES

The Consumer Price Index, Percentage change, April 1991/1990

Province	All-items	Food	Energy	All items excluding Food and Energy	Housing
Canada	6.3	6.4	3.9	6.4	4.5
Newfoundland	7.5	7.1	8.8	7.6	7.0
Prince Edward Island	8.2	7.0	18.6	7.3	6.6
Nova Scotia	7.1	6.1	10.6	6.8	5.0
New Brunswick	6.8	4.9	9.9	6.9	5.9
Quebec	8.4	5.4	8.1	9.1	6.8
Ontario	5.1	5.7	3.8	5.0	3.1
Manitoba	5.9	7.0	2.3	6.0	5.9
Saskatchewan	6.5	10.3	-1.4	6.5	4.8
Alberta	6.1	7.0	-6.6	6.9	5.4
British Columbia	6.0	9.4	1.0	5.6	3.7

Imports Continue to Drop but Exports Flatten Out

Imports in March dropped by 4.6% to \$10.0 billion. Imports of machinery and equipment were down 13.9% to reach \$3.2 billion, the lowest monthly level recorded since July 1988. Automotive product imports increased marginally (5.4%), following an extreme drop in February. Despite the increase, automotive imports in March were lower than for any month since November 1984 (with the exception of February 1991).

In March, total merchandise exports decreased marginally (-0.2%) to a level of \$11.2 billion. Exports of machinery and equipment fell by 12.9%,

reflecting a decline in exports of television and telecommunication equipment. The largest contributor to the 7.5% decline in exports of energy products was a drop in crude petroleum prices. Exports of automotive products increased by 20.9%, enough to virtually offset the decreases in the other components.

With imports declining much more than exports, the trade surplus reached \$1.2 billion, the highest level since September 1990.

For further information order Preliminary Statement of Canadian International Trade (catalogue number 65-001P) or contact International Trade Division at (613) 951-9647. (See also "Current Trends" chart on page 6.)

Wholesale Trade: Largest Increase in Four Years

Wholesale trade rose by 3.7% to \$14.2 billion in March, the second straight increase following a sharp drop in January. This represented the largest monthly gain since February 1987.

Increases were registered in six of the nine trade groups, although three groups accounted for more than three-quarters of the overall gain. Wholesalers of machinery, equipment and supplies (for uses other than farming) reported an increase of 8.5%. Sales by wholesalers of food, beverage, drug

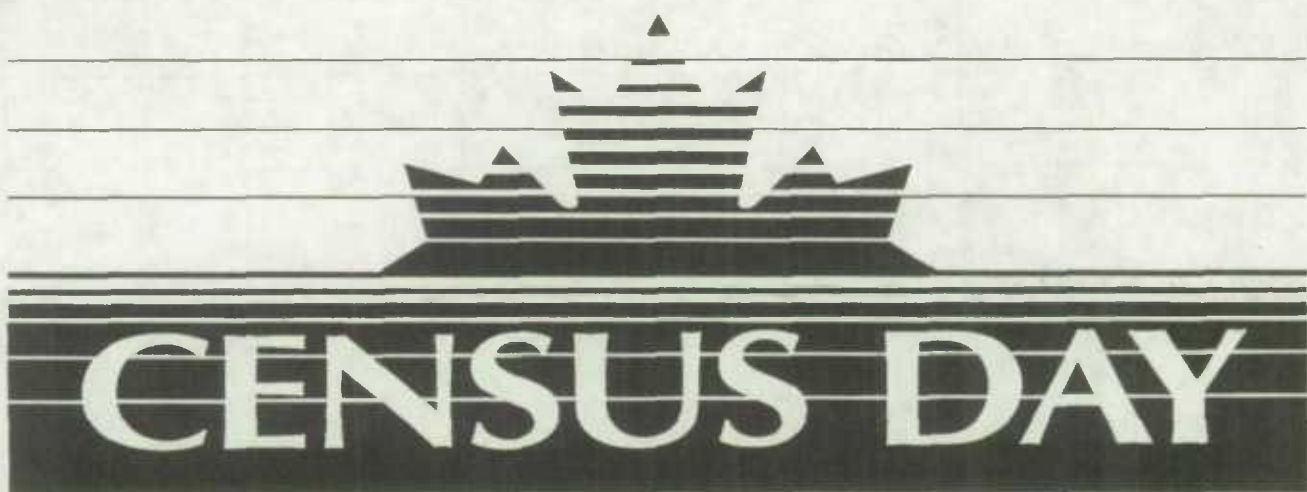
and tobacco products registered a 2.3% increase. Wholesale sales of motor vehicle parts and accessories continued to rise, increasing by 3.8%.

Sales of apparel and dry goods fell by 2.0% following a sharp increase in February. Wholesalers of household goods posted a mild decline (-0.1%), continuing the downward trend.

Of the 10 provinces, only four reported lower sales in March. (See Provincial Perspectives table page 2.)

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

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June 4 * Count Yourself In!

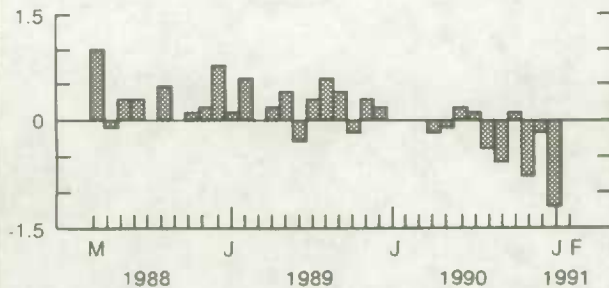
PUBLICATIONS RELEASED FROM MAY 17 TO 23, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
AGRICULTURE					
Fur Production	1989-90	23-207	34	41	48
EDUCATION, CULTURE AND TOURISM					
Campus Bookstores	Academic Year 1989-90	63-219	22	26	31
Culture Communiqué – Performing Arts Survey	1988	87-001	4.90/49	5.90/59	6.90/69
Touriscope – International Travel – Advance Information	March 1991	66-001P	6.10/61	7.30/73	8.50/85
University Finance Trend Analysis	1979-80 to 1988-89	81-260	39	47	55
FINANCIAL FLOWS					
Canadian Economic Observer	May 1991	11-010	22/220	26/260	31/310
HOUSEHOLD SURVEYS					
The Labour Force	April 1991	71-001	17.90	21.50	25.10
INDUSTRY					
Construction Type Plywood	March 1991	35-001	5/50	6/60	7/70
Crude Petroleum and Natural Gas Production	January 1991	26-006	10/100	12/120	14/140
Oils and Fats	March 1991	32-006	5/50	6/60	7/70
Particleboard, Waferboard and Fibreboard	March 1991	36-003	5/50	6/60	7/70
Primary Iron and Steel	March 1991	41-001	5/50	6/60	7/70
Production and Shipments of Steel					
Pipe and Tubing	March 1991	41-011	5/50	6/60	7/70
Refined Petroleum Products	February 1991	45-004	18.20/182	21.80/218	25.50/255
Shipments of Plastic Film and	Quarter ended				
Bags Manufactured from Resin	March 1991	47-007	6.75/27	8/32	9.50/38
INTERNATIONAL TRADE					
Preliminary Statement of Canadian International Trade	March 1991	65-001P	10/100	12/120	14/140
PRICES					
The Consumer Price Index	April 1991	62-001	9.30/93	11.20/112	13/130
SERVICES, SCIENCE AND TECHNOLOGY					
Communications Service Bulletin – Broadcasting Statistics – Radio and Television	1990	56-001	8.20/49	9.85/59	11.50/69
Communications Service Bulletin – Cable Television Statistics	1990	56-001	8.20/49	9.85/59	11.50/69
TRANSPORTATION					
Railway Carloadings	March 1991	52-001	8.30/83	10/100	11.60/116

CURRENT TRENDS

Gross Domestic Product

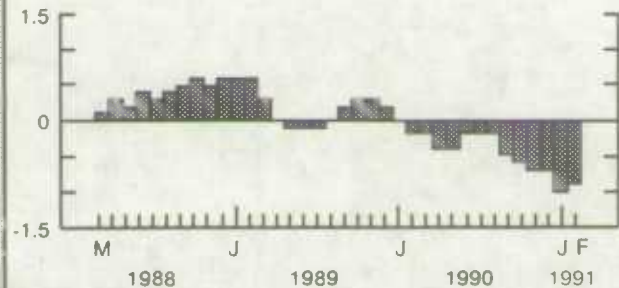
% change,
previous month



Due to a pickup in activity in service-producing industries, real GDP at factor cost was unchanged in February, after declining steadily since October 1990.

Composite Leading Indicator

% change,
previous month



The composite leading indicator declined for the thirteenth consecutive month in February.

Consumer Price Index

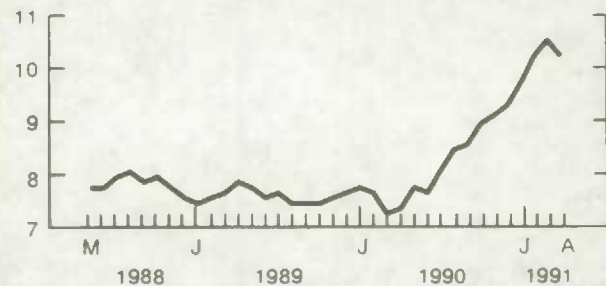
% change,
previous year



In April, the Consumer Price Index year-over-year increase remained at its March level of 6.3%.

Unemployment Rate

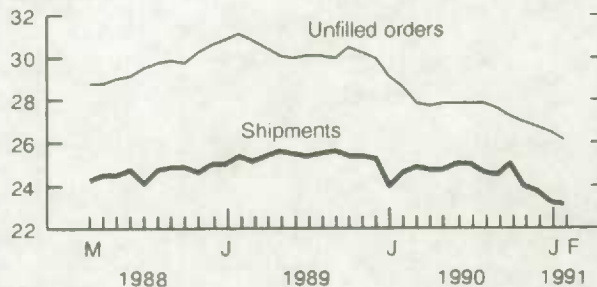
%



In April, the seasonally adjusted unemployment rate fell for the first time since June 1990.

Manufacturing

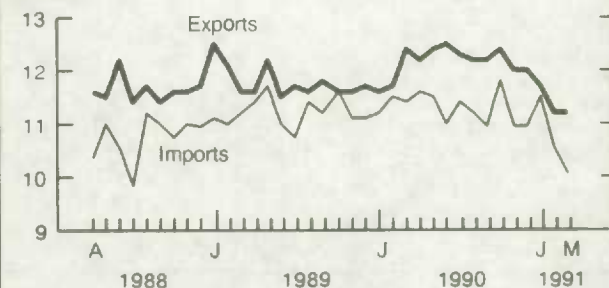
Billions
of dollars



Manufacturing shipments declined by 0.3% in February, following sharper decreases in the previous three months. Unfilled orders fell 1.4%, the seventh straight drop.

Merchandise Trade

Billions
of dollars



In March, imports fell 4.6% while exports decreased marginally (-0.2%).

Note: All series are seasonally adjusted except the consumer price index

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	February	497	0.0%	-3.1%
Composite Leading Indicator (1981 = 100)	February	137.1	-0.9%	-5.9%
Profits of Industrial Corporations (\$ billion)	3rd Quarter	5.2	13.6%	-29.5%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	March*	14.6	-1.3%	-9.1%
New Motor Vehicle Sales ('000 units)	March	99.0	-4.5%	-17.2%
LABOUR				
Employment (millions)	April	12.3	0.3%	-2.4%
Unemployment Rate (%)	April	10.2	-0.3	2.9
Participation Rate (%)	April	66.4	-0.1	-0.5
Labour Income (\$ billion)	February	31.7	-0.3%	2.1%
Average Weekly Earnings (\$)	February	529.61	0.6%	6.2%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	March*	11.2	-0.2%	-9.9%
Merchandise Imports (\$ billion)	March*	10.0	-4.6%	-11.9%
Merchandise Trade Balance (\$ billion)	March*	1.2	0.5	0.1
MANUFACTURING				
Shipments (\$ billion)	February	23.1	-0.3%	-6.1%
New Orders (\$ billion)	February	22.7	-1.2%	-5.6%
Unfilled Orders (\$ billion)	February	26.1	-1.4%	-8.8%
Inventory/ Shipments Ratio	February	1.59	0.01	0.03
Capacity Utilization (%)	4th Quarter	74	-3.6	-7.8
PRICES				
Consumer Price Index (1986 = 100)	April*	125.5	0.0%	6.3%
Industrial Product Price Index (1986 = 100)	March	110.3	-0.4%	0.9%
Raw Materials Price Index (1986 = 100)	March	104.9	-5.0%	-3.7%
New Housing Price Index (1986 = 100)	March	130.6	0.2%	-11.0%

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

** New this week.*

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A Weekly Review

Published by the Communications Division
Statistics Canada.

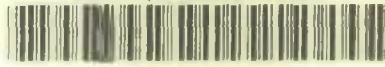
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R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario K1A 0T6.

Catalogue: 11-002E. Price: Canada: \$2.50 per issue, \$125.00 per year; United States: US\$3.00 per issue, US\$150.00 per year; Other Countries: US\$3.50 per issue, US\$175.00. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 within Canada or 613-951-7277 from all other countries.

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