



IN·F·O·M·A·T

A WEEKLY REVIEW

SEP 27 1991

Friday, September 27, 1991

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OVERVIEW

■ Non-resident Investment in Canadian Securities Drops

Non-residents invested \$1.0 billion in Canadian securities in July, sharply lower than the \$2.3 billion in June.

■ Wholesale Trade Maintains Level

Wholesale merchants' sales remained at \$14.9 billion in July, the first weakening in six months. Only four of the nine trade groups registered higher sales.

■ Retail Sales Flat in July

Seasonally adjusted retail sales, totalling \$15.1 billion, remained unchanged. The flat rate follows a 0.5% decline in June which ended the relatively strong growth recorded in April and May.

■ Department Store Sales Continue to Fluctuate

Department store sales reached \$1,090 million in July. This 0.2% increase followed a marginal decline of 0.1% in June and a gain of 1.5% in May.

■ Imports Climb But Exports Almost Unchanged

Imports increased by 7.0% in July to \$11.8 billion but exports only edged up 0.1% to \$11.9 billion, reducing the trade balance to an 11-year low of \$63 million.

■ IPPI Maintains Downward Trend

The Industrial Product Price Index edged down 0.4% in August, the seventh consecutive monthly drop.

■ Quarterly Demographic Statistics

Canada's population was estimated at 27,023,100 on July 1, 1991, an increase of 384,100 persons over the past 12 months.

Non-resident Investment in Canadian Securities Drops

In July, non-residents invested \$1.0 billion in Canadian securities, sharply lower than the \$2.3 billion invested in June. The decline occurred in the money market with non-residents purchasing \$0.3 billion compared to the record \$2.3 billion of the previous month. On a net basis, they purchased \$0.5 billion of Canadian bonds and \$0.2 billion of Canadian stocks, their first net investment in Canadian stocks in a year.

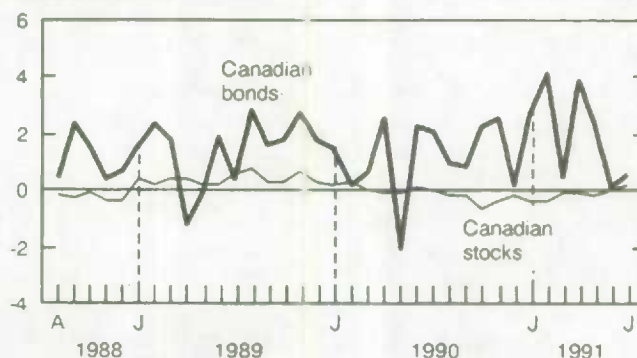
The monthly net investment in the Canadian money market was made up of \$0.2 billion Government of Canada treasury bills and \$0.4 billion in other government paper and was partially offset by a net disinvestment of \$0.3 billion in commercial and finance company paper.

Non-resident investment in Canadian bonds was again moderate compared to the substantial monthly investments which reached as high as \$4 billion earlier in the year. New bond sales to non-residents, which have been unusually strong since January 1991, declined to \$2.7 billion in July.

(continued on page 2)

Security Transactions

Billions of dollars



Statistics
Canada

Statistique
Canada

Canada

... Non-resident Investment in Canadian Securities Drops

New placements abroad by the provinces and their enterprises (\$1.7 billion) offset the reduction in foreign borrowings by corporations (\$1.1 billion). In the secondary market, non-residents reduced their holdings of Canadian bonds by \$0.2 billion, sharply lower than the \$2.4 billion reduction in June.

Non-residents increased slightly (\$0.2 billion) their holdings of Canadian stocks, a modest turnaround after 12 consecutive monthly net disinvestments totalling \$3.3 billion.

Residents purchased \$0.5 billion of foreign bonds, mainly U.S. government issues, bringing to \$1.5 billion their net investment this year.

For further information contact Balance of Payments Division at (613) 951-1864.

Wholesale Trade Maintains Level

Wholesale merchants' sales showed no growth in July, maintaining a level of \$14.9 billion. This represents the first weakening of sales in six months. Only four of the nine trade groups registered higher sales.

Wholesalers of household goods recorded the largest gain (in dollar terms) rising 6.5%. Suppliers of metals, hardware, plumbing and heating equipment and supplies posted a 2.1% increase and sales of lumber and building materials advanced by 1.8%. Apparel and dry goods increased by 0.8%.

The largest sales drop was recorded by wholesalers of farm machinery, equipment and supplies (-9.5%). Other declines were attributed to other machinery, equipment and supplies (-0.8%); "other products" (-0.5%); food, beverage, drug and tobacco products (-0.2%) and motor vehicles, parts and accessories (-0.2%).

Five of the 10 provinces posted sales increases while the remaining five registered declines.

For further information, order Wholesale Trade (catalogue number 63-008) or contact Industry Division at (613) 951-9683.

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, July 1991

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	15,132	0.0	14,935	0.0
Newfoundland	283	-0.4	168	1.0
Prince Edward Island	59	-1.5	37	2.0
Nova Scotia	479	-0.6	368	-1.1
New Brunswick	389	-2.2	249	-2.2
Quebec	3,764	1.2	3,682	-0.4
Ontario	5,605	0.6	6,113	-1.2
Manitoba	511	-1.1	538	15.5
Saskatchewan	430	-1.3	485	-1.7
Alberta	1,591	-0.3	1,391	0.5
British Columbia	2,012	1.8	1,887	1.6
Yukon	15	0.6	17	-6.3
Northwest Territories	31	1.0		

Retail Sales Flat in July

Preliminary estimates indicate retail trade, totalling \$15.1 billion, remained unchanged in July. The flat rate follows a 0.5% decline in June which ended the relatively strong growth recorded in April and May.

Offsetting factors caused the unchanged level in July. Gasoline service stations reported a modest gain of 2.8% and general merchandise stores 1.5%, while sales of recreational and motor vehicle dealers slipped 0.1% and sales by supermarkets and grocery stores declined 1.2%.

Seven provinces posted sales decreases ranging from 2.2% in New Brunswick to 0.3% in Alberta. Sales increased in British Columbia (1.8%), Quebec (1.2%) and Ontario (0.6%). Modest gains were reported in Yukon (0.6%) and Northwest Territories (1.0%).

Cumulative retail sales for the first seven months of 1991 amounted to \$104.9 billion, down 2.3% from the corresponding period in 1990 (after removing federal sales tax from 1990 data).

For further information, order Retail Trade (catalogue number 63-005) or contact Industry Division at (613) 951-9682.

Department Store Sales Continue to Fluctuate

Department store sales (including concessions) totalled \$1,090 million in July 1991, a gain of 0.2% over the previous month's revised total of \$1,088 million. Department store sales have shown a generally rising trend since February 1991. This month's increase followed a marginal decline of 0.1% in June and a gain of 1.5% in May.

Department store stocks (at selling value) totalled \$5,022 million at the end of July, a decline of 0.7% from the June 1991 revised value of \$5,059 million. This drop followed an increase of 1.3% in June 1991. The ratio of stocks to sales stood at 4.61 in July, a decline from 4.65 observed in June.

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

Imports Climb But Exports Almost Unchanged

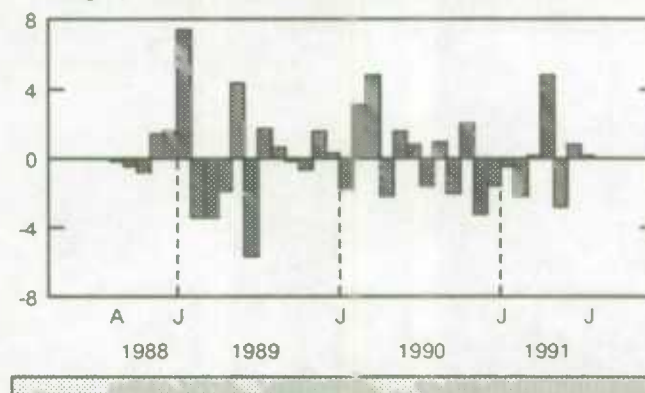
Imports were up 7.0% in July to a level of \$11.8 billion, signalling renewed investment and increased consumer confidence. The rise was largely due to industrial goods and materials which reached \$2.2 billion, their highest level since October 1990. Energy products registered an overall increase of \$189 million, while machinery and equipment rose by \$106 million.

Exports at \$11.9 billion were almost unchanged from June's level. Industrial goods and materials increased to \$2.6 billion, their highest level since October 1990. Increases for automotive product parts and trucks were offset by a \$53 million decline in car exports. The largest decreases in exports were registered for machinery and equipment (\$165 million) and for forestry products (\$91 million). Energy products recorded their third decrease in a row (\$41 million).

Because of the larger increase in imports relative to exports, Canada's trade balance in July fell to \$63 million, its lowest level since reaching \$29 million in April 1980.

Exports

% change, previous month



For further information, order Preliminary Statement of International Trade (catalogue number 65-001P) or contact International Trade Division at (613) 951-9647. (See also "Current Trends" chart on page 5).

IPPI Maintains Downward Trend

The Industrial Product Price Index (1986=100) edged down 0.4% in August, to 107.9, the seventh consecutive drop. Of the 21 major groups of products, prices fell in 12, remained unchanged in four and increased in five. Lumber, sawmill and other wood products posted the largest price decrease (4.1%).

Prices of paper and paper products fell for an eleventh consecutive month, due mainly to a drop in pulp prices. At a level of 104.5, the pulp index was at its lowest point since September 1986.

The primary metal products index continued its downward trend, to reach 103.3, marking its lowest level since April 1987. Most of the downward

pressure resulted from lower prices for nickel products and other non-ferrous metal products.

A 0.3% decline of the U.S. dollar versus its Canadian counterpart provided a downward effect on exported goods denominated in U.S. currency. Mainly affected were autos, trucks and other transport equipment.

Prices for rubber, leather and plastic fabricated products went up 0.3% in August, due mainly to a rise for plastic pipes and pipe fittings.

For further information contact Prices Division at (613) 951-9607.

Quarterly Demographic Statistics

Canada's population was estimated at 27,023,100 on July 1, 1991, an increase of 384,100 persons over the last 12 months. The annual growth rate remained at 1.4%.

There were 405,900 births between July 1, 1990 and June 30, 1991, compared to 395,700 the year before. The natural population increase (births minus deaths) progressed by only 7,000 to 208,300 due to the fact that deaths grew by 3,200, compared to the previous year, to 197,600.

A total of 214,900 immigrants entered Canada in the latest 12 months, over 12,000 more than the 202,500 for the previous period, while the number of emigrants increased from 37,900 to 39,200, bringing the net migration total to 175,700.

Only three provinces registered annual growth rates above the 1.4% national level: British Columbia with 2.7%, Alberta 2.0% and Ontario 1.6%. Prince Edward Island and Saskatchewan saw their populations decline by 0.2%.

For further information, order Quarterly Demographic Statistics (catalogue number 91-002) or contact Demography Division at (613) 951-1746.

PUBLICATIONS RELEASED FROM SEPTEMBER 20 TO 26

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Farm Product Price Index	July 1991	62-003	7.10/71	8.50/85	9.90/99
BALANCE OF PAYMENTS					
Canada's Balance of International Payments	Second Quarter 1991	67-001	27.50/110	33/132	38.50/154
EDUCATION, CULTURE AND TOURISM					
International Travel	April-June 1991	66-001	23.50/154	46.25/185	54/216
INDUSTRY					
Department Store Sales and Stocks	March 1991	63-002	14.40/144	17.30/173	20.20/202
Electric Lamps (Light Bulbs and Tubes)	August 1991	43-009	5/50	6/60	7/70
Monthly Production of Soft Drinks	August 1991	32-001	2.70/27	3.20/32	3.80/38
Primary Iron and Steel	July 1991	41-001	5/50	6/60	7/70
Production and Disposition of Tobacco Products	August 1991	32-022	5/50	6/60	7/70
Production and Shipments of Steel Pipe and Tubing	July 1991	41-011	5/50	6/60	7/70
Steel Wire and Specified Wire Products	July 1991	41-006	5/50	6/60	7/70
JUSTICE					
Canadian Crime Statistics	1990	85-205	39	47	55
Juristat Bulletin: Youth Court Statistics, Preliminary Data, Vol., 11, No. 14	1990-91	85-002	3.60/90	4.30/108	5/126
TRANSPORTATION					
Service Bulletin Aviation	Vol. 23, No. 9	51-004	9.30/93	11.20/112	13/130

CURRENT TRENDS

Gross Domestic Product

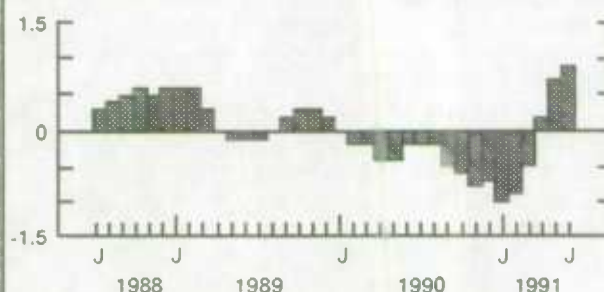
% change,
previous month



Real GDP at factor cost slowed to an advance of 0.1% in June, following growth of 0.4% in May and 1.1% in April.

Composite Leading Indicator

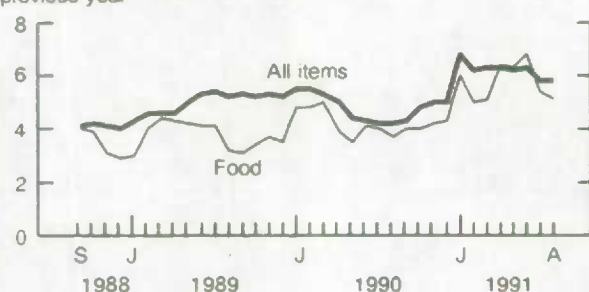
% change,
previous month



The Composite Leading Indicator rose 0.9% in June, accelerating from 0.7% in May and 0.2% in April.

Consumer Price Index

% change,
previous year



The all-items CPI for Canada edged up 0.1% between July and August. A sharp decline in the food index offset increases for housing, clothing and transportation.

Unemployment Rate

%



The unemployment rate moved up a notch to 10.6 in August.

Manufacturing

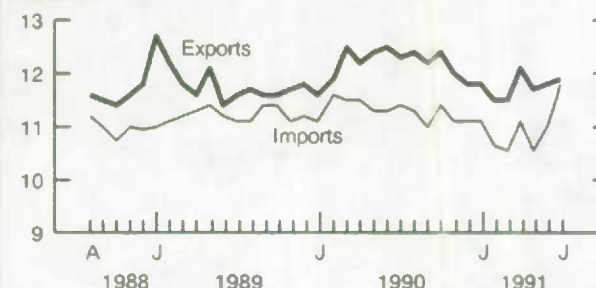
Billions
of dollars



Shipments decreased 0.3% following four consecutive monthly increases. Unfilled orders continued to fall in July.

Merchandise Trade

Billions
of dollars



Imports increased by 7.0% in July to \$11.8 billion but exports only edged up 0.1% to \$11.9 billion, reducing the trade balance to an 11-year low of \$63 million.

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)	June	505	0.1%	-0.8%
Composite Leading Indicator (1981 = 100)	June	139.0	0.9%	-3.4%
Profits of Industrial Corporations (\$ billion)	2nd Quarter	11.8	0.0%	-26.7%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	July*	15.1	0.0%	-5.3%
New Motor Vehicle Sales ('000 units)	July	118.8	0.8%	3.9%
LABOUR				
Employment (millions)	August	12.3	-0.2%	-1.8%
Unemployment Rate (%)	August	10.6	0.1	2.2
Participation Rate (%)	August	66.4	-0.1	-0.6
Labour Income (\$ billion)	June	32.3	0.1%	3.4%
Average Weekly Earnings (\$)	June	542.85	1.1%	5.8%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	July*	11.9	0.1%	-3.7%
Merchandise Imports (\$ billion)	July*	11.8	7.0%	3.4%
Merchandise Trade Balance (\$ billion)	July*	0.06	-0.76	-0.86
MANUFACTURING				
Shipments (\$ billion)	July	23.4	-0.3%	-5.2%
New Orders (\$ billion)	July	22.9	-2.2%	-7.4%
Unfilled Orders (\$ billion)	July	24.1	-2.3%	-11.6%
Inventory/ Shipments Ratio	July	1.53	0.00	0.00
Capacity Utilization (%)	2nd Quarter	71.3	1.2	-5.6
PRICES				
Consumer Price Index (1986 = 100)	August	126.9	0.1%	5.8%
Industrial Product Price Index (1986 = 100)	August*	107.9	-0.4%	-1.3%
Raw Materials Price Index (1986 = 100)	August*	103.7	0.9%	-5.1%
New Housing Price Index (1986 = 100)	July	131.4	0.2%	-7.9%

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

* New this week.

KEY RELEASE CALENDAR: OCTOBER 1991*

Monday	Tuesday	Wednesday	Thursday	Friday
	1 Sales of Refined Petroleum Products, August	2	3	4 Canadian Composite Leading Indicator, July
7	8	9 Help-wanted Index, September New Motor Vehicle Sales, August New Housing Price Index, August Estimates of Labour Income, July	10 Unemployment Insurance Statistics, July Department Store Sales by Province and Metropolitan Area, August	11 Labour Force Survey, September Travel Between Canada and Other Countries, August Farm Product Price Index, August
14	15	16 Monthly Survey of Manufacturing, August	17 Preliminary Statement of Canadian International Merchandise Trade, August	18 Consumer Price Index, September
21 Retail Trade, August Sales of Natural Gas, August	22 Department Store Sales and Stocks, August	23 Wholesale Trade, August	24 Canada's International Transactions in Securities, August	25
28	29 Raw Materials Price Index, September Industrial Product Price Index, September Employment, Earnings and Hours, August	30 Sales of Refined Petroleum Products, September Building Permits, August Unemployment Insurance Statistics, August	31 Real Gross Domestic Product at Factor Cost by Industry, August Major Release Dates, November	

* 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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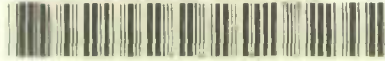
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