



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, October 25, 1991

OVERVIEW

■ Foreign Investors Set New Record High

Non-residents invested \$4.7 billion in Canadian securities in August, shattering the record posted 13 months ago by \$1.1 billion.

■ Consumer Prices Post First Monthly Decline This Year

In September, the Consumer Price Index fell 0.2%, posting the largest month-to-month drop in almost nine years. The year-over-year inflation rate stood at 5.4%, compared to 5.8% in August.

■ Retail Sales Down

Retail sales dropped by 1.3% in August, following no growth in July. The decline was primarily due to decreases reported by motor vehicle and recreational vehicle dealers.

■ Wholesale Trade: Seventh Straight Monthly Increase

Sales of wholesale merchants rose 1.0% to \$15.2 billion in August, maintaining their upward trend.

■ Department Store Sales Flat in August

Department store sales totalled \$1,091 million in August, unchanged from July's revised estimates.

Foreign Investors Set New Record High

In August, non-residents invested \$4.7 billion in Canadian securities, breaking the record posted in July 1990. This month's massive foreign investment featured a return to the Canadian bond market and an additional injection in the Canadian money market.

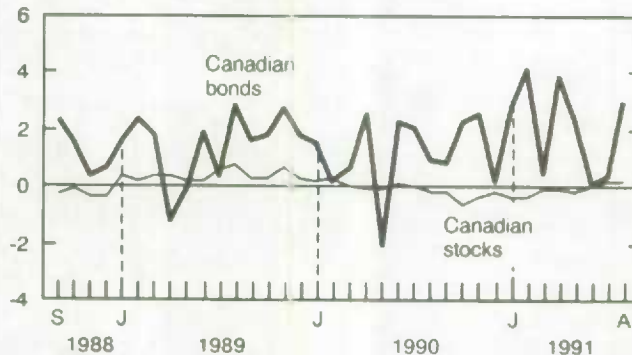
Following two months of small net investments, foreign investment in Canadian bonds increased sharply to \$3.0 billion in August, with net foreign buying occurring in both secondary issues (\$1.1 billion) and in the primary market (\$1.9 billion).

New bond sales rose to \$2.8 billion in August but retirements of Canadian bonds held by non-residents fell \$1.1 billion to \$0.9 billion, in line with the average monthly retirements for the first seven months of 1991.

(continued on page 2)

Security Transactions

Billions of dollars



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... Foreign Investors Set New Record High

In the Canadian money market, non-residents invested \$1.6 billion, up sharply from the \$0.4 billion invested in July. Net investments were recorded in both Canada treasury bills (\$1.1 billion) and in all other government paper (\$0.6 billion). At the end of August, non-resident holdings of Canadian money market paper stood at \$26.8 billion.

Non-residents increased their holdings of Canadian stocks by \$0.1 billion, the second straight monthly net investment following a full year of net disinvestments.

Canadian residents sold a net \$0.5 billion of foreign bonds and bought a similar amount of foreign stocks, bringing to \$2.3 billion their net investment this year.

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

Consumer Prices Post First Monthly Decline This Year

The all-items Consumer Price Index fell 0.2% to a level of 126.7 in September, the first monthly decline in 1991 and the largest since January 1983. Four of the seven major components posted decreases. A drop in food prices accounted for most of the downward pressure on the CPI while a rise in prices for recreation, reading and education dampened the overall decrease. The all-items excluding food index edged up 0.1% in September, following increases of 0.3% in July and August.

Following declines in July and August, the food index fell 1.3% in September. A 2.0% drop in the index for food purchased from stores, the steepest one-month decline recorded since September 1978, reflected a plunge in fresh vegetables prices. After posting advances of 0.3% in July and 0.9% in

August, the clothing index slipped 0.7% in September, with lower prices in nearly all categories of clothing. A drop in the transportation index and in the health and personal care index (both -0.2%) also contributed to moderate the rise in the all-items excluding food index.

A sharp 1.8% hike in the recreation, reading and education index was due to a 16.9% annual rise in university tuition fees, which ranged from a low of 8.5% in Ontario to a high of 43.8% in Quebec.

Higher cigarette prices were mainly responsible for the 0.2% rise of the tobacco products and alcoholic beverages index. The housing index edged up 0.1% in September, following monthly increases varying between 0.2% and 0.3% since April.

For further information order Consumer Price Index (catalogue number 62-001), or contact Prices Division at (613) 951-9606. (See also "Current Trends" chart on page 6.)

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer Price Index, Percentage change, September 1991/1990 *

Province/territory	All-items	Food	Energy	All-items excluding Food and Energy	Housing
Canada	5.4	3.9	5.9	5.7	4.2
Newfoundland	5.8	4.8	4.3	6.4	4.4
Prince Edward Island	6.8	6.1	6.4	6.9	4.2
Nova Scotia	5.4	5.2	9.3	5.0	4.5
New Brunswick	6.0	4.4	7.0	6.3	4.9
Quebec	7.3	3.5	8.4	8.1	5.8
Ontario	4.6	3.3	6.7	4.6	3.7
Manitoba	4.8	3.6	2.9	5.3	4.8
Saskatchewan	5.3	6.5	-2.5	5.8	3.7
Alberta	5.5	5.2	2.7	5.8	4.5
British Columbia	4.6	4.8	2.0	4.8	2.9
Yukon	6.0	4.6	10.6	5.9	4.8
Northwest Territories	6.4	6.5	4.0	6.6	4.0

* Data are not seasonally adjusted.

Retail Sales Down

Estimates indicate that retail sales, totalling \$14.9 billion, fell 1.3% in August, the largest monthly decline registered since January 1991. The levelling-off observed in July followed a marginal decline in June and relatively strong growth in April and May.

Of the 16 trade groups, half posted increases, one remained unchanged and seven registered declines. The most significant losses, in order of dollar value, were attributed to motor vehicle and recreational vehicle dealers (-6.1%), supermarkets and grocery stores (-0.8%) and gasoline service

stations (-2.1%). The loss reported by motor vehicle and recreational vehicle dealers follows a 1.1% decline in July after three consecutive monthly gains while supermarkets and grocery stores marked their fifth straight monthly decline.

Partly offsetting these decreases, general merchandise store sales advanced 0.7% in August, reaching their highest level since December 1990.

Cumulative retail sales for the first eight months of 1991 amounted to \$116.4 billion, down 2.2% from the corresponding period in 1990.

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

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, August 1991

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	14,931	-1.3	15,154	1.0
Newfoundland	285	0.2	171	-0.4
Prince Edward Island	60	1.5	40	2.4
Nova Scotia	476	-0.7	371	0.2
New Brunswick	391	-0.2	259	1.8
Quebec	3,704	-1.6	3,766	1.5
Ontario	5,480	-2.1	6,246	1.5
Manitoba	509	-0.2	514	0.3
Saskatchewan	433	0.0	479	-0.8
Alberta	1,578	-0.7	1,415	1.0
British Columbia	1,969	-2.1	1,876	-0.7
Yukon	15	-1.3		
			18	2.6
Northwest Territories	31	-0.9		

Wholesale Trade: Seventh Straight Monthly Increase

Wholesale merchants' sales totalled \$15.2 billion in August, up 1.0% from the July revised level and the seventh consecutive monthly increase. On a year-over-year basis, sales rose 2.5%.

Seven of the nine trade groups posted higher sales in August. Wholesalers of motor vehicles, parts and accessories recorded the largest gain (in dollar terms), rising 2.8%. Suppliers of machinery,

equipment and supplies posted a 1.4% increase and sales of food, beverage, drug and tobacco products advanced by 1.1%.

Sales of apparel and dry goods fell 1.6%, returning to their revised June level, and sales of metals, hardware, plumbing and heating equipment and supplies slipped 0.5%.

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

Department Store Sales Flat in August

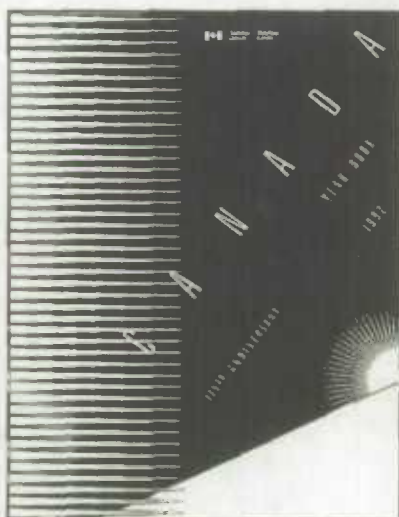
Seasonally adjusted department store sales (including concessions) totalled \$1,091 million in August, unchanged from the previous month's revised estimate. This stability follows a marginal increase of 0.2% in July and a virtually unchanged level in June. Sales have shown little strength this year, as the level for August is virtually unchanged from February 1991. Department store sales fell 7.5% from August 1990.

Stocks were at a level of \$5,096 million at the end of August, a gain of 1.4% over the July revised value of \$5,026 million, following a drop of 0.7% in July.

The ratio of stocks to sales stood at 4.67, a slight increase over the 4.61 ratio observed in July.

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

NEW FROM STATISTICS CANADA



1992 Canada Year Book

Statistics Canada is pleased to announce the release of the *1992 Canada Year Book*.

Designed as a special, commemorative issue, the *1992 Canada Year Book* forms Statistics Canada's contribution to the upcoming 125th anniversary celebrations of Canada's founding as a nation. With a special introduction from the Governor General of Canada, and a new larger format, this Year Book features many exciting changes and innovations.

Chief among these are the more than 300 archival photos which highlight Canadian achievement since 1867, and the series of short feature articles which blend with the text to give readers a sense of Canada's history and development. In addition, the 1992 Year Book presents a full colour photo gallery of selected Canadian art and a new chapter on achievement in Canadian sport.

The *Canada Year Book* also celebrates its own anniversary in 1992, since it first appeared 125 years ago as the *Year Book and Almanac of British North America for 1867*. Since then, it has grown to become Canada's most comprehensive reference document, chronicling all aspects of national life.

The *1992 Canada Year Book* is a landmark publication. Bound as a hard cover volume, it features a full colour dust jacket, some 600 pages of text and analysis, and more than 300 tables, charts, graphs and maps in addition to its new, larger format and photo 'galleries'. With its clear, concise and readable text, it is an essential reference for students, librarians, researchers and all wanting to know more about Canada and Canadians.

To order the *1992 Canada Year Book* (11-402E, \$49.95 in Canada - plus \$5.05 for postage and handling, \$US60 in the United States, \$US70 all other countries - shipping and handling included), write to Publication Sales, Statistics Canada, Ottawa KIA OT6, or call toll free 1-800-267-6677.

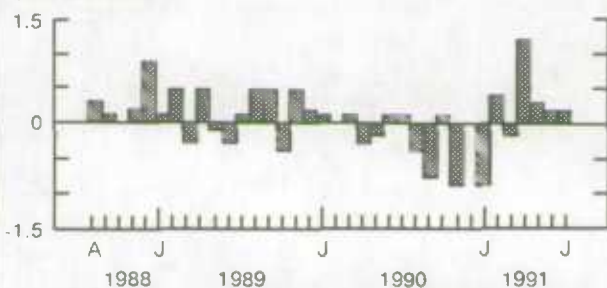
PUBLICATIONS RELEASED FROM OCTOBER 18 TO 24, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
				\$US	
AGRICULTURE					
Cereals and Oilseeds Review	July 1991	22-007	13.80/138	16.60/166	19.30/193
Farm Product Price Index	August 1991	62-003	7.10/71	8.50/85	9.90/99
COMMUNICATIONS					
Canada Year Book	1992	11-402E	49.95 + 5.05	60	70
EDUCATION, CULTURE AND TOURISM					
Salaries and Salary Scales of Full-time Teaching Staff at Canadian Universities	1990-91 Supplementary	81-258S	22	26	31
HOUSEHOLD SURVEYS					
Characteristics of Dual-Earner Families	1989	13-215	25	30	35
The Labour Force	September 1991	71-001	17.90/179	21.50/215	25.10/251
INDUSTRY					
Construction Type Plywood	August 1991	35-001	5/50	6/60	7/70
Corrugated Boxes and Wrappers	September 1991	36-004	5/50	6/60	7/70
Crude Petroleum and Natural Gas Production	June 1991	26-006	10/100	12/120	14/140
Department Store Sales and Stocks	May 1991	63-002	14.40/144	17.30/173	20.20/202
Monthly Production of Soft Drinks	September 1991	32-001	2.70/27	3.20/32	3.80/38
Monthly Survey of Manufacturing	August 1991	31-001	17.30/173	20.80/208	24.20/242
New Motor Vehicle Sales	February 1991	63-007	14.40/144	17.30/173	20.20/202
Oil Pipe Line Transport	July 1991	55-001	10/100	12/120	14/140
Oils and Fats	August 1991	32-006	5/50	6/60	7/70
Production and Disposition of Tobacco Products	September 1991	32-022	5/50	6/60	7/70
Wholesale Trade	July 1991	63-008	14.40/144	17.30/173	20.20/202
INTERNATIONAL TRADE					
Imports by Commodity	August 1991	65-007	55.10/551	66.10/661	77.10/771
LABOUR					
Employment, Earnings and Hours	July 1991	72-002	38.50/385	46.20/462	53.90/539
PRICES					
The Consumer Price Index	September 1991	62-001	9.30/93	11.20/112	13/130
TRANSPORTATION					
Air Carrier Operations in Canada	October-December 1990	51-002	24.25/97	29/116	34/136
Air Carrier Traffic at Canadian Airports	January-March 1990	51-005	30.50/122	36.50/146	42.75/171
Railway Operating Statistics	May 1991	52-003	10.50/105	12.60/126	14.70/147
Railway Operating Statistics	June 1991	52-003	10.50/105	12.60/126	14.70/147
Service Bulletin Aviation	Vol. 23, No. 10	51-004	9.30/93	11.20/112	13/130

CURRENT TRENDS

Gross Domestic Product

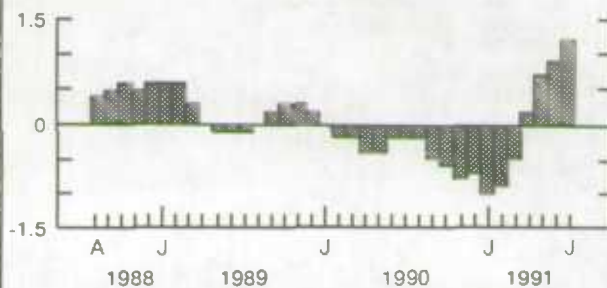
% change,
previous month



Real GDP at factor cost grew 0.2% in July, the same rate as in June.

Composite Leading Indicator

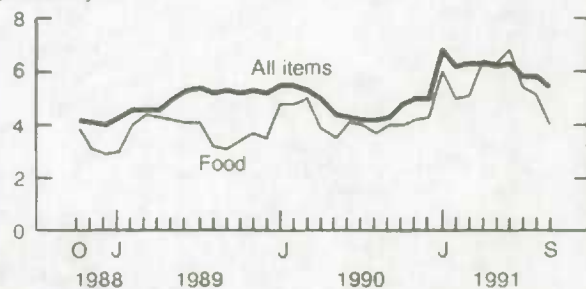
% change,
previous month



The composite leading indicator advanced 1.2% in July, the fourth consecutive monthly increase.

Consumer Price Index

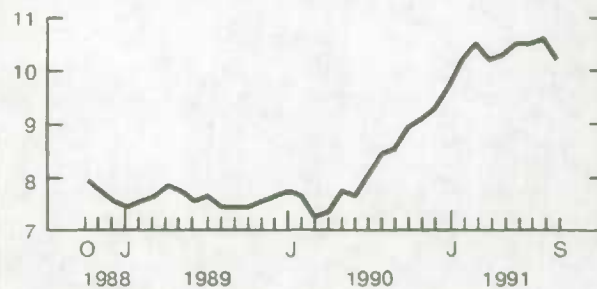
% change,
previous year



The all-items CPI fell 0.2% in September, posting the largest month-to-month drop in almost nine years and the food index declined 1.3% between August and September.

Unemployment Rate

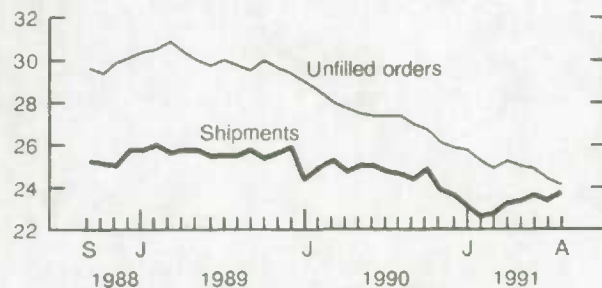
%



The unemployment rate fell 0.4 points to 10.2 in September, returning to the level observed in April.

Manufacturing

Billions
of dollars



Shipments rose 1.2% to \$23.6 billion in August but unfilled orders continued to fall.

Merchandise Trade

Billions
of dollars



Exports grew to \$12.4 billion in August while imports fell to \$11.3 billion, pushing the trade balance up to \$1.1 billion.

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

KEY RELEASE CALENDAR: November 1991*				
Monday	Tuesday	Wednesday	Thursday	Friday
				1 Business Conditions Survey, Canadian Manufacturing Industries October
4 Canadian Composite Leading Indicator August	5	6 Help-wanted Index October	7 Estimates of Labour Income August Farm Input Price Index Third Quarter	8 Labour Force Survey October
11	12 New Motor Vehicle Sales September New Housing Price Index September Farm Product Price Index September Department Store Sales by Province and Metropolitan Area September	13 Travel Between Canada and Other Countries September	14	15 Consumer Price Index October
18 Monthly Survey of Manufacturing September	19 Preliminary Statement of Canadian International Merchandise Trade September Sales of Natural Gas September	20	21 Retail Trade September	22 Department Store Sales and Stocks September International Travel Account Third Quarter
25 Canada's International Transactions in Securities September Wholesale Trade September	26 Farm Cash Receipts January-September Farm Net Income 1990 Farm Debt December 1990	27 Employment, Earnings and Hours September Industrial Product Price Index October Raw Materials Price Index October	28 Building Permits September	29 National Income and Expenditure Accounts (Gross Domestic Product) Third Quarter Real Gross Domestic Product at Factor Cost by Industry September Canada's Balance of International Payments Third Quarter Financial Flow Accounts Third Quarter Major Release Dates December

* 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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LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	July	506	0.2%	-0.7%
Composite Leading Indicator (1981 = 100)	July	140.5	1.2%	-2.2%
Profits of Industrial Corporations (\$ billion)	2nd Quarter	11.8	0.0%	-26.7%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	August*	14.9	-1.3%	-6.8%
New Motor Vehicle Sales ('000 units)	August	103.7	-11.9%	-6.3%
LABOUR				
Employment (millions)	September	12.4	0.2%	-1.7%
Unemployment Rate (%)	September	10.2	-0.4	1.7
Participation Rate (%)	September	66.2	-0.3	-1.3
Labour Income (\$ billion)	July	32.4	0.5%	3.5%
Average Weekly Earnings (\$)	July	543.70	0.1%	5.5%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	August	12.4	2.1%	0.1%
Merchandise Imports (\$ billion)	August	11.3	-3.6%	0.0%
Merchandise Trade Balance (\$ billion)	August	1.1	0.68	0.01
MANUFACTURING				
Shipments (\$ billion)	August	23.6	1.2%	-3.7%
New Orders (\$ billion)	August	23.4	2.7%	-4.6%
Unfilled Orders (\$ billion)	August	24.0	-0.8%	-12.3%
Inventory/ Shipments Ratio	August	1.49	-0.03	-0.05
Capacity Utilization (%)	2nd Quarter	71.3	1.2	-5.6
PRICES				
Consumer Price Index (1986 = 100)	September*	126.7	-0.2%	5.4%
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)	August	134.4	-0.2%	-6.1%

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

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