



# IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, March 27, 1992

## OVERVIEW

### ■ Non-residents Reduce their Holdings of Canadian Securities

In January, non-residents reduced their holdings of Canadian securities for the first time in 20 months.

### ■ Declining Trend in UI Beneficiaries Interrupted

The number of persons receiving regular unemployment insurance benefits increased 1.3% in January, reversing an eight-month downward trend.

### ■ Marginal Year-over-year Increase in CPI

The year-over-year increase in the Consumer Price Index was 1.7% in February, up from January's 20-year low of 1.6%.

### ■ Retail Sales Unchanged in January

Seasonally adjusted retail sales, totalling \$15.0 billion, remained unchanged in January. The flat rate follows a 0.3% decline in December and a 1.4% rise in November.

### ■ Sales of Wholesale Merchants Continue to Increase

Sales of wholesale merchants totalled \$15.2 billion in January, up 0.1% from the previous month and the third monthly increase in a row.

### ■ Department Store Sales Fall

Following two months of higher sales, seasonally adjusted department store sales fell 4.0% to \$1,041 million in January.

## Non-residents Reduce their Holdings of Canadian Securities

Non-residents reduced their holdings of Canadian securities by \$0.7 billion in January, as a massive foreign disinvestment in the money market overpowered a net investment in Canadian bonds. This represents the first reduction of foreign holdings of Canadian securities in 20 months.

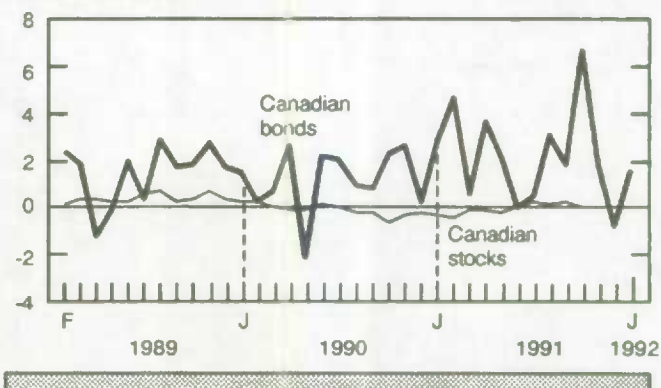
Non-residents sold a record \$2.2 billion in the Canadian money market in January after investing a net \$2.8 billion over the previous two months. Most of the net disinvestment was directed towards Government of Canada treasury bills.

Non-residents resumed their net investment in Canadian bonds, investing \$1.5 billion in January, following a net disinvestment of \$0.9 billion in December. New bond purchases totalled \$3.7 billion and were double the investment of the previous month but similar to the monthly average for 1991.

(continued on page 2)

## Security Transactions

Billions of dollars



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### ... Non-residents Reduce their Holdings of Canadian Securities

Non-residents reduced their holdings in outstanding Canadian bonds by \$1.2 billion, in contrast with the previous month which saw non-residents increase their Canadian bond holdings by \$1.4 billion. Net selling of \$2.4 billion of Canadian bonds by European residents was partially offset by net buying by U.S. residents (\$0.8 billion) and Asian residents (\$0.4 billion).

Net foreign investment in Canadian stocks was virtually nil in January following a small net investment of \$13 million in December.

Investment by Canadian residents in foreign securities increased by \$0.9 billion in January. The net investment of \$0.6 billion in foreign stocks was primarily in U.S. equities and the net investment of \$0.3 billion in foreign bonds consisted mainly of U.S. government bonds.

For further information, order *Canada's International Transactions in Securities* (catalogue number 67-002), or contact *Balance of Payments Division* at (613) 951-9052.

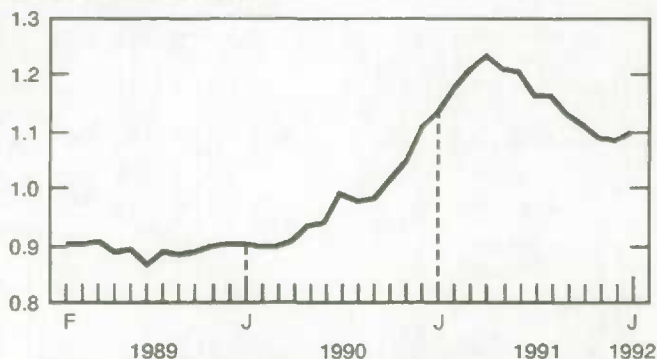
### Declining Trend in UI Beneficiaries Interrupted

In January, the seasonally adjusted number of beneficiaries receiving regular unemployment insurance benefits was 1,098,000, up 1.3% from the revised December level of 1,085,000. This increase interrupted an eight-month downward trend. However, the number of beneficiaries in January 1992 was still 3.3% below the level of January 1991.

Benefit payments totalled \$1,515 million, 3.0% less than a month earlier but up 14.4% from January 1991. The number of benefit weeks increased 0.5% to 6.0 million, following a 1.3% gain in December.

#### U.I. Beneficiaries Receiving Regular Benefits

Millions, seasonally adjusted



The steepest increase in the number of beneficiaries occurred in the following provinces and territories: Northwest Territories, 3.7%; Ontario, 3.0%; New Brunswick, 2.0%; Quebec, 1.8%; Alberta, 1.6%. The number fell by 1.7% in Nova Scotia and by 1.1% in Saskatchewan.

In the following census metropolitan areas, the year-over-year percentage change in the number of beneficiaries was or exceeded 5%:

	Beneficiaries January 1992	% Change January 1992/1991
• Sudbury	7,950	16%
• Saskatoon	8,780	10%
• Saint John (N.B.)	6,810	9%
• Edmonton	33,610	8%
• Chicoutimi-Jonquière	12,960	7%
• Halifax	15,560	6%
• Calgary	29,210	5%
• Victoria	10,350	-20%
• Windsor	10,960	-19%
• London	13,120	-13%
• Kitchener	15,120	-13%
• Hamilton	22,730	-9%
• Vancouver	69,750	-5%

For further information, order *Unemployment Insurance Statistics* (catalogue number 73-001) or contact *Labour Division* at (613) 951-4045.

### Marginal Year-over-year Increase in CPI

The year-over-year increase in the all-items Consumer Price Index (1986=100) was 1.7% in February, up marginally from January's 20-year low of 1.6%. Both these rates were down sharply

from those posted in 1991, as January 1992 marked the first month when the effects of the change from the Federal Sales Tax to the Goods and Services Tax, and the tax changes in Quebec were no longer factors in explaining year-over-year increases.

(continued on page 3)



### ... Marginal Year-over-year Increase in CPI

Between January and February, the all-items CPI crept up by 0.1% to 127.1, a smaller increase than the 0.5% posted in January. Five of the seven major components rose and two declined. Increases in the clothing and the recreation, reading and education indexes accounted for most of the upward pressure.

After four monthly declines extending from September to December, the clothing index advanced for a second month in February, this time by 2.2%. As retailers returned a large number of promotional prices to their regular levels, all major clothing components showed increases, led by women's wear prices which rose 2.9%.

Most of the 0.6% increase in the recreation, reading and education index was attributable to a gain of 0.7% in the recreation index where there was a 9.2% average rise in quotations for packaged holiday tours. February marks the start of the high season for such vacation trips.

Following a rise of 0.8% in January, the food index rose by 0.2% in February. The indexes for food purchased from stores and food purchased from restaurants both increased by 0.1%. Price wars in

grocery stores in the Atlantic provinces and in some parts of Quebec and Ontario helped moderate the rise in food prices.

A 0.4% increase in the prices of alcoholic beverages pushed the tobacco products and alcoholic beverages index up 0.2%. After a 0.3% rise in January, the housing index edged up 0.1% in February. Higher charges were noted for rented accommodation and for child care, telephone and water services, while declines in owned accommodation costs were attributable to lower mortgage interest costs and a further drop in new house prices.

The transportation index fell 1.1% in February after a 0.9% rise in January and a 1.0% decline in December. Most of the latest decrease was attributable to lower gasoline prices (-5.2%) and air fares (-2.3%). Gasoline prices have been falling since October 1991 and in February they were 8.5% below their levels a year ago. As prices for selected personal care supplies dropped 0.7%, the health and personal care index posted a 0.2% decrease.

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 7.)

## PROVINCIAL PERSPECTIVES: CONSUMER PRICES

### The Consumer Price Index, Percentage Change, February 1992/1991 \*

Province/territory	All-items	Food	Transportation	All items excluding Food and Energy	Housing
Canada	1.7	-0.8	-0.9	2.8	1.7
Newfoundland	1.5	-2.9	-1.9	3.9	0.9
Prince Edward Island	0.4	-1.5	-3.2	3.2	-1.3
Nova Scotia	0.4	-2.2	-2.6	2.1	0.1
New Brunswick	1.1	-1.9	-0.9	3.1	-0.3
Quebec	2.4	-0.7	-0.9	3.8	2.2
Ontario	1.3	-2.3	-1.0	2.2	1.7
Manitoba	1.2	0.3	-4.6	2.3	2.6
Saskatchewan	1.0	0.4	-2.7	1.7	0.7
Alberta	2.3	1.0	0.5	2.7	2.2
British Columbia	1.8	1.9	0.3	2.9	0.9
Yukon	1.2	0.9	-3.3	2.0	1.7
Northwest Territories	1.9	1.2	-2.6	2.7	1.4

\* Data are not seasonally adjusted.

## Retail Sales Unchanged in January

Seasonally adjusted retail sales, totalling \$15.0 billion, remained unchanged in January. The flat rate follows a 0.3% decline in December and a 1.4% rise in November. However, on a year-over-year basis, retail sales posted their first increase in 15 months as they rose by 2.8%.

Offsetting factors caused the unchanged level in January. Seven of the 16 trade groups reported increases and nine recorded declines. Motor and recreational vehicle dealers reported a modest gain of 2.0% after a 1.3% decrease in December. Sales of liquor, wine and beer stores jumped 8.0% and sales by gasoline service stations were up 3.2%.

The three trade groups related to clothing posted declines with the steepest reported by women's clothing stores, down 12.0%. Sales by general merchandise stores decreased 3.3% in January following three monthly increases in a row. Supermarkets and grocery stores recorded a 0.5% decrease in sales in January after posting a 0.7% increase the previous month.

Eight provinces had sales increases ranging from 0.3% in Manitoba to 5.5% in Prince Edward Island while lower sales were reported in Ontario (-0.3%) and in British Columbia (-1.0%). Sales advanced in the Yukon (1.3%) but fell in the Northwest Territories (1.2%).

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

## PROVINCIAL PERSPECTIVES

### Retail and Wholesale Trade, January 1992

Seasonally Adjusted

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	14,900	0.0	15,200	0.1
Newfoundland	296	1.9	165	-3.2
Prince Edward Island	66	5.5	41	7.6
Nova Scotia	495	2.4	356	6.2
New Brunswick	389	2.7	242	8.8
Quebec	3,732	1.0	3,642	-2.0
Ontario	5,457	-0.3	6,356	-0.4
Manitoba	517	0.3	498	1.0
Saskatchewan	447	0.8	482	-1.6
Alberta	1,599	1.6	1,466	6.3
British Columbia	1,983	-1.0	1,950	-0.4
Yukon	15	1.3	21	4.2
Northwest Territories	29	-1.2		

## Sales of Wholesale Merchants Continue to Increase

Seasonally adjusted wholesale merchants' sales totalled \$15.2 billion in January, up 0.1% from the previous month. This represents the third advance in as many months but the rate of growth has decelerated, from 0.7 in November to 0.4 in December and to 0.1% in January. Compared to January 1991, sales rose 12.5%, the sixth consecutive month to have a year-over-year increase.

While six of the nine trade groups posted higher sales in January, the three groups reporting lower sales had a considerable dampening effect on the overall increase. Leading the gains were strong sales by suppliers of lumber and building materials, up 9.0% from December, almost offsetting the 8.6% decline posted that month. Sales of food, beverage,

drug and tobacco products, which account for 25% of total sales, advanced for the third month in a row, this time by 1.0%.

After two months of higher sales, wholesalers of other machinery, equipment and supplies reported a 4.1% drop. This group accounts for 22% of wholesale merchants' sales. Wholesalers' sales of "other" products fell 2.1% and sales of motor vehicles, parts and accessories continued to decline, down by 0.5% in January.

Half of the 10 provinces posted higher sales with the most notable increases recorded in Alberta (6.3%), Nova Scotia (6.2%) and New Brunswick (8.8%). The largest sales decline was recorded in Quebec (-2.0%), its second straight monthly decrease.

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



## Department Store Sales Fall

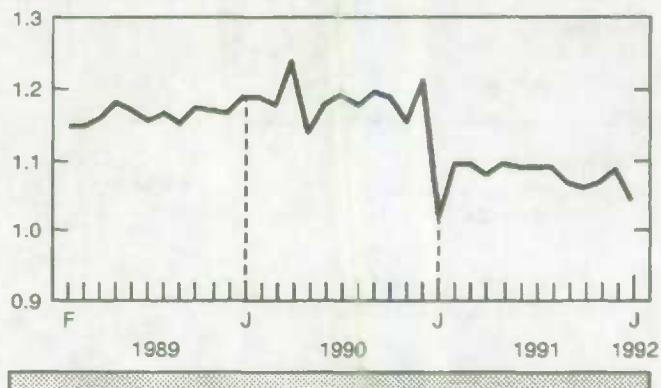
In January, seasonally adjusted department store sales (including concessions) totalled \$1,041 million, down 4.0% from the December revised level of \$1,084 million. This was a continuation of the downward trend observed since early in 1991. However, in comparison with January 1991, department store sales were 2.5% higher in January 1992.

Department store stocks totalled \$5,326 million, 0.4% higher than the revised December value of \$5,302 million.

For further information, order *Department Store Sales and Stocks* (catalogue number 63-002), or contact Industry Division at (613) 951-3559.

### Department Store Sales

Billions of dollars, seasonally adjusted



## NEW FROM STATISTICS CANADA

### Canadian Economic Observer

The March issue of *Canadian Economic Observer*, Statistics Canada's flagship publication for economic statistics, is now available.

This edition contains a monthly summary of the economy, major economic events in February, and a feature article on recent trends in firm size and employment. A statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and major industrial nations.

*Canadian Economic Observer* (catalogue number 11-010) can now be ordered from Publication Sales (613-951-7277). For more information, call Francine Roy (613-951-3627), Current Analysis Section.



# PUBLICATIONS RELEASED FROM March 20 TO 26

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
AGRICULTURE					
Field Crop Reporting Series No. 2: Intentions of Principal Field Crop Area	1992	22-002	12/80	14/96	16/112
BALANCE OF PAYMENTS					
Canada's International Transactions in Securities	December 1991	67-002	15.80/158	19/190	22.10/221
EDUCATION, CULTURE AND TOURISM					
Heritage Institutions	1989-90	87-207	30	36	42
Performing Arts	1989-90	87-209	30	36	42
Public Libraries	1989-90	87-205	30	36	42
INDUSTRY					
Canada's Mineral Production	1991	26-202	22	26	31
Construction Type Plywood	January 1992	35-001	5/50	6/60	7/70
Corrugated Boxes and Wrappers	February 1992	36-004	5/50	6/60	7/70
Mineral Wool Including Fibrous Glass Insulation	February 1992	44-004	5/50	6/60	7/70
Oil Pipeline Transport	December 1991	55-001	10/100	12/120	14/140
Refined Petroleum Products	December 1991	45-004	18.20/182	21.80/112	25.50/255
Pack of Processed Carrots	1991	32-239	13	16	18
Pack of Processed Corn	1991	32-236	13	16	18
Production and Shipments of Blow-Moulded Plastic Bottles	Quarter Ended December 31, 1991	47-006	6.75/27	8/32	9.50/38
INTERNATIONAL TRADE					
Exports by Country	January- December 1991	65-003	82.75/331	99.25/397	115.75/463
INVESTMENT AND CAPITAL STOCK					
Capacity Utilization Rates in Canadian Manufacturing Industries	Fourth Quarter 1991	31-003	11/44	13.25/53	15.50/62
JUSTICE					
Juristat Service Bulletin – Teenage Victims of Violent Crime	Vol. 12, No. 6	85-002	3.60/90	4.30/108	5/126
Juristat Service Bulletin: Crime Trends in Canada	Vol. 12, No.7	85-002	3.60/90	4.30/108	5/126
LABOUR					
Employment, Earnings and Hours	December 1991	72-002	38.50/385	46.20/462	53.90/539
PRICES					
The Consumer Price Index	February 1992	62-001	9.30/93	11.20/112	13/130
TRANSPORTATION					
Road Motor Vehicles: Registrations	1990	53-219	17	20	24
Shipping in Canada	1990	54-205	41	49	57



## CURRENT TRENDS

### Gross Domestic Product

% change,  
previous month



Real gross domestic product at factor cost posted a 0.4% decrease in December after a flat November and a 0.1% gain in October.

### Composite Leading Indicator

% change,  
previous month



The growth in the composite leading indicator slowed in December to 0.2% from 0.5% in November.

### Consumer Price Index

% change,  
previous year



In February, the year-over-year increase in the all-items CPI stood at 1.7% while the food index declined 0.8%.

### Unemployment Rate

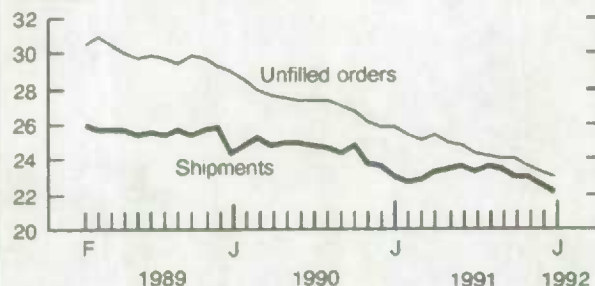
%



In February, the unemployment rate advanced 0.2 percentage points to a seven-year high of 10.6.

### Manufacturing

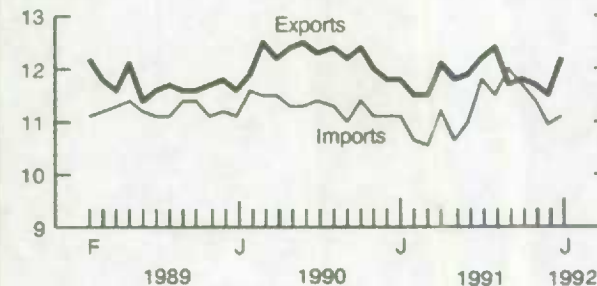
Billions  
of dollars



Canadian manufacturers' shipments fell 2.4% to \$21.9 billion in January, the fifth straight monthly decline. Unfilled orders fell 1.3% to \$22.9 billion, the ninth decrease in a row.

### Merchandise Trade

Billions  
of dollars



Exports increased by 5.4% to \$12.2 billion in January and imports rose by 1.6% to \$11.1 billion.

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

## LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	December	502	-0.4%	0.3%
Composite Leading Indicator (1981 = 100)	December	144.6	0.2%	3.5%
Operating Profits of Enterprises (\$ billion)	4th Quarter	10.3	-18.0%	-29.0%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	January*	15.0	0.0%	2.8%
New Motor Vehicle Sales ('000 units)	January	109.0	7.7%	-2.2%
<b>LABOUR</b>				
Employment (millions)	February	12.3	-0.1%	-0.1%
Unemployment Rate (%)	February	10.6	0.2	1.4
Participation Rate (%)	February	65.6	-0.1	-1.2
Labour Income (\$ billion)	December	31.8	-1.4%	2.3%
Average Weekly Earnings (\$)	December	550.42	0.2%	5.2%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	January	12.2	5.4%	3.3%
Merchandise Imports (\$ billion)	January	11.1	1.6%	-0.2%
Merchandise Trade Balance (\$ billion)	January	1.1	0.45	0.41
<b>MANUFACTURING</b>				
Shipments (\$ billion)	January	21.9	-2.4%	-4.3%
New Orders (\$ billion)	January	21.6	-2.4%	-5.5%
Unfilled Orders (\$ billion)	January	22.9	-1.3%	-11.1%
Inventory/ Shipments Ratio	January	1.55	-0.03	-0.08
Capacity Utilization (%)	4th Quarter	70.2	-1.5	-2.5
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	February*	127.1	0.1%	1.7%
Industrial Product Price Index (1986 = 100)	January	107.7	0.1%	-3.1%
Raw Materials Price Index (1986 = 100)	January	98.6	-2.4%	-15.7%
New Housing Price Index (1986 = 100)	January	133.7	-0.1%	-1.8%

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

\* New this week.



# KEY RELEASE CALENDAR: April 1992\*

Monday	Tuesday	Wednesday	Thursday	Friday
		1	2 Canadian Composite Leading Indicator January	3
6	7 Estimates of Labour Income, January	8 Help-wanted Index, March	9 New Motor Vehicle Sales, February  New Housing Price Index, February	10 Labour Force Survey, March  Travel Between Canada and Other Countries, February
13	14 Monthly Survey of Manufacturing, February	15	16 The Consumer Price Index, March Preliminary Statement of Canadian International Merchandise Trade, February Department Store Sales - Advance Release, March Sales of Natural Gas, February	Department Store Sales by Province and Metropolitan Area, February  Farm Product Price Index, February
20	21 Retail Trade, February	22 Wholesale Trade, February  Department Store Sales and Stocks, February	23 Canada's International Transactions in Securities, February	24
27 Employment, Earnings and Hours February	28 Population and Dwelling Counts, 1991 Census	29 Industrial Product Price Index, March Raw Materials Price Index, March Unemployment Insurance Statistics, February Field Crop Reporting Series: No. 3 - Stocks of Canadian Grain at March 31	30 Real Gross Domestic Product at Factor Cost by Industry, February Sales of Refined Petroleum Products, March Building Permits, February	

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

## I·N·F·O·M·A·T

### A Weekly Review

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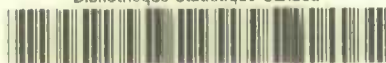
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