



# IN·F·O·M·A·T

## A WEEKLY REVIEW

NOT FOR LOAN  
NE S'EMPRUNTE PAS



Years of Ans  
Excellence d'excellence

Friday, July 23, 1993

## OVERVIEW

### ■ Foreign Investors Reduce their Holdings of Canadian Bonds

Foreign investors purchased money market instruments and equities in May but reduced their holdings of Canadian bonds for the first time since November 1992.

### ■ Rise in Imports Cuts Merchandise Trade Balance in Half

In May, seasonally adjusted merchandise imports climbed 2.2% while exports fell 2.0%, reducing Canada's trade balance to \$612 million from \$1.2 billion in April.

### ■ Manufacturers' Shipments Post Steepest Decline in 10 Months

In May, Canadian manufacturers' shipments recorded a second consecutive monthly decline, this time of 1.2%. A 7.3% drop in the motor vehicle, parts and accessories industries contributed largely to the overall decrease.

### ■ Upturn in Construction Activity Continues

After increasing by 4.5% in April, the seasonally adjusted value of building permits issued in Canada continued to rise in May, up 7.2% to \$2.3 billion.

### ■ Year-over-year Change in CPI Dips to Low of 1.6%

The all-items Consumer Price Index (CPI) for Canada increased by 1.6% between June 1992 and June 1993, the lowest year-over-year change since November 1992.

### Foreign Investors Reduce their Holdings of Canadian Bonds

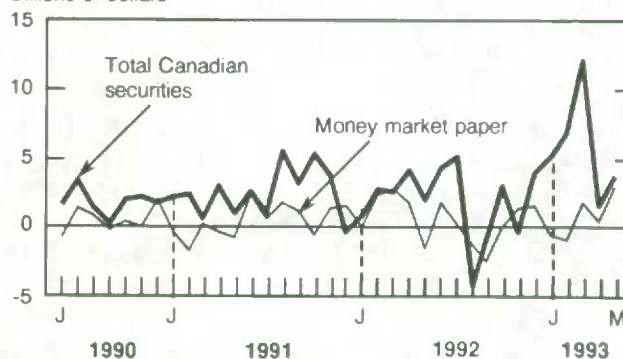
In May, foreign investors acquired a net \$3.6 billion of Canadian securities, more than double the amount purchased in April. This was a return to the trend of strong investments that has prevailed since December 1992.

Non-residents increased their holdings of Canadian money market paper by \$2.8 billion, up sharply from \$0.3 billion in April. The net buying continued to be directed almost solely to Government of Canada treasury bills (\$2.7 billion), with a small investment in other paper.

(continued on page 2)

### Net Transactions in Securities

Billions of dollars



Statistics  
Canada

Statistique  
Canada

Canada

*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 8.)*

## Manufacturers' Shipments Post Steepest Decline in 10 Months

Canadian manufacturers' seasonally adjusted shipments amounted to \$25.1 billion in May, down 1.2% from April. This represents the second decline in a row after six consecutive monthly increases, and the steepest decrease since July 1992. For the first five months of 1993, manufacturers' shipments totalled \$125.9 billion, up 8.7% from the corresponding period in 1992.

Eight of the 22 major groups of products recorded lower shipment levels. Motor vehicle, parts and accessories industries led the way, posting a 7.3% drop due to temporary and permanent closings of some plants. Wood (4.9%), tobacco (26.4%) and primary metals (2.8%) industries also registered significant decreases.

Unfilled orders were down 1.6% to \$24.2 billion in May, the second decline in a row following five consecutive gains. Transportation equipment industries accounted for most of the decrease, down 3.2%, mainly due to cancellations in the aircraft industries. Unfilled orders are a stock of orders which will contribute to future shipments, assuming that orders are not cancelled. New orders decreased for the third month in a row, this time by 2.4%, to \$24.8 billion.

Inventory levels for May were up by 0.4% to \$34.4 billion, the third consecutive monthly increase. Higher inventory levels were recorded in the wood (3.2%) and refined petroleum and coal products (4.2%) industries. The inventories to shipments ratio increased for the second month in a row, to 1.37 in May.

## Upturn in Construction Activity Continues

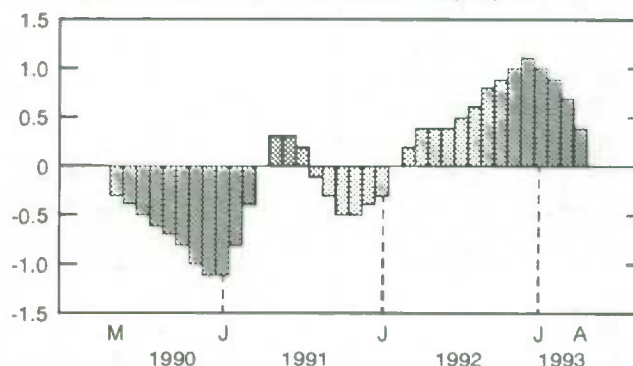
Following a 4.5% increase in April, the seasonally adjusted value of building permits issued in Canada continued to rise in May, up 7.2% to \$2.3 billion. As in April, the non-residential sector contributed largely to the overall increase. On a year-over-year basis, however, the value of building permits decreased 6.0%.

There was a strong 16.0% rise in the value of non-residential building permits, from \$824 million in April to \$956 million in May. Four of five regions contributed to the rise of non-residential building permits: Québec (100.9%), the Atlantic region (56.6%), the Prairies (55.2%) and Ontario (26.5%).

In the industrial component, the value of projects more than doubled, rising from \$121 million to \$255 million. Québec and the Prairies contributed mainly to the rise in the value of building permits for industrial projects. Following

### Shipments

Monthly percentage change in trend, seasonally adjusted



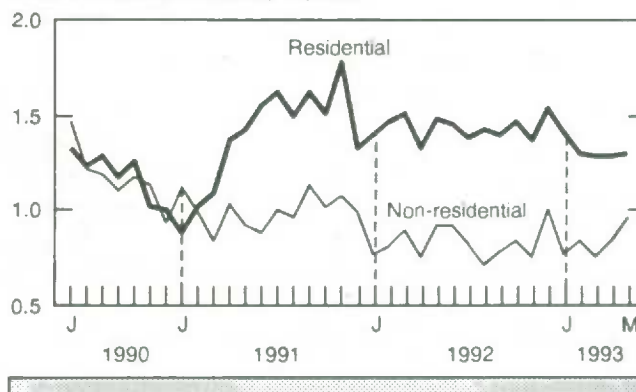
Note: The short-term trend represents a weighted average of the data.

The trend for shipments has been rising for over a year, but at a slower pace since January. This reflects a slowing down in the growth of the trends for a number of major groups, notably the motor vehicle, parts and accessories as well as the wood industries. Despite recent monthly declines, the trend for unfilled orders increased over the seven most recent months, but at a slower rate since February. For new orders, the trend slowed from a peak of 1.7% in December 1992 to 0.2% in April 1993. The trend for inventories showed no change after declining during the previous five months.

For further information, order *Monthly Survey of Manufacturing* (catalogue number 31-001) or contact Industry Division at (613) 951-9832. (See also "Current Trends" chart on page 8.)

### Building Permits

Billions of dollars, seasonally adjusted



(continued on page 4)

### ... Upturn in Construction Activity Continues

declines in March and April, the value of building permits for institutional projects climbed 11.8% to \$305 million while the value of permits for commercial projects went down 7.9% to \$396 million.

In the residential sector, the value of building permits increased 1.6% in May to \$1.3 billion. The value of building permits rose 5.6% to \$904 million in the single-family dwelling sector but fell 6.7% to

\$393 million in the multi-family dwelling sector. Increases in the value of residential building permits were reported in the Atlantic (10.5%), Québec (6.7%), Prairie (6.6%) and Ontario (0.2%) regions. Only the data for British Columbia region, which includes the Yukon and Northwest Territories, showed a decrease of 4.9%.

For further information, order *Building Permits* (catalogue number 64-001) or contact Investment and Capital Stock Division at (613) 951-2025.

## PROVINCIAL PERSPECTIVES: BUILDING PERMITS

### Building Permits, May 1993

Unadjusted Data (Adjusted Data Not Available by Province)

Province/Territory	Total		Residential		Non-residential	
	\$ millions	% change, previous year	\$ millions	% change, previous year	\$ millions	% change, previous year
Canada	2,780.3	-3.1	1,722.1	-8.8	1,058.2	8.0
Newfoundland	25.5	-26.1	22.1	-9.0	3.4	-66.7
Prince Edward Island	11.8	0.3	10.5	5.2	1.4	-25.8
Nova Scotia	85.5	32.0	56.6	14.9	28.9	85.9
New Brunswick	58.1	-17.8	41.3	-9.9	16.8	-32.3
Québec	771.7	22.0	414.8	-5.8	357.0	85.8
Ontario	954.4	-1.3	550.6	-17.0	403.8	32.9
Manitoba	55.4	-15.6	35.4	-18.8	20.0	-9.3
Saskatchewan	33.6	9.5	16.2	-3.5	17.4	25.3
Alberta	261.0	-4.4	179.9	-5.9	81.0	-0.8
British Columbia	517.2	-26.0	389.6	-1.4	127.6	-58.0
Yukon	4.0	-37.7	3.7	-26.9	0.3	-77.1
Northwest Territories	2.0	-82.6	1.4	-52.5	0.7	-92.4

### Year-over-year Change in CPI Dips to Low of 1.6%

The all-items Consumer Price Index (CPI, 1986=100) for Canada increased by 1.6% between June 1992 and June 1993, the lowest year-over-year change since November 1992.

On a monthly basis, the all-items index edged up by 0.1% in June to 130.2 after increasing by 0.2% in May. Four of the seven major components registered increases, the most significant being clothing (0.5%) and transportation (0.2%).

The increase in the clothing index comes after a 1.0% drop in May. A major part of the latest

advance was concentrated in the men's wear index which jumped by 1.0% and reflected higher prices for men's suits, pants and shirts.

The upward influence on the transportation index came mostly from a 2.0% rise in the cost of gasoline. Parking rates also rose, mainly in Nova Scotia, Ontario, and Vancouver - where the 7% provincial sales tax was applied to parking. Rail fares also rose due to higher summer rates. These increases were partially dampened by a 4.4% drop in air fares, and by the elimination of the five-dollar tire tax which became effective on May 20th in Ontario.

(continued on page 5)

### ...Year-over-year Change in CPI Dips to Low of 1.6%

The food index rose slightly, by 0.1% in June, after a sharp 1.0% increase in May. Price increases for pork, veal, chicken, bakery products, dairy products and breakfast cereal, were almost completely offset by a drop of 3.9% in the fresh vegetable index.

Although the housing index recorded no overall change in June, there were offsetting movements in its components. Higher charges for rent, for homeowners' maintenance and repairs, and for homeowners' and tenants' insurance premiums

(which were made subject to the 8% provincial tax in Ontario) were the principal upward contributors. These increases were cancelled by lower prices for new houses, furniture and selected appliances along with declines in mortgage interest costs.

The index for tobacco products and alcoholic beverages and the index for health and personal care decreased by 0.3% and 0.1%, respectively.

*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 8.)*

## PROVINCIAL PERSPECTIVES: CONSUMER PRICES

### The Consumer Price Index, Percentage Change, June 1993/1992 \*

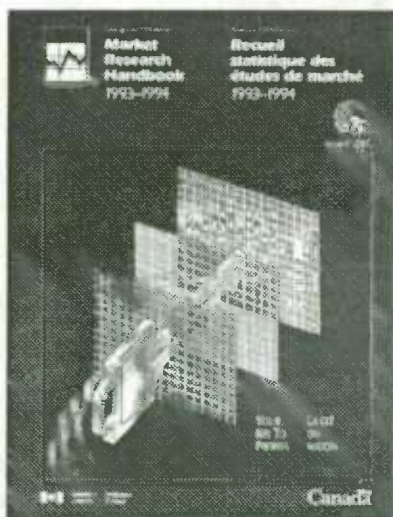
Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	1.6	1.5	1.9	1.3	1.9
Newfoundland	1.3	1.4	-0.5	0.9	1.1
Prince Edward Island	2.0	3.4	0.8	1.8	-0.3
Nova Scotia	0.6	1.0	-3.0	0.7	-0.9
New Brunswick	1.3	2.0	0.6	0.7	0.4
Québec	1.3	0.2	-0.2	1.2	1.5
Ontario	1.5	2.8	2.1	1.0	1.2
Manitoba	2.8	5.2	3.1	0.9	4.0
Saskatchewan	3.1	3.6	6.2	1.3	3.8
Alberta	1.0	-3.9	5.1	1.9	2.3
British Columbia	3.4	3.1	3.5	3.3	4.7
Yukon	1.7	3.4	0.7	1.8	1.6
Northwest Territories	1.7	1.6	3.3	1.0	1.6

\* Data are not seasonally adjusted

# PUBLICATIONS RELEASED FROM JULY 16 TO 22, 1993

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
<b>AGRICULTURE</b>					
The Dairy Review	May 1993	23-001	12.20/122	14.60/146	17.10/171
<b>CANADIAN CENTRE FOR HEALTH INFORMATION</b>					
Surgical Procedures and Treatments	1990-1991	82-217	20	24	28
<b>CURRENT ECONOMIC ANALYSIS</b>					
Canadian Economic Observer	July 1993	11-010	22/220	26/260	31/310
Canadian Economic Observer – Historical Statistical Supplement	1992-1993	11-210	27	32	38
<b>EDUCATION, CULTURE AND TOURISM</b>					
Touriscope – International Travel: Advance Information, Vol. 9, No. 5	May 1993	66-001P	6.10/61	7.30/73	8.50/85
<b>HOUSEHOLD SURVEYS</b>					
The Labour Force	June 1993	71-001	17.90/179	21.50/215	25.10/251
<b>INDUSTRY</b>					
Canned and Frozen Fruits and Vegetables – Monthly	May 1993	32-011	5/50	6/60	7/70
Monthly Production of Soft Drinks	June 1993	32-001	2.70/27	3.20/32	3.80/38
Monthly Survey of Manufacturing	May 1993	31-001	17.30/173	20.80/208	24.20/242
Oil Pipeline Transport	April 1993	55-001	10/100	12/120	14/140
Production and Disposition of Tobacco Products	June 1993	32-022	5/50	6/60	7/70
Refined Petroleum Products	April 1993	45-004	18.20/182	21.80/218	25.50/255
<b>INTERNATIONAL TRADE</b>					
Exports by Commodity	April 1993	65-004	55.10/551	66.10/661	77.10/771
Preliminary Statement of Canadian International Trade	May 1993	65-001P	10/100	12/120	14/140
<b>INVESTMENT AND CAPITAL STOCK</b>					
Building Permits	May 1993	64-001	22.10/221	26.50/265	30.90/309
<b>SMALL BUSINESS AND SPECIAL SURVEYS</b>					
Market Research Handbook	1993-1994	63-224	94	113	132
<b>TRANSPORTATION</b>					
Rail in Canada	1991	52-216	45	54	63
Railway Operating Statistics, Vol. 73, No. 3	March 1993	52-003	10.50/105	12.60/126	14.70/147

## NEW FROM STATISTICS CANADA



### Market Research Handbook

The *Market Research Handbook* is a complete source of information on Canadian consumer and industrial markets.

This edition includes information about Canada's marketplace – from consumer expenditure patterns, income levels, labour force productivity measurements and retail trade statistics to urban demographic profiles, population characteristics, education levels, industrial manufacturing data, international trade data and more.

The 1993-1994 *Market Research Handbook* has been updated with data from the 1991 Census plus current data from Statistics Canada's wide range of surveys, including 1992 population estimates for 45 urban centres across Canada. In addition to the most up-to-date available data, this edition includes up to three years of data updates from the 1992 edition. With over 600 pages, the 1993-1994 *Market Research Handbook* contains over 200 statistical tables and more than 50 charts and graphs.

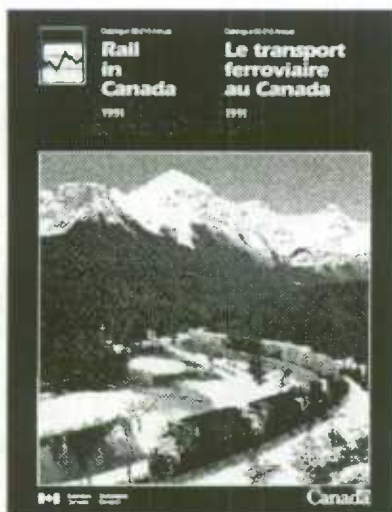
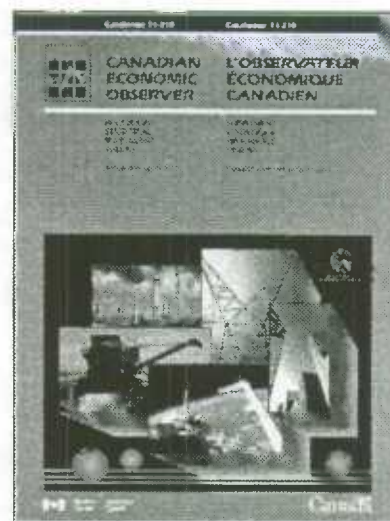
The 1993-1994 *Market Research Handbook* (catalogue number 63-224, \$94) is now available. For additional information, contact Katherine Blais at (613) 951-0822, Small Business and Special Surveys Division.

### Canadian Economic Observer

The July issue of *Canadian Economic Observer*, Statistics Canada's flagship publication for economic statistics, presents a monthly summary of the economy, the major economic events in June, and a feature article on manufacturing productivity in Canada and the United States. A statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The *Historical Statistical Supplement* has also been released and is available free to subscribers. It contains annual historical data for all of the series reported monthly in *Canadian Economic Observer*.

*Canadian Economic Observer*, July 1993 (catalogue number 11-010, \$22/\$220) and *Canadian Economic Observer – Historical Statistical Supplement*, 1992/93 (catalogue number 11-210, \$27) can now be ordered from Publication Sales. For more information, call Philip Cross at (613) 951-9162, Current Analysis Section.



### Rail in Canada

This annual publication presents a comprehensive picture of rail activity in Canada. It covers financial performance statistics, as well as operating, traffic, freight origin, and destination statistics.

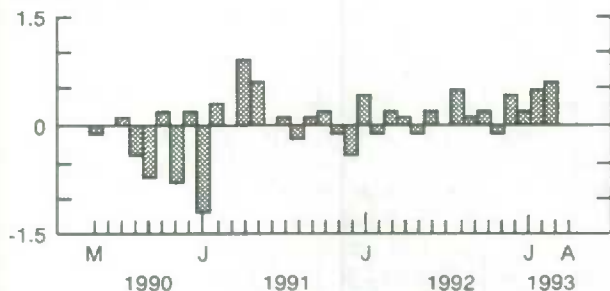
In 1991, the rail industry generated \$7.2 billion in total operating revenues and transported 274 million tonnes of freight. It provided employment to some 65,000 employees.

*Rail in Canada*, 1991 (catalogue number 52-216, \$45) is now available. For further information on this release, contact Yasmin Sheikh at (613) 951-2518, fax: (613) 951-0579, Transportation Division.

## CURRENT TRENDS

### Gross Domestic Product

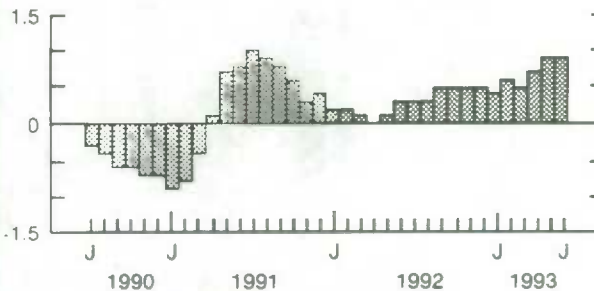
% change,  
previous month



Gross domestic product at factor cost was unchanged in April following a 0.6% gain in March and average monthly growth of 0.4% since December.

### Composite Leading Indicator

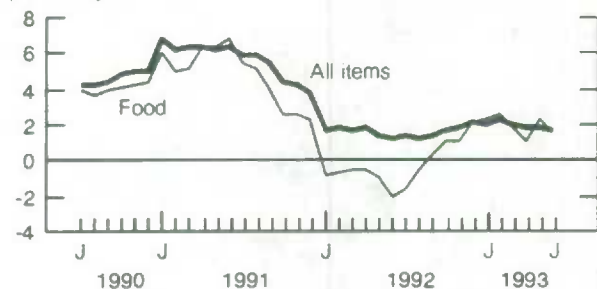
% change,  
previous month



The composite leading indicator continued its year-long improvement in June, rising by 0.9% for the second consecutive month.

### Consumer Price Index

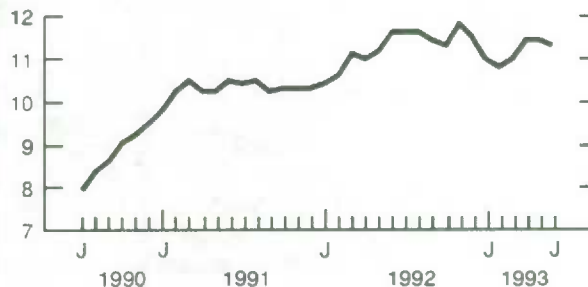
% change,  
previous year



The year-over-year increase in the all-items CPI was 1.6% in June, the lowest year-over-year change since November 1992. The food index rose by 1.5%.

### Unemployment Rate

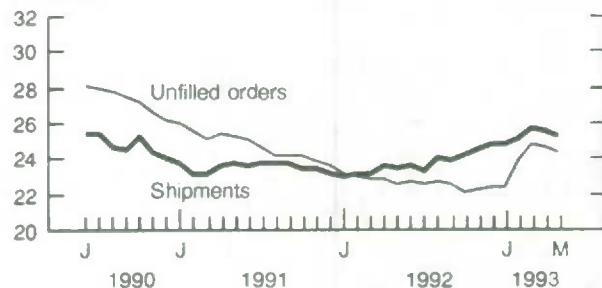
%



The unemployment rate edged down to 11.3% in June after remaining at 11.4% for two straight months.

### Manufacturing

Billions  
of dollars



Canadian manufacturers' shipments fell for the second straight month, by 1.2% in May, and the level of unfilled orders dropped 1.6%.

### Merchandise Trade

Billions  
of dollars



In May, seasonally adjusted merchandise imports climbed 2.2% while exports fell 2.0%, reducing Canada's trade balance to \$612 million from \$1.2 billion in April.

**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)	April	512.3	0.0%	2.3%
Composite Leading Indicator (1981 = 100)	June	154.2	0.9%	6.7%
Operating Profits of Enterprises (\$ billion)	1st Quarter	11.4	51.5%	3.3%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	May*	16.1	0.0%	5.5%
New Motor Vehicle Sales ('000 units)	May	101.0	0.3%	1.9%
<b>LABOUR</b>				
Employment (millions)	June	12.4	0.8%	1.6%
Unemployment Rate (%)	June	11.3	-0.1	-0.3
Participation Rate (%)	June	65.6	0.4	-0.1
Labour Income (\$ billion)	April	33.2	-0.2%	3.3%
Average Weekly Earnings (\$)	April	559.47	0.2%	2.5%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	May*	14.5	-2.0%	14.3%
Merchandise Imports (\$ billion)	May*	13.9	2.2%	17.3%
Merchandise Trade Balance (\$ billion)	May*	0.61	-0.59	-0.24
<b>MANUFACTURING</b>				
Shipments (\$ billion)	May*	25.1	-1.2%	7.4%
New Orders (\$ billion)	May*	24.8	-2.4%	7.1%
Unfilled Orders (\$ billion)	May*	24.2	-1.6%	8.1%
Inventory/ Shipments Ratio	May*	1.37	0.02	-0.12
Capacity Utilization (%)	1st Quarter	78.4	1.7	4.6
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	June*	130.2	0.1%	1.6%
Industrial Product Price Index (1986 = 100)	May	112.1	0.0%	3.2%
Raw Materials Price Index (1986 = 100)	May	115.2	1.2%	9.3%
New Housing Price Index (1986 = 100)	May	135.8	-0.4%	1.2%

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

\* New this week.

## I·N·F·O·M·A·T

### A Weekly Review

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