



IN·F·O·M·A·T

A WEEKLY REVIEW

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Years of
Excellence d'excellence

Friday, August 27, 1993

OVERVIEW

■ Profits of Enterprises Jump in Second Quarter

Seasonally adjusted operating profits of all Canadian enterprises increased to \$14.0 billion in the second quarter of 1993, well above the first quarter's \$11.4 billion.

■ Foreign Investors Resume Purchases of Canadian Bonds

Non-residents purchased \$2.8 billion of Canadian bonds in June following two straight months of unusually low activity.

■ Number of Unemployment Insurance Beneficiaries Edges Up

In June, the seasonally adjusted number of beneficiaries receiving regular unemployment insurance benefits increased marginally, breaking the downward trend started in November 1992.

■ Consumer Spending in Retail Stores Declines in June

Seasonally adjusted retail sales fell 0.7% in June to \$16.0 billion. There has been little overall change in the underlying trend of retail sales since January.

■ Sales by Wholesale Merchants Increase Further

After rising by 2.2% in May, seasonally adjusted wholesale merchants' sales increased 0.4% in June to \$16.6 billion.

■ Tax Hikes Push Consumer Price Index Up

In July, sales tax increases in Ontario, Prince Edward Island, the Yukon and Greater Vancouver accounted for roughly one-third of the advance in the All-items Consumer Price Index.

Profits of Enterprises Jump in Second Quarter

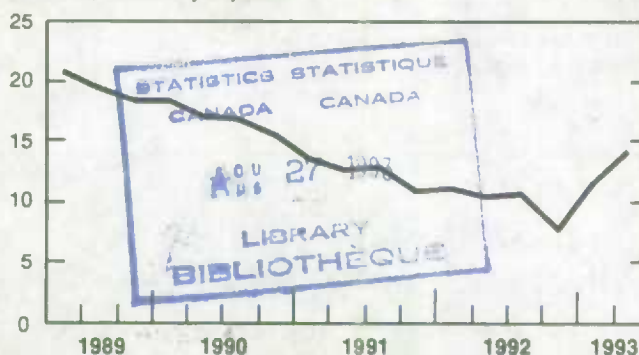
Seasonally adjusted operating profits of all Canadian enterprises increased to \$14.0 billion in the second quarter of 1993, well above the first quarter's \$11.4 billion but still below the peak of \$22.2 billion reached in 1989.

Operating profits of financial industries jumped to \$3.9 billion in the second quarter from \$2.3 billion in the previous quarter. The second quarter profit levels were the strongest since 1989, and were led by a strong \$1.3 billion profit growth by chartered banks. Higher profits were also registered by property and casualty insurers - up by \$110 million to \$448 million.

(continued on page 2)

Operating Profits

\$ billions, seasonally adjusted



Statistics
Canada

Statistique
Canada

Canada

... Profits of Enterprises Jump in Second Quarter

In the non-financial sector, operating profits advanced to \$10.2 billion from \$9.1 billion in the first quarter. The petroleum and natural gas industry registered the largest improvement. The industry increased its profits for the third consecutive quarter, from \$1.3 billion in the fourth quarter of 1992 to \$1.9 billion in the first quarter of 1993 and then to \$2.3 billion in the second quarter. The improvement was attributable to cost-cutting corporate restructuring.

Food industry profits grew to \$0.9 billion in the second quarter from \$0.6 billion in the first quarter, while automobile industry profits declined to \$0.8 billion from \$1.0 billion in the first quarter.

For further information, order *Quarterly Financial Statistics for Enterprises* (catalogue number 61-008) or contact Industrial Organization and Finance Division at (613) 951-9843.

Foreign Investors Resume Purchases of Canadian Bonds

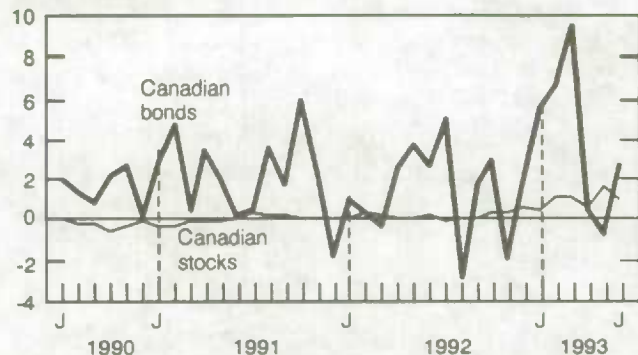
Non-residents increased their holdings of Canadian securities by \$5.2 billion in June, continuing the trend of strong investments that has prevailed since December 1992. For the six-month period of January to June 1993, net buying totalled \$35.0 billion, \$18.9 billion higher than in the same period in 1992.

The foreign net acquisition of \$2.8 billion in Canadian bonds more than reversed a \$0.9 billion net disinvestment in May and a low level of purchases (\$0.4 billion) in April. Foreign investors sold a net \$1.2 billion of outstanding bonds, their third consecutive monthly withdrawal, but acquired \$5.8 billion of gross new bond issues, almost double the average of the previous two months. Retirements of maturing bonds totalled \$1.8 billion, bringing net new issues to \$4.0 billion.

Non-residents increased their holdings of Canadian money market paper for the fourth consecutive month, by \$1.6 billion in June. The net buying was more widespread than in earlier months. It was made up of \$0.7 billion in Government of Canada treasury bills, \$0.6 billion in provincial paper and the balance spread among commercial paper of the federal enterprises and other commercial paper.

Security Transactions

Billions of dollars



Canadian residents acquired a net \$0.8 billion of foreign securities in June, in line with the trend which prevailed since November 1992. However, unlike in previous months, the June investment was directed more to bonds (\$0.6 billion) than to stocks (\$0.2 billion).

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

Number of Unemployment Insurance Beneficiaries Edges Up

Following seven straight months of declines, the seasonally adjusted number of beneficiaries receiving regular unemployment insurance benefits increased 0.3% in June. At 1.1 million, the number

of beneficiaries stood 3.8% below the level of June 1992, the fourth consecutive month to show a year-over-year decrease.

In June, the most notable increase occurred in Newfoundland but the number of beneficiaries was still 10.4% below its year-earlier level of 70,000.

(continued on page 3)

... Number of Unemployment Insurance Beneficiaries Edges Up

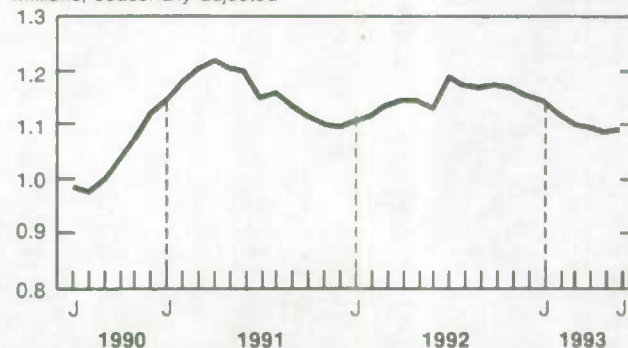
Benefit payments for June totalled \$1.2 billion, down 2.5% from May and 5.1% less than the amount paid in June 1992. Beneficiaries collected 4.7 million weeks of unemployment insurance, a reduction of 2.4% from May.

U.I. Beneficiaries Receiving Regular Benefits, June 1993 Seasonally Adjusted

Province/Territory	Total (000)	% change, previous month	% change, previous year
Canada	1,087	0.3	-3.8
Newfoundland	63	4.8	-10.4
Prince Edward Island	14	2.7	8.6
Nova Scotia	53	0.9	0.6
New Brunswick	57	0.9	-1.9
Québec	357	-0.4	0.0
Ontario	299	0.3	-7.9
Manitoba	29	2.8	-1.1
Saskatchewan	24	0.9	-2.8
Alberta	73	-1.3	-4.5
British Columbia	119	-1.3	-2.6
Yukon	2	0.2	55.1
Northwest Territories	2	1.0	0.5

U.I. Beneficiaries Receiving Regular Benefits

Millions, seasonally adjusted



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

Consumer Spending in Retail Stores Declines in June

Seasonally adjusted retail sales fell 0.7% in June to \$16.0 billion, after rising by 1.2% in April and 0.2% in May. Since the beginning of 1993, there has been little overall change in the underlying trend of retail sales. However, sales were up 3.8% from a year earlier, the thirteenth consecutive month to show a year-over-year increase.

Twelve of 16 major trade groups recorded lower sales in June. The automotive (-1.2%) and food (-0.4%) sectors had the steepest declines. Drugstore sales led the increases, rising by 0.7%.

A 7.3% drop in unit sales of new motor vehicles pushed sales by motor vehicle and recreational vehicle dealers down 2.3%. This decline follows

three straight months of higher sales. However, there was a 1.1% rise in sales by gasoline service stations.

Sales by supermarkets and grocery stores declined 0.5%. At \$3.9 billion, sales levels for June were comparable with the levels recorded since February.

Retail sales fell in most parts of the country, with declines ranging from 1.7% in Alberta to 0.1% in both the Yukon and Northwest Territories. But on a year-over-year basis, sales were up in all provinces and territories except in Newfoundland (-1.0%).

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

(continued on page 4)

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, June 1993

Seasonally Adjusted

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	16,009	-0.7	16,833	0.4
Newfoundland	275	1.3	169	-3.0
Prince Edward Island	68	-0.7	42	0.3
Nova Scotia	542	1.1	361	-0.3
New Brunswick	412	0.0	227	-3.5
Québec	3,898	-0.6	3,968	-0.4
Ontario	5,880	-1.4	6,890	0.6
Manitoba	543	-0.7	596	1.6
Saskatchewan	465	-0.9	521	2.0
Alberta	1,664	-1.7	1,535	0.5
British Columbia	2,212	1.0	2,303	0.8
Yukon	17	-0.1	21	0.8
Northwest Territories	33	-0.1		

Sales by Wholesale Merchants Increase Further

In June, seasonally adjusted wholesale merchants' sales totalled \$16.6 billion, up 0.4% from May and 5.0% above their June 1992 level. This was the second consecutive monthly increase after a decline of 2.7% in April.

The June increase was broadly based as six of the nine trade groups recorded higher sales, led by the activity of suppliers of other machinery, equipment and supplies. Sales by this group, which account for almost 22% of total sales, grew by 1.4% after rising by 4.1% in May. But despite these increases, sales were still 1.2% below last year's level.

The second largest advance was by wholesalers of food, beverage, drug and tobacco products, which account for more than a quarter of all sales. A 0.6% increase in June, preceded by a 3.7% rise in May, pushed sales 10.4% above their year-earlier level of \$4.1 billion.

The steepest decline was reported by wholesalers of lumber and building materials. Their sales fell for the third straight month, this time by 2.3%, following four months of growth.

Six of the provinces and the territories had higher sales while New Brunswick wholesalers reported the largest decrease in sales.

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

Tax Hikes Push Consumer Price Index Up

In July, the All-items Consumer Price Index (CPI, 1986=100) for Canada rose 0.2% to 130.5. Four of the seven major components recorded increases, two remained unchanged while a 0.4% decline in the clothing index exerted a modest downward pressure. Between July 1992 and July 1993, the index rose 1.6%.

The transportation index was one of the main contributors to the increase in the CPI. Following two consecutive monthly increases, the transportation index jumped 0.9% in July due largely to a 4.6% rise in automobile insurance premiums. A 5% sales tax introduced on this service in Ontario was responsible for about half of this increase.

(continued on page 5)

... Tax Hikes Push Consumer Price Index Up

Prices of new automobiles, mostly imported models, rose by an average 0.6%. Air fare rates were up by 5.9%, reflecting seasonal increases on domestic flights and flights to Europe and the Caribbean. Price wars among gasoline service stations in Toronto, Edmonton and Victoria helped moderate the rise in the transportation index as gasoline prices dropped by 1.3%.

The housing index advanced 0.3%, mostly because of increased charges for traveller accommodation (8.9%). The owned accommodation index fell 0.2%, responding to continuing declines in mortgage interest costs and to lower maintenance and repair charges. At the same time, new house prices rose 0.3%.

The index for food was unchanged in July after edging up by 0.1% in June. A rise of 0.1% in the index for food purchased from restaurants was counterbalanced by a decline of 0.1% in the index for food purchased from stores.

The fall in gasoline prices and lower prices for piped gas pushed the energy index down 0.5% in July. This drop follows a sharp 1.0% rise in June. When compared to the previous year, the energy index decreased 0.6%, much of it due to a 4.8% drop in gasoline prices.

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, July 1993/1992*

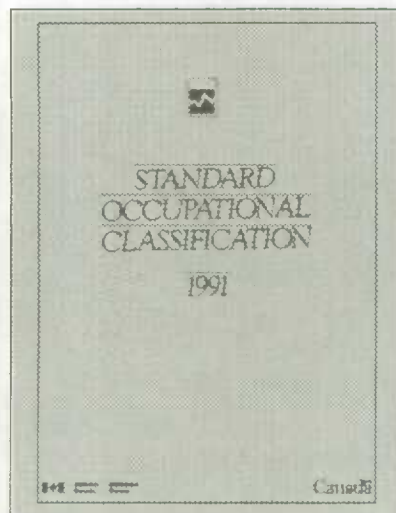
Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	1.6	1.6	-0.6	1.3	1.9
Newfoundland	2.0	1.2	0.1	0.9	3.1
Prince Edward Island	2.1	3.0	0.8	1.4	0.8
Nova Scotia	1.0	0.7	-2.1	0.8	0.4
New Brunswick	1.4	1.7	2.9	0.2	1.5
Québec	1.0	0.0	-0.2	0.7	1.7
Ontario	1.5	3.0	-1.4	1.2	1.6
Manitoba	2.5	4.9	-0.6	0.6	3.2
Saskatchewan	2.7	3.2	6.4	0.5	4.1
Alberta	1.1	-2.1	0.2	1.6	1.5
British Columbia	3.3	2.6	-0.5	3.0	3.9
Yukon	2.5	1.8	2.9	2.0	1.7
Northwest Territories	1.6	1.8	0.3	0.3	1.4

* Data are not seasonally adjusted.

PUBLICATIONS RELEASED FROM AUGUST 20 TO 26, 1993

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Farm Cash Receipts	January-June 1993	21-001	11/44	13.25/53	15.50/62
Field Crop Reporting Series No. 5: July 31 Estimates of Production of Principal Field Crops, Canada	August 25, 1993	22-002	12/80	14/96	16/112
The Dairy Review	June 1993	23-001	12.20/122	14.60/146	17.10/171
CANADIAN CENTRE FOR HEALTH INFORMATION					
Tuberculosis Statistics	1991	82-220	20	24	28
CENSUS					
Profile of Federal Electoral Districts, Part B	1991 Census	93-336	65	78	91
EDUCATION, CULTURE AND TOURISM					
Book Publishing	1991-92	87-210	17	20	24
Periodical Publishing	1991-92	87-203	17	20	24
INDUSTRY					
Corrugated Boxes and Wrappers	July 1993	36-004	5/50	6/60	7/70
Crude Petroleum and Natural Gas Production	May 1993	26-006	10/100	12/120	14/140
Food Industries	1990	32-250	35	42	49
Mineral Wool Including Fibrous Glass Insulation	July 1993	44-004	5/50	6/60	7/70
Monthly Production of Soft Drinks	July 1993	32-001	2.70/27	3.20/32	3.80/38
Monthly Survey of Manufacturing	June 1993	31-001	17.30/173	20.80/208	24.20/242
Non-Metal Mines	1991	26-224	22	26	31
Primary Iron and Steel	June 1993	41-001	5/50	6/60	7/70
Production and Disposition of Tobacco Products	July 1993	32-022	5/50	6/60	7/70
Production and Stocks of Tea, Coffee and Cocoa	June 1993	32-025	6.75/27	8/32	9.50/38
Quarries and Sand Pits	1991	26-225	22	26	31
Shipments of Plastic Film and Bags Manufactured from Resin	Quarter Ended June 1993	47-007	6.75/27	8/32	9.50/38
INVESTMENT AND CAPITAL STOCK					
Building Permits	June 1993	64-001	22.10/221	26.50/265	30.90/309
PRICES					
The Consumer Price Index	July 1993	62-001	9.30/93	11.20/112	13/130
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, Caterer and Tavern Statistics	June 1993	63-011	6.10/61	7.30/73	8.50/85
Science Statistics Service Bulletin: Total Spending on Research and Development in Canada, Vol. 17, No. 5	1971 to 1993	88-001	7.10/71	8.50/85	9.90/99
STANDARDS					
Standard Occupational Classification	1991	12-565E	80	96	112

NEW FROM STATISTICS CANADA



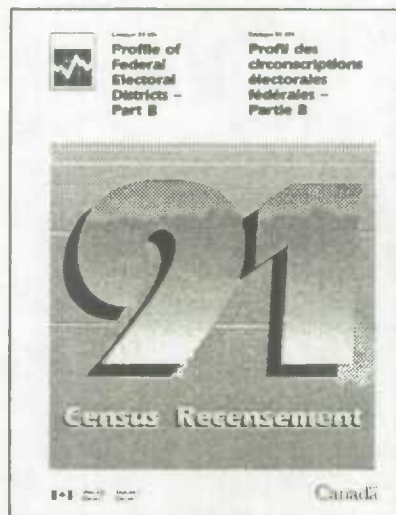
Standard Occupational Classification

Designed for statistical surveys, the 1991 *Standard Occupational Classification* (SOC) is based on the National Occupational Classification (NOC) and consists of four levels: broad occupational categories, major groups, minor groups and unit groups. It will replace the 1980 SOC as the official classification of Statistics Canada. Both the 1980 and 1991 SOC have been used in the 1991 Census of Population.

The 1991 SOC reflects changes in the Canadian labour force: it adds new, emerging occupations and eliminates obsolete ones. Unit groups and minor groups, homogeneous by skill level and type, are shared with the NOC. The major groups maximize occupational detail available at this level of aggregation. The broad occupational categories are identical to those of the NOC.

The two-part coding system for the unit and minor groups of the 1991 SOC identifies the place of the group in the NOC structure and allows easy aggregation to the major groups of either classification.

Standard Occupational Classification, 1991 (catalogue number 12-565E, \$80) is now available. For further information, contact Wayne Silver at 613-951-3443, Standards Division.



Profile of Federal Electoral Districts - Part B

This publication provides 20% sample data for the 295 federal electoral districts (FEDs) enumerated in the 1991 Census.

Information on characteristics such as home language, knowledge of languages, religion, ethnic origin, place of birth, period of immigration, mobility status, fertility, highest level of schooling, labour force activity, occupation, and industry is available for each FED. Also shown for each FED are dwelling counts by need for repair, period of construction, average housing costs for households, as well as income distributions for individuals, households and families.

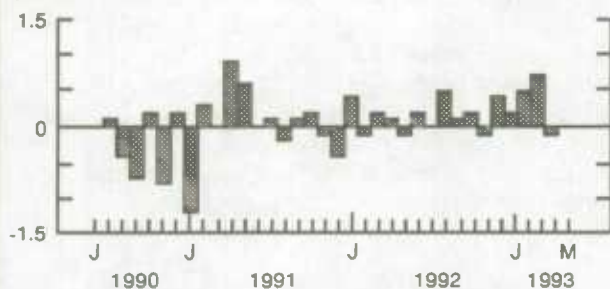
Data for Canada, the provinces and territories are included along with a reference map showing all FEDs.

To order a copy of Profile of Federal Electoral Districts - Part B (catalogue number 93-336, \$65) contact Publication Sales at (613) 951-7277.

CURRENT TRENDS

Gross Domestic Product

% change,
previous month



Real gross domestic product at factor cost was unchanged in May after gaining 0.7% in March and edging down by 0.1% in April.

Composite Leading Indicator

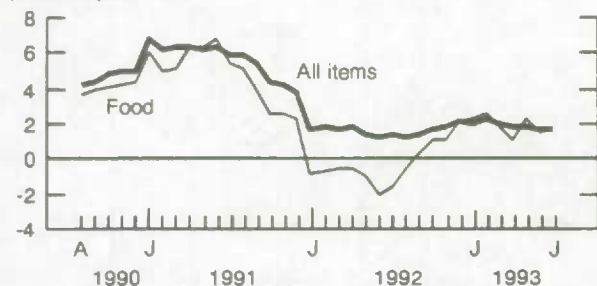
% change,
previous month



The composite leading indicator continued its year-long advance in July, rising by 0.6% from June.

Consumer Price Index

% change,
previous year



The year-over-year increase in the all-items CPI was 1.6% in July, unchanged from June's rise. The food index also rose by 1.6%.

Unemployment Rate

%



The unemployment rate reached 11.6% in July, its highest level since November 1992 when the rate hit a 10-year high of 11.8%.

Manufacturing

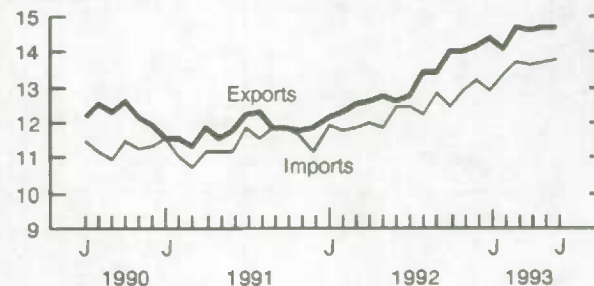
Billions
of dollars



Canadian manufacturers' shipments edged up by 0.5% in June, and the level of unfilled orders increased 1.0%.

Merchandise Trade

Billions
of dollars



In June, seasonally adjusted merchandise imports rose 0.1% while exports remained unchanged. As a result, the merchandise trade balance was unchanged at \$900 million.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	May	512.6	0.0%	2.5%
Composite Leading Indicator (1981 = 100)	July	154.8	0.6%	6.8%
Operating Profits of Enterprises (\$ billion)	2nd Quarter*	14.0	22.8%	35.9%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	June*	16.0	-0.7%	3.8%
New Motor Vehicle Sales ('000 units)	June	93.0	-7.3%	-5.7%
LABOUR				
Employment (millions)	July	12.4	-0.3%	1.4%
Unemployment Rate (%)	July	11.6	0.3	0.0
Participation Rate (%)	July	65.4	-0.2	-0.1
Labour Income (\$ billion)	May	32.9	-0.9%	1.9%
Average Weekly Earnings (\$)	May	555.50	-0.6%	1.3%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	June	14.7	0.0%	15.9%
Merchandise Imports (\$ billion)	June	13.8	0.1%	10.7%
Merchandise Trade Balance (\$ billion)	June	0.90	0.0	0.69
MANUFACTURING				
Shipments (\$ billion)	June	25.2	0.5%	7.2%
New Orders (\$ billion)	June	25.4	2.8%	7.6%
Unfilled Orders (\$ billion)	June	24.5	1.0%	8.9%
Inventory/ Shipments Ratio	June	1.37	0.0	-0.1
Capacity Utilization (%)	1st Quarter	78.4	1.7	4.6
PRICES				
Consumer Price Index (1986 = 100)	July*	130.5	0.2%	1.6%
Industrial Product Price Index (1986 = 100)	June	112.1	0.1%	2.9%
Raw Materials Price Index (1986 = 100)	June	114.8	-0.3%	6.3%
New Housing Price Index (1986 = 100)	June	136.1	0.2%	1.2%

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

** New this week.*



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KEY RELEASE CALENDAR: SEPTEMBER 1993*

Monday	Tuesday	Wednesday	Thursday	Friday
		1	2 Industrial Capacity Utilization Rates, Second Quarter 1993	3
6 HOLIDAY	7	8 Help-wanted Index, August Field Crop Report No. 6 Grain Stocks at July 31	9 New Motor Vehicle Sales, July Estimates of Labour Income, June	10 Labour Force Survey, August Department Store Sales by Province and Metropolitan Area, July Farm Product Price Index, July
13 New Housing Price Index, July	14 Travel Between Canada and Other Countries, July	15 Composite Leading Indicator, August	16 Preliminary Statement of Canadian Interna- tional Merchandise Trade, July Building Permits, July Population Estimates, 1971-1993	17 Consumer Price Index, August Monthly Survey of Manufacturing, July Department Store Sales Advance Release, August
20 Sales of Natural Gas, July	21 Retail Trade, July	22 Wholesale Trade, July	23 Canada's International Transactions in Securities, July	24
27	28 Industrial Product Price Index, August Raw Materials Price Index, August	29 Unemployment Insurance Statistics, July Sales of Refined Petroleum Products, August	30 Employment, Earnings and Hours, July Crude Oil and Natural Gas, July Real Gross Domestic Product at Factor Cost by Industry, July	

* 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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