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I·N·F·O·M·A·T
A WEEKLY REVIEW

75 Years of Excellence / Ans d'excellence

Friday, October 29, 1993

OVERVIEW

- **Raw Materials Continue to Register Price Cuts**
  The Raw Materials Price Index fell for the fourth straight month, by 1.0% in September, after rising steadily from February to May.

- **Industrial Product Prices Register Marginal Increase**
  The Industrial Product Price Index edged up by 0.1% in September after rising by 0.6% in August.

- **Foreign Investors Reduce their Holdings of Canadian Securities**
  Foreign investors reduced their holdings of Canadian securities by $0.5 billion in August, the first net reduction since November 1992.

- **Wholesaling Activity Slows in August**
  After increasing for three straight months, seasonally adjusted sales by wholesale merchants declined 0.4% in August to $16.9 billion but still stood well above their August 1992 level.

- **Consumer Price Index Increases Marginally**
  In September, the All-items Consumer Price Index for Canada edged up again by 0.1%. Tuition fee increases for university courses had the greatest upward influence.

- **Spending on Home Repairs and Renovations Resumes in 1992**
  In 1992, homeowners spent $12.3 billion on repairs and renovations, up 6.8% from 1991, which ended a two-year slump in the housing repair and renovation market.

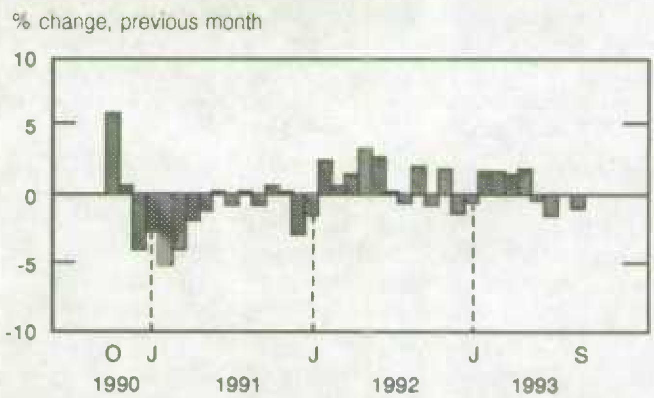
Raw Materials Continue to Register Price Cuts

The Raw Materials Price Index (RMPI, 1986 = 100) fell 1.0% in September to a level of 112.0. After rising steadily from February to May, the RMPI has since been decreasing, mainly because of falling wood and crude oil prices. Excluding mineral fuels, the RMPI was down 0.5% from August but climbed 10.5% from its September 1992 level.

The mineral fuels index, which represents almost one-third of the RMPI, dropped 2.0% in September as a result of lower prices for crude oil (-2.3%), which fell from June to September. Over the past 12 months, the mineral fuels index decreased 14.6%, primarily because of lower crude oil prices.

(continued on page 2)

Raw Materials Price Index



... Raw Materials Continue to Register Price Cuts

The non-ferrous metals index index fell 3.4% from August and stood 8.8% below its September 1992 level. Lower prices for logs and bolts pushed the wood index down 0.9% in September but the index was 31.6% above its year-earlier level, remaining by far the major upward contributor to the annual movement in the RMPI.

Offsetting the overall decline, the animals and animal products index, which accounts for more than one-quarter of the RMPI, rose 0.9%, due to higher prices for hogs (3.6%) and cattle for slaughter (1.0%). Hog and cattle prices have shown an upward trend in prices since 1992.

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

Industrial Product Prices Register Marginal Increase

The Industrial Product Price Index (IPPI, 1986=100) edged up by 0.1% in September to 112.9 and was 2.7% above its year-earlier level of 109.9. This advance followed a 0.6% rise in August and little or no change from April to July.

Of 21 major groups of products, prices increased in 10, fell in seven and remained unchanged in four. The lumber, sawmill and other wood products index increased for the second month in a row, by 2.0% in September, after a four-month decline extending from April to July. The increase was mainly attributable to a 2.8% rise in softwood lumber prices, as price increases ranged from 4.3% in Québec to 12.0% on the Prairies. In British Columbia, the interior saw a 2.9% increase in softwood lumber prices while on the coast, prices declined by 1.8%.

The primary metal products index fell 1.4% in September and resumed a downward trend extending from February to June which was shortly interrupted in July and August. Due to rising international stocks of metals, prices decreased for nickel, aluminum products, copper and copper alloy products, and other non-ferrous metals. In some cases, the situation was worsened because of higher exports by the countries of the Commonwealth of Independent States.

After a rise of 0.3% in August, the paper and paper products index fell 0.6% due to lower prices for pulp and for newsprint and other paper stock.

For further information, order Industry Price Indexes (catalogue number 62-011), or contact Prices Division at (613) 951-9607.

Foreign Investors Reduce their Holdings of Canadian Securities

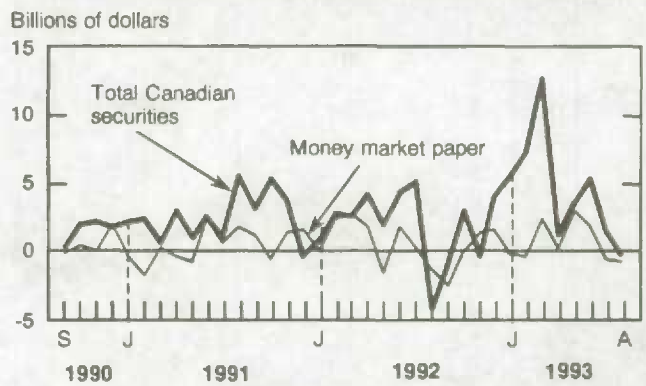
Foreign investors reduced their holdings of Canadian securities by $0.5 billion in August, as disinvestment in both Canadian bonds and money market instruments overpowered a net investment in Canadian stocks. This represents the first net reduction of foreign holdings of Canadian securities since November 1992. However, for the eight-month period of January to August 1993, net buying totalled $35.7 billion, $19.0 billion higher than in the same period in 1992.

August was the eleventh consecutive month that non-residents were net buyers of Canadian stocks. They purchased $1.3 billion in August alone, bringing the net inflow during the 11 months to $8.9 billion, most of it from the U.S.

Foreign investors reduced their holdings of Canadian bonds for the second time this year, by $1.0 billion in August. They bought $1.5 billion of gross new issues which were partly offset by retirements of maturing bonds in the amount of $0.9 billion, both lows for 1993. The $0.6 billion of net new issues was roughly split between bonds of corporations and new Government of Canada bonds.

Non-residents sold a net $0.8 billion of Canadian money market paper in August following a $0.6 billion net reduction in July. The net disinvestment was spread over commercial paper of the provinces and other commercial paper, unlike of July when the net selling was of Government of Canada treasury bills.

Net Transactions in Securities



Investment by Canadian residents in foreign securities increased by $0.8 billion, the bulk of which was directed to foreign bonds, mainly U.S. Treasury Bonds.

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

Wholesaling Activity Slows in August

After increasing for three straight months, seasonally adjusted sales by wholesale merchants declined 0.4% in August to $16.9 billion due to lower sales in five of nine trade groups. Despite this, sales still stood 4.8% above their August 1992 level of $16.1 billion.

Sales by merchants of food, beverage, drug and tobacco products, the largest trade group, fell for the second month in a row, this time by 1.9%. Sales had been rising since April and in August, sales still stood 3.3% above their year-earlier level.

Suppliers of lumber and building materials recorded a fourth drop (-1.5%) in five months. Wholesalers of metals, hardware, plumbing and heating equipment and supplies registered a 1.8% decline following increases of 1.8% in June and 2.1% in July. After increasing by 2.5% in July, sales by suppliers of other products (such as farm and paper products, agricultural supplies, industrial and household chemicals, etc.) fell 0.8%.

Moderating the overall decline were higher sales of other machinery, equipment and supplies, up for the fourth straight month, this time by 1.4%. Sales by wholesalers of apparel and dry goods advanced 4.5% and sales by distributors of motor vehicles, parts and accessories were up 0.7% to maintain four months of steady growth.

Sales fell in eight provinces in August but on a year-over-year basis, wholesale sales were down in only Prince Edward Island, New Brunswick, Québec and the territories.

In Alberta, wholesale sales continued to increase for the fourth month in a row and showed the largest year-over-year increase (10.4%). Ontario wholesalers reported a marginal gain in August after sales had increased by a total of 5.4% in the previous three months. British Columbia wholesalers registered their first decline in four months. In Québec, sales fell 1.1%, continuing the pattern of increases and decreases dating back to March 1993.

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

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, August 1993
Seasonally Adjusted

	Retail Sales		Wholesale Sales	
	$ millions	% change from previous month	$ millions	% change from previous month
Canada	**16,279**	**0.3**	**16,861**	**-0.4**
Newfoundland	280	-1.0	172	-1.9
Prince Edward Island	72	-0.3	39	-0.5
Nova Scotia	540	0.0	367	-1.1
New Brunswick	422	-0.5	228	-3.0
Québec	3,996	-0.4	4,026	-1.1
Ontario	5,956	0.6	7,007	0.1
Manitoba	554	-0.2	589	-1.8
Saskatchewan	479	0.9	509	-1.4
Alberta	1,702	-0.4	1,604	2.0
British Columbia	2,228	1.2	2,298	-1.3
Yukon	17	-4.6	21	0.0
Northwest Territories	34	2.9		

Consumer Price Index Increases Marginally

In September, the All-items Consumer Price Index (CPI, 1986 = 100) edged up again by 0.1% to 130.7. Six of the seven major components recorded increases while a drop in the food index helped moderate the rise. Between September 1992 and September 1993, the index rose 1.9%, slightly more than the 1.7% advance noted in August.

The recreation, reading and education index was one of the main contributors to the increase in the CPI, rising by 1.0% in September. A sharp 6.4% increase in the education index accounted for the advance as tuition fee increases for university courses averaged 9.2%. In September 1992, tuition fees had climbed 8.5%.

The housing index moved up by 0.2% after no change in August, and the clothing index was up by 0.2% following a 0.5% rise in August. A 0.8% hike in gasoline prices pushed the transportation index up 0.2%; a 1.7% fall in air fares for most European and Caribbean destinations helped moderate the rise.

After decreasing by 0.4% in August, the food index fell 0.6% in September, mainly because of lower prices for fresh vegetables. However, despite this decline, the fresh vegetables index was still 3.6% higher than in September 1992.

As price wars among gasoline service stations ended in September, gasoline prices returned to their regular levels. The increase pushed the energy index up 0.4%, a rise that was moderated by a 0.5% drop in oil 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 7.)

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer Price Index, Percentage Change, September 1993/1992 *

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	**1.9**	**1.2**	**1.0**	**1.5**	**3.5**
Newfoundland	2.3	3.9	-1.4	0.6	3.1
Prince Edward Island	2.0	3.0	-0.6	1.1	1.3
Nova Scotia	1.5	2.4	-1.6	0.5	2.1
New Brunswick	1.7	1.6	1.6	0.4	2.2
Québec	1.1	-0.3	-0.5	1.2	2.0
Ontario	1.9	2.1	0.9	1.3	3.7
Manitoba	2.0	3.2	-1.8	0.4	3.4
Saskatchewan	2.8	2.7	4.0	1.0	3.5
Alberta	1.3	-3.2	4.3	1.5	3.8
British Columbia	3.8	3.6	2.9	3.2	6.1
Yukon	3.0	2.4	4.5	2.2	3.4
Northwest Territories	1.9	3.7	-2.4	0.0	3.1

* *Data are not seasonally adjusted.*

Spending on Home Repairs and Renovations Resumes in 1992

In 1992, homeowners spent $12.3 billion on repairs and renovations, up 6.8% from $11.5 billion in 1991. This increase has ended a two-year slump in the housing repair and renovation market. The major factors contributing to the spending spree were lower interest rates combined with a rise in the number of homeowners – partly due to Canada Mortgage and Housing Corporation's First Home Loan Insurance Program.

Of the $12.3 billion spent on repair and renovation projects, $8.4 billion (68.0%) was spent on additions, renovations and new installations, which are considered by homeowners as investments that increase the value of the home. The remaining $3.9 billion (32.0%) went to repairs, maintenance and replacement projects, considered as expenditures that maintain the value of the home.

Homeowners spent on average $1,872 in 1992, up from $1,816 in 1991, on repairs and renovations. However, this level was still below the six-year peak of $2,190 reached in 1989.

All provinces reported increases in average expenditure on repairs and renovations in 1992, except for Prince Edward Island (- 20.7%) and Ontario (-7.8%). British Columbia homeowners had the highest average expenditure on repairs and renovations with $2,202. They replaced Ontario's homeowners who, for the first time in four years, did not have the highest average – they ranked third with $1,938. For the third consecutive year, the lowest spending average on repairs and renovations was in Saskatchewan with $1,136.

For further information, contact Household Surveys Division at (613) 951-4165.

PUBLICATIONS RELEASED FROM OCTOBER 22 TO 28, 1993

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription Canada ($Cdn.)	United States ($US)	Other Countries ($US)
AGRICULTURE					
The Dairy Review	August 1993	23-001	12.20/122	14.60/146	17.10/171
CANADIAN CENTRE FOR HEALTH INFORMATION					
Hospital Indicators (Part 1: Nursing Units; Part 2: Diagnostic and Therapeutic; Part 3: Administrative and Supportive; Part 4: Total Expenses)	1989-90	83-246	50	60	70
Residential Care Facilities, Aged	1990-91	83-237	15	18	21
Residential Care Facilities, Mental	1990-91	83-238	15	18	21
CENSUS					
Profile of Census Metropolitan Areas and Census Agglomerations – Part B	1991 Census	93-338	55	66	77
HOUSING, FAMILY AND SOCIAL STATISTICS					
Basic Facts on Families in Canada, Past and Present	1993	89-516	10	12	14
INDUSTRY					
Canned and Frozen Fruits and Vegetables, Monthly	August 1993	32-011	5/50	6/60	7/70
Construction Type Plywood	August 1993	35-001	5/50	6/60	7/70
Department Store Sales and Stocks	July 1993	63-002	14.40/144	17.30/173	20.20/202
Electric Lamps (light bulbs and tubes)	September 1993	43-009	5/50	6/60	7/70
Logging Industry	1991	25-201	30	36	42
Mineral Wool Including Fibrous Glass Insulation	September 1993	44-004	5/50	6/60	7/70
Monthly Production of Soft Drinks	September 1993	32-001	2.70/27	3.20/32	3.80/38
Monthly Survey of Manufacturing	August 1993	31-001	17.30/173	20.80/208	24.20/242
Oil Pipeline Transport	July 1993	55-001	10/100	12/120	14/140
Production and Disposition of Tobacco Products	September 1993	32-022	5/50	6/60	7/70
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	August 1993	35-003	7.10/71	8.50/85	9.90/99
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies (Excluding Newfoundland and Prince Edward Island)	August 1993	35-002	10/100	12/120	14/140
INVESTMENT AND CAPITAL STOCK					
Building Permits	August 1993	64-001	22.10/221	26.50/265	30.90/309
LABOUR					
Employment, Earnings and Hours	July 1993	72-002	28.50/285	34.20/342	39.90/399
PRICES					
Industry Price Indexes	August 1993	62-011	18.20/182	21.80/218	25.50/255
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, Caterer and Tavern Statistics	August 1993	63-011	6.10/61	7.30/73	8.50/85
Telephone Statistics	August 1993	56-002	8.30/83	10/100	11.60/116
TRANSPORTATION					
Air Carrier Operations in Canada	October-December 1992	51-002	24.25/97	29/116	34/136
Aviation Statistics Centre Service Bulletin, Vol. 25, No. 10		51-004	9.30/93	11.20/112	13/130
Road Motor Vehicles, Fuel Sales	1992	53-218	17	20	24

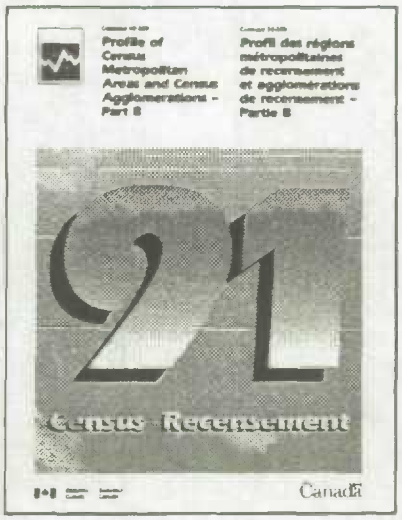
NEW FROM STATISTICS CANADA

Basic Facts on Families in Canada, Past and Present

Basic Facts on Families in Canada, Past and Present focuses on key aspects of family life in Canada. Some of the topics explored are: changing family structure, marriage and divorce, children in families, families and the workplace, and family income. The text of this fact book is presented in a question and answer format, illustrated with tables and charts. Where appropriate, historical data are used to show trends in family life.

This report is one in a series of publications being released in conjunction with the forthcoming International Year of the Family. Another more comprehensive report, soon to follow, will be *A Portrait of Families in Canada.*

To order Basic Facts on Families in Canada, Past and Present (catalogue number 89-516, $10), contact your nearest Statistics Canada Regional Reference Centre or call 1-800-267-6677. For more information on this release, contact Janet Che-Alford at (613) 951-2544, fax: 613-951-0387, Housing, Family and Social Statistics Division.



Profile of Census Metropolitan Areas and Census Agglomerations, Part B

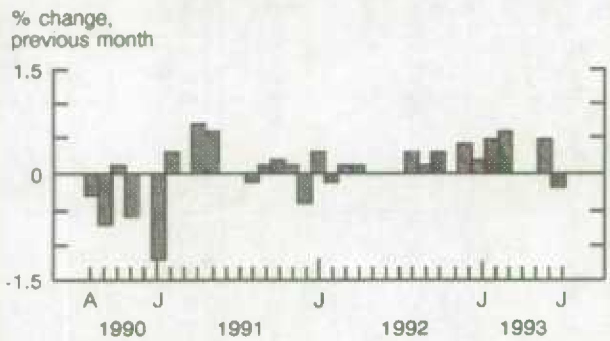
Profile of Census Metropolitan Areas and Census Agglomerations, Part B is now available. This publication provides profiles of census metropolitan areas and census agglomerations based on 20% sample data from the 1991 Census of Population.

These profiles show population counts for 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. They also show dwelling counts by need for repair, period of construction, as well as average housing costs for households, and income distributions for individuals, households and families.

To order Profile of Census Metropolitan Areas and Census Agglomerations, Part B (catalogue number 93-338, $55), contact your nearest Statistics Canada Regional Reference Centre.

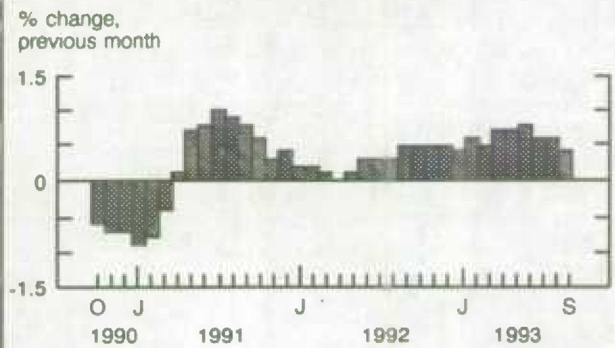
CURRENT TRENDS

Gross Domestic Product



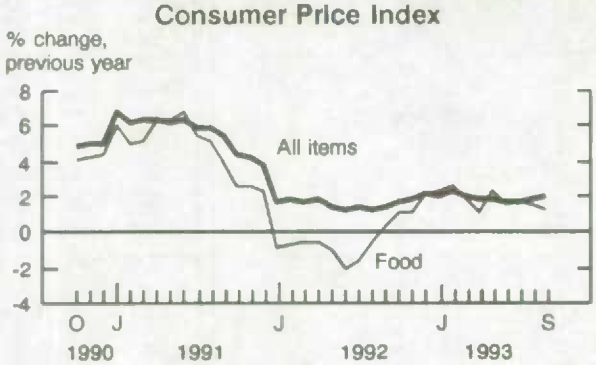
Real gross domestic product at factor cost decreased 0.2% in July, largely due to lower output in manufacturing and mining.

Composite Index



After a revised gain of 0.6% in August, the composite index continued its year-long advance, increasing by 0.4% in September.

Consumer Price Index

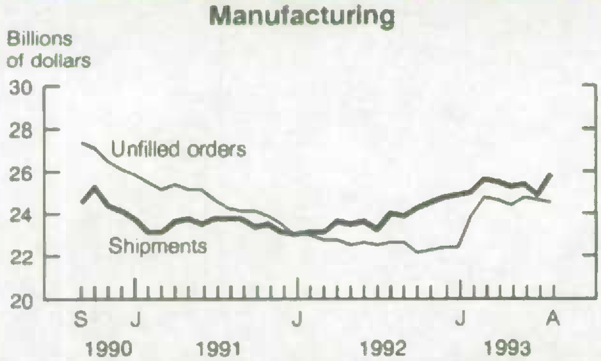


The year-over-year increase in the all-items CPI was 1.9% in September. The food index rose by 1.2%, a smaller increase than in July (1.6%) and August (1.4%).

Unemployment Rate

The unemployment rate fell from 11.3% in August to 11.2% in September.

Manufacturing



Canadian manufacturers' shipments increased 3.7% in August to $25.8 billion, while the level of unfilled orders slipped by 0.5% to $24.4 billion.

Merchandise Trade

In August, seasonally adjusted merchandise imports climbed 4.9% to $14.3 billion, while exports edged down to $14.9 billion.

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)	July	516.0	-0.2%	2.7%
Composite Leading Indicator (1981=100)	September	156.6	0.4%	7.2%
Operating Profits of Enterprises ($ billion)	2nd Quarter	14.0	22.8%	35.9%
DOMESTIC DEMAND				
Retail Trade ($ billion)	August	16.3	0.3%	4.7%
New Motor Vehicle Sales ('000 units)	August	98.7	-1.2%	-4.0%
LABOUR				
Employment (millions)	September	12.4	0.4%	1.5%
Unemployment Rate (%)	September	11.2	-0.1	-0.2
Participation Rate (%)	September	65.1	0.0	-0.2
Labour Income ($ billion)	July	33.2	0.2%	2.5%
Average Weekly Earnings ($)	July	561.29	0.3%	1.9%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	August	14.9	-0.3%	10.8%
Merchandise Imports ($ billion)	August	14.3	4.9%	17.0%
Merchandise Trade Balance ($ billion)	August	0.60	-0.72	-0.62
MANUFACTURING				
Shipments ($ billion)	August	25.8	3.7%	7.5%
New Orders ($ billion)	August	25.6	3.7%	6.4%
Unfilled Orders ($ billion)	August	24.4	-0.5%	8.4%
Inventory/Shipments Ratio	August	1.37	-0.04	-0.06
Capacity Utilization (%)	2nd Quarter	78.3	-0.2	3.3
PRICES				
Consumer Price Index (1986=100)	September*	130.7	0.1%	1.9%
Industrial Product Price Index (1986=100)	September*	112.9	0.1%	2.7%
Raw Materials Price Index (1986=100)	September*	112.0	-1.0%	2.3%
New Housing Price Index (1986=100)	August	136.5	0.1%	1.3%

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

KEY RELEASE CALENDAR: NOVEMBER 1993*

Monday	Tuesday	Wednesday	Thursday	Friday
1 Crude Oil and Natural Gas, August	2 Business Conditions Survey, Canadian Manufacturing Industries, October	3 Help-wanted Index, October	4 Unemployment Insurance Statistics, August	5 Labour Force Survey, October
8 Estimates of Labour Income, August	9 New Motor Vehicle Sales, September	10 Canadian Leading Indicator, October Farm Product Price Index, September Department Store Sales by Province and Metropolitan Area, September	11	12 Travel Between Canada and Other Countries, September New Housing Price Index, September
15	16 Census of Agriculture/ Population Database, 1991	17 Monthly Survey of Manufacturing, September Building Permits, September Department Store Sales - Advance Release, October	18 Survey on Violence Against Women	19 Preliminary Statement of Canadian International Trade, September Sales of Natural Gas, September
22 Retail Trade, September	23 Consumer Price Index, October Wholesale Trade, September	24 Unemployment Insurance Statistics, September	25 Canada's International Transactions in Securities, September Quarterly Financial Statistics of Enterprises, Third Quarter Farm Cash Receipts, January-September	26 International Travel Account – Receipts and Payments, Third Quarter Industrial Product Price Index, , October Raw Materials Price Index, October
29 Employment, Earnings and Hours, September Sales of Refined Petroleum Products, October	30 National Income and Expenditure Accounts (Gross Domestic Product), Third Quarter Balance of International Payments, Third Quarter Financial Flow Accounts, Third Quarter Real Gross Domestic Product at Factor Cost by Industry, September Field Crop Reporting Series : No. 8 – November Crop Production Estimates			

* 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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