



INFOMAT

A WEEKLY REVIEW

JAN 28 1994

Friday, January 28, 1994

OVERVIEW

■ Decline of Raw Materials Price Index Accelerates

The Raw Materials Price Index decreased 2.2% in December, due to a steep 12.7% drop in the mineral fuels index.

■ Industrial Product Prices Rise Steadily

The Industrial Product Price Index advanced for the sixth straight month, by 0.5% in December.

■ Downward Trend in UI Beneficiaries Continues

In November, the seasonally adjusted number of beneficiaries who received regular unemployment insurance benefits fell 1.2% to 1.03 million persons.

■ Canadians Grab Foreign Stocks; Foreign Investors Unload Canadian Bonds

In November, Canadian investors went on a buying spree for foreign securities, mostly overseas stocks, while foreign investors sold a substantial net \$3.6 billion of Canadian bonds.

■ Retail Sales Remain Virtually Unchanged

Seasonally adjusted retail sales dipped 0.2% in November on the heels of a modest 0.3% gain in October and no growth in September.

■ Sales by Wholesale Merchants Still Strong

Seasonally adjusted sales by wholesale merchants advanced for the seventh straight month in November due to higher sales by six of nine trade groups.

■ Year-over-year Change in CPI Dips

The year-over-year change in the all-items Consumer Price Index (CPI) for Canada fell to 1.7% in December, after remaining steady at 1.9% for three consecutive months.

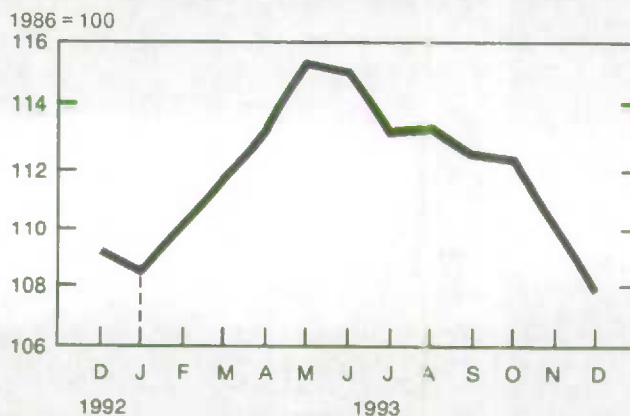
Decline of Raw Materials Price Index Accelerates

The Raw Materials Price Index (RMPI, 1986=100) fell 2.2% in December to a level of 107.6. After rising steadily from February to May 1993, the RMPI has since been decreasing. On a year-over-year basis, the RMPI was down 1.3%, marking the steepest year-over-year decline since April 1992. Excluding mineral fuels, however, the RMPI rose 1.6% from November and climbed 8.6% from its December 1992 level.

The mineral fuels index, which represents almost one-third of the RMPI, dropped 12.7% in December as crude oil prices fell 14.1%. The drop was moderated slightly by higher prices for natural gas (3.3%) and coal (0.9%). Over the past 12 months, the mineral fuels index decreased 23.6%, primarily because of lower crude oil prices.

(continued on page 2)

Raw Materials Price Index



... Decline of Raw Materials Price Index Accelerates

The animals and animal products index, which accounts for more than a quarter of the RMPI, continued to decline for the third straight month, falling by 0.6% in December. Prices for hogs (-4.9%) and cattle (-1.6%) declined. Between December 1992 and June 1993, hog prices rose by 11%, only to fall by 12% from June to December.

Industrial Product Prices Rise Steadily

The Industrial Product Price Index (IPPI, 1986=100) advanced for the sixth consecutive month, by 0.5% in December. At 114.5, the index was 3.2% above its year-earlier level as all components showed higher prices except petroleum and coal products (-5.9%) and paper and paper products (-2.7%).

In December, thirteen major groups of products registered increases while five decreased and three remained unchanged. Half of the increase in the IPPI was attributable to a 4.0% rise in the prices of lumber, sawmill and other wood products. Increases in softwood lumber prices ranged from 4.0% in the interior of British Columbia to 13.0% in the Atlantic provinces.

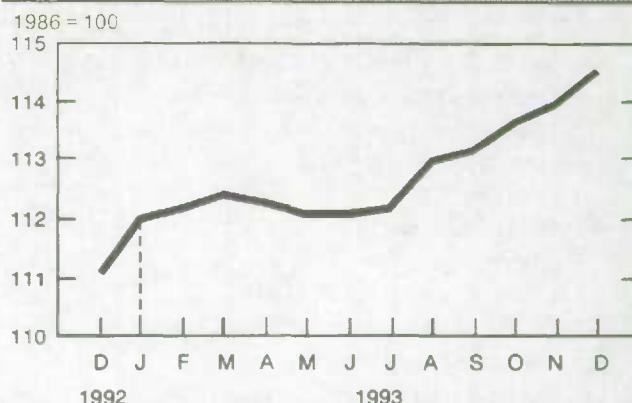
Other significant rises were in primary metal products (1.5%), autos, trucks and other transport equipment (0.5%), chemicals and chemical products (1.1%), and paper and paper products (1.0%).

These increases were partly offset by falling prices for gasoline and fuel oil (-2.0%). This decline pushed the petroleum and coal products index down

The vegetable products index climbed 5.0% due to price increases ranging from 5% to 10% for wheat, corn, canola and sugar. This was the largest monthly increase since July 1988. The wood index rose 1.5% due to widespread price increases for raw wood products. The non-ferrous metals index rose 4.8% following four months of declines and the ferrous materials index moved up 0.8%.

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

Industrial Product Price Index



1.7%. Both the meat, fish and dairy products index and the rubber, leather and plastic fabric products index declined 0.5%.

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

Downward Trend in UI Beneficiaries Continues

In November, the seasonally adjusted number of beneficiaries who received regular unemployment insurance benefits fell 1.2% from the level recorded in October. This was a continuation of a downward trend observed since November 1992, shortly interrupted in August 1993. Since January 1993, 3.0 million claims for unemployment insurance benefits have been received by employment centres, a 13.1% decrease from the same period in 1992.

The decline in the number of beneficiaries who received regular unemployment insurance benefits was broadly-based as eight provinces and the Northwest Territories posted significant decreases. In Québec, where beneficiaries account for 33% of Canada's total, the number fell for the third straight

U.I. Beneficiaries Receiving Regular Benefits November 1993 Seasonally Adjusted

Province/ Territory	Total (000)	% change, previous month	% change, previous year
Canada	1,028	-1.2	-11.8
Newfoundland	59	-1.9	-12.6
Prince Edward Island	13	-1.1	-0.7
Nova Scotia	52	1.7	-3.7
New Brunswick	56	0.3	-1.3
Québec	338	-0.4	-10.3
Ontario	279	-1.9	-14.9
Manitoba	27	-2.8	-13.3
Saskatchewan	22	-3.8	-13.6
Alberta	69	-1.3	-13.5
British Columbia	109	-2.6	-13.1
Yukon	2	0.9	23.5
Northwest Territories	2	-6.1	-24.1

(continued on page 3)

... Downward Trend in UI Beneficiaries Continues

month. Ontario recorded a fifth consecutive monthly decline. In British Columbia, the number of beneficiaries declined for the tenth time in 11 months.

Benefit payments for November totalled \$1.15 billion, up 0.7% from October 1993 but 12.8% less than the amount paid in November 1992.

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

Canadians Grab Foreign Stocks; Foreign Investors Unload Canadian Bonds

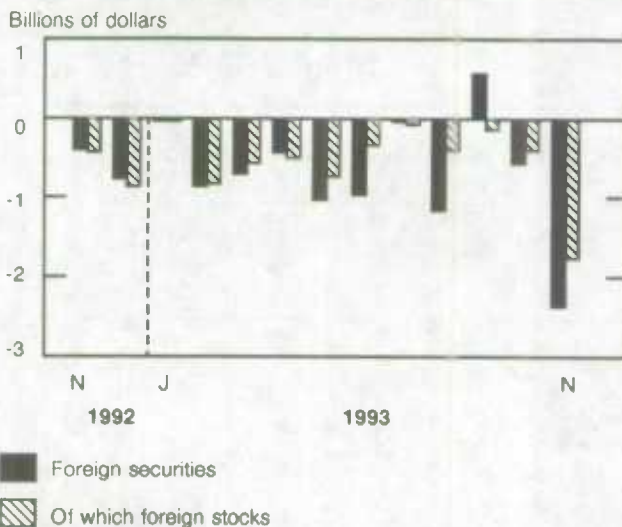
In November, Canadian investors purchased an unprecedented net \$2.4 billion of foreign securities. This pushed the total of Canadians' net purchases for the first 11 months of 1993 to \$7.6 billion, ahead of the annual record of \$6.9 billion set in 1991.

Canadian residents – led by mutual funds – bought a net \$1.8 billion in foreign stocks, with a significant 58% directed to overseas stocks. The balance, \$600 million, went largely into overseas bonds and came from a wide variety of Canadian investors.

As for the Canadian market, foreign investors reduced by a modest \$700 million their holdings of Canadian securities. They sold a substantial net \$3.6 billion of Canadian bonds but purchased \$2.0 billion of Canadian money market instruments and \$900 million of Canadian stocks.

Bonds already in circulation were the hardest hit, with foreign investors selling \$4.7 billion. That brought the two-month selloff to \$6.5 billion. The November disinvestment was in federal issues and came from Europe, \$2.4 billion; Asia, \$1.7 billion; and the United States, \$700 million. Conversely, foreign investors purchased \$2.5 billion of gross new issues which were offset by retirements of maturing bonds in the amount of \$1.4 billion. The net new issues were spread over federal, provincial and corporate issues.

Canadian Investment in Foreign Securities



Foreign investors increased their holdings of Canadian money market paper for the third month in a row. The foreign funds went into Government of Canada treasury bills.

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

Retail Sales Remain Virtually Unchanged

Seasonally adjusted retail sales dipped 0.2% in November to \$16.3 billion on the heels of a modest 0.3% gain in October and no growth in September. The trend, which had been increasing at a steady rate since March 1992, has slowed over the last three months.

Six of 16 trade categories recorded lower sales in November, with the most notable decreases registered by the general merchandise (-3.5%) and retail stores not elsewhere classified (-0.8%) sectors.

The decline in sales by general merchandise stores (department stores and other stores that sell a wide range of commodities) followed a 1.8% gain in

October and no change in September. At \$1.7 billion, the sector's sales have not changed significantly since January 1993 because of offsetting fluctuations. The trend for the general merchandise sector has been relatively flat over the past three years, dampening the growth of total retail sales.

Tempering the overall decline, sales by the automotive sector rose 0.5%. The largest upward influence came from a 0.8% sales gain by motor vehicle and recreational vehicle dealers, their third consecutive monthly increase. The trend for the automotive sector has been rising since January 1992.

(continued on page 4)

... Retail Sales Remain Virtually Unchanged

Among the larger provinces, Ontario retailers reported their first decrease in five months while British Columbia retailers registered another decline of 0.2%. In Québec, the moderate advance followed a marginal increase of 0.2% in October. On a year-over-year basis, retail sales rose in nine provinces and in the Northwest Territories. Sales were below their year-earlier level in Newfoundland (-2.4%) and the Yukon (-0.5%).

Note to Users

Monthly estimates of retail sales are derived from a sample of approximately 14,000 retail businesses. The sample is composed of all large businesses, along with a sample of medium and small businesses. Beginning with the November 1993 estimates, one twenty-fourth of the medium and small businesses will be replaced each month. This will distribute the response burden of the survey more evenly.

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

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, November 1993 Seasonally Adjusted

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	16,292	-0.2	17,986	1.7
Newfoundland	277	-1.6	173	-2.1
Prince Edward Island	72	-0.6	36	2.4
Nova Scotia	540	-0.4	367	-1.4
New Brunswick	422	-0.6	232	0.3
Québec	3,990	0.5	4,288	1.9
Ontario	5,923	-1.0	7,446	1.6
Manitoba	563	-2.0	581	1.3
Saskatchewan	487	0.5	531	-2.0
Alberta	1,738	1.5	1,720	3.5
British Columbia	2,227	-0.2	2,589	2.3
Yukon	17	-1.4	24	3.9
Northwest Territories	36	2.3		

Sales by Wholesale Merchants Still Strong

In November, seasonally adjusted sales by wholesale merchants totalled \$18.0 billion, up 1.7% from October's revised level of \$17.7 billion and 10.3% above their November 1992 level. Due to higher sales in six of nine trade groups in November, wholesaling activity increased for the seventh consecutive month.

Sales by wholesalers of machinery, equipment and supplies (which includes such commodities as office machinery and equipment, computers and commercial machinery, etc.) led the growth, rising by 2.3%. Sales for this group, which account for 23% of total sales, have been increasing since May 1993.

Wholesalers of food, beverage, drug and tobacco products also contributed significantly to the overall increase, with sales growing by 1.7%. The increase followed gains of 1.7% in October and 1.4% in September. Other strong sales gains were reported

by wholesale merchants of lumber and building materials (2.9%) and of motor vehicles, parts and accessories (2.3%).

Moderating the overall increase were lower sales of apparel and dry goods (-1.4%). This marked the first decline in four months and sales were 8.9% higher than a year earlier. Sales of metals, hardware, plumbing and heating equipment fell marginally but still stood 10.2% above their November 1992 level.

Wholesale sales rose in seven provinces and in the Yukon and Northwest Territories. Québec and Ontario, which account for 65% of total sales, both recorded strong increases. On a year-over-year basis, sales were higher in all provinces and territories, except in Prince Edward Island (-13.3%).

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

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

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

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	1.7	1.7	-1.4	0.9	3.4
Newfoundland	1.6	1.3	-4.5	0.2	3.3
Prince Edward Island	2.1	3.3	-1.1	1.6	2.7
Nova Scotia	2.9	3.9	-0.9	2.4	3.3
New Brunswick	2.0	1.5	-0.3	0.6	3.1
Québec	1.0	0.7	-2.8	0.4	2.9
Ontario	1.8	2.9	-2.1	0.7	3.6
Manitoba	2.6	2.0	-1.8	1.9	3.1
Saskatchewan	3.0	3.0	0.6	1.7	2.5
Alberta	1.4	-2.5	4.5	1.9	2.7
British Columbia	3.0	2.5	-0.3	2.0	4.4
Yukon	3.5	3.3	6.3	2.2	2.8
Northwest Territories	2.2	4.8	-2.8	0.0	3.5

* Data are not seasonally adjusted.

Year-over-year Change in CPI Dips to 1.7%

In December, the year-over-year increase in the all-items Consumer Price Index (CPI, 1986=100) for Canada was 1.7%, down from 1.9% in September, October and November. The rates throughout 1993 were slightly higher than in 1992 when they were at their lowest level since 1971. As a result, the 1993 annual average increase was 1.8%, compared with 1.5% in 1992.

On a monthly basis, the all-items index fell 0.2%, the first decline since March 1993. Four of the seven major components registered decreases, the most significant being clothing (-0.8%) and transportation (-0.3%).

The drop in the clothing index, the third in as many months, reflected promotional prices and specials. All but one of the major clothing components showed declines with the steepest reported by girls' clothing, down 1.6%. The downward influence

on the transportation index came from a 3.3% drop in the cost of gasoline. The decline was partially offset by a 5.7% rise in air-fares.

A decrease of 0.2% in the tobacco products and alcoholic beverages index was largely due to lower prices for cigarettes and for some wines and liquors purchased from stores. The housing index edged down for the second straight month, adding to the downward pressure on the all-items index.

After increasing by 0.2% in October and 0.4% in November, the food index rose a further 0.3% in December as prices for fresh vegetables and beef increased. The rise was moderated, partly, by seasonal price declines for citrus fruits and turkey. Both the recreation, reading and education, and health and personal care indexes increased marginally in December.

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.)

NEW FROM STATISTICS CANADA

The Labour Market: Year-end Review

Perspectives on Labour and Income announces the advance release of its supplement "The Labour Market: Year-end Review." This special supplement summarizes changes and trends in the labour market during 1993.

It can be ordered today and is available only via fax service at a cost of \$15 payable by VISA or MasterCard. To order, give your name, fax number, credit card number, etc. to Suzanne David (613-951-4628), Household Surveys Analysis Division.

The regular release date for the spring 1994 issue of *Perspectives on Labour and Income* (catalogue number 75-001E, \$13.25/\$53), including "The Labour Market: Year-end Review," will be in early March.

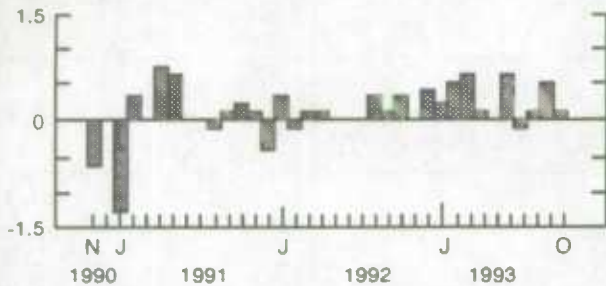
PUBLICATIONS RELEASED FROM JANUARY 21 TO 27, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
			US\$		
BALANCE OF PAYMENTS					
Canada's International Transactions in Securities	October 1993	67-002	15.80/158	19/190	22.10/221
CANADIAN CENTRE FOR JUSTICE STATISTICS					
Canadian Crime Statistics	1992	85-205	39	47	55
Juristat Service Bulletin: Canadian Crime Statistics	1992 Vol. 14, No. 3	85-002	3.60/65	4.30/78	5/91
Juristat Service Bulletin: Conditional Release Decision-making in Canada	1992-1993 Vol. 14, No. 2	85-002	3.60/65	4.30/78	5/91
Juristat Service Bulletin: Drug Use and Crime	1992 Vol. 14, No. 6	85-002	3.60/65	4.30/78	5/91
Juristat Service Bulletin: Homicide in Canada	1992 Vol. 14, No. 4	85-002	3.60/65	4.30/78	5/91
Juristat Service Bulletin: Impaired Driving — Canada	1992 Vol. 14, No. 5	85-002	3.60/65	4.30/78	5/91
HOUSEHOLD SURVEYS					
The Labour Force	December 1993	71-001	17.90/179	21.50/215	25.10/251
INDUSTRY					
Corrugated Boxes and Wrappers	December 1993	36-004	5/50	6/60	7/70
Department Store Sales and Stocks	October 1993	63-002	14.40/144	17.30/173	20.20/202
Electric Lamps (light bulbs and tubes)	December 1993	43-009	5/50	6/60	7/70
Monthly Production of Soft Drinks	December 1993	32-001	2.70/27	3.20/32	3.80/38
Monthly Survey of Manufacturing	November 1993	31-001	17.30/173	20.80/208	24.20/242
Production and Disposition of Tobacco Products	December 1993	32-022	5/50	6/60	7/70
Refined Petroleum Products	October 1993	45-004	18.20/182	21.80/218	25.50/255
INTERNATIONAL TRADE					
Exports by Commodity	October 1993	65-004	55.10/551	66.10/661	77.10/771
INVESTMENT AND CAPITAL STOCK					
Building Permits	November 1993	64-001	22.10/221	26.50/265	30.90/309
PRICES					
Farm Product Price Index	November 1993	62-003	7.10/71	8.50/85	9.90/99
Farm Input Price Index	Third Quarter 1993	62-004	18/72	22/88	25/100
Industry Price Indexes	November 1993	62-011	18.20/182	21.80/218	25.50/255
The Consumer Price Index	December 1993	62-001	9.30/93	11.20/112	13/130
TRANSPORTATION					
Aviation Service Bulletin	January 1994 Vol. 26, No. 1	51-004	9.30/93	11.20/112	13/130

CURRENT TRENDS

Gross Domestic Product

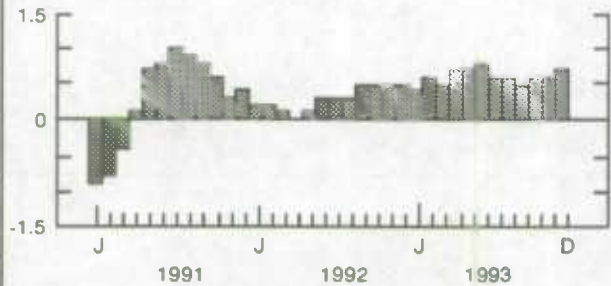
% change,
previous month



Economic growth continued in October: real gross domestic product at factor cost crept up 0.1% after a gain of 0.5% in September and a marginal increase in August.

Composite Index

% change,
previous month



The composite index continued to strengthen in December, rising by 0.7% from November.

Consumer Price Index

% change,
previous year



In December, the year-over-year increase in the all-items CPI was 1.7%. The food index also rose by 1.7%, unchanged from November.

Unemployment Rate

%



After four months of declines, the unemployment rate advanced 0.2 points in December to 11.2%, returning to the same level as in September.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments rose 0.5% in November to \$26.5 billion. The level of unfilled orders fell 0.7% to \$23.6 billion, the fifth straight monthly decline.

Merchandise Trade

Billions
of dollars



In November, the value of merchandise exports fell 2.8% to \$15.8 billion, while imports climbed 3.0% to a record \$15.0 billion.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	October	521.2	0.1%	2.9%
Composite Leading Indicator (1981 = 100)	December	159.6	0.7%	7.7%
Operating Profits of Enterprises (\$ billion)	3rd Quarter	13.0	-6.9%	23.8%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	November*	16.3	-0.2%	3.8%
New Motor Vehicle Sales ('000 units)	November	103.0	0.5%	0.2%
LABOUR				
Employment (millions)	December	12.5	0.1%	1.2%
Unemployment Rate (%)	December	11.2	0.2	-0.3
Participation Rate (%)	December	65.1	0.1	-0.4
Labour Income (\$ billion)	October	33.3	-0.2%	2.1%
Average Weekly Earnings (\$)	October	560.17	-0.1%	1.0%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	November	15.8	-2.8%	12.7%
Merchandise Imports (\$ billion)	November	15.0	3.0%	16.7%
Merchandise Trade Balance (\$ billion)	November	0.74	-0.89	-0.37
MANUFACTURING				
Shipments (\$ billion)	November	26.5	0.5%	8.8%
New Orders (\$ billion)	November	26.4	1.0%	8.0%
Unfilled Orders (\$ billion)	November	23.6	-0.7%	6.9%
Inventory/ Shipments Ratio	November	1.33	0.00	-0.09
Capacity Utilization (%)	3rd Quarter	78.6	0.2	3.1
PRICES				
Consumer Price Index (1986 = 100)	December*	131.3	-0.2%	1.7%
Industrial Product Price Index (1986 = 100)	December*	114.5	0.5%	3.2%
Raw Materials Price Index (1986 = 100)	December*	107.6	-2.2%	-1.3%
New Housing Price Index (1986 = 100)	November	136.3	-0.1%	1.1%

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

** New this week.*

KEY RELEASE CALENDAR: FEBRUARY 1994*

Monday	Tuesday	Wednesday	Thursday	Friday
	1 Crude Oil and Natural Gas, November 1993 Residential Building Permits, December 1993 Short-term Expectations Survey	2 Business Conditions Survey, Canadian Manufacturing Industries, January 1994 Field Crop Reporting Series - December 31 Grain Stocks	3 Help wanted Index, January 1994	4 Labour Force Survey, January 1994
7	8 Estimates of Labour Income, November 1993	9 Farm Product Price Index, December 1993 New Motor Vehicle Sales, December 1993	10 Department Store Sales by Province and Metropolitan Area, December 1993	11 New Housing Price Index, December 1993 Travel Between Canada and Other Countries, December 1993
14	15 Canadian Composite Leading Indicator, January 1994 Building Permits, December 1993	16 Consumer Price Index (CPI), January 1994	17 Monthly Survey of Manufacturing, December 1993 Canadian International Trade, December 1993	18 Department Store Sales Advance Release, January 1994 Sales of Natural Gas, December 1993
21 Retail Trade, December 1993	22 Wholesale Trade, December 1993	23 Unemployment Insurance Statistics, December 1993	24 Canada's International Transactions in Securities, December 1993 Quarterly Financial Statistics of Enterprises, Fourth Quarter 1993	25 International Travel Account Oct.-Dec. 1993 Industrial Product Price Index and Raw Materials Price Index, January 1994
28 Employment, Earnings and Hours, December 1993 Private and Public Investment in Canada - 1992 Actual, 1993 Preliminary Actual and 1994 Intentions Residential Building Permits, January 1994				

* 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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