



# I·N·F·O·M·A·T

## A WEEKLY REVIEW

STATISTICS  
CANADASTATISTIQUE  
CANADA

Friday, March 25, 1994

MAR 25 1994

### OVERVIEW

#### ■ Foreign Investors Increase Sharply their Holdings of Canadian Securities

In January, foreign investors acquired a net \$5.8 billion in Canadian securities, more than double the amount purchased in December. Of the total, \$3.3 billion was invested in bonds, \$1.4 billion went into money market instruments and \$1.1 billion into stocks.

#### ■ Imports Decline Faster than Exports

Imports decreased twice as much as exports in January. Although it resulted in Canada's merchandise trade balance growing by \$347 million to \$870 million, it only recouped some of the \$990 million lost during November and December.

#### ■ Retail Sales Gains Accelerate

After increasing by 0.1% in November and 1.1% in December, seasonally adjusted retail sales rose a further 1.2% in January to \$16.7 billion.

#### ■ Wholesaling Activity Slows

Seasonally adjusted sales by wholesale merchants declined 2.0% in January to \$18.0 billion, after increasing for eight straight months. Despite this, sales still stood 8.2% above their year-earlier level.

#### ■ Year-over-year Change in CPI Hits 32-year Low

The All-items Consumer Price Index (CPI) for Canada edged up by 0.2% between February 1993 and February 1994. Most of the downward pressure came from a 38% drop in cigarette prices.

**Note to our subscribers:** The next *Infomat* issue will be published on April 8, 1994.

### Foreign Investors Increase Sharply their Holdings of Canadian Securities

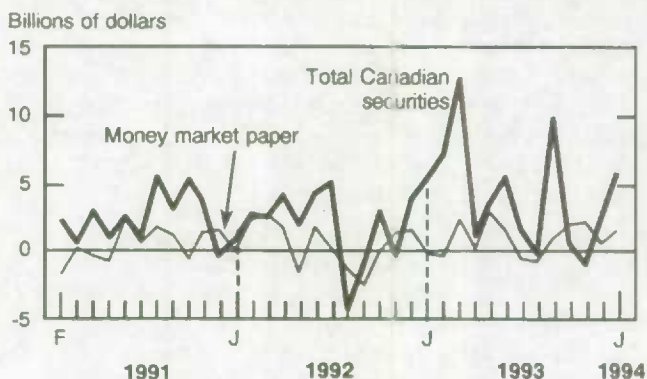
Foreign investors acquired a net \$5.8 billion in Canadian securities in January, their highest investment in four months and more than double the amount purchased in December. Of the total, \$3.3 billion was invested in bonds, \$1.4 billion went into money market instruments and \$1.1 billion into stocks.

The foreign net acquisition of \$3.3 billion in Canadian bonds was directed solely into net new issues (\$3.2 billion). Gross new bond issues remained high at \$4.3 billion, offset by retirements of maturing bonds in the amount of \$1.1 billion.

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

(continued on page 2)

#### Net Transactions in Securities



### ... Foreign Investors Increase Sharply their Holdings of Canadian Securities

of Canada treasury bills (\$1.8 billion) and into corporate and commercial paper (\$500 million). There was net selling of \$900 million of other government paper.

The \$1.1 billion net purchase of Canadian stocks in January brought to \$13.9 billion the total net purchases by foreign investors since October 1992.

Canadian residents acquired a net \$1.3 billion of foreign securities in January, well below the nearly

\$3.0 billion average purchases in November and December 1993. They bought \$1.5 billion of foreign stocks but sold a small net \$200 million of foreign bonds. The net purchases of foreign stocks were in line with the average purchases (\$1.9 billion) of the previous two months.

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

## Imports Decline Faster than Exports

Seasonally adjusted merchandise exports and imports decreased in January, with the drop in imports twice that of exports. Although it resulted in Canada's merchandise trade balance growing by \$347 million to \$870 million, it only recouped some of the \$990 million lost during November and December. This level is comparable to the average monthly balance registered during 1993.

Merchandise exports declined by \$346 million in January to \$15.5 billion after increasing by \$146 million in December. Sales of agricultural and forestry products slumped and lower exports of television and telecommunications equipment pulled down overall machinery and equipment levels.

Merchandise imports fell by \$693 in January to \$14.6 billion, down from their record-breaking level of \$15.3 billion in December. Imports of virtually all commodity groupings decreased, particularly machinery and equipment, and miscellaneous consumer goods.

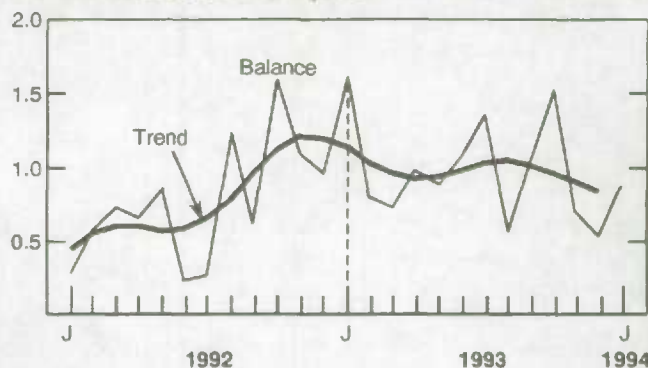
### Underlying Trends

The exports trend continued to rise in spite of this month's decrease, increasing for the twenty-fifth straight month. However, the rate of growth was only 0.3% compared to an average monthly increase of 1.1% between June and November 1993. The trend for exports to the United States increased, but the trend for exports to all other major trading partners was down in December.

The trends increased for exports of forestry products, industrial goods, machinery and equipment, and consumer goods. Dampening the overall increase in the exports trend, there were declines in the trends for exports of agricultural and fishing products, energy, and automotive products.

### Merchandise Trade Balance

Billions of dollars, seasonally adjusted



<sup>1</sup> The short-term trend represents a weighted average of the data.

For imports, the trend now stands 15.4% higher than a year earlier. The import trends increased for all major commodity groups except energy and consumer goods. Imports from the U.S. have been up for 25 months and imports from the European Community for 11 consecutive months. Moderating the upward movement, imports from Japan fell for the first time since June 1993 and imports from non-OECD countries fell for the third month in a row.

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 7.)



## Retail Sales Gains Accelerate

Seasonally adjusted retail sales rose 1.2% in January to \$16.7 billion, the sixth increase in seven months. This rise pushed sales 3.8% above their January 1993 level. After slowing down in the summer months, the retail sales trend has strengthened since September 1993.

The January increase was broadly based. All sectors except furniture (-4.3%) grew, led by the automotive sector where sales rose for the fifth straight month, this time by 1.4% to \$5.9 billion. This growth was mainly attributable to a sharp 7.3% rise in sales by auto parts, accessories and services outlets—the seventh consecutive monthly increase. Sales by gasoline service stations advanced 1.7% while sales by motor vehicle and recreational vehicle dealers declined a slight 0.1% after four straight months of increases.

Sales by supermarkets and grocery stores, which account for almost one-quarter of total sales,

rose 1.2% to \$4.0 billion and stood 1.5% above their year-earlier level. Also contributing to the overall increase, general merchandise stores reported a 2.3% rise in sales, to \$1.8 billion, but their sales level was down 0.6% from a year earlier. Drugstore sales were up by 3.2% to \$1.0 billion and sales by other retail stores (liquor stores, opticians' shops, and pet stores, etc.) advanced 1.9% to \$1.9 billion.

Among the larger provinces, Québec retailers reported a fourth consecutive monthly increase. British Columbia retailers reported another strong increase in sales and showed the largest year-over-year increase (8.7%). In Ontario, sales fell 0.5%, continuing the pattern of increases and decreases dating back to August 1993. In Alberta, sales declined for the first time in four months. On a year-over-year basis, however, retail sales increased in all provinces and territories.

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

## PROVINCIAL PERSPECTIVES

### Retail and Wholesale Trade, January 1994

Seasonally Adjusted

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	16,712	1.2	17,967	-2.0
Newfoundland	283	1.1	193	5.7
Prince Edward Island	74	5.3	42	3.3
Nova Scotia	545	3.1	394	-8.8
New Brunswick	421	3.0	226	-4.4
Québec	4,183	3.7	4,233	0.5
Ontario	6,035	-0.5	7,449	-2.7
Manitoba	563	2.4	589	-6.1
Saskatchewan	494	-1.3	540	-10.8
Alberta	1,739	-0.8	1,765	-2.2
British Columbia	2,320	2.6	2,514	-0.1
Yukon	17	0.3	21	-3.4
Northwest Territories	39	4.1		

## Wholesaling Activity Slows

After increasing for eight straight months, seasonally adjusted sales by wholesale merchants declined 2.0% in January to \$18.0 billion due to lower sales in seven of nine trade groups. Despite this, sales still stood 8.2% above their January 1993 level of \$16.6 billion.

Large decreases for some trade groups partly reflected the end, in December, of temporary small business investment tax credits, which spurred buying of new machinery and equipment during the last months of 1993. Wholesalers of other machinery, equipment and supplies contributed most to January's overall decline, with sales falling by 2.2% to \$4.1 billion. This marked the first decline in nine months, but sales still stood 13.1% above their year-earlier level.

Suppliers of lumber and building materials recorded a first drop in sales (-5.1%) since June,

reflecting to some extent a decrease in exports. Sales by wholesalers of farm machinery, equipment and supplies sharply declined (-12.0%) after reaching an unusually high volume in late 1993.

Other significant declines were by distributors of other products (farm and paper products, agricultural supplies, industrial and household chemicals, etc.), with sales falling by 1.5%. After increasing by a total of 6.5% in the previous four months, sales by wholesalers of food, beverage, drug and tobacco products fell 0.8% in January to \$4.7 billion.

Moderating the overall decline, sales of apparel and dry goods rose 0.8% in January, following declines of 1.5% in November and 4.3% in December. This was the only trade group to post higher sales.

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

## Year-over-year Change in CPI Hits 32-year Low

The year-over-year advance in the All-items Consumer Price Index (CPI, 1986=100) was 0.2% in February. This was the smallest increase in 32 years and it was considerably lower than January's rate of 1.3%. However, if the federal government and the Québec, New Brunswick and Ontario provincial governments had not cut tobacco taxes and if all other prices had moved as observed in February, the CPI would have advanced by 1.5% on a year-over-year basis.

Year-over-year changes in the CPI varied from a decline of 1.4% in Québec to an increase of 2.7% in the Yukon. In Ontario, the increase matched Canada's year-over-year advance of 0.2%.

On a monthly basis, the all-items index fell 0.8% to 130.3, the largest downward movement seen since 1959 when the rate of decline was 0.9%. The decrease was mainly attributable to a steep 17.0% drop in the tobacco products and alcoholic beverages index as cigarette prices were slashed by 38%. As well, the index for food fell 0.4%, largely because of lower prices for fresh vegetables (-10.2%).

Clothing prices climbed 1.7% in February, up from a 1.0% rise in January. The increase was mostly attributable to a 2.0% hike for women's wear and a 1.9% rise for men's wear as retailers ended many sales promotions.

After declining by 0.8% in January, the transportation index increased 1.4% in February because of higher insurance premiums (5.3%) and gasoline prices (2.0%). Gasoline prices rose for the first time in five months. Air fares also increased, up by 5.0%.

An increase of 0.7% in the recreation, reading and education index was largely due to price increases for travel tours (8.0%) and for magazines and periodicals (1.8%). Higher prices for personal care services (0.7%) and supplies (0.3%) pushed the health and personal care index up 0.4%. The housing index edged up by 0.2% after declining by 0.1% in each of the three previous months.

*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.)*

*(continued on page 5)*



## PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer Price Index, Percentage Change, February 1994/1993 \*

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	0.2	0.3	-1.0	0.8	3.7
Newfoundland	1.1	0.4	-4.0	-0.1	3.4
Prince Edward Island	1.2	2.7	-5.4	0.7	1.8
Nova Scotia	2.1	3.3	0.2	1.5	4.3
New Brunswick	0.6	2.3	0.5	0.5	3.2
Québec	-1.4	-0.2	-1.7	0.2	2.3
Ontario	0.2	1.0	-2.3	0.4	5.0
Manitoba	1.6	1.5	-2.2	1.6	2.7
Saskatchewan	2.1	1.2	0.5	1.5	2.8
Alberta	0.7	-3.9	3.0	2.0	2.3
British Columbia	2.4	1.1	1.3	2.4	3.1
Yukon	2.7	3.1	6.0	2.1	2.4
Northwest Territories	1.7	4.3	-1.0	0.4	3.7

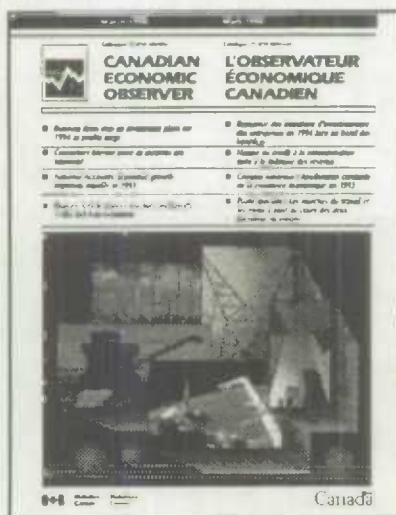
\* Data are not seasonally adjusted.

## NEW FROM STATISTICS CANADA

### Canadian Economic Observer

The March 1994 issue of *Canadian Economic Observer*, Statistics Canada's flagship publication for economic statistics, presents a summary of the economy, the major economic events in February and the fourth-quarter national accounts. This month's feature article is "Labour Markets and Layoffs During the Last Two Recessions." 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 March 1994 issue of Canadian Economic Observer (catalogue number 11-010, \$22/\$220) is now available. For further information, contact Cindy Bloskie at (613) 951-3634, Current Economic Analysis.*



# PUBLICATIONS RELEASED FROM MARCH 18 TO 24, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
				US\$	
AGRICULTURE					
Livestock Statistics Updates	March 1994	23-603EU	144	173	202
CANADIAN CENTRE FOR JUSTICE STATISTICS					
Juristat Service Bulletin: Private Security and Public Policing in Canada	Vol. 14, No. 10	85-002	3.60/65	4.30/78	5/91
CENSUS					
Families, 1991 Census Technical Reports		92-328E	20	24	28
CURRENT ECONOMIC ANALYSIS					
Canadian Economic Observer	March 1994	11-010	22/220	26/260	31/310
HOUSEHOLD SURVEYS					
The Labour Force	February 1994	71-001	17.90/179	21.50/215	25.10/251
INDUSTRY					
Canada's Mineral Production	Preliminary Estimates 1993	26-202	22	26	31
Corrugated Boxes and Wrappers	February 1994	36-004	5/50	6/60	7/70
Electric Power Statistics, Generating Stations	1992	57-206	27	32	38
Monthly Production of Soft Drinks	February 1994	32-001	2.70/27	3.20/32	3.80/38
Monthly Survey of Manufacturing	January 1994	31-001	17.30/173	20.80/208	24.20/242
Oil Pipeline Transport	December 1993	55-001	10/100	12/120	14/140
Primary Iron and Steel	January 1994	41-001	5/50	6/60	7/70
Production and Disposition of Tobacco Products	February 1994	32-022	5/50	6/60	7/70
INDUSTRY MEASURES AND ANALYSIS					
Gross Domestic Product by Industry	December 1993	15-001	12.70/127	15.20/152	17.80/178
INTERNATIONAL TRADE					
Imports by Commodity	December 1993	65-007	55.10/551	66.10/661	77.10/771
Imports by Country	January-December 1993	65-006	82.75/331	99.25/397	115.75/463
Preliminary Statement of Canadian International Trade	January 1994	65-001P	10/100	12/120	14/140
LABOUR					
Employment, Earnings and Hours	December 1993	72-002	28.50/285	34.20/342	39.90/399
TRANSPORTATION					
Air Carrier Traffic at Canadian Airports	January-March 1993	51-005	30.50/122	36.50/146	42.75/171
Aviation Statistics Centre Service Bulletin	Vol. 26, No. 3	51-004	9.30/93	11.20/112	13/130
	March 1994				
Railway Carloadings	Vol. 71, No. 1	52-001	8.30/83	10/100	11.60/116
	January 1994				

## CURRENT TRENDS

### Gross Domestic Product

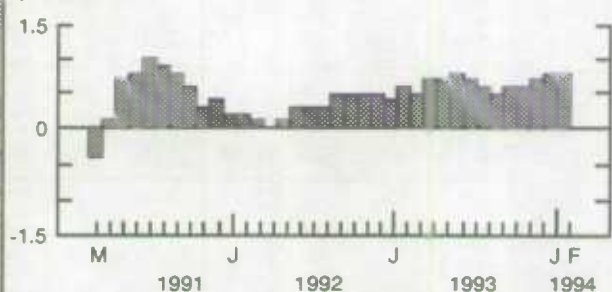
% change,  
previous month



Real gross domestic product at factor cost grew by a sound 0.4% in December following increases of 0.2% in October and 0.5% in November.

### Composite Index

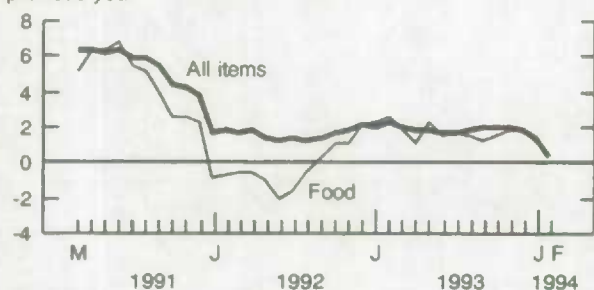
% change,  
previous month



The growth rate for the leading index remained at 0.8% for the second straight month in February. These gains are among the sharpest since the index began to recover in 1991.

### Consumer Price Index

% change,  
previous year



In February, the year-over-year change in the all-items CPI was 0.2%, the smallest increase in 32 years. The food index rose by 0.3%.

### Unemployment Rate

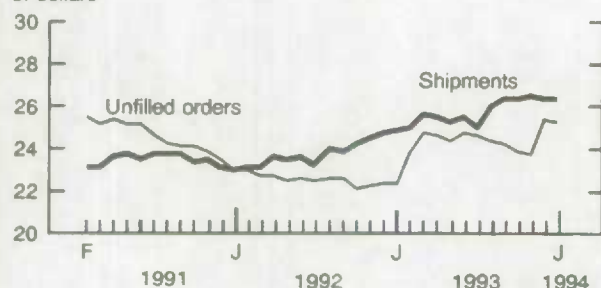
%



Employment rose by 66,000 in February, more than enough to offset the growth in the labour force (33,000). This helped lower the unemployment rate by 0.3 percentage points to 11.1%.

### Manufacturing

Billions  
of dollars



Canadian manufacturers' shipments fell 0.3% in January to \$26.3 billion. The level of unfilled orders decreased 0.4% to \$25.2 billion.

### Merchandise Trade

Billions  
of dollars



In January, the value of merchandise exports fell by 2.2% to \$15.5 billion, while imports dropped by 4.5% to \$14.6 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	526.7	0.4%	3.7%
Composite Leading Indicator (1981 = 100)	February	162.1	0.8%	8.3%
Operating Profits of Enterprises (\$ billion)	4th Quarter	14.0	11.4%	86.6%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	January*	16.7	1.2%	3.8%
New Motor Vehicle Sales ('000 units)	January	106.0	-1.0%	9.7%
<b>LABOUR</b>				
Employment (millions)	February	12.5	0.5%	1.3%
Unemployment Rate (%)	February	11.1	-0.3	0.2
Participation Rate (%)	February	65.0	0.0	-0.1
Labour Income (\$ billion)	December	33.5	0.1%	1.9%
Average Weekly Earnings (\$)	December	562.04	0.0%	0.9%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	January*	15.5	-2.2%	7.1%
Merchandise Imports (\$ billion)	January*	14.6	-4.5%	13.7%
Merchandise Trade Balance (\$ billion)	January*	0.87	0.35	-0.74
<b>MANUFACTURING</b>				
Shipments (\$ billion)	January	26.3	-0.3%	6.3%
New Orders (\$ billion)	January	26.2	-6.4%	5.9%
Unfilled Orders (\$ billion)	January	25.2	-0.4%	12.8%
Inventory/ Shipments Ratio	January	1.35	0.01	-0.03
Capacity Utilization (%)	4th Quarter	80.1	1.6	3.3
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	February*	130.3	-0.8%	0.2%
Industrial Product Price Index (1986 = 100)	January	114.5	0.0%	2.3%
Raw Materials Price Index (1986 = 100)	January	110.2	2.3%	1.8%
New Housing Price Index (1986 = 100)	January	136.2	0.0%	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: APRIL 1994\*

Monday	Tuesday	Wednesday	Thursday	Friday
4  HOLIDAY	5 Residential Building Permits, February	6	7 Help-wanted Index, March  Estimates of Labour Income, January	8 Labour Force Survey, March
11 New Housing Price Index, February  New Motor Vehicle Sales, February	12 Farm Product Price Index, February	13	14 Department Store Sales by Province and Metropolitan Area, February	15 Travel Between Canada and Other Countries, February  Consumer Price Index (CPI), March
18 Building Permits, February	19 Composite Index, March Canadian International Trade, February  Monthly Survey of Manufacturing, February	20 Sales of Natural Gas, February	21	22 Retail Trade, February
25 Canada's International Transactions in Securities, February  Wholesale Trade, February	26 Department Store Sales Advance Release, March	27 Industrial Product Price Index and Raw Materials Price Index, March  Unemployment Insurance Statistics, February	28 Field Crop Reporting Series: March Seeding Intentions  Employment, Earnings and Hours, February	29 Real Gross Domestic Product By Industry at Factor Cost, February

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

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### A Weekly Review

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