## TheDaily



Wednesday, June 17, 1987


Quarterly Estimates of the Canadian Balance of
International Payments, First Quarter 1987

- The seasonally adjusted current account deficit was reduced by $\$ 703$ million to a level of $\$ 2.2$ billion.

Sales of Natural Gas, April 1987

- Sales of natural gas in Canada decreased 3.9\% from the April 1986 level.

Data Availability Announcements

Steel Ingots, Week Ending June 13, 1987
Oils and Fats, March 1987
Notifiable Disease Summary, Four-week Period Ending May 9, 1987

Reinstatement of Business Conditions Survey
Contrary to the announcement contained in the June 16th edition of the Daily, Statistics Canada wishes to advise users that the quarterly Business Conditions Survey of Canadian Manufacturers is not being discontinued.

## Major Releases

## Current Account Balance (seasonally adjusted)



The deficit in the current account, seasonally adjusted, declined substantially from the record level of the previous quarter. The deficit remained high, however, by historical standards. The decrease in the deficit came from both the merchandise and non-merchandise accounts. The merchandise trade surplus increased, as imports decreased slightly whereas exports edged up. In the non-merchandise account, there was a sharp drop in dividend payments. This was, however, partly offset by a decline in net transfer receipts from the unusually high level of the previous quarter.

In the capital account ${ }^{1}$, the largest net movement arose from the near doubling of international reserve assets, following purchases of foreign exchange by the monetary authorities. This stemmed from the sharp appreciation of the Canadian dollar, which was partly attributable to record foreign net investments in Canadian portfolio stocks and direct investments. Although much lower than in the previous quarter, there continued to be a sizeable net foreign investment in Canadian bonds, largely from Japan. Net foreign investment in Canadian bonds was mostly channelled into the secondary market, Canadian borrowers having curtailed drastically their new issues of bonds both in Canda and abroad.

## Foreign Portfolio Investment in Canadian Stocks (net flow)

\$ billions


## Current Account, Seasonally Adjusted

The major quarterly features were:

- A decline of $\$ 703$ million in the current account deficit to $\$ 2.2$ billion. The merchandise trade surplus increased by $\$ 336$ million to $\$ 2.8$ billion, the highest surplus since mid-1986. The deficit on non-merchandise transactions declined by $\$ 366$ million from the record of the previous quarter to $\$ 5.1$ billion;
- A decrease of about $1 \%$ ( $\$ 261$ million) in merchandise imports, following increases in the previous two quarters. Lower imports were recorded for aircraft, precious metals and automotive products;
- A small increase ( $\$ 76$ million) in merchandise exports. Exports had increased in the previous two quarters. Increases in exports were recorded for forest products, trucks and motor vehicle parts. Declines were recorded in automobiles, in precious metals and in industrial machinery;
- A deficit of $\$ 4.0$ billion on the investment income account, down from $\$ 4.8$ billion in
(continued on page 3)
1 Capital account transactions are not seasonally adjusted.
the fourth quarter. This resulted from a more than halving of dividend payments to $\$ 815$ million, the lowest level since the first quarter of 1984. This decline was widespread industrially;
- A deficit of $\$ 539$ million on travel, the largest deficit since the third quarter of 1985. The bulk of the deficit continued to be with countries other than the United States.

Current and Capital Accounts, Not Seasonally Adjusted

The main quarterly features were:

- A deficit of $\$ 4.1$ billion in the current account, comparable to the $\$ 4.0$ billion deficit in the first quarter of 1986 . The merchandise trade balance was virtually the same for the two quarters. Within nonmerchandise transactions, the decrease in the net payment on the total of services and investment income accounts was partly offset by a decline on net unilateral transfer receipts;
- Among liabilities to non-residents a net inflow of $\$ 2.4$ billion in foreign direct investment in Canada. A major part of this investment went to the petroleum industry;
- A record net inflow of $\$ 2.5$ billion from foreign portfolio investment in Canadian stocks. This was larger than the net inflow of $\$ 1.9$ billion recorded for all of 1986 ;
- A $\$ 2.2$ billion net inflow from foreign investment in Canadian bonds, down sharply from $\$ 8.3$ billion in the fourth quarter of 1986. A substantial part of the net inflow in the current quarter represented investment in outstanding Government of Canada bonds. Net new issues amounted to only $\$ 517$ million, down from a quarterly average of $\$ 4$ billion in 1986;
- Among claims on non-residents, a net outflow of $\$ 4.7$ billion from an increase in
international reserve assets which totalled a record U.S. $\$ 7.8$ billion at the end of the quarter. The increase resulted from the purchase of foreign exchange. This contrasted to the previous quarter increase which, to a large extent, was financed out of foreign currency borrowings;
- A net outflow of $\$ 1.1$ billion as Canadian residents continued to increase their direct investments abroad. The manufacturing and financial industries accounted for most of the net investment in the current quarter, which was widely dispersed geographically;
- A $\$ 1.2$ billion net inflow from non-bank funds abroad as Canadian residents reduced further their deposits abroad, notably in the United States. Concurrently, Canadian residents reduced their holdings of foreign stocks by $\$ 211$ million after six consecutive quarters of net acquisitions;
- A statistical discrepancy (the balancing item between the recorded estimates of current and capital accounts) equivalent to a net credit of $\$ 143$ million;
- A $5.7 \%$ appreciation in the closing rate of the Canadian dollar against the United States dollar, to 76.60 U.S. cents. However, the Canadian dollar depreciated against major overseas currencies.


## Revisions

As is the usual practice in the first quarter of each year, the current account has been revised; revisions have been carried back to 1982.

Merchandise exports in this release include revisions to the data published June 10, 1987 in the Preliminary Statement of Canadian International Trade, April 1987. These revisions will be incorporated in next month's International Trade release.

Available on CANSIM matrices: quarterly: 147, 1364, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2353; annually: $1369,1370,2333,2334$, 2335, 2336, 2337, 2338, 2339.

Note: Gross Domestic Product will be released later in the month.

Order the first quarter 1987 issue of Quarterly Estimates of the Canadian Balance of International Payments (67-001P, \$8/\$32), now available. Contact Lucie Laliberte (613-9909050), Balance of Payments, International and Financial Economics Division.

The Canadian Balance of International Payments - Summary (\$ millions)

| 1986 |  |  |  | 1987 | 1985 | 1986 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| I | II | III | IV | 1 |  |  |


|  | Seasonally adjusted |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Current account balances |  |  |  |  |  |  |  |
| Merchandise | 2,442 | 3,134 | 2,326 | 2,486 | 2,822 | 16,926 | 10,388 |
| Non-merchandise: |  |  |  |  |  |  |  |
| Services | -1,190 | . 971 | . 812 | -1,279 | $\cdot 1,237$ | -4,564 | -4,253 |
| Investment Income ${ }^{1}$ | -4,310 | -4,012 | -3,766 | -4,797 | -4,003 | -14,333 | -16,886 |
| Transfers | 417 | 267 | 140 | 659 | 188 | 787 | 1,482 |
| Total non-merchandise | -5,084 | -4,717 | -4,438 | $-5,418$ | $-5,051$ | -18,111 | -19,656 |
| Total current account | -2,642 | -1,583 | $-2,112$ | -2,932 | $-2,229$ | -1,186 | -9,268 |
|  | Not seasonally adjusted |  |  |  |  |  |  |
| Current account balance | $-3,992$ | $\cdot 2,376$ | . 740 | $\cdot 2,160$ | .4,073 | -1,186 | -9,268 |
| Capital account ${ }^{2}$ |  |  |  |  |  |  |  |
| Canadian claims on non-residents, net flows: |  |  |  |  |  |  |  |
| Canadian direct investment abroad ${ }^{1}$ | -1,178 | -1,146 | . 923 | -1,565 | $\cdot 1,142$ | .5,100 | -4,812 |
| Foreign portfolio securities | 133 | -849 | -216 | -1,369 | 167 | -1,208 | $\cdot 2,301$ |
| Other claims | -4,486 | -143 | -1,045 | 258 | -2,968 | 119 | -5,416 |
| Total Canadian claims, net flows | -5,532 | -2,138 | $-2,184$ | $-2,676$ | $-3,942$ | -6,189 | $\cdot 12,529$ |
| Canadian liabilities to non-residents, net flows: |  |  |  |  |  |  |  |
| Foreign direct investment in Canada ${ }^{1}$ | 1,116 | 19 | 1,247 | -825 | 2,403 | -2,950 | 1,557 |
| Canadian portfolio securities | 6,556 | 3,513 | 6,140 | 8,835 | 4,696 | 12,964 | 25,043 |
| Other liabilities | 2,476 | -250 | -1,982 | -572 | 773 | 3,859 | .329 |
| Total Canadian liabilities, net flow | 10,148 | 3,281 | 5,405 | 7,437 | 7,872 | 13,873 | 26,271 |
| Total net capital flow | 4,616 | 1,144 | 3,222 | 4,761 | 3,930 | 7,684 | 13,742 |
| Statistical discrepancy | -625 | 1,232 | -2,482 | -2,601 | 143 | -6,499 | -4,475 |

[^0]
## Sales of Natural Gas

April 1987
Sales of natural gas in Canada during April 1987 totalled 4164807 thousand cubic metres, a 3.9\% decrease from the level recorded in April 1986.

On the basis of rate structure information, sales in April 1987 were broken down as follows, with the percentage changes from April 1986 in brackets: residential sales, 1037378 thousand cubic metres (-5.3); commercial sales, 868054 thousand cubic metres (-5.7) and industrial sales (including direct sales) 2259375 thousand cubic metres (-2.6).

Year-to-date figures for the first four months of 1987 show sales of natural gas amounted to 20565413 thousand cubic metres, a $5.7 \%$ decrease from the level recorded during the same period of 1986 .

On the basis of rate structure information, year-to-date sales were broken down as follows, with the percentage changes from the corresponding period in 1986 in brackets: residential sales, 6141980 thousand cubic metres (-5.2); commercial sales, 5078975 thousand cubic metres (-5.9) and industrial sales (including direct sales) 9344458 thousand cubic metres (-5.8).

Order the April 1987 issue of Gas Utilities ( $55-002, \$ 10 / \$ 100$ ), available the third week of July. Contact Gary Smalldridge (613-9913567), Energy Section, Industry Division.

## Natural Gas Sales

April 1987

|  | Rate structure |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Residential | Commercial | Industrial | Direct | Total |
|  | (thousands of cubic metres) |  |  |  |  |
| New Brunswick | 15 | 45 | - | - | 60 |
| Quebec | 55671 | 99847 | 254318 | 1476 | 411312 |
| Ontario | 508860 | 389011 | 746396 | 71014 | 1715281 |
| Manitoba | 38421 | 44584 | 39146 | - | 122151 |
| Saskatchewan | 75742 | 54912 | 78630 | - | 209284 |
| Alberta | 248083 | 179653 | 910803 | - | 1338539 |
| British Columbia | 110586 | 100002 | 157592 | - | 368180 |
| Canada April 1987 | 1037378 | 868054 | 2186885 | 72490 | 4164807 |
| Canada April 1986 | 1094948 | 920250 | 2274791 | 45651 | 4335640 |
| \% change | $-5.3$ | $-5.7$ | -2.6 |  | -3.9 |
| Year to date Canada 1987 | 6141980 | 5078975 | 9030111 | 314347 | 20565413 |
| Year to date Canada 1986 | 6477093 | 5398803 | 9848910 | 75004 | 21799810 |
| \% change | . 5.2 | -5.9 | -5.8 |  | -5.7 |

[^1]
## Data Availability Announcements

## Steel Ingots

Week Ending June 13, 1987
Preliminary estimates indicate that Canadian steel ingot production for the week ending June 13, 1987 totalled 284396 tonnes, a decrease of $4.6 \%$ from the preceding week's total of 298223 tonnes but up $2.3 \%$ from the year-earlier level of 277899 tonnes.

The cumulative total in 1987 was 6901137 tonnes, an increase of $4.6 \%$ from 6599310 tonnes for the same period in 1986.

Contact Gerry Barrett (613-991-3515), Industry Division.

## Oils and Fats <br> March 1987

Production by Canadian manufacturers of all types of deodorized oils in March 1987 totalled 49652 tonnes, a decrease of $7.1 \%$ from the 53458 tonnes produced in February 1987. The 1987 year-to-date production totalled 147473 tonnes, an increase of $5.1 \%$ from the corresponding 1986 figure of 140336 tonnes.

Manufacturers' packaged sales of shortening totalled 7323 tonnes in March 1987, down from the 7879 tonnes sold the previous month. The cumulative sales to date in 1987 were 22003 tonnes, compared to the cumulative sales of 20855 tonnes in 1986.

Sales of packaged salad oil increased to 10096 tonnes in March 1987 from 6737 tonnes in February 1987. The cumulative sales to date in 1987 were 21171 tonnes, compared to the cumulative sales of 15097 tonnes in 1986.

Available on CANSIM: matrix 184.
Order the March 1987 issue of Oils and Fats $(32-006, \$ 4 / \$ 40)$, to be released the week of June 22. Contact Brian Preston (613-991351 1), Industry Division.

## Notifiable Disease Summary <br> Four-week Period Ending May 9, 1987

Statistics and new cases of notifiable diseases for the four-week period ending May 9, 1987 are now available by sex and five-year age group for Canada and the provinces.

Available on CANSIM: cross-classified table 00050123.

Contact Anna Brancker (613-991-1769), Health Division.

## Publications Released

Apparent Per Capita Food Consumption in Canada - Part I, 1986.<br>Catalogue number 32-229<br>(Canada: $\$ 25$; Other Countries: $\$ 26$ ).

Rigid Insulating Board, April 1987. Catalogue number 36-002
(Canada: $\$ 4 / \$ 40$; Other Countries: $\$ 5 / \$ 50$ ).
Fabricated Metal Products Industries Metal Closure and Container Industry, 1985 Census of Manufactures.
Catalogue number 41-251B 3042
(Canada: $\$ 4$; Other Countries: $\$ 5$ ).
Transportation Equipment Industries Aircraft and Aircraft Parts Industry, 1985 Census of Manufactures.
Catalogue number 42-251B 3211
(Canada: \$4; Other Countries: \$5).

Electrical and Electronic Products
Industries - Electric Lamp and Shade
Industry (Except Bulb and Tube), 1985 Census of Manufactures.
Catalogue number 43-250B 3332
(Canada: \$4; Other Countries: \$5).
Electrical and Electronic Products Industries - Record Player, Radio and Television Receiver Industry, 1985 Census of Manufactures. Catalogue number 43-250B 3341
(Canada: \$4; Other Countries: $\$ 5$ ).
Aviation Statistics Centre Service Bulletin, (Vol. 19, No. 6).
Catalogue number 51-004
(Canada: $\$ 8.50 / \$ 85$; Other Countries: \$9.50/\$95).

Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1987. Catalogue number 67-001P
(Canada: $\$ 8 / \$ 32$; Other Countries: $\$ 9 / \$ 36$ ).

Statistics Canada publications may be purchased by mail order from Publication Sales, Room 1710, Main Building, Statistics Canada, Ottawa K1A 0T6 or phone 613-993-7276.

Please enclose cheque or money order payable to the Receiver General for Canada/Publications and provide full information on publications required (catalogue number, title, issue).

Publications may also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Sturgeon Falls, Toronto, Winnipeg, Regina, Edmonton and Vancouver, or from authorized bookstore agents or other booksellers.

## Statistics Canada's Official Release Bulletin for Statistical Information

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[^0]:    Excludes reinvested earnings.
    A minus sign denotes an outflow •f capital resulting from an increase in claims on non-residents or a decrease in liabilities to non-residents.

[^1]:    Note: Revised figures will be available in the "Gas Utilities" publication (Catalogue \# 55-002) as well as on CANSIM.

    - Nil or zero.

