

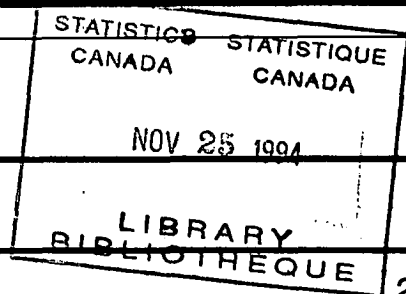


The Daily

Statistics Canada

Friday, November 25, 1994

For release at 8:30 a.m.



MAJOR RELEASES

- **Industrial product price index, October 1994** 2

Foreign buyers continue to pay for the strong increase in industrial products prices. High foreign demand for exports kept the annual increase in industrial products prices in October at more than 6% for a fifth straight month. Signs of pressure on consumer prices, though present, remain muted.
- **Raw materials price index, October 1994** 5

For the most part, manufacturers benefited from a levelling off of raw materials prices. The main exception was climbing non-ferrous metals prices.
- **International travel account, third quarter 1994** 7

During the summer of 1994, the international travel account attained its smallest deficit since the fourth quarter of 1989, as Canadians spent \$1.4 billion more travelling outside the country than visitors spent travelling here.

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MAJOR RELEASES

Industrial product price index

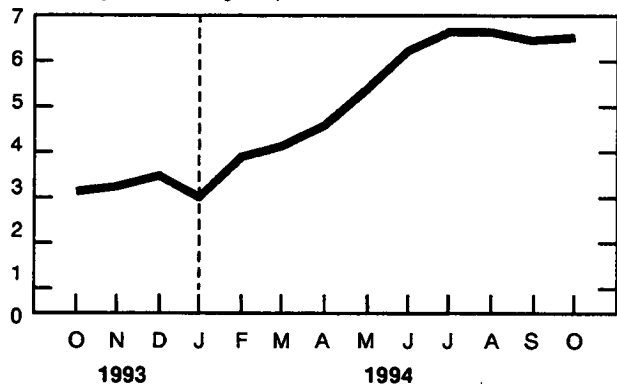
October 1994 (preliminary)

Foreign buyers are paying for the continuing strong increase in prices for industrial products. High foreign demand for exports kept the annual increase in industrial product prices in October at more than 6% for a fifth straight month. Although there were some signs of potential pressure on consumer prices, these remain muted.

The annual change in the IPPI edged back up to +6.5% as prices rose 0.6% from September. The increase was fueled by pulp, non-ferrous metal products and motor vehicles. Since June, the year-over-year change in manufacturer prices has been at a 12-year high.

Manufacturer prices remain over 6% higher than a year earlier

Year-over-year % change in prices



At the manufacturer level, the year-over-year price increase for consumer goods was about 2.4% in October. This excludes the immediate effects of changes in value of the Canadian dollar. The year-over-year change in the goods component of the CPI was about half that amount. This excludes the effect of the drop in tobacco taxes in Eastern Canada.

October was the third month when the year-over-year change in manufacturer prices was about a percentage point higher than that of consumer prices. However, only about half of the consumer's dollar goes to manufacturers. The remainder goes to retailers, wholesalers, transportation companies, and taxes. Faced with a relatively weak retail market, it would seem that middlemen and retailers are

Note to users

The industrial product price index (IPPI) reflects prices producers receive as their goods leave the plant gate. It does not reflect prices consumers pay. Unlike the consumer price index, the IPPI excludes indirect taxes and all the costs (including transportation, wholesale, and retail costs) occurring between when a good leaves the plant and when a final user takes possession of it.

Intermediate goods are goods used principally to produce other goods. Finished goods are goods most commonly used for immediate consumption or for capital investment.

absorbing part of the increase in manufacturer prices while trying to hold down labour and other costs.

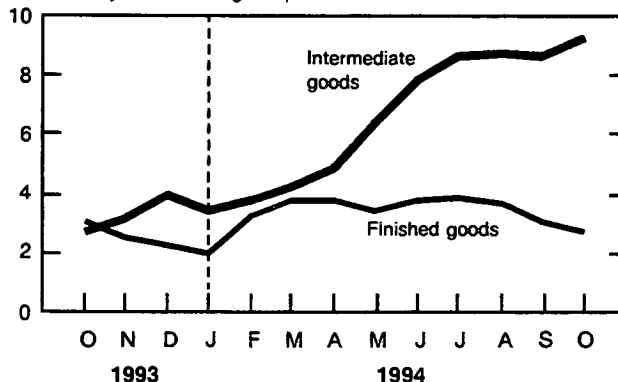
The year-over-year change in manufacturer prices in Canada remained much higher than in other members of the G7 group of industrialized nations. It was over twice the size of the increase in Germany and the United Kingdom. It was quadruple the increase in the United States. The structure of the Canadian economy and the effect of changes in international exchange rates continued to be important contributors to the differences in price changes.

Export prices remain central to manufacturer price increases

Inflationary pressures on manufacturer prices continued to come primarily from exported intermediate goods—particularly pulp, non-ferrous primary metals, and paper. They also continued to be

Intermediate goods are pulling up manufacturer prices

Year-over-year % change in prices



driven by demand. The decline in the annual change in finished goods prices (from +3.0% to +2.6%) was rooted in exchange rates, not in domestic events.

Overall, conditions remained good for Canadian producers while consumers did not see any strong rise in prices. The continuing strength of exports and investment, together with lack of any widespread increase in consumer spending, suggests this may continue. There are, however, beginnings of some overall upward pressure on a range of prices.

Cars, pulp and metals are key to price increases

The annual new model price changes for cars and vans, combined with the price rise in pulp and non-ferrous metals, led the price increases in manufactured goods. The most important price declines were for wood and petroleum products.

The change in the motor vehicle price index took into account an estimated price increase of about 4% for the introduction of 1995 cars and vans.

Rising world demand for pulp and paper products continued to drive prices up. In October, pulp was up 8.9% over September 1994 and 61.6% over October 1993. Paper was up 2.0% over September and 8.4% over October 1993. Driven by demand for containers, paper products prices were up 2.2% over September and 7.1% over October 1993. The rising demand for pulp has pulled up prices of various chemical inputs (such as caustic soda) used in its manufacturing process.

The increases in non-ferrous metals prices in October were led by primary aluminum products prices. These jumped 7.6% since demand for aluminum is expected to increase while the world recovery continues. The increases included nickel but not copper, which suffered a price correction after September's increase.

Wood prices dropped 1.5% in October. Inventories were high, construction was not strong, and winter was on the horizon.

Petroleum product prices continued to decline in October. Price declines were led by gasoline, down 4.8% from September. However, prices rose for some petrochemicals, particularly ethylene and two of its products, styrene and vinylchloride. Chemical plant explosions in the United States at the end of the summer helped reduce supply when world demand was rising. Plastic fabricated products prices have been increasing for some time because of pressure from petrochemicals prices.

Available on CANSIM: matrices 2000-2008.

The October 1994 issue of *Industry price indexes* (62-011, \$20/\$200) will be available at the end of December. See "How to order publications".

For further information on this release, contact the Information and Current Analysis Unit (613-951-3350, fax: 613-951-2848), Prices Division. □

Industrial product price indexes (1986 = 100)

Index	Relative importance	October 1993	September 1994 ^r	October 1994 ^p	October 1993 to October 1994	September 1994 to October 1994
% change [*]						
Industrial product price index – total	100.0	113.6	120.3	121.0	6.5	0.6
Total IPPI excluding petroleum and coal products	93.6	115.2	122.1	123.0	6.8	0.7
Intermediate goods¹	60.4	111.3	120.7	121.6	9.3	0.7
First-stage intermediate goods ²	13.4	102.5	123.6	126.9	23.8	2.7
Second-stage intermediate goods ³	47.0	113.8	119.9	120.1	5.5	0.2
Finished goods⁴	39.6	117.0	119.6	120.1	2.6	0.4
Finished foods and feeds	9.9	119.0	122.1	121.7	2.3	-0.3
Capital equipment	10.4	118.8	120.9	122.0	2.7	0.9
All other finished goods	19.3	115.0	117.6	118.3	2.9	0.6
Aggregation by commodities						
Meat, fish and dairy products	7.4	116.5	118.5	117.3	0.7	-1.0
Fruit, vegetable, feed, miscellaneous food products	6.3	117.2	122.8	123.1	5.0	0.2
Beverages	2.0	124.5	126.1	126.0	1.2	-0.1
Tobacco and tobacco products	0.7	163.9	164.2	164.2	0.2	0.0
Rubber, leather, plastic fabric products	3.1	114.5	119.1	120.1	4.9	0.8
Textile products	2.2	110.0	112.9	112.9	2.6	0.0
Knitted products and clothing	2.3	114.5	116.2	116.2	1.5	0.0
Lumber, sawmill, other wood products	4.9	138.8	156.8	154.4	11.2	-1.5
Furniture and fixtures	1.7	119.7	122.3	122.3	2.2	0.0
Paper and paper products	8.1	103.7	118.7	123.3	18.9	3.9
Printing and publishing	2.7	136.2	142.9	145.4	6.8	1.7
Primary metal products	7.7	100.3	121.0	122.8	22.4	1.5
Metal fabricated products	4.9	115.2	120.0	120.3	4.4	0.3
Machinery and equipment	4.2	120.2	122.2	122.3	1.7	0.1
Autos, trucks, other transportation equipment	17.6	113.4	115.7	117.3	3.4	1.4
Electrical and communications products	5.1	112.9	115.7	115.7	2.5	0.0
Non-metallic mineral products	2.6	111.2	116.5	116.5	4.8	0.0
Petroleum and coal products ⁵	6.4	89.7	94.3	92.7	3.3	-1.7
Chemicals and chemical products	7.2	117.7	125.9	127.3	8.2	1.1
Miscellaneous manufactured products	2.5	115.5	118.8	118.9	2.9	0.1
Miscellaneous non-manufactured commodities	0.4	79.3	88.4	89.8	13.2	1.6

¹ Intermediate goods are goods used principally to produce other goods.

² First-stage intermediate goods are items used most frequently to produce other intermediate goods.

³ Second-stage intermediate goods are items most commonly used to produce final goods.

⁴ Finished goods are goods most commonly used for immediate consumption or for capital investment.

⁵ This index is estimated for the current month.

^p Preliminary figures.

^r Revised figures.

^{*} Figures are rounded.

Raw materials price index

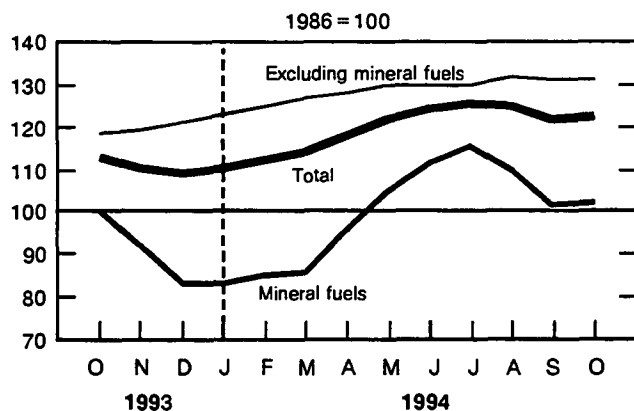
October 1994 (preliminary)

Raw materials prices have begun to level off in the latest three months, which has helped some manufacturers hold their costs down. Lower prices for crude oil, hogs, certain grains, and oilseeds were major contributors to this levelling off.

Note to users

The raw materials price index (RMPI) reflects prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in world markets. Also, unlike the industrial product price index, the RMPI includes goods that are not produced in Canada.

Raw materials prices are levelling off



Ferrous materials prices, which had been consistently edging upward until April, have been more or less stable for the latest six months. Wood prices, the major contributor to raw materials price increases in 1993, have not had the same impact in 1994. Nevertheless, they have been increasing slowly in 1994. In 1994, increasing non-ferrous metals prices—moving up since November 1993—have replaced wood as the main contributor to higher raw materials prices.

Crude oil prices are weakening as metals prices are strengthening

Crude oil prices declined more than 12% in the latest three months after increasing almost 44% in the first seven months of 1994. Although the recent OPEC meeting agreed to hold the supply constant for the near future, there now appear to be ample supplies of crude due to mild weather and production from non-OPEC members. This may foreshadow a further weakening of crude oil prices.

Due to increased industrial activity in the G7 countries, further increases in non-ferrous metals prices may be forthcoming. Even with an increase of almost 40% so far in 1994, non-ferrous metals prices have a long way to go to reach all-time highs. In October nickel prices were only about 33% of their all-time high. Copper, lead, zinc, and aluminum materials were within 75% to 85% of their all-time highs. One group of metals that has already far surpassed its all-time high is refined metals, which contains metals such as bismuth and antimony. This group has already almost doubled their prices in 1994.

After an eight-month decline, October hogs prices dropped to their lowest level since the first quarter of 1992. The recent decline was due to the large number of hogs and to the unwillingness of producers to carry stocks over the winter.

Corn prices have dropped in the latest four months. Oilseeds, mainly soybeans and canola, have significantly declined in price in the latest four and five months respectively. The price decline in oilseeds, especially canola, may be only a temporary correction. Foreign markets appear to view canola as a premium oilseed. Accordingly, canola exports through October have almost doubled from the same period last year.

Ferrous materials prices were led by higher prices for iron and steel scrap over the past two years. Scrap prices may be experiencing some resistance to higher prices vis à vis the purchase of iron ore. Iron ore prices, which did not experience anywhere near the price increases of iron and steel scrap, have appeared to be in a holding pattern over the latest 15 months.

Wood was the major contributor to raw materials price changes in 1993. In 1994 price changes for wood have not been as dramatic but have still been moving slowly upward. Prices for pulpwood should at least continue increasing in the short term due to the demand for pulp and paper.

Available on CANSIM: matrix 2009.

The October 1994 issue of *Industry price indexes* (62-011, (\$20/\$200)) will be available at the end of December. See "How to order publications."

For further information on this release, contact the Information and Current Analysis Unit (613-951-3350, fax: 613-951-2848), Prices Division.

Raw materials price index (1986 = 100)

Index	Relative importance ¹	October 1993	September 1994 ^r	October 1994 ^p	October 1993 to October 1994	September 1994 to October 1994
% change						
Raw materials total	100.0	112.5	121.5	122.0	8.4	0.4
Mineral fuels	32.0	99.7	101.0	101.9	2.2	0.9
Vegetable products	10.0	99.3	116.0	117.1	17.9	0.9
Animals and animal products	26.0	109.4	105.3	104.9	-4.1	-0.4
Wood	13.0	183.9	203.7	204.9	11.4	0.6
Ferrous materials	4.0	112.3	119.8	117.3	4.5	-2.1
Non-ferrous metals	13.0	91.3	129.5	130.4	42.8	0.7
Non-metallic minerals	3.0	98.9	101.0	100.9	2.0	-0.1
Total excluding mineral fuels	68.0	118.4	131.0	131.3	10.9	0.2

¹ Rounded figures.

^r Revised figures.

^p Preliminary figures.

International travel account

Third quarter 1994 (preliminary)

Canadians spent \$1.4 billion (seasonally adjusted) more travelling outside the country in the third quarter of 1994 than visitors brought in.

This international travel account deficit is the smallest since the fourth quarter of 1989, when it stood at \$1.1 billion. It was substantially less (-22.6%) than the seasonally adjusted deficit in the second quarter of 1994 (\$1.8 billion).

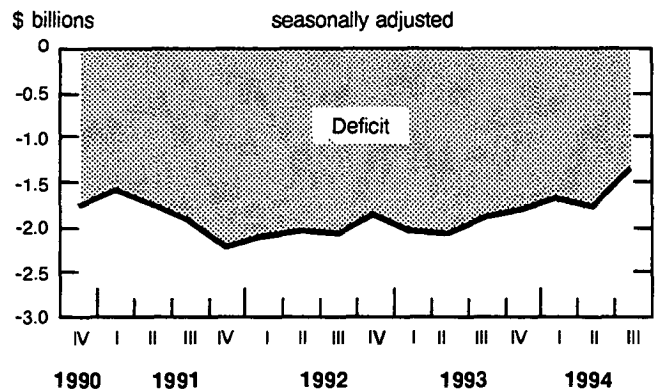
During 1992, when the international travel account deficit peaked, it represented 30.8% of Canada's current account deficit. In 1993 this share fell to 25.7%.

A major factor in this improvement in the travel deficit has been the weakening Canadian dollar, which stood at about US73 cents during the third quarter of 1994, compared with more than US88 cents in the fourth quarter of 1991.

Canadians travelling internationally during the third quarter of 1994 spent \$3.9 billion, an 8.1% decrease from the previous quarter. Meanwhile, foreign visitors to Canada spent a record \$2.5 billion, an increase of 2.4%. It was the eighth consecutive quarter when spending by visitors to Canada went up.

During the third quarter of 1994, Canadians spent \$2.3 billion travelling in the United States, a 10.9% decrease from the previous quarter. Spending by Canadians travelling in all other countries also decreased (-3.6% to \$1.5 billion).

Travel account balance



During July, August and September, residents of the United States and travellers from all other countries spent record amounts (seasonally adjusted) in Canada: U.S. travellers spent \$1.4 billion, up 3.0% from the second quarter; visitors from all other countries spent \$1.1 billion, up 1.5%.

The July-September 1994 issue of *International travel, national and provincial counts* (66-001, \$42/\$168) will be available in January 1995. See "How to order publications".

For further information on this release, contact Ruth Martin (613-951-1783), International Travel Section, Education, Culture and Tourism Division. □

International travel receipts and payments

	First quarter 1993	Second quarter 1993	Third quarter 1993	Fourth quarter 1993	Total 1993	First quarter 1994 ^r	Second quarter 1994 ^r	Third quarter 1994 ^p
seasonally adjusted*								
\$ millions								
United States								
Receipts	1,172	1,208	1,314	1,384	5,079	1,391	1,382	1,424
Payments	2,684	2,793	2,713	2,641	10,831	2,589	2,623	2,337
Balance	-1,511	-1,585	-1,399	-1,256	-5,752	-1,198	-1,240	-913
All other countries								
Receipts	865	946	968	946	3,725	973	1,065	1,081
Payments	1,415	1,436	1,488	1,511	5,850	1,461	1,598	1,541
Balance	-550	-490	-520	-565	-2,125	-488	-533	-460
Total, all countries								
Receipts	2,037	2,154	2,282	2,331	8,804	2,364	2,447	2,506
Payments	4,098	4,229	4,202	4,152	16,681	4,050	4,220	3,878
Balance	-2,061	-2,076	-1,919	-1,821	-7,877	-1,685	-1,773	-1,372
	First quarter 1993	Second quarter 1993	Third quarter 1993	Fourth quarter 1993	Total 1993	First quarter 1994 ^r	Second quarter 1994 ^r	Third quarter 1994 ^p
unadjusted								
\$ millions								
United States								
Receipts	585	1,268	2,351	875	5,079	692	1,422	2,559
Payments	2,889	3,003	2,757	2,182	10,831	2,778	2,889	2,353
Balance	-2,304	-1,735	-406	-1,307	-5,752	-2,086	-1,467	206
All other countries								
Receipts	445	997	1,734	549	3,725	480	1,142	1,955
Payments	1,531	1,330	1,703	1,286	5,850	1,577	1,497	1,750
Balance	-1,086	-333	31	-737	-2,125	-1,097	-355	205
Total, all countries								
Receipts	1,030	2,265	4,085	1,424	8,804	1,172	2,564	4,514
Payments	4,420	4,333	4,460	3,468	16,681	4,355	4,386	4,103
Balance	-3,390	-2,068	-375	-2,044	-7,877	-3,183	-1,822	411

* Seasonally adjusted data may not add to totals due to rounding.

^r Preliminary figures.

^p Revised figures.

OTHER RELEASES

Characteristics of international travellers

Second quarter 1994

Data for the second quarter of 1994 on the characteristics (age group, purpose of trip, etc.) of Canadians who travel abroad, as well as data on residents of the United States and other countries who travel to Canada, are now available.

For further information on this release, contact Ruth Martin (613-951-1783), International Travel Section, Education, Culture and Tourism Division. ■

Stocks of frozen meat products

November 1, 1994

Frozen meat in cold storage as of November 1, 1994 amounted to 40.8 thousand tonnes. This compares with 39.3 thousand tonnes a month earlier and 35.1 thousand tonnes a year earlier.

Available on CANSIM: matrices 87 and 9517-9525.

For further information on this release, contact Bob Freeman (613-951-2508), Agriculture Division. ■

Lime Industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the lime industry (SIC 3581) totalled \$173.6 million, down 0.6% from \$174.5 million in 1992.

Available on CANSIM: matrix 6859.

Data for this industry will be released in *Non-metallic mineral products industries* (44-250, \$38).

For further information on this release, contact Suzanne Pépin (613-951-3520), Industry Division. ■

Motor vehicle wiring assemblies industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the motor vehicle wiring assemblies industry (SIC 3252) totalled \$836.0 million.

Available on CANSIM: matrix 5556.

Data for this industry will be released in *Transportation equipment industries* (42-251, \$38).

For further information on this release, contact Andy Shinnan (613-951-3515), Industry Division. ■

Metal office furniture industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the metal office furniture industry (SIC 2641) totalled \$501.7 million, down 0.9% from \$506.5 million in 1992.

Available on CANSIM: matrix 5477.

Data for this industry will be released in *Furniture and fixtures industries* (35-251, \$38).

For further information on this release, contact Keith Martin (613-951-3518), Industry Division. ■

Basic hardware industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the basic hardware industry (SIC 3061) totalled \$408.3 million, up 1.8% from \$401.2 million in 1992.

Available on CANSIM: matrix 5531.

Data for this industry will be released in *Fabricated metal products industries* (41-251, \$38).

For further information on this release, contact Bruno Pépin (613-951-9837), Industry Division. ■

Cane and beet sugar industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the cane and beet sugar industry (SIC 1081) totalled \$628.5 million, up 11.6% from \$563.3 million in 1992.

Available on CANSIM: matrix 5393.

Data for this industry will be released in *Food industries* (32-250, \$38).

For further information on this release, contact Peter Zylstra (613-951-3511), Industry Division. ■

PUBLICATIONS RELEASED

Canned and frozen fruits and vegetables, monthly, September 1994.

Catalogue number 32-011

(Canada: \$6/\$60; United States: US\$8/US\$72;
other countries: US\$9/US\$84).

Mineral wool including fibrous glass insulation, October 1994.

Catalogue number 44-004

(Canada: \$6/\$60; United States: US\$8/US\$72;
other countries: US\$9/US\$84).

Shipping in Canada, 1993.

Catalogue number 54-205

(Canada: \$50; United States: US\$60;
other countries: US\$70).

Canadian international merchandise trade, September 1994.

Catalogue number 65-001

(Canada: \$19/\$182; United States: US\$22/US\$219;
other countries: US\$26/US\$255).

Nursing in Canada in 1993, registered nurses.

Catalogue number 83-243

(Canada: \$15; United States: US\$18;
other countries: US\$21).

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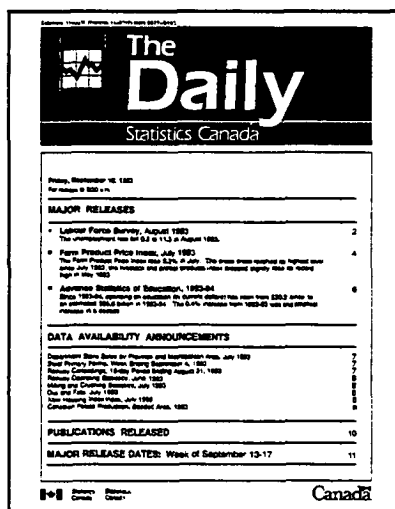


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MAJOR RELEASE DATES**Week of November 28th to December 2nd**

(Release dates are subject to change)

Release date	Title	Reference period
November		
28	Farm cash receipts Net farm income	Jan.-Sept. 1994 1993
29	Employment, earnings and hours Unemployment insurance statistics	September 1994 September 1994
30	Income and expenditure accounts Balance of international payments Financial flow accounts Real gross domestic product at factor cost by industry Field crop reporting series: crop production estimates	Third quarter 1994 Third quarter 1994 Third quarter 1994 September 1994 November 1994
December		
1	Help-wanted index RRSP/RRSP room and taxfilers Crude oil and natural gas	November 1994 1993/94 September 1994
2	Labour force survey Industrial capacity utilization rates	November 1994 Third quarter 1994

**Statistics Canada's official release bulletin**

Catalogue 11-001E. (Canada: \$175; United States: US\$210; other countries: US\$245.)

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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Editor: Tim Prichard (613-951-1103)

Head of Official Release: Jacques Lefebvre (613-951-1088)

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