



# The Daily

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## MAJOR RELEASES

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- **Canada's International Transactions in Securities, December 1993** 2  
In December, the net purchase of foreign securities by Canadian residents climbed to a new high of \$3.2 billion, following the almost equally massive \$2.7 billion in November.
- **Quarterly Financial Statistics for Enterprises, Fourth Quarter 1993** 5  
In the fourth quarter, seasonally adjusted operating profits of enterprises increased by 11.4% to \$14.0 billion. This followed a 10.2% decline in the third quarter. These two offsetting movements returned profits in the fourth quarter to the second-quarter level.

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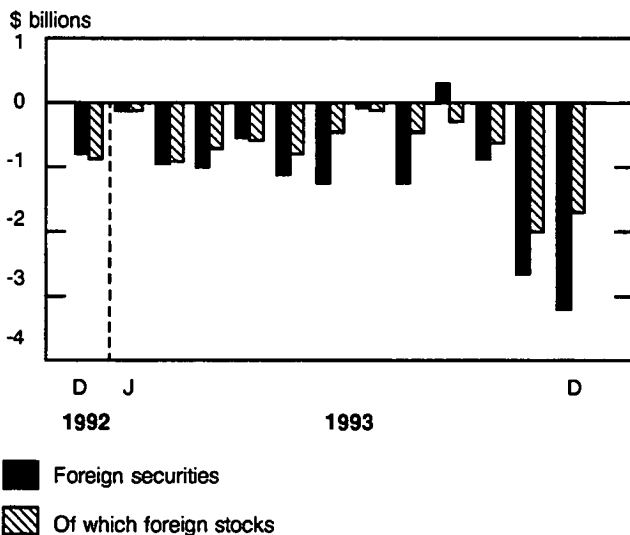
## MAJOR RELEASES

### Canada's International Transactions in Securities

December 1993

In December 1993, the net purchase of foreign securities by Canadian residents climbed to a new high of \$3.2 billion, following the almost equally massive \$2.7 billion in November. This brought to \$12.8 billion the Canadian investment in foreign securities for the whole of 1993—double the previous record of 1992. December's net investment was roughly split between stocks and bonds. By contrast, in November, 75% of the Canadian investment went to stocks.

#### Canadian investment in foreign securities



As for the Canadian market, non-residents resumed their investment in Canadian securities, bringing in \$2.4 billion, which more than offset the net reduction of \$1.0 billion in November. The net investment in December was spread among Canadian stocks (\$1.1 billion), bonds (\$0.7 billion) and money market instruments (\$0.6 billion).

#### Foreign securities

In December, some two-thirds of the \$1.7 billion net investment in foreign stocks was by Canadian mutual funds. These institutions directed the bulk of their investment into overseas stocks.

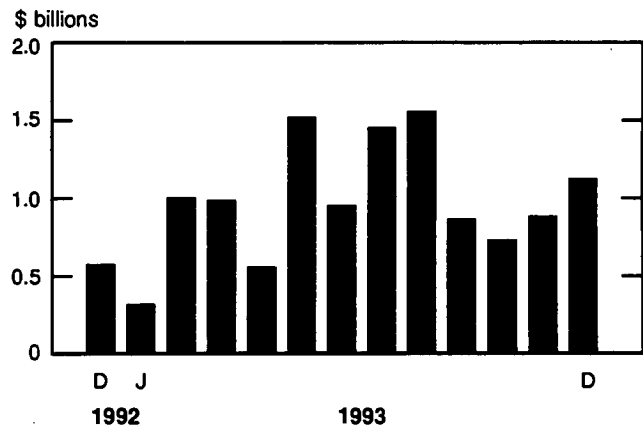
The large \$1.5 billion net investment in foreign bonds in December went two-thirds into U.S. bonds (mainly U.S. treasury bonds) and one-third into overseas bonds. (December's data include a number of revisions for previous months of 1993.)

#### Canadian stocks

The \$1.1 billion net purchase of Canadian stocks in December brought to \$11.9 billion the total 1993 net investment by non-residents—nearly double the previous record of \$6.6 billion in 1987. December's net investment went two-thirds into existing shares and one-third to new shares, and continued to come mostly from the United States. A marginal \$0.2 billion net investment came from overseas investors.

Gross value of trading in Canadian equities with non-residents amounted to a substantial \$6.7 billion, slightly lower than the record \$7.0 billion of November. Canadian stock prices, as measured by the TSE 300 Index, rose 3.4% in December and ended 1993 with a healthy 33% gain over 1992.

#### Non-resident net transactions in Canadian stocks



## Canadian bonds

The \$0.7 billion net purchase of Canadian bonds by non-residents in December halted two months of net selling that totalled \$6.0 billion. In December, the net investment was directed solely to net new issues (\$1.7 billion). Non-residents continued to sell off existing bonds (\$1.0 billion) as they have been doing generally since April 1993.

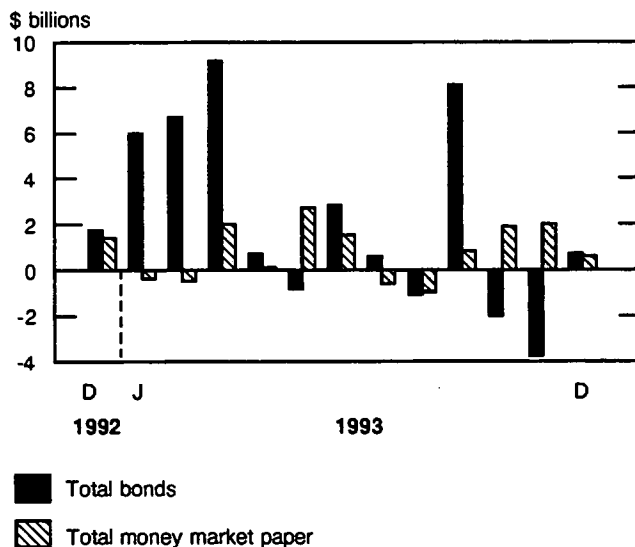
The \$1.0 billion net foreign selling of existing bonds was largely in provincial direct and enterprises issues (\$0.8 billion), with a small amount in federal issues (\$0.2 billion). All the net selling came from Europe (\$1.2 billion). Some minor net buying came from the United States (\$0.2 billion). There was a marked decrease in gross trading in the secondary market to \$72 billion, from \$100 billion in November, as Canadian long-term rates declined while U.S. rates remained stable in December. This narrowed the differential in favour of Canada by a further 20 basis points.

The \$1.7 billion investment of net new issues in December concealed sharply higher new bond issues (\$4.7 billion) and retirements (\$3.0 billion). The net new issues were spread over federal (\$0.5 billion), corporate (\$0.6 billion), federal enterprise (\$0.4 billion), and provincial and provincial enterprise (\$0.3 billion) issues. Some three-quarters of December's gross new issues were denominated in Canadian dollars. For 1993 as a whole, new issues were evenly split between Canadian and U.S. dollars.

## Canadian money market

The \$0.6 billion net investment in Canadian money market paper in December, although down sharply from the previous two months, represented the fourth consecutive monthly net investment in that market. For the first time since July, the net investment was directed to paper other than Government of Canada treasury bills. In December, non-

## Non-resident net transactions in Canadian bonds and money market paper



residents reduced their holdings of Government of Canada treasury bills by \$1.3 billion, but acquired \$1.9 billion of other paper. Residents of the United States bought a net \$2.5 billion; overseas residents sold a net \$1.9 billion. Gross trading amounted to \$48 billion, a high for 1993.

**Available on CANSIM: matrix 2330.**

The December 1993 issue of *Canada's International Transactions in Securities* (67-002, \$15.80/\$158) will be available in March. See "How to Order Publications".

For further information on this release, contact Don Granger (613-951-1864), Balance of Payments Division. □

# Canada's international transactions in securities

	June 1993	July 1993	August 1993	September 1993	October 1993	November 1993	December 1993	January to December 1993	January to December 1992
\$ millions									
<b>Canadian securities total</b>	<b>5,302</b>	<b>1,378</b>	<b>-342</b>	<b>9,800</b>	<b>534</b>	<b>-1,041</b>	<b>2,381</b>	<b>48,182</b>	<b>21,729</b>
Bonds (net)	2,839	532	-1,005	8,066	-2,029	-3,951	714	26,998	15,794
Outstanding bonds	-1,285	-1,784	-1,585	4,105	-1,752	-4,702	-977	-549	-1,679
New Issues	5,901	4,826	1,493	6,897	2,483	2,716	4,747	54,008	42,590
Retirements	-1,777	-2,509	-913	-2,936	-2,760	-1,965	-3,056	-26,461	-25,117
Money market paper (net)	1,515	-603	-883	871	1,844	2,039	551	9,297	4,898
Government of Canada	603	-749	136	2,300	1,976	1,970	-1,292	10,940	1,915
Other money market paper	912	145	-1,019	-1,430	-132	69	1,843	-1,643	2,983
Stocks (net)	947	1,449	1,545	863	719	871	1,116	11,887	1,036
Outstanding stocks (net)	803	1,231	1,276	683	670	674	753	10,134	307
New issues (net)	145	217	269	180	49	197	363	1,753	729
<b>Foreign securities total</b>	<b>-1,254</b>	<b>-100</b>	<b>-1,246</b>	<b>272</b>	<b>-855</b>	<b>-2,667</b>	<b>-3,219</b>	<b>-12,759</b>	<b>-6,771</b>
Bonds (net)	-785	24	-785	555	-242	-679	-1,496	-4,016	-548
Stocks (net)	-468	-124	-461	-282	-613	-1,988	-1,723	-8,743	-6,223

Note: Net is the "sales to" less the "purchases from" non-residents.

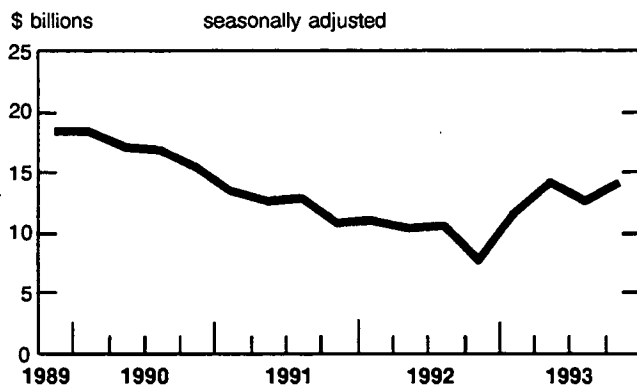
A minus sign indicates the purchase of securities from non-residents, i.e., an outflow of capital from Canada.

## Quarterly Financial Statistics for Enterprises

Fourth Quarter 1993

In the fourth quarter of 1993, seasonally adjusted operating profits of enterprises increased by 11.4% to \$14.0 billion. This followed a 10.2% decline in the third quarter. These two offsetting movements returned profits in the fourth quarter to the second-quarter level. However, with the strong gains recorded in the first two quarters of 1993, fourth-quarter profit levels were almost double those attained in the fourth quarter of 1992.

### Operating profits



The non-financial industries' operating profits rebounded 18.4% to \$11.3 billion. This followed a decline of 5.5% in the third quarter. First-, second- and fourth-quarter increases raised profits in 1993 to their highest level since 1990, 67% above the fourth quarter of 1992. The resource-based industries—including petroleum and natural gas, wood and paper, and non-ferrous metals—led the fourth-quarter profit recovery. Strong gains were also registered in motor vehicles and transportation services.

In contrast to the non-financial industries, the financial industries' profits slumped 11.3% to \$2.6 billion in the fourth quarter. Over the first three quarters of 1993, profits averaged \$3.0 billion. Although profits declined in the fourth quarter of 1993, they were almost four times the \$0.7 billion quarterly profits of the final quarter of 1992. Chartered banks posted the largest decline in the fourth quarter.

### Non-financial industries

Motor vehicles, parts and accessories and tires: operating profits recovered to \$1.0 billion in the fourth quarter after slipping to \$0.6 billion in the third quarter. Profits averaged \$0.9 billion over the first two quarters of 1993. Strong sales of new motor vehicles in the domestic and export markets contributed to the results. Low interest rates have been cited as a primary reason for the increased demand.

Petroleum and natural gas: fourth-quarter operating profits were \$2.3 billion, up from \$1.9 billion in the third quarter and unchanged from \$2.3 billion in the second quarter. The results within the industry were mixed. The natural gas industry enjoyed improved results because of strong demand and prices. The petroleum industry was less profitable due to weaker oil prices.

Transportation services: operating profits improved for the fifth consecutive quarter, rising to \$0.5 billion from \$0.2 billion in the third quarter. In the third quarter of 1992, operating losses exceeded \$200 million.

Wood and paper: operating profits increased to \$0.4 billion in the fourth quarter, from \$0.1 billion in the third quarter. The fourth-quarter levels were slightly better than those achieved in the first two quarters of 1993. Operating losses were registered in three of the four quarters in 1992. Profits benefited from improved prices for lumber products.

### Financial industries

Chartered banks (booked-in-Canada) and other deposit-accepting intermediaries: fourth-quarter operating profits declined to \$0.4 billion, from \$0.8 billion in the third quarter. The profit decrease was attributable to higher provisions for future loan losses and restructuring costs. Quarterly profits were \$1.6 billion in the second quarter of 1993 and \$0.3 billion in the first quarter. In 1992, profits ranged from a loss of \$0.3 billion to a profit of \$1.1 billion. Quarterly operating profits averaged \$1.2 billion throughout the 1988-1991 period.

Property and casualty insurers: operating profits in the fourth quarter of 1993 remained unchanged at \$0.3 billion. Operating profits averaged \$0.4 billion over the first two quarters of 1993 and \$0.2 billion in 1992.

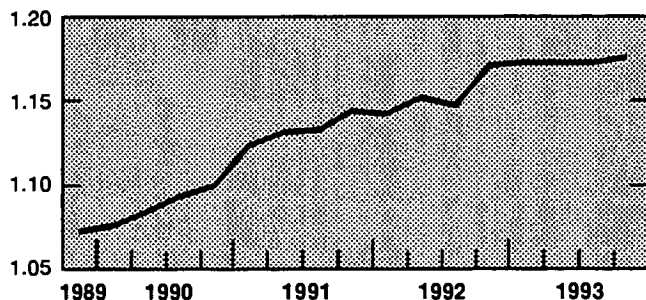
### Financial ratios (all industries)

Return on equity: the rate of return on shareholders' equity—a measure of profitability—improved to 5.3% in the fourth quarter, from 3.0% in the third quarter and 4.2% in the second quarter. In the fourth quarter of 1992, asset writedowns had reduced this ratio to a low of -2.9%. In 1988, before the recession, this ratio averaged 13.5%. The most recent improvement in this indicator was due to an increase in after-tax profits to \$5.6 billion in the fourth quarter, from \$3.2 billion in the third quarter.

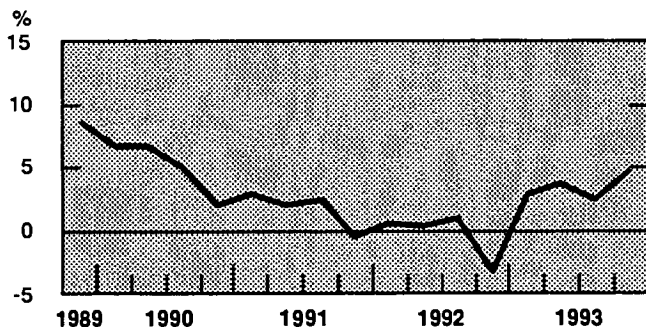
Debt to equity: this solvency indicator edged upward to 1.18 in the fourth quarter, from 1.17 over the previous four quarters. The debt to equity ratio hit bottom at 0.95 in 1987.

### Financial ratios (all industries)

Debt/equity



Return on equity



### Summary for 1993

Annual operating profits for 1993 were \$51.8 billion, compared with \$39.4 billion in 1992. This marked the first annual increase in operating profits since 1988, when profits reached \$82.7 billion. After-tax profits also increased for the first time in five years, rising to \$16.3 billion from \$0.5 billion in 1992. After-tax profits peaked in 1988 at \$49.3 billion.

**Available on CANSIM:** matrices 3914-3971, 3974-3981.

The fourth quarter 1993 issue of *Quarterly Financial Statistics for Enterprises* (61-008, \$23/\$92) will be available in March. See "How to Order Publications".

For information on this release, contact Gail Campbell or Bill Potter for non-financial industries data (613-951-9843) or Robert Moreau for financial industries data (613-951-2512), Industrial Organization and Finance Division.

Detailed industry statistics are now available on an annual basis for the 1988-1992 period. For information, contact Roy St-Germain (613-951-2649), Industrial Organization and Finance Division. □

**Selected financial statistics for enterprises**

	First Quarter 1993	Second Quarter 1993	Third Quarter 1993	Fourth Quarter 1993
\$ billions				
unadjusted				
<b>Balance sheet</b>				
Cash and deposits	82.1	83.3	86.9	87.7
Accounts receivable	139.7	149.8	153.7	156.1
Inventories	120.7	121.1	121.7	122.1
Investments	434.3	449.4	460.4	466.0
Loans	634.0	627.3	635.8	643.3
Capital assets	440.0	442.2	448.6	448.8
All other assets	110.6	116.5	122.1	125.9
<b>Total assets</b>	<b>1,961.4</b>	<b>1,989.6</b>	<b>2,029.2</b>	<b>2,049.9</b>
Deposits (financial institutions)	612.9	615.0	617.9	628.2
Accounts payable	194.0	200.3	210.1	213.6
Borrowing	481.4	484.8	493.3	492.9
All other liabilities	262.2	276.1	287.2	296.2
<b>Total liabilities</b>	<b>1,550.5</b>	<b>1,576.2</b>	<b>1,608.5</b>	<b>1,630.9</b>
Share capital	223.1	223.8	230.2	231.4
Retained earnings (including surplus)	187.8	189.6	190.5	187.6
<b>Total equity</b>	<b>410.9</b>	<b>413.4</b>	<b>420.7</b>	<b>419.0</b>
	Fourth Quarter 1992	Third Quarter 1993	Fourth Quarter 1993	Third Quarter 1993 to Fourth Quarter 1993
\$ billions				% change
seasonally adjusted				
<b>Income statement</b>				
Operating revenue	275.3	286.3	291.7	+ 1.9
Operating profit	7.5	12.5	14.0	+ 11.4
Profit before extraordinary gains	-2.9	3.2	5.6	+ 75.3
<b>Net profit</b>	<b>-3.2</b>	<b>3.2</b>	<b>5.5</b>	<b>+ 75.6</b>

## DATA AVAILABILITY ANNOUNCEMENTS

### Steel Primary Forms

Week Ending February 19, 1994 (Preliminary)

Steel primary forms production for the week ending February 19, 1994 totalled 258 299 tonnes, up 5.0% from the week-earlier 246 071 tonnes but down 8.8% from the year-earlier 283 104 tonnes.

The cumulative total at the end of the week was 1 774 354 tonnes, an 8.8% decrease from 1 914 449 tonnes for the same period in 1993.

For detailed information on this release, contact Greg Milsom (613-951-9827), Industry Division. ■

### Crushing Statistics

January 1994

Oilseed processors crushed 193 thousand tonnes of canola in January 1994, a 22% increase from January 1993 (159 thousand tonnes) but a 2% decrease from December 1993. The domestic crush for the current crop year (from August 1, 1993 to July 31, 1994) continued at a record level: 1.1 million tonnes of canola had been crushed by the end of January 1994.

Canola oil production totalled 80 thousand tonnes, up 23% from 66 thousand tonnes in January 1993. Canola meal production was also substantial at 119 thousand tonnes, up from 97 thousand tonnes in January 1993.

Available on CANSIM: matrix 5687.

The January 1994 issue of *Cereals and Oilseeds Review* (22-007, \$13.80/\$138) will be released in March. See "How to Order Publications".

For further information, contact Alain Y. Bertrand (613-951-3859) or Karen Gray (204-983-2856), Grain Marketing Unit, Agriculture Division. ■

### Canadian Telecommunications Plant Price Indexes

1992 (Revised)

There was a special revision of the Canadian Telecommunications Plant Price Indexes total and of the index for central office equipment. After revision, the total index declined 3.2% in 1992, mostly due to central office equipment (-6.6%).

Available on CANSIM: matrix 2021.

For further information, contact the Information and Current Analysis Unit (613-951-9607), Prices Division. ■

The Daily Statistics Canada	
Friday, September 16, 1993 For release at 9:00 a.m.	
<b>MAJOR RELEASES</b>	
• Labour Force Survey, August 1993 The unemployment rate fell 0.2 to 11.5 in August 1993.	2
• Farm Product Price Indexes, July 1993 The Farm Product Price Index rose 0.2% in July. The index refers to the price of farm products in 1982=100. The index for all farm products rose 0.2% in July 1993.	4
• Advance Statistics of Saskatchewan, 1992-93 Saskatchewan's economy continued to grow in 1992-93. The province's real GDP rose 2.5% in 1992-93. The 1992-93 real GDP rose 2.5% in 1992-93. The 1992-93 real GDP rose 2.5% in 1992-93.	6
<b>DATA AVAILABILITY ANNOUNCEMENTS</b>	
• Supplemental Data Sheet for Statistics Canada, 1993-94 Statistics Canada is pleased to announce the release of the Supplemental Data Sheet for Statistics Canada, 1993-94. The Supplemental Data Sheet for Statistics Canada, 1993-94 is available in English and French. The Supplemental Data Sheet for Statistics Canada, 1993-94 is available in English and French. The Supplemental Data Sheet for Statistics Canada, 1993-94 is available in English and French.	10
<b>PUBLICATIONS RELEASED</b>	
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### Statistics Canada's Official Release Bulletin

Catalogue 11-001E. (Canada: \$120; United States: US\$144; Other Countries: US\$168.)

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## PUBLICATIONS RELEASED

**Production and Stocks of Tea, Coffee and Cocoa,**  
Quarter Ended December 1993.

**Catalogue number 32-025**

(Canada: \$6.75/\$27; United States: US\$8/US\$32;  
Other Countries: US\$9.50/US\$38).

**Production, Shipments and Stocks on Hand of  
Sawmills in British Columbia,** December 1993.

**Catalogue number 35-003**

(Canada: \$7.10/\$71; United States: US\$8.50/US\$85;  
Other Countries: US\$9.90/US\$99).

**Surface and Marine Transport Service Bulletin,**  
Vol. 10, No. 1.

**Catalogue number 50-002**

(Canada: \$9.40/\$75; United States: US\$11.25/US\$90;  
Other Countries: US\$13.15/US\$105).

**Farm Product Price Index,** December 1993.

**Catalogue number 62-003**

(Canada: \$7.10/\$71; United States: US\$8.50/US\$85;  
Other Countries: US\$9.90/US\$99).

**Service Industries Service Bulletin, Advance  
Information,** 1992. Vol. 5, No. 3.

**Catalogue number 63-015**

(Canada: \$7.20/\$43; United States: US\$8.65/US\$52;  
Other Countries: US\$10/US\$60).

**Building Permits,** December 1993.

**Catalogue number 64-001**

(Canada: \$22.10/\$221; United States:  
US\$26.50/US\$265; Other Countries:  
US\$30.90/US\$309).

**Film and Video,** 1991-92.

**Catalogue number 87-204**

(Canada: \$24; United States: US\$29;  
Other Countries: US\$34).

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