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- **Canada's international transactions in securities, May 1994**

Non-residents purchased a net \$2.2 billion of Canadian securities, mainly money market instruments and small amounts of stocks and bonds. At the same time, Canadian demand for foreign securities came to halt with a small net disinvestment of \$0.2 billion of foreign stocks and bonds.

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- **Private and public investment, 1994 revised intentions**

Business and government plan capital expenditures of \$128.7 billion in 1994, a 6.2% increase from 1993 spending of \$121.1 billion. This marks the first increase after three consecutive annual declines. The latest survey also shows that 1994 spending plans have increased 1.9% over the earlier estimate released in February, the first time since 1990 that spending intentions have been revised upward.

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Canada's international transactions in securities

May 1994

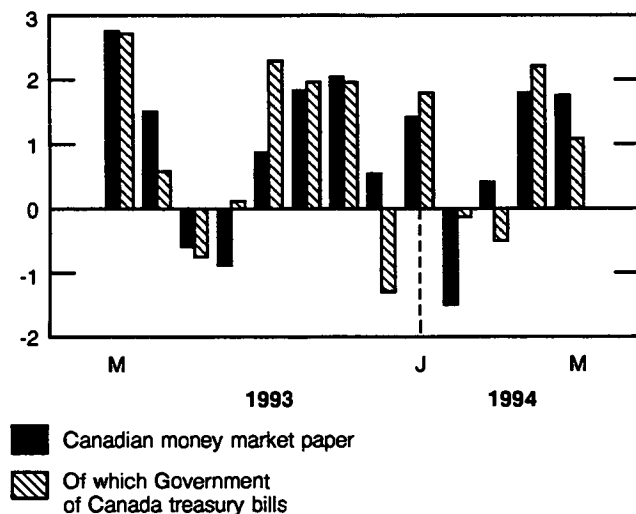
Non-residents purchased a net \$2.2 billion of Canadian securities, mainly money market instruments and small amounts of stocks and bonds. At the same time, Canadian demand for foreign securities came to halt with a small net disinvestment of \$0.2 billion of foreign stocks and bonds.

Foreign investment in Canada is going mainly to money market instruments

Non-residents invested a large net \$1.8 billion in money market instruments in May, an amount similar to April. For a second consecutive month, net investment was directed to government paper, mainly Government of Canada treasury bills. A net \$1.1 billion went to federal short-term paper and a net \$1.0 billion went to other government paper; this was partially offset by net selling of \$0.3 billion of corporate paper. Residents of the European Community were the major buyers as they purchased a net \$1.7 billion. Residents of other foreign countries purchased a net \$0.5 billion, and U.S. residents sold a net \$0.4 billion. Gross trading (total sales and purchases) amounted to \$48 billion, down slightly from levels of the previous three months.

Non-resident net transactions in Canadian money market paper

\$ billions

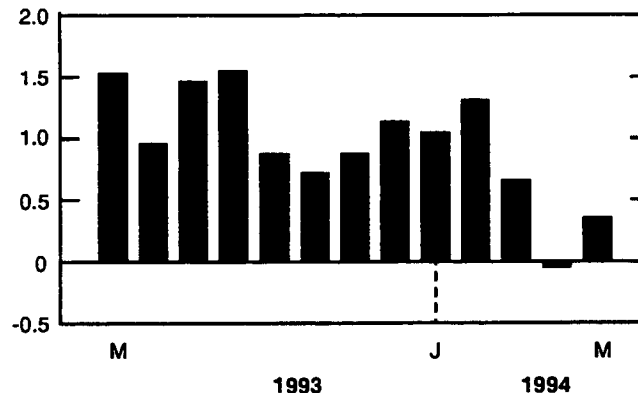


Foreign investment returns to Canadian stocks

Non-residents returned to the Canadian stock market in May with net purchases of \$0.4 billion of equities. Excepting a small net disinvestment in April, May's net investment continued a trend that started in October 1992. The net investment for this period totalled \$16 billion. Foreign investments in Canadian stocks in April and May reflected stock prices over this period: as measured by the TSE 300 index, prices posted a small 1.4% gain in May, reversing a similarly small decline in April. The net investment in May was roughly split between U.S. and European investors. Gross trading of Canadian stocks, at \$6.7 billion in May, was down slightly from April but down 23% from the record \$8.7 billion set in February 1994.

Non-resident net transactions in Canadian stocks

\$ billions



Foreign investment in Canadian bonds is flat

In May, for the third consecutive month, net foreign investment in Canadian bonds was virtually flat. Sharply lower new bond issues of \$1.7 billion in May were offset by a similar amount of bond retirements. Non-resident net investment in the secondary market of existing bonds was likewise flat. By region, U.S. investors were net buyers of \$1.7 billion of Canadian bonds, mainly federal issues. Asian investors were net sellers of \$1.0 billion and Europeans were net sellers of \$0.7 billion. Gross trading in May was unchanged from April, at \$110 billion.

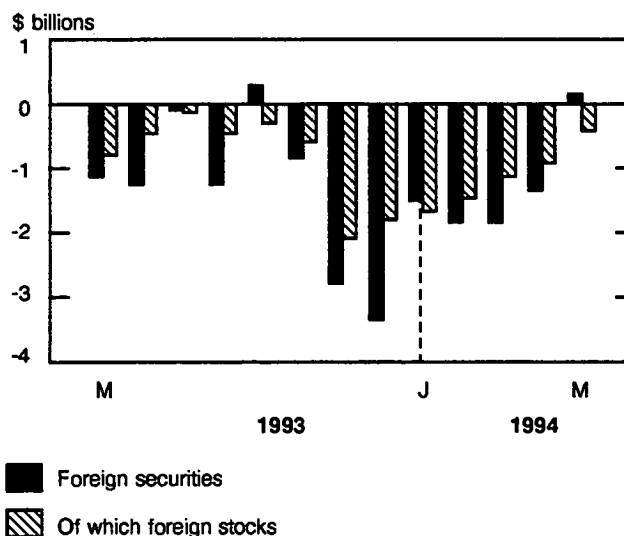
Canadian demand for foreign securities comes to a halt

Canadian residents' demand for foreign securities halted in May with a small net disinvestment of \$0.2 billion, the first monthly net disinvestment in eight months and only the second in the past year and a half. Canadians were net sellers of \$0.6 billion of foreign bonds, mainly U.S. Treasuries, but they continued to be net buyers of \$0.4 billion of foreign stocks. The net purchase of foreign stocks, however, was well below the average \$1.5 billion recorded for the previous six months. Two-thirds of May's net investment in foreign equities by Canadian residents was directed to overseas markets and one-third went to the U.S. market, a return to the trend that has prevailed for the past two years. Canadian mutual funds continued to be the major contributor to net investments in equities abroad.

Available on CANSIM: matrix 2330.

The May 1994 issue of *Canada's international transactions in securities* (67-002, \$17/\$170) will be available in August. See "How to order publications".

Canadian investment in foreign securities



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

Canada's international transactions in securities

	February 1994	March 1994	April 1994	May 1994	January to May 1994	January to May 1993
\$ millions						
Foreign investment in Canadian securities, total	2,458	900	2,181	2,221	13,539	30,276
Bonds (net)	2,651	-173	452	99	6,326	21,935
Outstanding bonds	-3,593	-592	-665	50	-4,736	7,432
New issues	8,447	3,128	2,775	1,676	20,337	24,788
Retirements	-2,202	-2,709	-1,657	-1,627	-9,274	-10,286
Money market paper (net)	-1,493	428	1,783	1,768	3,921	3,963
Government of Canada	-116	-487	2,194	1,074	4,468	5,994
Other money market paper	-1,377	915	-411	694	-547	-2,032
Stocks (net)	1,299	645	-54	354	3,292	4,377
Outstanding stocks (net)	1,102	571	-98	339	2,883	4,045
New issues (net)	197	74	44	15	409	333
Canadian investment in foreign securities, total	-1,847	-1,832	-1,338	154	-6,348	-3,696
Bonds (net)	-409	-725	-429	558	-827	-608
Stocks (net)	-1,438	-1,106	-909	-405	-5,522	-3,088

Note: net is the "sales to" less the "purchases from" non-residents. A minus sign indicates more purchases than sales of securities from non-residents (i.e., an outflow of capital from Canada).

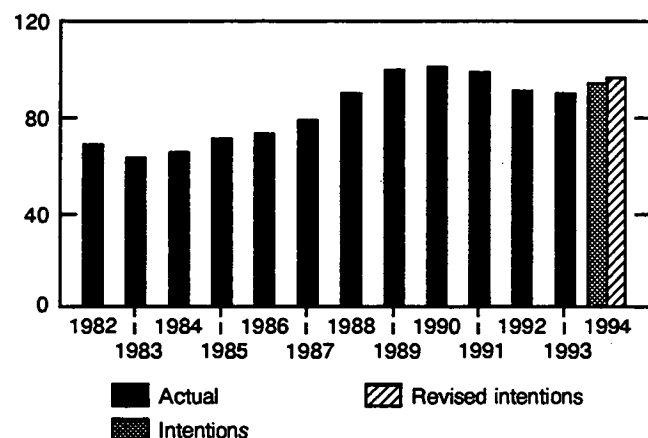
Private and public investment

1994 revised intentions

Business and government plan capital expenditures of \$128.7 billion in 1994, a 6.2% increase from 1993 spending of \$121.1 billion. This marks the first increase after three consecutive annual declines. The latest survey also shows that 1994 spending plans have increased 1.9% over the earlier estimate released in February, the first time since 1990 that spending intentions have been revised upward. The increase in investment intentions follows significant improvement in operating profits for business enterprises since the fourth quarter of 1992. It mirrors the growth in investment plans reported in the turnaround in 1984 after the 1981-82 recession.

Capital expenditures excluding housing

\$ billions



Private investment is anticipated to increase 8.0% over 1993, whereas public investment (comprising government departments, crown corporations, education and health) will increase only slightly (+0.8%). Investment in machinery and equipment (such as cars, computers, and assembly lines) is expected to increase by 7.5%, exceeding the 5.4% increase in construction of factories, schools, roads, and housing. This continuing strength in machinery and equipment investment reinforces the technology-driven productivity increases already underway.

Goods-producing industries

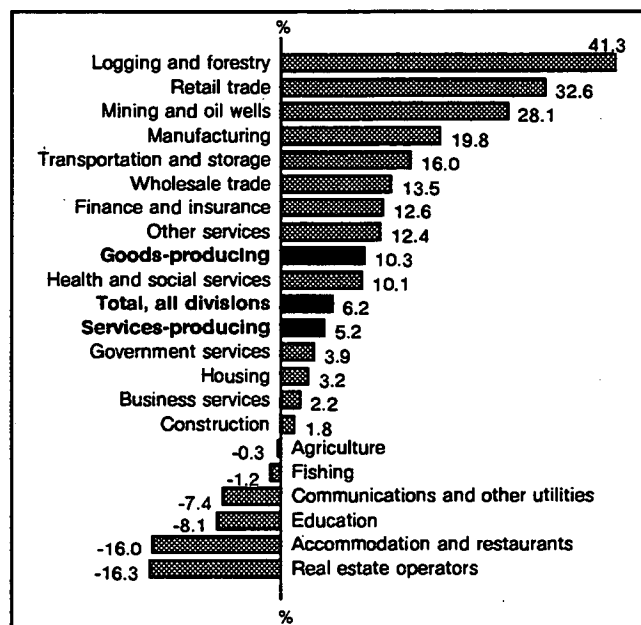
The goods-producing industries (agriculture, mining, manufacturing and construction) expect to

Note to users

Revised spending intentions are based on a survey sample of 25,000 businesses, governments and institutions. The survey was conducted between the end of March and the beginning of July. Data in this release are in current dollars. Related price indexes for capital intentions are not yet available.

spend \$42.5 billion in 1994, up 10.3% from 1993. Revised spending estimates are up significantly for manufacturing (+19.8%), oil and gas industries (+32.1%) and logging (+41.3%). The growth in manufacturing (+\$2.7 billion from 1993) is led by automobiles, wood products, and paper—all strong export-oriented industries. A buoyant export market and price increases for natural gas contributed to an investment increase of \$2.1 billion for oil and gas. The impressive performance of goods-producers is partially offset by a widespread drop in most provinces in the electric power industry (-\$1.1 billion or -11.6%).

Percentage change in capital spending intentions 1993 to 1994



Services-producing industries

Investment by services-producing industries is expected to be \$52.2 billion, up 5.2% over 1993. Leading the industries with planned investment increases are retail trade—major U.S. retailers are arriving—(+32.6%), transportation and storage (+16.0%) and wholesale trade (+13.5%). Spending on government services is expected to increase to \$13.4 billion (+3.9%), with construction plans related to the infrastructure program just getting underway. Decreases are anticipated by real estate operators (-16.3%), accommodations and food services (-16.0%) and education (-8.1%).

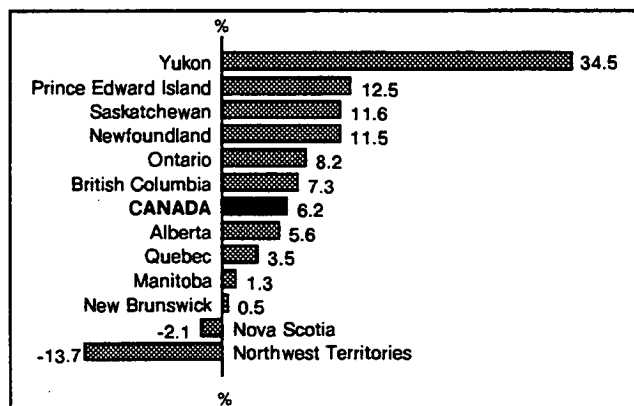
Housing

Housing investment is expected to increase to \$33.9 billion, a 3.2% increase over 1993, but it is still 12% below the peak of \$38.6 billion reached in 1989. The major components of this estimate are housing starts, building costs, and the value of alterations and improvements.

Provinces and territories

Increased investment is anticipated in most provinces, with Ontario (+8.2%) and British Columbia (+7.3%) above the national average of 6.2% and with Alberta (+5.6%) and Quebec (+3.5%) below. Strong growth is expected in Prince Edward Island, Newfoundland and Saskatchewan due to such projects as the fixed link, Hibernia and pipelines. The only declines are expected in the Northwest Territories (-13.7%) and Nova Scotia (-2.1%).

Percentage change in capital spending intentions for the provinces and territories 1993 to 1994



Investment pattern for a panel of business respondents

The investment pattern for a panel of business respondents indicates that small businesses expect significant increases (+14.5% to \$14.3 billion). Spending by large businesses is expected to increase 5.6% to \$37.9 billion.

Available on CANSIM: matrices 3101-3133.

Private and public investment in Canada, revised intentions 1994 (61-206, \$36) will be available in mid-August. It will feature an article, "Investment in the fish products industry". See "How to order publications".

For further information on this release, contact John Foley (613-951-2591) or Susan Horsley (613-951-2209), Investment and Capital Stock Division. □

Capital spending intentions of private and public organizations

	Preliminary actual 1993	Intentions 1994	Revised intentions 1994	Intentions 1994 to Revised intentions 1994	Preliminary actual 1993 to Revised intentions 1994
	\$ billions			% change	
Grand total	121.1	126.3	128.7	1.9	6.2
Housing	32.9	34.4	33.9	-1.2	3.2
Goods-producing industries	38.6	41.0	42.5	3.8	10.3
Services-producing industries	49.7	50.9	52.2	2.6	5.2
Divisions					
Agriculture	3.0	2.9	3.0	4.0	-0.3
Fishing and trapping	0.1	0.1	0.1	0.0	-1.2
Logging and forestry	0.2	0.2	0.2	23.0	41.3
Mining, quarrying and oil wells	8.0	9.7	10.3	6.0	28.1
Manufacturing	13.6	15.0	16.3	8.4	19.8
Construction	1.9	1.9	1.9	0.0	1.8
Transportation and storage	5.0	5.5	5.8	5.5	16.0
Communications and other utilities	17.2	16.5	15.9	-3.3	-7.4
Wholesale trade	1.8	2.0	2.1	2.5	13.5
Retail trade	3.0	3.3	4.0	20.9	32.6
Finance and insurance	5.4	5.9	6.1	3.5	12.6
Real estate operators	4.4	3.8	3.7	-3.3	-16.3
Business services	1.2	1.2	1.2	0.3	2.2
Government	12.9	13.9	13.4	-3.3	3.9
Educational	3.2	3.1	3.0	-4.9	-8.1
Health and social	2.0	1.9	2.2	16.2	10.1
Accommodation, food and beverage	1.1	1.1	1.0	-12.6	-16.0
Other services	3.9	3.7	4.4	18.3	12.4

Note: figures may not add to totals due to rounding.

Investment pattern for panel of respondents

	Business sector						
	Large			Small			
	\$ millions						
Period of investment							
1993 preliminary actual		35,903			12,498		
1994 intentions		37,882			14,052		
1994 revised intentions		37,930			14,308		
		number			number		
	\$	up	down	\$	up	down	no change
Year-over-year change							
1993 preliminary actual to 1994 revised intentions	2,028	266	172	1,810	4,773	3,882	3,065
1994 intentions to 1994 revised intentions	49	170	165	256	3,526	2,834	5,360

Capital spending intentions of private and public organizations¹

Province/territory		Capital expenditures			Intentions 1994 to Revised intentions 1994	Preliminary actual 1993 to Revised intentions 1994
		Construction	Machinery and equipment	Total		
		\$ billions				
Canada	1993	74.5	46.6	121.1		
	1994	77.9	48.4	126.3		
	1994	78.5	50.2	128.7	1.9	6.2
Newfoundland	1993	1.9	0.4	2.4		
	1994	2.4	0.5	2.9		
	1994	2.2	0.5	2.6	-7.5	11.5
Prince Edward Island	1993	0.3	0.1	0.4		
	1994	0.3	0.2	0.4		
	1994	0.3	0.1	0.5	1.5	12.5
Nova Scotia	1993	1.7	1.1	2.8		
	1994	1.6	1.1	2.7		
	1994	1.7	1.1	2.8	2.0	-2.1
New Brunswick	1993	1.4	0.9	2.3		
	1994	1.4	0.8	2.2		
	1994	1.4	0.9	2.3	6.6	0.5
Quebec	1993	16.4	9.8	26.2		
	1994	16.3	10.1	26.4		
	1994	16.7	10.4	27.1	2.4	3.5
Ontario	1993	22.5	20.7	43.2		
	1994	24.5	22.4	46.9		
	1994	23.7	23.1	46.8	-0.3	8.2
Manitoba	1993	1.9	1.5	3.4		
	1994	1.9	1.5	3.4		
	1994	2.0	1.5	3.5	1.2	1.3
Saskatchewan	1993	2.3	1.5	3.8		
	1994	2.4	1.4	3.8		
	1994	2.8	1.5	4.3	11.1	11.6
Alberta	1993	12.0	5.2	17.2		
	1994	12.4	4.8	17.2		
	1994	12.9	5.2	18.1	5.2	5.6
British Columbia	1993	13.6	5.3	18.8		
	1994	14.1	5.5	19.6		
	1994	14.4	5.8	20.2	3.0	7.3
Yukon	1993	0.2	0.0	0.2		
	1994	0.2	0.0	0.2		
	1994	0.2	0.0	0.2	12.8	34.5
Northwest Territories	1993	0.3	0.1	0.4		
	1994	0.3	0.1	0.4		
	1994	0.3	0.1	0.4	-7.8	-13.7

¹ 1993 preliminary actual, followed by 1994 intentions, and then 1994 revised intentions.
Note: figures may not add to totals due to rounding.

DATA AVAILABILITY ANNOUNCEMENTS

Corrugated boxes and wrappers

June 1994

Domestic shipments of corrugated boxes and wrappers totalled 231 144 thousand square metres in June 1994, a 5.9% increase from 218 339 thousand square metres a year earlier.

For January to June 1994, domestic shipments totalled 1 182 141 thousand square metres, a 9.0% increase from 1 084 208 thousand square metres for the same period in 1993.

The June 1994 issue of *Corrugated boxes and wrappers* (36-004, \$6/\$60) will be available later.

For further information on this release, contact Sandra Bohatyretz (613-951-3516), Industry Division. ■

Mineral wool including fibrous glass insulation

June 1994

Manufacturers shipped 2 165 642 square metres of R12 factor (RSI 2.1) mineral wool batts in June 1994, down 5.8% from 2 298 141 square metres a year earlier and down 5.4% from 2 289 236 square metres a month earlier.

Year-to-date shipments to the end of June 1994 totalled 15 730 854 square metres, a 14.2% increase from the same period in 1993.

Available on CANSIM: matrices 40 and 122 (series 32 and 33).

The June 1994 issue of *Mineral wool including fibrous glass insulation* (44-004, \$6/\$60) will be available later.

For further information on this release, contact Roland Joubert (613-951-3527), Industry Division. ■

Trends in the business population

Second quarter 1994

With the second quarter of 1994, the number of Canadian employer businesses has grown for the latest four quarters, recording an annual increase of 2.35%.

The seasonally adjusted number of remitting payroll deduction accounts increased 0.55% from the first quarter of 1994, to 926,338. This second-quarter

growth was observed in all provinces and territories except Saskatchewan. The growth ranged from a low of +0.31% in Ontario to a high of +1.33% in Prince Edward Island.

Available on CANSIM: matrix 1420.

For further information on this release, contact Des Beckstead (613-951-6199), Business Register Division. ■

Production, shipments and stocks of sawmills east of the Rockies

May 1994

Lumber production in sawmills east of the Rockies increased 9.6% to 2 311 052 cubic metres in May 1994, from 2 109 323 cubic metres after revisions in May 1993.

Stocks on hand at the end of May 1994 totalled 3 279 536 cubic metres, up 3.8% from 3 160 450 cubic metres in May 1993.

At the end of May 1994, year-to-date production totalled 11 650 249 cubic metres, up 9.1% from 10 676 384 cubic metres after revisions for the same period in 1993.

Available on CANSIM: matrices 53 (except series 1.2, 2.2 and 3.2) and 122 (series 2).

The May 1994 issue of *Production, shipments and stocks on hand of sawmills east of the Rockies* (35-002, \$11/\$110) will be available later.

For further information on this release, contact Sandra Bohatyretz (613-951-3516), Industry Division. ■

Air passenger origin and destination

Fourth quarter 1993

Preliminary data for the fourth quarter of 1993 on scheduled air passenger origin and destination are now available.

The July 1994 issue of *Aviation service bulletin* (51-004, \$10/\$99) will be available soon. See "How to order publications".

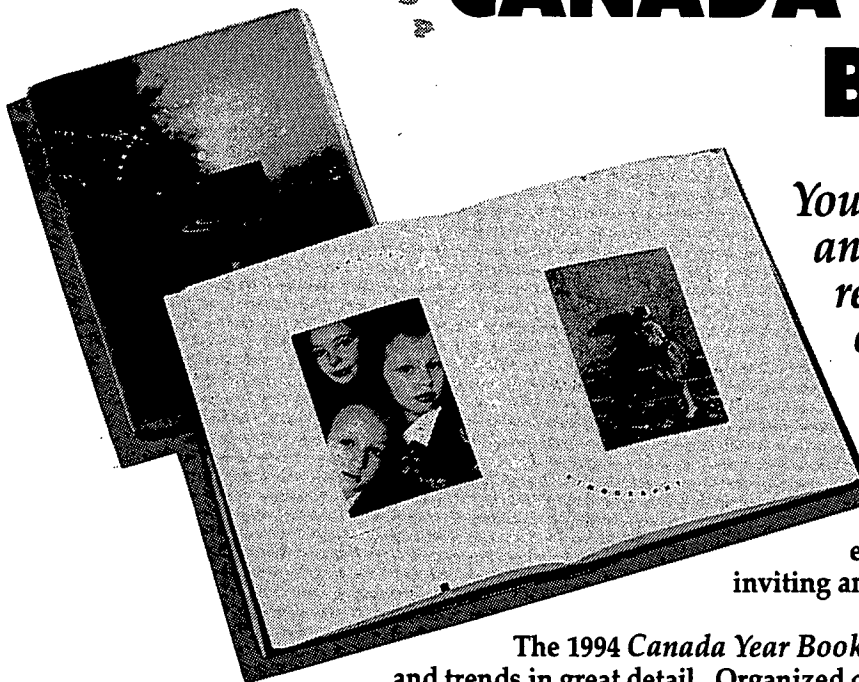
For further information on this release, contact Carol Gudz (819-997-1386), Aviation Statistics Centre, Transportation Division. ■

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