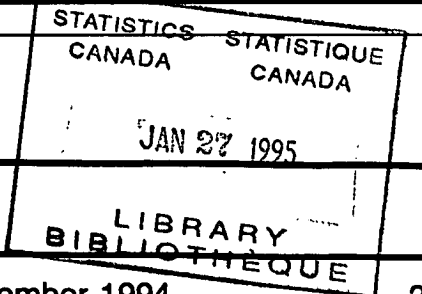


The Daily

Statistics Canada

Friday, January 27, 1995

For release at 8:30 a.m.



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- **Industrial product price index, 1994 annual and December 1994** 2
 In 1994 strong foreign demand strengthened the economic position of Canadian manufacturers and resulted in a 5.7% jump in industrial prices. Canadian consumers, however, were little affected by these increases.
- **Raw materials price index, 1994 annual and December 1994** 5
 Manufacturers paid 7.5% more for raw materials in 1994 than in 1993, the highest yearly increase since 1982. Most of the jump came from higher prices for metals, vegetable products and wood.

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MAJOR RELEASES

Industrial product price index

1994 annual and December 1994 (preliminary)

In 1994 strong foreign demand strengthened the economic position of Canadian manufacturers and resulted in higher industrial prices. Canadian consumers, however, were little affected by these increases.

The annual increase in industrial prices in 1994 jumped to 5.7% from 3.3% in 1993. It was the highest annual change since the end of the inflationary period caused by the second oil crisis in 1982. Even so, the annual change in consumer goods prices, excluding the effect of the change in taxation on tobacco products, was only 1.2% in 1994.

Exports dominated price increases in 1994

Export-oriented commodities dominated price changes in 1994: pulp (+29.5%), non-ferrous metal products (+25.2%), lumber, sawmill and other wood products (+11.6%) and motor vehicles (+6.6%). In 1993, in most of these industries, prices were generally depressed and/or there was considerable unused capacity. Strong and rising international demand for these products led to price and output increases. This strengthened profits in these industries. At the same time, much of the output was exported, which greatly reduced the shock to the Canadian economy of the price increases in these sectors. This helped shield consumers.

Exchange rates played an important role

Because many export prices are quoted in U.S. dollars, exchange rate movements played an important role in the fluctuations of industrial prices in 1994. Occasionally, as in April, exchange rate movements accounted for most of the monthly change. From February to August, the 12-month change in the exchange rate added between one and two points to the 12-month change in the IPPI. During the rest of the year it added under one point.

Note to users

The industrial product price index (IPPI) reflects the prices that producers receive as goods leave their plants. It does not reflect what consumers pay. Unlike the consumer price index (CPI), the IPPI excludes indirect taxes and all costs incurred between the time a good leaves a plant (such as transportation, wholesale and retail costs) and a final user takes possession.

Outlook in December 1994

Overall, conditions remained favourable for Canadian producers in December, while consumers did not see any strong price increases. Current conditions (the ongoing world economic recovery, high levels of unfilled orders for investment goods, and uncertain domestic consumer demand) suggest this pattern may continue. However, upward pressure on prices is widespread in the economy. Higher input costs are expected to lead to price increases for various types of machinery and equipment in January.

Metals, cars and paper were key to December increases

December's 12-month change in industrial prices jumped to +7.7% as prices rose 0.8% from November levels. This 12-month change was the highest increase since early 1982. In December the most important price increases continued to come from exported goods (particularly non-ferrous metal products, automobiles and newsprint). The 12-month price change in processed raw material products (such as pulp and non-ferrous metal products) reached almost +30%. The effects of exchange rate movements on prices denominated in U.S. dollars accounted for about four-tenths of the month-to-month change in prices and for about one-tenth of the 12-month change.

Consumers are still shielded

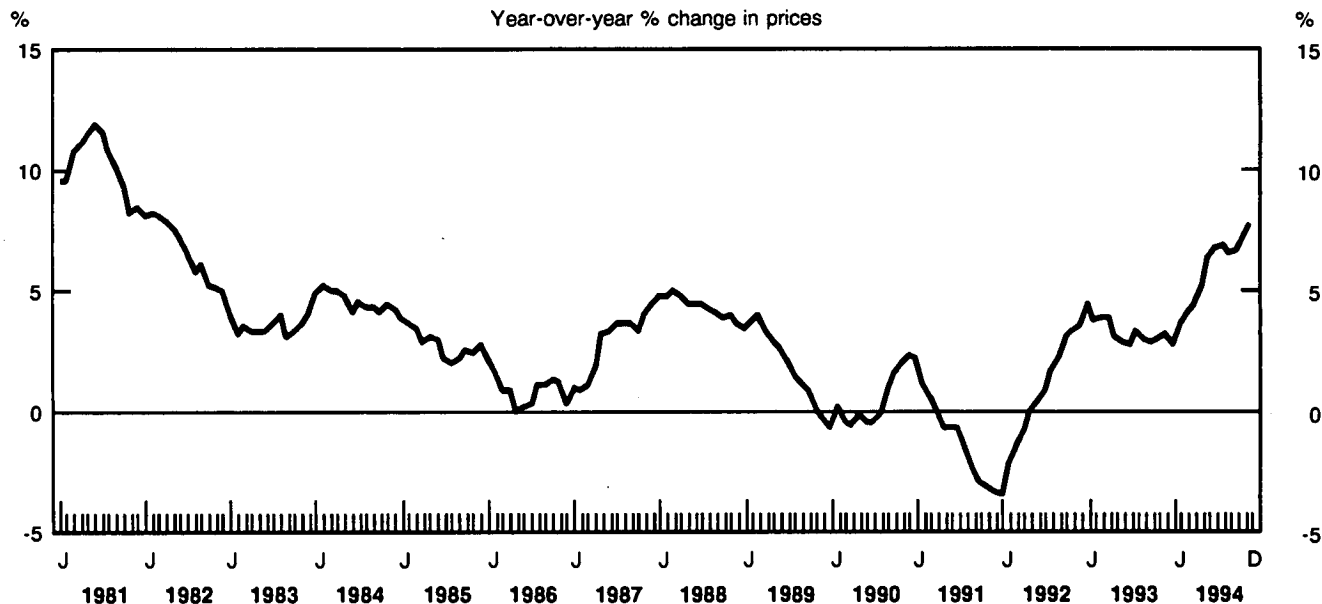
The 12-month change in prices at the manufacturer level remained about a percentage point higher than at the consumer level. At the manufacturer level, December's 12-month price increase for domestic consumer goods was about 2.5%. The 12-month change in the goods component of the CPI (excluding the effect of the drop in tobacco taxes) was about +1.3%. Usually, about half of the consumer's dollar goes to manufacturers, the rest goes to wholesalers, retailers, transportation and governments. It seems that intermediaries and retailers are absorbing part of the increase in manufacturers' prices while trying to hold down labour and other costs as they wait for the domestic consumer market to strengthen.

Available on CANSIM: matrices 2000-2008.

The December 1994 issue of *Industry price indexes* (62-011, \$20/\$200) will be available at the end of February. 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. □

December's 12-month change in industrial prices was the highest since 1982



Industrial product price indexes
(1986 = 100)

	Relative importance	December 1993	November 1994 ^r	December 1994 ^p	December 1993 to December 1994	November 1994 to December 1994
					% change ^a	
Industrial product price index, total	100.0	114.5	122.3	123.3	7.7	0.8
Total IPPI excluding petroleum and coal products	93.6	116.6	124.3	125.4	7.5	0.9
Intermediate goods¹	60.4	113.1	123.9	125.2	10.7	1.0
First-stage intermediate goods ²	13.4	104.2	131.8	135.2	29.8	2.6
Second-stage intermediate goods ³	47.0	115.7	121.7	122.3	5.7	0.5
Finished goods⁴	39.6	116.7	119.9	120.5	3.3	0.5
Finished foods and feeds	9.9	118.9	121.5	121.4	2.1	-0.1
Capital equipment	10.4	118.6	121.8	122.9	3.6	0.9
All other finished goods	19.3	114.5	118.1	118.9	3.8	0.7
Aggregation by commodities						
Meat, fish and dairy products	7.4	115.7	116.6	116.5	0.7	-0.1
Fruit, vegetable, feed, miscellaneous food products	6.3	119.2	123.6	124.2	4.2	0.5
Beverages	2.0	124.7	127.0	127.1	1.9	0.1
Tobacco and tobacco products	0.7	164.0	164.5	164.3	0.2	-0.1
Rubber, leather, plastic fabric products	3.1	114.5	124.0	123.4	7.8	-0.5
Textile products	2.2	110.2	113.3	113.8	3.3	0.4
Knitted products and clothing	2.3	114.6	116.2	116.3	1.5	0.1
Lumber, sawmill, other wood products	4.9	157.4	157.6	156.3	-0.7	-0.8
Furniture and fixtures	1.7	119.9	122.5	122.5	2.2	0.0
Paper and paper products	8.1	104.2	125.7	128.4	23.2	2.1
Printing and publishing	2.7	136.4	148.9	152.3	11.7	2.3
Primary metal products	7.7	101.8	130.1	133.9	31.5	2.9
Metal fabricated products	4.9	115.5	120.9	121.0	4.8	0.1
Machinery and equipment	4.2	120.1	123.5	123.7	3.0	0.2
Autos, trucks, other transportation equipment	17.6	113.6	116.9	118.6	4.4	1.5
Electrical and communications products	5.1	111.8	115.7	116.0	3.8	0.3
Non-metallic mineral products	2.6	111.8	117.0	118.0	5.5	0.9
Petroleum and coal products ⁵	6.4	85.0	93.1	92.7	9.1	-0.4
Chemicals and chemical products	7.2	119.0	128.9	130.5	9.7	1.2
Miscellaneous manufactured products	2.5	115.6	119.3	119.2	3.1	-0.1
Miscellaneous non-manufactured commodities	0.4	80.0	93.9	94.6	18.3	0.7

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.

^a Figure is rounded.

Raw materials price index

1994 annual and December 1994 (preliminary)

Manufacturers paid 7.5% more for raw materials in 1994 than in 1993, the highest yearly increase since 1982. Most of the jump came from metals, vegetable products and wood.

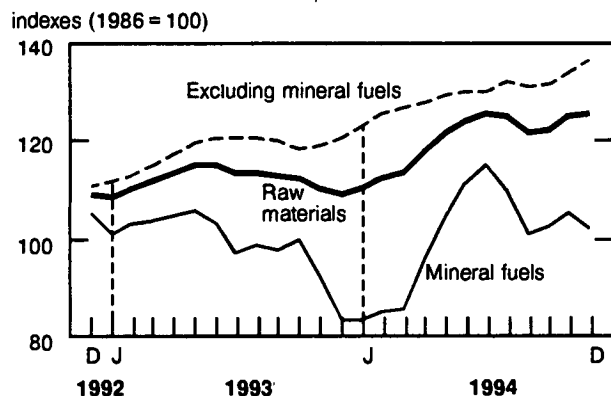
Raw material prices in December rose 0.5% from November, and were 15.3% higher than a year earlier.

Prices rose substantially for a second straight year

Prices for raw materials have increased substantially over the past two years. The 7.5% jump in 1994 followed a 5.9% increase in 1993.

Price increases during 1994 were moderated by mineral fuel prices, which rose less than 1%, and by live hog and cattle prices, which declined almost 5%. Excluding mineral fuels, the 1994 increase in raw material prices would have been 10%.

Mineral fuels have slowed the increases in raw material prices since July 1994



Non-ferrous metal prices soared

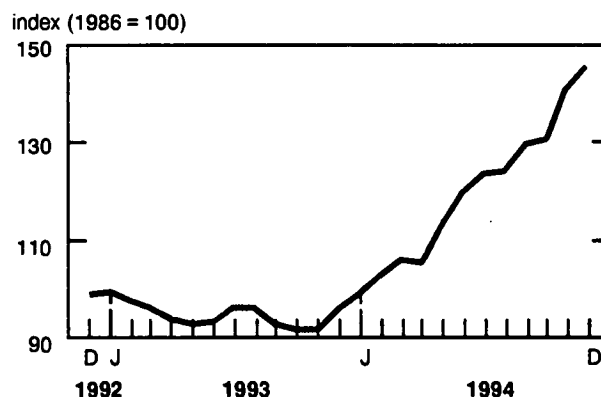
As the world economic recovery continued, non-ferrous metal prices rose 27% in 1994 compared with 1993. Higher prices for copper, aluminum material, nickel, and other metals such as bismuth and antimony led the increases. Copper prices escalated more than 30% and aluminum materials prices more than 40% in 1994, so these were the major contributors in the non-ferrous metals group. After increasing 12% in 1993, ferrous material prices

Note to users

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

moved up another 14% in 1994. Higher prices for iron and steel scrap (+22%), along with slightly greater prices for iron ore (+6%), were responsible for the year-to-year increase.

Non-ferrous metal prices continue upward



Vegetable product prices increased almost 20% in 1994 compared with 1993. Higher prices for coffee, grains, oilseeds, rubber and sugar were primarily responsible. Coffee prices rose significantly due to the supply shortage caused by poor weather in Brazil. Grain prices, particularly for wheat (because of strong export demand), increased more than 17% in 1994. Oilseed prices—mainly canola, for which exports have almost doubled on an annual basis—moved up more than 27% in 1994.

After rising 33% in 1993, wood prices continued to increase in 1994 (+10%). In 1993 wood prices were driven by higher prices for logs; in 1994 wood prices were also subject to increased pulpwood prices. Escalating prices for pulp and paper worldwide have caused Canada's pulpwood prices to increase almost 14% in the latest six months. This increase is also reflected in prices at the industrial product level, where pulpwood is made into pulp. Pulp prices increased almost 30% from 1993 to 1994.

Crude oil prices hardly changed from 1993. While they increased substantially over the first seven months of 1994, they declined overall in the last five months of the year. Contributing factors behind the recent decline in crude prices are the mild winter and higher-than-forecast non-OPEC production.

Prices for live hogs and cattle declined almost 5% in 1994 compared with 1993. Large herds of hogs and producers unwilling to carry stock over the winter have depressed prices. Also affecting the industry has been a restructuring in which huge and predominantly integrated units have overtaken many small production units.

Raw materials up 15% over December 1993

In December manufacturers paid 15.3% more for raw materials than in December 1993. This marked the second consecutive month where the 12-

month increase was the highest in four years. Prices rose 0.5% from their November level. Higher monthly prices in December for copper, nickel, wood, hogs and cattle, sugar, canola, and rubber were greatly offset by the decline in crude oil prices and were offset less by lower coffee prices.

Available on CANSIM: matrix 2009.

The December 1994 issue of *Industry price indexes* (62-011, \$20/\$200) will be available at the end of February. 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)

	Relative importance ¹	December 1993	November 1994 ^r	December 1994 ^p	December 1993 to December 1994	November 1994 to December 1994
					% change	
Raw materials, total	100.0	108.8	124.8	125.4	15.3	0.5
Mineral fuels	32.0	82.8	104.9	101.5	22.6	-3.2
Vegetable products	10.0	108.2	119.5	122.3	13.0	2.3
Animals and animal products	26.0	107.3	104.1	105.4	-1.8	1.2
Wood	13.0	188.6	207.7	210.5	11.6	1.3
Ferrous materials	4.0	115.3	120.0	121.8	5.6	1.5
Non-ferrous metals	13.0	95.3	140.7	145.3	52.5	3.3
Non-metallic minerals	3.0	99.5	101.6	101.8	2.3	0.2
Total excluding mineral fuels	68.0	120.8	134.1	136.5	13.0	1.8

¹ Rounded figures.

^p Preliminary figures.

^r Revised figures.

OTHER RELEASES

Electric power selling-price indexes

September to December 1994

Electric power selling-price indexes (1986 = 100) for the period of September to December 1994 are now available.

Available on CANSIM: matrix 2020.

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

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

Stocks of frozen meat products

January 1, 1995

Frozen meat in cold storage as of January 1, 1995 amounted to 42.5 thousand tonnes, unchanged from a month earlier. Stocks at January 1, 1994 stood at 32.0 thousand tonnes.

Available on CANSIM: matrices 87 and 9517-9525.

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

Poultry products industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the poultry products industry (SIC 1012) totalled \$2,457.2 million, up 8.2% from \$2,271.4 million in 1992.

Available on CANSIM: matrix 5381.

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

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

Potato chip, pretzel and popcorn industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the potato chip, pretzel and popcorn industry (SIC 1093) totalled \$751.3 million, up 4.6% from \$718.2 million in 1992.

Available on CANSIM: matrix 5398.

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. ■

Foamed and expanded plastic products industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the foamed and expanded plastic products industry (SIC 1611) totalled \$503.0 million, up 6.6% from \$471.9 million in 1992.

Available on CANSIM: matrix 5414.

Data for this industry will be released in *Rubber and plastics products industries* (33-250, \$38).

For further information on this release, contact T. Raj Sehdev (613-951-3513), Industry Division. ■

Hardwood veneer and plywood industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the hardwood veneer and plywood industry (SIC 2521) totalled \$395.8 million, up 21.1% from \$326.9 million in 1992.

Available on CANSIM: matrix 5461.

Data for this industry will be released in *Wood industries* (35-250, \$53).

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

Coffin and casket industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the coffin and casket industry (SIC 2581) totalled \$54.9 million, up 8.7% from \$50.5 million in 1992.

Available on CANSIM: matrix 5468.

Data for this industry will be released in *Wood industries* (35-250, \$53).

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

Custom coating of metal products industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the custom coating of metal products industry (SIC 3041) totalled \$922.9 million, up 16.9% from \$789.8 million in 1992.

Available on CANSIM: matrix 5524.

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. ■

Metal closure and container industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the metal closure and container industry (SIC 3042) totalled \$1,278.0 million, down 3.9% from \$1,329.9 million in 1992.

Available on CANSIM: matrix 5525.

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. ■

Motor vehicle wheel and brake industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the motor vehicle wheel and brake industry (SIC 3255) totalled \$1,106.7 million, up 14.1% from \$970.3 million in 1992.

Available on CANSIM: matrix 5559.

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. ■

Broom, brush and mop industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the broom, brush and mop industry (SIC 3991) totalled \$104.5 million, down 3.7% from \$108.4 million in 1992.

Available on CANSIM: matrix 6893.

Data for this industry will be released in *Other manufacturing industries* (47-250, \$38).

For further information on this release, contact Suzanne Pépin (613-951-3514), Industry Division. ■

Floor tile, linoleum and coated fabrics industry

1993 annual survey of manufactures

In 1993 the value of shipments of goods of own manufacture for the floor tile, linoleum and coated fabrics industry (SIC 3993) totalled \$280.7 million, up 14.3% from \$245.6 million in 1992.

Available on CANSIM: matrix 6895.

Data for this industry will be released in *Other manufacturing industries* (47-250, \$38).

For further information on this release, contact Suzanne Pépin (613-951-3514), Industry Division. ■

PUBLICATION RELEASED

Science statistics service bulletin: Distribution of federal expenditures on science and technology, by province and territory, 1992-93. Vol 19, no. 1. Catalogue number 88-001
(Canada: \$8/\$76; United States: US\$10/US\$92; other countries: US\$12/US\$107).

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.



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Priority: September 16, 1995
For release at 8:30 a.m.

MAJOR RELEASES

- Labour Force Survey, August 1995
The unemployment rate is 12.9% (12.9% in August 1994)
- Price Progress: Price Index, July 1995
The April 1995 price index rose 0.2% in July. The price index reached its highest since June 1992. The headline and core price indexes showed slight gains in terms of 1992.
- Advance Statistics of Selections, 1992-94
Since 1978, the number of television sets sold in Canada has risen from 100,000 units to an estimated 100.5 million in 1994. The 2.5% increase from 1993 is the smallest increase in a decade.

DATA AVAILABILITY ANNOUNCEMENTS

- International Trade: Goods in Physical and Monetary Units, July 1995
- Real Price: 3 Yearly Index, Spring Semester 4, 1995
- Labour: Continuity: 1 Yearly Index, Spring 21, 1995
- Labour: Continuity: Quarterly, June 1995
- Energy and Coal: Quarterly, June 1995
- Oil and Gas: July 1995
- Non-Ferrous Metals: July 1995
- Canadian Trade: Monthly, August 1995

PUBLICATIONS RELEASED

MAJOR RELEASE DATES: Week of September 15-17

Statistics Canada's official release bulletin

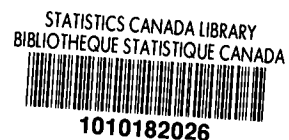
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MAJOR RELEASE DATES

Week of January 30 to February 3
(Release dates are subject to change)

Release date	Title	Reference period
January		
30	The labour market: year-end review	1994
30	Cancer statistics	1995
31	Real gross domestic product at factor cost by industry	November 1994
31	Employment, earnings and hours	November 1994
31	Youth court statistics	1993/94
February		
1	Control and sale of alcoholic beverages	1993
2	Business conditions survey: manufacturing industries	January 1995
2	Field crop reporting series: stocks of grain	December 31, 1994
3	Building permits	December 1994
