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Canadian international merchandise trade

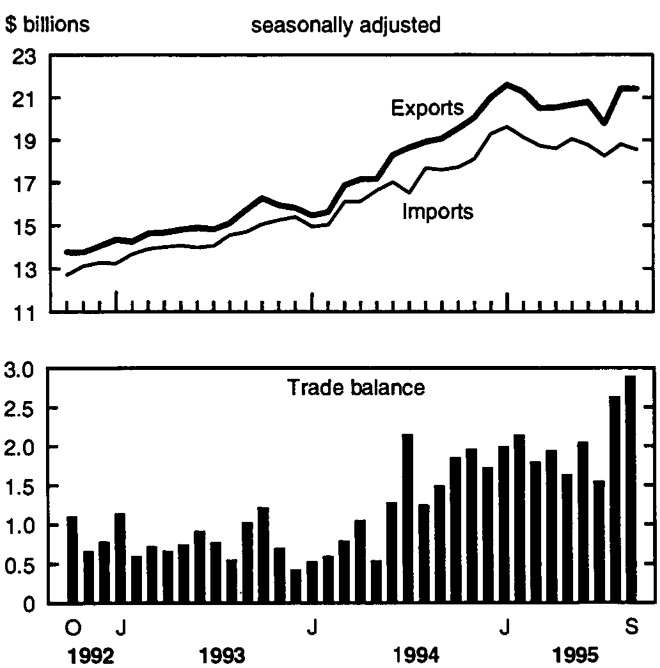
September 1995

Exports held firm at $21.4 billion in September, standing just below January's record high of $21.6 billion. Automotive exports edged back in September after surging in August, but industrial goods, machinery, and forestry products took up the slack. Growing shipments to non-OECD countries contributed much to the increase, as did stronger exports to the European Union.

Imports were down 1.4% to $18.53 billion in September, with fewer goods purchased from trading partners other than the United States and Japan. The declines reflected more moderate trade in automotive products and softer demand for crude oil.

The merchandise trade surplus advanced to a record $2.9 billion in September. Although the surplus with the United States and Japan declined, balances with all other trading partners improved relative to August.

Exports, imports and trade balance



> ***Note to readers***
>
> *Merchandise trade is only one component of the current account of Canada's balance of payments, which also includes trade in services. In the second quarter of 1995, an overall merchandise trade surplus of $5.6 billion contrasted with a current account deficit of $5.7 billion.*

Industrial goods and machinery make up for softer auto exports

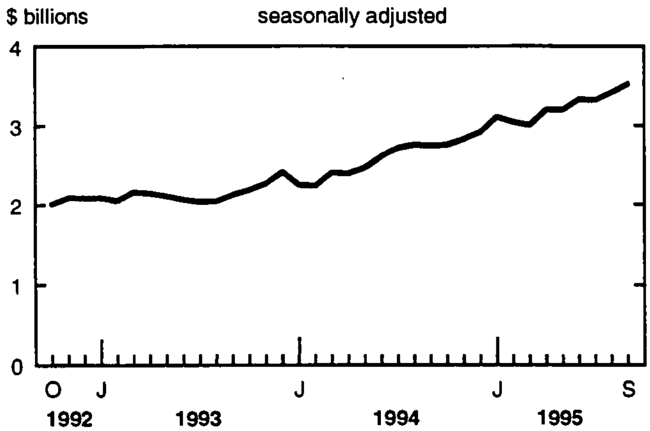
September's exports were buoyed by industrial goods, machinery, and forestry products.

Industrial goods and materials advanced the most (+4.4%), with the largest increases in chemicals, plastics, and fertilizers—mainly to the United States and non-OECD countries. Dampening overall gains were exports of base metals, declining in part because of weaker prices for some metals. During the third quarter, industrial goods exports grew nearly 3%, reflecting faster than expected growth in the U.S. economy.

Machinery and equipment exports climbed for a second consecutive month. Growth was widespread, with much of the underlying strength coming from industrial and agricultural machinery (+8.6%), mostly to the United States. Meanwhile, lower exports of aircraft and specialized transportation equipment served to dampen the overall gain.

Exports of forestry products moved ahead 3.2% in September, as strength in newsprint and pulp fostered a second monthly gain for the sector. Strong worldwide demand kept newsprint producers running at full capacity in September, putting upward pressure on prices. Meanwhile, pulp exports grew 2.9%, reflecting higher sales to customers in Japan. Over the past two years, price growth has contributed to a near tripling in the value of pulp exports. Removing the effect of prices, these exports still grew 47%.

Exports of forestry products



Continued strength in coal shipments to Japan helped bolster energy product exports in September (+3.2%). Lower demand for electricity and crude oil in the United States provided a moderating influence.

Automotive exports moderated in September (-4.9%), after growing by nearly a third in August. Fewer vehicles were shipped to the United States, reflecting in part lower vehicle sales and some production shortfalls in Canada. Exports of cars declined the most (-7.7%), while truck and part shipments fell 1.3% and 1.0% respectively. Overall, automotive exports advanced 3.9% in the third quarter.

Lower imports of autos and crude oil

September's imports included fewer automotive products (-10.6%), as car imports fell 21.1%, and trucks and parts were off 18.2% and 4.2% respectively. The decline followed a strong month for automotive imports in August.

Demand for imported crude oil weakened in September, in particular from the European Union and non-OECD countries, pulling down the energy products sector by 26%.

Moderate gains in machinery and industrial goods helped ease September's overall decline in imports. Machinery and equipment imports advanced (+3.1%)—a large shipment of American-built locomotives crossed the border—while industrial goods imports edged up on higher demand for metal ores and plastics.

Revisions

Merchandise trade data are revised on a continuing basis for every month of the current year. Factors that make revisions necessary include late receipt of import and export documentation, incorrect information on customs documents, replacement of estimated figures with actual values once available, changes to classification of merchandise based on more current information, and updated seasonal adjustments.

Revised data for January 1991 to August 1995 are available in the relevant CANSIM matrices.

Note: Normally, Canada and the United States release their international merchandise trade data simultaneously each month. However, due to the recent budget crisis in Washington, the U.S. Bureau of the Census had to delay release of their September 1995 data until Wednesday, November 22.

Available on CANSIM: matrices 3611-3616, 3618-3629, 3651, 3685-3713, 3718-3720 and 3887-3913.

This release contains a summary of the merchandise trade data that will be available next week in *Canadian international merchandise trade* (65-001, $19/$182). It will include detailed tables by commodity and country on a customs basis.

For more timely receipt of the merchandise trade data, a fax service is available on the morning of release.

Current account data, which incorporate merchandise trade statistics, services transactions, investment income and transfers, are available on a quarterly basis in *Canada's balance of international payments* (67-001, $30/$120). See "How to order publications".

For further information on this release, contact Suzie Carpentier (613-951-9647), Marketing and Client Services Section, International Trade Division (1-800-294-5583). □

Merchandise trade of Canada

	July 1995	Aug. 1995	Sept. 1995	July 1995 to Aug. 1995	Aug. 1995 to Sept. 1995	Jan.-Sept. 1994	Jan.-Sept. 1995	Jan.-Sept. 1994 to Jan.-Sept. 1995	Sept. 1994 to Sept. 1995
	seasonally adjusted, $ current								
	$ millions			% change		$ millions		% change	
Principal trading partners									
Exports									
United States	15,843	17,177	17,135	8.4	-0.2	128,520	150,676	17.2	10.0
Japan	1,049	1,063	1,031	1.3	-3.0	7,011	8,948	27.6	34.8
European Union	1,178	1,178	1,212	0.0	2.9	7,948	11,016	38.6	24.1
Other OECD countries[1]	220	329	309	49.5	-6.1	2,823	2,776	-1.7	-4.9
All other countries	1,484	1,669	1,729	12.5	3.6	10,943	14,617	33.6	21.8
Total	19,775	21,416	21,416	8.3	0.0	157,244	188,033	19.6	12.3
Imports									
United States	13,623	14,112	14,148	3.6	0.3	109,790	126,241	15.0	7.1
Japan	656	631	650	-3.8	3.0	6,092	6,551	7.5	-13.2
European Union	1,755	1,645	1,501	-6.3	-8.8	11,963	15,370	28.5	17.6
Other OECD countries[1]	562	683	591	21.5	-13.5	4,955	6,031	21.7	-20.8
All other countries	1,644	1,723	1,647	4.8	-4.4	14,896	15,340	3.0	1.9
Total	18,240	18,795	18,536	3.0	-1.4	147,696	169,533	14.8	5.4
Balance									
United States	2,220	3,065	2,987	...	...	18,730	24,435	...	...
Japan	393	432	381	...	...	919	2,397	...	...
European Union	-577	-467	-289	...	...	-4,015	-4,354	...	...
Other OECD countries[1]	-342	-354	-282	...	...	-2,132	-3,255	...	...
All other countries	-160	-54	82	...	...	-3,953	-723	...	...
Total	1,535	2,621	2,880	...	...	9,548	18,500	...	...
Principal commodity groupings[2]									
Exports									
Agricultural and fishing products	1,587	1,573	1,411	-0.9	-10.3	12,871	14,193	10.3	-1.6
Energy products	1,836	1,949	2,011	6.2	3.2	15,785	17,653	11.8	9.9
Forestry products	3,327	3,425	3,534	2.9	3.2	22,649	29,184	28.9	28.7
Industrial goods and materials	3,784	3,912	4,082	3.4	4.3	28,240	35,967	27.4	20.7
Machinery and equipment	4,231	4,408	4,526	4.2	2.7	31,055	38,482	23.9	19.4
Automotive products	4,233	5,474	5,205	29.3	-4.9	41,351	47,220	14.2	-0.6
Other consumer goods	597	616	616	3.2	0.0	4,233	5,173	22.2	25.7
Special transactions trade[3]	830	906	892	9.2	-1.5	6,700	7,751	15.7	9.7
Imports									
Agricultural and fishing products	1,131	1,140	1,129	0.8	-1.0	9,104	10,116	11.1	7.4
Energy products	450	798	592	77.3	-25.8	5,450	6,276	15.2	-9.5
Forestry products	178	166	174	-6.7	4.8	1,307	1,581	21.0	10.8
Industrial goods and materials	3,767	3,742	3,752	-0.7	0.3	28,009	34,127	21.8	9.8
Machinery and equipment	6,063	6,187	6,380	2.0	3.1	47,429	56,183	18.5	10.0
Automotive products	3,974	4,284	3,830	7.8	-10.6	35,187	38,119	8.3	-5.4
Other consumer goods	2,101	2,143	2,151	2.0	0.4	17,297	19,363	11.9	5.1
Special transactions trade[3]	474	462	440	-2.5	-4.8	3,629	4,048	11.5	6.5

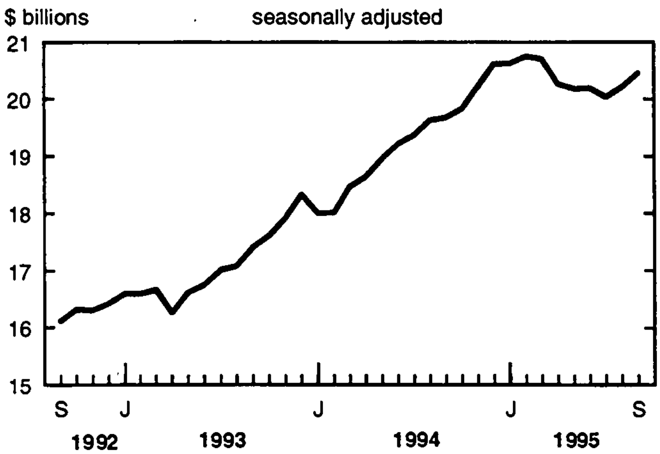
1 *Includes Australia, Iceland, Mexico, New Zealand, Norway, Switzerland, Turkey.*
2 *Figures not adjusted to balance of payments basis.*
3 *Mainly, these are low-valued transactions, value of repairs to equipment, and goods returned to country of origin.*
... *Figures not appropriate or not applicable.*

Wholesale trade

September 1995 (preliminary)

Wholesale merchants increased sales for a second consecutive month in September (+1.2% to $20.4 billion). The wholesalers' two latest monthly increases contrast with the weak demand they had experienced since the beginning of 1995. Despite the economic slowdown, wholesalers' sales were up 3.9% or $777 million from a year earlier, but were still 1.5% or $301 million below the peak attained in February 1995.

Wholesalers strengthened sales for a second consecutive month in September



Compared with August, sales were higher in 6 of the 11 trade groups (accounting for over 70% of all sales in September). Food products wholesalers made the largest current-dollar contribution to the overall rise (+4.1% or +$138 million), followed by the computers and packaged software group (+4.7% or +$82 million).

Partly offsetting the September increase were wholesalers of industrial and other machinery, equipment and supplies (-2.3% or -$73 million). Despite various monthly fluctuations since January, overall sales for this group have remained flat.

Annual wholesale trade data for 1994

Annual wholesale trade data are collected through an additional questionnaire sent once a year to participants in the Monthly Wholesale Trade Survey. The annual survey collects more detailed information. It also collects information from grain and petroleum wholesalers, who are not part of the monthly survey.

Wholesalers played a key role in the economy's strong performance in 1994. According to the 1994 Annual Wholesale Trade Survey, sales increased 12% over 1993. The growth of manufacturing shipments and the depreciation of the Canadian dollar fuelled sales for wholesalers. The strongest increases came from wholesalers of metals, hardware, plumbing and heating equipment and supplies (+26%); grain (+21%); farm machinery, equipment and supplies (+17%); and other machinery, equipment and supplies (+16%).

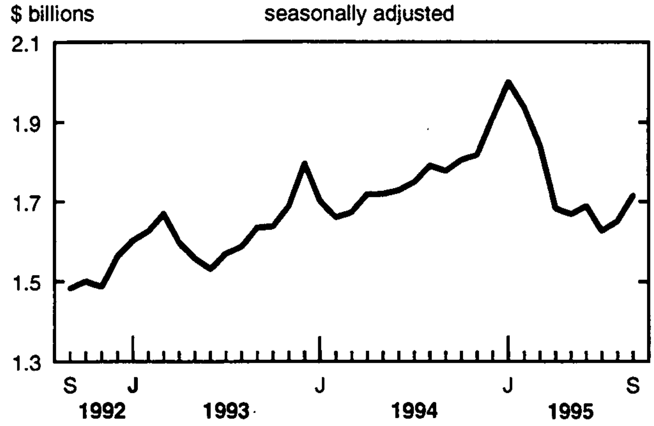
By contrast with 1993, when growth occurred mainly in the Western provinces, the growth in 1994 was more evenly distributed across the country. In Saskatchewan, wholesalers increased revenues by 25% because of a surge in grain and fertilizer sales. Also posting strong increases were wholesalers in Ontario (+15%) and Quebec (+12%), due to a combination of higher sales of raw materials (such as metals and lumber) and manufactured goods (such as paper, industrial machinery and computers).

Sales data for 1994 are now available; additional statistics will be released at a later date. For further information, contact Gilles Simard (613-951-3541), Industry Division.

The computer and packaged software trade group (includes wholesalers of other types of electronic machinery, equipment and supplies) posted vigorous monthly sales increases in August and September, jumping a total of 10.1% or $165 million from July. These increases were partly related to the launch of Windows 95; some users who upgraded their computer operating system also had to upgrade their computer hardware.

Wholesalers of lumber and building materials increased sales for a second consecutive month (+3.9% or +$64 million). The group's recent solid performance has been partly due to higher prices for lumber, sawmill and other wood products (+1.5%) and to increased exports of forestry products (+6.2%). Despite these recent increases, sales of lumber and building materials were down 14.2% or $284 million below the peak they attained in January 1995.

Lumber sales are up in 1995, but still weak



Increases concentrated in Ontario and Alberta

Although it appears that wholesalers' sales are strengthening after a weak first half in 1995, the improvements are not widespread. Most of the increases over the last three months were concentrated in Ontario and Alberta.

Inventories-to-sales ratio fell to 1.53

In September, wholesalers' inventories were up for a 19th consecutive month (+0.4% to $31.3 billion). Despite the rising inventory levels, higher sales in August and September caused the inventories-to-sales ratio to drop to 1.53, compared with July's peak of 1.54. The ratio indicates that for every $100 worth of sales in September, wholesalers held goods valued at $153 as inventories. A decrease in the ratio implies a higher rate of inventory turnover and lower costs for wholesalers.

Available on CANSIM: matrices 59, 61, 648 and 649.

The September 1995 issue of *Wholesale trade* (63-008, $18/$180) will be available shortly. See "How to order publications".

For further information on this release, contact Gilles Berniquez (613-951-3540) or Catherine Mamay (613-951-9683), Industry Division. □

Wholesale merchants' sales and inventories

	Sept. 1994	June 1995r	July 1995p	Aug. 1995r	Sept. 1995p	Aug. 1995 to Sept. 1995	Sept. 1994 to Sept. 1995
	seasonally adjusted						
	$ millions					% change	
Sales, all trade groups	**19,672**	**20,186**	**20,033**	**20,211**	**20,449**	**1.2**	**3.9**
Food products	3,523	3,598	3,548	3,403	3,541	4.1	0.5
Beverage, drug and tobacco products	1,092	1,155	1,161	1,181	1,168	-1.1	6.9
Apparel and dry goods	458	432	436	458	446	-2.7	-2.7
Household goods	615	647	650	669	667	-0.2	8.5
Motor vehicles, parts and accessories	2,283	2,220	2,201	2,196	2,202	0.3	-3.6
Metals, hardware, plumbing and heating equipment and supplies	1,573	1,640	1,595	1,594	1,608	0.9	2.2
Lumber and building materials	1,776	1,689	1,627	1,651	1,715	3.9	-3.4
Farm machinery, equipment and supplies	474	487	494	525	511	-2.6	7.8
Industrial and other machinery, equipment and supplies	3,067	3,071	3,086	3,148	3,075	-2.3	0.3
Computers and packaged software	1,545	1,681	1,644	1,727	1,809	4.7	17.1
Other products	3,265	3,566	3,591	3,659	3,707	1.3	13.5
Newfoundland	176	187	189	193	192	-0.3	9.1
Prince Edward Island	47	50	37	41	45	8.3	-5.9
Nova Scotia	412	430	450	445	444	-0.4	7.7
New Brunswick	273	293	289	289	283	-1.8	3.9
Quebec	4,340	4,490	4,438	4,465	4,522	1.3	4.2
Ontario	8,432	8,778	8,799	8,812	9,017	2.3	6.9
Manitoba	664	690	631	683	659	-3.5	-0.7
Saskatchewan	607	660	598	663	639	-3.6	5.2
Alberta	1,920	1,851	1,864	1,905	1,915	0.5	-0.3
British Columbia	2,782	2,730	2,711	2,687	2,708	0.8	-2.6
Yukon	8	15	11	13	11	-9.7	49.8
Northwest Territories	12	13	14	15	14	-4.5	16.5
Inventories, all trade groups	**28,691**	**30,836**	**30,944**	**31,192**	**31,315**	**0.4**	**9.1**
Food products	2,248	2,285	2,230	2,242	2,258	0.7	0.4
Beverage, drug and tobacco products	1,469	1,395	1,410	1,402	1,398	-0.3	-4.8
Apparel and dry goods	1,090	1,030	1,027	1,019	1,011	-0.8	-7.3
Household goods	1,312	1,497	1,504	1,517	1,555	2.5	18.5
Motor vehicles, parts and accessories	3,677	4,325	4,205	4,198	4,127	-1.7	12.2
Metals, hardware, plumbing and heating equipment and supplies	2,562	2,870	2,893	2,891	2,936	1.6	14.6
Lumber and building materials	2,885	3,151	3,225	3,207	3,213	0.2	11.4
Farm machinery, equipment and supplies	1,616	1,502	1,505	1,500	1,508	0.5	-6.7
Industrial and other machinery, equipment and supplies	6,250	6,693	6,771	6,857	6,845	-0.2	9.5
Computers and packaged software	1,746	1,638	1,648	1,757	1,853	5.5	6.2
Other products	3,836	4,450	4,525	4,601	4,609	0.2	20.2

r *Revised figures.*
p *Preliminary figures.*

■

OTHER RELEASES

Export and import price indexes
September 1995

Current- and fixed-weighted export and import price indexes (1986=100) on a balance of payments basis are now available. Indexes are listed from January 1986 to September 1995 for the five commodity sections and 62 (exports)/61 (imports) major commodity groups.

Current- and fixed-weighted U.S. price indexes (1986=100) are also available on a customs basis. Indexes are listed from January 1986 to September 1995. Included with the U.S. commodity indexes are the 10 all-countries and U.S.-only Standard International Trade Classification (SITC) section indexes. Indexes for the five commodity sections and 62/61 major commodity groups are also now available on a customs basis.

Available on CANSIM: matrices 3611-3616, 3618-3629, 3651 and 3685.

The September 1995 issue of *Canadian international merchandise trade* (65-001, $19/$182) will be available shortly. See "How to order publications".

For further information on this release, contact Denis Pilon (613-951-4808), Price Index Unit, International Trade Division. ■

Civil aviation financial statistics
Third quarter 1995

Air Canada and Canadian Airlines International Ltd. reported preliminary basic income of $213 million in the third quarter of 1995, compared with $183 million in the third quarter of 1994. Basic income or loss is measured by combining operating income (before capital gains, miscellaneous items and tax) with interest expenses. Both carriers posted increases in revenue generated per passenger-kilometre and in the number of passenger-kilometres flown in the third quarter of 1995.

Growth was particularly strong in the international sector. Passenger-kilometres flown on international scheduled routes were up 14% in the third quarter of 1995 and 12% for the first nine months of 1995.

The fourth quarter is typically one in which these carriers record a loss. So far this year (first nine months of 1995), the two carriers have had a basic loss of $16 million, compared with an income of $28 million for the same period of 1994.

Available on CANSIM: matrix 385.

Preliminary data for the third quarter of 1995 on civil aviation will be published in the December 1995 issue of *Aviation service bulletin* (51-004, $11/$105). See "How to order publications".

For further information on this release, contact Robert Lund (819-997-6188), Aviation Statistics Centre, Transportation Division. ■

Campus bookstores
1993/94

Campus bookstores reported $493 million in sales for the academic year 1993/94, a 5.1% increase from the previous year.

The gross margin of campus bookstores decreased to 21.3% of total sales in 1993/94, compared with 22.7% in the previous academic year.

Data on campus bookstores are now available for 1993/94. The 1993/94 issue of *Campus bookstores* (63-219, $24) is now available. See "How to order publications".

For further information on this release, contact Louise Généreux (613-951-3549), Industry Division. ■

Industrial monitor
November 1995

The November 1995 edition of *Industrial monitor* is now available. Its tables present up-to-date statistics on 165 manufacturing industries in 22 sectors.

The *Industrial monitor* can be purchased as a full package (22 sectors) or by industrial sector. The annual subscription is $200 per industrial sector. The annual subscription for the totals of the manufacturing industries (15F0017XPE) costs $50. The full 22-sector package (1500115XPE) is priced at $3,000, a savings of $650. See "How to order publications".

For further information on this release, contact the client services representative (613-951-9060), Industry Measures and Analysis Division. ■

Interprovincial and international trade flows of goods and services
1984-90 annual estimates

Data have been updated for 1990 and revised for the previously released 1984-89 estimates. Detailed information is now available for trade flows among provinces and territories as well as the rest of world for about 50 commodity groupings.

Available on CANSIM: matrices 4201-4245 and 4250-4255.

A publication and technical reference paper will be available in three to four months. The 1990 interprovincial trade flows were developed as an integral part of the provincial input-output accounts.

To obtain the 1990 provincial input-output tables or client services regarding the interprovincial input-output model, contact Ronald Rioux (613-951-3697), Consulting and Marketing, Input-Output Divison.

For further information on this release, contact either Ronald Rioux (613-951-3697) or Hans Messinger (613-951-2937), Interprovincial and International Trade Program, Input-Output Division (fax: 613-951-0489). ■

Tea, coffee and cocoa
September 1995

Data for the third quarter of 1995 on production and stocks of tea, coffee and cocoa are now available.

Available on CANSIM: matrix 188.

The September 1995 issue of *Production and stocks of tea, coffee and cocoa* (32-025, $10/$32) will be available shortly. See "How to order publications".

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

Stocks of frozen poultry meat
November 1, 1995

Preliminary data on the stocks of frozen poultry meat in cold storage as of November 1, 1995, are now available.

Available on CANSIM: matrices 5675-5677.

For further information on this release, contact Conrad Ogrodnik (613-951-2860), Livestock and Animal Products Section, Agriculture Division. ■

PUBLICATIONS RELEASED

Other manufacturing industries, 1993
Catalogue number 47-250
(Canada: $38; United States: US$46; other countries: US$54).

Farm input price index, third quarter 1995
Catalogue number 62-004
(Canada: $24/$80; United States: US$29/US$96; other countries: US$34/US$112).

Campus bookstores, academic year 1993/94
Catalogue number 63-219
(Canada: $24; United States: US$29; other countries: US$34).

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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