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The Daily

Statistics Canada

Thursday, March 30, 1995
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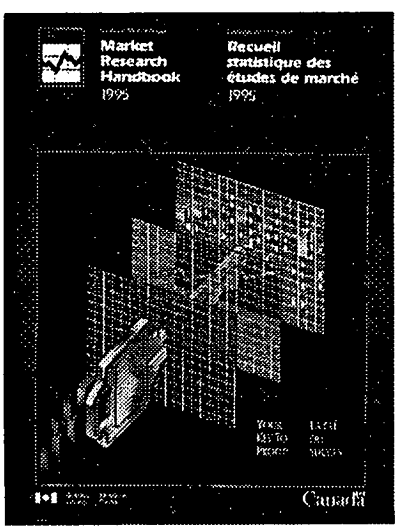
MAJOR RELEASES

(continued on page 2)



Market research handbook

1995

A broad range and depth of market data are now available in the latest *Market research handbook*. A bestseller since 1971, the *Handbook* is a comprehensive source of socio-economic data on Canadian consumers and businesses. You will find information on what Canadians earn and how they spend their money—on cars, rent, home entertainment and appliances, for example. And data on retail and department store sales give further insight into spending patterns.

The *Market research handbook* is an invaluable data source for market researchers, business strategists, product planners, sales leaders, and others who need a comprehensive overview of Canadian society and the economy. It will help identify, define and locate your target markets. With over 600 pages and more than 200 statistical tables, the *Handbook* gives you quick access to census data, demographic projections, and important economic indicators—in most cases for the provinces, the territories and 45 census metropolitan areas.

The 1995 edition of the *Market research handbook* (63-224, $110) is now available. See "How to order publications" or contact your nearest Statistics Canada Regional Reference Centre.

OTHER RELEASES

MAJOR RELEASES

Industrial product price index
February 1995 (preliminary)

Industrial product prices rose 8.8% from a year earlier, down from January's 12-month increase of 9.7%, which was the highest annual jump since September 1981.

Even though the change from January to February was, the lowest monthly increase in five months (+0.2%), prices for pulp, paper and aluminum continued to rise. Meat prices jumped 4.6%.

Price pressures soften

There were declines in certain areas such as automobile and construction, but demand remained generally healthy in February for pulp, paper, and paper products. Canadian and American firms were operating at or near full capacity. Only moderate increases in capacity are expected in both countries in 1995.

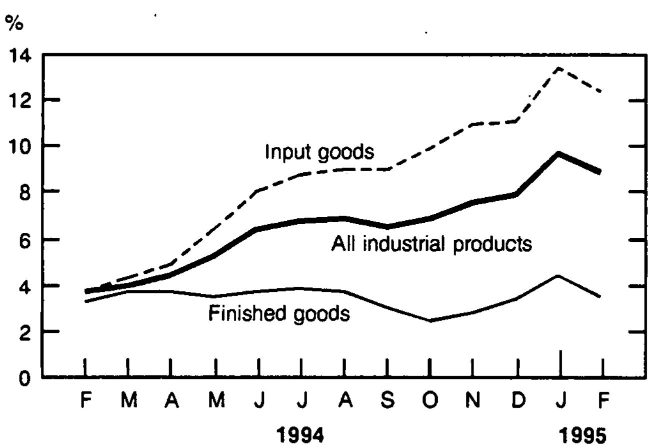
February saw declines in the prices of many non-ferrous metals other than aluminum. Copper prices plateaued even though demand appeared reasonably strong. Nickel, in a surplus supply position to meet apparent demand, may have already seen prices peak, at least for the short term. Zinc, lead and tin prices were also down as interest rate levels affected residential construction and automobile sales in Canada and the United States.

Events in construction and automobile sales seem to have affected automobile and lumber prices. In the Canadian automotive sector, both export and domestic prices edged down in February. Still at historically high levels, lumber, sawmill and other wood product prices moved down slightly.

The value of the U.S. dollar against the Canadian dollar edged down about 0.5% between January 15 and February 15. This reduced the month-to-month increase in industrial prices from about 0.3% to 0.2%.

The lower annual increase in Canadian industrial prices, combined with the slow increase in producer prices in other G7 countries, went part way toward closing the differences in industrial price inflation between Canada and the other G7 countries. According to February figures, the 12-month change in Canadian producer prices edged down to about seven percentage points higher than in the United States and about five-and-a-half percentage points higher than in Germany and the United Kingdom. The different structure of the Canadian economy (i.e., resource-based) and international exchange rate movements account for much of the difference in the rates of producer price changes.

The 12-month change in industrial prices



Note to users

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

Canadian producers export many goods. These producers often quote prices in foreign currencies, particularly for motor vehicles, pulp, paper, and wood products. A rise or fall in the value of the Canadian dollar against the U.S. dollar therefore affects the IPPI. A 1.0% change in the value of the Canadian dollar against the U.S. dollar has been estimated to change the IPPI by about 0.2%.

Domestic events dominated February price changes

The most important price increases were in meat products, pulp, paper, and commercial printing. Meat product prices were up 4.6% due to increased pork and beef prices. These increases were seasonal and followed several months of advancing prices. Pulp prices were up 3.3%, domestic newsprint prices were up 2.9%, and commercial printing prices were up 2.3%.

Partly offsetting these, were price decreases for some chemicals and for a considerable range of food and feed items. The most important decreases among chemicals were for ethylene and oxygen. Among food and feed items, lower prices were seen for refined sugar, coffee products, oil meals and oil cakes, and some frozen vegetables.

Outlook

Although the 12-month change in industrial prices slowed in February, this could be temporary. The world economy is continuing to expand. The demand for processed raw materials, which has been fuelling the increase in Canadian industrial prices, is likely to continue to grow in the near future. Nevertheless, uncertainty in North American auto sales and possible increases in U.S. and Canadian interest rates may slow North American growth, and Canadian industrial price increases, as the year progresses.

Available on CANSIM: matrices 2000-2008.

The February 1995 issue of *Industry price indexes* (62-011, $20/$200) will be available at the end of April. See "How to order publications."

For further information, 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	February 1994	January 1995[r]	February 1995[p]	February 1994 to February 1995	January 1995 to February 1995
					% change[1]	
Industrial product price index (IPPI), total	**100.0**	**116.1**	**126.1**	**126.3**	**8.8**	**0.2**
Total IPPI excluding petroleum and coal products	93.6	118.2	128.2	128.5	8.7	0.2
Intermediate goods[2]	**60.4**	**114.9**	**128.9**	**129.2**	**12.4**	**0.2**
First-stage intermediate goods[3]	13.4	108.5	142.0	142.2	31.1	0.1
Second-stage intermediate goods[4]	47.0	116.8	125.1	125.5	7.4	0.3
Finished goods[5]	**39.6**	**117.9**	**121.8**	**121.9**	**3.4**	**0.1**
Finished foods and feeds	9.9	119.9	121.8	122.7	2.3	0.7
Capital equipment	10.4	120.1	124.5	124.3	3.5	-0.2
All other finished goods	19.3	115.7	120.4	120.3	4.0	-0.1
Aggregation by commodities						
Meat, fish and dairy products	7.4	117.1	117.4	120.2	2.6	2.4
Fruit, vegetable, feed, miscellaneous food products	6.3	120.5	124.2	123.4	2.4	-0.6
Beverages	2.0	124.7	127.5	127.5	2.2	0.0
Tobacco and tobacco products	0.7	164.2	165.2	165.1	0.5	-0.1
Rubber, leather, plastic fabric products	3.1	115.5	125.5	125.7	8.8	0.2
Textile products	2.2	111.1	114.8	115.1	3.6	0.3
Knitted products and clothing	2.3	115.2	117.0	117.1	1.6	0.1
Lumber, sawmill, other wood products	4.9	159.0	158.0	157.8	-0.8	-0.1
Furniture and fixtures	1.7	120.2	123.2	123.4	2.7	0.2
Paper and paper products	8.1	105.6	136.9	138.7	31.3	1.3
Printing and publishing	2.7	138.6	157.6	160.2	15.6	1.6
Primary metal products	7.7	108.0	138.8	138.6	28.3	-0.1
Metal fabricated products	4.9	116.3	123.4	123.6	6.3	0.2
Machinery and equipment	4.2	120.8	124.9	124.9	3.4	0.0
Autos, trucks, other transportation equipment	17.6	115.2	121.2	121.0	5.0	-0.2
Electrical and communications products	5.1	113.8	116.6	116.8	2.6	0.2
Non-metallic mineral products	2.6	114.0	120.0	120.3	5.5	0.3
Petroleum and coal products[6]	6.4	85.3	94.8	94.8	11.1	0.0
Chemicals and chemical products	7.2	119.2	135.5	134.2	12.6	-1.0
Miscellaneous manufactured products	2.5	117.0	120.3	120.3	2.8	0.0
Miscellaneous non-manufactured commodities	0.4	83.1	100.0	101.0	21.5	1.0

1 *Rounded figures.*
2 *Intermediate goods are goods used principally to produce other goods.*
3 *First-stage intermediate goods are items used most frequently to produce other intermediate goods.*
4 *Second-stage intermediate goods are items most commonly used to produce final goods.*
5 *Finished goods are goods most commonly used for immediate consumption or for capital investment.*
6 *This index is estimated for the current month.*
p *Preliminary figures.*
r *Revised figures.*

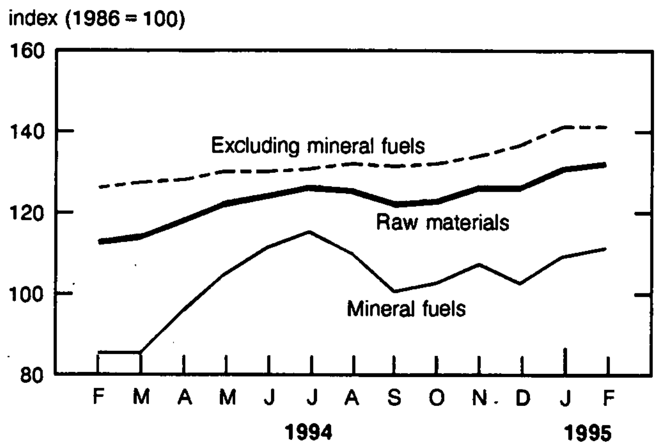
■

Raw materials price index

February 1995 (preliminary)

Raw material prices increased 0.8% in February after increasing 4.1% in January. Lower metal prices greatly offset higher prices for crude oil, hogs and wood. Raw material prices were up 17% on an annual basis, compared with January's 12-month change of +19%.

Increases in raw material prices slow



Potential economic slowdown pulls down metal prices

The potential for economic slowdown, particularly in North America, has pulled metal prices down. Recent interest rate increases affected most levels of economic activity. In particular, the effect on construction, automobiles and telecommunications has lessened demand for metals. Sales in the automobile industry were down about 7% from a year earlier. In February, non-ferrous metal prices declined almost 4% after increasing more than 65% over the last 14 months. The main exception to the decline was aluminum materials prices, which were up 3%. Even though copper, zinc, lead and nickel prices fell in February, most mines were operating at capacity.

Continuing price strength for industrial metals is dependent on inventory levels and global economic activity. Present inventories for aluminum, nickel, lead and zinc are in a surplus position, with copper inventories on the tight side.

Note to users

The raw materials price index (RMPI) reflects prices paid by 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 not produced in Canada.

Crude oil prices climb

Crude oil prices moved up almost 3% in February. Compared to 12 months earlier, prices were 35% higher. Future price levels of crude oil are dependent on global demand, supply management by OPEC, non-OPEC output, and, most recently, the possibility that Iraq might resume selling crude on the world market.

World oil consumption is now somewhere near 70 million barrels per day. According to reports, Iraq could initially supply at most one million barrels a day, and within three to four years their contribution could be somewhere around three to four million barrels per day. The United States and the former Soviet Union, once the two largest oil-producing countries, now produce 13 million barrels per day down from 21 million barrels in 1986-88. Iran is now producing three million barrels a month short of its quota. Most likely, many OPEC countries could produce beyond their quota levels. As well, non-OPEC countries have unused capacity. Any sudden and sustained world industrial expansion, at least in the short term, probably will put upward pressure on crude oil prices.

Wood prices rise again

Wood prices increased almost 4% in the first two months of 1995, after doubling from 1986 to 1994. Wood prices have been moving up due to world demand for logs and pulpwood. Some of the shortfall in the supply of logs can be explained by wet weather that closed many logging areas. The supply situation should improve as forests dry out in the spring and summer. Wood prices have increased even though residential construction was down in Canada and the United States. Higher stumpage fees, more stringent forest management, recent increased demand for pulp, and strong foreign markets for wood should maintain prices at least at current levels.

Hog prices were up almost 30% in the first two months of 1995, after declining by more than 20% in the fourth quarter of 1994. As spring approaches, more hogs should be brought to market, so prices may level off.

Among other notable raw material price changes, natural gas was down 11% in January and February 1995. February's monthly changes showed increases for natural rubber (+ 7%), raw tobacco (+ 4%), corn (+ 5%), canola (+ 3%) and fish (+ 4%).

Available on CANSIM: matrix 2009.

The February 1995 issue of *Industry price indexes* (62-011, $20/$200) will be available at the end of April. See "How to order publications."

For further information, 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]	February 1994	January 1995[r]	February 1995[p]	February 1994 to February 1995	January 1995 to February 1995
					% change	
Raw materials, total	**100.0**	**112.5**	**130.7**	**131.8**	**17.2**	**0.8**
Mineral fuels	32.0	84.5	108.6	110.8	31.1	2.0
Vegetable products	10.0	113.1	123.1	125.1	10.6	1.6
Animals and animal products	26.0	111.6	109.1	111.6	0.0	2.3
Wood	13.0	191.9	216.7	219.1	14.2	1.1
Ferrous materials	4.0	118.8	126.0	125.4	5.6	-0.5
Non-ferrous metals	13.0	102.3	152.7	147.3	44.0	-3.5
Non-metallic minerals	3.0	102.4	102.8	103.2	0.8	0.4
Total excluding mineral fuels	68.0	125.5	140.9	141.5	12.7	0.4

1 *Rounded figures.*
p *Preliminary figures.*
r *Revised figures.*

OTHER RELEASES

Steel primary forms
Week ending March 25, 1995 (preliminary)

Steel primary forms production for the week ending March 25, 1995 totalled 292 642 tonnes, up 4.4% from 280 212 tonnes a week earlier and up 23.1% from 237 667 tonnes a year earlier.

The cumulative total at the end of the week was 3 377 137 tonnes, a 9.9% increase from 3 072 949 tonnes for the same period in 1994.

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

Railway carloadings
Seven-day period ending February 28, 1995

The number of railway cars loaded in Canada (excluding intermodal traffic) during the seven-day period increased 10.9% from the year-earlier period; loadings of revenue freight increased 11.3% to 4.5 million tonnes. Intermodal traffic increased 29.9% during the same period.

Total loadings of revenue freight as of February 28, 1995 increased 18.9% to 40.0 million tonnes from the previous year.

For further information, contact Angus MacLean (613-951-2528, fax: 613-951-0579), Surface Transport Unit, Transportation Division. ■

Cement
February 1995

Manufacturers shipped 407 923 tonnes of cement in February, up 36.2% from 299 519 tonnes (revised) in February 1994, but down 3.0% from 420 433 tonnes in January 1995.

For January to February 1995, shipments totalled 828 356 tonnes, up 41.5% from 585 544 tonnes (revised) during the same period in 1994.

Available on CANSIM: matrices 92 (series 1.1 and 1.2) and 122 (series 35).

The February 1995 issue of *Cement* (44-001, $6/$60) will be available shortly. See "How to order publications."

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

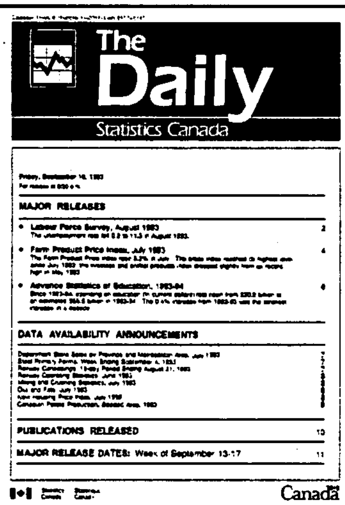
Leisure and personal services
1990-92

Data on leisure and personal service industries for 1990-92 are now available.

Available on CANSIM: matrices 41 and 42.

Leisure and personal services, 1990-92 (63-233, $30) will be released shortly. See "How to order publications."

For further information, contact Diane Lake (613-951-3489) or Shirley Beyer (613-951-3492), Leisure and Personal Services Section, Services, Science and Technology Division. ■



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PUBLICATIONS RELEASED

The sugar situation, February 1995
Catalogue number 32-013
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84)

Construction type plywood, January 1995
Catalogue number 35-001
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84)

Production, shipments and stocks on hand of sawmills east of the Rockies, January 1995
Catalogue number 35-002
(Canada: $11/$110; United States: US$14/US$132; other countries: US$16/US$154)

Production, shipments and stocks on hand of sawmills in British Columbia, January 1995
Catalogue number 35-003
(Canada: $8/$80; United States: US$10/US$96; other countries: US$12/US$112)

Electric lamps (light bulbs and tubes), February 1995
Catalogue number 43-009
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84)

Gas utilities, December 1994
Catalogue number 55-002
(Canada: $14/$140; United States: US$17/US$168; other countries: US$20/US$196)

Electric power statistics, January 1995
Catalogue number 57-001
(Canada: $11/$110; United States: US$14/US$132; other countries: US$16/US$154)

Vending machine operators, fiscal year ended March 31, 1994 (1993)
Catalogue number 63-213
(Canada: $24; United States: US$29; other countries: US$34)

Market research handbook, 1995
Catalogue number 63-224
(Canada: $110; United States: US$132; other countries: US$154)

Exports by country, January-December 1994
Catalogue number 65-003
(Canada: $90/$360; United States: US$108/US$432; other countries: US$126/US$504)

Exports by commodity, December 1994
Catalogue number 65-004
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