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MAJOR RELEASES

OTHER RELEASES

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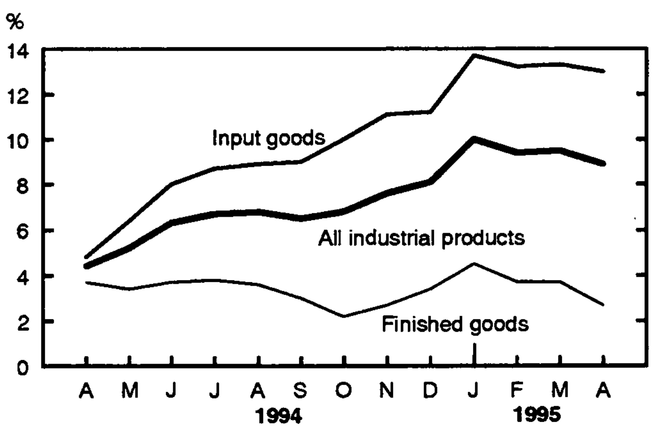
Industrial product price index
April 1995 (preliminary)

Manufacturers' prices edged down in April. A higher Canadian dollar reduced the value of export prices quoted in U.S. dollars. This, combined with declines in lumber, aluminum and copper prices, more than offset increases in pulp, paper and petroleum product prices.

Industrial prices declined 0.2% from March. The 12-month change in industrial prices dropped to +8.9% in April, from March's +9.5%. In January, the 12-month change had reached a 14-year peak at +10%.

The 12-month change in industrial prices has edged down



> ***Note to readers***
>
> *The industrial product price index (IPPI) reflects 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 (including the transportation, wholesale, and retail costs) occurring from the time a good leaves a plant until a final user takes possession.*
>
> *Canadian producers export many goods. They often quote their 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%.*

Appreciation of the Canadian dollar reduces industrial prices

The U.S. dollar declined 3% in value against the Canadian dollar between March 15 and April 15. Manufacturers selling goods priced in U.S. dollars received fewer Canadian dollars for their products. This accounted for most of a 1.9% decline in auto, truck and other transport equipment prices. It also affected exporters of lumber, pulp, paper, and non-ferrous metal products. Appreciation of the Canadian dollar reduced the April change in industrial prices from +0.4% to -0.2% (excluding the effect of the exchange rate).

In April, lumber prices fell a further 2.4% as residential construction in Canada and the United States remained weak. Movement in the exchange rate accounted for about one-third of the decline. Lumber prices dropped across the country, except on the coast of British Columbia, where the price level was supported by western red cedar, which rose almost 6% in price.

Prices remained weak for the major non-ferrous primary metal products. Aluminum product prices dropped a further 4.2%. Copper and copper alloy product prices fell 3.2%. Nickel product prices, which fell by over 16% between January and March, were little changed in April, edging up 0.8%. Poor auto sales, low residential construction, and the size of metal inventories all contributed to these changes.

Pulp pushes prices up

The most significant source of increase for industrial prices in the economy remained the paper and allied products sector. Pulp prices rose another 2.2% as strong North American and offshore demand confronted limited supply. Increases in input costs explained much of the price increases: +10.8% (+66% from a year earlier) for corrugated container board; +9.2% (+56%) for liner board; and +4.5% (+20%) for boxes, bags and other paper containers.

In April, prices for petroleum and coal products rose 1.7%. This sector was the second most important source of industrial price increases. Low gasoline inventories contributed to the increase.

Canada's 12-month change in industrial prices still tops the G-7

The 12-month increase in Canada's industrial prices remained the highest among the G-7 nations in April. The increase was a little over 7 percentage points higher than in the United States and about 5 percentage points higher than in Germany and the

United Kingdom. The different structure of the Canadian economy accounts for much of the difference in the rates of producer price changes. Canada produces and exports large quantities of certain key processed raw materials. These had benefited from strong price increases as the world recovery proceeded during the last year.

Manufacturer and consumer price increases are converging

In April, the 12-month change in prices received by consumer goods manufacturers was only about half a percentage point higher than the 12-month change in prices consumers paid to retailers. The 12-month increase in consumer goods prices at the manufacturer level remained close to 3%. The 12-month change in the consumer price index for goods rose to +2.5%, from +2.1%. (About half of what the consumer pays goes to manufacturers. The rest is divided among retailers, wholesalers, indirect taxes, and transporters).

Outlook

Exports and manufacturing shipments declined in February and March as the North American automobile and residential construction industries remained weak. This clearly had a negative effect on the price movement of some important industrial products. Nevertheless, the world economy remains relatively strong. This has had positive effects on price movements in other industries (such as pulp and paper). There also continues to be a ripple effect, as past price increases for primary metals and certain other processed raw materials (such as pulp) work their way deeper into the Canadian economy.

Domestically, consumers are uncertain and retail sales reflect this: sales declined throughout the first quarter of 1995. For April, the outlook on retail sales is unclear because department store sales were up, but the number of new motor vehicles sold was down. In the short term, world demand for Canadian products and fluctuating exchange rate are likely to remain central to the movements of Canadian industrial prices.

Available on CANSIM: matrices 2000-2008.

The April 1995 issue of *Industry price indexes* (62-011, $21/$210) will be available at the end of June. See "How to order publications".

For further information on this release, contact the Client Services Unit (613-951-3350, fax: 613-951-2848), Prices Division. □

Industrial product price indexes
(1986=100)

Index	Relative importance	April 1994	March 1995[r]	April 1995[p]	April 1994 to April 1995	March 1995 to April 1995
					% change[1]	
Industrial product price index (IPPI)	**100.0**	**117.1**	**127.8**	**127.5**	**8.9**	**-0.2**
IPPI excluding petroleum and coal products	93.6	119.2	130.1	129.6	8.7	-0.4
Intermediate goods[2]	**60.4**	**115.9**	**131.1**	**131.0**	**13.0**	**-0.1**
First-stage intermediate goods[3]	13.4	112.3	145.6	145.8	29.8	0.1
Second-stage intermediate goods[4]	47.0	116.9	127.0	126.9	8.6	-0.1
Finished goods[5]	**39.6**	**118.8**	**122.7**	**122.0**	**2.7**	**-0.6**
Finished foods and feeds	9.9	120.3	123.0	122.6	1.9	-0.3
Capital equipment	10.4	121.3	125.5	124.4	2.6	-0.9
All other finished goods	19.3	116.7	121.1	120.4	3.2	-0.6
Aggregation by commodities						
Meat, fish and dairy products	7.4	117.6	120.0	118.9	1.1	-0.9
Fruit, vegetable, feed, miscellaneous food products	6.3	121.2	124.2	124.0	2.3	-0.2
Beverages	2.0	124.8	127.7	127.5	2.2	-0.2
Tobacco and tobacco products	0.7	164.2	164.9	164.9	0.4	0.0
Rubber, leather, plastic fabric products	3.1	115.8	126.8	127.1	9.8	0.2
Textile products	2.2	111.8	116.5	116.2	3.9	-0.3
Knitted products and clothing	2.3	115.5	117.8	118.0	2.2	0.2
Lumber, sawmill, other wood products	4.9	151.4	159.2	155.4	2.6	-2.4
Furniture and fixtures	1.7	120.1	123.6	123.6	2.9	0.0
Paper and paper products	8.1	109.3	146.0	148.9	36.2	2.0
Printing and publishing	2.7	139.1	163.9	166.5	19.7	1.6
Primary metal products	7.7	111.2	137.1	135.1	21.5	-1.5
Metal fabricated products	4.9	117.3	126.1	126.4	7.8	0.2
Machinery and equipment	4.2	121.6	125.9	125.6	3.3	-0.2
Autos, trucks, other transportation equipment	17.6	117.0	121.9	119.6	2.2	-1.9
Electrical and communications products	5.1	114.2	118.1	118.1	3.4	0.0
Non-metallic mineral products	2.6	115.4	121.7	122.0	5.7	0.2
Petroleum and coal products[6]	6.4	86.3	94.6	96.2	11.5	1.7
Chemicals and chemical products	7.2	120.6	136.8	138.0	14.4	0.9
Miscellaneous manufactured products	2.5	117.7	122.4	122.5	4.1	0.1
Miscellaneous non-manufactured commodities	0.4	85.1	100.4	100.5	18.1	0.1

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.*

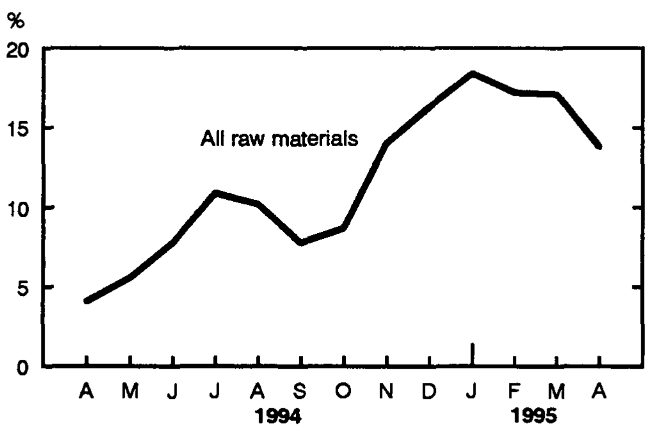
■

Raw materials price index

April 1995 (preliminary)

The 12-month change in raw material prices dropped to +13.8% in April, after remaining above 17% during the first quarter of 1995. In April, higher crude oil and wood prices were greatly offset by lower prices for metals and for animal and vegetable products. Raw material prices increased 0.8% from March.

The 12-month change in raw material prices has dropped



Crude oil prices climb

Crude oil prices increased more than 5% in April, and were up almost 25% over a year earlier. Higher crude prices appear to be driven by greater demand for gasoline compared with the same period last year and by upward pressure on prices in order to replenish low gasoline inventories. The lower Canadian dollar may trigger greater domestic gas consumption this summer as more Canadians vacation in Canada. Similarly, more Americans will likely travel both at home and in Canada due to the low value of the U.S. dollar against the Japanese yen and the German mark. Higher gas prices were already noted in April's consumer price index: the 12-month change was +8.9%.

Wood prices on an upward trend since 1992

Wood prices have increased more than 85% since the beginning of 1992. In April, spurred by demand for pulp and paper products, wood prices continued the move upward, increasing more than 3%. Previously, wood prices had been pushed up by higher lumber prices. But the slowdown in North American housing markets has reduced lumber sales. Prices now appear to be on a downward trend.

> **Note to readers**
>
> *The raw materials price index (RMPI) reflects the 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 that are not produced in Canada.*

Weaker lumber sales have been replaced by strong demand for pulp and paper products. Since the end of 1993, pulp prices have doubled and newsprint and paper products have increased almost 35%. Newspaper publishers, fueled by advertising demand, are looking for ways to lower their newsprint costs. For instance, some publishers are reducing the width of their papers. World demand for newsprint paper and a limited current supply will keep prices up, at least in the near future.

Metal prices continue to weaken

Metal prices have been weakening since January. Ferrous material prices declined almost 4% over this period (January to April), led by lower iron ore prices in April (-2.3%) and lower iron and steel scrap prices (-5.3%).

Non-ferrous metal prices have decreased 6% over the three months ending in April; prices declined 2.4% in April. The slowdown in the construction and auto industries resulted in lower demand for many metals. Prices of copper, the most important metal, fell in February, recovered in March, and then fell in April by more than 5%. Even with the latest decline, April copper prices were still significantly higher than 12 months earlier. Compared with 12 months earlier, prices were up for copper (+53%), aluminum materials (+43%), lead (+26%) and nickel (more than 40% higher). Unless there is a resurgence in the construction and auto sectors, metal prices may weaken further.

Cattle and hog prices decline again

In April, prices declined for cattle (-5%) and hogs (-8%). Compared with a year earlier, prices also fell for cattle (-12%) and hogs (-17%). An overabundant supply of these animals and high levels of red meat already in cold storage have depressed prices. Over the 12 months to April, in the animals and animal products group, higher industrial milk (+8%) and fish (+10%) prices partly offset the lower cattle and hog prices.

Canola prices fall

Vegetable product prices in April declined more than 2%. This decline was led by lower prices for canola (-9.4%), sugar (-8%) and coffee, which were offset partly by higher corn prices (+4%). Over the 12 months to April, vegetable product prices were up more than 7%. Higher prices for rubber (+80%), coffee, sugar and raw tobacco were the main contributors to the 12-month increase. These increases were somewhat dampened by lower prices over the 12 months for potatoes (-25%), corn (-10%), soybeans and canola.

The canola commodity contract arranged through the Winnipeg Commodity Exchange is in the process of changing its delivery point from Vancouver to Saskatchewan. As well, beginning with the August contract, the exchange will allow for delivery of many more grades of canola at a greater number of delivery points. This process may create more openness in the canola market and thereby increase competitive pricing even further.

Available on CANSIM: matrix 2009.

The April 1995 issue of *Industry price indexes* (62-011, $21/$210) will be available at the end of June. See "How to order publications."

For further information on this release, contact the Client Services Unit (613-951-3350, fax: 613-951-2848), Prices Division.

Raw materials price index
(1986=100)

Index	Relative importance[1]	April 1994	March 1995[r]	April 1995[p]	April 1994 to April 1995	March 1995 to April 1995
					% change	
Raw materials price index (RMPI)	**100.0**	**117.7**	**133.0**	**134.0**	**13.8**	**0.8**
Mineral fuels	32.0	95.7	111.7	116.9	22.2	4.7
Vegetable products	10.0	115.8	127.1	124.1	7.2	-2.4
Animals and animal products	26.0	111.6	112.1	109.2	-2.2	-2.6
Wood	13.0	198.8	223.5	230.5	15.9	3.1
Ferrous materials	4.0	120.5	122.8	121.3	0.7	-1.2
Non-ferrous metals	13.0	105.1	147.5	143.9	36.9	-2.4
Non-metallic minerals	3.0	104.2	104.9	105.0	0.8	0.1
RMPI excluding mineral fuels	68.0	127.9	142.8	141.9	10.9	-0.6

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

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OTHER RELEASES

Steel primary forms

Week ending May 20, 1995 (preliminary)

Steel primary forms production for the week ending May 20, 1995 totalled 291 111 tonnes, up 3.4% from 281 444 tonnes a week earlier and up 7.3% from 271 299 tonnes a year earlier.

The year-to-date total at the end of the week was 5 696 291 tonnes, a 8.0% increase from 5 272 976 tonnes for the same period in 1994.

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

Electric power selling price indexes

January to April 1995

Electric power selling price indexes (1986=100) are now available for the period of January to April 1995.

Available on CANSIM: matrix 2020.

The April 1995 issue of *Industry price indexes* (62-011, $21/$210) will be available at the end of June. See "How to order publications".

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

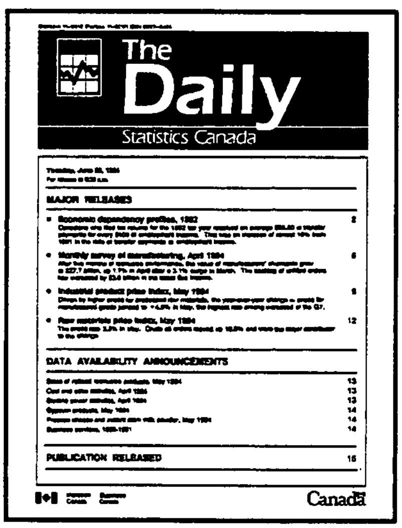
Stocks of frozen meat products

May 1, 1995

As of May 1, 1995, the amount of frozen meat in cold storage totalled 47.2 thousand tonnes. This compares with 46.9 thousand tonnes a month earlier and 40.0 thousand tonnes a year earlier.

Available on CANSIM: matrices 87 and 9517-9525.

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

The dairy review, March 1995
Catalogue number 23-001
(Canada: $14/$138; United States: US$17/US$166; other countries: US$20/US$194).

The sugar situation, April 1995
Catalogue number 32-013
(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, March 1995
Catalogue number 35-002
(Canada: $11/$110; United States: US$14/US$132; other countries: US$16/US$154).

Corrugated boxes and wrappers, April 1995
Catalogue number 36-004
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84).

Average prices of selected farm inputs, April 1995
Catalogue number 62-012
(Canada: $9/$48; United States: US$11/US$58; other countries: US$13/US$68).

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RELEASE DATES

Week of May 29-June 2

(Release dates are subject to change.)

Release date	Title	Reference period
May		
29	**Net farm income**	1994 (preliminary)
29	**Quarterly financial statistics for enterprises**	First quarter 1995
30	**Employment, earnings and hours**	March 1995
30	**Unemployment insurance statistics**	March 1995
31	**Real GDP at factor cost by industry**	March 1995
31	**International travel account**	First quarter 1995
31	**Release dates**	June 1995
June		
1	**Perspectives on labour and income**	Summer 1995
1	**Births and deaths**	1993
2	**People in Canadian Agriculture**	

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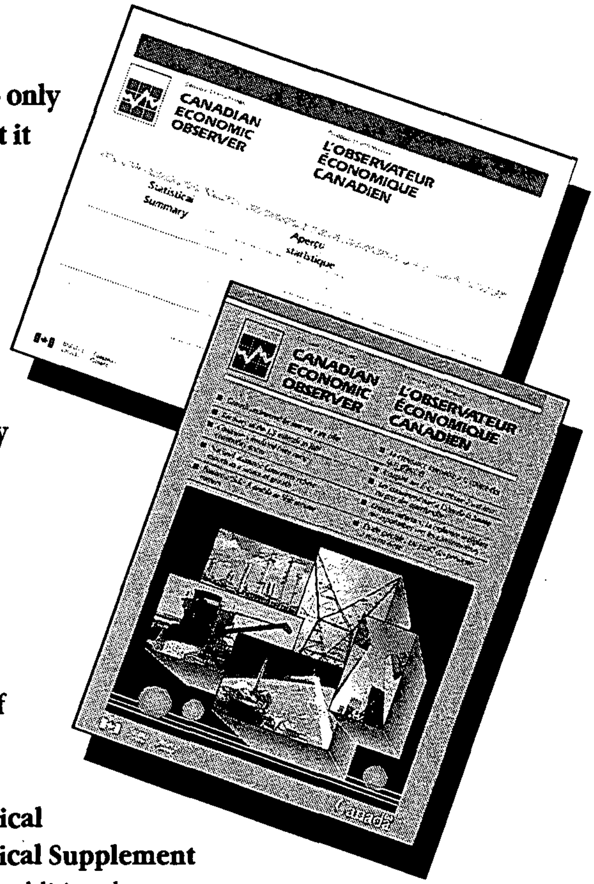

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