



# The Daily

Statistics Canada

**Monday, June 12, 1995**

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## MAJOR RELEASES

- **National economic and financial accounts, first quarter 1995** 2  
Economic growth slowed to 0.2% in the first quarter of 1995, and financial market borrowing activity decreased substantially.
- **Canada's balance of international payments, first quarter 1995** 8  
In the first quarter of 1995, Canada's current account deficit was almost unchanged at \$4.0 billion, still well below the levels experienced over the past seven years.

## OTHER RELEASES

Government revenue and expenditure, first quarter 1995	13
Department store sales, advance release, May 1995	13
Raw materials price indexes, early estimate, May 1995	13
Sugar sales, May 1995	13
Particleboard, waferboard and fibreboard, April 1995	13
Oils and fats, April 1995	14

## PUBLICATIONS RELEASED 15



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## MAJOR RELEASES

### National economic and financial accounts

First quarter 1995

Economic expansion slowed in early 1995, as real GDP growth slowed to 0.2% in the first quarter after surging in 1994. Rising interest rates, strikes in the transportation sector, and a weakening U.S. economy were important factors contributing to the economic deceleration.

#### Real GDP growth<sup>1</sup>

	% change	Annualized % change	Year-over-year % change
First quarter 1991	-1.2	-4.8	-3.5
Second quarter 1991	0.8	3.3	-2.2
Third quarter 1991	0.3	1.2	-1.5
Fourth quarter 1991	0.2	0.7	0.0
First quarter 1992	0.0	0.2	1.3
Second quarter 1992	0.2	1.0	0.7
Third quarter 1992	0.1	0.3	0.5
Fourth quarter 1992	0.1	0.6	0.5
First quarter 1993	1.0	4.0	1.4
Second quarter 1993	0.8	3.2	2.0
Third quarter 1993	0.4	1.6	2.3
Fourth quarter 1993	0.9	3.8	3.1
First quarter 1994	1.3	5.4	3.5
Second quarter 1994	1.4	5.9	4.2
Third quarter 1994	1.4	5.7	5.2
Fourth quarter 1994	1.1	4.6	5.4
First quarter 1995	0.2	0.7	4.2

<sup>1</sup> The "% change" is the growth rate from one period to the next. The "annualized % change" is the percentage change after compounding to an annual rate. The "year-over-year % change" is the growth of a particular quarter compared with the same quarter in the previous year.

Real exports rose 1.3%, much slower than in recent quarters. Final domestic demand was essentially unchanged as business investment in plant and equipment grew moderately, consumer spending languished, government outlays remained unchanged, and housing investment declined. Manufacturing, wholesale and retail establishments piled up inventories, suggesting that the first-quarter growth slowdown was largely unanticipated.

Financial markets were volatile in the first quarter as the value of the Canadian dollar fell 2.9% against the U.S. dollar and short-term interest rates rose more than 200 basis points. Stung by the higher rates, borrowers

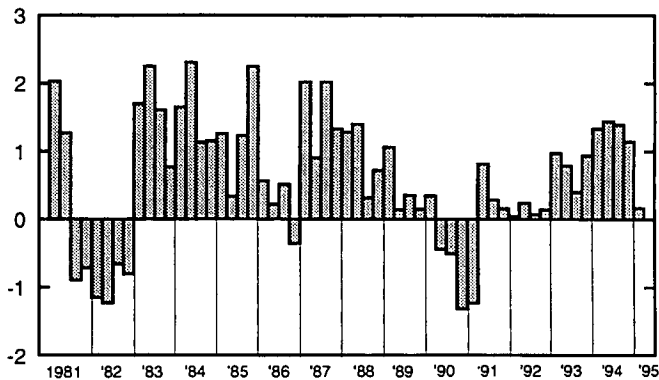
#### Note to readers

With this release, the national accounts and financial flow accounts for previous years have been revised. The largest changes affect the year 1992, for which real GDP growth has been revised upward, from 0.6% to 0.8%.

reduced their demand for credit to its lowest level in two-and-a-half years.

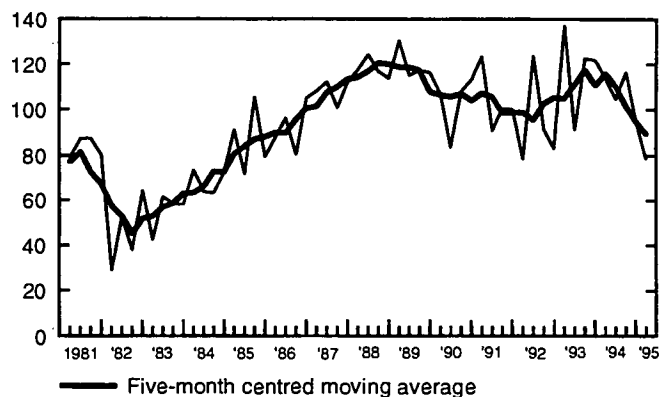
#### GDP at 1986 prices

quarterly % change



#### Total borrowing

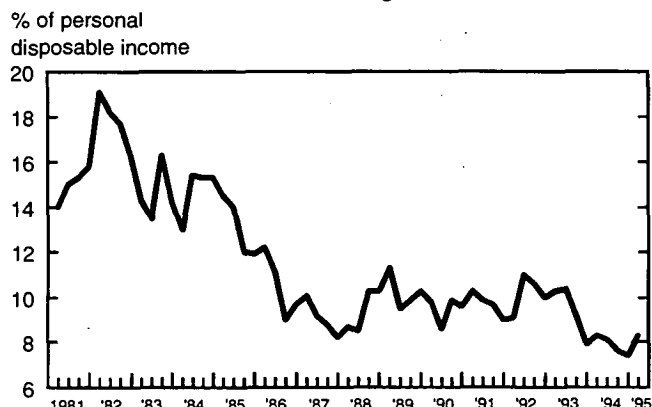
\$ billions



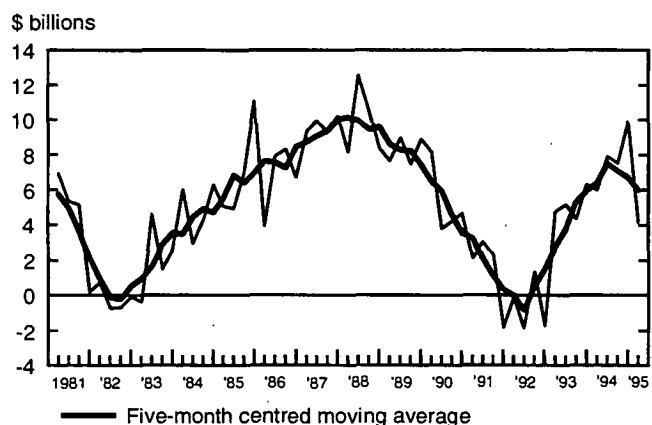
## Consumers curb spending

Personal spending hardly grew at all in the first quarter, after rising moderately throughout 1994. Much of last year's increase was made possible by higher consumer credit borrowing and a lower saving rate, rather than by rising personal disposable income. In the first quarter, as interest rates rose, consumer credit borrowing fell sharply and the saving rate moved up to 8.3%. Real disposable income rose 1.1%.

Personal saving rate



Consumer credit borrowing



Slower consumer spending was especially evident for discretionary commodities. There was a sharp drop in consumer demand for new passenger cars, trucks

and vans. Spending on restaurant meals and foreign travel was also down significantly.

## Demand for exports keeps rising

Exports rose 1.3% in volume during the first quarter. It was the thirteenth consecutive quarterly increase, but the advance was much smaller than the 6.2% average of the previous three quarters. Slower growth in the U.S. economy and the transportation strikes were important factors. Imports grew 2.7% in the quarter, also somewhat slower than the 4.1% average rise during the previous three quarters.

Exports of motor vehicles, aircraft and parts, office machines and equipment, and ores and concentrates each rose substantially. Exports of aluminum, crude oil, newsprint, wheat and canola declined. On the import side, motor vehicles, communications equipment, crude petroleum, and office machines and equipment accounted for the increase. The increase in imports was reflected both in the buildup of inventories and in the growth of business and government spending on machinery and equipment.

Exports of services rose 2.0% in volume, whereas imports of services fell 0.7%. International travel receipts and payments were the key factor. The number of Canadians travelling outside the country dropped a further 4.3%; the number of foreign visitors rose 2.7%.

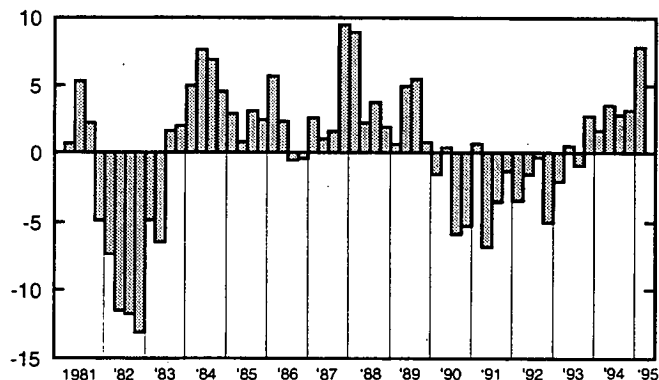
## Business capital spending slows and inventories pile up

Business investment in plant and equipment rose moderately after marked growth in the fourth quarter. In the first quarter, businesses spent more on industrial machinery, office machines and equipment, trucks and aircraft. However, construction, which is sensitive to high interest rates, fell sharply. Housing, non-residential building and engineering construction were all affected.

The abrupt slowing of final demand brought about a very large accumulation of inventories. Manufacturers experienced the largest inventory buildup in 20 years. The electrical products, wood, primary metals, chemicals and petroleum industries each had particularly big increases. Stock levels also rose in the wholesale and retail trade industries, especially among motor vehicle dealers. By contrast, farm inventories remained stable after substantial drawdowns in the fourth quarter.

### Investment in non-farm inventories

\$ billions in 1986 dollars

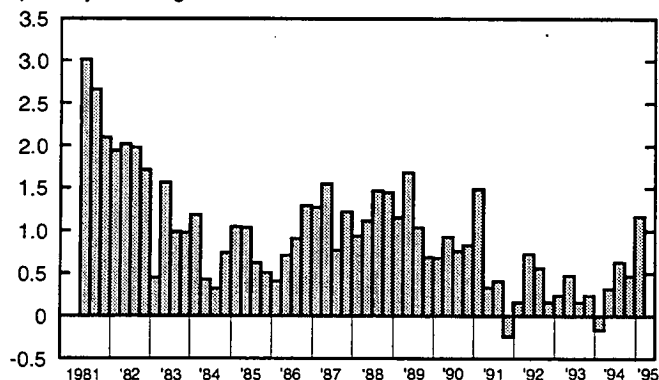


### Inflation takes a jump

The GDP chain price index increased 1.2% in the first quarter, the largest quarterly jump since the first quarter of 1991, when the GST was introduced. Import and export prices both rose significantly, reflecting the sharp depreciation of the Canadian dollar and the fact that prices of Canadian exports are often set in U.S. dollars. Prices rose for consumer goods and services (+0.5%), residential construction investment (+0.7%) and business plant and equipment (+1.9%).

### GDP chain price index\*

quarterly % change



\* Excludes investment in inventories.

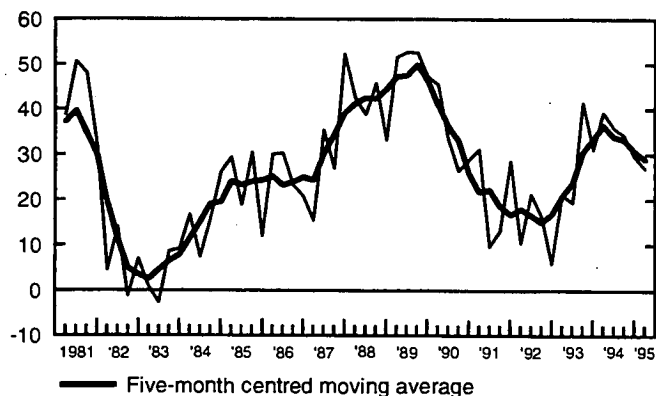
Unit labour costs rose 0.4% in the first quarter after declining steadily over the previous two years. Raw material prices and rising profit margins also contributed to the higher economy-wide inflation rate. The industrial product price index increased 2.9% in the quarter, led by pulp and paper prices. The raw materials price index vaulted 6.2%, driven by prices of mineral fuels, non-ferrous metals and wood. Corporate profits rose 3.0%, the tenth consecutive healthy increase, as corporations' share of GDP edged up to 8.4% after having bottomed out at 4.8% in the fourth quarter of 1991. Inflationary profits on inventories were an important element, accounting for the first-quarter profit growth.

### Demand for funds weakens

Funds raised on financial markets dropped sharply in the first quarter, as interest rates surged and signs of a slowing economy emerged. In particular, consumer credit borrowing fell quite severely. Corporations also raised less funds, as bank and other loan rates became less attractive. There was a general shift from long- to short-term instruments, suggesting that borrowers were expecting the rise in interest rates to be short-lived.

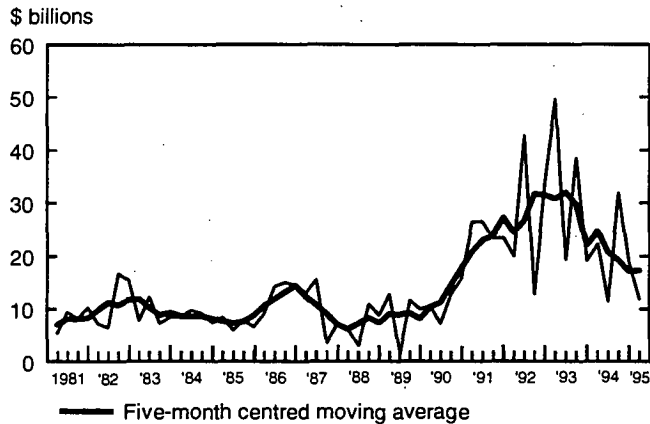
### Corporate borrowing

\$ billions



While the private sector cut borrowing moderately, the provincial and local governments reduced their borrowing quite sharply, after heavy borrowing the previous quarter. Federal government borrowing held steady, remaining near its fourth-quarter level.

### Provincial and local government borrowing



Available on CANSIM: matrices 701-741, 743, 748, 750, 6701-6702, 6704-6707, 6709-6716, 6718, 6720-6722, 6724-6727, 6729-6736, 6738, 6740, 6828-6839, 7404-7408 and 7433-7434.

### Gross domestic product, income-based

	1991	1992	1993	1994	Third quarter 1994	Fourth quarter 1994	First quarter 1995	Fourth quarter 1994 to First quarter 1995
seasonally adjusted at annual rates								
	\$ millions							% change at quar- terly rates
Wages, salaries and supplementary labour income <sup>1</sup>	382,378	391,619	398,163	410,298	412,256	416,976	419,408	0.6
Corporation profits before taxes	34,829	35,060	42,135	57,357	59,640	63,380	65,260	3.0
Interest and miscellaneous investment income	56,211	55,457	53,530	56,410	58,300	57,100	59,724	4.6
Accrued net income of farm operators from farm production	1,644	1,730	2,544	2,030	1,732	2,336	2,452	5.0
Net income of non-farm unincorporated business, including rent	36,072	37,235	39,958	40,970	41,068	41,172	41,532	0.9
Inventory valuation adjustment <sup>2</sup>	1,955	-2,556	-2,778	-4,840	-4,008	-4,228	-6,276	-2,048
Net domestic income at factor cost	513,089	518,545	533,552	562,225	568,988	576,736	582,100	0.9
Indirect taxes less subsidies	79,878	84,389	88,731	93,662	94,124	94,608	95,112	0.5
Capital consumption allowances	82,331	85,305	87,904	92,973	93,576	94,320	95,352	1.1
Statistical discrepancy <sup>2</sup>	1,179	1,883	2,668	1,193	436	1,416	2,500	1,084
<b>Gross domestic product at market prices</b>	<b>676,477</b>	<b>690,122</b>	<b>712,855</b>	<b>750,053</b>	<b>757,124</b>	<b>767,080</b>	<b>775,064</b>	<b>1.0</b>

<sup>1</sup> Includes military pay and allowances.

<sup>2</sup> The change column reflects actual change in millions of dollars for these items.

The first quarter 1995 issue of *National economic and financial accounts, quarterly estimates* (13-001, \$35/\$140) will be released in July. It combines the information formerly released in *National income and expenditure accounts* (13-001) and *Financial flow accounts* (13-014), which have been discontinued. Detailed printed tables of unadjusted and seasonally adjusted quarterly national account and financial flow statistics, plus supplementary analytical tables and charts, are available immediately.

On release day at 8:30 a.m., the complete quarterly national account and financial flow data sets are available on microcomputer diskette. The diskettes are also available at lower cost seven days after the official release date.

To purchase any of these products or to obtain further information about them, call 613-951-3640 and ask for the client services officer, National Accounts and Environment Division.

For further information about this release, call 613-951-3640 and ask for the information officer, National Accounts and Environment Division.

# Gross domestic product, expenditure-based

	1991	1992	1993	1994	Third quarter 1994	Fourth quarter 1994	First quarter 1995	Fourth quarter 1994 to First quarter 1995
seasonally adjusted at annual rates								
\$ millions at current prices								
								% change at quar- terly rates
Personal expenditure on consumer goods and services	411,960	422,515	436,542	452,859	453,832	459,520	461,880	0.5
Durable goods	53,662	54,000	56,376	60,591	59,908	63,180	62,704	-0.8
Semi-durable goods	37,692	37,974	39,143	41,552	42,088	42,560	43,116	1.3
Non-durable goods	109,506	111,310	114,364	115,420	115,568	115,732	116,780	0.9
Services	211,100	219,231	226,659	235,296	236,268	238,048	239,280	0.5
Government current expenditure on goods and services	144,885	150,390	152,158	150,758	150,676	150,732	151,044	0.2
Government investment in fixed capital	16,431	16,106	15,816	16,765	16,964	17,840	17,724	-0.7
Government investment in inventories <sup>1</sup>	-37	-40	-4	-1	-48	-8	164	172
Business investment in fixed capital	115,570	112,759	113,068	122,427	122,180	124,188	122,864	-1.1
Residential construction	39,947	43,820	43,081	45,271	44,912	43,696	41,352	-5.4
Non-residential construction	35,168	29,734	30,162	32,889	33,228	34,316	33,580	-2.1
Machinery and equipment	40,455	39,205	39,825	44,267	44,040	46,176	47,932	3.8
Business investment in inventories <sup>1</sup>	-3,198	-3,661	1,107	2,823	2,660	1,916	8,204	6,288
Non-farm <sup>1</sup>	-3,250	-2,950	-146	2,958	3,048	3,304	8,624	5,320
Farm and grain in commercial channels <sup>1</sup>	52	-711	1,253	-135	-388	-1,388	-420	968
Exports of goods and services	164,849	181,189	209,370	249,371	258,112	275,532	289,296	5.0
Merchandise	140,233	155,403	181,251	217,853	226,576	242,432	255,296	5.3
Non-merchandise	24,616	25,786	28,119	31,518	31,536	33,100	34,000	2.7
Deduct: Imports of goods and services	172,805	187,254	212,534	243,756	246,816	261,224	273,612	4.7
Merchandise	136,616	149,201	171,929	202,807	207,164	220,440	232,048	5.3
Non-merchandise	36,189	38,053	40,605	40,949	39,652	40,784	41,564	1.9
Statistical discrepancy <sup>1</sup>	-1,178	-1,882	-2,668	-1,193	-436	-1,416	-2,500	-1,084
<b>Gross domestic product at market prices</b>	<b>676,477</b>	<b>690,122</b>	<b>712,855</b>	<b>750,053</b>	<b>757,124</b>	<b>767,080</b>	<b>775,064</b>	<b>1.0</b>
Final domestic demand	688,846	701,770	717,584	742,809	743,652	752,280	753,512	0.2
\$ millions at 1986 prices								
Personal expenditure on consumer goods and services	333,396	337,619	342,858	353,175	353,424	356,816	357,016	0.1
Durable goods	47,741	48,045	49,465	51,887	51,212	53,632	53,008	-1.2
Semi-durable goods	29,643	29,739	30,419	32,150	32,568	32,888	33,296	1.2
Non-durable goods	86,521	87,581	88,898	91,598	91,836	91,804	92,376	0.6
Services	169,491	172,254	174,076	177,540	177,808	178,492	178,336	-0.1
Government current expenditure on goods and services	116,958	118,126	118,660	116,621	116,480	116,084	116,020	-0.1
Government investment in fixed capital	16,231	16,217	16,334	17,264	17,360	18,244	18,144	-0.5
Government investment in inventories <sup>1</sup>	-32	-35	-3	-	-40	-4	140	144
Business investment in fixed capital	107,005	105,202	105,761	113,669	113,724	115,464	114,848	-0.5
Residential construction	30,511	32,908	31,517	32,463	32,196	31,192	29,924	-4.1
Non-residential construction	30,212	25,730	25,861	27,196	27,288	27,980	27,108	-3.1
Machinery and equipment	46,282	46,564	48,383	54,010	54,240	56,292	57,816	2.7
Business investment in inventories <sup>1</sup>	-2,395	-3,731	1,009	2,759	2,740	2,056	7,816	5,760
Non-farm <sup>1</sup>	-2,753	-2,611	58	2,831	2,860	3,212	7,844	4,632
Farm and grain in commercial channels <sup>1</sup>	358	-1,120	951	-72	-120	-1,156	-28	1,128
Exports of goods and services	166,687	179,426	198,093	226,271	231,696	247,744	250,968	1.3
Merchandise	146,479	158,332	176,016	201,951	207,480	222,536	225,248	1.2
Non-merchandise	20,208	21,094	22,077	24,320	24,216	25,208	25,720	2.0
Deduct: Imports of goods and services	181,831	192,000	208,856	230,874	232,576	245,932	252,572	2.7
Merchandise	146,042	156,411	173,703	197,329	199,868	212,820	219,680	3.2
Non-merchandise	35,789	35,589	35,153	33,545	32,708	33,112	32,892	-0.7
Statistical discrepancy <sup>1</sup>	-967	-1,519	-2,134	-949	-344	-1,124	-1,968	-844
<b>Gross domestic product at market prices</b>	<b>555,052</b>	<b>559,305</b>	<b>571,722</b>	<b>597,936</b>	<b>602,464</b>	<b>609,348</b>	<b>610,412</b>	<b>0.2</b>
Final domestic demand	573,590	577,164	583,613	600,729	600,988	606,608	606,028	-0.1
implicit price indexes, 1986=100								
Personal expenditure on consumer goods and services	123.6	125.2	127.4	128.2	128.4	128.8	129.4	0.5
Government current expenditure on goods and services	123.9	127.3	128.2	129.3	129.4	129.8	130.2	0.3
Government investment in fixed capital	101.2	99.3	96.8	97.1	97.7	97.8	97.7	-0.1
Business investment in fixed capital	108.0	107.2	106.9	107.7	107.4	107.6	107.0	-0.6
Exports of goods and services	99.0	100.9	105.7	110.1	111.4	111.2	115.3	3.7
Deduct: Imports of goods and services	95.1	97.5	101.7	105.5	106.1	106.2	108.3	2.0
<b>Gross domestic product at market prices</b>	<b>121.9</b>	<b>123.4</b>	<b>124.7</b>	<b>125.5</b>	<b>125.7</b>	<b>125.9</b>	<b>127.0</b>	<b>0.9</b>
Final domestic demand	120.1	121.6	123.0	123.6	123.7	124.0	124.3	0.2

<sup>1</sup> The change column reflects actual change in millions of dollars for these items.  
- Nil or zero.

## Financial market summary table

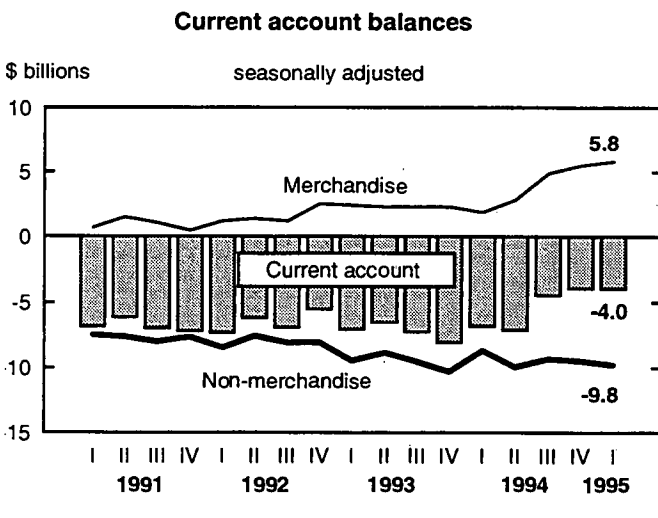
	1991	1992	1993	1994	Third quarter 1994	Fourth quarter 1994	First quarter 1995	Fourth quarter 1994 to First quarter 1995
	seasonally adjusted at annual rates							
	\$ millions							actual change
<b>Persons and unincorporated business</b>	<b>18,745</b>	<b>23,353</b>	<b>23,910</b>	<b>23,334</b>	<b>21,920</b>	<b>23,912</b>	<b>20,936</b>	<b>-2,976</b>
Funds raised								
Consumer credit	1,426	-576	5,147	7,832	7,524	9,904	4,176	-5,728
Bank loans	-258	953	1,218	-343	-316	284	2,328	2,044
Other loans	-1,024	1,084	611	-145	-436	-652	-656	-4
Mortgages	18,600	21,941	16,837	15,910	14,996	14,248	15,124	876
Bonds	1	-49	97	80	152	128	-36	-164
<b>Non-financial private corporations</b>	<b>20,577</b>	<b>13,455</b>	<b>28,269</b>	<b>34,723</b>	<b>34,260</b>	<b>29,576</b>	<b>26,896</b>	<b>-2,680</b>
Funds raised								
Bank loans	4,645	7,440	-999	5,746	1,164	6,400	316	-6,084
Other loans	2,947	-1,331	-157	3,476	4,768	908	-1,440	-2,348
Other short-term paper	-10,685	-13,143	4,365	1,123	532	6,728	17,368	10,640
Mortgages	7,484	8,119	3,676	456	-1,200	-920	-1,808	-888
Bonds	8,402	4,068	6,398	6,958	10,784	5,800	7,844	2,044
Shares	7,784	8,302	14,986	16,964	18,212	10,660	4,616	-6,044
<b>Non-financial government enterprises</b>	<b>9,254</b>	<b>4,451</b>	<b>-476</b>	<b>1,907</b>	<b>2,296</b>	<b>1,408</b>	<b>-2,176</b>	<b>-3,584</b>
Funds raised								
Bank loans	-2,641	-96	-881	806	496	-228	872	1,100
Other loans	-585	41	-556	384	220	132	-1,196	-1,328
Other short-term paper	3,507	864	956	-1,319	92	-848	1,484	2,332
Mortgages	-16	-40	-2	-16	-16	-16	-16	-
Bonds	8,258	2,846	8	2,184	2,020	2,464	-3,448	-5,912
Shares	731	836	-1	-132	-516	-96	128	224
<b>Federal government</b>	<b>30,163</b>	<b>25,558</b>	<b>34,837</b>	<b>26,211</b>	<b>26,064</b>	<b>20,856</b>	<b>21,164</b>	<b>308</b>
Funds raised								
Other loans	-1	-1	-4	-2	4	4	4	-
Canada short-term paper	10,028	12,714	12,864	-8,017	-9,832	-9,352	21,768	31,120
Canada Saving Bonds	1,864	-1,425	-3,260	889	-2,356	8,668	-2,468	-11,136
Marketable bonds	18,272	14,270	25,237	33,341	38,248	21,536	1,860	-19,676
<b>Other levels of government</b>	<b>24,902</b>	<b>27,271</b>	<b>31,592</b>	<b>21,072</b>	<b>31,868</b>	<b>18,752</b>	<b>11,824</b>	<b>-6,928</b>
Funds raised								
Bank loans	119	221	-130	381	544	656	220	-436
Other loans	192	664	895	814	1,352	1,040	1,312	272
Other short-term paper	-423	3,849	799	-1,366	48	-2,032	-3,132	-1,100
Provincial bonds	22,493	20,895	28,162	20,126	29,460	17,844	13,664	-4,180
Municipal bonds	2,487	1,717	1,864	1,140	480	1,260	-208	-1,468
Other bonds	34	-77	2	-23	-16	-16	-32	-16
<b>Total funds raised by domestic non-financial sectors</b>	<b>103,641</b>	<b>94,088</b>	<b>118,132</b>	<b>107,247</b>	<b>116,408</b>	<b>94,504</b>	<b>78,644</b>	<b>-15,860</b>
Consumer credit	1,426	-576	5,147	7,832	7,524	9,904	4,176	-5,728
Bank loans	1,865	8,518	-792	6,590	1,888	7,112	3,736	-3,376
Other loans	1,529	457	789	4,527	5,908	1,432	-1,976	-3,408
Canada short-term paper	10,028	12,714	12,864	-8,017	-9,832	-9,352	21,768	31,120
Other short-term paper	-7,601	-8,430	6,120	-1,562	672	3,848	15,720	11,872
Mortgages	26,068	30,022	20,511	16,350	13,780	13,312	13,300	-12
Bonds	61,811	42,245	58,508	64,695	78,772	57,684	17,176	-40,508
Shares	8,515	9,138	14,985	16,832	17,696	10,564	4,744	-5,820

- Nil or zero.

## Canada's balance of international payments

First quarter 1995

In the first quarter of 1995, Canada's current account deficit was almost unchanged at \$4.0 billion, still well below the levels experienced over the past seven years. A deficit in the current account reflects the fact that Canada has spent more than it earned from abroad on goods, services, investment income and transfers. The first quarter of 1995 saw Canadians exporting more goods and foreign visitors spending more in Canada. But these earnings were offset by higher payments of interest abroad.



The capital account shows that non-residents resumed their investment in Canadian bonds. This followed a record withdrawal in the previous quarter. In January, the Canadian dollar kept falling against the U.S. dollar, touching a nine-year low of US70.09 cents; it then fluctuated and closed the quarter almost unchanged from the end of 1994.

### Record surplus in merchandise trade

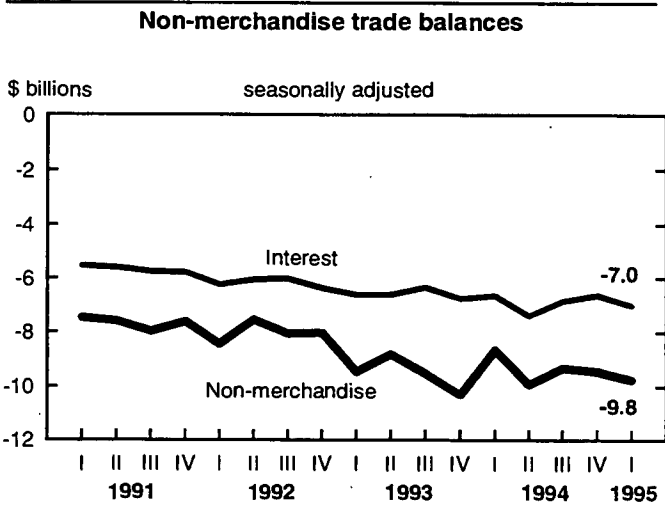
Canada's surplus on merchandise trade climbed to a record \$5.8 billion. (The previous high of \$5.6 billion was set in the fourth quarter of 1984.) Both exports and imports continued to advance strongly. The increase in Canada's merchandise surplus again resulted from transactions with the United States. A small surplus with Japan has continued for a year. Deficits persisted with all other foreign countries as a whole.

### Note to readers

Revised merchandise trade will be available from the International Trade Division with its release of the April 1995 data.

### Interest payments increase the deficit on non-merchandise transactions

The non-merchandise deficit climbed to \$9.8 billion, pulled by the interest paid to non-residents. Canadian banks paid more interest abroad as a result of increased deposits in foreign currencies; the Government of Canada also paid more interest abroad because of higher treasury bill borrowing from abroad. Interest payments on Canadian bonds, by far the largest component of interest paid abroad, were down for the second consecutive quarter, in sharp contrast with the upward trend of the past.



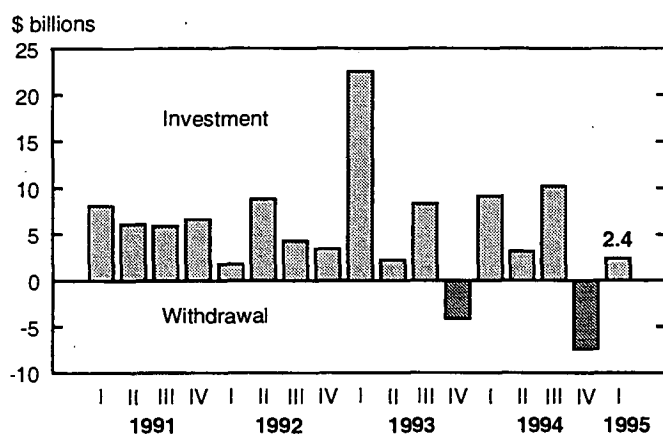
Profits of foreign direct investors remained high for a second consecutive quarter.

### Foreigners resume their investment in Canadian bonds

Non-residents bought \$2.4 billion more Canadian bonds than they sold in the first quarter of 1995. This followed a record withdrawal of \$7.4 billion in the previous quarter. The foreign capital was channelled entirely into new foreign currency bonds issued by the provinces and Canadian corporations. Foreigners sold more outstanding bonds than they bought for a sixth consecutive quarter.



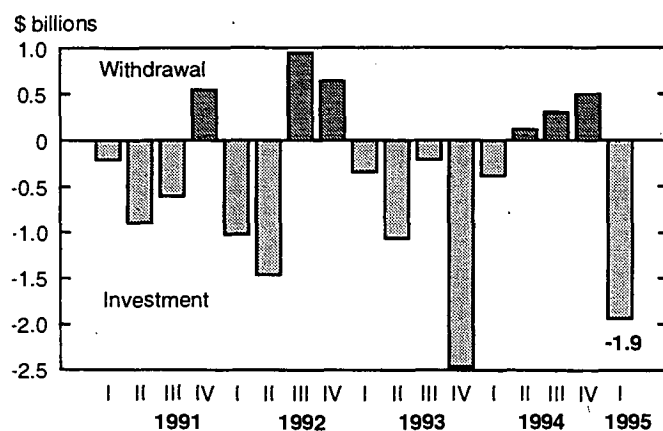
### Foreign investment in Canadian bonds



### Canadian investors move more into foreign bonds

Canadian residents added \$1.9 billion of foreign bonds to their portfolios, their second largest quarterly investment on record. The increase, largely in U.S. bonds, was led by pension funds and mutual funds.

### Canadian investment in foreign bonds

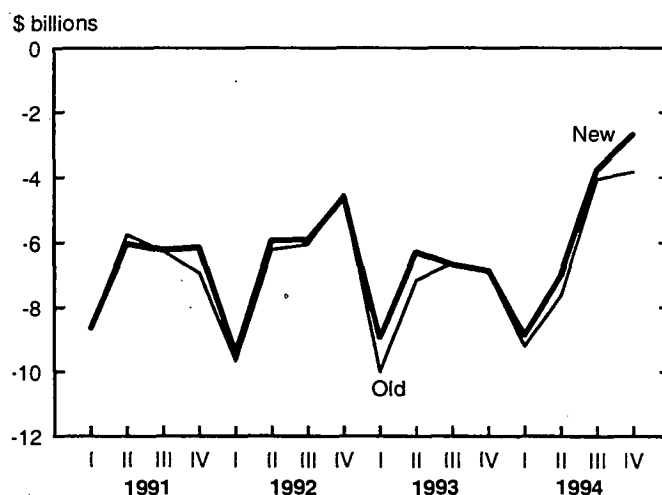


### Revisions to the 1991-94 estimates

Revised estimates of the balance of payments accounts for the 1991-94 period are now available with the results for the first quarter of 1995. The revisions reflect more current sources of information, such as the latest annual surveys and administrative data.

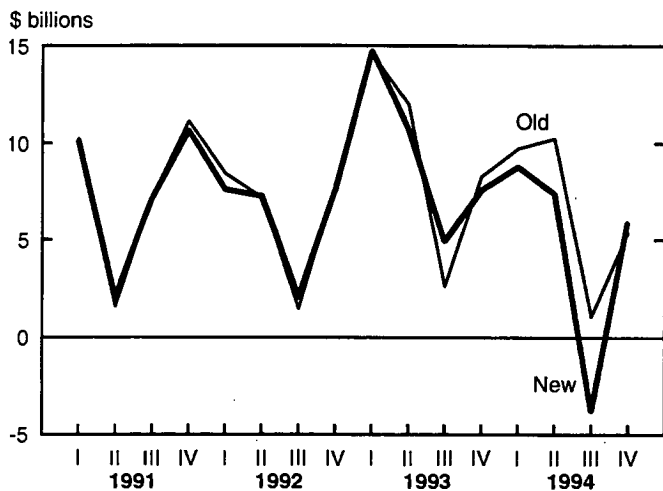
The current account deficit was reduced for the entire period from 1991 to 1994. This resulted largely from higher receipts of business services, freight and shipping, and dividends. These higher earnings were partially offset, especially in 1994, by a reduction in merchandise exports.

### Current account balance / revisions



The overall net inflow in the capital account was reduced in 1991, 1992 and 1994 due to lower borrowing abroad. For 1993, the higher net inflow mainly reflected lower Canadian direct investment abroad. In 1994, the largest revision resulted from the banks' foreign currency transactions.

Capital account balance / revisions



Available on CANSIM: matrix 1364, 1370, 2323-2329, 2331-2339, 2343-2349, 2353-2355 and 2357.

The first quarter 1995 issue of *Canada's balance of international payments* (67-001, \$30/\$120) will be available later this month. See "How to order publications".

For further information on this release, contact Lucie Laliberté (613-951-9055), Balance of Payments Division. □

## Balance of international payments

	First quarter 1994	Second quarter 1994	Third quarter 1994	Fourth quarter 1994	First quarter 1995	1993	1994
	unadjusted						
	\$ millions						
<b>Current account</b>							
<b>Receipts</b>							
Merchandise exports	47,509	55,384	53,854	61,106	62,850	181,251	217,854
Non-merchandise							
Services	6,223	8,094	9,947	7,254	6,909	28,118	31,519
Investment income <sup>1</sup>	2,338	2,903	3,052	3,531	3,520	9,980	11,824
Of which: reinvested earnings	26	-19	106	188	84	-643	302
Transfers	1,192	1,332	1,326	1,018	1,066	4,616	4,869
Total non-merchandise receipts	9,754	12,330	14,325	11,804	11,495	42,715	48,213
Total receipts	57,263	67,714	68,179	72,910	74,345	223,966	266,066
<b>Payments</b>							
Merchandise imports	45,991	52,291	50,214	54,311	57,632	171,928	202,807
Non-merchandise							
Services	10,463	10,616	10,134	9,736	10,512	40,606	40,949
Investment income <sup>1</sup>	8,627	10,886	10,644	10,562	11,576	36,049	40,719
Of which: reinvested earnings	-149	778	1,471	826	1,536	1,432	2,926
Transfers	1,054	922	941	972	1,073	4,177	3,890
Total non-merchandise payments	20,144	22,425	21,719	21,270	23,160	80,832	85,558
Total payments	66,135	74,716	71,933	75,581	80,792	252,760	288,365
<b>Balances</b>							
Merchandise	+1,518	+3,093	+3,640	+6,795	+5,218	+9,323	+15,046
Non-merchandise	-10,390	-10,095	-7,394	-9,466	-11,665	-38,118	-37,345
Total current account	-8,872	-7,002	-3,754	-2,671	-6,447	-28,794	-22,299
<b>Capital account<sup>2</sup></b>							
<b>Canadian claims on non-residents, net flows</b>							
Canadian direct investment abroad <sup>1</sup>	-1,597	-1,098	-2,073	-1,758	-1,031	-7,490	-6,526
Of which: reinvested earnings	-26	+19	-106	-188	-84	+643	-302
Portfolio securities							
Foreign bonds	-383	+115	+299	+494	-1,938	-4,070	+525
Foreign stocks	-4,760	-1,727	-1,249	-1,479	-865	-9,818	-9,216
Government of Canada assets							
Official international reserves	+2,430	-494	-4,919	+4,613	-2,921	+598	+1,630
Loans and subscriptions	-362	-556	-304	-670	-323	-286	-1,893
Non-bank deposits abroad	+938	-478	-998	-2,101	+1,846	-755	-2,639
Other claims	+758	+995	+1,803	+1,777	+856	+2,685	+5,332
Total Canadian claims, net flow	-2,976	-3,244	-7,442	+876	-4,375	-19,137	-12,787
<b>Canadian liabilities to non-residents, net flows</b>							
Foreign direct investment in Canada <sup>1</sup>	+2,339	+1,346	+2,188	+2,365	+2,463	+6,425	+8,239
Of which: reinvested earnings	-149	+778	+1,471	+826	+1,536	+1,432	+2,926
Portfolio securities							
Canadian bonds	+9,140	+3,204	+10,221	-7,415	+2,417	+28,929	+15,150
Canadian stocks	+3,043	+1,294	+1,798	-79	-1,524	+12,056	+6,056
Canadian banks' net foreign currency transactions with non-residents <sup>3</sup>	-4,488	-1,559	-654	+6,486	+5,055	-251	-214
Money market instruments							
Government of Canada paper	+1,007	+6,366	-7,068	+2,426	+3,068	+10,939	+2,731
Other paper	-105	+888	-3,167	+558	+492	-1,643	-1,826
Allocation of special drawing rights							
Other liabilities	+826	-885	+359	+692	+2,413	+635	+992
Total Canadian liabilities, net flow	+11,762	+10,654	+3,677	+5,034	+14,383	+57,090	+31,128
Total capital account, net flow	+8,787	+7,410	-3,765	+5,910	+10,008	+37,953	+18,341
Statistical discrepancy	+85	-407	+7,519	-3,239	-3,560	-9,159	-3,958

<sup>1</sup> From 1983, includes reinvested earnings accruing to direct investors.

<sup>2</sup> A minus sign denotes an outflow of capital resulting from an increase in claims on non-residents or from a decrease in liabilities to non-residents.

<sup>3</sup> When the banks' foreign currency position (booked in Canada) with non-residents is a net asset, the series is classified as part of Canadian claims on non-residents.

- Nil or zero.

## Current account

	First quarter 1994	Second quarter 1994	Third quarter 1994	Fourth quarter 1994	First quarter 1995	1993	1994
	seasonally adjusted						
	\$ millions						
<b>Receipts</b>							
Merchandise exports	47,967	52,634	56,644	60,609	63,824	181,251	217,854
Non-merchandise							
Services							
Travel	2,364	2,448	2,606	2,776	2,822	8,804	10,194
Freight and shipping	1,730	1,846	1,985	2,074	2,171	6,343	7,635
Business services	2,972	3,003	2,804	2,910	2,974	11,046	11,689
Government transactions	199	208	204	219	225	759	830
Other services	292	297	285	298	308	1,167	1,171
Total services	7,558	7,801	7,884	8,276	8,500	28,118	31,519
Investment income <sup>1</sup>							
Interest	1,063	1,197	1,332	1,550	1,664	3,700	5,143
Dividends	1,305	1,758	1,487	1,829	1,856	6,923	6,379
Reinvested earnings	26	-19	106	188	84	-643	302
Total investment income	2,395	2,937	2,925	3,567	3,604	9,980	11,824
Transfers							
Inheritances and immigrants' funds	471	497	461	323	369	1,671	1,752
Personal and institutional remittances	371	344	368	345	357	1,303	1,427
Canadian withholding tax	480	446	392	372	464	1,642	1,690
Total transfers	1,322	1,287	1,221	1,039	1,190	4,616	4,869
Total non-merchandise receipts	11,275	12,024	12,031	12,883	13,293	42,715	48,213
Total receipts	59,242	64,658	68,674	73,492	77,117	223,966	266,066
<b>Payments</b>							
Merchandise imports	46,100	49,806	51,791	55,111	58,012	171,928	202,807
Non-merchandise							
Services							
Travel	4,041	4,260	3,672	3,976	3,929	16,681	15,949
Freight and shipping	1,626	1,774	1,846	1,987	2,077	6,431	7,234
Business services	4,008	3,947	3,809	3,645	3,771	15,087	15,409
Government transactions	364	337	347	346	370	1,489	1,393
Other services	244	239	239	242	244	918	964
Total services	10,283	10,557	9,913	10,196	10,391	40,606	40,949
Investment income <sup>1</sup>							
Interest	7,714	8,582	8,178	8,185	8,679	30,039	32,658
Dividends	1,206	1,536	1,265	1,128	1,581	4,578	5,135
Reinvested earnings	-263	314	1,045	1,829	1,423	1,432	2,926
Total investment income	8,657	10,432	10,488	11,141	11,683	36,049	40,719
Transfers							
Inheritances and emigrants' funds	88	89	92	93	92	340	362
Personal and institutional remittances	339	340	341	341	354	1,308	1,361
Official contributions	492	455	437	487	469	2,245	1,871
Foreign withholding tax	70	78	75	73	72	283	296
Total transfers	989	961	945	994	987	4,177	3,890
Total non-merchandise payments	19,930	21,950	21,346	22,332	23,061	80,832	85,558
Total payments	66,030	71,756	73,137	77,443	81,073	252,760	288,365
<b>Balances</b>							
Merchandise	+1,867	+2,828	+4,853	+5,499	+5,811	+9,323	+15,046
Non-merchandise							
Services	-2,725	-2,756	-2,029	-1,920	-1,891	-12,487	-9,430
Investment income <sup>1</sup>	-6,262	-7,495	-7,563	-7,574	-8,079	-26,069	-28,895
Transfers	+333	+325	+276	+45	+202	+439	+979
Total non-merchandise	-8,655	-9,926	-9,316	-9,449	-9,768	-38,118	-37,345
Total current account	-6,788	-7,098	-4,463	-3,950	-3,956	-28,794	-22,299

<sup>1</sup> From 1983, includes reinvested earnings accruing to direct investors.

Note: Figures may not add due to rounding.

## OTHER RELEASES

### Government revenue and expenditure

First quarter 1995

Detailed revenue and expenditure estimates on a system of national accounts (SNA) basis for the quarter ended March 31, 1995 are now available. Data are available for the federal, provincial and local governments. Revised detailed estimates for the quarters ended March 31, 1991 through December 31, 1994 are also available.

**Available on CANSIM: matrices 2711-2713.**

For further information on this release, contact James Temple (613-951-1832) or Robert Loggie (613-951-1809), Public Administration Section, Public Institutions Division.

Data are also available through custom tabulations. For more information or general inquiries on the products or services of Public Institutions Division, contact Jo-Anne Thibault, Data Dissemination and External Relations Co-ordinator (613-951-0767). ■

### Department store sales, advance release

May 1995

Consumers spent \$1,108.0 million in department stores in May, an 8.3% increase over May 1994 (unadjusted). The increase was attributable to the discount stores, where sales rose 18.3% to \$585.3 million. Spending in the major stores declined 1.0% to \$522.7 million.

The May 1995 issue of *Department store sales and stocks* (63-002, \$16/\$160) will be available in July. See "How to order publications".

For further information on this release, contact Leslie Kiss (613-951-3556), Retail Trade Section, Industry Division. ■

### Raw materials price indexes, early estimate

May 1995

The raw materials price index decreased an estimated 1.1% from April to May 1995. Decreases occurred in the mineral fuels (-2.0%), metals (-3.6%) and vegetable and animal products (-0.8%) indexes. These declines were moderated by a 1.6% increase in the wood index. The RMPI excluding mineral fuels decreased an estimated 0.7% in May 1995.

This early estimate of the May 1995 index is based on partial returns and other indicators. The regular index will be published at the end of this month.

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

### Sugar sales

May 1995

Refiners' sales totalled 85 059 tonnes for all types of sugar in May, comprising 79 482 tonnes in domestic sales and 5 577 tonnes in export sales. For January to May 1995, year-to-date sales of all types of sugar totalled 390 614 tonnes: 352 931 tonnes in domestic sales and 37 683 tonnes in export sales.

This compares with total sales of 94 882 tonnes in May 1994, of which 85 185 tonnes were domestic sales and 9 697 tonnes were export sales. The 1994 year-to-date sales of all types of sugar totalled 430 724 tonnes: 378 967 tonnes in domestic sales and 51 757 tonnes in export sales.

**Available on CANSIM: matrix 141.**

The May 1995 issue of *The sugar situation* (32-013, \$6/\$60) will be available shortly. See "How to order publications".

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

### Particleboard, waferboard and fibreboard

April 1995

Waferboard production in April totalled 279 652 cubic metres, a 1.6% increase from 275 276 cubic metres in April 1994. Particleboard production reached 143 004 cubic metres, up 19.7% from 119 449 (revised) cubic metres in April 1994. Fibreboard production in April totalled 8 668 thousand square metres (basis 3.175 millimetres), down 5.7% from 9 193 thousand square metres in April 1994.

For January to April 1995, year-to-date waferboard production totalled 1 098 373 (revised) cubic metres, up 11.1% from 988 709 cubic metres a year earlier. Year-to-date particleboard production totalled 566 695 (revised) cubic metres, up 21.4% from 466 612 (revised) cubic metres a year earlier. Year-to-date fibreboard production reached 35 905 thousand

square metres, (basis 3.175 millimetres), up 3.3% from 34 753 thousand square metres for the same period in 1994.

**Available on CANSIM: matrices 31 (series 2-4) and 122 (series 8 and 34).**

The April 1995 issue of *Particleboard, waferboard and fibreboard* (36-003, \$6/\$60) will be available shortly. See "How to order publications".

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

## Oils and fats

April 1995

Production of all types of deodorized oils in April totalled 69 637 tonnes, an 8.0% decrease from 75 682 revised tonnes in March 1995. At the end of April 1995, year-

to-date production totalled 291 320 tonnes, a 2.5% increase from 284 234 tonnes a year earlier.

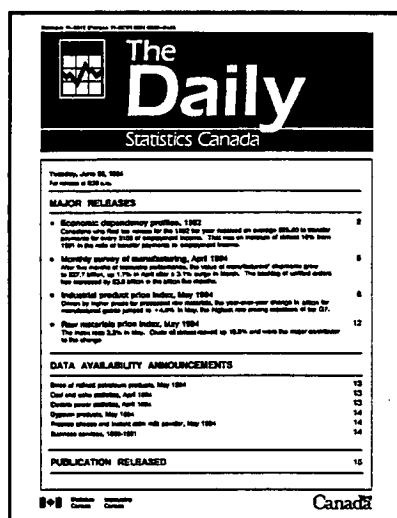
Manufacturers' packaged sales of shortening totalled 9 589 tonnes in April 1995, down from 10 967 revised tonnes the previous month. At the end of April 1995, year-to-date sales totalled 39 615 tonnes, compared with 40 635 tonnes a year earlier.

Sales of packaged salad oil totalled 4 540 tonnes in April 1995, down from 6 266 tonnes the previous month. Year-to-date sales at the end of April 1995 totalled 21 764 tonnes, compared with 24 665 tonnes a year earlier.

**Available on CANSIM: matrix 184.**

The April 1995 issue of *Oils and fats* (32-006, \$6/\$60) will be available shortly. See "How to order publications".

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



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## PUBLICATIONS RELEASED

### Gross domestic product by industry, March 1995

#### Catalogue number 15-001

(Canada: \$14/\$140; United States: US\$17/US\$168; other countries: US\$20/US\$196).

### Furniture and fixtures industries, 1993

#### Catalogue number 35-251

(Canada: \$38; United States: US\$46; other countries: US\$54).

### Steel wire and specified wire products, April 1995

#### Catalogue number 41-006

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

### Railway carloadings, March 1995

#### Catalogue number 52-001

(Canada: \$10/\$100; United States: US\$12/US\$120; other countries: US\$14/US\$140).

### Canada's international transactions in securities, March 1995

#### Catalogue number 67-002

(Canada: \$17/\$170; United States: US\$21/US\$204; other countries: US\$24/US\$238).

### Imports, merchandise trade, 1994, microfiche version

#### Catalogue number 65-2030XMB

(Canada: \$100; United States: US\$120; other countries: US\$140).

### Imports, merchandise trade, 1994, paper version on request

#### Catalogue number 65-2030XPB

(Canada: \$250; United States: US\$300; other countries: US\$350).

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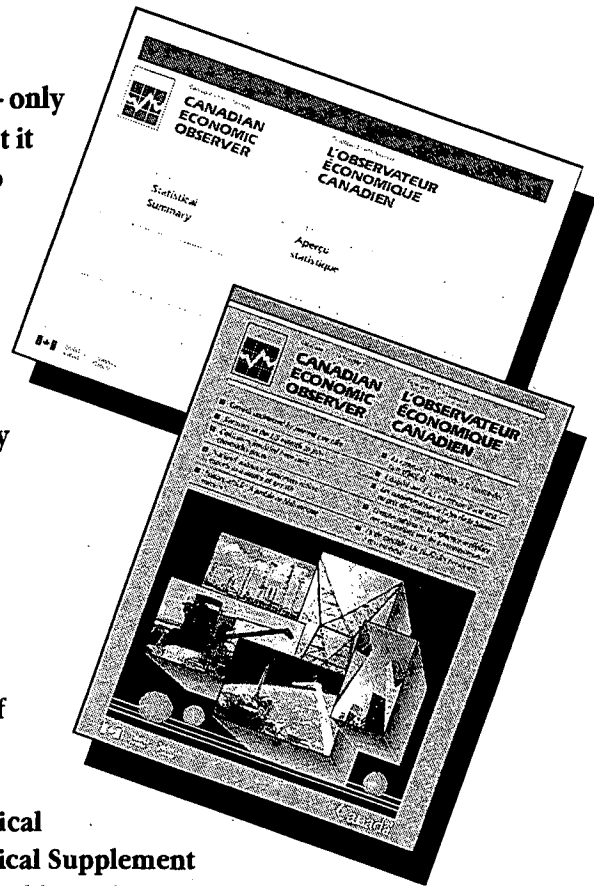


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