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MAJOR RELEASES

OTHER RELEASES

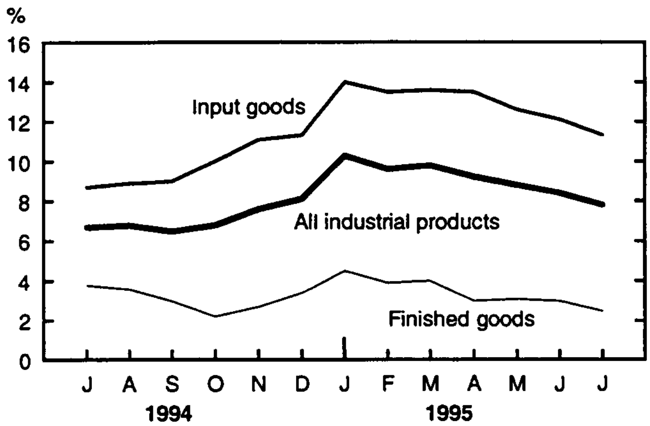
MAJOR RELEASES

Industrial product price index

July 1995 (preliminary)

In July, the 12-month change in industrial prices continued to slow for a fourth consecutive month. As the overall level of industrial prices edged down 0.1% from its June level, the 12-month change dropped to +7.8%.

The 12-month change in industrial prices continued to move downward in July



The 12-month change in industrial prices peaked at 10.3% in January. Since then, with the exception of March, it has slowed. Primary metal and petroleum product prices, together with the slow increase in the value of the Canadian dollar against the U.S. dollar, accounted for most of this decline. Increases in the 12-month price change for paper and allied products and for printing and publishing partly offset those movements.

On a monthly basis, the overall level of industrial prices edged down 0.1%. Pushing the price level down were petroleum products and ethylene, changes in buyer incentive programs for cars and vans, and a rise in the Canadian dollar. Price increases for pulp, paper and lumber partly offset the decline.

Wood product prices up

The most significant source of upward pressure on industrial prices in July came from softwood lumber (+5.1%), pulp (+1.8%) and newsprint (+1.9%). Much of the rise in softwood lumber prices was due to higher prices for spruce, pine and fir in Central Canada and on the Prairies.

Pulp and newsprint prices continued to increase in July. Further price increases for newsprint are projected. However, North American daily newspapers have noticeably reduced their consumption of newsprint since 1994. The demand for newsprint from Southeast Asia is also reported to be slowing.

Note to readers

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 (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%.

Manufacturers hurt by rise in Canadian dollar

The appreciation of the Canadian dollar against the U.S. dollar (+1.3% between June 15 and July 15) meant that manufacturers selling goods priced in U.S. dollars received fewer Canadian dollars for their products. This affected exporters of motor vehicles, lumber, pulp, paper and non-ferrous primary metal products. If the effect of the Canadian dollar's rise were excluded, the monthly change in industrial prices would have been a little under +0.2%.

More attractive buyer incentive programs caused automobile prices to edge down in Canada and the United States. Prices for gasoline (-2.5%) and fuel oils (-3.1%) declined for a second consecutive month. Petroleum product prices followed the downward trend in crude oil prices that began in May. Much of a 3.5% drop in chemical and chemical product prices resulted from a sharp decline in the price of ethylene.

According to the most recent figures, the 12-month increase in Canadian industrial prices has dropped to second place among the G7 industrialized nations. Italy now leads with a 12-month change of +9.0% posted for May. Nevertheless, the 12-month change in industrial prices for Canada remains over 3 percentage points higher than for the United Kingdom, which is in third place. Canada's position can be explained by a combination of exchange rate movements, the relatively large role of non-ferrous metals, paper and allied products in the Canadian economy, and a relatively low rate of wage and consumer price inflation.

12-month change in consumer goods prices down for both consumers and manufacturers

In July, consumer goods prices dropped for both the manufacturer and the consumer. The 12-month change in goods prices paid by consumers dropped from +2.6% in June to +2.2% in July. For manufacturers, the 12-month change in the prices received for Canadian consumer goods dropped from about +3% to under +2.5%. About half of what the consumer pays goes to manufacturers, the rest is divided between retailers, wholesalers, indirect taxes, and transporters.

Perspective

Domestically, despite lower interest rates, residential construction remains weak, as does the demand for motor vehicles. Internationally, industrial production is weaker than earlier this year in the United States and Japan, but it is stronger in Germany. Canadian industrial prices, excluding wood products, continue to be generally soft.

Available on CANSIM: matrices 2000-2008.

The July 1995 issue of *Industry price indexes* (62-011, $21/$210) will be available at the end of September. 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)

	Relative importance	July 1994	June 1995[r]	July 1995[p]	July 1994 to July 1995	June 1995 to July 1995
					% change[1]	
Industrial product price index (IPPI)	**100.0**	**119.6**	**129.0**	**128.9**	**7.8**	**-0.1**
IPPI excluding petroleum and coal products	93.6	121.3	131.1	131.1	8.1	0.0
Intermediate goods[2]	**60.4**	**119.5**	**132.9**	**133.0**	**11.3**	**0.1**
First-stage intermediate goods[3]	13.4	120.7	149.8	148.3	22.9	-1.0
Second-stage intermediate goods[4]	47.0	119.1	128.0	128.6	8.0	0.5
Finished goods[5]	**39.6**	**119.8**	**123.2**	**122.8**	**2.5**	**-0.3**
Finished foods and feeds	9.9	121.1	123.3	123.4	1.9	0.1
Capital equipment	10.4	121.6	125.1	124.5	2.4	-0.5
All other finished goods	19.3	118.2	122.1	121.5	2.8	-0.5
Aggregation by commodities						
Meat, fish and dairy products	7.4	117.9	120.3	120.9	2.5	0.5
Fruit, vegetable, feed, miscellaneous food products	6.3	121.5	124.5	125.2	3.0	0.6
Beverages	2.0	126.2	127.3	127.1	0.7	-0.2
Tobacco and tobacco products	0.7	164.3	172.3	172.3	4.9	0.0
Rubber, leather, plastic fabric products	3.1	117.6	127.9	128.1	8.9	0.2
Textile products	2.2	112.7	118.0	117.9	4.6	-0.1
Knitted products and clothing	2.3	115.8	118.1	118.1	2.0	0.0
Lumber, sawmill, other wood products	4.9	156.6	145.5	150.8	-3.7	3.6
Furniture and fixtures	1.7	121.7	125.0	125.0	2.7	0.0
Paper and paper products	8.1	114.7	160.4	162.8	41.9	1.5
Printing and publishing	2.7	140.4	175.0	174.9	24.6	-0.1
Primary metal products	7.7	119.7	134.9	135.6	13.3	0.5
Metal fabricated products	4.9	119.1	127.8	127.7	7.2	-0.1
Machinery and equipment	4.2	122.2	126.4	126.4	3.4	0.0
Autos, trucks, other transportation equipment	17.6	116.8	120.1	119.1	2.0	-0.8
Electrical and communications products	5.1	115.2	118.0	117.9	2.3	-0.1
Non-metallic mineral products	2.6	116.4	123.4	123.3	5.9	-0.1
Petroleum and coal products[6]	6.4	94.9	99.5	97.4	2.6	-2.1
Chemicals and chemical products	7.2	124.0	140.6	135.7	9.4	-3.5
Miscellaneous manufactured products	2.5	119.0	123.1	123.1	3.4	0.0
Miscellaneous non-manufactured commodities	0.4	87.4	102.1	101.7	16.4	-0.4

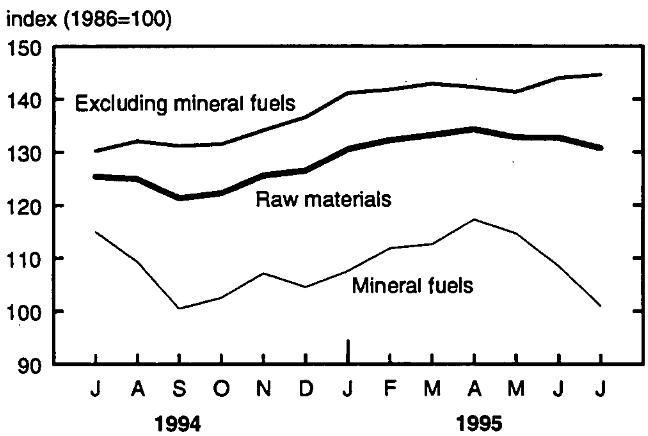
1 *Rounded figures.*
2 *Intermediate goods are goods used principally to produce other goods.*
3 *First-stage intermediate goods are items used most frequently to produce other intermediate goods.*
4 *Second-stage intermediate goods are items most commonly used to produce final goods.*
5 *Finished goods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

Raw materials price index

July 1995 (preliminary)

In July, a drop in the price of crude oil pulled raw material prices down 1.5%. The 12-month change in raw material prices fell to +4.2%, continuing the decline since January, when the 12-month change was +18.4%. Lower crude oil prices were marginally offset by higher prices for vegetables, animals and animal products, and non-ferrous metals. Excluding mineral fuels, the monthly change in raw material prices would have edged up 0.4%.

Crude oil continued to pull raw material prices down in July



Crude oil prices down again

Crude oil prices declined more than 7% in July. Compared with April, prices were down almost 15%. The recent drop in crude oil prices appears to be caused by current crude oil surpluses that should extend into the near future. Potentially higher production from the North Sea and possibly OPEC, compounded by recent reductions in the stockpiling of gasoline inventories, has pushed oil prices down.

Vegetable product prices have increased 35% since mid-1993. Grains, oilseeds, potatoes, rubber, coffee and cotton led the upward trend. Over the 12 months to July, higher prices for grains, raw tobacco, rubber and cotton were mainly responsible for the 14% increase in vegetable prices.

Most grain prices rose in July due to tight world supplies and poor growing and harvesting conditions. Wheat prices increased 8% in July and were up almost 46% from July 1994. Cotton prices, which have risen since early 1994, edged down in July. Cotton prices are expected to decline further because a huge harvest is expected.

> ***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.*

Hog prices hit a 16-month high

Hog prices were up more than 11% in July and more than 24% since the start of the year. Demand and production costs have overshadowed downward price expectations due to the large number of available animals. Meanwhile, cattle prices declined almost 5% in July, down 14% since January.

Wood prices, which had been rising, have levelled off since May. The price of wood since May has been maintained by demand for pulpwood. This demand may soften somewhat in the coming months. Southeast Asia appears to have lowered its demand for newsprint, and North American newspapers are using newsprint more efficiently. The demand for lumber has shown signs of recovery due to minor changes in housing starts. Residential construction in the United States and Canada remains weak, however.

Demand for stainless steel strengthened nickel prices

Non-ferrous metal prices edged upward in July. Nickel prices, however, jumped more than 10%. Global demand for stainless steel has led to the replenishment of nickel inventories.

Copper prices fell almost 13% between January and May, but recovered 12% overall in June and July. Future copper prices are uncertain, as low inventories are balanced by uncertain demand for automobiles and a weak residential construction sector.

Aluminum material prices dropped almost 18% since January. However, assuming demand remains constant and producing countries maintain their levels of production, declining inventories should add to future upward price pressures. However, there has so far been no public confirmation that the agreement among aluminum-producing countries (Memorandum of Understanding) will go beyond 1995.

Available on CANSIM: matrix 2009.

The July 1995 issue of *Industry price indexes* (62-011, $21/$210) will be available at the end of September. 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)

	Relative importance[1]	July 1994	June 1995[r]	July 1995[p]	July 1994 to July 1995	June 1995 to July 1995
					% change	
Raw materials price index (RMPI)	**100.0**	**125.4**	**132.7**	**130.7**	**4.2**	**-1.5**
Mineral fuels	32.0	115.0	108.5	101.0	-12.2	-6.9
Vegetable products	10.0	114.4	128.1	130.6	14.2	2.0
Animals and animal products	26.0	108.1	110.5	111.6	3.2	1.0
Wood	13.0	202.7	234.2	233.1	15.0	-0.5
Ferrous materials	4.0	113.7	121.0	120.6	6.1	-0.3
Non-ferrous metals	13.0	123.5	144.9	145.3	17.7	0.3
Non-metallic minerals	3.0	100.7	105.7	105.8	5.1	0.1
RMPI excluding mineral fuels	68.0	130.2	143.9	144.5	11.0	0.4

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

OTHER RELEASES

Sales of refined petroleum products

July 1995

Sales of refined petroleum products totalled 7 072 800 cubic metres in July, down 0.4% from July 1994. The largest sales increases were for diesel fuel oil (+78 600 cubic metres or +5.2%) and petrochemical feedstocks (+29 900 cubic metres or +8.9%). Partly offsetting these advances was a sharp decline in the demand for heavy fuel oil (-45 800 cubic metres or -9.7%).

During the first seven months of 1995, sales increased for five of the seven major product groups. Strong sales of diesel fuel oil reflected higher demand by railways and the truck transport industry. Increased sales of petrochemical feedstocks reflected greater demand by the petrochemical industry; the sales of this product have been rising over the 18-month period ending in July. The decline in heavy fuel oil sales was mainly due to decreased use of the product by electric utilities. Natural gas, which is priced lower, is displacing heavy fuel oil in the production of electricity.

Available on CANSIM: matrices 628-642 and 644-647.

The July 1995 issue of *Refined petroleum products* (45-004, $20/$200) will be available the third week of October. See "How to order publications".

For further information on this release, contact Gary Smalldridge (613-951-3567), Energy Section, Industry Division.

Sales of refined petroleum products

	July 1994	July 1995	July 1994 to July 1995
	thousands of cubic metres		% change
Total, all products	**7 104.4**	**7 072.8**	**-0.4**
Motor gasoline	3 251.0	3 178.7	-2.2
Diesel fuel oil	1 514.0	1 592.6	5.2
Light fuel oil	137.3	149.4	8.8
Heavy fuel oil	470.7	424.9	-9.7
Aviation turbo fuels	461.5	443.8	-3.8
Petrochemical feedstocks[1]	336.9	366.8	8.9
All other refined products	933.0	916.6	-1.8

	January-July 1994	January-July 1995	January-July 1994 to January-July 1995
	thousands of cubic metres		% change
Total, all products	**47 168.1**	**47 905.2**	**1.6**
Motor gasoline	20 035.1	20 125.9	0.5
Diesel fuel oil	10 077.1	10 642.7	5.6
Light fuel oil	3 752.4	3 282.5	-12.5
Heavy fuel oil	3 862.8	3 565.0	-7.7
Aviation turbo fuels	2 698.6	2 821.5	4.6
Petrochemical feedstocks[1]	2 125.3	2 669.9	25.6
All other refined products	4 616.8	4 797.7	3.9

1 *Materials produced by refineries that are used by the petrochemical industry to produce petroleum-based chemicals.*

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Small business profiles
1993

The Small Business Profiles provide detailed financial and employment data (1993) on small businesses by industry for Canada, the provinces and territories. Data are available at the one-, two-, three- and four-digit levels of the 1980 Standard Industrial Classification.

Each profile includes information such as selected operating expenses, balance sheet items, and selected financial ratios. The data provide performance benchmarks for the financial planning of start-up and established small and medium-sized businesses.

The 1993 Small Business Profiles can be purchased through the Statistics Canada Regional Reference Centres.

For further information on this product, contact the Small Business and Special Surveys Division (613-951-0822). ■

Shipments of office furniture products
Second quarter 1995

For the quarter ended June 30, 1995, shipments of office furniture products totalled $240.9 million, up 25.9% from $191.3 million (revised) in the second quarter of 1994.

Data on manufacturers' shipments of office furniture products for the second quarter of 1995 are now available. Data by province of destination as well as data on exports are also available.

The June 1995 issue of *Shipments of office furniture products* (35-006, $10/$32) will be available shortly. See "How to order publications".

For further information on this release, contact Keith Martin (613-951-3518), Industry Division. ■

Deliveries of major grains
July 1995

Data for July 1995 on deliveries of major grains are now available.

Available on CANSIM: matrices 976-981.

The July issue of *Cereals and oilseeds review* (22-007, $15/$144) will be released in September. See "How to order publications".

For further information on this release, contact Jeannine Fleury (613-951-3859), Agriculture Division.■

PUBLICATIONS RELEASED

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

Production and stocks of tea, coffee and cocoa, quarter ended June 1995
Catalogue number 32-025
(Canada: $10/$32; United States: US$12/US$39; other countries: US$14/US$45).

Construction type plywood, June 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 in British Columbia, June 1995
Catalogue number 35-003
(Canada: $8/$80; United States: US$10/US$96; other countries: US$12/US$112).

Railway carloadings, June 1995
Catalogue number 52-001
(Canada: $10/$100; United States: US$12/US$120; other countries: US$14/US$140).

Imports by commodity, June 1995, microfiche version
Catalogue number 65-0070XMB
(Canada: $35/$350; United States: US$42/US$420; other countries: US$49/US$490).

Imports by commodity, June 1995, paper version
Catalogue number 65-0070XPB
(Canada: $75/$750; United States: US$90/US$900; other countries: US$105/US$1,050).

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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