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I·N·F·O·M·A·T

A WEEKLY REVIEW

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Friday, April 22, 1994

OVERVIEW

Decline in Exports Cuts Merchandise Trade Balance

In February, the value of merchandise exports declined 1.5% while imports remained virtually unchanged, reducing Canada's trade balance to $759 million from $990 million in January.

Composite Index Continues to Show Strength

The leading indicator continued to advance in March, rising by 0.7% from February. This increase follows a revised monthly gain of 0.9% in February — a 29-month high.

Manufacturing Industries Report Mixed Results

The value of shipments declined by 0.3% in February but manufacturers increased both their new orders and unfilled orders by 0.8%.

Non-residential Sector Pushes Planned Construction Activity Up

The value of building permits issued in Canada increased by 1.8% in February, due to a strong 16.0% rise in the value of non-residential building permits.

Visits by Foreign Travellers Rise Sharply

The volume of overnight travel into Canada by visitors from countries other than the United States increased 9.6% in February. In comparison with February 1993, visits were up substantially from Germany, France and the United Kingdom.

CPI Maintains Slow Year-over-year Changes

Between March 1993 and March 1994, the all-items consumer price index (CPI) for Canada rose 0.2%, the same rate of increase reported in February.

Decline in Exports Cuts Merchandise Trade Balance

The seasonally adjusted value of merchandise exports fell 1.5% in February but imports were little changed. As a result, Canada's trade balance was reduced by $231 million in February, to $759 million.

The value of merchandise exports declined for the second month in a row to $15.4 billion, its lowest level since August 1993. The largest contributors to the February decrease were agricultural and fishing products, automotive products, and forestry products. Exports for the first two months of the year were up 8.8% over the same period in 1993.

Merchandise imports remained at $14.7 billion following a sharp 4.3% drop in January. Increased imports of machinery and equipment, industrial goods and materials, and consumer goods, were

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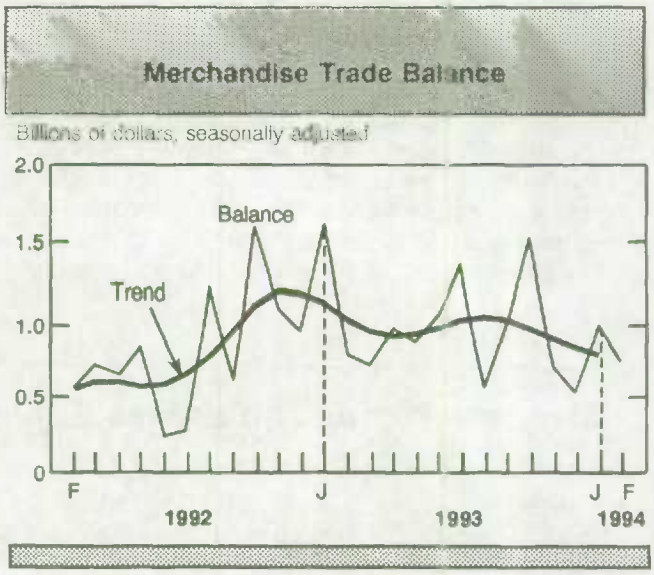


... Decline in Exports Cuts Merchandise Trade Balance

offset by declines for imports of automotive and energy products. The year-to-date value of imports was 12.1% higher than the value for the corresponding period in 1993.

Underlying Trends

Following two years of continuous growth, the trend for exports fell slightly in February. Exports to the United States and other OECD countries increased but the trend for exports to the rest of Canada's major trading partners declined.

The exports trend was pulled down by declining exports of agricultural and fishing products and automotive products. Wheat exports have been falling at an accelerating rate since October 1993. Automotive exports were down for the third month in a row, with declines for both cars and trucks, but exports of parts have been increasing at an accelerated rate since July.

For imports, the trend increased for the twenty-fifth consecutive month, to a level 13.2% higher than a year ago. The import trend increased for industrial goods and materials, energy products, machinery and equipment, and agricultural and fishing products.

For further information, order Preliminary Statement of Canadian International Trade (catalogue number 65-001P), or contact International Trade Division at (613) 951-9647. (See also "Current Trends" chart on page 9.)

Composite Index Continues to Show Strength

The leading indicator continued to advance in March, rising by 0.7% from February, but the rate of growth has decelerated for the first time since September 1993. The increase follows a revised monthly gain of 0.9% in February — a 29-month high. Seven of the 10 components advanced compared to nine in February. Some sectors of domestic demand weakened again but manufacturing remained strong as did the outlook for Canadian exports.

Household demand showed divergent trends. Sales of durable goods, especially vehicles, rose to their best gain since the summer of 1991 (1.0%) as consumer confidence continued to improve. In contrast, furniture and appliance sales remained slow (0.2%) and the housing index posted its first drop in a year (-0.5%). Housing starts in March tumbled back to the low set in January, as drops in construction of multiple units outweighed a pickup for single-family dwellings. Personal services also fell rapidly, which checked the growth of overall services employment. The sharp rebound of total employment in February and March should lend some strength to household income and spending.

New orders for durable goods recorded their second fastest growth in 10 months, up 1.5%, despite ongoing weakness in the auto industry due to retooling. A seventh consecutive monthly increase in the shipments to inventories ratio, which continued to hit new peaks, was another positive sign for further production gains. The average workweek has been at 38.7 hours since November 1993, a five-year high, as employers in manufacturing increased their work force to meet their labour needs.

The Toronto stock market slipped again in March due to widespread losses at a time when financial markets generally were engulfed in turmoil. The growth of the real money supply was steady, growing by 0.9%.

The U.S. leading indicator signalled a continued strong outlook for demand for Canada's exports. Whatever weakness in the components was largely due to an unseasonable cold winter. Employment south of the border posted its largest increase in March since October 1987.

For further information, order Canadian Economic Observer (catalogue number 11-010) or contact Current Economic Analysis Division at (613) 951-3627. (See also "Current Trends" chart on page 9.)

Manufacturing Industries Report Mixed Results

The seasonally adjusted value of shipments by manufacturers declined for the third month in a row, by 0.3% in February to $26.1 billion. The decline was largely attributable to a drop in the automotive sector and, to a lesser extent, in the wood industry (which was still influenced by the dockworkers' strike on the West Coast).

After showing almost uninterrupted improvement for 21 months, the value of shipments has fallen by more than 1.0% or $300 million since the November 1993 peak. This overall decline coincided with temporary shutdowns, beginning in late October, by Ford and General Motors for retooling to new models.

The value of wood shipments fell more than $100 million over January and February, due to the

(continued on page 3)

... Manufacturing Industries Report Mixed Results

cold weather that affected housing starts and to the dockworkers' strike on the West Coast.

Shipments for 10 of the 22 major industry groups (accounting for 39% of shipment values) increased, led by refined petroleum and coal products (4.9%) and primary metals (2.8%) industries.

Inventory levels rose 1.1% in February to $36.0 billion after increasing by 0.9% in January. Inventories for car and parts manufacturers rose more than $100 million. Also, wood manufacturers were stockpiling logs in anticipation of spring production.

The inventories to shipments ratio continued to increase, reaching 1.38 after falling to a low of 1.33 in October 1993. The increase in inventories continued to outpace the increase in shipments.

Unfilled orders, which if not cancelled would generate future shipments, advanced 0.8% to $25.5 billion. The gain follows a 0.4% decline in January. February's increase resulted from contracts awarded in the aircraft industry. New orders rose 0.8% in February to $26.3 billion after a sharp 6.7% drop in January.

Manufacturers' Shipments, February 1994
Unadjusted Data (Adjusted Data Not Available by Province)

Province	Total	
	$ millions	% change previous year
Canada	**24,213**	**4.1**
Newfoundland	81	-5.8
Prince Edward Island	29	5.1
Nova Scotia	405	3.9
New Brunswick	511	14.7
Québec	5,919	10.5
Ontario	12,644	0.5
Manitoba	488	5.9
Saskatchewan	306	11.3
Alberta	1,669	8.8
British Columbia	2,159	2.7

For further information, order Monthly Survey of Manufacturing (catalogue number 31-001), or contact Industry Division at (613) 951-9832. (See also "Current Trends" chart on page 9.)

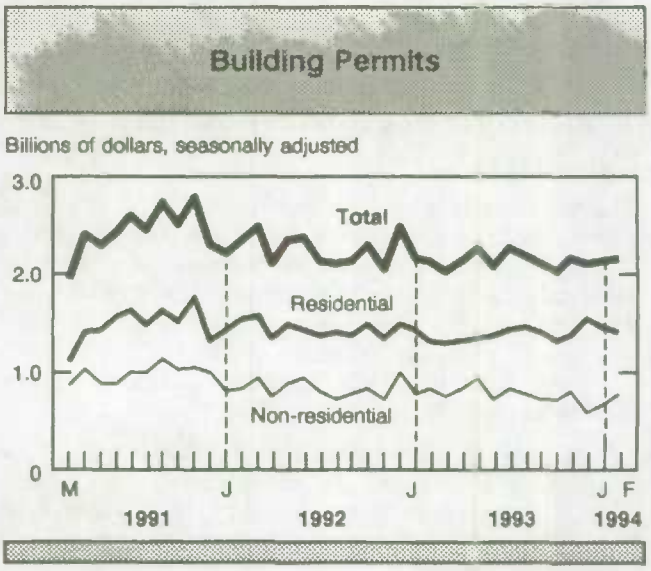
Non-residential Sector Pushes Planned Construction Activity Up

After increasing by 0.8% in January, the seasonally adjusted value of building permits issued in February rose a further 1.8% to $2,156 million. British Columbia (+22.8%) was the main contributor to the overall increase, posting a record value of $702 million.

There was a strong 16.0% rise in the value of non-residential building permits, from $662 million in January to $768 million in February. This brought the average value for the first two months of 1994 to $715 million, down 6.1% from the same period in 1993.

All regions except the Prairies (-21.1%) reported increases from January. British Columbia (+32.4%) showed the most significant gain, reflecting higher intentions in all of the non-residential sector's components.

In the institutional component, the value of projects climbed from $197 million to $245 million. The value of institutional projects more than doubled in the Atlantic provinces, to $12 million. In British Columbia, building permits for institutional projects rose 53.6% to $71 million. The Prairies recorded a steep 50.1% decline.



After two straight months of declines, the value of industrial projects rebounded in February, rising by 13.9% to $138 million. Planned construction activity for commercial projects was up by 12.0% to $386 million after rising by 20.7% in January.

The value of residential building permits fell by 4.7% in February to $1,388 million, after decreasing by 4.3% in January. The only region to show an

(continued on page 4)

... Non-residential Sector Pushes Planned Construction Activity Up

increase in the value of residential intentions was British Columbia (+19.1%), reflecting a record level in multi-family dwelling permits. By contrast, Ontario registered the sharpest drop (-21.9%) – due to both the single- and multi-family dwelling components.

For further information, order Building Permits (catalogue number 64-001) or contact Investment and Capital Stock Division at (613) 951-2025.

PROVINCIAL PERSPECTIVES: BUILDING PERMITS

Building Permits, February 1994
Unadjusted Data (Adjusted Data Not Available by Province)

Province/Territory	Total ($ millions)	Total % change, previous year	Residential ($ millions)	Residential % change, previous year	Non-residential ($ millions)	Non-residential % change, previous year
Canada	**1,434.3**	**0.6**	**877.6**	**4.5**	**556.6**	**-5.0**
Newfoundland	6.8	45.0	1.3	-59.1	5.5	258.5
Prince Edward Island	1.5	6.0	0.7	-43.4	0.8	327.3
Nova Scotia	21.7	32.1	10.9	-5.4	10.8	118.3
New Brunswick	13.8	-21.3	2.8	-8.0	11.0	-24.1
Québec	254.1	2.8	152.1	-10.0	102.0	30.2
Ontario	399.6	-12.9	234.8	-7.1	164.8	-20.1
Manitoba	30.0	-20.4	12.2	-9.0	16.8	-27.0
Saskatchewan	11.8	-45.9	4.3	-21.7	7.5	-54.0
Alberta	141.0	-29.9	94.9	-17.3	46.1	-46.7
British Columbia	554.3	32.4	363.1	37.1	191.2	24.4
Yukon	0.3	-47.9	0.2	-50.5	0.1	-42.0
Northwest Territories	0.3	-27.2	0.2	198.0	0.1	-86.9

Visits by Foreign Travellers Rise Sharply

The seasonally adjusted number of trips of one or more nights to Canada by residents from countries other than the United States increased 9.6% in February to 289,000. In comparison with February 1993, visits were up substantially from a number of countries, including Germany (24.3% to 11,000), France (17.2% to 15,000) and the United Kingdom (13.8% to 18,000).

Meanwhile, residents of the United States made 1.0 million trips of one or more nights to Canada, virtually unchanged from January. These increases brought the overall volume of overnight travel into Canada to 1.3 million trips, up 2.0% from January. The level of this type of travel has been relatively consistent since late 1986.

At 3.4 million, the volume of same-day car trips by Canadian residents to the United States, a key indicator of cross-border shopping, remained at its lowest level in almost five years and stood well below the February 1993 figure. The weakening Canadian dollar and rising U.S. gasoline prices have together contributed to the downtrend in same-day cross-border car trips. Data collected through the International travel survey for the first nine months of 1993 indicated that 87.0% of Canadians shopped in the U.S. during their same-day car trips.

International Travel Between Canada and Other Countries
February 1994, Seasonally Adjusted

	('000)	% change previous month	% change previous year
One or More Night Trips			
Non-resident Travellers:			
United States	1,004	0.1	3.0
Other Countries	289	9.6	15.1
Total	**1,293**	**2.0**	**5.5**
Residents of Canada:			
United States	1,318	2.4	-12.4
Other Countries	284	2.8	5.9
Total	**1,602**	**2.4**	**-9.7**
Auto Re-entries			
Residents of Canada:			
Same-day	3,435	0.0	-16.7
Overnight	896	0.8	-15.0

(continued on page 5)

... Visits by Foreign Travellers Rise Sharply

Car trips of one or more nights to the United States increased 0.8% in February to 896,000, after declining by 5.3% in January. Despite the increase, the level still remained well below the 1993 February figure.

Canadians made 1.3 million trips to the U.S. of one or more nights, by all modes of travel, up 2.4% from the previous month. Similar travel to all other countries advanced 2.8% to 284,000.

For further information, order International Travel - Advance Information (catalogue number 66-001P), or contact Education, Culture and Tourism Division at (613) 951-1791.

Same-day Trips by Canadian Residents to the United States, by Automobile

CPI Maintains Slow Year-over-year Changes

Between March 1993 and March 1994, the all-items consumer price index (CPI, 1986=100) rose 0.2%, the same rate of increase reported in February. These increases, the smallest in 32 years, were largely explained by a sharp drop of 38.3% in cigarette prices in February. If cigarette prices had not been reduced and if prices of all other goods and services had moved as they did in March, the CPI would have advanced by 1.5% on a year-over-year basis.

The all-items index fell by 0.2% in March, after a drop of 0.8% in February. Four of the major components registered declines, two posted increases but the transportation index did not change.

The overall decline was mainly attributable to a 0.6% drop in the food index, the second consecutive monthly decline after four straight months of increases. The drop reflected a price decrease of 1.0% for food purchased from stores which was slightly offset by an increase of 0.1% for food purchased from restaurants. Notable price declines were noted for low-fat milk (-11.5%) and fresh vegetables (-1.8%).

The housing index edged down by 0.1% following a 0.2% rise in February. The largest downward pressure came from a 0.2% decrease in the owned accommodation index — this marked the fifth continuous monthly decline. Most notably, declines were posted for mortgage interest costs and new housing prices which were partially offset by higher charges for basic telephone services and rental accommodation.

The tobacco products and alcoholic beverages index fell 0.4% after a 17.0% drop in February. Much of the latest decline reflected lower provincial taxes on cigarettes in Prince Edward Island. Additional downward pressure came from the health and personal care index (-0.2%).

The index for clothing moved up for the third month in a row, by 0.5% in March. All major clothing components showed increases, led by boy's wear prices which rose 1.9%. The men's wear index increased 1.1%, due mainly to higher prices for men's suits and footwear.

After rising by 0.7% in February, the recreation, reading and education index advanced a further 0.4% in March, largely because of a seasonal increase in the cost of travel tours (5.7%). Moderate increases in the prices of gasoline, fuel oil and electricity, pushed the energy index up 0.2%. The marginal advance follows a sharp rise of 1.2% in February.

For further information, order Consumer Price Index (catalogue number 62-001), or contact Prices Division at (613) 951-9606. (See also "Current Trends" chart on page 9.)

(continued on page 5)

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer Price Index, Percentage Change, March 1994/1993 *

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	**0.2**	**0.1**	**-0.2**	**0.7**	**3.6**
Newfoundland	1.2	1.6	-2.3	-0.3	5.1
Prince Edward Island	0.0	2.5	-6.3	0.0	1.8
Nova Scotia	2.3	2.9	0.5	1.4	5.6
New Brunswick	0.5	1.8	0.4	0.6	3.1
Québec	-1.5	-0.2	-1.2	0.2	2.1
Ontario	-0.2	-1.4	-1.0	0.2	4.8
Manitoba	1.4	2.6	-0.4	1.1	1.3
Saskatchewan	2.2	1.7	3.7	1.5	3.6
Alberta	1.8	4.1	1.1	2.0	1.2
British Columbia	2.2	0.8	3.7	2.0	3.8
Yukon	2.2	1.3	6.1	1.6	1.9
Northwest Territories	1.2	4.3	-0.8	-0.2	2.5

* *Data are not seasonally adjusted.*

PUBLICATIONS RELEASED FROM APRIL 15 TO 21, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription Canada (Cdn.$)	United States	Other Countries
				US$	
AGRICULTURE					
The dairy review	January 1994	23-001	12.20/122	14.60/146	17.10/171
CANADIAN CENTRE FOR HEALTH INFORMATION					
Quarterly demographic statistics	October-December 1993	91-002	7.50/30	9/36	10.50/42
CURRENT ECONOMIC ANALYSIS					
Canadian economic observer	April 1994	11-010	22/220	26/260	31/310
EDUCATION, CULTURE AND TOURISM					
Focus on culture	Spring 1994	87-004	6.25/25	7.50/30	8.75/35
Touriscope: international travel— advance information	February 1994 Vol. 10, No. 2	66-001P	6.10/61	7.30/73	8.50/85
Touriscope: international travel, national and provincial counts	October-December 1993	66-001	38.50/154	46.25/185	54/216
HOUSEHOLD SURVEYS					
The labour force	March 1994	71-001	17.90/179	21.50/215	25.10/251
INDUSTRY					
Annual retail trade	1991	63-223	22	26	31
Energy statistics handbook	April 1994	57-601	300	360	420
Monthly survey of manufacturing	February 1994	31-001	17.30/173	20.80/208	24.20/242
Particleboard, waferboard and fibreboard	February 1994	36-003	5/50	6/60	7/70
Primary iron and steel	February 1994	41-001	5/50	6/60	7/70
Quarries and sand pits	1992	26-225	22	26	31
INDUSTRY MEASURES AND ANALYSIS					
Gross domestic product by industry	January 1994	15-001	12.70/127	15.20/152	17.80/178
INTERNATIONAL TRADE					
Imports by commodity	January 1994	65-007	55.10/551	66.10/661	77.10/771
Preliminary statement of Canadian international trade	February 1994	65-001P	10/100	12/120	14/140
LABOUR					
Estimates of labour income	October-December 1993	72-005	22.50/90	27/108	31.50/126
Employment, earnings and hours	January 1994	72-002	28.50/285	34.20/342	39.90/399
Unemployment insurance statistics	January 1994	73-001	14.70/147	17.60/176	20.60/206
PRICES					
The consumer price index	March 1994	62-001	9.30/93	11.20/112	13/130
TRANSPORTATION					
Passenger bus and urban transit statistics	Vol. 16, No. 2 February 1994	53-003	7.10/71	8.50/85	9.90/99

NEW FROM STATISTICS CANADA

Education quarterly review

Education quarterly review—a new compilation of statistics on education from a variety of sources—is designed to be a reliable and indispensable tool for forecasting enrolments, identifying trends in school-leaving, examining price changes in education, and monitoring career trends for students and teachers. Each issue will contain four or five feature articles, user-friendly charts, tables and graphs, a section of key indicators on education, and background information on statistical services.

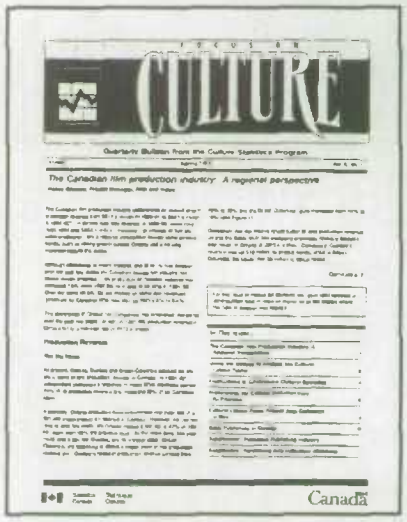
The first issue features articles on the following: university enrolment; occupational training among the unemployed; enrolment changes in trade/vocational and preparatory programs; private elementary and secondary schools; and, university tuition fees.

The spring 1994 (vol. 1, no. 1) issue of Education quarterly review (catalogue number 81-003, $15/$60) is now available. For further information on this release, contact Jim Seidle at (613) 951-1500, fax: (catalogue number 613) 951-9040, Education, Culture and Tourism Division.

Focus on culture

The spring 1994 issue of *Focus on culture* follows a provincial/territorial or regional theme in its articles. Feature articles analyze the following: the Canadian film production industry (the traditional dominance of Ontario is lessening and British Columbia is emerging as a new force); the fluctuations in federal, provincial and municipal spending on culture; and, provincial profiles of participation in cultural activities (such as attending performing-arts or sporting events, reading, visiting museums, going to movies, and viewing videos at home). Also included in this issue is a profile of the book publishing industry in Canada and an article on how 1991 Census data are used to look at characteristics of persons working in the cultural sector.

The spring 1994 (vol. 6, no. 1) issue of Focus on culture (catalogue number 87-004, $6.25/$25) is now available. For further information on this release, contact Mary Cromie (613-951-6864), Education, Culture and Tourism Division.



Touriscope: international travel, national and provincial counts

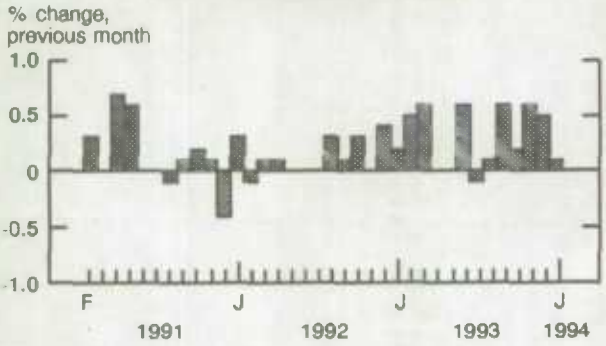
This report presents data by month for the past two years—on a province-of-entry basis—in the form of tables and graphs. Each issue of *Touriscope* reviews recent trends in international travel and provides preliminary estimates of receipts and payments on the travel account for the quarter.

Both total payments and receipts reached record levels in 1993. However, the strong rise in receipts from visitors to Canada helped to improve the international travel account deficit, which amounted to $7.7 billion in 1993, down 5.8% from a record $8.2 billion deficit in 1992.

The fourth quarter 1993 issue of Touriscope: international travel, national and provincial counts (catalogue number 66-001, $38.50/$154) is now available. For further information on this release, contact Ruth McMillan (613-951-1791), Education, Culture and Tourism Division.

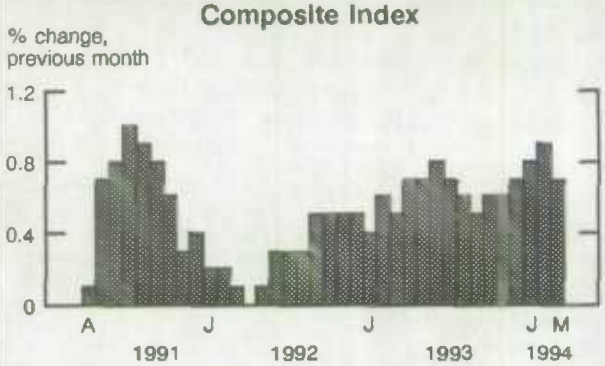
CURRENT TRENDS

Gross Domestic Product



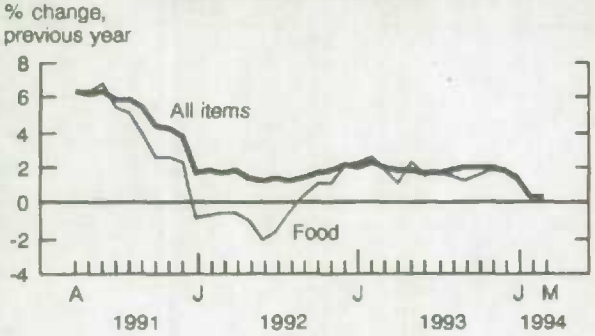
Real gross domestic product at factor cost inched ahead by 0.1% in January following increases of 0.6% in November and 0.5% in December.

Composite Index



The leading indicator continued to advance in March, rising by 0.7% from February. This increase follows a revised monthly gain of 0.9% in February — a 29-month high.

Consumer Price Index



In March, the year-over-year change in the all-items CPI was 0.2%, the same rate of increase reported in February. The food index rose by 0.1%.

Unemployment Rate

In March, the unemployment rate fell by half a percentage point to 10.6%. The decline was due to a combination of employment growth and a reduction in the size of the labour force.

Manufacturing

Canadian manufacturers' shipments fell 0.3% in February to $26.1 billion. The level of unfilled orders rose 0.8% to $25.5 billion.

Merchandise Trade

In February, the value of merchandise exports fell by 1.5% to $15.4 billion, while imports remained virtually unchanged at $14.7 billion.

Note: *All series are seasonally adjusted except the consumer price index.*

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LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product ($ billion, 1986)	January	528.0	0.1%	3.7%
Composite Leading Indicator (1981 = 100)	March*	163.3	0.7%	8.5%
Operating Profits of Enterprises ($ billion)	4th Quarter	14.0	11.4%	86.6%
DOMESTIC DEMAND				
Retail Trade ($ billion)	January	16.7	1.2%	3.8%
New Motor Vehicle Sales ('000 units)	February	107.0	0.6%	17.2%
LABOUR				
Employment (millions)	March	12.5	0.4%	1.3%
Unemployment Rate (%)	March	10.6	-0.5	-0.5
Participation Rate (%)	March	64.8	-0.2	-0.6
Labour Income ($ billion)	January	33.5	0.3%	2.0%
Average Weekly Earnings ($)	January	563.77	0.3%	1.3%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	February*	15.4	-1.5%	9.5%
Merchandise Imports ($ billion)	February*	14.7	0.0%	10.2%
Merchandise Trade Balance ($ billion)	February*	0.76	-0.23	-0.03
MANUFACTURING				
Shipments ($ billion)	February*	26.1	-0.3%	4.3%
New Orders ($ billion)	February*	26.3	0.8%	-1.0%
Unfilled Orders ($ billion)	February*	25.5	0.8%	6.7%
Inventory/ Shipments Ratio	February*	1.38	0.02	0.01
Capacity Utilization (%)	4th Quarter	80.1	1.6	3.3
PRICES				
Consumer Price Index (1986 = 100)	March*	130.1	-0.2%	0.2%
Industrial Product Price Index (1986 = 100)	February	115.7	0.9%	3.2%
Raw Materials Price Index (1986 = 100)	February	111.2	0.8%	1.1%
New Housing Price Index (1986 = 100)	February	136.0	-0.1%	0.8%

Note: *All series are seasonally adjusted with the exception of* average weekly earnings *and the price indexes.*
* *New this week.*

I•N•F•O•M•A•T

A Weekly Review

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