



Infomat

A Weekly Review

Friday, February 18, 2000

OVERVIEW

◆ **Shipments finish the year strongly**

In December, manufacturers' shipments climbed 1.3%. That capped a year when shipments increased 9.3%—the strongest advance since 1995.

◆ **Work experience a key factor to wage gap**

Almost one-fifth of the wage gap between women and men in 1997 reflected the fact that women generally have less work experience, supervise other employees less often, and are involved in administrative decisions less frequently than men.

◆ **Tourism spending increases**

In the third quarter of 1999, Canadian tourists and foreign visitors spent \$18.3 billion on tourism in Canada. That was up from the year-earlier quarter by 6.0%. Employment generated by tourism rose marginally.

◆ **RRSP contributions climbed in the 1990s**

From 1991 to 1997, total RRSP contributions climbed 79%, a result of growth in both number of contributors and contributions. Only a small proportion of taxfilers used all of their RRSP room, however.

◆ **Smoking is more and more a young person's habit**

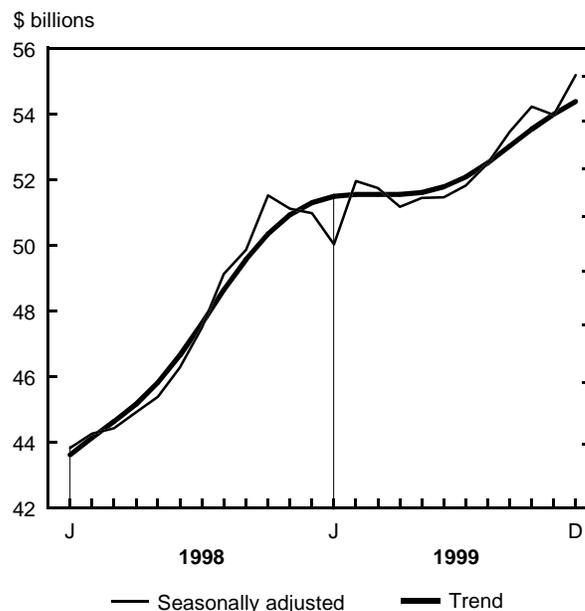
Young men between the ages of 20 and 24 have the highest smoking rates of any age group in the country. The proportion of men in this age group who are smokers, either on a daily or an occasional basis, rose from 1990 to 1999. Smoking trends among teenagers have followed a similar pattern.

Shipments finish the year strongly

In December, manufacturers' shipments climbed 1.3% to \$43.2 billion. That capped a year when shipments increased 9.3% to \$490.4 billion (unadjusted figure)—greater than the advances in 1998 (+3.2%) and 1997 (+6.9%). The 1999 gain was the strongest recorded by manufacturers since 1995, when shipments increased 12.5%.

In 1999, shipments increased in 19 of the 22 major industry groups. The largest contributors were the motor vehicle (+26.7%), refined petroleum and coal products (+26.6%) and wood (+16.3%) industries. In the motor vehicle industry, the higher shipments were attributable to increased capacity, strong demand and a rebound from the effects of the 1998 U.S. General Motors strike. In petroleum and coal products, higher prices (+49.7%) played a dominant role. Higher prices (+6.7%) were a smaller factor for the wood industry, where shipments were also boosted by the building boom in North America. The only significant offset was an annual

Unfilled orders



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... Shipments finish the year strongly

decrease in shipments from the machinery and equipment industry (-6.2%), which was hit by less global demand for agricultural machinery. Shipments for 1999 increased in all provinces except Manitoba (-2.4%) and the territories (-8.5%).

The largest contributors to the shipments increase in December were the motor vehicle (+3.5%), refined petroleum and coal products (+5.4%), chemical products (+3.8%) and paper and allied products (+3.2%) industries. Manufacturers' shipments increased or remained unchanged in 17 of the 22 major groups, representing 78.6% of the total value of shipments in December.

In the motor vehicle industry, shipments accelerated as manufacturers reduced inventories in time for their fiscal year-ends. As for refined petroleum and coal products, roughly half the increase was due to higher prices, which rose 2.3%. The gain observed in the chemicals industry was spread across a number of sub-industries, namely plastics, synthetic resins, industrial organic chemicals and cosmetics. The increase in the paper and allied products industry was partially attributable to higher prices, which rose 0.7%.

Orders rallied in December. After slipping in November, the backlog of unfilled orders increased 2.2% to \$55.2 billion. That reinforced the upward trend that began in May 1999. December's increase was mainly attributed to transportation equipment (+1.7%) and electrical and electronic products (+3.2%). In 1999 as a whole, manufacturers' unfilled orders grew 8.2%.

Manufacturers' inventories rose 0.3% in December to \$55.5 billion. The increase was chiefly due to electrical and electronic products (+2.8%), which was led by gains in the communications and other electronic equipment industry. The main inventory decline occurred in the railway rolling stock industry (-3.8%). Generally, inventories rose steadily throughout

Manufacturers' shipments, December 1999

Seasonally adjusted

	\$ millions	% change, previous month
Canada	43,176	1.3
Newfoundland	175	-5.4
Prince Edward Island	85	-18.3
Nova Scotia	713	2.3
New Brunswick	805	3.3
Quebec	10,079	0.5
Ontario	23,415	1.9
Manitoba	856	-0.6
Saskatchewan	540	-0.1
Alberta	3,219	-0.1
British Columbia	3,286	2.7
Yukon, Northwest Territories and Nunavut	4	6.9

1999, and finished the year 8.4% above the level in December 1998.

December's larger increase in shipments outweighed the rise in inventories, thus pulling the inventory-to-shipments ratio down from 1.30 to 1.29. This ratio generally edged down during the first nine months of 1999 before levelling off at the end of the year.

Available on CANSIM: matrices 9550-9555, 9558, 9559, 9562-9565, 9568-9579 and 9581-9595.

*The December 1999 issue of **Monthly survey of manufacturing** (31-001-XPB, \$20/\$196) presents the full report. Detailed data on shipments by province are available on request. For further information, contact Guy Sabourin (613-951-3508), Manufacturing, Construction and Energy Division. See also "Current trends" on page 6.*

Work experience a key factor to wage gap

Women's lower actual work experience appears to have a significant bearing on the persistent wage gap between the two sexes. About 18% or almost one-fifth of this wage gap reflects the fact that women generally have less work experience than their male counterparts, supervise other employees less often, and are involved in administrative decisions less frequently.

Several other factors are associated with the wage disparity. These factors include, among others, differences in job tenure and factors linked to occupation and industry of employment. Women are more likely than men to work part time. As well, men are more likely to graduate from programs leading to high-paying jobs, such as engineering. However, all other factors combined accounted for, at most, 30% of the gap. Consequently, despite the long list of factors considered in the study, much of the wage gap still remains a puzzle, leaving at least one half of the discrepancy unaccounted for.

Note to readers

This article is based on a study titled "The persistent gap: New evidence on the Canadian gender wage gap". It investigates the extent to which certain factors not previously explored—such as work experience, supervisory responsibilities and involvement in administrative decisions—account for wage differences between men and women.

The study is based on hourly wage rates, use of which eliminates the impact of gender differences in the number of hours worked during the reference year, and which provide a more accurate picture of pay differentials due to other factors. This study uses the term work experience to represent the Survey of Labour and Income Dynamics' measure of actual labour market experience.

*A similar study, "Women's earnings/men's earnings", based on hourly wage data from the Labour Force Survey, was released in the Winter 1999 issue of **Perspectives on labour and income** (75-001-XPE).*

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... Work experience a key factor to wage gap

In 1997, women earned on average 80 cents for every dollar earned by men. Women earned an average of \$15.10 an hour, whereas men received \$18.80 an hour. On average, men had 18 years of work experience, compared with 14 years for women. Men also had more seniority, about 1.3 more years than women.

Even though women are now more and more attached to the labour market, men still have more work experience. Men spend a greater proportion of their career working full time for the full year, and working for the same employer. Since wages generally increase with work experience and time spent on the job, the difference between men and women in years employed full year, full time and in time spent with the current employer explains part of the wage gap.

In 1997, roughly one in three men held a job with supervisory responsibilities, compared with one in four women. In addition, men were more likely than women to participate in administrative decisions such as budgeting, staffing and deciding work for others. Wages are generally higher in supervisory jobs and in jobs with added responsibilities.

The hourly wage gap between men and women is widespread among individuals of all ages, all education levels, all occupations

and all industries. However, it varies for different groups. In 1997, the hourly wage gap was smallest among single men and women who had never been married. Single, never-married women earned 96 cents for every dollar earned by their male counterparts, while married women earned 77 cents. Broadly speaking, single, never-married men and women may have similar commitments to the labour force.

The differences in pay between men and women are wider among older workers. In 1997, older women (aged 45 to 54) earned about 75% of what older men were paid. By comparison, young women (aged 18 to 24) earned about 85% of what young men earned. The wider pay gap between older women and older men may reflect differences in work experience as workers age. Men aged 45 to 54 had 6.4 more years of work experience than women in that age group.

The report titled *The persistent gap: New evidence on the Canadian gender wage gap (75F0002MIE)* is available free on Statistics Canada's Web site (www.statcan.ca). The menu path is "Products and services", "Downloadable research papers", "Income, expenditures, pensions, assets and debts" and then "Income". For further information, contact Client Services (1 888 297-7355 or 613-951-7355; income@statcan.ca), Income Statistics Division.

Tourism spending increases

In the third quarter of 1999, Canadian tourists and foreign visitors spent \$18.3 billion on tourism in Canada. That was up from the year-earlier quarter by 6.0%, a slightly faster growth rate than in the first two quarters of last year. However, it was just short of the annual average of 7.0% for 1998. (Unless otherwise noted, data are unadjusted for seasonality and expressed at current prices.)

The third quarter's overall growth in tourism spending was due almost equally to higher spending by Canadians (+6.1%) and by foreign visitors (+5.8%). Year-over-year increases were seen in all the major spending categories, led by a 9.6% gain in transportation.

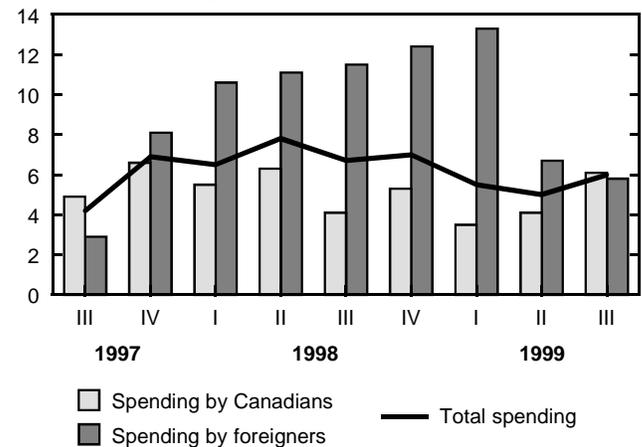
Canadian tourists in the third quarter of 1999 spent \$11.7 billion in Canada on goods and services. That represented 64 cents of every dollar spent on tourism in Canada, despite the very strong growth in foreign visitors' spending in recent quarters. Year-over-year increases occurred in all the major spending categories, especially transportation (+10.3%).

Spending by foreign visitors on tourism in Canada reached \$6.6 billion in the third quarter. That represented 36 cents of every tourism dollar spent in Canada. Spending rose markedly year-over-year in all major categories, with the biggest gains seen in transportation (+7.6%) and in recreation and entertainment services (+7.3%).

In the first three quarters of last year, spending in Canada by visitors from other countries was up 7.3%, a much slower pace than the annual average of 11.4% for 1998. This situation reflected

Spending on tourism in Canada

Year-to-year % change, unadjusted data



a slower flow of visitors from the United States. Specifically, the more expensive overnight trips increased in number by only 3.6% in the first three quarters of 1999, compared with the annual average of 11.0% for 1998. Same-day trips were up 2.4% compared with 7.0% for 1998.

Tourism from the Asia-Pacific region recovered, meanwhile, as the number of travellers increased for a third consecutive quarter. Notably, the number of visitors from Japan jumped 10.5% during the third quarter after nine quarterly declines.

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... Tourism spending increases

Employment generated by tourism activities reached 543,600 part-time and full-time employees in the third quarter of 1999. That was up from a year earlier by 0.6%. Annual growth in employment generated by tourism activities has been weakening since the first quarter of 1998. For a sixth consecutive quarter, growth in tourism employment was outpaced by growth in the overall business sector.

After adjusting for seasonal variation and inflation, tourism spending increased between the second and third quarters of 1999 at an annual rate of 1.3%. This was slower than the 2.2% increase between the first and second quarters.

In the third quarter, prices of goods and services purchased by tourists increased at an annual rate of 3.9%. That was down from a 4.6% increase in the second quarter. However, both rates were higher than inflation as measured by the Consumer Price Index, which increased 2.6% in the third quarter and 3.0% in the second quarter.

Available on CANSIM: matrices 1835-1854.

The third quarter 1999 issue of National tourism indicators (13-009-XPB, \$21/\$70) is now available. For further analytical information, contact Sylvain Venne (613-951-3835) or Katharine Kemp (613-951-3814), Income and Expenditure Accounts Division.

RRSP contributions climbed in the 1990s

Total RRSP contributions climbed from \$13.5 billion in 1991 to \$24.1 billion in 1997. This 79% increase was a result of growth in both the number of contributors, from 4.6 million to 6.1 million, and the average contribution, from \$3,000 to \$3,900. (All amounts are in 1997 dollars.)

The average RRSP contribution during the period rose for both sexes. Contributions by men consistently exceeded contributions by women—in line with men's higher average earnings. In 1997, men put an average \$4,500 into an RRSP, compared with an average of \$3,200 for women. However, the growth in women's average contributions slightly surpassed that of men—in line with improvements in the female-to-male wage ratio.

Only a small proportion of taxfilers with RRSP room used all of it, however. In 1997, for example, only 11% of all eligible taxfilers—mostly those with earnings of \$80,000 or over—used 95% or more of their room. With the introduction of the carry-forward option in 1991, taxfilers used less and less of the amount they were eligible to contribute throughout the 1990s. In 1991, taxfilers used about 29% of a possible \$46.7 billion, leaving unused room that year of \$33.3 billion. By 1997, they used only about 12% of the \$200.4 billion that they were eligible to contribute, leaving unused room of \$176.4 billion. This more than four-fold growth in unused room is not surprising. It surpassed

Note to readers

An in depth report titled "RRSPs in the 1990s" has been released by Statistics Canada. It provides a statistical portrait of registered retirement savings plans between 1991 and 1997 in terms of participation, growth of contributions, unused room and withdrawals. The report will also appear in the Spring 2000 issue of Perspectives on Labour and Income (75-001-XPE), which will be available on March 8.

the combined effects of growth in both the number of contributors and the average amounts put into RRSPs.

In terms of withdrawals, taxfilers in the key 25-to-64 age group took out \$4.9 billion from their RRSPs in 1997, up from \$4.0 billion in 1993. For every \$5 put into an RRSP in 1997 by individuals in this age group, \$1 was withdrawn. That compares with about \$1 for every \$4 contributed in 1993. The decline in this proportion occurred at a time of improved economic and employment conditions.

A longer, in-depth report titled RRSPs in the 1990s is now available by fax or in PDF format. To access the PDF version, visit the "In depth" module at Statistics Canada's Web site (www.statcan.ca). To obtain a fax copy, contact Cynthia Fortura (613-951-0525; fortcyn@statcan.ca). For further analytical information, contact Ernest B. Akyeampong (613-951-4624; akyeern@statcan.ca), Labour and Household Surveys Analysis Division.

Smoking is more and more a young person's habit

Smoking is increasingly becoming a young person's habit, according to the first results of a new survey that will track changes in tobacco use patterns. Young men between the ages of 20 and 24 have the highest smoking rates of any age group in Canada. Last year, 39% of the males in this age group were smokers, either on a daily or an occasional basis, up from 35% in 1990. However, this proportion was virtually unchanged from 1994.

Smoking trends among teenagers have followed a similar pattern: 28% of 15- to 19-year-olds smoked in 1999, either on a daily or an occasional basis. This was up from 21% at the beginning of the decade, though the rate has remained steady since 1994. Among current smokers aged 15 to 17, more than one-third (35%) reported having had their first cigarette at age 12 or earlier. Almost 80% had tried smoking by the age of 14.

Meanwhile, only 19% of men aged 45 and over, and 17% of the women in this age group, were smokers in 1999. Among individuals aged 55 and over, only 14% were current smokers. Declines in smoking rates have been greatest among older individuals, who are more likely to have successfully quit.

Overall, however, smokers now constitute a smaller proportion of the population. In 1999, an estimated one-quarter (25%) of the population aged 15 and over—about 6.1 million people—were smokers, down from about 30% in 1990. This decline is likely due to two factors: lower smoking rates among older people and a range of tobacco control measures. Even so, for many Canadians, smoking is a well-established habit. Slightly over half (52%) of these 6.1 million smokers reported that they had smoked their first cigarette more than 20 years ago.

Daily cigarette consumption is on the decline. In 1999, daily smokers consumed an average of 17.0 cigarettes each day, down from 18.4 in 1990. The highest level of use, 21.4 cigarettes a day, was reported by men aged 35 to 44. Among teenagers, the number of cigarettes smoked daily has declined for both sexes

Note to readers

This article summarizes the first results of the Canadian Tobacco Use Monitoring Survey. This is a new Health Canada survey that is conducted by Statistics Canada. The results are analyzed by Health Canada. It collects information on current and past smoking behaviour, as well as data on environmental tobacco smoke exposure in homes, access to cigarettes, use of other tobacco products, the importance of federal regulations, and personal characteristics of respondents (such as age, sex, marital status, income and education).

Smokers by age and sex, 1999

	Males	Females
	%	
All age groups	27	23
15 to 19 years	28	29
20 to 24 years	39	29
25 to 44 years	33	27
45 years and over	19	17

during the past decade. Cigarette consumption among teen smokers is now at virtually the same level for both girls and boys—about 12.7 cigarettes each day. However, if trends continue, young females who smoke daily will soon consume more cigarettes each day than their male counterparts.

More detailed analysis, including provincial information, can be obtained from Health Canada's Web site at www.hc-sc.gc.ca/hpb/lcdc/bc/ctums/index.html. For more information on the results of this survey, contact Margaret de Groh (613-957-1786; Margaret_de_groh@hc-sc.gc.ca), Laboratory Centre for Disease Control, Health Canada. For information about concepts, methods or data quality, contact Eddy Ross (613-951-3240; rossedd@statcan.ca), Special Surveys Division, Statistics Canada.

New from Statistics Canada

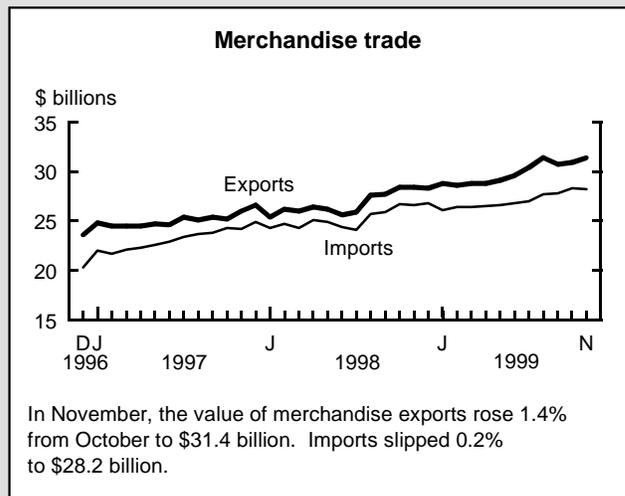
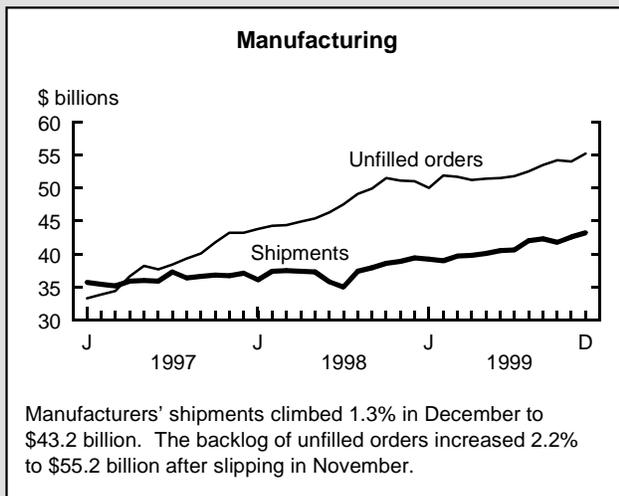
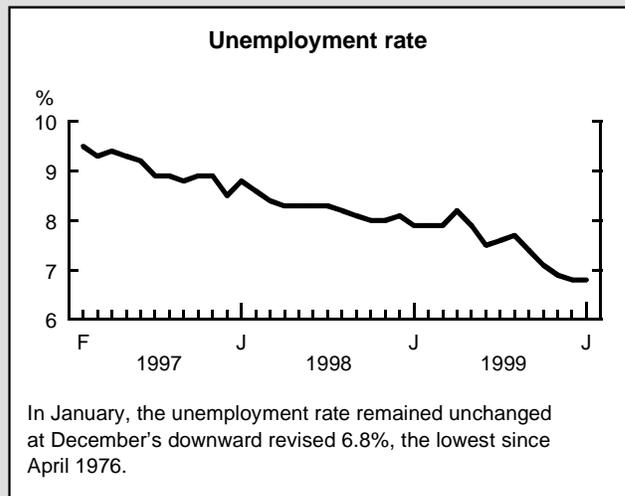
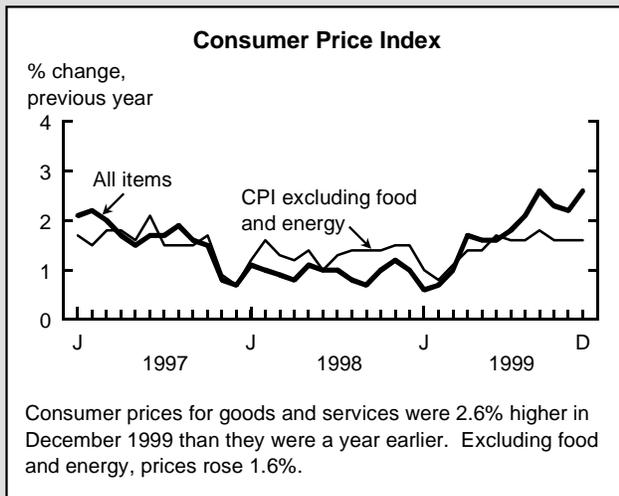
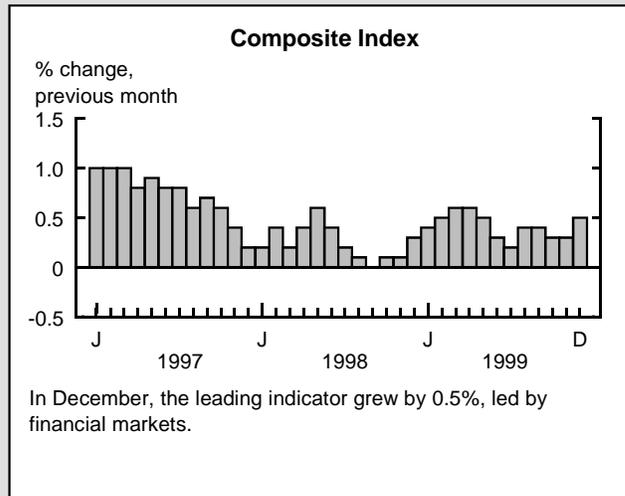
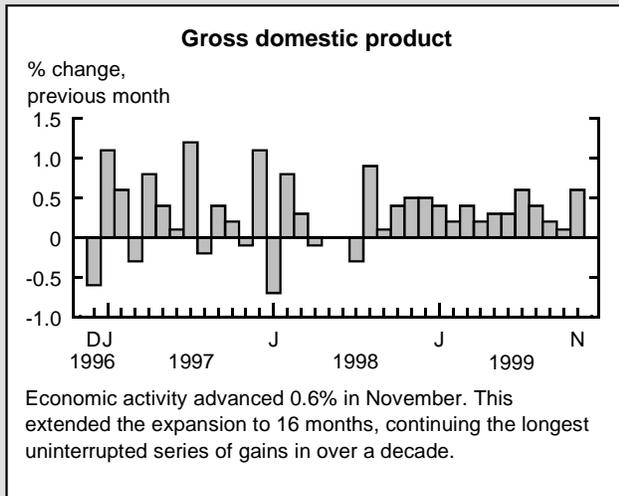
Report on smoking prevalence 1985 to 1999

This new report, commissioned by the Canadian Tobacco Manufacturers' Council, analyzes the comparability of various surveys about smoking prevalence that have been conducted by Statistics Canada. It also examines the statistical significance of trends in smoking rates from 1985 to 1999.

From 1985 to 1999, Statistics Canada conducted 11 surveys that asked questions about smoking. Most posed questions on smoking that are comparable. However, caution should be used when comparing results from four of these surveys—the National Alcohol and Drugs Survey of 1989, the Health Promotion Survey of 1990, the Canadian Alcohol and Drug Survey of 1994, and the General Social Survey of 1995—with results from the other surveys.

The Report on smoking prevalence in Canada, 1985 to 1999 (82F0077X1E) is now available free on Statistics Canada's Web site (www.statcan.ca). Look under "Products and services", followed by "Downloadable research papers (free)". For further information, contact Jason Gilmore (613-951-7118; jason.gilmore@statcan.ca), Health Statistics Division.

Current trends



Note: All series are seasonally adjusted except the Consumer Price Index.

Latest statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billion, 1992)	November	760.9	0.6%	4.3%
Composite Index (1981=100)	December	219.6	0.5%	5.2%
Operating profits of enterprises (\$ billion)	Q3 1999	39.8	7.6%	30.5%
Capacity utilization (%)	Q3 1999	86.0	1.8†	3.6†
DOMESTIC DEMAND				
Retail trade (\$ billion)	November	22.0	0.6%	6.1%
Department store sales (\$ billions)	November	1.44	-7.2%	2.6%
New motor vehicle sales (thousand of units)	December*	144.0	8.5%	21.9%
Wholesale trade (\$ billion)	November	31.4	1.3%	11.3%
LABOUR				
Employment (millions)	January	14.79	0.3%	2.8%
Unemployment rate (%)	January	6.8	0.0†	-1.1†
Participation rate (%)	January	65.7	0.1†	0.1†
Average weekly earnings (\$)	November	616.04	0.4%	1.5%
Help-wanted Index (1996=100)	January	168	2.4%	13.5%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	November	31.4	1.4%	10.5%
Merchandise imports (\$ billion)	November	28.2	-0.2%	6.1%
Merchandise trade balance (all figures in \$ billion)	November	3.1	0.5	1.4
MANUFACTURING				
Shipments (\$ billion)	December*	43.2	1.3%	9.7%
New orders (\$ billion)	December*	44.4	4.8%	13.1%
Unfilled orders (\$ billion)	December*	55.2	2.2%	8.2%
Inventory/shipments ratio	December*	1.29	-0.01	-0.01
PRICES				
Consumer Price Index (1992=100)	December	111.5	0.1%	2.6%
Industrial Product Price Index (1992=100)	December	124.1	0.6%	3.9%
Raw Materials Price Index (1992=100)	December	134.0	3.6%	33.9%
New Housing Price Index (1992=100)	December	102.0	0.2%	1.7%

Note: All series are seasonally adjusted with the exception of the price indexes.

* new this week

† percentage point

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DISTRIBUTIVE TRADES				
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Internet		63-005-XIB	16/155	
Paper		63-005-XPB	21/206	21/206
MANUFACTURING, CONSTRUCTION AND ENERGY				
Cement	December 1999	44-001-XIB	5/47	
Industrial chemicals and synthetic resins	December 1999	46-002-XIB	5/47	
Oils and fats	December 1999	32-006-XIB	5/47	
Production and shipments of steel pipe and tubing	December 1999	41-011-XIB	5/47	
Shipments of solid fuel-burning heating products	Q4 1999	25-002-XIB	6/19	
Steel wire and specified wire products	December 1999	41-006-XIB	5/47	
MICRO-ECONOMIC ANALYSIS				
Failure rates for new Canadian firms:				
New perspectives on entry and exit	1984 to 1994			
Internet		61-526-XIE	26	
Paper		61-526-XPE	35	35
SCIENCE, INNOVATION AND ELECTRONIC INFORMATION				
Cable television	1998	56-001-XIB	10/32	

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