



Infomat

A Weekly Review

Friday, April 25, 2003

INSIDE

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◆ **Wholesalers with strong links to retail post declines**

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A record number of young students enrolled in undergraduate studies at Canadian universities in the 2000/01 academic year. Undergraduate enrolment among people aged 18 to 24 reached 518,800, the highest total ever for this age group.

Uncertainty continues to crimp manufacturers

In February, manufacturers' shipments declined 0.9% to \$44.2 billion, while their inventories continued to accumulate and unfilled orders fell for a sixth consecutive month in the wake of global uncertainty.

Shipments of motor vehicles retreated 2.4% to \$5.3 billion in February, the sixth decrease in seven months. Softening consumer demand for automobiles (particularly in the United States), rising retail inventories and apprehension over car sales in 2003 all contributed to the slowdown. The trend for shipments of vehicles has been negative for seven consecutive months. Manufacturers of primary metals and railroad rolling stock also reported decreases in February.

Soaring petroleum prices partly offset February's overall decline in shipments, as the rising prices lifted shipments of petroleum and coal products up 5.9% to a new high of \$3.4 billion in February. Concerns for adequate supplies and the ongoing political conflicts brought significant uneasiness to the energy sector. Prices for petroleum and coal products soared 16% in the first two months of 2003.

(continued on page 2)

Manufacturers' shipments, February 2003
Seasonally adjusted

	\$ millions	% change, previous month
Canada	44,157	-0.9
Newfoundland and Labrador	176	-9.2
Prince Edward Island	103	-1.6
Nova Scotia	768	-0.2
New Brunswick	1,107	-3.6
Quebec	10,418	1.3
Ontario	23,289	-2.1
Manitoba	1,002	2.4
Saskatchewan	603	-3.5
Alberta	3,828	2.1
British Columbia	2,860	-1.0
Yukon, Northwest Territories and Nunavut	5	-17.8



Uncertainty continues... (continued from page 1)

Excluding the motor vehicle and parts industries and the price-inflated shipments of the petroleum and coal products industry, shipments fell 1.3% in February. Overall, 16 of 21 industries, representing 68% of total shipments, posted decreases in February. The decline was entirely concentrated in the durable goods sector (-2.0%), a key indicator of consumer and business confidence.

Shipments declined the most in Ontario, as seven provinces and all territories reported lower shipments. The motor vehicle industry contributed most to the decrease in Ontario, though the primary metals and computer industries also contracted. The petroleum and coal products industry boosted shipments in Quebec and Alberta, while the food industry largely contributed to Manitoba's shipments.

Manufacturers cut 37,000 jobs in March, wiping out February's gain. The manufacturing losses in March were in automotive and plastics, as well as in food and wood products. Factory jobs have declined in five of the seven months since September 2002.

Inventories hit a 17-month high in February, as manufacturers held \$63.7 billion in inventories, up 0.9% from January. Finished-product inventories jumped 1.2% to \$20.0 billion in February, just short of the June 2001 record. Raw material and goods-in-process inventories also increased. The recent inventory

accumulation may signal weakening demand, due in part to the ongoing economic uncertainty in the United States, Canada's largest trading partner. However, rising industrial prices for chemicals and petroleum products were a factor that inflated inventories in February.

Unfilled orders declined once again (-0.9%), the sixth straight decline, to their lowest level since January 1999. The continuing weakness in the aerospace products and parts industry was cited, as was the telecommunications industry. Aerospace orders fell 3.4%, their seventeenth decrease in a row. Concerns about terrorism, the threat of war in Iraq and the significant downturn in business travel have all added to the slump in the global aviation sector. Excluding the aerospace industry, unfilled orders rose 0.3% in February.

On the upside, new orders rose to a six-month high on their second consecutive monthly increase (+1.6%). Machinery and transportation equipment manufacturers reported sizable new orders on their books.

*The February 2003 issue of the **Monthly Survey of Manufacturing** (Internet: 31-001-XIE, \$15/\$147) will be available soon. For more information, contact Russell Kowaluk (613-951-0600; kowarus@statcan.ca), Manufacturing, Construction and Energy Division. (See also "Current trends" on page 6.)*

Gambling revenues continue to climb

Revenues (net of prizes) from government-run lotteries, video lottery terminals and casinos reached \$11.3 billion in 2002, up 5.6% from 2001 and four times higher than a decade earlier.

Gambling continues to be very profitable for governments, with revenues yielding \$6.0 billion in profit. This level was three and a half times the profit of \$1.7 billion realized in 1992.

Lotteries accounted for 27% of all non-charity gambling net revenues in 2002; casinos, 34%; video lottery terminals, 23%; and slot machines outside casinos, 17%.

On average, Canadians aged 18 and over each spent \$447 on gambling in 2001, compared with \$130 in 1992. The average varied from a low of \$105 in the three territories to a high of \$604 in Alberta.

*The fact sheet on gambling is now available in the April 2003 issue of **Perspective on labour and income** (Internet: 75-001-XIE, \$5/\$48). For more information, contact Katherine Marshall (613-951-6890; katherine.marshall@statcan.ca), Labour and Household Survey Analysis Division.*

New motor vehicle sales rebound, but trend unclear

New motor vehicle sales rebounded 14.1% in February, making up almost all the ground lost in January. After registering the largest drop in five years, automobile dealers sold 146,766 new vehicles in February, up 18,113 units from the previous month.

February's sizable increase was due to strong sales of North American-built passenger cars (+15.7%) and trucks in general (+18.6%). This was a sharp turnaround for these categories of vehicles after sales plummeted in January.

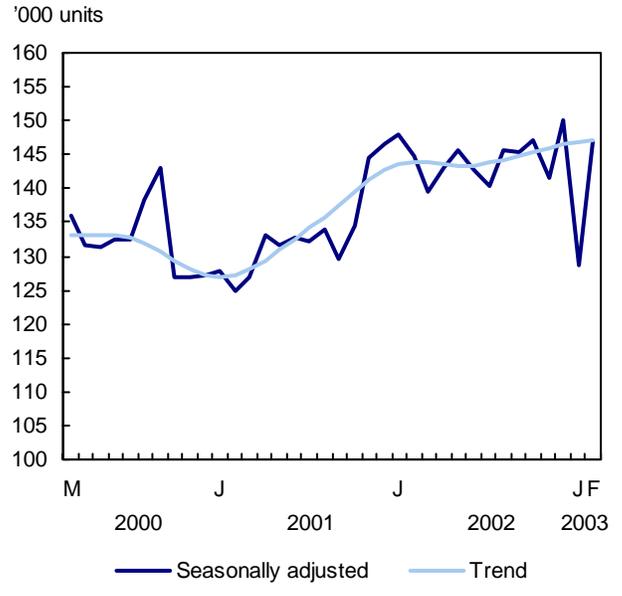
New motor vehicle sales have remained at a relatively high level since the start of 2002, despite sizable fluctuations in recent months. These fluctuations make it difficult to interpret the current direction of sales for both cars and trucks. Before 2002, sales had gone through a period of exceptional growth in the fourth quarter of 2001, when they jumped 7.5% from the previous quarter as a result of generous incentives.

Truck sales, which accounted for 45.0% of all new vehicles sold in February, rose 18.6% to 66,610 vehicles, up 10,443 units from January. Despite recent variations, truck sales in the past few months have remained stable at a high level. Previously, they had moved upward since the summer of 2002, after holding steady for the first half of the year.

Compared with January, the number of new passenger cars sold in February advanced 10.6% to 80,156 vehicles. This increase was primarily attributable to North American-built cars (+15.7%), which made up almost all the ground lost in January. Sales of this category of cars, which are, for the most part, subject to generous incentives, are more volatile. Overseas-built cars, which accounted for one-third of all passenger cars sold in February, advanced 1.0% from January. This was their third consecutive monthly gain.

Overall, the high but relatively stable level of new car sales observed throughout most of 2002 has declined somewhat in recent months. Previously, sales had followed an upward movement since the start of 2001.

New motor vehicle sales



In February, the number of new vehicles sold was up in all provinces by at least 10.0% compared with January, except in the region formed by British Columbia and the three territories (+2.2%). This region was the only one not to have experienced the steep drop in January sales seen in the other provinces. In the other provinces, the rebound of sales in February made up much or all of the ground lost in January.

The February 2003 issue of New motor vehicle sales (Internet: 63-007-XIB, \$13/\$124) is now available. For general information, contact Client Services (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). For analytical information, contact Clérance Kimanyi (613-951-6363; clerance.kimanyi@statcan.ca), Distributive Trades Division.

Perspectives on labour and income

The April 2003 online edition of *Perspectives on labour and income* features the article "Volunteering on company time." This article shows that in spite of leading busy lives, employed Canadians are actively involved in volunteering. If given employer support, employed volunteers are likely to devote more hours to their efforts. Also in this issue is a free fact sheet on gambling.

The April 2003 online edition of Perspectives on labour and income (75-001-XIE, \$5/\$48), is now available. For more information, contact Henry Pold (613 951-4608; henry.pold@statcan.ca), Labour and Household Surveys Analysis Division.

Wholesalers with strong links to retail post declines

Wholesalers posted a slight decline in February (-0.2%), selling \$36.8 billion worth of goods and services. This decline ended eight consecutive months of growth. Sectors with strong ties to retail trade bore the brunt of the declines.

Aside from sales of food products, which remained essentially stable, all other non-durable goods sectors experienced a notable decline.

Beverage, drug and tobacco products fell 2.2% from January. However, January sales for this sector were inflated following the end of a strike at a major wholesaler, so February sales returned to a more normal level.

Wholesale sales of apparel also fell (-7.7%). However, this sector has been relatively stable since October 2002.

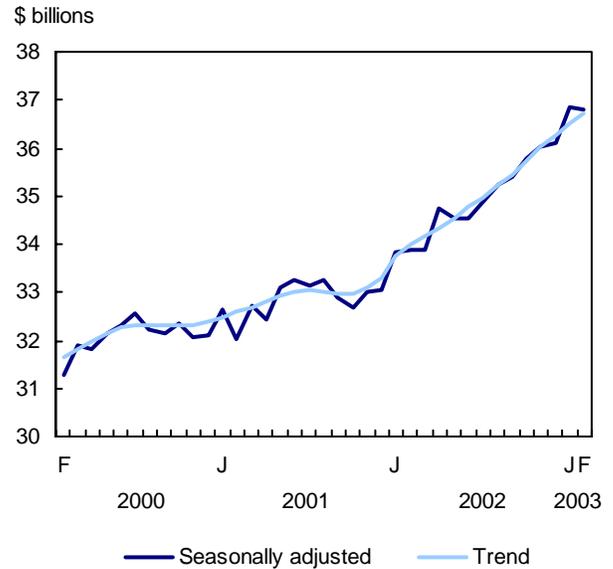
Wholesale sales of household goods fell again in February (-3.8%), after a 1.2% drop in January. February also saw declines in metals and hardware (-2.1%) and in lumber and building materials (-1.4%), two wholesale sectors with strong links to the housing and renovation markets. The declines observed in these sectors could be partly attributed to the downturn in the existing housing sales market observed by the Canadian Real Estate Association in three of the last four months.

Computers and electronics posted a 2.9% increase. This followed a month of very strong growth in January. In recent months, sales have begun to show signs of strength after a slight downward trend from April to September 2002.

In February, five provinces posted declines in wholesale sales. The biggest drops were in British Columbia (-2.5%), Quebec (-2.5%) and New Brunswick (-1.3%), the three main beneficiaries of the strong growth in January.

Declining sales in the "other products" category (paper and paper products, wood chips, industrial and household chemicals, and so on) and beverage, drug and tobacco products explained most of British Columbia's decline. The downturn in New Brunswick came mainly from lower wholesale sales in the automotive sector, as well as in beverage, drug and tobacco

Wholesale sales



products. In Quebec, as in the other two provinces, the decline could also be attributed to lower sales of beverage, drug and tobacco products, as well as a strong drop in apparel and dry goods.

The strong increase in Prince Edward Island (+9.6%) was partly attributable to an increase in sales in the food products and the agricultural machinery sectors.

The inventory-to-sales ratio rose to 1.24 in February. This was a slight rise from 1.23 in January, a level that remains the lowest ever registered. Inventories rose 0.3%, mainly because of the increases in the beverage, drug and tobacco sector and in the "other products" category.

The February 2003 issue of *Wholesale trade* (Internet: 63-008-XIB, \$14/\$140) is now available. For general information, contact Client Services (1-877-421-3067; 613-951-3549; wholesaleinfo@statcan.ca). For analytical information, contact Jean Lebreux (613-951-4907; jean.lebreux@statcan.ca), Distributive Trades Division.

Canadian economic observer

The April issue of Statistics Canada's flagship publication for economic statistics, *Canadian economic observer*, analyses current economic conditions, summarizes the major economic events that occurred in March and presents a feature article entitled "Recent trends in spending and savings in Canada and the United States." A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The April 2003 online edition of *Canadian economic observer* (11-010-XIB, \$17/\$170), is now available. For more information, contact Francine Roy (613-951-3627; ceo@statcan.ca), Current Economic Analysis Group.

Undergraduate enrolment at a record high

A record number of young students enrolled in undergraduate studies at Canadian universities in the 2000/01 academic year. Undergraduate enrolment among people aged 18 to 24 reached 518,800, the highest total ever for this age group. At 18%, the share of the population aged 18 to 24 enrolled in undergraduate studies in 2000/01 was also at an all-time high.

From 1997/98 to 2000/01, undergraduate enrolment among students aged 18 to 24 climbed 7.3%. Of the 35,300 new students aged 18 to 24 from 1997/98 to 2000/01, just under three out of four were women.

Meanwhile, enrolment among older age groups continued to decline in 2000/01. Just under 213,000 students aged 25 and over enrolled in full-time or part-time undergraduate studies in 2000/01, a 2.7% decrease from 1997/98. Students aged 25 and over represented just under 29% of total undergraduate enrolment in 2000/01.

Overall, universities had 735,300 full-time and part-time students enrolled in undergraduate studies in 2000/01, up 4.3% from 1997/98, the third straight annual increase.

Just over 213,400 students attended university undergraduate programs on a part-time basis in 2000/01, up 2.6% from 1997/98, the result of substantial gains in part-time enrolment among students aged 18 to 24.

Despite the gain, part-time enrolment accounted for only 29% of total undergraduate enrolment, compared with nearly 36% in 1992/93, the peak year for part-time enrolment. Much of the decline in part-time enrolment since 1992/93 was due to a sharp decrease in enrolment among students aged 25 and over.

A total of 126,300 students were enrolled in university graduate programs in 2000/01, up 7.3% from 1997/98.

The biggest gains were among students aged 18 to 24, where graduate enrolment rose 17% from 1997/98 to 2000/01. This increase was driven primarily by higher enrolment among women.

University enrolment

	1997/98	2000/01	1997/98 to 2000/01 % change ¹
Total undergraduate	705,000	735,300	4.3
Full-time	497,100	521,900	5.0
Aged 18 to 24	418,200	443,500	6.1
Aged 25 to 34	61,600	60,500	-1.8
Part-time	207,900	213,400	2.6
Aged 18 to 24	65,400	75,300	15.1
Aged 25 to 34	69,800	68,300	-2.1
Total graduate	117,800	126,300	7.3
Full-time	76,000	83,300	9.6
Aged 18 to 24	14,400	17,200	19.9
Aged 25 to 34	44,200	47,200	6.8
Part time	41,800	43,000	3.0
Aged 18 to 24	2,700	2,800	2.2
Aged 25 to 34	18,400	18,900	2.5

¹ Percentage changes are calculated using the actual unrounded figures.

Note: Figures may not add up to totals because of rounding and the exclusion of age groups. Figures are rounded to the nearest 100.

Graduate enrolment among older age groups has also been on the rise. Since 1997/98, enrolment among students aged 25 to 34 increased 5.5%. Again, much of the growth in this age group can be attributed to increases among women.

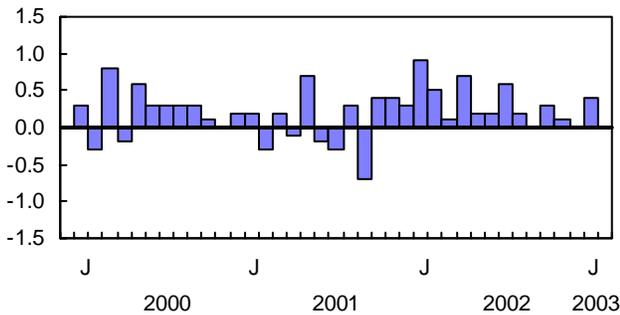
Women have represented the majority of undergraduate enrolment since 1979/80, but in the graduate field, they have only represented the majority of enrolment since 1997/98. In 2000/01, women represented 51% of graduate enrolment, compared with 59% among undergraduates. Within the graduate field, women represented the majority of master's enrolments in 2000/01; men still accounted for over 54% of doctorate enrolment.

For more information, contact Todd Robertson (613-951-4711; todd.robertson@statcan.ca) or Sylvie Bonhomme (613-951-5366; sylvie.bonhomme@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

Current trends

Gross domestic product

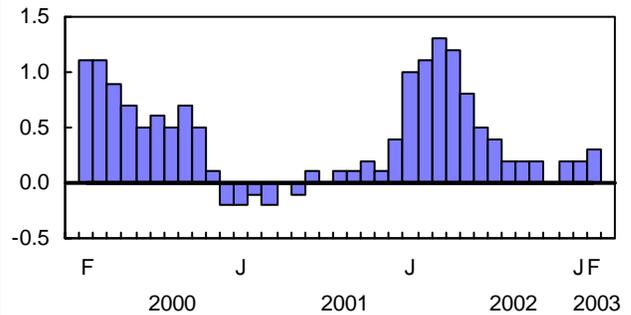
% change, previous month



Total economic activity rose 0.4% in January, after no gain in December.

Composite Index

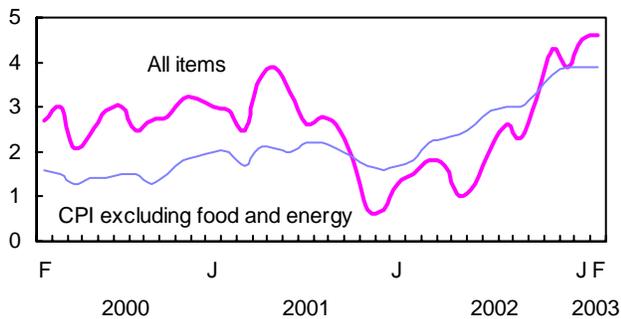
% change, previous month



The leading indicator grew 0.3% in February after rising 0.2% in January.

Consumer Price Index

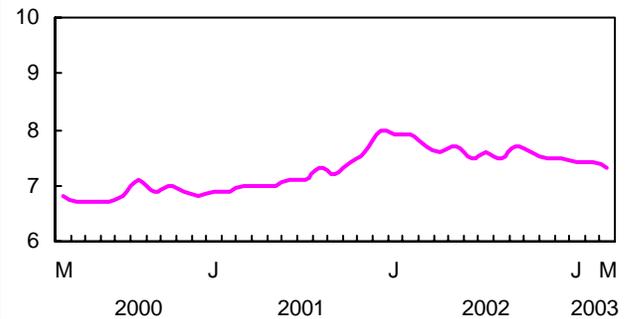
% change, previous year



Consumer prices for goods and services were 4.6% higher in February than they were a year earlier. Excluding food and energy, prices rose 3.9%.

Unemployment rate

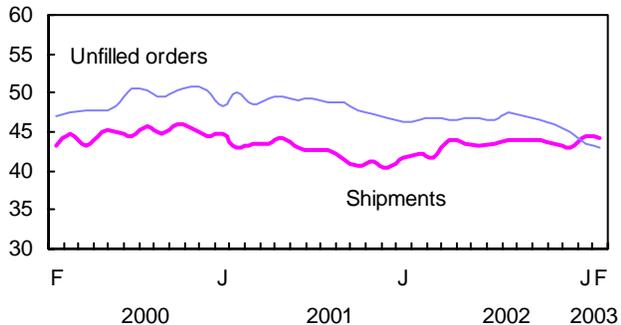
%



In March, the unemployment rate edged down 0.1 percentage points to 7.3%.

Manufacturing

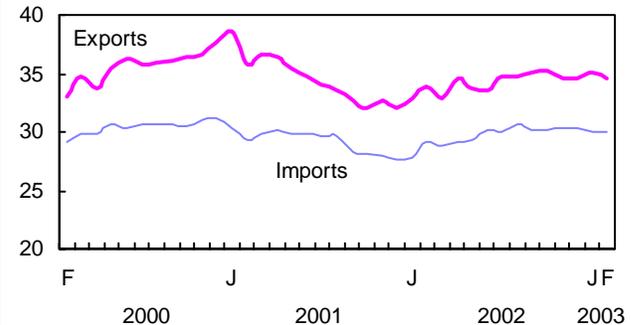
\$ billions



Manufacturers' shipments fell 0.9% in February to \$44.2 billion. The backlog of unfilled orders declined 0.9% to \$43.0 billion.

Merchandise trade

\$ billions



In February, the value of merchandise exports fell 1.6% to \$34.6 billion. Imports were unchanged at \$30.0 billion.

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 (\$ billions, 1997) ¹	January	994.2	0.4%	3.5%
Composite Index (1992=100)	March*	181.2	0.2%	4.7%
Operating profits of enterprises (\$ billions)	Q4 2002	41.9	5.1%	32.8%
Capacity utilization rate (%) ²	Q4 2002	82.9	-0.2†	2.5†
DOMESTIC DEMAND				
Retail trade (\$ billions)	February*	26.5	1.5%	5.2%
New motor vehicle sales (thousands of units)	February*	146.8	14.1%	1.5%
Wholesale trade (\$ billions)	February*	36.8	-0.2%	8.5%
LABOUR				
Employment (millions)	March	15.7	0.1%	2.9%
Unemployment rate (%)	March	7.3	-0.1†	-0.4†
Participation rate (%)	March	67.5	0.0†	0.9†
Average weekly earnings (\$)	January	687.44	-0.08%	1.83%
Help-wanted Index (1996=100)	March	112.7	1.2%	-10.8%
Regular Employment Insurance beneficiaries (in thousands)	January	529.7	-3.3%	-5.6%
INTERNATIONAL TRADE				
Merchandise exports (\$ billions)	February	34.6	-1.6%	2.0%
Merchandise imports (\$ billions)	February	30.0	0.0%	2.8%
Merchandise trade balance (all figures in \$ billions)	February	4.6	-0.6	-0.1
MANUFACTURING				
Shipments (\$ billions)	February	44.2	-0.9%	4.7%
New orders (\$ billions)	February	43.7	1.6%	2.7%
Unfilled orders (\$ billions)	February	43.0	-0.9%	-7.6%
Inventory/shipments ratio	February	1.44	0.02	-0.04
PRICES				
Consumer Price Index (1992=100)	March*	122.8	0.4%	4.3%
Industrial Product Price Index (1997=100)	February	109.2	0.6%	2.3%
Raw Materials Price Index (1997=100)	February	128.9	3.1%	22.6%
New Housing Price Index (1992=100)	February	113.8	0.6%	5.1%

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

* new this week

† percentage point

¹ 1997 replaces 1992 as the base year used in determining prices for gross domestic product by industry. Also, valuation has been changed from factor cost to basic prices.

² Calculation of the rates of capacity use is now based on the 1997 North American Industry Classification System (NAICS), which has replaced the 1980 Standard Industrial Classification.

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A weekly review

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Products released from April 17 to 23, 2003

SUBJECT AREA Title of product	Period	Catalogue number	Price (\$) (issue/subscription)
CURRENT ECONOMIC ANALYSIS			
Canadian economic observer	April 2003	11-010-XIB	17/170
DISTRIBUTIVE TRADES			
New motor vehicle sales	February 2003	63-007-XIB	13/124
Wholesale trade	February 2003	63-008-XIB	14/140
LABOUR AND HOUSEHOLD SURVEYS ANALYSIS			
Perspectives on labour and income	Vol. 4, no. 4	75-001-XIE	5/48
MANUFACTURING, CONSTRUCTION AND ENERGY			
Supply and disposition of crude oil and natural gas	July 2002	26-006-XPB	19/186
PRICES			
The Consumer Price Index	March 2003	62-001-XIB	8/77
The Consumer Price Index	March 2003	62-001-XPB	11/103
Industry price indexes	February 2003	62-011-XPE	22/217
Industry price indexes	February 2003	62-011-XIE	17/163
SCIENCE, INNOVATION AND ELECTRONIC INFORMATION			
Quarterly telecommunications statistics	Q4 2002	56-002-XIE	21/40
TRANSPORTATION			
Aviation: Service bulletin	Vol. 35, no. 1	51-004-XIB	8
Monthly railway carloadings	January 2003	52-001-XIE	8/77

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