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Infomat

A Weekly Review

Friday, May 23, 1997

OVERVIEW

- **Moderate rise in shipments continues**

  Shipments in the manufacturing sector rose moderately in March, following a sharp increase in January and another moderate increase in February.

- **Retail sales retreat in March**

  Although consumers spent less in March, retail sales remained strong in the first quarter.

- **Wholesale trade slows**

  Wholesale sales, which had a strong start in 1997, declined in March. Sales have moved upward since January 1996 after remaining relatively flat in 1995.

- **Annual growth in CPI weakens**

  The prices of goods and services rose between April 1996 and April 1997, but at a lower rate than in the previous five months. The CPI did not change between March and April, although six provinces introduced sales tax changes.

- **Canadians travel less and host fewer visitors**

  Canadians made fewer trips to other countries in March than they did in February. They also hosted fewer visitors.

- **Decline in number of farms smallest since peak of 1941**

  The number of farms has been declining over the last 55 years. However, between 1991 and 1996, the decline was the smallest ever between censuses.

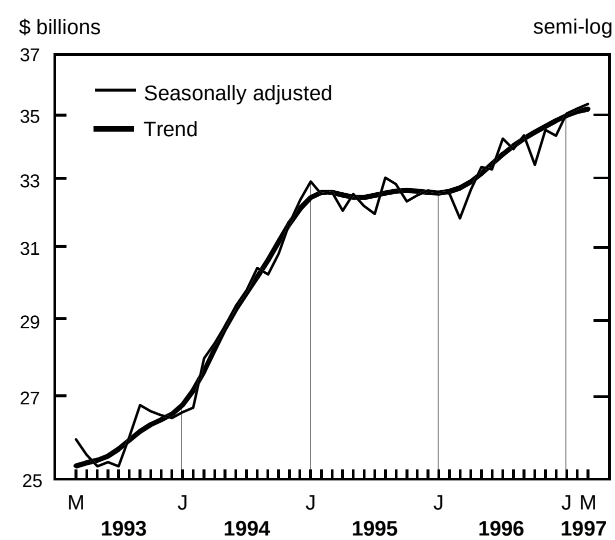
Moderate rise in shipments continues

Total manufacturing shipments continued to rise at a moderate pace in March, posting a 0.4% increase. After setting a record level at the beginning of the year, shipments continued to rise in February and March, but they did so more slowly. An increase in the automotive sector (+2.3%) was partly offset by a decrease in the rest of manufacturing (–0.1%), where increases and decreases were mixed. Increases were recorded in 11 of the 22 major industry groups, accounting for 43% of total shipments. Growth in unfilled orders slowed, and inventories were up.

In March, strong U.S. demand pushed shipments of motor vehicles up 2.5%. The aircraft and parts and the paper and allied products industries also posted increases: 11.2% and 1.8%, respectively. The largest decreases in shipments were in the chemical (–3.3%) and the refined petroleum and coal products (–2.2%) industries.

(continued on page 2)

Shipments



... Moderate rise in shipments continues

Manufacturers' backlog of unfilled orders—a key determinant of future shipments—edged up 0.2% to $35.4 billion. This small rise in March followed significant increases in the previous three months and marked a departure from 1996's flat performance. Transportation equipment (+1.0%) and machinery (+1.4%) were primarily responsible for the increase in manufacturers' order books. The electrical and electronic industry posted the largest offsetting decline (–1.7%).

Manufacturers' shipments, March 1997
Seasonally adjusted

	$ millions	% change, previous month
Canada	**35,346**	**0.4**
Newfoundland	122	4.3
Prince Edward Island	57	0.5
Nova Scotia	495	– 0.4
New Brunswick	619	– 4.7
Quebec	8,415	2.2
Ontario	18,617	0.1
Manitoba	789	– 4.1
Saskatchewan	496	– 6.2
Alberta	2,848	– 0.6
British Columbia	2,884	1.5
Yukon and Northwest Territories	4	– 3.5

Note to readers

Unfilled orders are stocks of orders that will contribute to future shipments, assuming that orders are not cancelled. New orders represent orders received whether shipped in the current month or not. They are measured as the sum of shipments for the current month (orders received this month and shipped within the same month) plus the change in unfilled orders.

Inventories rose 0.4% in March to $45.8 billion, but remained in line with shipments. The inventory-to-shipments ratio remained unchanged at 1.30, as both shipments and inventories were up. The largest increase in inventories was recorded in the aircraft and parts industry, followed by the machinery industry. The most significant decline in inventories was posted by the paper and allied products industry (– 0.9%), where inventories have been declining steadily since early 1996 after a glut in the market left manufacturers with too much stock.

New orders declined 0.2% to $35.4 billion.

Available on CANSIM: matrices 9550–9579, 9581–9593.

The March 1997 issue of ***Monthly Survey of Manufacturing*** *(31-001-XPB, $20/$196) will be available shortly. For further information, contact Richard Evans (613-951-9834) or Robert Traversy (613-951-9497), Manufacturing, Construction and Energy Division. (See also "Current trends" on page 6.)*

Retail sales retreat in March

After a period of strong growth that began last fall, retail sales fell 0.8% to $18.9 billion in March. Although consumers spent less in March than they did in February, first quarter sales were strong (+1.8%).

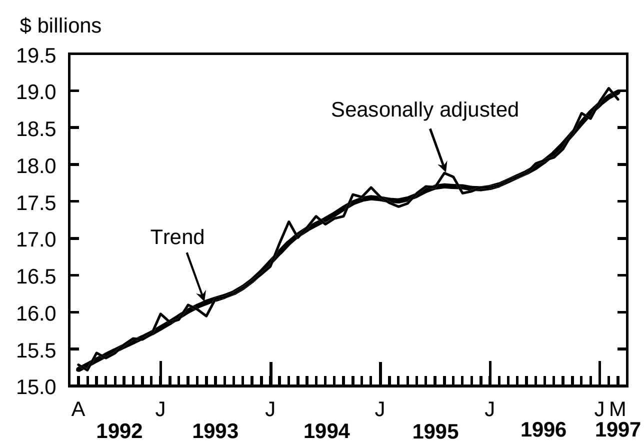
In March, only general merchandise stores recorded higher sales (+0.5%), due to advances by department stores (+0.8%). Department store sales were 8.8% higher in the first three months of 1997 compared with the same period in 1996. Increased department store sales coincided with decreased sales in stores selling similar merchandise, such as clothing, furniture and drug stores.

In terms of dollar value, the automotive sector posted the greatest decline in retail sales in March (–1.2%). This drop was split between motor vehicle and recreational vehicle dealers and automotive parts and accessories stores. Motor and recreational vehicle sales, which drove the growth in retail sales in 1996, flattened out in the first quarter of 1997. Although motor vehicle and recreational vehicle sales declined in March, the number of new motor vehicles sold was up 8.5%.

Sales by food stores declined marginally in March (– 0.2%) as slightly higher sales in supermarkets and grocery stores were offset by declining sales in more specialized food stores.

Western Canada recorded the strongest advances in retail sales in the first quarter of 1997 (+3.5%). Alberta posted the highest increase, as sales were up 4.6% over the previous quarter. British Columbia and Quebec also posted healthy increases, while Ontario saw a slight rise in sales. After posting increasing sales for 1996, retailers in Atlantic Canada saw sales decline 1.3% in the first quarter of 1997. Increases in Newfoundland and Prince Edward Island were not enough to offset declining sales in New Brunswick and Nova Scotia.

Retail sales



Early estimates for April indicate that the number of employees in retail trade increased by 0.6%. The number of housing starts declined by 7.8% in April, compared with the same period in 1996. Retail trade in the United States decreased 0.3%, after remaining static in March.

Available on CANSIM: matrices 2299, 2398–2417 and 2420.

The March 1997 issue of ***Retail trade*** *(63-005-XPB, $21/$206) will be available shortly. For further information, contact Louise Généreux (613-951-3549), Distributive Trades Division.*

Wholesale trade slows

Wholesale sales, which had a strong start at the beginning of the year, declined 2.7% to $22.5 billion in March. Most sectors recorded lower sales, with the exception of the other products and food categories. Sales have moved upward since January 1996 after remaining relatively flat in 1995.

Retail and wholesale trade, March 1997
Seasonally adjusted

	Retail sales		Wholesale sales	
	$ millions	% change, previous month	$ millions	% change, previous month
Canada	**18,883**	**– 0.8**	**22,463**	**– 2.7**
Newfoundland	297	1.4	188	2.2
Prince Edward Island	82	1.7	45	– 4.4
Nova Scotia	581	– 0.1	491	– 3.6
New Brunswick	431	– 1.2	287	– 3.0
Quebec	4,494	– 3.8	4,740	– 1.8
Ontario	6,818	0.8	9,899	– 1.8
Manitoba	702	0.6	840	– 2.0
Saskatchewan	610	– 3.2	789	0.6
Alberta	2,110	0.1	2,330	– 2.9
British Columbia	2,691	– 0.4	2,826	– 8.1
Yukon	25	1.5	12	15.3
Northwest Territories	42	– 4.0	16	13.5

The two sectors that reported the largest increases in February recorded the largest declines in March. Wholesalers of farm machinery and equipment sales dropped 14.2%, following a 16.3% jump in February. Sales of motor vehicles and parts fell 11.1% after advancing 8.9% the previous month. Sales of computers and packaged software dropped 6.6% in March, after three months of strong increases. Volatility in this sector, especially since 1995, is attributable to price variations and the continuous flow of new products.

For the first three months of 1997, sales by wholesalers were 11% higher than the same period in 1996. First quarter sales for 1997 were particularly strong for lumber and building materials wholesalers (+23.9%), reflecting the strong Canadian and American housing markets. Canadian housing starts grew by more than 38% in the first quarter of 1997 compared with the same period a year earlier. As well, a significant increase in lumber products exports was recorded in the first two months of 1997.

In March, wholesalers' inventories remained relatively unchanged (– 0.1%) at $32.9 billion, following seven months of increases. The inventories-to-sales ratio increased to 1.46, up from 1.43 in February (which was the lowest level since December 1994). The inventories-to-sales ratio has fluctuated around 1.45 in the last few months, following almost a year of constant decline.

Available on CANSIM: matrices 59, 61, 648 and 649.

*The March 1997 issue of **Wholesale trade** (63-008-XPB, $19/$186) will be available shortly. For further information, contact Paul Gratton (613-951-3541) or Richard Trudeau (613-951-3552), Distributive Trades Division.*

Annual growth in CPI weakens

The prices of the goods and services making up the Consumer Price Index (CPI) basket rose 1.7% between April 1996 and April 1997. Compared with April 1996, consumers paid less for mortgage loans, fresh vegetables and soft drinks. They paid more for new vehicles and vehicle insurance, university tuition, clothing, rental accommodation and meat.

The increase in April was lower than the annual rates of 2.0% to 2.2% seen in the five previous months. The slowdown in overall inflation was related to smaller movements in the transportation and food sectors.

Consumer Price Index, April 1997
% change, previous year, not seasonally adjusted

	All-items	Food	Energy	Housing	Transpor-tation
Canada	**1.7**	**0.9**	**1.7**	**0.4**	**3.1**
Newfoundland	1.9	1.8	11.4	3.2	3.9
Prince Edward Island	1.8	– 0.2	7.3	1.7	3.5
Nova Scotia	2.7	2.0	12.1	1.9	5.4
New Brunswick	2.2	1.7	13.0	2.9	4.2
Quebec	1.4	1.1	1.1	0.7	1.4
Ontario	2.1	– 0.5	0.2	0.3	5.5
Manitoba	2.3	2.2	3.0	1.8	3.0
Saskatchewan	1.3	2.0	1.4	1.3	1.6
Alberta	1.8	3.4	1.2	0.7	1.7
British Columbia	0.6	1.2	0.2	– 1.3	– 0.1
Whitehorse	2.6	5.8	7.4	1.2	4.2
Yellowknife	0.5	0.2	2.7	– 0.4	3.8

On a monthly basis, the CPI remained unchanged in April. Shoppers paid 1.1% more for clothing and 1.9% more for shoes. A small part of the increase was related to tax increases in the Atlantic provinces. The cost of dental care, hotel/motel accommodation, newspapers and magazines also rose.

Natural gas charges fell with the introduction of summer rates in Ontario, Alberta and British Columbia. A 1.5% decline in gasoline prices pulled down transportation costs. A 16.5% drop in crude oil prices between January and March was a factor behind the decline. The price of food also fell, because of lower prices for fresh vegetables, bananas, soft drinks, and bakery products.

Six provinces introduced sales tax changes in late March and early April. Newfoundland, Nova Scotia and New Brunswick merged their provincial retail sales taxes with the federal Goods and Services Tax under the Harmonized Sales Tax. Saskatchewan lowered its provincial sales tax rate from 9% to 7%. Prince Edward Island increased taxes on gasoline, and Quebec increased cigarette taxes. While changes affected some commodity series at the Canada level, the net impact at the All-items level was minimal.

Between April 1996 and April 1997, increases in provincial CPIs ranged from a low of 0.6% in British Columbia to a high of 2.7% in Nova Scotia. Between March and April, changes in provincial CPIs ranged from a drop of 1.0% in Newfoundland to a rise of 0.1% in Nova Scotia, New Brunswick, Quebec and Ontario.

Available on CANSIM: matrices 7440–7454, 7477 and 7478.

*The April 1997 issue of the **Consumer Price Index** (62-001-XPB, $11/$103) is now available. For further information, contact Sandra Shadlock (613-951-9606; fax 613-951-2848; Internet: shadsan@statcan.ca), Prices Division. (See also "Current trends" on page 6.)*

Canadians travel less and host fewer visitors

In March, foreigners made 4.1% fewer trips of at least one night to Canada, bringing the number of trips down to 1.5 million. Americans stayed at least one night in Canada on 1.1 million occasions, a 5.5% drop from February. Overseas residents (those from countries other than the United States) made 407,000 trips of at least one night, down slightly from February's record level. Trips of this type have generally increased since mid-1992. And Canadians made fewer (–4.4%) overnight trips to the United States than they did in February.

Canadians also travelled less to countries other than the United States in March. They made 328,000 trips overseas, down 0.7% from February's peak. Overall, Canadians made 1.6 million trips of at least one night outside Canada in March, down 3.6% from February.

Same-day car trips between Canada and the United States decreased in both directions in March, and in almost every province. Canadians made 4.3% fewer cross-border car trips—the largest monthly decrease in two years. This brought the number of trips to 2.9 million. Americans made 2.1 million car trips to Canada, down 1.1% from February.

The number of cross-border car trips made by Americans via the Rainbow and Whirlpool bridges in Niagara Falls almost doubled again in March compared with a year earlier (unadjusted data). A casino located near the two bridges on the Ontario side has been open since December 1996.

Available on CANSIM: matrices 2661–2697, 5780–6046 and 8200–8328.

The March 1997 issue of ***International travel, advance information*** *(66-001-PPB, $8/$73) will be available shortly. For further information, contact Luc Dubois (613-951-1674; fax: 613-951-2909; Internet: duboluc@statcan.ca), Culture, Tourism and the Centre for Education Statistics.*

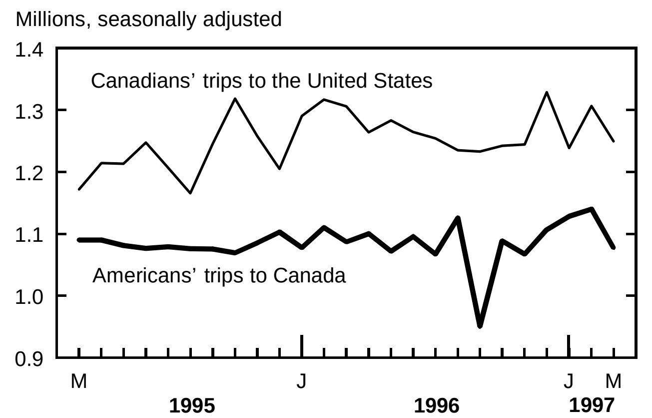
Travel between Canada and other countries, March 1997

	thousands	% change, previous month	thousands	% change, previous year
	seasonally adjusted		unadjusted	
Canadian trips abroad				
Auto trips to the United States				
Same-day	2,921	– 4.3	7,756	– 2.8
One or more nights	780	– 1.7	1,732	– 2.1
Total trips, one or more nights				
United States[1]	1,249	– 4.4	3,374	– 0.7
Other countries	328	– 0.7	1,320	7.0
Travel to Canada				
Auto trips from the United States				
Same-day	2,131	– 1.1	5,017	7.1
One or more nights	690	– 3.7	1,013	4.8
Total trips, one or more nights				
United States[1]	1,077	– 5.5	1,690	5.3
Other countries[2]	407	– 0.3	578	14.2

1. Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.
2. Figures for other countries exclude same-day entries by land only, via the United States.

> ***Note to readers***
>
> *Unless otherwise specified, data in this release are seasonally adjusted (adjusted for variations that repeat annually and for variability caused by the different volumes of travellers associated with different days of the week). Month-to-month comparisons use seasonally adjusted data. Year-over-year comparisons use unadjusted data (the actual traffic counts). Excursions are same-day trips.*

Overnight trips between Canada and the United States



Decline in number of farms smallest since peak of 1941

On May 14, 1996, the Census of Agriculture counted 276,548 farms in Canada. This included 1,593 farms producing only Christmas trees. If such farms were excluded from the total, the number of farms would be 274,955, a drop of 1.8% from 1991. This decline is the smallest registered between censuses since the peak of 1941, when 732,832 farms were counted.

Five provinces—Manitoba, Ontario, Quebec, New Brunswick and Prince Edward Island—experienced smaller declines between 1991 and 1996 than during the previous period between censuses. British Columbia (+12.6%), Alberta (+3.0%), Nova Scotia (+1.0%)

> ***Note to readers***
>
> *A census farm is an agricultural operation that produces, for sale, agricultural products. Farm operations producing only Christmas trees were included for the first time in the 1996 Census of Agriculture. Farms that produced Christmas trees along with other agricultural products were included in censuses prior to 1996, even though there were no specific questions on Christmas tree production or area.*
>
> *To ensure that comparisons could be made with previous census data all 1996, farm number figures exclude those farms producing only Christmas trees.*
>
> *Gross farm receipts are expressed in 1995 constant dollars.*

(continued on page 5)

... Decline in number of farms smallest since peak of 1941

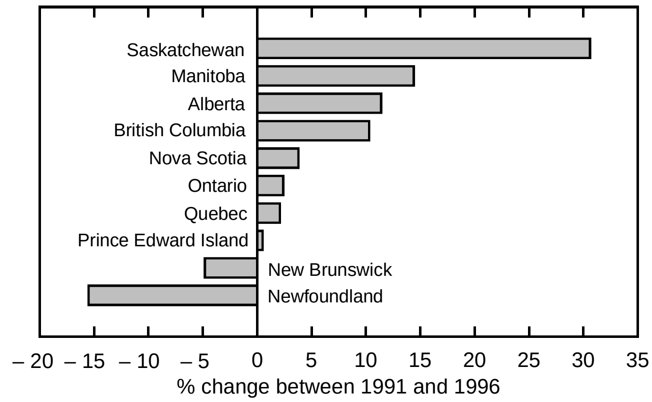
and Newfoundland (+0.8%) all gained farms since 1991, which contributed to slowing the national rate of decline in the number of farms. Ontario counted the largest number of farms, followed by Alberta and Saskatchewan.

The growth in the number of farms in British Columbia was stimulated by the expansion in hay and fodder farms, horse farms, and poultry and egg farms since the last census. The increase was also driven by operations with gross sales of less than $10,000. This rise in smaller farms represented about half of the overall gain in the province. In Alberta, growth in the beef sector was the major contributor to the rise in the number of farms.

While the overall number of farms has been declining, farm size, in terms of gross sales, has been increasing. Nationally, between 1991 and 1996, the number of farms with gross receipts of $100,000 or more increased 10.9%, to reach 83,090. These larger farms increased in number in all provinces except Newfoundland and New Brunswick. Saskatchewan had the highest growth (+30.6%), reflecting strong crop prices in 1995.

These larger farms represented 30.2% of all farms in 1996, double the level recorded in 1981. In Quebec, they made up 38.9% of the total, the highest proportion in any province in 1996. Prince Edward Island was close behind with 35.0%. British Columbia had the lowest proportion of larger farms, at 15.7%.

Growth in number of farms with gross farm receipts of $100,000 or more (1995 constant dollars)



For more information, contact Lynda Kemp (613-951-3841), Census of Agriculture.

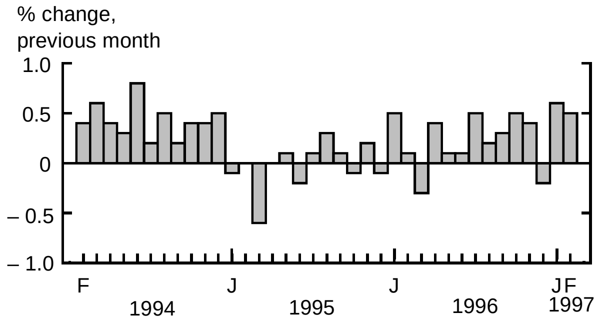
Number of census farms

	1991	1996		1996
	Number of census farms	Excluding farms producing only Christmas trees[1]	% change	Including farms producing only Christmas trees
Canada	**280,043**	**274,955**	**– 1.8**	**276,548**
Newfoundland	725	731	0.8	742
Prince Edward Island	2,361	2,200	– 6.8	2,217
Nova Scotia	3,980	4,021	1.0	4,453
New Brunswick	3,252	3,206	– 1.4	3,405
Quebec	38,076	35,716	– 6.2	35,991
Ontario	68,633	67,118	– 2.2	67,520
Manitoba	25,706	24,341	– 5.3	24,383
Saskatchewan	60,840	56,979	– 6.3	56,995
Alberta	57,245	58,990	3.0	59,007
British Columbia	19,225	21,653	12.6	21,835

1. Farms producing only Christmas trees were excluded to make 1996 data comparable with previous censuses.

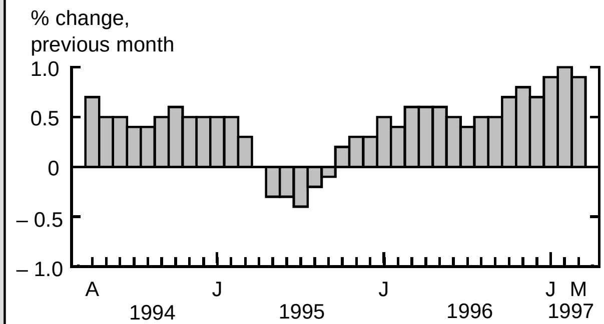
Current trends

Gross domestic product



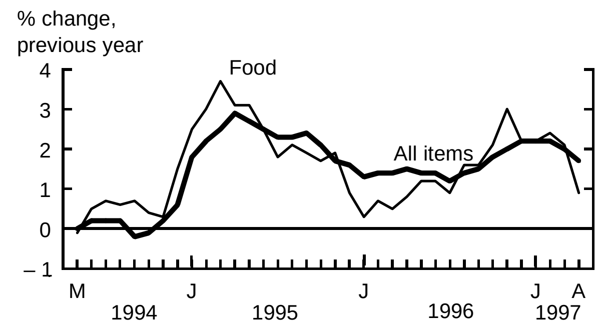
Real gross domestic product at factor cost increased 0.5% between January and February.

Composite Index



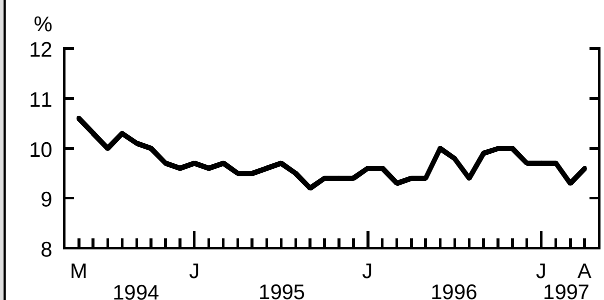
The Composite Index grew by 0.9% in March.

Consumer Price Index



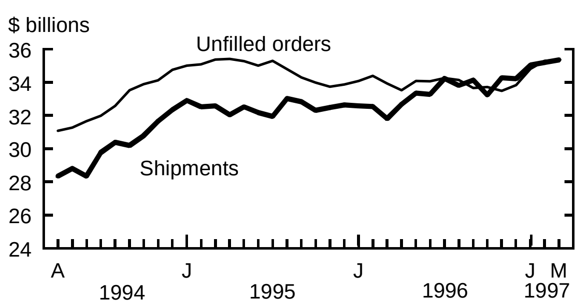
Consumers paid 1.7% more for goods and services in April 1997 than the year before. Food prices rose by 0.9%.

Unemployment rate



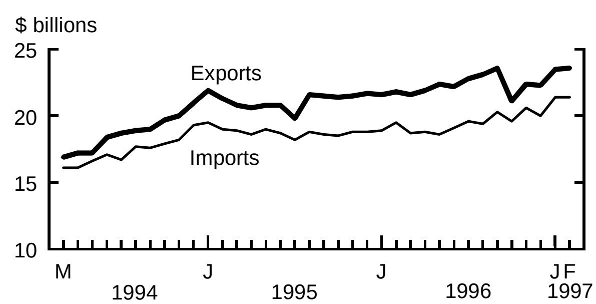
In April, the unemployment rate rose to 9.6%.

Manufacturing



Manufacturers' shipments rose 0.4% in March to $35.3 billion. The level of unfilled orders increased 0.2% to $35.4 billion.

Merchandise trade



In February, the value of merchandise exports increased 0.6% from January to $23.6 billion. Imports held steady at $21.4 billion.

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

Latest monthly statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product ($ billion, 1986)	February	564.8	0.5%	3.5%
Composite Index (1981=100)	March	190.6	0.9%	8.8%
Operating profits of enterprises ($ billion)	Q4 1996	25.7	5.7%	10.4%
Capacity utilization (%)	Q4 1996	84.8	0.7†	2.4†
DOMESTIC DEMAND				
Retail trade ($ billion)	March*	18.9	– 0.8%	6.1%
New motor vehicle sales (thousand of units)	March	121.7	8.5%	24.9%
LABOUR				
Employment (millions)	April	13.8	0.2%	1.0%
Unemployment rate (%)	April	9.6	0.3†	0.1†
Participation rate (%)	April	64.8	0.3†	– 0.2†
Labour income ($ billion)	January	36.8	0.1%	3.9%
Average weekly earnings ($)	February	598.72	0.3%	3.6%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	February	23.6	0.6%	7.8%
Merchandise imports ($ billion)	February	21.4	– 0.3%	10.1%
Merchandise trade balance (all figures in $ billion)	February	2.2	0.2	– 0.3
MANUFACTURING				
Shipments ($ billion)	March*	35.3	0.4%	11.1%
New orders ($ billion)	March*	35.4	– 0.2%	13.1%
Unfilled orders ($ billion)	March*	35.4	0.2%	4.2%
Inventory/shipments ratio	March*	1.30	0.00	– 0.13
PRICES				
Consumer Price Index (1986=100)	April*	135.3	0.0%	1.7%
Industrial Product Price Index (1986=100)	March	130.2	0.2%	0.9%
Raw Materials Price Index (1986=100)	March	135.8	– 1.0%	1.4%
New Housing Price Index (1986=100)	March	132.5	0.1%	0.2%

Note: *All series are seasonally adjusted with the exception of the price indexes.*
* *new this week*
† *percentage point*

Infomat
A weekly review

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Publications released from May 16 to 22, 1997

Division/Title of publication	Period	Catalogue number	Price: Issue/Subscription Canada (C$)	Outside Canada (US$)
AGRICULTURE				
Greenhouse, sod and nursery industries	1996	22-202-XPB	34	34
CULTURE, TOURISM AND THE CENTRE FOR EDUCATION STATISTICS				
Touriscope: international travel, Vol. 13, no. 3		66-001-PPB	8/73	8/73
CURRENT ECONOMIC ANALYSIS				
Canadian economic observer	May 1997	11-010-XPB	23/227	23/227
HEALTH STATISTICS				
Mortality – summary of list of causes	1995	84-209-XPB	31	31
INDUSTRY MEASURES AND ANALYSIS				
Industrial monitor on CD-ROM	May 1997	15F0015XCB	258/995	258/995
Provincial gross domestic product by industry	1984–1996	15-203-XPB	52	52
MANUFACTURING, CONSTRUCTION AND ENERGY				
Industrial chemicals and synthetic resins	March 1997	46-002-XPB	7/62	7/62
Monthly survey of manufacturing	March 1997	31-001-XPB	20/196	20/196
Particleboard, oriented strandboard and fibreboard	March 1997	36-003-XPB	7/62	7/62
Primary iron and steel	March 1997	41-001-XPB	7/62	7/62
Pulpwood and wood residue statistics	March 1997	25-001-XPB	8/73	8/73
Quarterly report on energy supply-demand in Canada	Q3 1996	57-003-XPB	43/141	43/141
Refined petroleum products	February 1997	45-004-XPB	21/206	21/206
Shipments of plastic film and bags manufactured from resin	Q1 1997	47-007-XPB	10/33	10/33
PRICES				
Industry price indexes	March 1997	62-011-XPB	22/217	22/217
TRANSPORTATION				
Railway carloadings	March 1997	52-001-XPB	11/103	11/103

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