



Infomat

A Weekly Review

Friday, September 28, 2001

OVERVIEW

◆ **Third straight decline in merchandise exports**

Merchandise exports declined for the third straight month, down 0.4% in July compared with June. Exports were valued at just over \$35.5 billion, while imports were relatively unchanged at about \$30.2 billion.

◆ **Manufacturing shipments at lowest level since February**

Manufacturing shipments slipped 0.2% in July to \$43.0 billion. Shipments reached their lowest level since February 2001.

◆ **Retail sales decrease for second consecutive month**

Retail sales fell for a second consecutive month in July. Retailers sold \$24.1 billion worth of goods and services in July, a 0.5% decline from June.

◆ **Wholesale sales decline**

Wholesale sales fell in July to \$32.9 billion. July's 0.4% decline follows two consecutive monthly increases.

◆ **Canadian investors reduce purchases of foreign equities**

In July, foreign investors reduced their holdings of Canadian securities. Canadian investors, meanwhile, halted their recent string of large acquisitions of foreign securities.

◆ **Productivity rebounds**

Labour productivity rebounded in the second quarter of 2001, rising 0.4% compared with the first quarter. This gain occurred as businesses cut hours worked to cope with the slowdown in economic growth.

Third straight decline in merchandise exports

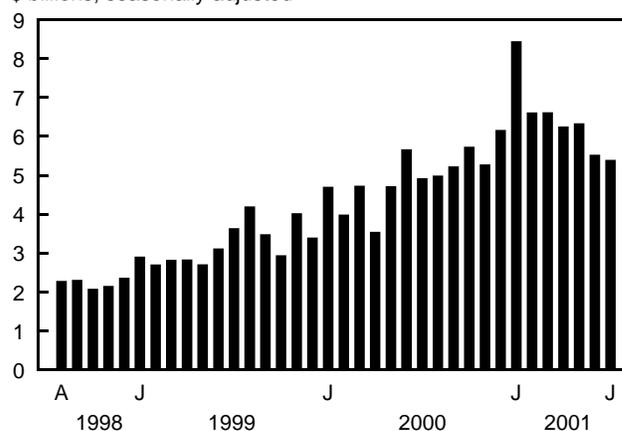
Canadian companies exported just over \$35.5 billion worth of merchandise in July, a 0.4% decline from June. Exports declined for the third straight month in July and have generally been on the decline since January, when they reached a record \$38.5 billion. The decline is mainly due to summer shutdowns at auto manufacturing plants and lower exports of energy products.

Imports, meanwhile, were virtually unchanged in July from June at about \$30.2 billion, as increases in the machinery and equipment sector offset declines in the automotive and energy sectors. Canada's overall merchandise trade surplus fell marginally, to \$5.4 billion in July, far short of the record surplus of more than \$8.4 billion in January. For the first seven months of 2001, Canada's cumulative merchandise trade surplus stood at \$45.0 billion, about \$12.9 billion higher than in the same period of 2000.

Merchandise exports to the United States declined 0.9% in July to \$30.4 billion, while imports from south of the border rose 0.3% to \$22.3 billion. This resulted in a decline in the trade surplus with the United States to \$8.0 billion.

Merchandise trade balance

\$ billions, seasonally adjusted



(continued on page 2)



... Third straight decline in merchandise exports

Summer shutdowns and model year change-overs for auto manufacturers resulted in a 4.1% drop in exports of automotive products in July. Passenger car exports fell 8.3%. Motor vehicle parts exports increased 0.1%. Truck and other motor vehicle exports rose 2.5%. Machinery and equipment exports fell 1.0% in July, mainly as a result of weakness in the aircraft and industrial machinery sectors. Aircraft exports fell 2.3%, as industrial machinery exports dropped 3.1%.

Energy exports fell 1.6%, the sixth month of retreats. While petroleum products and electricity exports led the decline, exports of natural gas, coal and bituminous products posted gains. Natural gas exports rose 1.9% in July, as U.S. inventories increased for the winter months. At the same time, coal and bituminous products jumped 17.8%.

Exports of forestry products rose 1.4% in July. Crude wood products exports, mainly raw logs to the Far East, led the way with an 85.9% jump. Agricultural exports rose 1.5%. Strong U.S. demand for beef resulted in a 13.6% increase in the export of live animals. Poor grazing conditions caused by the drought in western Canada, coupled with rising feed costs, gave ranchers added incentive to sell off their excess cattle.

The arrival of offshore drilling water craft to the East coast pushed machinery and equipment imports up 5.3%. However,

Note to readers

Merchandise trade data are revised regularly. Revisions are necessary for various reasons, including late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates with actual figures (once available), changes in classification of merchandise based on more current information, and seasonal adjustments. Revised data are contained in CANSIM tables.

aircraft, engines and parts imports declined 17.9%. Automotive products imports fell 4.3% as manufacturers, retooling for the 2002 model year, sold from existing inventories. A 3.3% drop in imports of communication and related equipment extended this sector's decline to seven months. The telecom sector has fallen 37.6% from the record high levels reported in December 2000. Energy imports fell 8.5% in July, reflecting high inventories of crude oil and reduced demand for jet fuel for business travel.

For more information, consult *Canadian international merchandise trade* (Internet: 65-001-XIB, \$14/\$141; paper: 65-001-XPB, \$19/\$188), or contact Jocelyne Elibani, (613-951-9647; 1-800-294-5583), International Trade Division. (See also "Current trends" on page 8.)

Manufacturing shipments at lowest level since February

Manufacturing shipments slipped 0.2% in July to \$43.0 billion. Shipments reached their lowest level since February 2001, after having been on a downward trend since October 2000. Year-to-date shipments remained 2.2% lower than in the same period in 2000. Thirteen of 21 industries, representing 58% of total shipments, decreased in July. Eight provinces reported lower shipment values as well.

The petroleum and coal products and railroad rolling stock industries were most affected by the decline in shipments. Petroleum and coal product prices fell 8.0% in July, resulting in a 4.0% decrease in shipments for the month. Petroleum and coal product prices have dropped 9.9% since January, and shipments have fallen 11.3% over the same period. Longer summer shutdowns contributed to a 36.9% decrease in shipments in the railroad rolling stock industry, which were valued at \$150 million for July. Food industry shipments also fell (-1.3%).

These decreases were largely offset by higher shipments in the beverage and tobacco products (+11.3%) and the computer and electronic products industries (+4.8%), where July's increase is a slight recovery from June's two-year low. The motor vehicle parts industry also recovered (+2.8%) in July, following a drop in June.

Inventories edged down a modest 0.1% to \$65.3 billion in July. This is the second consecutive decrease. Decreases in raw materials and finished products were offset by higher goods-in-

Manufacturers' shipments, July 2001 Seasonally adjusted

	\$ millions	% change, previous month
Canada	43,005	-0.2
Newfoundland	198	6.6
Prince Edward Island	100	-2.3
Nova Scotia	707	-5.4
New Brunswick	1,038	-2.3
Quebec	10,313	1.3
Ontario	22,593	-0.5
Manitoba	972	-0.6
Saskatchewan	589	-1.4
Alberta	3,609	0.0
British Columbia	2,880	-0.7
Yukon, Northwest Territories and Nunavut	5	4.9

process inventories. The railroad rolling stock industry was the largest contributor to July's decrease in inventories. In the paper industry, lower stocks of finished products pulled down the value of inventories 1.7%, while in the plastic and rubber products industry raw material levels slipped, resulting in a 2.9% drop in their inventory value. Offsetting increases were reported by the aerospace products and parts (+1.4%) and the fabricated metal products (+2.4%) industries.

The inventory-to-shipment ratio remained unchanged at 1.52 in July, following a sharp climb in June. The trend, which had been consistently climbing since the fourth quarter of 1999,

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... Manufacturing shipments at lowest level since February

edged up again in July. The finished-product inventory-to-shipment ratio, which has increased since the start of 2000, was also unchanged in July at 0.47.

For the fourth time in 2001, manufacturers' unfilled orders increased. Unfilled orders rose 1.2% in July, due to a surge of orders in the aerospace products and parts industry, where orders jumped 3.3%. Excluding the aerospace industry, orders fell 0.3%.

Fabricated metal product manufacturers also posted a higher backlog of orders in July (+2.0%). However, the machinery

industry reported a 1.0% drop in unfilled orders. New orders rose 1.7% thanks to the aerospace products and parts industry. Excluding the impact of this industry, new orders fell 0.7%.

*The July 2001 issue of the **Monthly Survey of Manufacturing** (Internet: 31-001-XIB, \$15/\$147) is now available. For more information, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca). For analytical information, contact Craig Kuntz (613-951-7092; kuncrai@statcan.ca), Manufacturing, Construction and Energy Division. (See also "Current trends" on page 8.)*

Retail sales decrease for second consecutive month

Retail sales fell for a second consecutive month in July. Retailers sold \$24.1 billion worth of goods and services in July, 0.5% less than in June. A major factor in the decline was a 2.0% drop in sales by the automotive sector, notably in sales by gasoline service stations. Excluding sales by gasoline service stations, retail sales advanced 0.3% in July and 0.2% in June. A 1.2% drop in sales by the clothing sector also contributed to the decline in retail sales. These two sectors account for about 45% of the retail sales total.

For a second consecutive month, sales in the automotive sector were stalled by lower gasoline prices. Strong competition, mainly in metropolitan areas, resulted in lower gasoline prices at the pump in July (-9.6%) and June (-4.3%). This pushed down sales by gasoline service stations in July (-9.1%) and June (-3.6%). In July, gasoline service station sales were 4.2% lower than in July 2000, but remained 34.0% above those of July 1998. In addition, a 0.5% decline in the number of new motor vehicles sold in July was responsible for the 0.2% drop in sales reported by motor and recreational vehicle dealers.

Consumer spending in clothing stores fell 1.2% in July, the third consecutive monthly decline. All store types in the clothing

Note to readers

The base year for retail sales constant-dollar estimates has been changed from 1992 to 1997. Estimates from the Monthly Retail Trade Survey are classified according to the 1980 Standard Industrial Classification.

sector posted lower sales in June and July. Despite these declines, sales in clothing stores are still advancing, but at a more moderate pace compared with the growth seen in the spring and summer of 2000. About 60% of all clothing is purchased from specialty clothing stores, while the rest is mostly purchased from general merchandise stores and sporting goods stores.

Led by strong department store sales in July (+3.2%) and June (+1.2%), the general merchandise sector posted sales increases of at least 1.0% in both months. Department stores have shown considerable strength in sales since the fall of 2000. In July, department store sales were 10.6% higher than the monthly average in the fourth quarter of 2000. Part of this growth can be explained by the opening of several new department stores in that period.

Sales in furniture stores and drug stores remained essentially unchanged, but sales advanced 0.5% in food stores, 1.1% in stores classified as "other retail" and 1.4% in general merchandise stores. Sales in furniture stores changed little in July (+0.1%), continuing the period of flat sales observed since the start of 2001.

At the provincial level, Manitoba and Newfoundland each posted 1.8% sales increases in July; Nova Scotia posted a gain of 0.2%. The automotive sector was entirely responsible for July's sales rise in Manitoba, while the gain in Newfoundland was broadly based. Retailers in these two provinces have posted strong sales gains in the first seven months of 2001. In July, retail sales in Manitoba were 5.9% higher than in December 2000, and 11.6% higher in Newfoundland over the same period. In July, retail sales dropped by at least 1.0% in New Brunswick, British Columbia and Quebec.

*The July 2001 issue of **Retail trade** (Internet: 63-005-XIB, \$16/\$155; paper: 63-005-XPB, \$21/\$206) is now available. For more information, contact the Client Services Unit (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). For analytical information, contact Paul Gratton (613-951-3541; paul.gratton@statcan.ca), Distributive Trades Division.*

Retail sales, July 2001
Seasonally adjusted

	\$ millions	% change, previous month	% change, previous year
Canada	24,145	-0.5	3.4
Newfoundland	423	1.8	11.5
Prince Edward Island	108	-0.3	4.0
Nova Scotia	735	0.2	1.3
New Brunswick	575	-1.6	0.4
Quebec	5,522	-1.0	2.7
Ontario	9,098	-0.3	1.4
Manitoba	840	1.8	5.4
Saskatchewan	691	-0.4	0.5
Alberta	2,904	-0.2	8.6
British Columbia	3,169	-1.1	5.7
Yukon	29	-2.8	4.3
Northwest Territories	35	-3.6	7.4
Nunavut	17	-0.7	10.6

Wholesale sales decline

Wholesale sales fell 0.4% in July, to \$32.9 billion. July's decline in sales followed two consecutive monthly increases. Despite the decline, wholesale sales have been generally rising in 2001 after levelling out during the latter half of 2000. Wholesale sales had previously been climbing since mid-1998.

Wholesalers of motor vehicles, parts and accessories dropped 4.3% in July. Deliveries for motor vehicles were down 0.8%, and both exports and imports declined. In addition to falling wholesale sales in July, the automotive sector in general saw plant closings and model change-overs. Despite the drop in July and the volatility seen throughout 2001, wholesale sales in this sector have been generally rising. This followed a period of generally falling sales from May to December 2000.

Wholesale sales of industrial machinery and equipment decreased 1.6%. Declines were also noted in household goods (-3.8%), agricultural machinery (-1.8%), and lumber and building materials (-0.6%). Countering the slide were sales increases in the food products sector (+1.5%), the latter having posted its fourth consecutive monthly increase, and in the "other products" category (+3.1%). The "other products" category includes livestock; agricultural, industrial and household chemicals; and other forest products. Wholesalers of apparel and dry goods (+4.1%), and metals and hardware (+1.4%) also countered the slide.

After five months of falling sales, wholesalers of computers and electronics reported a 0.7% rise in sales, the result of a relatively healthy computer server and computer services market. However, the desktop computer market remains weak. The wholesale computer and electronic sector has been in a relative free fall so far in 2001, after enjoying generally rising sales in 2000.

Wholesalers drew down their inventories in July by 0.4% to \$43.8 billion. Wholesalers of industrial machinery and equipment (-1.5%) were the major contributors to the decline. Inventories

Wholesale trade, July 2001 Seasonally adjusted

	\$ millions	% change, previous month	% change, previous year
Canada	32,869	-0.4	1.5
Newfoundland	215	1.4	-3.9
Prince Edward Island	60	-0.4	11.2
Nova Scotia	598	3.9	3.0
New Brunswick	418	-0.8	1.3
Quebec	6,629	-0.4	-1.1
Ontario	16,134	-1.2	0.1
Manitoba	951	-0.4	8.2
Saskatchewan	1,222	4.4	34.7
Alberta	3,418	1.3	5.8
British Columbia	3,193	-0.7	-1.5
Yukon	10	0.0	-0.4
Northwest Territories	16	1.7	16.1
Nunavut	2	20.0	-10.7

held by this sector represent 25% of total wholesale inventories. As well, wholesalers of computer and electronics lowered their inventories by 7.2%. Wholesale inventory levels have been relatively unchanged in 2001. Prior to 2001, levels had been on the rise for several years. The inventory-to-sales ratio was unchanged from June at 1.33. The ratio has been falling in 2001, after climbing in the latter half of 2000.

Only four provinces reported increases in July: Nova Scotia (+3.9%), Newfoundland (+1.4%), Saskatchewan (+4.4%) and Alberta (+1.3%). As a result of the lower sales in many of its major wholesale sectors, Ontario led the declines in July (-1.2%).

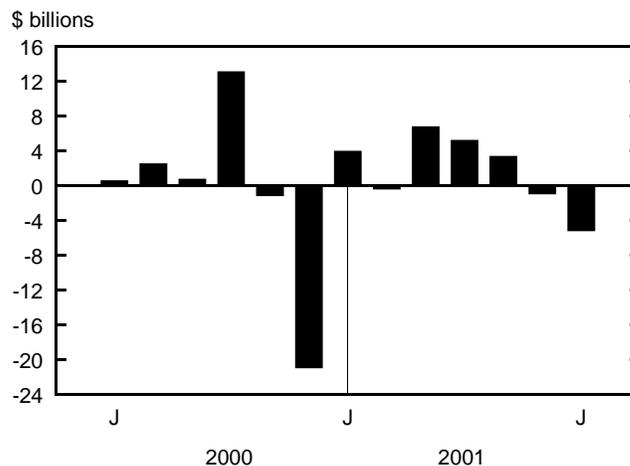
The July 2001 issue of Wholesale trade (Internet: 63-008-XIB, \$14/\$140) is now available. For more information, contact the Client Services Unit (1-877-421-3067; 613-951-3549; wholesaleinfo@statcan.ca), or Alexander Hays (613-951-3552; haysale@statcan.ca), Distributive Trades Division.

Canadian investors reduce purchases of foreign equities

Foreign investors reduced their holdings of Canadian securities by \$5.1 billion in July, their largest monthly reduction of the year. Meanwhile, Canadian investors halted their recent string of large acquisitions of foreign securities. A small investment in foreign stocks was more than offset by a slight reduction in holdings of foreign bonds.

Foreign investors reduced their holdings of Canadian stocks by \$3.9 billion in July, largely reversing an increase of a similar size in June. July's reduction was mostly attributable to the acquisition of a major Canadian company, whose shares, including those held by foreign portfolio investors, were purchased for cash by a foreign direct investor. Foreigners sold off \$0.4 billion worth of existing shares in the secondary market after making minor investments in the previous two months. In the first seven months of this year, foreigners invested \$2.1 billion in secondary market shares, one-tenth of their investment in that market over the same period of 2000.

Foreign investment in Canadian securities¹



¹ Includes bonds, stocks and money market paper.

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... Canadian investors reduce purchases of foreign equities

Foreign investors reduced their holdings of Canadian money market paper by \$1.5 billion in July, an amount similar to their divestment in June. Foreign investors have shed \$6.7 billion from their holdings of Canadian money market paper in the first seven months of 2001.

Foreign investors purchased \$0.3 billion of Canadian bonds in July, after cutting back their holdings by \$3.9 billion in June. New Canadian bond issues and retirements in foreign markets were down sharply in July, producing a foreign investment of \$1.2 billion in the primary market. This was mostly offset by foreign selling of \$1.0 billion worth of secondary market bonds. In the first seven months of 2001, foreign investors added \$15.7 billion to their holdings of Canadian bonds; in the same period of 2000, they reduced their holdings by \$10.8 billion.

The acquisition of foreign equities by Canadian investors slowed sharply to \$0.2 billion in July, following a \$26.3-billion accumulation over the first six months of the year.

*The July 2001 issue of **Canada's international transactions in securities** (Internet: 67-002-XIB, \$14/\$132; paper: 67-002-XPB, \$18/\$176) will be available in October. For more information, contact Donald Granger (613-951-1864), Balance of Payments Division.*

Related market information

A drop of nearly one-quarter of a percent in Canadian short-term interest rates, coupled with virtually unchanged comparable U.S. rates, reduced the differential to 59 basis points in July from 83 basis points in June. This differential has favoured investment in Canada since March of this year. A marginal increase in Canadian long-term rates and a small decline in U.S. rates pushed up the differential to 36 basis points in July from 27 basis points in June, favouring investment in Canada.

Canadian stock prices (TSE 300 Composite Index) declined 0.6% in July, following a 5.2% drop in June. The index has fallen precipitously since August 2000's record closing and is now about 100 basis points, or 1.0%, off its lowest closing for the year (7,608.0). The 1.1% decline in U.S. stock prices (Standard & Poor's Index) in July followed the 2.5% decline in June.

The Canadian dollar closed down 80 basis points in July to US65.25 cents. This follows after recording strong gains against the U.S. dollar in two of the three previous months.

Productivity rebounds

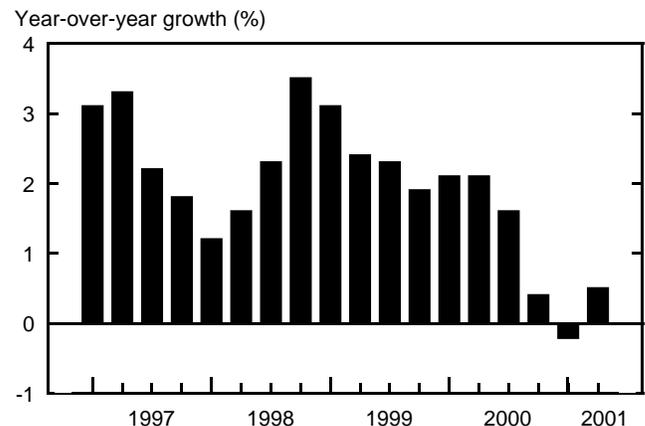
Labour productivity in the business sector rose 0.4% in the second quarter of 2001 over the first, after declining slightly in the first quarter and in the fourth quarter of 2000. The second quarter gain occurred in conjunction with a slowdown in output growth due to both falling exports and weak demand in consumer goods and residential construction.

Quarterly growth in total hours worked fell for the first time since 1995, dropping from a quarterly rate of around 0.6% over the last four quarters to -0.4% in the second quarter. This drop resulted from a steeper decline in hours worked per job, and a lower rate of growth in the number of jobs. The economy has persistently weakened. Annual real output growth has fallen from 6.0% in the first quarter of 2000 to 2.0% in the second quarter of 2001. While the year-over-year increase in output fell from 2.5% in the first quarter to 2.0% in the second quarter, growth in total hours worked declined more—from 2.7% to 1.6%. Year-over-year productivity growth rose 0.5% in the second quarter, having declined since it peaked at 3.5% in late 1998.

The growth in hourly compensation for workers maintained its pace at a quarterly rate of 0.9% in the second quarter. This rate was higher than in the third and fourth quarters of 2000. On a year-over-year basis, the pace of growth in hourly compensation moved up to 2.7% in the second quarter compared with 2.0% in the first quarter. The rate of growth in unit labour cost was slightly slower in the second quarter (+0.7%) than in the first (+1.1%). Unit labour cost growth occurs when productivity gains are lower than the growth in hourly compensation.

Canada continues to lag the United States in labour productivity growth since 1997, but recent revisions going back to 1996 in

Labour productivity growth



U.S. data have caused the gap to narrow. The revisions in the U.S. data on both output and labour have had the effect of reducing U.S. labour productivity growth from 1999 forward. U.S. productivity growth for 1999 fell from 2.8% before revision to 2.5% after revision, which is almost identical to the growth of 2.4% observed in Canada for the same year. For 2000 as a whole, productivity growth in the United States has been revised downward dramatically from 4.2% to 3.1%. This rate is still higher than Canada's annual growth rate of 1.6% over the same period. From 1997 to 2000, the gap in the annual productivity growth rate between the two countries has declined from 1.3% to 0.8%. It is important to note that the growth in real output in

(continued on page 6)

... Productivity rebounds

Canada over this period was actually higher than that of the United States. At the same time, labour input grew in Canada even more rapidly than in the United States. The net effect was a lower growth of labour productivity in Canada. With the slowdown in 2001, the quarterly productivity growth rates have been nearly identical in Canada and in the United States.

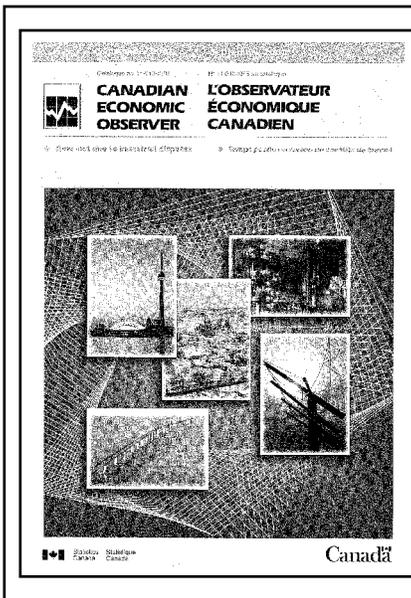
Growth in the unit labour cost in Canada was much slower than in the United States. On a year-over-year basis, the unit labour cost in Canada grew just 2.3% in the second quarter, compared with 5.0% in the United States. Since the third quarter of 2000, the unit labour cost has grown far more slowly in Canada than in the United States. This superior performance in unit

labour cost among Canadian businesses is mainly due to lower growth in hourly compensation in Canada compared with the United States. During the second quarter, on a year-over-year basis, hourly compensation rose 2.7% in Canada and 6.6% in the United States.

When unit labour cost is expressed in a common currency (U.S. dollars), the gap between the two countries is even wider in favour of Canada. On a year-over-year basis, the unit labour cost declined 1.7% in Canada, while it rose 5.0% in the United States.

For more information, contact John Baldwin (613-951-8588; baldjoh@statcan.ca) or Jean-Pierre Maynard, (613-951-3654; fax: 613-951-5403; maynard@statcan.ca), Micro-economic Analysis Division.

New from Statistics Canada



Canadian economic observer September 2001

The September issue of *Canadian economic observer* analyzes current economic conditions, summarizes the major economic events that occurred in August and presents a feature article on time lost due to industrial disputes. 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 September 2001 issue of *Canadian economic observer*, (paper: 11-010-XPB, \$23/\$227) is now available. For more information, contact Philip Cross (613-951-9162; ceo@statcan.ca), Current Economic Analysis Group.

Challenges to advanced technology adoption September 2001

Two research papers titled "*Impediments to advanced technology adoption for Canadian manufacturers*" and "*Skill shortages and advanced technology adoption*" investigate challenges that firms in the manufacturing sector face in adopting new technologies. The first paper investigates the relative importance of various impediments, using data from the 1993 Survey of Innovation and Advanced Technology. The second paper focusses on the importance of skill shortages, using data from the 1998 Survey of Technology Adoption.

Impediments to advanced technology adoption for Canadian manufacturers (Internet: 11F0019MIE01173, free; paper: 11F0019MPE01173, \$5/\$25), and *Skill shortages and advanced technology adoption* (Internet: 11F0019MIE01175, free; paper: 11F0019MPE01175, \$5/\$25) are now available. For more information, contact David Sabourin (613-951-3735; sabodav@statcan.ca), or John Baldwin (613-951-8588; baldjoh@statcan.ca), Micro-Economic Studies and Analysis Division.

New from Statistics Canada

Canadian biotechnology industrial activities

2001

The report *Canadian biotechnology industrial activities: Features from the 1997 Biotechnology Survey* examines the use of biotechnology in Canadian industry, as well as its economic importance for the 1997 financial year. The report uses revised data from Statistics Canada's Biotechnology Firm Survey (1997).

Canadian biotechnology industrial activities: Features from the 1997 Biotechnology Survey (Internet: 88F0006XIB, no. 12, free) is now available. For more information, contact Namatié Traoré at (613-951-4489; namatie.traore@statcan.ca) Science, Innovation and Electronic Information Division.

CANSIM II

CANSIM II replaces CANSIM I and offers the same authoritative data, but with major improvements over its predecessor, including multi-dimensional access to make finding information easier. CANSIM users with pre-saved queries must reconfigure them for CANSIM II and save them as .htm files.

CANSIM II is accessible at <http://cansim2.statcan.ca>. For assistance, contact Customer Support (1-800-263-1136; infostats@statcan.ca).

E-STAT

2001

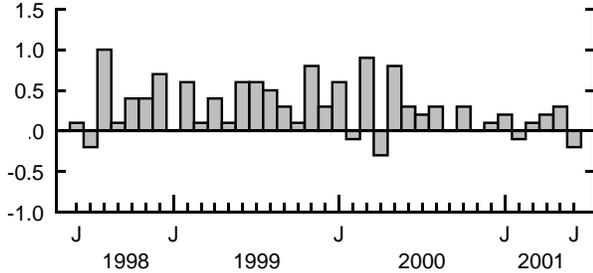
The 2001 edition of *E-STAT*, Statistics Canada's free interactive learning tool, contains new features that make it even more user-friendly and versatile for students and teachers. *E-STAT 2001* includes data from the 1996 Census and historical censuses and the results of the 2000 federal election. Along with colourful graphs, maps and selected articles from Statistics Canada publications, *E-STAT* contains activities developed specifically for Grade 6 and up.

The tenth edition of *E-STAT* (Internet: 10F0174XIB, free) is now available. For more information, contact the *E-STAT* team (1-800-465-1222; e-stat@statcan.ca).

Current trends

Gross domestic product

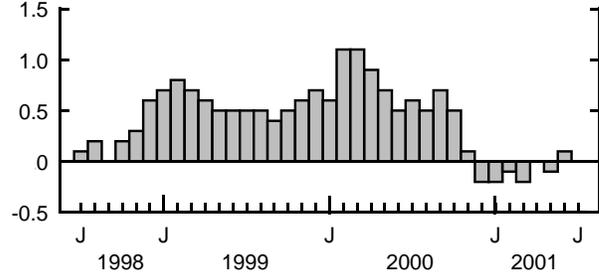
% change,
previous month



Total economic activity declined 0.2% in June, after a 0.3% advance in May.

Composite Index

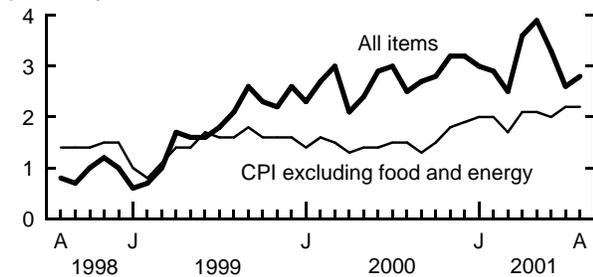
% change,
previous month



The leading indicator was unchanged (0.0%) in July, pulled down by a moderation in housing.

Consumer Price Index

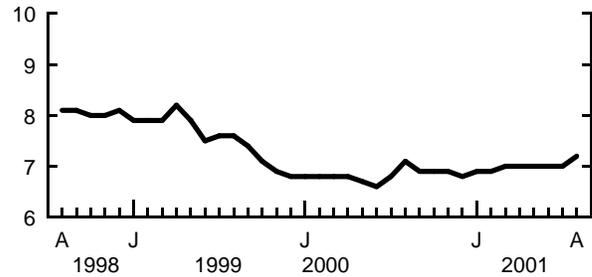
% change,
previous year



Consumer prices for goods and services were 2.8% higher in August than they were a year earlier. Excluding food and energy, prices rose 2.2%, unchanged from July.

Unemployment rate

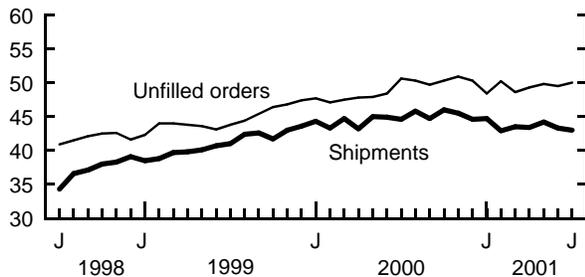
%



In August, the unemployment rate edged up to 7.2% as a result of a small drop in employment and an increase in labour force participation.

Manufacturing

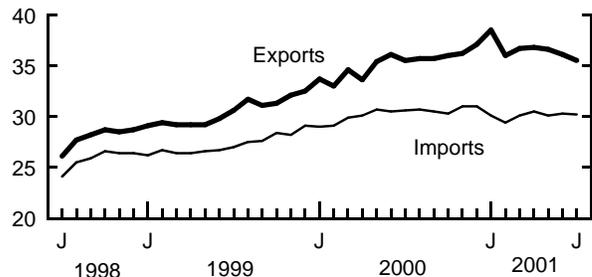
\$ billions



Manufacturers' shipments declined 0.2% in July to \$43.0 billion. The backlog of unfilled orders posted a 1.2% increase to \$50.0 billion.

Merchandise trade

\$ billions



In July, the value of merchandise exports declined 0.4% to \$35.5 billion. Imports were unchanged at \$30.2 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, 1992)	June	797.6	-0.2%	1.2%
Composite Index (1992=100)	August*	166.1	0.0%	0.5%
Operating profits of enterprises (\$ billions)	Q2 2001	44.7	0.6%	-11.3%
Capacity utilization rate (%)	Q2 2001	83.2	-0.4†	-2.6†
DOMESTIC DEMAND				
Retail trade (\$ billions)	July*	24.1	-0.5%	3.4%
Department store sales (\$ billions)	July	1.72	3.3%	8.7%
New motor vehicle sales (thousands of units)	July	133.0	-0.5%	0.1%
Wholesale trade (\$ billions)	July	32.9	-0.4%	1.5%
LABOUR				
Employment (millions)	August	15.1	-0.1%	1.1%
Unemployment rate (%)	August	7.2	0.2†	0.1†
Participation rate (%)	August	65.9	0.1†	-0.1†
Average weekly earnings (\$)	July*	665.41	0.5%	1.6%
Help-wanted Index (1996=100)	August	153	-1.3%	-12.6%
INTERNATIONAL TRADE				
Merchandise exports (\$ billions)	July	35.5	-0.4%	0.2%
Merchandise imports (\$ billions)	July	30.2	0.0%	-1.3%
Merchandise trade balance (all figures in \$ billions)	July	5.4	-0.1	0.5
MANUFACTURING				
Shipments (\$ billions)	July	43.0	-0.2%	-3.5%
New orders (\$ billions)	July	43.6	1.7%	-6.8%
Unfilled orders (\$ billions)	July	50.0	1.2%	-1.3%
Inventory/shipments ratio	July	1.52	0.00	0.11
PRICES				
Consumer Price Index (1992=100)	August	117.1	0.0%	2.8%
Industrial Product Price Index (1992=100)	July	128.9	-0.6%	0.9%
Raw Materials Price Index (1992=100)	July	138.9	-1.7%	-2.0%
New Housing Price Index (1992=100)	July	106.3	0.3%	3.0%

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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Products released from September 20 to 26, 2001

SUBJECT AREA Title of product	Period	Catalogue number	Price (\$) (issue/subscription)
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Farm product price index	July 2001	21-007-XIB	free
Livestock updates	Q2 2001	23-603-UPÉ	45/149
ANALYTICAL STUDIES			
Impediments to advanced technology adoption for Canadian manufacturers	1993	11F0019MIE01173	free
Impediments to advanced technology adoption for Canadian manufacturers	1993	11F0019MPE01173	5/25
Skill shortages and advanced technology adoption	1998	11F0019MIE01175	free
Skill shortages and advanced technology adoption	1998	11F0019MPE01175	5/25
BALANCE OF PAYMENTS AND FINANCIAL FLOWS			
Canada's balance of international payments	Q2 2001	67-001-XIB	29/93
Canada's balance of international payments	Q2 2001	67-001-XPB	38/124
CURRENT ECONOMIC ANALYSIS			
Canadian economic observer	September 2001	11-010-XPB	23/227
DISTRIBUTIVE TRADES			
Retail trade	July 2001	63-005-XIB	16/155
Wholesale trade	July 2001	63-008-XIB	14/140
INCOME STATISTICS			
Quarterly estimates of trustee pension funds	Q1 2001	74-001-XIB	14/47
Quarterly estimates of trustee pension funds	Q1 2001	74-001-XPB	19/62
INTERNATIONAL TRADE			
Canadian international merchandise trade	July 2001	65-001-XIB	14/141
Canadian international merchandise trade	July 2001	65-001-XPB	19/188
Imports by commodity	July 2001	65-007-XMB	37/361
Imports by commodity	July 2001	65-007-XPB	78/773
LABOUR STATISTICS			
Employment, earnings and hours	June 2001	72-002-XIB	24/240
MANUFACTURING, CONSTRUCTION AND ENERGY			
Asphalt roofing	August 2001	45-001-XIB	5/47
Construction type plywood	July 2001	35-001-XIB	5/47
Monthly Survey of Manufacturing	July 2001	31-001-XIB	15/147
Oils and fats	July 2001	32-006-XIB	5/47
Particleboard oriented strandboard and fibreboard	July 2001	36-003-XIB	5/47
Primary iron and steel	July 2001	41-001-XIB	5/47
Sawmills and planing mills	July 2001	35-003-XIB	9/86
PRICES			
Industry price indexes	July 2001	62-011-XPB	22/217
SCIENCE, INNOVATION AND ELECTRONIC INFORMATION			
Canadian biotechnology industrial activities: Features from the 1997 Biotechnology Survey	1997	88F0006XIB01012	free

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Calendar of key releases: October 2001				
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8	9	10	11 New Housing Price Index, August 2001	12
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