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Infomat

A Weekly Review

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◆ **Both RRSP contributions and number of contributors decline**

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◆ **Large increase in production and exports of maple syrup**

Warm days and cool nights last spring made life a lot sweeter for producers of maple syrup, particularly in Quebec. Total production of maple products, mostly syrup, increased 15% from 2001 to almost 5.8 million gallons in 2002.

Merchandise exports rebound

An increase in merchandise exports to the United States and European Union offset declines in exports to Asia, for an overall rise of 0.8% to $35.1 billion in September.

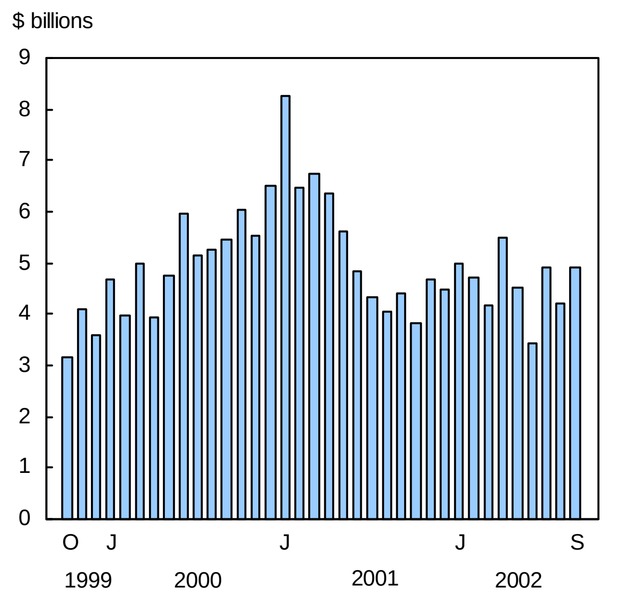
Imports fell 1.3% to $30.3 billion, mainly because of lower imports from the United States and European Union, especially in the energy sector.

Canada's merchandise trade surplus with the world rose $693 million from August to $4.9 billion in September. The trade surplus with the United States rose to $8.5 billion, up nearly $900 million, and the trade deficit with countries other than the United States widened from $3.4 billion to $3.6 billion.

Canadian plants exported $8.6 billion in automotive products in September, down 2.1% from August. US demand for cars softened and exports fell for the second month in a row, down 5.8%. Exports of trucks to the United States were up 2.4%, as manufacturers completed and exported the last trucks ordered before the new US emission standard law took effect on October 1.

(continued on page 2)

Trade balance



Merchandise exports... *(continued from page 1)*

The forestry products sector continued to regain ground, rising 1.0% to $3.0 billion. Exports of lumber fell 4.4%. Newsprint and other paperboard exports increased 3.7%, as strong US demand more than compensated for lower demand from the rest of the world.

Exports of energy products surged 8.5% to $4.5 billion. The increase in energy exports was mainly the result of a 14.4% jump in natural gas shipments to the United States.

Agriculture and fishing product exports decreased 7.1% to $2.5 billion in September. Grain exports suffered as a result of the drought in the Canadian prairies and rains during harvest. Drops in exports of grains, as well as of fish and meat products, brought exports of the entire agricultural sector down $190 million.

Merchandise imports fell to $30.3 billion, down $408 million from August. Imports of machinery and equipment, industrial goods and materials and energy all declined in September.

Imports of machinery and equipment, Canada’s largest import sector, decreased 1.4% to $8.9 billion in September. Aircraft and other transportation equipment rose 1.7% to $1.4 billion, but industrial and agricultural machinery imports dropped 8.6% to $2.3 billion.

Imports of industrial goods and materials fell 2.0% to $5.7 billion. Metal and metal ore imports fell 6.5% to $1.3 billion because of reduced demand for steel and precious metals. Other industrial goods and materials, which include fabricated materials, declined 1.0% to $2.3 billion.

Large declines in seasonal import volumes of energy products drove an 11.7% drop in petroleum, coal and crude petroleum to $1.4 billion in September.

Automotive product imports remained virtually unchanged from August. Imports of passenger cars increased 1.6% to $2.3 billion, as European and Asian-built vehicles experienced strong demand among Canadian consumers.

Canadian international merchandise trade *(Internet: 65-001-XIB, $14/$141; paper: 65-001-XPB, $19/$188) will be available soon. For more information, contact Daryl Keen (613-951-1810), International Trade Division. (See also “Current trends” on page 6.).*

Leading indicator levels off

The growth of the leading indicator was unchanged at 0.2% in October, the same as in August and September. The levelling-off of growth follows a steady deceleration in the first half of the year.

Six of the ten components were up, led by housing. The sources of weakness were dominated by the stock market, as has been the case since June.

The housing index jumped 1.7%. Housing starts in October hit their highest level since March 1990, which will give a boost to construction through the autumn.

The strength of household demand was enough almost by itself to lift new orders of durable goods by 0.5%. However, manufacturers remain cautious in view of the drop in demand from the United States. Growth in shipments continues to be sustained partly by working down inventories, leading to an eighth straight increase in the inventory-to-shipment ratio.

While the unsmoothed index of stock markets posted a small gain in October, the trend continued to tumble at a rate of over 4%, by far the largest drop among the three components that fell. In the US leading index, weakness in the stock market was accompanied by a slump in a growing number of components.

For a detailed analysis, go to Statistics Canada’s website (www.statcan.ca). From the *Canadian statistics* page, choose *Economic conditions*, then click on the banner ad for the *Canadian economic observer*; from that page, choose *Issues of CEO*.

For more information on the economy, the October issue of ***Canadian economic observer*** *(paper: 11-010-XPB, $23/$227) is now available. For analytical information, contact Francine Roy (613-951-3627), Current Economic Analysis Group. (See also “Current trends” on page 6.)*

Third straight increase in manufacturers' shipments

Manufacturers' shipments advanced 1.2% from August to $44.5 billion, the third consecutive increase. This result was somewhat dampened by higher finished-product inventories and a decrease in unfilled orders.

In September, 12 of the 21 major manufacturing industries, representing almost 77% of total shipments, posted increases. On a provincial basis, shipments were up in seven provinces. Ontario led the provinces with a 1.6% rise in dollar value shipped compared with August. Alberta and Quebec were also up strongly.

Following a 3.7% drop in August, makers of motor vehicles and heavy trucks made up most of the ground lost, as shipments rebounded 3.5% to $6.0 billion in September. Consumer demand for motor vehicles has remained quite impressive in Canada, following an outstanding summer. Near-record low interest rates and financing incentives on 2002 and 2003 models continued to drive auto sales.

Manufacturers of computer and electronic products boosted shipments 10.8% to $1.9 billion in September, making up lost ground after rather lethargic production over the summer.

Decreases in the motor vehicle parts industry (-3.1%) and the wood products industry (-2.4%) partly offset September's shipment gains.

Manufacturers reported a significant increase in finished-product inventories in September, which contributed to the third consecutive rise in total inventories. Inventories were up 0.3% to $62.6 billion, the highest level so far in 2002.

Finished-product inventories jumped 2.4% to $19.3 billion, a five-month high. The increase overshadowed declines in raw materials (-0.4%) and good-in-process (-1.0%) inventories.

The main contributors to higher inventories in September were manufacturers of primary metals (+2.2%) and food (+1.7%). Partly offsetting the increase was a 2.6% drop in inventories of aerospace products and parts.

Manufacturers' shipments, September 2002
Seasonally adjusted

	$ millions	% change, previous month
Canada	**44,495**	**1.2**
Newfoundland and Labrador	182	1.9
Prince Edward Island	114	3.5
Nova Scotia	757	0.8
New Brunswick	1,098	-1.6
Quebec	10,257	1.0
Ontario	24,103	1.6
Manitoba	937	-4.0
Saskatchewan	614	1.9
Alberta	3,586	4.1
British Columbia	2,843	-2.9
Yukon, Northwest Territories and Nunavut	4	-11.7

The inventory-to-shipment ratio fell to 1.41 in September, equalling April's 18-month low. The ratio edged down as a result of a solid increase in shipments relative to slower growth of inventories.

Despite a strong increase in finished-product inventories, a rise in shipments as well contributed to a stable finished-product inventory-to-shipment ratio. The ratio remained unchanged at 0.43 for the third straight month. The ratio is a key measure of the time that would be required in order to exhaust finished-product inventories if shipments were to remain at their current level.

Fewer unfilled orders remained on the books for manufacturers in September. Unfilled orders fell back 0.9% to $46.7 billion, the second drop in the last three months. Decreases were reported in the aerospace products and parts, motor vehicle and computer industries. Despite September's decrease, the trend for unfilled orders remained stable for the fourth consecutive month.

*The September 2002 issue of the **Monthly Survey of Manufacturing** (Internet: 31-001-XIB, $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.).*

Cumulative earnings among young workers

Young male workers in Canada had much lower cumulative earnings during the 1990s than their counterparts did during the 1970s and early 1980s, according to a new study.

From 1973 to 1984, Canadian-born men aged 26 to 35 in 1984 received $289,500 in wages and salaries. However, from 1988 to 1999, their counterparts received only $246,500, a gap of more than $40,000.

In contrast, Canadian-born women the same age amassed $171,600 from 1988 to 1999, about $20,000 more than their counterparts in the previous 12-year period.

*The article "Cumulative earnings among young workers" is available in the November 2002 online edition of **Perspectives on labour and income**, Vol. 3, no. 11 (Internet: 75-001-XIE, $5/$48). For more information, contact René Morissette (613-951-3608; rene.morissette@statcan.ca), Business and Labour Market Analysis Division.*

New motor vehicle sales dip slightly

The number of new motor vehicles sold declined slightly in September (-0.4%), after a surge in August (+4.1%). Sales of 145,462 new vehicles were reported, remaining at near-record levels.

Despite reported concerns that new motor vehicle sales in Canada cannot be sustained at current levels, they have not shown any sign of dropping to date. Since peaking in December 2001, sales have fluctuated around a monthly average of 144,006 units. Year-to-date sales in September were up 10.3% from the same period of 2001.

In September, new motor vehicle incentive programs and year-end inventory clear-outs continued across the country. Manufacturers reported dealer sales of 79,484 new cars, virtually unchanged from August.

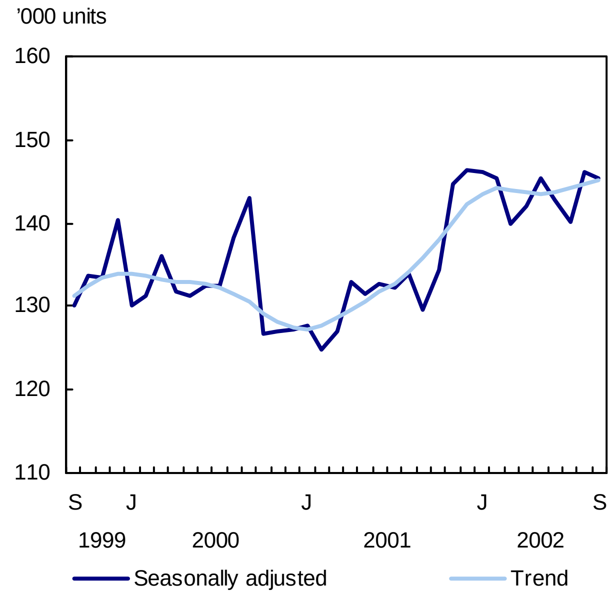
Sales of North American-built cars declined 1.4%, after a 7.4% increase in August. However, sales of overseas-built passenger cars rose 3.5%, after a 4.4% drop in August.

Continued incentives and clearances of 2002 models were not enough to maintain an upward movement in truck sales in September. After a 4.8% jump in August, truck sales declined 0.9% to 65,978 vehicles. (Trucks include minivans, sport-utility vehicles, light and heavy trucks, vans and buses.)

New motor vehicle sales in the third quarter remained almost unchanged (+0.3%) from the second, when they declined 0.3%. However, third quarter sales were 9.1% higher than in the third quarter of 2001.

The number of new motor vehicles sold at the provincial level in September did not change a great deal from August, except in Manitoba. Only Newfoundland and Labrador (+1.1%), Quebec (+1.0%) and Prince Edward Island (+0.7%) posted gains. Sales were virtually unchanged in Ontario and Alberta.

New motor vehicle sales



Sales in Manitoba dropped a sharp 8.4%, giving up most of the 11.9% increase seen in August. Declines of less than 3.0% were seen in the remaining provinces.

The September 2002 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 Elton Cryderman (613-951-0669; elton.cryderman@statcan.ca), Distributive Trades Division.*

Perspectives on labour and income

The November 2002 issue of *Perspectives on labour and income*, available today, features three articles. “Cumulative earnings among young workers” investigates the combined effect of changes in school attendance, full-time employment rates, and annual earnings on cumulative earnings (the sum of earnings that individuals receive over several years). A related article, “Earnings over time,” examines earnings of Canadians from 1982 to 1997 to assess the extent to which variations in wages and salaries over time are caused by permanent or transitory factors. The final article, “Income and wealth,” explores the factors influencing the relationship between these two intimately related but not synonymous concepts.

The November 2002 online edition of ***Perspectives on labour and income****, Vol. 3, no. 11 (Internet: 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.*

Both RRSP contributions and number of contributors decline

Fewer Canadian taxfilers contributed less money to their registered retirement savings plans (RRSPs) in 2001. However, the declines came on the heels of record-high levels for both contributions and contributors in 2000.

In total, 6,241,050 taxfilers contributed just over $28.4 billion in 2001, according to data from income tax returns filed in the spring of 2002. In 2000, 6,291,170 taxfilers had contributed almost $29.3 billion.

The median contribution declined from $2,700 in 2000 to $2,600 in 2001. (The median is the point at which half of taxfilers are below and half are above.)

To be eligible to contribute to an RRSP, a taxfiler must have unused room. This consists of either new room as a result of qualifying income from the previous year, generally employment income, or unused room from earlier years.

For the tax year 2001, 83% of those who filed taxes had unused room. Of these, about 34% made contributions. However, the total contributions of $28.4 billion represented only about 9% of the total room available to all filers.

Contributions declined in all provinces and territories except for Northwest Territories and Nunavut. The largest declines were in the eastern provinces.

The number of contributors also declined, except for small increases in Quebec, Alberta, Northwest Territories and Nunavut. About 36% of those with room in Alberta made contributions, as did 35% in Ontario and 34% in Quebec, Manitoba and British Columbia; these were the highest among the provinces and territories.

The decline in contributions and contributors occurred even though employment income increased slightly in 2000, when employment income determined new room for 2001 contributions. Median employment income in 2000 was $23,905, up 0.4% after adjusting for inflation.

In 2000, large pay equity payments were made to federal government employees and this probably resulted in increases in RRSP contributions in that year. Because these were one-time payments, this may also explain some of the decline in contributors and amounts contributed for tax year 2001.

For more information, contact Client Services (1-866-652-8443; 613-951-9720; saadinfo@statcan.ca), Small Area and Administrative Data Division.

Large increase in production and exports of maple syrup

Warm days and cool nights last spring made life a lot sweeter for producers of maple syrup, particularly in Quebec.

Total production of maple products, mostly syrup, increased 15% from 2001 to almost 5.8 million gallons in 2002. The value of the crop rose 11.2% to nearly $164.0 million.

Quebec producers, who accounted for 93% of Canada's maple products, reported production estimated at 5.4 million gallons, also a 15% increase from 2001. Production also rose in Ontario and New Brunswick.

As of August 1, 2002, Canada had exported $90 million worth of maple syrup, up 10% from the same period of 2001. The majority went to the American market.

However, the weather was not as kind to beekeepers, whose output of honey tumbled 5.9% to just under 73.4 million pounds. This was the result, in part, of cool spring weather in areas of the country, accompanied by a dry summer. The number of colonies declined 3%, and the average yield per colony fell 4%.

Alberta and Saskatchewan, the largest honey-producing provinces, accounted for 56% of total production in 2002. Although production declined in both provinces, the drop was less than forecast.

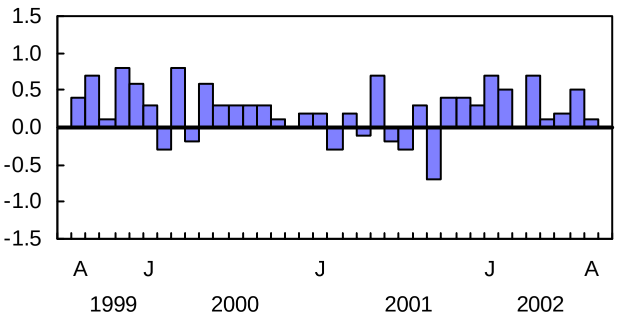
The decline in production, accompanied by a ban on Chinese honey contaminated by antibiotics, forced up honey prices across the country. Price increases ranged from 13% in Quebec to 114% in Nova Scotia.

The 2002 edition of ***Production and value of honey and maple*** *(23-221-XIB, free) is now available on Statistics Canada's website (www.statcan.ca). From the* Our products and services *page, under* Browse our Internet publications, *choose* Free, *then* Agriculture. *For more information, contact Susana Aclan (613-951-5026), Agriculture Division.*

Current trends

Gross domestic product

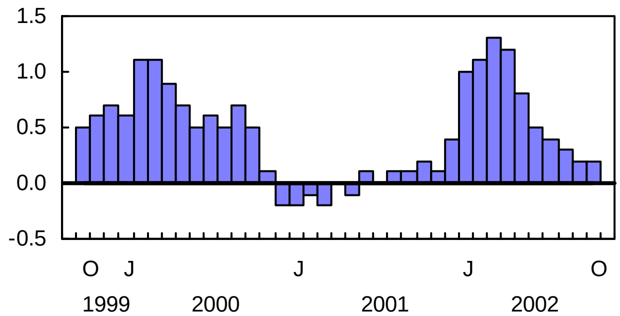
% change, previous month



Total economic activity edged up 0.1% in August, following a 0.5% increase in July.

Composite Index

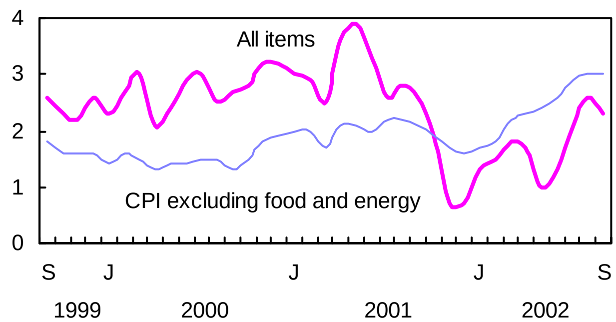
% change, previous month



Growth in the leading indicator was unchanged at 0.2% in October. Six of the ten components were up, led by housing.

Consumer Price Index

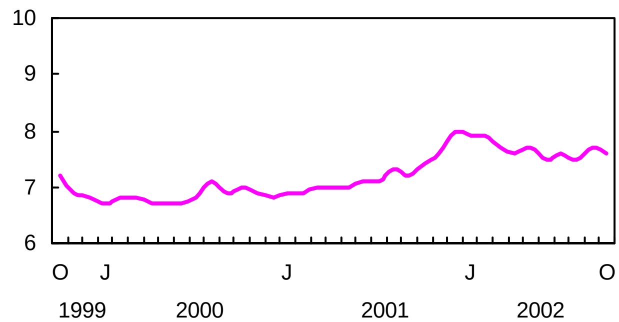
% change, previous year



Consumer prices for goods and services were 2.3% higher in September than they were a year earlier. Excluding food and energy, prices rose 3.0%.

Unemployment rate

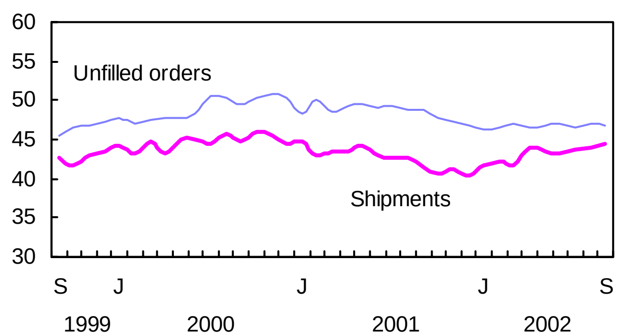
%



In October, the unemployment rate fell 0.1 percentage points to 7.6%.

Manufacturing

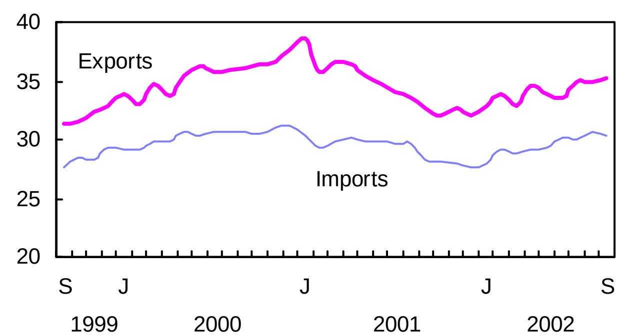
$ billions



Manufacturers' shipments rose 1.2% in September to $44.5 billion. The backlog of unfilled orders declined 0.9% to $46.7 billion.

Merchandise trade

$ billions



In September, the value of merchandise exports increased 0.8% to $35.2 billion. Imports fell 1.3% to $30.3 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]	August	979.3	0.1%	3.2%
Composite Index (1992=100)	October*	179.3	0.2%	7.6%
Operating profits of enterprises ($ billions)	Q2 2002	38.8	10.7%	-0.2%
Capacity utilization rate (%)[2]	Q2 2002	83.2	1.3†	-0.1†
DOMESTIC DEMAND				
Retail trade ($ billions)	August	25.7	0.2%	6.4%
New motor vehicle sales (thousands of units)	September	145.5	-0.4%	12.2%
Wholesale trade ($ billions)	September*	35.2	0.0%	6.9%
LABOUR				
Employment (millions)	October	15.5	0.2%	3.1%
Unemployment rate (%)	October	7.6	-0.1†	0.2†
Participation rate (%)	October	67.2	0.0†	1.3†
Average weekly earnings ($)	August	679.08	0.3%	1.6%
Help-wanted Index (1996=100)	October	120.9	-2.7%	-9.4%
Regular Employment Insurance beneficiaries (in thousands)	August	557.8	-2.7%	3.4%
INTERNATIONAL TRADE				
Merchandise exports ($ billions)	September*	35.2	0.8%	7.5%
Merchandise imports ($ billions)	September*	30.3	-1.3%	6.8%
Merchandise trade balance (all figures in $ billions)	September*	4.9	0.7	0.5
MANUFACTURING				
Shipments ($ billions)	September*	44.5	1.2%	7.4%
New orders ($ billions)	September*	44.1	-1.2%	6.7%
Unfilled orders ($ billions)	September*	46.7	-0.9%	-4.2%
Inventory/shipments ratio	September*	1.41	-0.01	-0.13
PRICES				
Consumer Price Index (1992=100)	September	120.5	0.3%	3.2%
Industrial Product Price Index (1997=100)	September	108.5	0.7%	0.5%
Raw Materials Price Index (1997=100)	September	116.9	2.1%	5.6%
New Housing Price Index (1992=100)	September	111.2	0.2%	4.2%

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.*

Infomat
A weekly review

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Products released from November 14 to 20, 2002

SUBJECT AREA Title of product	Period	Catalogue number	Price ($) (issue/subscription)
AGRICULTURE			
Agriculture and rural working paper series	1990-1998	21-601-MIE	free
Farm operator data: Initial release	2001	95F0355XIE	free
Production and value of honey and maple products	2002	23-221-XIB	free
Production of eggs	September 2002	23-003-XIB	free
CULTURE, TOURISM AND THE CENTRE FOR EDUCATION STATISTICS			
International travel, advance information	September 2002	66-001-PIE	6/55
DISTRIBUTIVE TRADES			
New motor vehicle sales	September 2002	63-007-XIB	13/124
INCOME STATISTICS			
Income trends in Canada (1980-2000) - User's guide	2000	75F0002MIE2002006	free
Low income cutoffs from 1992 to 2001 and low income measures from 1991 to 2000		75F0002MIE2002005	free
LABOUR AND HOUSEHOLD SURVEYS ANALYSIS			
Perspectives on labour and income	November 2002	75-001-XIE	5/48
MANUFACTURING, CONSTRUCTION AND ENERGY			
Primary iron and steel	September 2002	41-001-XIB	5/47
PRICES			
Capital expenditure price statistics	Q2 2002	62-007-XPB	24/79
The Consumer Price Index	October 2002	62-001-XIB	8/77
The Consumer Price Index	October 2002	62-001-XPB	11/103
SCIENCE, INNOVATION AND ELECTRONIC INFORMATION			
Broadcasting and telecommunications	August 2002	56-001-XIE	10/32
Quarterly telecommunications statistics	Q2 2002	56-002-XIE	21/40
TRANSPORTATION			
Aircraft movements statistics	September 2002	51F0001PIE	free

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