



Infomat

A Weekly Review

Friday, December 5, 1997

OVERVIEW

◆ **Raw materials cost more**

Manufacturers paid more for raw materials in October than they did in September, almost entirely due to significantly higher crude oil prices.

◆ **Industrial product prices decline**

Movement in the exchange rate between the Canadian and U.S. dollars had a noticeable effect on the Industrial Product Price Index. The index fell in October, and the 12-month change in industrial prices remained below 1.0%.

◆ **More EI beneficiaries, but fewer applicants**

Although the number of Canadians receiving regular Employment Insurance benefits increased in September, the number of applications declined.

◆ **No change in department store sales**

Between September and October, department store sales remained stable. Year-over-year sales were up over October 1996, continuing this year's strong performance.

◆ **Earnings stable**

In September, average weekly earnings, as well as the number of employees on payrolls, remained virtually unchanged.

◆ **Fewer international travellers**

Overseas residents made fewer overnight trips to Canada during the second quarter of 1997, down from the same period in 1996.

◆ **Internet, cell phones popular**

A May 1997 survey shows that Internet use almost doubled in Canadian households compared with May 1996. As well, more households are using cellular phones and time-saving appliances.

Raw materials cost more

In October, manufacturers' raw material prices increased 1.1% compared with September, almost entirely due to significantly higher crude oil prices. If mineral fuels were excluded, raw material prices would have declined 1.3% in October. Compared with 12 months earlier, raw material prices were down 4.7%.

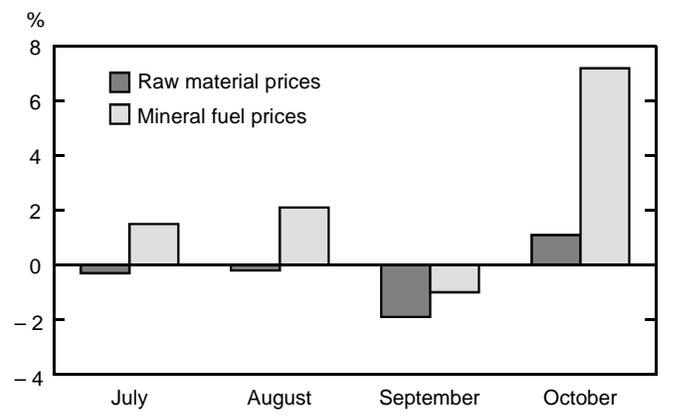
Crude oil prices were up 7.9% in October, but remained 12.2% lower than a year earlier. Wood prices were down 1.5% from September, and down almost 9% since the beginning of the year. Non-ferrous metal prices declined 1.3% compared with September. Lower monthly prices for concentrates of zinc, molybdenum and lead were partly offset by higher prices for aluminum materials, copper, nickel, silver and radioactive concentrates. Copper prices showed a slight upturn.

Animal and animal product prices fell 1.4% in October, with lower prices for hogs (-7.0%) contributing to the decline. Compared with 12 months earlier, prices were down 3.8%. Lower prices for hogs, cattle for slaughter and chickens were marginally offset by higher prices for milk.

Prices for vegetable products declined 1.7% in October. Lower prices for raw tobacco and coffee were partly offset by higher prices for oilseeds and corn. Compared with October 1996,

(continued on page 2)

Raw material prices, monthly change



... Raw materials cost more

vegetable product prices increased 2.0%. Higher prices for coffee, soybeans and unrefined sugar were somewhat offset by lower prices for corn, rubber and canola.

Available on CANSIM: matrix 1879.

The October 1997 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available shortly. For further information, contact the Client Services Unit (613-951-3350; fax: 613-951-2848), Prices Division.

Note to readers

The Raw Materials Price Index (RMPI) reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Also, unlike the Industrial Product Price Index, the RMPI includes goods that are not produced in Canada.

This is the second month that RMPI has been published with 1992=100 as the base year (1986=100 was the base year previously). The underlying weights now reflect the structure of the Canadian economy in 1992. Indexes have been recalculated from January 1992 to the present.

Industrial product prices decline

The Industrial Product Price Index fell 0.3% in October. At 0.8%, the 12-month change in industrial prices remained below 1.0% for a fourth consecutive month. In October, movement in the exchange rate between the Canadian and U.S. dollars had a noticeable effect on both the month-to-month and 12-month changes. The U.S. currency compared with the Canadian currency was worth 0.4% less than in September 1997 and 2.4% more than in October 1996. The first movement lowered the month-to-month change in Canadian industrial prices from -0.2% (excluding the exchange rate effect) to -0.3%. The second movement increased the 12-month change from +0.3% (excluding the exchange rate effect) to +0.8%.

In October, the most notable change in the price of a single commodity was the steep drop in pork prices. The overall price level for fresh and frozen pork dropped 12.5% in October. Export prices for pork continued to decline somewhat more steeply (-13.0%).

Canadian softwood lumber prices were down across the country, falling 3.5% overall. Prices for spruce, pine and fir were most affected. Aluminum product prices fell back 1.7%, while refined zinc prices dropped for a second month (-15.4%).

After allowing for changes in quality, early estimates indicate that domestic prices for automobiles rose 1.5% to stand 0.5% lower than in October 1996. Manufacturers' export prices for automobiles rose by somewhat less, but stood higher than a year earlier.

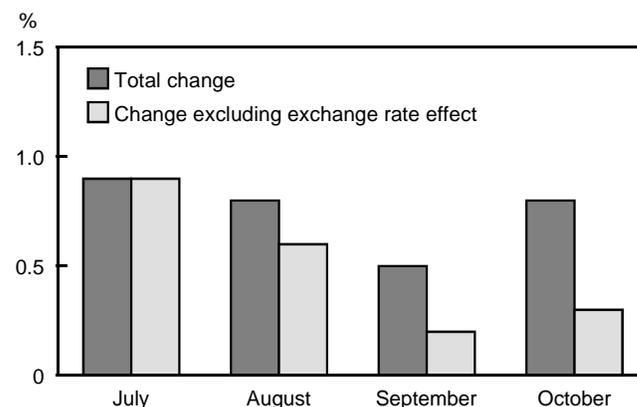
In the United States, the overall price level in manufacturing rose 0.3% in October, but it remained 0.4% below the level recorded in October 1996. In Japan, the 12-month change in industrial prices declined 2.0% in September. In Europe, the most recent figures for the 12-month changes in industrial prices showed slowdowns in Italy (+1.6% in September), the United Kingdom (+1.2% in October) and Germany (+1.4% in September). In France, the change was up from its June level to +0.5% in August.

Note to readers

The Industrial Product Price Index (IPPI) reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time when a good leaves the plant and the time when the final user takes possession of it, including the transportation, wholesale, and retail costs.

This is the second month that IPPI has been released with 1992=100 as the base year (1986 was the base year previously).

Industrial product prices, annual change



Available on CANSIM: matrices 1870-1878.

The October 1997 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available shortly. For further information, contact the Client Services Unit (613-951-3350; fax: 613-951-2848), Prices Division.

More EI beneficiaries, but fewer applicants

In September, 593,220 Canadians received regular Employment Insurance (EI) benefits, up 1.8% over August. Six provinces, along with the Northwest Territories, posted increases. At the same time, however, fewer individuals applied for EI benefits. Overall, the number of applications decreased 2.6%, with seven provinces reporting fewer applicants.

EI beneficiaries receiving regular benefits, September 1997 Seasonally adjusted

	Total	% change, previous month	% change, previous year
Canada	593,220	1.8	- 14.8
Newfoundland	31,480	- 2.7	- 15.7
Prince Edward Island	8,970	- 2.0	- 4.9
Nova Scotia	30,780	- 0.9	- 13.5
New Brunswick	36,900	1.5	- 11.3
Quebec	208,660	0.4	- 13.3
Ontario	144,590	1.1	- 17.8
Manitoba	14,330	- 1.5	- 16.9
Saskatchewan	11,240	4.6	- 20.7
Alberta	31,160	7.2	- 29.3
British Columbia	68,500	1.0	- 11.1
Yukon	1,330	- 0.2	6.2
Northwest Territories	1,120	2.2	- 17.5

Note to readers

The discrepancy between the estimated number of regular beneficiaries and regular payments series can be explained in part by differences in the reference periods. The number of beneficiaries is a measure of all persons who received Employment Insurance benefits for the week containing the 15th day of the month. The regular benefit payments series measures the total of all monies received by individuals for the entire month.

Regular benefit payments also rose in September, up 2.0% to \$681.3 million. Seven provinces and the Yukon recorded increases.

Both the number of beneficiaries and benefits paid showed large declines compared with September of last year. The number of regular beneficiaries fell 14.8%, while regular benefit payments were down 12.6%. The number of applicants has generally been declining since March 1996.

Available on CANSIM: matrices 26 (series 1.6), 5700-5717, 5735 and 5736.

For further information, contact Michael Scrim (613-951-4090; fax: 613-951-4087; Internet: labour@statcan.ca), Labour Division.

No change in department store sales

Between September and October, seasonally adjusted department store sales remained virtually unchanged, rising from \$1,367.0 to \$1,367.4 million. Compared with October 1996, however, sales were 11.1% higher.

Cumulative sales for the first 10 months of 1997 rose 10.4% compared with the same period of last year. Aside from a pause in the last half of 1995, department store sales have been moving upward since the end of 1993.

With the addition of two new stores, Alberta (+20.1%) led all provinces in unadjusted year-over-year gains in October. Stores in Saskatchewan, Quebec and Ontario also posted strong gains. British Columbia, the Yukon and Northwest Territories and Nova Scotia recorded the smallest year-over-year gains. No declines were reported.

Available on CANSIM: matrices 111-113.

The October 1997 issue of Department store sales and stocks (63-002-XPB, \$17/\$165) will be available shortly. For further information, contact Irwin Bess (613-951-4166), Distributive Trades Division.

Department store sales including concessions, October 1997 Unadjusted

	October 1997	October 1996 to October 1997	January to October 1997	January-to- October 1996 to January-to- October 1997
	\$ millions	% change	\$ millions	% change
Canada	1,427.2	12.8	11,631.1	10.6
Newfoundland and Prince Edward Island	28.2	13.1	212.5	9.7
Nova Scotia	46.7	7.6	356.4	9.0
New Brunswick	36.7	12.1	268.2	8.1
Quebec	262.7	13.0	2,164.6	9.0
Ontario	591.3	12.5	4,850.3	11.9
Manitoba	59.8	10.9	483.3	7.3
Saskatchewan	45.9	14.4	378.9	12.0
Alberta	165.0	20.1	1,317.6	13.7
British Columbia, Yukon, Northwest Territories	191.0	9.3	1,599.2	8.3

Earnings stable

In September, average weekly earnings remained virtually unchanged at \$598.01. Compared with last year, average weekly earnings increased an average of 1.9%, or about \$11 per week.

This annual growth was not shared evenly across all sectors of the economy. Paid employees in the finance, insurance and real estate industry showed the largest growth, with gains of just over \$46 since September 1996. Employees on payrolls in the primary industries (logging, forestry services, mining, quarrying and oil wells), public administration and miscellaneous services received lower earnings than the previous year. For employees in public administration, average weekly earnings declined at all levels.

The number of employees on business payrolls was also unchanged in September, at 11,368,000. Growth in employment among manufacturers, business services and miscellaneous service establishments was offset by a sizeable drop in retail trade. The

Average weekly earnings, September 1997

Seasonally adjusted

	Industrial aggregate, \$	% change, previous month	% change, previous year
Canada	598.01	- 0,1	1,9
Newfoundland	524.59	- 1,2	- 0,7
Prince Edward Island	456.83	- 2,0	- 8,8
Nova Scotia	498.43	- 0,1	1,2
New Brunswick	522.46	- 0,2	1,9
Quebec	567.83	0,6	1,8
Ontario	640.01	0,1	2,1
Manitoba	520.01	- 1,2	2,0
Saskatchewan	525.12	0,0	2,5
Alberta	600.01	0,3	2,3
British Columbia	614.94	0,0	1,2
Yukon	705.95	2,0	- 0,6
Northwest Territories	708.88	- 0,4	- 1,4

Note to readers

The Survey of Employment, Payrolls and Hours (SEPH) is in the final phase of a major, multi-year re-engineering project to improve business payrolls and paid employment estimates, and to reduce reporting burden on businesses. With the change in methodology, there is a risk that employment estimates produced from the administrative records may show a different seasonal pattern than the previous questionnaire data, which can only be assessed within the context of a longer time period. Statistics Canada continues to monitor these impacts and will help users interpret its data. It is recommended that SEPH data, particularly employment data, be used in the context of longer time periods or for detailed industry distributions.

decline in retail trade was widespread, with notable drops in food and general merchandise stores. Despite this situation, employment in retail trade has been moving upward during the past year.

The number of employees in manufacturing continued to expand in September, bringing the total increase since the beginning of the year to 38,000 jobs. During this time, manufacturers of plastics, other machinery and equipment, commercial printing and other manufacturers contributed the most to the expansion. Employment gains in business services and miscellaneous services continued the well-established trends of strong, consistent employment growth.

Available on CANSIM: matrices 4285-4466, 9438-9452, 9639-9664 and 9899-9911.

*Detailed industry data and other labour market indicators are available through standard tables in the monthly publication **Employment, earnings and hours** (72-002-XPB, \$32/\$320), the historical publication **Annual estimates of employment, earnings and hours, 1984-1996** (diskette: 72F0002XDE, \$120) and by custom tabulations. For further information, contact Stephen Johnson (613-951-4090; fax: 613-951-4087; Internet: labour@statcan.ca), Labour Division.*

Fewer international travellers

Overseas residents made 1.1 million trips of one night or more to Canada during the second quarter of 1997, down 5.5% from the same quarter of 1996. During this period, travel between Canada and the United States decreased slightly, in both directions. Americans took 3.5 million overnight trips to Canada, while Canadians made 3.7 million such trips to the United States. Both countries posted a decline of 0.6% compared with 1996.

In the second quarter of 1997, overseas travellers spent \$15 million less in Canada during overnight trips than they did a year earlier. Over 687,000 overseas travellers entered Canada directly in this quarter, up 1.8% compared with the same period of 1996.

Overnight travel to Canada by Americans was down slightly during the spring of 1997 compared with the same period of 1996, after a 5.5% advance in the first quarter. After nine quarters of

Note to readers

Spring is the second quarter (April, May and June).

Comparisons are made with the same quarter of previous years. Spending by Canadians in the United States for same-day car travel in the second quarter of 1996 has been adjusted (from \$244.2 million to \$314.7 million).

A tourist is a traveller who stays at least one night in a place visited.

advances, the number of plane trips by Americans to Canada was stable at 843,000. Trips of one night only were up 7.9%, but longer trips (particularly those of 2 to 6 nights) dropped. Consequently, Americans spent 1.8% fewer nights in Canada and they spent 1.3% less.

(continued on page 5)

... Fewer international travellers

During the spring of 1997, Canadians made 3.7 million overnight trips to the United States, a slight drop from the previous spring. The number of overnight visits to Florida increased. Even though New York State received the highest number of overnight visits from Canadians during the spring of 1997, Canadians spent

the most money in Florida. Meanwhile, the number of overnight visits to Mexico jumped, which placed this country second among overseas countries visited by Canadians, after the United Kingdom.

For further information, contact Luc Dubois (613-951-1674; Internet: duboluc@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

Internet, cell phones popular

According to the Household Facilities and Equipment Survey, the proportion of households in Canada surfing the Internet almost doubled between May 1996 and May 1997. In 1997, an estimated 13% of households, or 1.5 million homes, reported using the Internet, up from 7% in 1996.

About 4.2 million households (36%) had home computers in May 1997, up from 3.6 million a year earlier. Five years ago, one-fifth of households had computers. Another popular mode of communication is the cellular phone: approximately 19% of households reported having a cell phone in 1997, compared with 14% in 1996. Lower prices and increased targeting of the home market have likely contributed to this increase.

Ownership of video cassette recorders has increased phenomenally in the last 15 years. Between 1983 (when data were first collected) and 1997, the proportion of households with a VCR soared from 6% to 85%. In fact, one in five homes had two or more VCRs in 1997. Almost every household had one colour television set, and over half (52%) had two or more. On the other hand, black and white sets are becoming scarce, with only 12% of households still owning a black and white TV.

Compact disc players are becoming standard home audio equipment. Between 1988, when data were first collected, and 1997, the proportion of households with a CD player jumped from 8% to 58%.

Although the proportion of households with a vehicle remained unchanged over the last 10 years, the popularity of four-wheel drive vehicles has produced a real change in the type of vehicle Canadians are driving. In 1987, 78% of households reported having an automobile and only 23% had a van or truck. By 1997, automobile ownership had dipped to 72%, while van or truck ownership had increased to 33%.

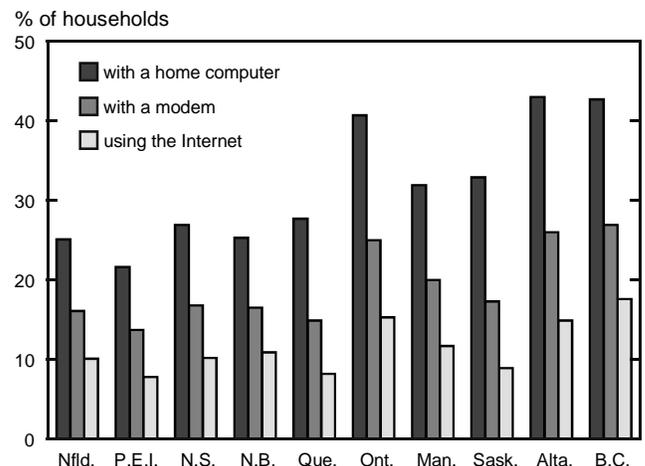
Canadians continue to favour time-saving appliances. Between 1982 and 1997, the proportion of homes with a microwave oven rose from 10% to 86%. Dishwashers also grew in popularity, and are now found in one out of two households.

Note to readers

The Household Facilities and Equipment Survey was conducted in May 1997. This sample survey of approximately 35,000 households represents virtually all private households (11.6 million) in the 10 provinces.

Data on Internet use and cellular phones were collected for the first time in 1996. The survey covered only Internet access at home, and excluded Internet use at work or in public places such as libraries or schools.

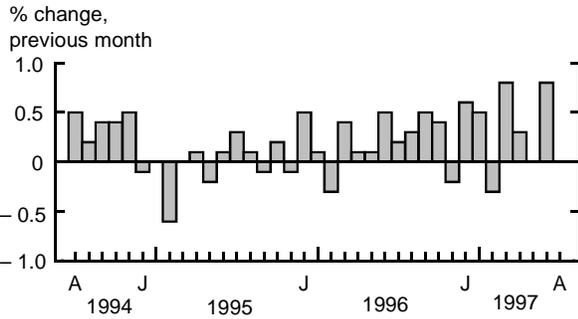
Use of computer technology, 1997



National and provincial estimates of household equipment and housing characteristics are presented in **Household facilities and equipment, 1997** (64-202-XPB, \$31), which is now available. For further information, contact the Dissemination Unit (613-951-7355; fax: 613-951-3012; Internet: expenditures@statcan.ca), Household Surveys Division.

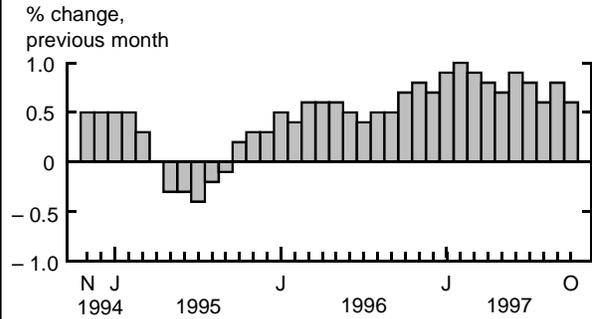
Current trends

Gross domestic product



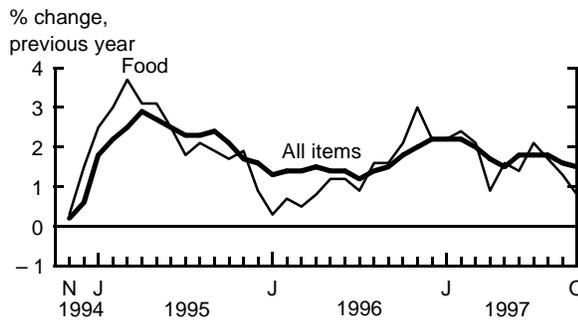
Real gross domestic product at factor cost was virtually unchanged (0.0%) in August.

Composite Index



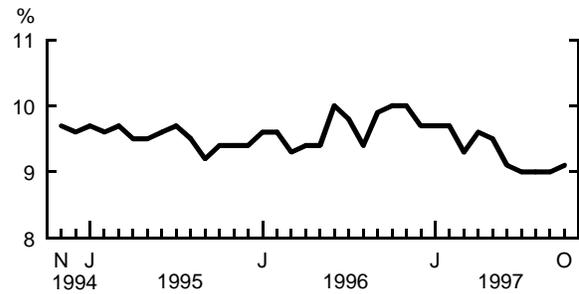
The Composite Index grew by 0.6% in October.

Consumer Price Index



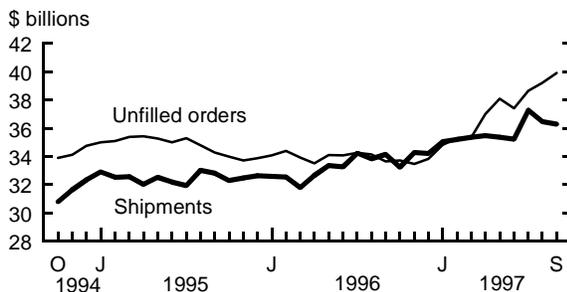
Consumers paid 1.5% more for goods and services in October 1997 than the year before. Food prices rose by 0.8%.

Unemployment rate



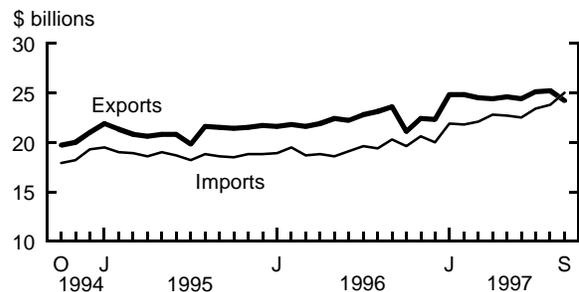
In October, the unemployment rate rose 0.1 percentage points to 9.1%.

Manufacturing



Manufacturers' shipments declined 0.3% in September to \$36.3 billion. The level of unfilled orders increased 1.7% to \$39.9 billion.

Merchandise trade



In September, the value of merchandise exports rose 0.2% from August to \$25.0 billion. Imports increased 1.6% to \$24.2 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)	August	575.7	0.0%	4.1%
Composite Index (1981=100)	October	200.8	0.6%	10.5%
Operating profits of enterprises (\$ billion)	Q2 1997	26.5	0.5%	13.9%
Capacity utilization (%)	Q2 1997	84.8	0.9†	2.8†
DOMESTIC DEMAND				
Retail trade (\$ billion)	September	19.7	0.3%	8.0%
New motor vehicle sales (thousand of units)	September	116.6	- 3.3%	13.2%
LABOUR				
Employment (millions)	October	14.0	- 0.1%	2.3%
Unemployment rate (%)	October	9.1	0.1†	- 0.9†
Participation rate (%)	October	64.9	0.0†	- 0.1†
Labour income (\$ billion)	June	37.32	0.1%	3.9%
Average weekly earnings (\$)	September*	598.01	- 0.1%	1.9%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	September	25.0	0.2%	3.3%
Merchandise imports (\$ billion)	September	24.2	1.6%	16.5%
Merchandise trade balance (all figures in \$ billion)	September	0.9	- 0.3	- 2.6
MANUFACTURING				
Shipments (\$ billion)	September	36.3	- 0.3%	4.5%
New orders (\$ billion)	September	37.0	0.2%	7.1%
Unfilled orders (\$ billion)	September	39.9	1.7%	16.6%
Inventory/shipments ratio	September	1.30	0.01	- 0.01
PRICES				
Consumer Price Index (1986=100)	October	138.2	0.1%	1.5%
Industrial Product Price Index (1992=100)	October*	119.5	- 0.3%	0.8%
Raw Materials Price Index (1992=100)	October*	125.6	1.1%	- 4.7%
New Housing Price Index (1986=100)	September	133.0	0.1%	1.1%

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

* new this week

† percentage point

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Publications released from November 28 to December 4, 1997

Division/Title of publication	Period	Catalogue number	Price: Issue/Subscription	
			Canada (C\$)	Outside Canada (US\$)
AGRICULTURE				
Cereals and oilseeds review	September 1997	22-007-XPB	15/149	15/149
Farm cash receipts	January to September 1997	21-001-XPB	20/64	20/64
CANADIAN CENTRE FOR JUSTICE STATISTICS				
Juristat: The justice data factfinder, Vol. 17, no. 13		85-002-XPE	10/93	10/93
DISTRIBUTIVE TRADES				
Department store sales and stocks	September 1997	63-002-XPB	17/165	17/165
Direct selling in Canada	fiscal year ended March 31, 1996	63-218-XPB	25	25
New motor vehicle sales	September 1997	63-007-XPB	17/165	17/165
Retail trade	September 1997	63-005-XPB	21/206	21/206
Wholesale trade	September 1997	63-008-XPB	19/186	19/186
LABOUR				
Quarterly estimates of trusted pension funds	Q1 1997	74-001-XPB	19/62	19/62
MANUFACTURING, CONSTRUCTION AND ENERGY				
Asphalt roofing, Vol. 49, no. 10	October 1997	45-001-XPB	7/62	7/62
Coal and coke statistics	September 1997	45-002-XPB	12/114	12/114
Electric lamps (light bulbs and tubes)	October 1997	43-009-XPB	7/62	7/62
Electric power capability and load	1996	57-204-XPB	30	30
Electric power statistics	September 1997	57-001-XPB	12/114	12/114
NATIONAL ACCOUNTS AND ENVIRONMENT				
Econnections: Linking the environment and the economy	1997	16-200-XKE	80	80
TRANSPORTATION				
Service bulletin, Aviation Statistics Centre, Vol. 29, no. 11		51-004-XPB	11/109	11/109

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