



Infommat

A Weekly Review

Friday, October 18, 1996

OVERVIEW

◆ Shipments drop after surge in July

After a strong gain in July, manufacturers' shipments slipped by 0.7% in August. However, shipments over the May-to-August period were 4% higher than in the first four months of the year.

◆ Employment slumps in September

The drop in employment, and the increase in the number of people in the labour force, pushed the unemployment rate up to 9.9%.

◆ Travel to Canada continues to rise

The uptrend in overnight travel to Canada by foreigners, which started in mid-1992, continued in August.

◆ High school leavers return to classes

One out of every four young adults who had left high school without graduating as of 1991 had returned to classes and obtained a high school diploma by 1995.

◆ Housing prices on the slide

In August, housing prices continued their two-year-long slide, declining 2.2% compared with August 1995.

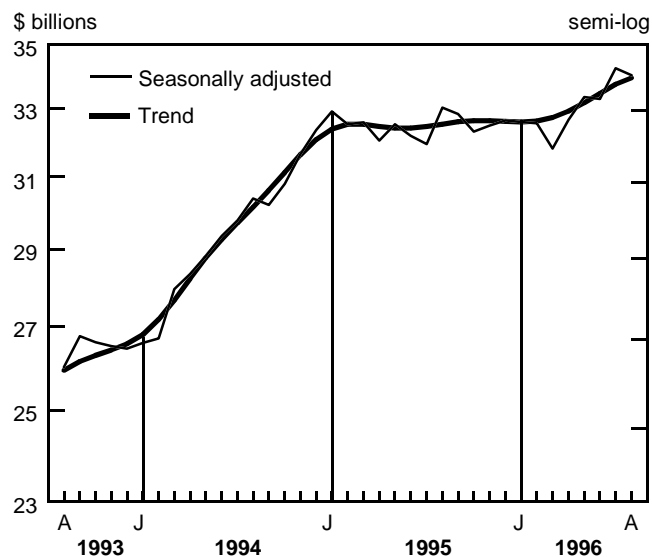
Shipments drop after surge in July

After a strong gain in July, manufacturers' shipments fell by 0.7% in August. However, shipments over the May-to-August period were 4% higher than in the first four months of the year. Declines in the electrical and electronic products, and in the motor vehicle and parts industries were mostly responsible for August's drop. A slight rise in inventories and a small drop in unfilled orders accompanied the fall in shipments.

Shipments fell to \$34.0 billion. Nine of the 22 major industry groups, representing 47% of total shipments, reported declines. The largest drop came from the electrical and electronic products industry (-10.0%). After reaching an all-time high in February, this industry has displayed considerable volatility due to highly competitive domestic and international conditions. Motor vehicle and parts manufacturers, a major driving force in the economy, decreased shipments by 2.2% to \$6.5 billion, following a strong

(continued on page 2)

Shipments



... Shipments drop after surge in July

increase in July. Model changeovers often affect shipments in the July/August period.

Offsetting these decreases somewhat were higher shipments of primary metals (+2.1%), which have been on an upward trend since the end of 1995, and machinery (+3.1%). Machinery has shown strong increases during the last four months, after falling earlier in the year. The rise in machinery may indicate the start of a turnaround in investment as a result of recently improved economic conditions in Canada and the United States.

Following four months of reductions, inventories rose slightly (+0.2% to \$44.6 billion). The advance came mainly from aircraft (+4.6%), wood (+2.2%) and electrical and electronic products (+1.5%).

The small rise in inventories and the modest decrease in shipments produced a slight increase in the inventories-to-shipments ratio, from 1.30 in July to 1.31 in August. This was the ratio's first advance since February.

Note to readers

Unfilled orders are a stock of orders which 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 (i.e., orders received this month and shipped within the same month) plus the change in unfilled orders.

Manufacturers' shipments, August 1996

Seasonally adjusted

	\$ millions	% change, previous month
Canada	34,019	-0.7
Newfoundland	156	3.0
Prince Edward Island	58	15.7
Nova Scotia	500	-3.6
New Brunswick	652	0.5
Quebec	8,058	0.0
Ontario	17,931	-1.8
Manitoba	777	6.8
Saskatchewan	442	1.3
Alberta	2,601	2.2
British Columbia	2,839	-0.6
Yukon and Northwest Territories	4	-29.4

The backlog of unfilled orders, a key determinant of future shipments, declined slightly (-0.2% to \$34.4 billion). This drop followed a series of increases since May. The largest decrease was in the transportation sector (-0.7%).

New orders fell by 1.8% to \$34.0 billion.

Available on CANSIM: Matrices 9550-9593.

The August 1996 issue of *Monthly survey of manufacturing* (31-001-XPB, \$19/\$190) will be available shortly. For further information, contact Henry Glouchkow (613-951-9833), Industry Division. (See also "Current trends" on page 7.)

Employment slumps in September

The drop in employment (-47,000 in September), and an increase in the number of people in the labour force, pushed the unemployment rate up by 0.5 percentage points to 9.9%. Heavy employment losses in service-producing industries (-48,000) accounted for the entire drop. Year-to-date gains in employment now stand at 106,000.

Community, business and personal services led the drop in service employment, losing 70,000 jobs in September. Finance, insurance and real estate employment rebounded from three months of losses, gaining 20,000 jobs.

Employment in goods-producing industries remained virtually unchanged in September. Manufacturing employment continued to grow; it has led this year's 94,000-job growth in the goods sector.

Full-time employment dropped by 86,000 in September, cutting year-to-date gains in half and wiping out the August increase of 75,000. Part-time employment increased by 39,000 in September, with three-quarters of the gain among women.

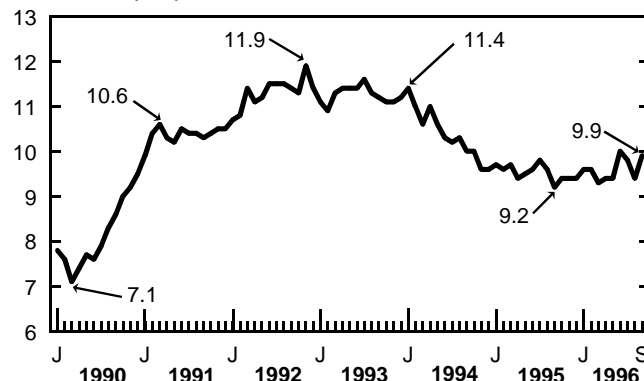
Adults and youths both suffered job losses in September. After strong gains (+70,000) in August, employment declined by 28,000 for adults aged 25 and over. Year-to-date gains stand at 127,000. Employment for 15- to 24-year-olds fell by 19,000, bringing job losses since December 1995 to 21,000.

Note to readers

New content and structural changes to the Labour Force Survey questionnaire will soon provide information on issues such as wages, union status, and identification of seasonal and other temporary jobs. The new questionnaire will be fully implemented by January 1997.

Unemployment rate

%, seasonally adjusted



(continued on page 3)

Labour Force Survey, September 1996

Seasonally adjusted

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	Rate (%)
Canada	15,186	0.2	13,676	-0.3	1,510	9.9
Newfoundland	237	0.9	193	0.0	44	18.6
Prince Edward Island	70	-0.2	61	0.1	9	13.5
Nova Scotia	442	0.7	384	0.3	58	13.1
New Brunswick	351	-1.7	307	-2.8	44	12.5
Quebec	3,659	0.5	3,199	-0.3	460	12.6
Ontario	5,867	0.1	5,325	-0.7	542	9.2
Manitoba	565	0.7	526	1.0	39	6.9
Saskatchewan	493	-0.2	462	0.0	31	6.3
Alberta	1,522	0.7	1,413	0.3	109	7.2
British Columbia	1,979	-0.2	1,796	-0.4	183	9.2

Ontario and New Brunswick suffered significant job losses in September. Ontario employment shrank by 35,000, following two months of gains. Overall, employment has grown by 67,000 in Ontario this year. New Brunswick suffered the largest percentage drop in employment (-2.8% or 9,000 jobs).

Only Manitoba (+5,000) posted a significant employment gain in September. Most other provinces saw little or no change. Year-to-date gains were strong in Alberta, British Columbia and Manitoba. Employment in Quebec remained unchanged after strong August growth, leaving year-to-date losses at 26,000.

Private sector employment slumped by 79,000 in September, reducing this year's private sector employment gains to 153,000.

Self-employment increased, growing by 33,000 in September and producing a year-to-date gains of 24,000. Public sector employment remained stable in September, with a drop of 45,000 jobs since December 1995.

Available on CANSIM: matrices 2074, 2075 and 2078-2107 and table 00799999.

*The September 1996 issue of **The labour force** (71-001-XPB, \$23/\$230) will be available shortly. For further information, contact Doug Drew (613-951-4720), Household Surveys Division. (See also "Current trends," on page 7.)*

Travel to Canada continues to rise

The number of overnight trips made by foreign residents to Canada reached 1.5 million in August, an increase of 1.0% from the preceding month.

Americans contributed most to this increase. They made 1.1 million overnight stays in Canada, up 1.8% from July. The number of trips of this type has been fluctuating since late 1995.

Meanwhile, overnight trips to Canada by overseas residents were down 1.2%. Although it was the second consecutive decrease since peaking in June, the trend in this type of travel has generally been upward since mid-1992.

Canadians made 1.5% fewer overnight trips to overseas countries than in the preceding month. Trips of this type peaked last February. The number of trips Canadians made to the United States in August has remained the same as in July. Overall, the number of overnight trips abroad by Canadians dropped 0.3% from July.

The number of car excursions by Canadians to the United States rebounded 1.5% in August, after slipping the previous three months. Despite this increase, the August level of 3.0 million trips was well below the 5.4 million cross-border car trips Canadians made in November 1991.

The slide in Americans' same-day car trips to Canada, which followed February's peak of 2.0 million trips, also came to a halt, with a modest 0.4% rise in their numbers.

International travel between Canada and other countries, August 1996

	% change, previous month		% change, previous year	
	'000		'000	year
	seasonally adjusted		unadjusted	
Canadian trips abroad				
Auto trips to the United States				
Same day	3,048	1.5	3,699	0.1
One or more nights	822	0.6	1,526	4.7
Total trips, one or more nights				
United States ¹	1,253	0.0	2,033	6.9
Other countries	297	-1.5	373	3.5
Travel to Canada				
Auto trips to the United States				
Same day	1,948	0.4	2,866	3.8
One or more nights	718	3.3	1,625	6.4
Total trips, one or more nights				
United States ¹	1,109	1.8	2,326	7.0
Other countries ²	368	-1.2	687	9.3

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.

(continued on page 4)

... Travel to Canada continues to rise

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

The August 1996 issue of *International travel, advance information* (66-001-PPB, \$7/\$70) will be available shortly. For further information, contact Luc Dubois (613-951-1674; fax: 613-951-2909; the Internet: duboluc@statcan.ca), Education, Culture and Tourism Division.

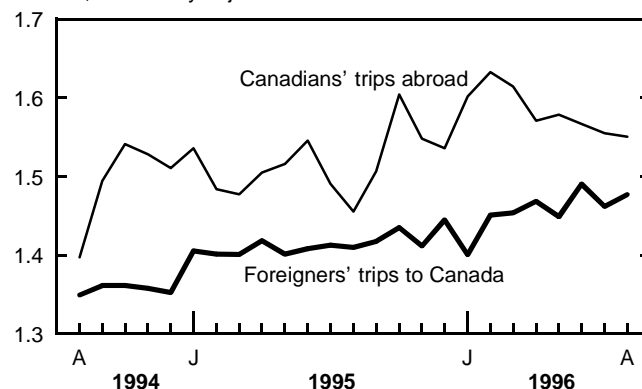
Note to readers

Month-to-month comparisons use seasonally adjusted data, while year-over-year comparisons use unadjusted data (the actual traffic counts).

Overseas countries are countries other than the United States. Excursions are same-day trips.

Overnight trips between Canada and other countries

Millions, seasonally adjusted



Note to readers

This article covers the initial findings of the 1995 School Leavers Follow-up Survey, which tracked the young people interviewed in the 1991 School Leavers Survey. A comprehensive report will follow in 1997.

Statistics Canada conducted the survey on behalf of Human Resources Canada.

High school leavers return to classes

One out of every four young adults who had left high school without graduating as of 1991 had returned to classes and obtained a high school diploma by 1995.

An estimated 180,000 young people aged 18 to 20 had called it quits without their diploma as of 1991, during the recession. Four years later, about 45,000 of them had gone back to high school and graduated.

By 1995, when these individuals were aged 22 to 24, about 85% had graduated. Still 14% had not yet obtained their diploma and were not attending high school classes. Only 1% were in high school.

Young women were more likely than their male counterparts to have finished high school by 1995. This pattern was evident in every province. Among women aged 22 to 24, 9 out of every 10

had completed their high school diploma by 1995, while 10% were school leavers. In comparison, 8 out of 10 young men had graduated, and 18% were school leavers. Men accounted for nearly two-thirds of those in this age group who had not completed high school by 1995.

Relatively few people without a diploma (25%) had taken any further education or training as of 1995.

Four out of every 10 high school graduates aged 22 to 24 had attended university by 1995. University attendance was more common among young women (45%) than among young men (39%).

Unemployment was highest among people who had not graduated from high school. Fully 30% of women and 17% of men without a diploma in 1995 were unemployed. In comparison, of those with a high school diploma, 10% of women and 11% of men had no employment. Leaving high school, therefore, appears to have especially serious consequences for young women.

Further education figured prominently in the plans of most 22- to 24-year-olds in 1995. About 8 out of 10 people intended to take training programs, courses, workshops or tutorials over the next five years. About 90% of those with a high school diploma expected to further their education, compared with about 75% of school leavers, who planned on going back to school.

For further information, contact Jeffrey Frank (613-951-1504), Education, Culture and Tourism Division.

High school leavers as a proportion of youth aged 22 to 24, 1995

	Men	Women	Total
	%		
Canada	17.9	10.3	14.2
Newfoundland	22.2	17.3	19.7
Prince Edward Island	23.1	15.4	19.2
Nova Scotia	18.5	11.9 ¹	15.4
New Brunswick	17.0	7.8 ¹	12.4
Quebec	21.0	14.2	17.6
Ontario	16.0	7.4	11.7
Manitoba	22.3	8.7 ¹	15.9
Saskatchewan	15.7	8.7 ¹	12.3
Alberta	18.5	8.5 ¹	13.8
British Columbia	14.6	12.4	13.6

¹ Data should be interpreted with caution due to high sampling variability.

Housing prices on the slide

In August, housing prices continued their two-year-long slide, declining 2.2% compared with August 1995. The housing index for Canada remained unchanged from July, when it resumed a downward trend that had eased somewhat in May and June. The annual rate of change has been negative since July 1994.

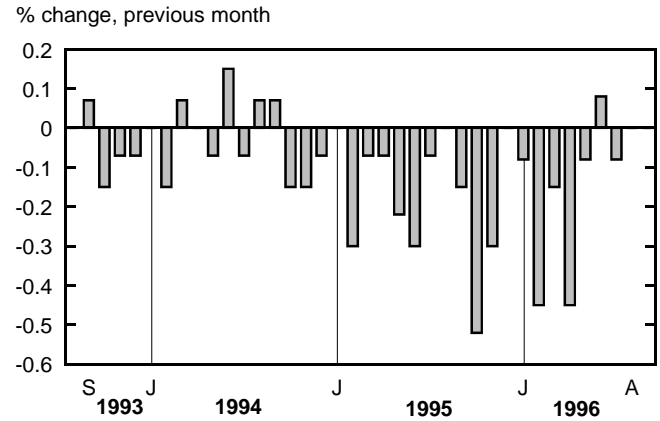
From July to August 1996, the index remained unchanged. Eight of 21 cities surveyed reported stable or offsetting new home selling prices, 6 showed monthly price increases and 7 experienced drops. Halifax reported the highest monthly increase (+1.4%) while the largest decreases were recorded by Ottawa-Hull and Edmonton, each down 0.3%.

Builders reported that some price increases were attributable to higher construction costs; these were counterbalanced by competitive housing markets in most of the cities.

Available on CANSIM: matrix 2032.

The third quarter of 1996 issue of *Construction price statistics* (62-007-XPB, \$23/\$76) will be available in December. For further information, contact Paul-Roméo Danis (613-951-3350; fax: 613-951-2848; Internet: danipau@statcan.ca), Prices Division.

New housing price index



New from Statistics Canada



Services indicators

Second quarter 1996

The feature article in this quarter's issue of *Services indicators*, "The temporary help service industry: Its role, structure and growth," studies the role, structure and growth of the industry that supplies temporary help to business and industry. Temporary help plays an important role in human resource management, similar to that of the just-in-time technology in inventory management and bridge financing in financial markets.

In 1991, there were 514,000 workers in temporary jobs, or 5% of the total employment figure. However, revenue, rather than employment, offers a more accurate measure of the industry.

In 1993, business, governments and to a small degree individuals, paid \$1.4 billion to purchase services from temporary help agencies. There were 1,191 temporary help agencies in Canada, most in the larger provinces of Ontario, Quebec, British Columbia and Alberta. Firms in the business tend to be small; more than half of them (635) earned less than \$250,000 in revenue.

Services indicators (63-016-XPB, \$34/\$112) is a quarterly publication that profiles the communications, business services, and finance, insurance and real estate sectors. It presents statistics on key economic indicators, finances, employment, salaries and output. The second quarter 1996 issue is now available. For further information, contact George Sciadas (613-951-3177), Services, Science and Technology Division.

Travel-log

Autumn 1996

The feature article in the Autumn 1996 issue of the quarterly tourism newsletter *Travel-log* is "A booming travel market". The number of tourists from overseas countries who spend one or more nights in Canada has nearly doubled in 10 years. Between 1994 and 1995, the number of overseas visitors grew an astounding 14.5%. Overseas tourists are visiting Canada more often and in unprecedented numbers, and the proportion of those coming from Asia is growing rapidly. This article examines the development of the Asian travel market in comparison with the European travel market. It also explores certain characteristics of visitors from Japan and South Korea and describes a few of the events that contributed to the extraordinary expansion of this market.

Other articles in this issue examine the characteristics of international travellers for the first quarter of 1996, as well as the international travel account for the second quarter of 1996.

Each quarter, *Travel-log* examines the travel price index. It also features the latest tourism indicators.

The Autumn 1996 issue (vol. 15, no. 4) of *Travel-log* (87-003-XPB, \$12/\$40) is now available. For further information, contact Monique Beyrouiti (613-951-1673; fax: 613-951-2909; Internet: beyrmon@statcan.ca), Education, Culture and Tourism Division.

Public sector employment and wages and salaries

1995 (with historical data from 1991)

The 1995 edition of *Public sector employment and wages and salaries* presents employment and wages and salaries data for the total public sector, as well as for the federal, provincial/territorial and local governments and government business enterprises. The publication also includes data for public hospitals and local government school boards.

The public sector includes all organizations, both commercial and non-commercial, under the control of a government body.

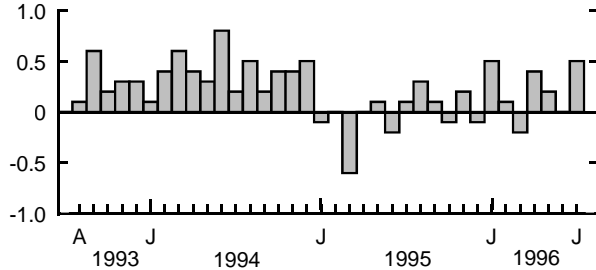
Available on CANSIM: matrices 2861 and 2865.

Public sector employment and wages and salaries, 1995 (72-209-XPB, \$42) is now available. For further information, contact the Data Dissemination and External Relations Section (613-951-0767) or the Public Employment Section (613-951-1843), Public Institutions Division.

Current trends

Gross domestic product

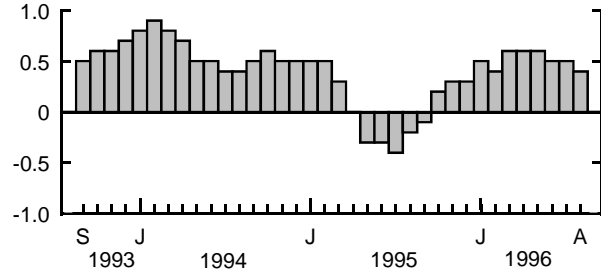
% change,
previous month



Real gross domestic product at factor cost increased 0.5% between June and July.

Composite index

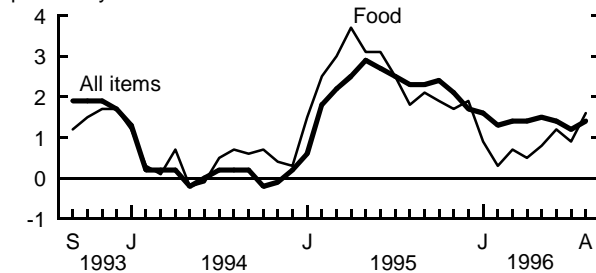
% change,
previous month



The composite index grew by 0.4% between July and August.

Consumer price index

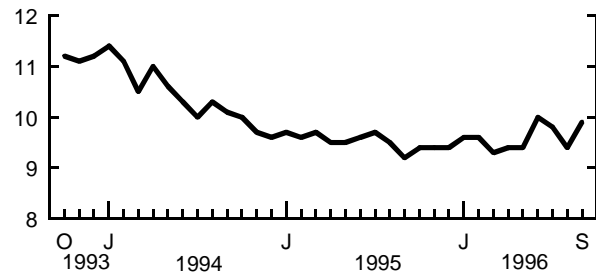
% change,
previous year



Consumers paid 1.4% more for goods and services in August 1996 than the year before. Food prices rose by 1.6%.

Unemployment rate

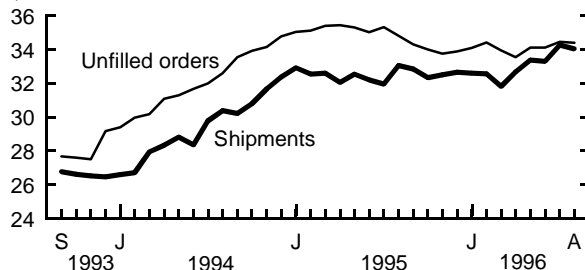
%



In September, the unemployment rate climbed 0.5 percentage points to 9.9%.

Manufacturing

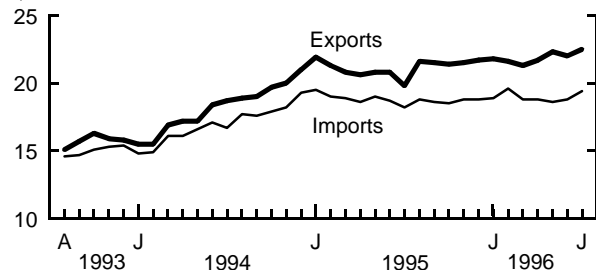
\$ billions



Manufacturers' shipments slipped 0.7% in August to \$34.0 billion. The level of unfilled orders fell 0.2% to \$34.4 billion.

Merchandise trade

\$ billions



In July, the value of merchandise exports rose 2.1% from June to \$22.5 billion. Imports advanced 3.2% to \$19.4 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)	July	551.3	0.5%	1.9%
Composite index (1981=100)	August	179.7	0.4%	4.8%
Operating profits of enterprises (\$ billion)	Q2 1996	22.1	-1.6%	-6.4%
Capacity utilization (%)	Q2 1996	82.7	0.3†	-0.9†
DOMESTIC DEMAND				
Retail trade (\$ billion)	July	18.0	0.2%	1.7%
New motor vehicle sales ('000 units)	August	97.3	0.7%	-3.3%
LABOUR				
Employment (millions)	September*	13.7	-0.3%	1.0%
Unemployment rate (%)	September*	9.9	0.5†	0.7†
Participation rate (%)	September*	64.8	0.0†	0.2†
Labour income (\$ billion)	June	35.7	0.3%	2.1%
Average weekly earnings (\$)	July	584.85	-0.7%	2.4%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	July	22.5	2.1%	13.4%
Merchandise imports (\$ billion)	July	19.4	3.3%	6.6%
Merchandise trade balance (all figures in \$ billion)	July	3.1	-0.1	1.5
MANUFACTURING				
Shipments (\$ billion)	August*	34.0	-0.7%	3.0%
New orders (\$ billion)	August*	34.0	-1.8%	4.4%
Unfilled orders (\$ billion)	August*	34.4	-0.2%	-1.2%
Inventory/shipments ratio	August*	1.31	0.01	-0.05
PRICES				
Consumer price index (1986=100)	August	135.7	0.1%	1.4%
Industrial product price index (1986=100)	August	129.3	0.4%	0.1%
Raw materials price index (1986=100)	August	137.9	1.3%	5.7%
New housing price index (1986=100)	July	131.5	-0.1%	-2.2%

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 October 11 to 17, 1996

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
EDUCATION, CULTURE AND TOURISM					
Travel-log	Autumn 1996	87-003-XPB	12/40	15/48	17/56
INDUSTRY					
Oils and fats	August 1996	32-006-XPB	6/60	8/72	9/84
Steel wire and specified wire products	August 1996	41-006-XPB	6/60	8/72	9/84
Telephone statistics	March 1996	56-002-XPB	9/90	11/108	13/126
Telephone statistics	April 1996	56-002-XPB	9/90	11/108	13/126
LABOUR					
Employment, earnings and hours	July 1996	72-002-XPB	31/310	38/372	44/434
PUBLIC INSTITUTIONS					
Public sector employment and wages and salaries	1995	72-209-XPB	42	51	59
SERVICES, SCIENCE AND TECHNOLOGY					
Science statistics service bulletin: Distribution of federal expenditures on science and technology, by province and territories	1994-1995	88-001-XPB	8/76	10/92	12/107
Services indicators	Q2 1996	63-016-XPB	34/112	41/135	48/157
TRANSPORTATION					
Oil pipeline transport	July 1996	55-001-XPB	11/110	14/132	16/154
Railway carloadings	August 1996	52-001-XPB	10/100	12/120	14/140

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