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The Daily

Statistics Canada

Tuesday, November 18, 1997
For release at 8:30 a.m.

MAJOR RELEASES

OTHER RELEASES

RRSP contributions
1996

The 1996 data on contributions to registered retirement savings plans (RRSPs) are now available. Today's release looks at RRSP contributions reported by Canadians on their 1996 income tax returns.

Produced annually, these data are a unique source of information on small areas and are ideal for supporting market analyses and policy decisions. The data are available for provinces and territories, cities, towns, census metropolitan areas, census divisions, as well as forward sortation areas (the first three characters of postal codes) and letter carrier walks (groupings of postal codes).

Today's release of demographic and financial data will be of particular interest to researchers, policy planners, financial institutions and marketers.

For further information on RRSP contributors (17C0006) and Canadian taxfilers (17C0010), contact Client Services (613-951-9720; fax: 613-951-4745; Internet: *saadinfo@statcan.ca*), Small Area and Administrative Data Division.

MAJOR RELEASES

Monthly Survey of Manufacturing
September 1997

Total manufacturing shipments edged down 0.3% in September, held back by temporary maintenance shutdowns and production difficulties in some industries. September's performance contrasts with the sharp swings during the previous two months, when shipments surged by an unsustainable 4.4% in July before receding 2.7% in August. Despite the latest decline, the level of shipments in September was generally in line with the solid growth trend that manufacturers have sustained since early 1996, after a flat 1995.

Unfilled orders advanced 1.7% in September, the eighth increase in nine months. Inventories rose 0.8%, the seventh increase of the year. Although growth in inventories has generally lagged behind that of shipments, the recent spate of increases in inventories shows that they are catching up.

Temporary maintenance shutdowns and production difficulties hold shipments back

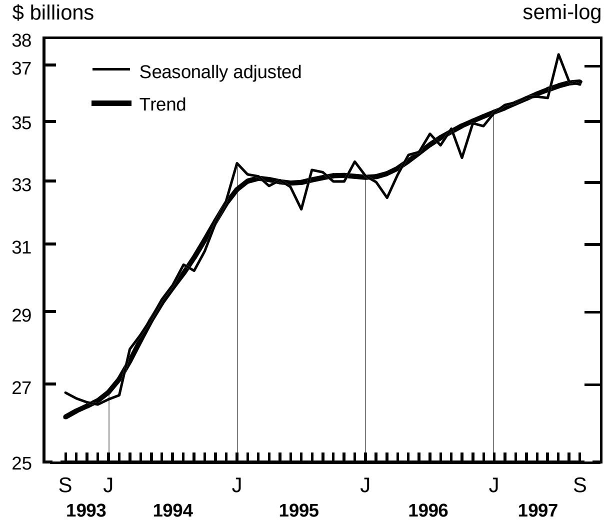
Total manufacturing shipments edged down 0.3% in September, to $36.3 billion. Temporary maintenance shutdowns affected the chemical (-4.4%), refined petroleum (-2.4%) and motor vehicle (-2.1%) industries. The motor vehicle industry was also hampered by production difficulties caused by supplier delays. Combined, these factors precluded any upward movement in what would otherwise have been a stronger month.

Note to readers

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

Not all orders will be translated into Canadian factory shipments, as portions of large contracts can be subcontracted out to other countries.

Temporary maintenance shutdowns and production difficulties hold shipments back



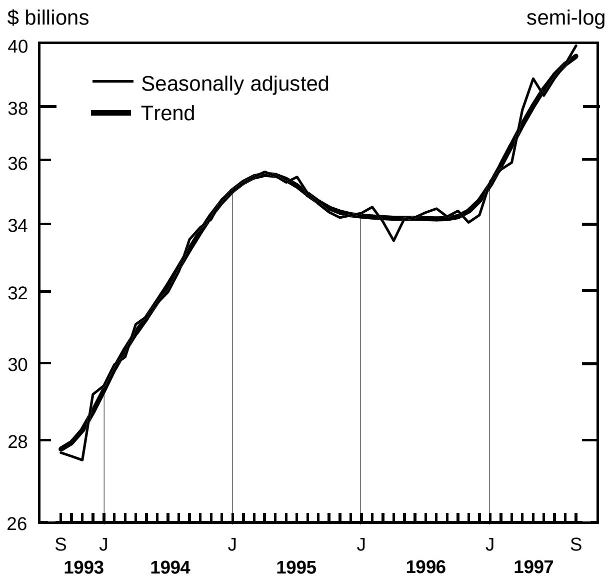
Shipments of wood also experienced their fourth consecutive decline (-2.6%), as a depressed Japanese housing market continued to have an adverse effect on North American producers. Overall, decreases were not very widespread, but tended to be in some of the larger industries (9 of the 22 major industry groups were down, accounting for only about 40% of shipments).

These decreases were partly offset by increases in the aircraft and parts (+8.3%) and the electrical and electronic parts (+2.4%) industries. Both continue to do well, enjoying the buoying effect of strong order books.

Unfilled orders post another increase

Manufacturers' backlog of unfilled orders, a key determinant of future shipments, rose 1.7% in September to $39.9 billion. The September increase was the eighth in nine months. Increases in unfilled orders since the beginning of 1997 represent a significant departure from a flat performance in 1996.

Unfilled orders increase for eighth time in nine months



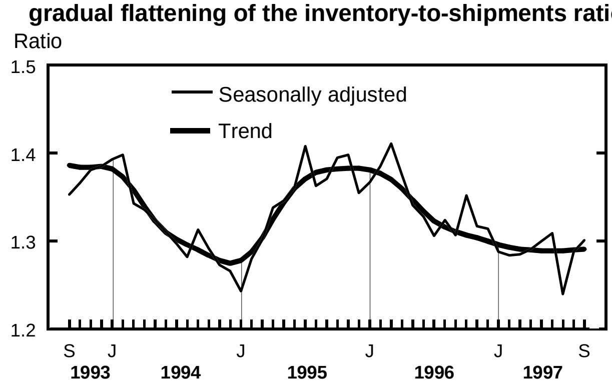
The largest increases in unfilled orders in September came from the aircraft and parts (+4.4%), motor vehicle (+2.5%), machinery (+2.3%) and primary metal (+4.9%) industries. The largest offsetting decline came from the electrical and electronic parts (-3.8%) industry.

Inventories catching up to shipments

Manufacturers' inventories rose 0.8% in September to $47.2 billion, the seventh increase of the year. Inventories have been edging up gradually since a downward adjustment by manufacturers in the spring of 1996 checked the steep growth of the 1993-to-1995 period.

The September decline in shipments and the rise in inventories combined to increase the inventory-to-shipments ratio to 1.30 (from 1.29 in August), near historically low levels. While the inventory-to-shipments ratio has generally been declining for the better part of two years, the steady growth in inventories in recent months has produced a gradual flattening of the ratio. (In the short term, a declining inventory-to-shipments ratio indicates that manufacturers have been drawing down their inventories to meet demand; a flat ratio indicates that inventories are being replenished as quickly as they are being used up.)

Recent increases in inventories have produced a gradual flattening of the inventory-to-shipments ratio



The recent increases in inventories have not been unwelcome by manufacturers: the latest release of the Business Conditions Survey indicated that a significant majority of manufacturers believed that their finished product inventories were "about right" or "too low."

As in August, an important part of September's increase resulted from heightened activity in the aircraft and parts (+2.7%), the electrical and electronic product (+2.2%) and the machinery (+1.9%) industries. Inventories in the wood industry (+1.7%) were also up.

The largest offsetting decreases were observed in the other transportation equipment (-23.3%), the chemical (-0.8%) and the refined petroleum and coal products (-1.3%) industries.

Available on CANSIM: matrices 9550-9559, 9562-9579, 9581-9595.

For further information, consult the September 1997 issue of *Monthly Survey of Manufacturing* (31-001-XPB, $20/$196), which will be available shortly. See *How to order publications*.

Data for shipments by province in greater detail than normally published may be available on request. For further information, contact Richard Evans (613-951-9834), Monthly Survey of Manufacturing

Section, or Robert Traversy (613-951-9497), Information and Classification Section, Manufacturing, Construction and Energy Division.

Shipments, inventories and orders in all manufacturing industries

	Shipments		Inventories		Unfilled orders		New orders		Inventories to shipments ratio
	seasonally adjusted								
	$ millions	% change	$ millions	% change	$ millions	% change	$ millions	% change	
September 1996	34,739	1.6	45,414	0.3	34,224	-0.7	34,493	0.6	1.31
October 1996	33,756	-2.8	45,653	0.5	34,404	0.5	33,936	-1.6	1.35
November 1996	34,926	3.5	45,985	0.7	34,035	-1.1	34,557	1.8	1.32
December 1996	34,832	-0.3	45,767	-0.5	34,265	0.7	35,062	1.5	1.31
January 1997	35,301	1.3	45,471	-0.6	35,325	3.1	36,361	3.7	1.29
February 1997	35,574	0.8	45,683	0.5	35,704	1.1	35,953	-1.1	1.28
March 1997	35,663	0.3	45,845	0.4	35,924	0.6	35,883	-0.2	1.29
April 1997	35,845	0.5	46,262	0.9	37,655	4.8	37,576	4.7	1.29
May 1997	35,856	0.0	46,597	0.7	38,736	2.9	36,936	-1.7	1.30
June 1997	35,821	-0.1	46,873	0.6	38,149	-1.5	35,234	-4.6	1.31
July 1997	37,392	4.4	46,379	-1.1	38,755	1.6	37,998	7.8	1.24
August 1997	36,398	-2.7	46,863	1.0	39,234	1.2	36,877	-2.9	1.29
September 1997	36,290	-0.3	47,219	0.8	39,902	1.7	36,959	0.2	1.30

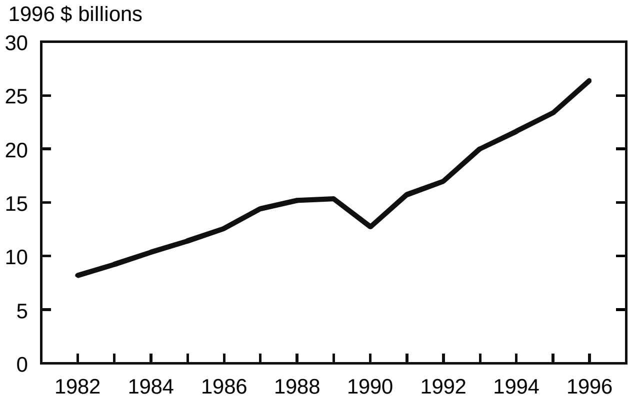
■

RRSP contributions
1996

Almost 6 million Canadians contributed a record $26 billion to registered retirement savings plans (RRSPs) in 1996. This represents a 6% increase in participants and a 13% jump in contributions from 1995. (All dollar amounts have been adjusted for inflation as measured by the Consumer Price Index.)

The number of contributors as well as the amount contributed increased in all provinces and territories. Prince Edward Island had the largest increase in the number of contributors (9%), while Quebec and Newfoundland had the largest growth in contributions (16%).

RRSP contributions have grown at a faster pace since 1991



RRSP contributions have grown at a faster pace since 1991, the year that the Income Tax Act was amended to make the RRSP contribution limits more equitable for all. Although the total employment income of Canadians only increased 7% between 1991 and 1996, their RRSP contributions grew 68%. Part of this growth may be attributed to the increasing popularity of group RRSPs and, more recently, perhaps to the uncertainty about the future of retirement programs.

The median employment income in 1996 was $20,800 for all taxfilers, but $34,600 for those who contributed to RRSPs, indicating that income level is a determining factor in RRSP participation. The median is the middle point at which half the incomes are higher and half lower.

More than $22 billion, or 86%, of RRSP total contributions were within the standard deduction limits. These contributions reduce the contributors' RRSP room. The remaining $4 billion consisted of rollovers, which are transfers over and above the standard deduction limits. The proportion of normal contributions to total contributions has increased since 1991 and will undoubtedly continue to do so as transfers of retiring allowances and severance pay, the bulk of rollovers, are being phased out. Only retiring allowances and severance pay relative to years of employment prior to 1996 are now eligible for these transfers.

Canadians contributed only 13% of the total $179 billion that could have been contributed to RRSPs, the so-called RRSP room. The 1996 RRSP room is the sum of unused RRSP room carried forward since 1991 and new room that accrued for 1996. Data on 1997 RRSP room will be released next month.

To be able to contribute to an RRSP, an individual must have qualifying income (largely employment income) or carried-forward unused RRSP room. In 1996, even though more than 80% of taxfilers were eligible to contribute, only 30% did so. This is up, however, from 25% in 1991.

In 1996, the average RRSP contributor was 42 years old. However, those closest to retirement (55 and over) made the highest contributions. They accounted for 22% of total contributions while comprising 16% of participants. Conversely, 15% of contributors were under the age of 30, and their contributions represented just 8.5% of the total.

Typically, older people contribute more than younger people. RRSP contributions ranged from an average of $2,488 for contributors under the age of 30 to $6,235 for those 55 and over. The average overall contribution was $4,398, compared with $4,110 in 1995.

Average RRSP contributions including rollovers
1996

	Number of contributors	Total contribution	Average contribution
		$ thousands	$
Age group			
Less than 30	899,640	2,238,156	2,488
30-34	821,420	3,025,592	3,683
35-39	917,460	3,838,739	4,184
40-44	902,620	4,021,137	4,455
45-49	844,220	3,923,399	4,647
50-54	679,990	3,516,212	5,171
55 and over	933,080	5,818,068	6,235
	5,998,430	**26,381,303**	**4,398**

The median RRSP contribution was up in 1996, to $2,500. It was $2,000 for women, unchanged from the previous year, and up for men, to $3,000. The median contribution for men was higher than that for women in all provinces and territories.

Median RRSP contributions including rollovers
1996

	Total	Men	Women
		$	
Canada	**2,500**	**3,000**	**2,000**
Newfoundland	2,000	2,500	1,700
Prince Edward Island	2,000	2,700	1,600
Nova Scotia	2,000	2,500	1,700
New Brunswick	2,000	2,300	1,700
Quebec	2,100	2,500	2,000
Ontario	2,800	3,100	2,300
Manitoba	2,100	2,500	2,000
Saskatchewan	2,500	3,000	2,000
Alberta	2,700	3,000	2,100
British Columbia	2,900	3,200	2,400
Yukon	3,200	3,800	2,800
Northwest Territories	4,100	4,900	3,300

Data on RRSP room will be available next month. Analysis of RRSP participation will also be published in upcoming issues of *Perspectives on labour and income* (75-001-XPE, $18/$58). See *How to order publications*.

For further information on RRSP contributors (17C0006) and Canadian taxfilers (17C0010), contact Client Services (613-951-9720; fax: 613-951-4745; Internet: *saadinfo@statcan.ca*), Small Area and Administrative Data Division. ■

OTHER RELEASES

Residential Telephone Service Survey
August 1997

Data are now available for the August 1997 Residential Telephone Service Survey. Information in this microdata file refers to provincial telephone service penetration rates in August 1997.

To order the microdata file (56M0001XDB, $500), contact Micheal Sivyer (613-951-4598; 1-800-461-9050), Special Surveys Division.

For further information on this release, contact Marc Hamel (613-951-2495; Internet: *hamemar@statcan.ca*), Special Surveys Division. ■

PUBLICATIONS RELEASED

Refined petroleum products, August 1997
Catalogue number 45-004-XPB
(Canada: $21/$206; outside Canada: US$21/US$206).

Oil pipeline transport, August 1997
Catalogue number 55-001-XPB
(Canada: $12/$114; outside Canada: US$12/US$114).

New motor vehicle sales, August 1997
Catalogue number 63-007-XPB
(Canada: $17/$165; outside Canada: US$17/US$165).

All prices exclude sales tax.

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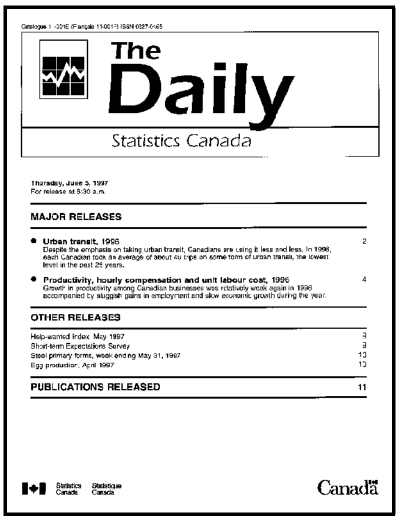
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MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

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Editor: Duncan Currie (613-951-1103, currdun@statcan.ca)
Head of Official Release: Chantal Prévost (613-951-1088, prevcha@statcan.ca)