



# The Daily

Statistics Canada

Tuesday, January 20, 1998

For release at 8:30 a.m.

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## MAJOR RELEASES

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- **Monthly Survey of Manufacturing, November 1997**  
Total manufacturing shipments edged down 0.3% in November, partially due to lower component prices in the electrical and electronic products industry.

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- **National tourism indicators, third quarter 1997**  
Tourism spending in Canada reached \$15,996 million during the third quarter. This was only 2.8% more than last summer, but marks a slowdown compared with previous quarters.

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- Sales of natural gas, November 1997 9
- Shipments of rolled steel, November 1997 9

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## MAJOR RELEASES

### Monthly Survey of Manufacturing

November 1997

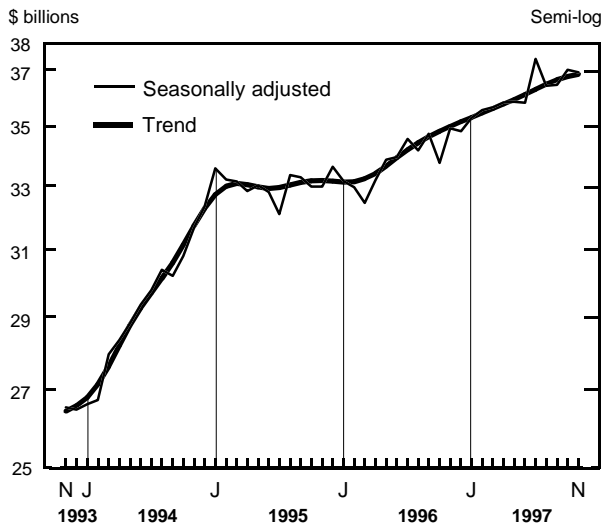
Total manufacturing shipments edged down 0.3% in November, partially due to lower component prices in the electrical and electronic products industry. This contrasts with October's increase of 1.5% after a flat September. Despite the decline, manufacturers' shipments continued the upward growth trend experienced since early 1996, although at a slightly slower pace in recent months. Two facts to consider concerning shipments in the coming months are the robust growth in manufacturing employment recorded in the December Labour Force Survey, and the recent ice storms in Eastern Ontario, Quebec and the Maritimes.

Unfilled orders posted a 2.6% gain in November, the 2nd consecutive strong month of growth, and the 10th increase of the year. Inventories rose 1.0% in November, the 9th increase of the year.

#### Shipments edge down in November

Total manufacturing shipments edged down 0.3% to \$36.9 billion in November. Shipments fell in 12 of the 22 major groups representing 42.6% of total shipments.

Shipments edge down in November



#### 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. Some people interpret new orders as orders that will lead to future demand. This is not appropriate since the new orders variable includes orders that have already been shipped. Users should be aware that the month-to-month change in new orders may be volatile, particularly if the previous month's change in unfilled orders is large in relation to the current month's change.

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

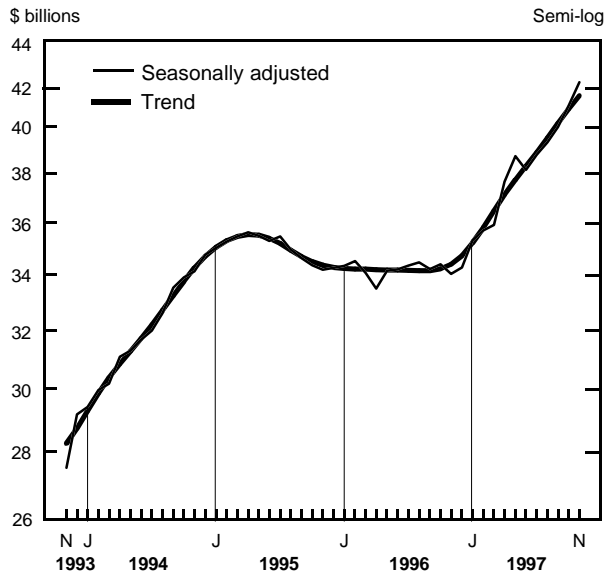
The largest decrease occurred in the electrical and electronic products industry (-4.2%), where widespread declines in value were partially a result of downward pressure on component prices. The next largest contributor to November's decrease was the aircraft and parts (-8.1%) industry, whose October performance was at record levels. Despite the decline in shipments in November, the aircraft and parts industry continues to record strong orders and has been building up its inventories of raw materials and goods in the process.

The biggest offsetting increase came from the motor vehicle industry (+1.7%) where plants that experienced shutdowns and supplier delays in September and October boosted production back towards more normal levels in November.

#### Unfilled orders continue to climb

Manufacturers' backlog of unfilled orders rose 2.6% in November to \$42.0 billion. The November increase is the 10th in 11 months. Unfilled orders have increased by 22.6% since the beginning of 1997, a marked departure from a flat performance in 1996.

**Unfilled orders continue to climb**



Unfilled orders are a key determinant of future shipments, however, roughly 60% of the year-to-date increase in unfilled orders has been recorded in the aircraft and parts industry, where orders can be stretched out over a number of years before they are completed. In addition, large orders may occasionally have a component that is manufactured in other countries.

The largest increases in unfilled orders in November came from the aircraft and parts (+5.7%), and motor vehicle (+4.5%) industries. The largest offsetting decline was in the fabricated metals (-1.2%) industry.

**Inventories up again**

Manufacturers' inventories rose 1.0% in November to \$48.1 billion, the ninth 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.

November's decrease in shipments was outpaced by the rise in inventories, resulting in an increased inventory-to-shipments ratio of 1.30, up from 1.29 in October. 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, at historically low levels. (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.)

The major contributors to November's increase in inventories were the aircraft and parts (+3.6%), motor vehicle (+9.2%), and food (+2.4%) industries. The largest offsetting decrease was observed in the furniture and fixture (-4.9%) industry.

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

For further information, consult the November 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 Craig Kuntz of the Monthly Survey of Manufacturing Section (613-951-7092) or Robert Traversy, Information and Classification Section (613-951-9497), Manufacturing, Construction and Energy Division. □

Shipments, inventories and orders in all manufacturing industries

	Shipments		Inventories		Unfilled orders		New orders		Inventories-to shipments-ratio
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change	
	Seasonally adjusted								
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	37,415	4.4	46,361	-1.1	38,799	1.7	38,065	8.0	1.24
August 1997	36,433	-2.6	46,874	1.1	39,330	1.4	36,965	-2.9	1.29
September 1997	36,464	0.1	47,243	0.8	39,999	1.7	37,133	0.5	1.30
October 1997	37,015	1.5	47,624	0.8	40,962	2.4	37,978	2.3	1.29
November 1997	36,906	-0.3	48,109	1.0	42,008	2.6	37,951	-0.1	1.30

## National tourism indicators

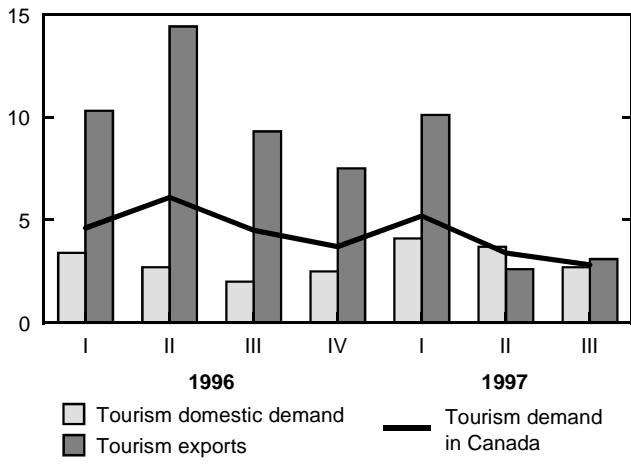
Third quarter 1997

Tourism spending in Canada reached \$15,996 million during the third quarter. This was only 2.8% more than last summer, but marks a slowdown compared with previous quarters.

Visitors from the United States and other countries contributed about one of every three tourism dollars, spending 3.1% more than last summer. Travellers from the United States took advantage of the cheaper Canadian dollar, making 8.9 million same-day visits, up 5.4% from a year earlier. Travellers from the United States also made 5.9 million overnight stays, up 3.2% from the same quarter in 1996. While the Canadian dollar lost ground against the U.S. dollar and the British Pound, it gained against several major Asian and European currencies. Travellers from other countries, especially from Asia and Europe, curtailed their summer visits to Canada, making only 2.0 million trips, down 5.9% from a year ago.

### Continued slowdown of tourism spending growth

year-to-year % change, unadjusted data



As a result of diverging exchange rates, Canadians found travel to the United States more costly, while travel within Canada as well as to Asia or Europe looked more attractive. Canadians made 15.4 million trips to the United States in the third quarter, down 2.1% from last summer, while the number of Canadians travelling to other countries climbed 8.9% to 1.0 million. In total, the number of Canadians touring abroad fell 1.5% to 16.4 million.

Less travel outside the country coupled with a generally upbeat economy at home (moderate

### Note to readers

The National Economic and Financial Accounts (NEFA), on which much of the National tourism indicators are based, have been revised (see the December 12th issue of the Daily). The revisions were undertaken with the following objectives:

**Retool** the Canadian System of National Accounts in line with the new international guidelines for national accounting, as described in System of National Accounts 1993.

**Update** the base year of the constant price estimates from 1986 to 1992, to reduce distortions that arise as the price structure of the economy evolves.

**Incorporate** new data sources or revised data, which had not been used up to this point.

The revised NEFA will be fully incorporated in the National tourism indicators during the comprehensive revision to be released with the first quarter 1998 issue.

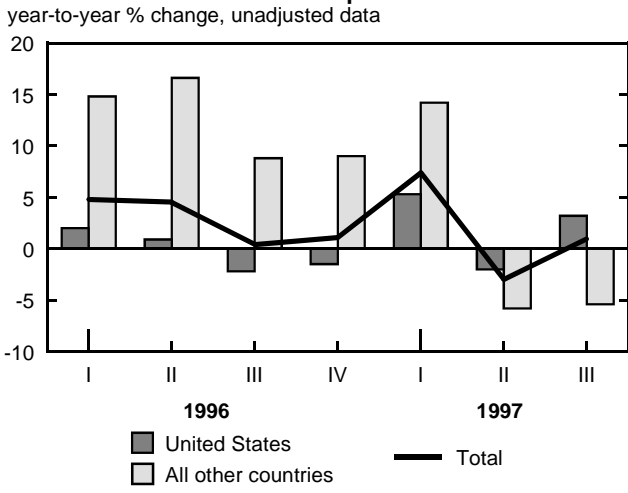
Unless otherwise stated, data in this release are unadjusted at current prices.

income growth, improved job prospects, low inflation and interest rates) helped to keep domestic tourism spending afloat. Canadian tourists spent \$10,356 million in Canada during the third quarter, up 2.7% from one year ago.

### Tourism exports continued to soften

While tourism peaks in the summer, the third quarter showed signs of continued weakness on the export front. Non-resident spending came to \$5,640 million, up only 3.1% compared with one year ago and its second weakest year-over-year gain since the first quarter of 1993. Spending increased only 2.7% on food and beverages, and 1.0% on "other tourism commodities" (consisting mainly of recreation and entertainment). On the other hand, the increase in overnight visitors, combined with higher room rates, led to another record in spending on accommodation, up 6.2% from last summer. Outlays on transportation were 3.5% higher, mainly due to spending on airfares (+5.8%), which was in line with increased passenger traffic.

**Overnight travel from the United States revives tourism exports**



After adjusting for seasonal variation and inflation, the weakness in tourism exports is more apparent, with non-resident outlays down 0.8% from the spring quarter. Declines were registered in outlays on all major categories of spending except "other tourism commodities."

**Tourism domestic demand cooling down**

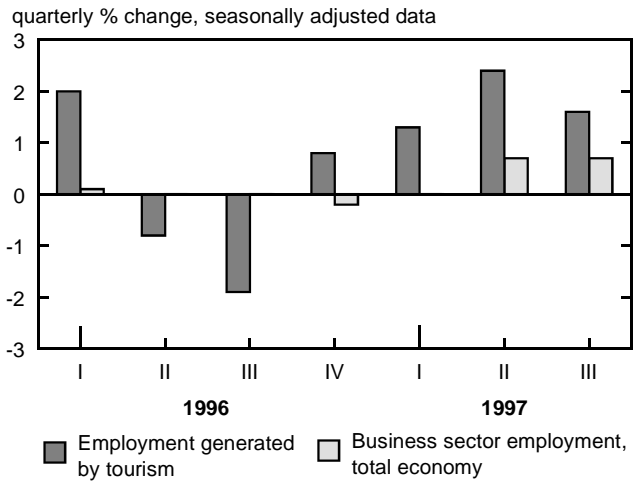
Canadians spent \$10,356 million in Canada on tourism during the third quarter, up 2.7% from one year ago. The increase stemmed from an 8.7% jump in spending on air fares (resulting more from price hikes than increased passenger loads) and a 6.5% increase in spending on accommodation. Outlays on food and beverage services rose 1.6%, spurred mainly by purchases of meals and drinks from accommodation establishments.

After adjusting for seasonal variation and inflation, the cooling down of tourism domestic demand is even more evident, with a negligible 0.1% increase in spending from the spring quarter. Spending picked up 1.3% on accommodation, but barely budged for transport and food and beverages, while outlays on other tourism commodities, especially recreation and entertainment, fell by 0.6%.

**Gains in employment continues**

Employment generated by tourism jumped 6.5% to 538.1 thousand, up 32.9 thousand from last summer. The gains were widespread; 9.8 thousand in transportation (of which 6.0 thousand were in air transport), 9.3 thousand in food and beverage services and 4.5 thousand in accommodation services.

**Employment growth in tourism outpaces business sector**



On a seasonally adjusted basis, the upward trend of the past three quarters continued, with employment up 1.6% from the spring quarter. At this rate, employment in tourism grew at more than twice the pace of that in the business sector overall.

The third quarter 1997 issue of *National tourism indicators* (13-009-XPB, \$21/\$70) is now available. To order the publication, contact the client services officer (613-951-3640; fax: 613-951-3618), National Accounts and Environment Division.

For further information on this release, contact Katharine Kemp (613-951-3814), National Accounts and Environment Division. □

## Tourism expenditures

	1995	1996	1995 to 1996	Second quarter 1997	Third quarter 1997	Second quarter 1997 to third quarter 1997
	\$ millions at current prices		% change at annual rates	\$ millions at current prices (adjusted)		% change at quarterly rates
<b>Tourism expenditures</b>						
Tourism demand in Canada	39,883	41,773	4.7	10,832	10,862	0.3
Tourism exports	10,957	12,102	10.4	3,182	3,157	-0.8
Tourism domestic demand	28,926	29,671	2.6	7,650	7,705	0.7
<b>Transportation</b>						
Tourism demand in Canada	15,618	16,539	5.9	4,315	4,365	1.2
Tourism exports	2,908	3,205	10.2	843	842	-0.1
Tourism domestic demand	12,710	13,334	4.9	3,472	3,523	1.5
<b>Accommodation</b>						
Tourism demand in Canada	5,908	5,928	0.3	1,608	1,593	-0.9
Tourism exports	2,329	2,588	11.1	713	698	-2.1
Tourism domestic demand	3,579	3,340	-6.7	895	895	0.0
<b>Food and beverage service</b>						
Tourism demand in Canada	6,472	6,766	4.5	1,742	1,732	-0.6
Tourism exports	2,509	2,759	10.0	723	709	-1.9
Tourism domestic demand	3,963	4,007	1.1	1,019	1,023	0.4
<b>Other tourism commodities</b>						
Tourism demand in Canada	3,813	4,160	9.1	1,051	1,053	0.2
Tourism exports	1,011	1,132	12.0	283	286	1.1
Tourism domestic demand	2,802	3,028	8.1	768	767	-0.1
<b>Other commodities</b>						
Tourism demand in Canada	8,072	8,380	3.8	2,116	2,119	0.1
Tourism exports	2,200	2,418	9.9	620	622	0.3
Tourism domestic demand	5,872	5,962	1.5	1,496	1,497	0.1

	\$ millions at 1992 prices		% change at annual rates	\$ millions at 1992 prices (adjusted)		% change at quarterly rates
<b>Tourism expenditures</b>						
Tourism demand in Canada	37,504	38,685	3.1	9,765	9,751	-0.1
Tourism exports	10,279	11,210	9.1	2,901	2,879	-0.8
Tourism domestic demand	27,225	27,475	0.9	6,864	6,872	0.1
<b>Transportation</b>						
Tourism demand in Canada	14,641	15,305	4.5	3,870	3,871	0.0
Tourism exports	2,706	2,990	10.5	784	782	-0.3
Tourism domestic demand	11,935	12,314	3.2	3,086	3,089	0.1
<b>Accommodation</b>						
Tourism demand in Canada	5,444	5,361	-1.5	1,382	1,386	0.3
Tourism exports	2,144	2,333	8.8	614	608	-1.0
Tourism domestic demand	3,300	3,028	-8.2	768	778	1.3
<b>Food and beverage service</b>						
Tourism demand in Canada	6,205	6,396	3.1	1,622	1,607	-0.9
Tourism exports	2,403	2,606	8.5	677	662	-2.2
Tourism domestic demand	3,802	3,789	-0.3	945	945	0.0
<b>Other tourism commodities</b>						
Tourism demand in Canada	3,550	3,767	6.1	933	931	-0.2
Tourism exports	937	1,015	8.2	252	254	0.8
Tourism domestic demand	2,612	2,752	5.4	681	677	-0.6
<b>Other Commodities</b>						
Tourism demand in Canada	7,665	7,856	2.5	1,958	1,956	-0.1
Tourism exports	2,089	2,265	8.4	574	573	-0.2
Tourism domestic demand	5,576	5,591	0.3	1,384	1,383	-0.1

## Tourism expenditures

	Second quarter 1996	Third quarter 1996	Fourth quarter 1996	First quarter 1997	Second quarter 1997	Third quarter 1997
\$ millions at current prices, unadjusted for seasonality						
<b>Tourism expenditures</b>						
Tourism demand in Canada	10,164	15,554	8,123	8,348	10,508	15,996
Tourism exports	3,218	5,469	1,944	1,620	3,303	5,640
Tourism domestic demand	6,946	10,085	6,179	6,728	7,205	10,356
<b>Transportation</b>						
Tourism demand in Canada	4,020	5,608	3,537	3,628	4,193	5,818
Tourism exports	855	1,493	496	405	881	1,546
Tourism domestic demand	3,165	4,115	3,041	3,223	3,312	4,272
<b>Accommodation</b>						
Tourism demand in Canada	1,504	2,421	1,014	1,033	1,610	2,575
Tourism exports	700	1,167	389	373	735	1,239
Tourism domestic demand	804	1,254	625	660	875	1,336
<b>Food and beverage service</b>						
Tourism demand in Canada	1,707	2,614	1,262	1,235	1,759	2,669
Tourism exports	731	1,189	477	395	757	1,221
Tourism domestic demand	976	1,425	785	840	1,002	1,448
<b>Other tourism commodities</b>						
Tourism demand in Canada	993	1,510	733	961	994	1,521
Tourism exports	315	497	180	151	306	502
Tourism domestic demand	678	1,013	553	810	688	1,019
<b>Other commodities</b>						
Tourism demand in Canada	1,940	3,401	1,577	1,491	1,952	3,413
Tourism exports	617	1,123	402	296	624	1,132
Tourism domestic demand	1,323	2,278	1,175	1,195	1,328	2,281

## Tourism expenditures

	Second quarter 1995 to Second quarter 1996	Third quarter 1995 to Third quarter 1996	Fourth quarter 1995 to Fourth quarter 1996	First quarter 1996 to First quarter 1997	Second quarter 1996 to Second quarter 1997	Third quarter 1996 to Third quarter 1997
year-over-year % changes, current prices, unadjusted for seasonality						
<b>Tourism expenditures</b>						
Tourism demand in Canada	6.1	4.5	3.7	5.2	3.4	2.8
Tourism exports	14.4	9.3	7.5	10.1	2.6	3.1
Tourism domestic demand	2.7	2.0	2.5	4.1	3.7	2.7
<b>Transportation</b>						
Tourism demand in Canada	6.9	5.7	5.8	7.5	4.3	3.7
Tourism exports	14.9	8.0	9.3	12.2	3.0	3.5
Tourism domestic demand	4.9	4.9	5.3	7.0	4.6	3.8
<b>Accommodation</b>						
Tourism demand in Canada	1.3	1.3	-1.6	4.4	7.0	6.4
Tourism exports	12.7	13.0	7.5	12.3	5.0	6.2
Tourism domestic demand	-6.8	-7.7	-6.4	0.5	8.8	6.5
<b>Food and beverage service</b>						
Tourism demand in Canada	6.5	4.2	2.4	4.4	3.0	2.1
Tourism exports	14.0	8.9	6.0	9.1	3.6	2.7
Tourism domestic demand	1.5	0.6	0.4	2.3	2.7	1.6
<b>Other tourism commodities</b>						
Tourism demand in Canada	11.4	7.6	6.2	4.0	0.1	0.7
Tourism exports	16.7	9.5	9.1	7.9	-2.9	1.0
Tourism domestic demand	9.2	6.7	5.3	3.3	1.5	0.6
<b>Other commodities</b>						
Tourism demand in Canada	5.6	3.5	2.3	2.0	0.6	0.4
Tourism exports	15.1	7.9	6.6	7.2	1.1	0.8
Tourism domestic demand	1.7	1.5	0.9	0.8	0.4	0.1



## OTHER RELEASES

### Sales of natural gas

November 1997 (preliminary)

Natural gas sales in Canada totalled 6 123 million cubic metres in November, down 8.9 % from November 1996. Warmer than normal weather conditions throughout Canada resulted in sharply lower sales to the residential (-17.9%) and commercial (-18.3%) sectors. Sales to the industrial sector (including direct sales) decreased 0.4% from the same period of 1996.

Year-to-date sales were up 1.4% from the same period in 1996. Sales decreased to the residential (-3.4%) and commercial (-4.1%) sectors because of milder weather during the 1997 heating season. Sales to the industrial sector (including direct sales) continued strong growth, posting a 5.3% increase from the same period last year.

### Sales of natural gas

	Nov. 1997 <sup>P</sup>	Nov. 1996	Nov. 1996 to Nov. 1997
	thousands of cubic metres		% change
<b>Natural gas sales</b>	<b>6 123 445</b>	<b>6 723 951</b>	<b>-8.9</b>
Residential	1 549 585	1 887 907	-17.9
Commercial	1 108 748	1 356 510	-18.3
Industrial	1 977 461	2 321 242	-0.4
Direct	1 487 651	1 158 292	
	1997 <sup>P</sup>	1996	1996 to 1997
	thousands of cubic metres		% change
<b>Natural gas sales</b>	<b>60 063 258</b>	<b>59 251 252</b>	<b>1.4</b>
Residential	14 487 630	15 000 072	-3.4
Commercial	10 358 146	10 803 972	-4.1
Industrial	22 175 493	22 189 712	5.3
Direct	13 041 989	11 257 496	

<sup>P</sup> Preliminary figures.

Available on CANSIM: matrices 1052-1055.

The November 1997 issue of *Gas utilities* (55-002-XPB, \$17 / \$165) will be available in February 1998. See *How to order publications*.

For further information on this release, contact Gary Smalldridge (613-951-3567, Internet: [smalgar@statcan.ca](mailto:smalgar@statcan.ca)), Energy Section, Manufacturing, Construction and Energy Division. ■

### Shipments of rolled steel

November 1997

Rolled steel shipments for November totalled 1 199 872 tonnes, down 5.1% from 1 264 378 (revised) tonnes in October and up 0.2% from 1 197 092 tonnes in November 1996.

Year-to-date shipments at the end of November totalled 13 322 710 (revised) tonnes, up 1.7% from 13 102 724 tonnes in 1996.

Available on CANSIM: matrices 58 and 122 (series 22-25).

The November 1997 issue of *Primary iron and steel* (41-001-XPB, \$7/\$62) will be available shortly. See *How to order publications*.

For further information on this release, contact Andy Shinnan (613-951-3515; Internet: [shinand@statcan.ca](mailto:shinand@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## PUBLICATIONS RELEASED

Gross domestic product by industry, October 1997

Catalogue number 15-001-XPB

(Canada: \$15/\$145; outside Canada: US\$15/US\$145).

All prices exclude sales tax.

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Statistics Canada

Thursday, June 5, 1997  
For release at 8:30 a.m.


**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, 65% of Canadian households, on average, do not use any 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 notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Measuring Index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, sales ending May 31, 1997** 12
- **500 Indicator, April 1997** 12

**PUBLICATIONS RELEASED** 11



### Statistics Canada's official release bulletin

Catalogue 11-001E.

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