



The Daily

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MAJOR RELEASES

- **Monthly Survey of Manufacturing, December 1998** 2
Manufacturers' shipments climbed 1.4% in December to \$39.5 billion, led by an unusually large increase in the railroad rolling stock industry. Excluding this exceptional increase, shipments were up 0.7% in December. Overall, shipments rose 3.1% in 1998 compared with 1997.

OTHER RELEASES

Financial statistics of community colleges, 1996/97	5
Sugar sales, fourth quarter 1998	6
Amusement and recreational services and personal and household services, 1996	6

PUBLICATIONS RELEASED

7



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MAJOR RELEASES

Monthly Survey of Manufacturing

December 1998

Manufacturers' shipments climbed 1.4% in December to \$39.5 billion, led by an unusually large increase in the railroad rolling stock industry. Excluding this exceptional increase, shipments were up 0.7% in December.

Overall, shipments increased 3.1% in 1998 to \$448.3 billion, up from \$434.7 billion in 1997. By comparison, year-over-year increases were 6.9% for 1997 and 2.4% for 1996.

Manufacturers' shipments have been on the rise since August. After languishing during the first seven months of 1998, shipments have turned strongly upwards in recent months, exceeding the steady rate observed throughout 1997. Manufacturers were adversely affected in the first part of 1998 by January's ice storm and the United States' General Motors strike.

Both unfilled orders and inventories slipped in December after climbing throughout most of 1998.

Looking ahead, the Business Conditions Survey announced that manufacturers were generally satisfied with production prospects and employment levels in the first quarter of 1999. The Labour Force Survey reported that employment in the manufacturing sector increased in January, particularly in Ontario.

Shipments continued to climb in December

Manufacturers' shipments increased in 15 of 22 major groups in December, representing 68.7% of the total value.

The largest contributor to December's increase was the railroad rolling stock (+95.6%) industry. This strong gain occurred as manufacturers completed and delivered a number of large contracts for the end of the year. A coincident decrease was observed in the industry's inventories.

The motor vehicle (+3.0%) industry was the next largest contributor to December's increase in shipments. Inventories for this industry also decreased.

Excluding both the railroad rolling stock and motor vehicle industries, shipments increased 0.2% in December.

The largest offsetting decrease in the value of shipments occurred in the refined petroleum and coal (-6.3%) industry, with the main causes being a 5.7% decrease in the price of petroleum products and warmer than usual weather. The next largest decrease was in the chemical products (-2.2%) industry.

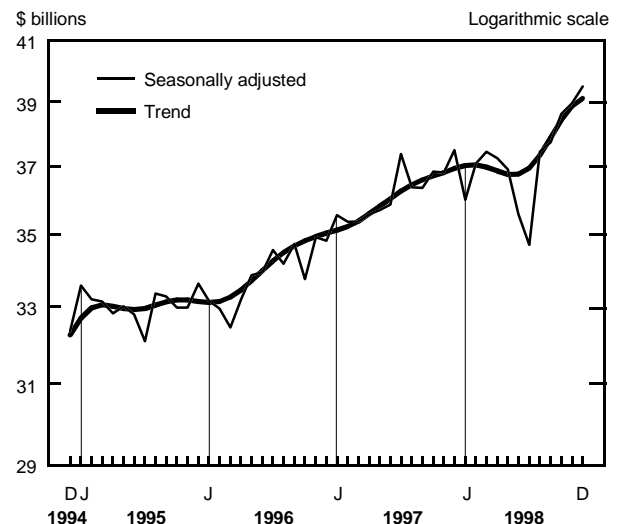
Note to readers

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 plus the change in unfilled orders. Some people interpret new orders as orders that will lead to future demand. This is inappropriate 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 that of the current month.

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

Shipments increased 3.1% in 1998



Manufacturers' shipments increased in seven of the 12 provinces and territories in December.

For 1998, shipments increased in 17 of the 22 major groups, representing 82.9% of total shipments.

For the year, the largest contributors to the 3.1% increase in shipments were the electrical and electronic products (+11.0%), the motor vehicle (+5.4%), and aircraft and parts (+20.3%) industries.

The largest offsetting annual decrease in 1998 was in the refined petroleum and coal products (-20.4%) industry, where tumbling crude oil prices contributed to the drop in shipments. The next largest decreases were in the wood (-2.1%) and primary metals (-2.0%) industries.

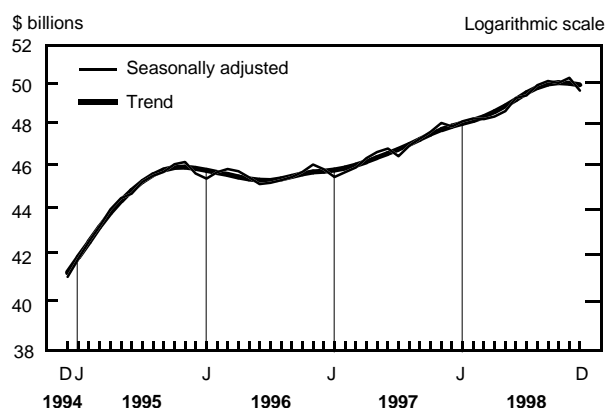
Shipments by province

	Nov. 1998	Dec. 1998	Nov. to Dec. 1998
seasonally adjusted			
	\$ millions		% change
Newfoundland	143	154	7.4
Prince Edward Island	82	86	4.4
Nova Scotia	574	547	-4.7
New Brunswick	711	696	-2.2
Quebec	8,977	9,030	0.6
Ontario	21,483	21,949	2.2
Manitoba	923	891	-3.5
Saskatchewan	484	485	0.4
Alberta	2,699	2,704	0.2
British Columbia	2,873	2,948	2.6
Northwest Territories and Yukon	3	3	-1.6

Inventories fell in December

Manufacturers' inventories slipped 1.3% in December to \$49.6 billion. Inventories rose 3.8% in 1998 compared with 4.5% in 1997 and 0.4% in 1996.

Inventories rose 3.8% in 1998



The largest contributor to December's decline in inventories was the motor vehicle (-14.8%) industry followed by the railroad rolling stocks (-16.2%) industry.

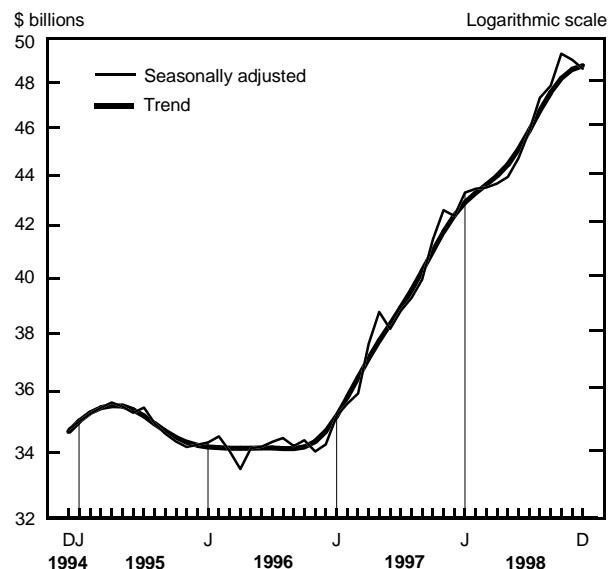
The largest offsetting increases in inventories were observed in the beverage (+4.5%) and aircraft and parts (+0.6%) industries.

Combined with the rise in shipments, December's decrease in inventories resulted in a decline of the inventory-to-shipments ratio from 1.29 in November to 1.26 in December. After reaching a peak of 1.42 in July, the ratio has now reached its lowest level since July 1997 when the inventory-to-shipments ratio fell to 1.24.

Unfilled orders fell in December

In December, manufacturers' backlogs of unfilled orders slipped 0.8% to \$48.6 billion. Despite this small decline, unfilled orders have generally been on the rise since the beginning of 1997. For 1998, the backlog of unfilled orders increased 14.7%. This compares with an increase of 23.7% in 1997 and 0.0% in 1996. According to the January Business Conditions Survey, 81% of manufacturers were generally satisfied with their level of unfilled orders.

Unfilled orders finished the year up 14.7%



The largest contributor to December's decrease in unfilled orders was the motor vehicle (-7.6%) industry, followed by the machinery (-4.8%) and the electrical and electronic products (-3.1%) industries.

The largest offsetting increase was in the aircraft and parts (+3.6%) industry where unfilled orders have generally been on the rise since the beginning of 1997.

This industry has accounted for 58.9% of the increase in unfilled orders since the end of 1996.

Available on CANSIM: matrices 9550-9555, 9558, 9559, 9562-9565, 9568-9579, 9581-9595.

The December 1998 issue of *Monthly Survey of Manufacturing* (31-001-XPB, \$20/\$196), will be available shortly.

Data for shipments by province in greater detail than normally published may be available on request. For more information, or to enquire about the concepts, methods, and data quality of this release, please contact Craig Kuntz (613-951-7092; kuncrai@statcan.ca), Monthly Survey of Manufacturing Section.

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	
December 1997	37,492	1.8	47,815	-0.4	42,394	-0.5	37,276	-1.8	1.28
January 1998	36,015	-3.9	48,079	0.6	43,315	2.2	36,936	-0.9	1.33
February 1998	37,093	3.0	48,220	0.3	43,473	0.4	37,250	0.9	1.30
March 1998	37,442	0.9	48,189	-0.1	43,518	0.1	37,487	0.6	1.29
April 1998	37,254	-0.5	48,314	0.3	43,676	0.4	37,412	-0.2	1.30
May 1998	36,912	-0.9	48,576	0.5	43,962	0.7	37,198	-0.6	1.32
June 1998	35,587	-3.6	49,238	1.4	44,722	1.7	36,347	-2.3	1.38
July 1998	34,706	-2.5	49,372	0.3	45,883	2.6	35,867	-1.3	1.42
August 1998	37,436	7.9	49,895	1.1	47,312	3.1	38,865	8.4	1.33
September 1998	37,743	0.8	50,109	0.4	47,847	1.1	38,279	-1.5	1.33
October 1998	38,611	2.3	50,005	-0.2	49,285	3.0	40,049	4.6	1.30
November 1998	38,953	0.9	50,270	0.5	49,009	-0.6	38,676	-3.4	1.29
December 1998	39,491	1.4	49,624	-1.3	48,609	-0.8	39,091	1.1	1.26

Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	seasonally adjusted							
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
December 1997	30,154	1.2	45,141	-0.3	36,881	-1.3	29,651	-3.6
January 1998	29,254	-3.0	45,266	0.3	37,568	1.9	29,942	1.0
February 1998	29,883	2.2	45,402	0.3	37,557	-0.0	29,872	-0.2
March 1998	30,131	0.8	45,435	0.1	37,539	-0.0	30,113	0.8
April 1998	30,063	-0.2	45,466	0.1	37,770	0.6	30,294	0.6
May 1998	29,736	-1.1	45,806	0.7	37,935	0.4	29,902	-1.3
June 1998	29,889	0.5	46,290	1.1	38,590	1.7	30,543	2.1
July 1998	29,720	-0.6	46,525	0.5	39,521	2.4	30,651	0.4
August 1998	30,239	1.7	46,826	0.6	40,802	3.2	31,520	2.8
September 1998	30,269	-0.1	46,950	0.3	41,136	0.8	30,602	-2.9
October 1998	30,361	0.3	46,829	-0.3	42,185	2.6	31,410	2.6
November 1998	30,482	0.4	46,797	-0.1	41,980	-0.5	30,277	-3.6
December 1998	30,785	1.0	46,445	-0.8	42,026	0.1	30,830	1.8

OTHER RELEASES

Financial statistics of community colleges 1996/97

Revenues of community colleges declined again in 1996/97, failing to keep pace with inflation. Adjusted for inflation, total revenue decreased 5.5% from 1995/96. This was mostly due to a 9.7% decrease (\$396 million) from government sources.

Revenues from tuition fees expressed in constant dollars have grown 60.3% since 1990/91, representing an average annual increase of 8.2%. During that same period, revenue received from government grants and contracts fell 9.3%.

As a percentage of total revenue, the governments' share of funding to community colleges decreased for a sixth consecutive year from 78.9% in 1990/91 to 69.5%

in 1996/97. Conversely, the proportion of total income coming from tuition fees increased from 9.5% to 14.8% over the same period.

In 1996/97, expenditures declined compared with the previous year. Salaries, wages and benefits - the most significant expenditure items - fell 5.4% from 1995/96 and 0.9% since 1990/91. Salary expenditures in 1990/91 accounted for 66.7% of total expenditures, dropping to 63.5% in 1996/97.

To obtain tables or make general inquiries, contact Sharon-Anne Gibbs (613-951-1503; gibbsha@statcan.ca). To enquire about the concepts, methods, and data quality of this release, contact Bernard Bourgoin (613-951-1506; bourber@statcan.ca), Centre for Education Statistics.

Financial statistics of community colleges

	1996/97	1995/96 to 1996/97	1990/91 to 1996/97	1996/97	1995/96	1990/91
	\$ '000 ¹	% change		% share of total revenue		
Revenue						
Government grants and contracts	3,685,195	-9.7	-9.3	69.5	72.8	78.9
Fees	785,496	8.8	60.3	14.8	12.9	9.5
Bequests, donations and non-government grants	97,954	-0.1	18.3	1.9	1.7	1.6
Ancillary enterprises	329,838	-1.5	35.6	6.2	6.0	4.7
Investment income	29,888	-19.7	-48.9	0.6	0.6	1.1
Other	371,876	11.1	72.8	7.0	6.0	4.2
Total revenue	5,300,247	-5.5	2.8	100.0	100.0	100.0

¹ Expressed in constant dollars.

	1996/97	1995/96 to 1996/97	1990/91 to 1996/97	1996/97	1995/96	1990/91
	\$ '000 ¹	% change		% share of total expenditures		
Expenditures						
Salaries, wages and benefits	3,417,423	-5.4	-0.9	63.5	63.2	66.7
Operational supplies and expenses	377,924	-3.0	6.4	7.0	6.8	6.9
Furniture and equipment	212,538	9.1	-1.6	3.9	3.4	4.2
Fees and contracted services	250,026	-17.8	1.1	4.6	5.3	4.8
Debt Servicing	231,263	-12.7	393.6	4.3	4.6	0.9
Building, land and site services	289,169	-6.7	-16.1	5.4	5.4	6.7
Ancillary enterprises	275,825	-1.0	16.6	5.1	4.9	4.6
Others	328,582	-9.1	21.6	6.2	6.4	5.2
Total expenditures	5,382,750	-5.8	4.2	100.0	100.0	100.0

¹ Expressed in constant dollars.

Sugar sales

Fourth quarter 1998

In the fourth quarter of 1998, refiners' sales totalled 264 288 metric tonnes for all types of sugar, comprising 252 550 tonnes in domestic sales and 11 738 tonnes in sales of exports. This compares with overall sales of 294 709 metric tonnes in the fourth quarter of 1997, of which 280 894 tonnes were domestic sales and 13 815 tonnes were export sales.

The 1998 year-to-date sales for all types of sugar totalled 1 090 128 metric tonnes - 1 071 887 tonnes in domestic sales and 18 241 tonnes in export sales.

The 1997 year-to-date sales for all types of sugar totalled 1 169 761 (revised) metric tonnes. Of this, domestic sales accounted for 1 149 467 (revised) tonnes and export sales amounted to 20 294 (revised) tonnes.

Available on CANSIM: matrix 141.

The fourth quarter 1998 issue of *The sugar situation* (32-013QXPB, \$13/\$41) will be available at a later date. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality of this

release, contact Peter Zylstra (613-951-3511; zylspet@statcan.ca), Manufacturing, Construction, and Energy Division. ■

Amusement and recreational services and personal and household services 1996

Results from the 1996 Survey of Amusement and Recreational Services and the 1996 Survey of Personal and Household Services are now available.

Available on CANSIM: matrix 41 and 42.

The 1994-1996 issue of *Leisure and personal services* (63-233-XPB, \$34) will be available in March 1999. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality, contact Peter Bailie (613-951-0122; fax: 613-951-6696; bailpet@statcan.ca), Arts, Entertainment, Recreation, Health and Education Section, Services Division. ■

PUBLICATIONS RELEASED

Construction price statistics, Third quarter 1998
Catalogue number 62-007-XPB
(Canada: \$24/\$79; outside Canada: US\$24/US\$79).

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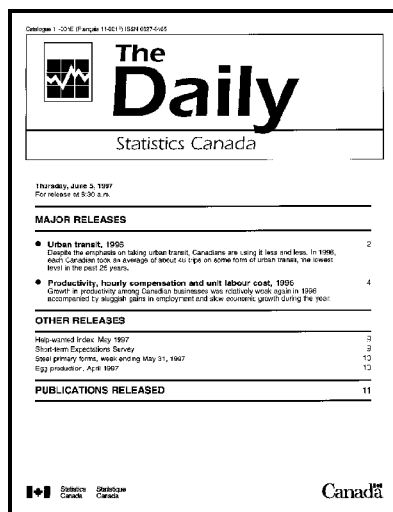
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