



The Daily

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MAJOR RELEASES

- **Monthly Survey of Manufacturing, January 1999** 2
Manufacturers' shipments slipped 0.7% in January to \$39.2 billion as the railway rolling stock industry returned to more normal levels following an exceptional increase in December. Excluding the changes in the railroad rolling stock industry, shipments were virtually unchanged in January.

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MAJOR RELEASES

Monthly Survey of Manufacturing

January 1999

Manufacturers' shipments slipped 0.7% in January to \$39.2 billion as the railway rolling stock industry returned to more normal levels following an exceptional increase in December. Excluding the changes in the railroad rolling stock industry, shipments were virtually unchanged in January.

January's decline followed a five-month period in which manufacturers' shipments increased at a rate unseen since the end of 1994. Factors including the end of the U.S. General Motors strike and increased capacity in the Canadian motor vehicle industry contributed to the rise from August to December. With January's result, the upward trend in manufacturers' shipments has slowed to a more modest pace.

Unfilled orders and inventories were also both down in January.

Shipments slip as railroad rolling stock industry returns to normal

Manufacturers' shipments decreased in 11 of 22 major groups in January, representing 66.6% of the total value of shipments.

The largest contributor to January's decrease was the railroad rolling stock industry (-48.1%) where, after an extraordinary increase in December, shipments returned to typical levels. The completion in December of a number of large contracts prompted shipments to soar and then fall back in January.

The primary metals industry (-3.9%) was the next largest contributor to January's decline. Prices of primary metal products decreased 0.6% in the same time period according to the Industrial Product Price Index.

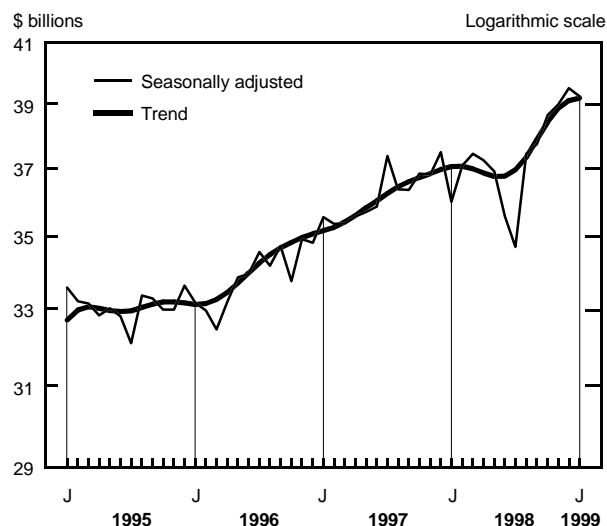
Note to readers

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 the current month's change.

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 slip in January



Offsetting increases, in order of absolute change, were observed in the aircraft and parts (+10.3%), tobacco products (+29.5%), and electrical and electronic products (+1.6%) industries.

Manufacturers' shipments decreased in 7 of the 12 provinces and territories in January. The exceptions were in Quebec, the Yukon and Northwest Territories, Nova Scotia, and Manitoba.

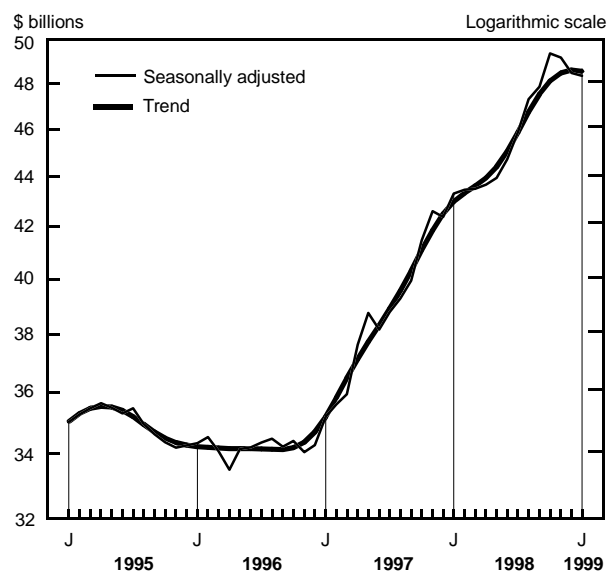
Shipments by province

	Dec. 1998	Jan. 1999	Dec. 1998 to Jan. 1999
seasonally adjusted			
	\$ millions		% change
Newfoundland	154	147	-4.5
Prince Edward Island	81	80	-1.0
Nova Scotia	550	555	0.8
New Brunswick	685	663	-3.3
Quebec	9,059	9,362	3.3
Ontario	21,939	21,583	-1.6
Manitoba	896	901	0.5
Saskatchewan	485	483	-0.3
Alberta	2,689	2,543	-5.4
British Columbia	2,957	2,912	-1.5
Northwest Territories and Yukon	3	3	1.0

Unfilled orders down

Manufacturers' backlog of unfilled orders fell 0.3% to \$48.4 billion in January. Following two years of steady growth, unfilled orders have edged back over the past three months. Over half of the increase since the beginning of 1997 was in the aircraft and parts industry, where some orders can be stretched out over a number of years before they are completed.

Unfilled orders fall in January



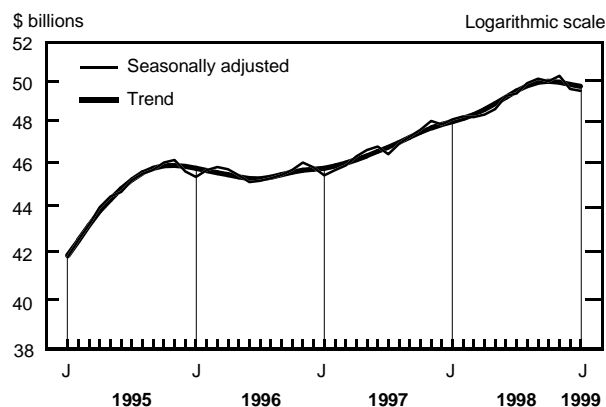
In order of magnitude, the largest decreases in unfilled orders were in the aircraft and parts (-3.7%) and motor vehicle (-3.7%) industries.

The largest offsetting increases were in the electrical and electronic products (+5.8%), machinery (+3.8%), and fabricated metal products (+2.8%) industries.

Inventories fall

Manufacturers' inventories fell 0.2% to \$49.5 billion in January. After increasing steadily for two years, the trend of manufacturers' inventories has turned downwards in the last three months largely due to a 3.6% decline in finished product inventories from November to January. Despite the decline, 96% of manufacturers indicated that their finished product inventories remained about right or were too high according to responses to the January Business Conditions Survey.

Inventories fall in January



In order of magnitude, the major contributors to January's decrease in inventories were the aircraft and parts (-5.0%) and motor vehicle (-5.2%) industries.

The largest offsetting increases were in the electrical and electronic products (+3.3%), machinery (+3.4%), and railroad rolling stock (+9.6%) industries.

The inventory-to-shipments ratio was unchanged at 1.26 in January, its lowest level since July 1997. Over the past six months, this ratio has declined dramatically after reaching a high of 1.42 in July. The trend of the ratio is now at record low levels.

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

The January 1999 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, 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	
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	38,637	2.4	49,981	-0.3	49,369	3.2	40,159	4.9	1.29
November 1998	38,978	0.9	50,266	0.6	49,183	-0.4	38,792	-3.4	1.29
December 1998	39,498	1.3	49,588	-1.3	48,483	-1.4	38,798	0.0	1.26
January 1999	39,231	-0.7	49,490	-0.2	48,350	-0.3	39,098	0.8	1.26

Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	seasonally adjusted							
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change
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	30,375	0.4	46,809	-0.3	42,288	2.8	31,527	3.0
November 1998	30,487	0.4	46,786	-0.0	42,148	-0.3	30,347	-3.7
December 1998	30,766	0.9	46,407	-0.8	41,926	-0.5	30,543	0.6
January 1999	30,494	-0.9	46,385	-0.0	42,023	0.2	30,591	0.2

OTHER RELEASES

Travel between Canada and other countries

January 1999

In January, Americans made 2.1 million same-day car trips to Canada, down 9.9% from December. The winter storm that hit central Canada in January, especially Toronto and the Niagara area, affected the travel plans of thousands of people travelling to and from Canada. (Unless otherwise specified, the data are seasonally adjusted.)

The overall decline for same-day car trips at the national level was mostly due to reduction in traffic to Ontario, especially the Niagara region. The number of United States residents entering Canada by car through Ontario ports decreased 13.5% from January 1998 to 1.2 million (unadjusted data). Car entries by Americans through Ontario ports represent 74.7% of all same-day car entries by Americans to Canada.

Car excursions by Canadians travelling south of the border in January decreased 4.5% from December to 2.1 million.

Overnight trips (one or more nights) between Canada and the United States have also been affected by the winter storm that hit central Canada in January. Despite the slight appreciation of the Canadian dollar against the American dollar in January (+1.5% to US\$0.66), Canadians took 2.9% fewer overnight trips south of the border, 1.1 million in total. The number of trips of at least one night by Americans to Canada decreased 3.1% from December to 1.3 million.

Overnight trips by overseas residents to Canada increased for the fifth consecutive month. Overseas residents took 342,900 overnight trips to Canada in January, up 0.1% from December. Among Canada's ten most important markets other than the United States, tourists from Australia (+18.6%) and Germany (+11.6%) made substantially more overnight trips to Canada than in January 1998, while tourists from Hong Kong (-60.6%) and Japan (-8.2%) recorded the largest reduction in trips to Canada (unadjusted data).

Canadians took 342,700 overnight trips to overseas destinations in January, down 7.0% from December.

Note: Month-to-month comparisons use seasonally adjusted data. Year-over-year comparisons use unadjusted data.

Available on CANSIM: matrices 2661-2697, 5780-6048 and 8200-8329.

The January 1999 issue of *International travel, advance information* (66-001-PPB, \$8/\$73) will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Johanne Plante (613-951-1910; fax: 613-951-2909; planjoh@statcan.ca), International Travel Section, Culture, Tourism and the Centre for Education Statistics. □

Travel between Canada and other countries

	Dec. 1998 ^r	Jan. 1999 ^p	Dec. 1998 to Jan. 1999 ^p	Jan. 1999 ^p	Jan. 1998 to Jan. 1999 ^p
	seasonally adjusted			unadjusted	
	'000		% change	'000	% change
Canadian trips abroad					
Same-day car trips to the United States	2,237	2,136	-4.5	1,742	-16.6
Total trips, one or more nights	1,487	1,429	-3.9	1,372	-5.0
United States ¹	1,119	1,087	-2.9	861	-8.2
Car	629	600	-4.6	376	-14.7
Plane	392	389	-0.9	441	-1.6
Other modes of transportation	98	98	-0.2	44	-10.1
Other countries ²	368	343	-7.0	510	1.0
Travel to Canada					
Same-day car trips from the United States	2,332	2,101	-9.9	1,610	-8.0
Total trips, one or more nights	1,649	1,608	-2.5	702	4.5
United States ¹	1,306	1,265	-3.1	548	5.6
Car	811	769	-5.1	306	0.3
Plane	330	335	1.6	198	14.9
Other modes of transportation	165	161	-2.9	45	5.9
Other countries ²	343	343	0.1	154	0.8

^r Revised figures.

^p Preliminary figures.

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.

For-hire motor carriers of freight, all carriers

First and second quarter 1998

Compared with the for-hire trucking industry's strong performance throughout most of 1997, first and second quarter 1998 operating results showed little improvement. The combined first and second quarter 1998 operating ratio (operating expenses divided by operating revenues) of 0.93 was unchanged from the same period one year earlier. Any ratio under 1.00 represents an operating profit.

In the first half of 1998, there were approximately 2,210 for-hire motor carriers of freight domiciled in Canada (with annual revenues of \$1 million or more) compared with 2,087 during the same period in 1997. First half 1998 operating revenues for these carriers

climbed 5% to \$7.2 billion (\$3.4 billion in the first quarter and \$3.8 billion in the second quarter). Operating expenses posted by for-hire carriers also increased 5.3% over the first half of 1997 to \$6.7 billion (\$3.2 billion in the first quarter and \$3.5 billion in the second quarter).

A more complete analysis of data for the first half of 1998 will appear in the *Surface and marine transport: Service bulletin* (50-002-XIB, \$13/\$83), which will be available shortly. See *How to order publications*.

Available on CANSIM: matrix 144.

For more information or to enquire about the concepts, methods and data quality of this release, contact Gilles Paré (613-951-2517; fax: 613-951-0579; paregil@statcan.ca), Transportation Division.

PUBLICATIONS RELEASED

Farm input price index, third quarter 1998
Catalogue number 62-004-XPB
(Canada: \$25/\$83; outside Canada: US\$25/US\$83).

Industry price indexes, January 1999
Catalogue number 62-011-XPB
(Canada: \$22/\$217; outside Canada: US\$22/US\$217).

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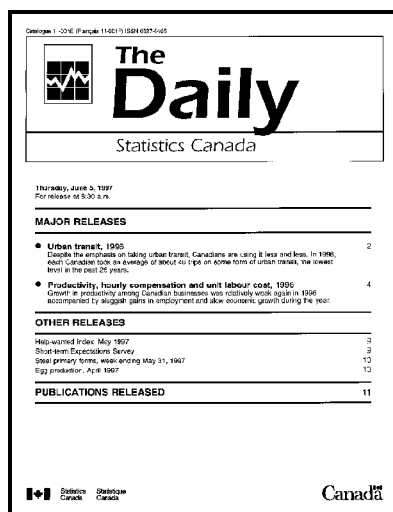
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