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MAJOR RELEASES

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MAJOR RELEASES

Quarterly Business Conditions Survey, manufacturing industries
July 1999

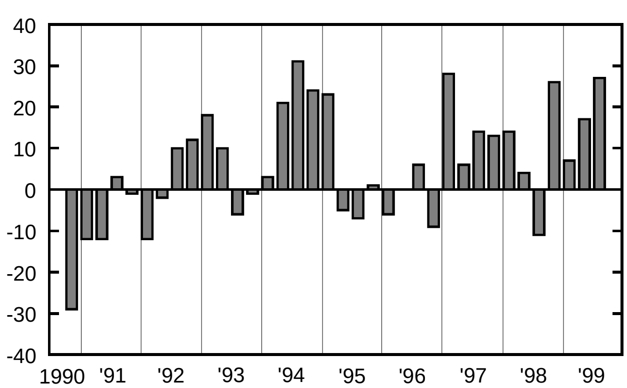
Manufacturers are very optimistic about production prospects in the coming quarter, according to the July Business Conditions Survey. More than one-third of manufacturers indicated that they intended to boost production in the coming three months. Manufacturers also indicated increased satisfaction with the level of new orders received and reported that they are not overly concerned with the level of finished-products inventory on hand.

Manufacturers still very optimistic about production prospects

In July, the balance of opinion regarding production prospects during the coming three months increased 10 points to +27 as 37% of manufacturers reported that they expected to increase production. This was the second consecutive quarter in which optimism about production prospects increased by 10 points. Manufacturers in the transportation equipment, primary metal and wood industries were the most optimistic about increasing production.

The balance of opinion (+27) was determined by subtracting the 10% of manufacturers who stated that production prospects for the coming three months would be lower than the previous three months from the 37% who said that prospects would be higher.

Balance of opinion for expected volume of production, next three months vs. last three months



Note to readers

The Business Conditions Survey is conducted in January, April, July and October; the majority of responses are recorded in the first two weeks of these months. Results are based on replies from about 5,000 manufacturers and are weighted by a manufacturer's shipments or employment. Consequently, larger manufacturers have a correspondingly larger impact on the results than smaller ones.

Data in this release are seasonally adjusted, except for the data on production difficulties.

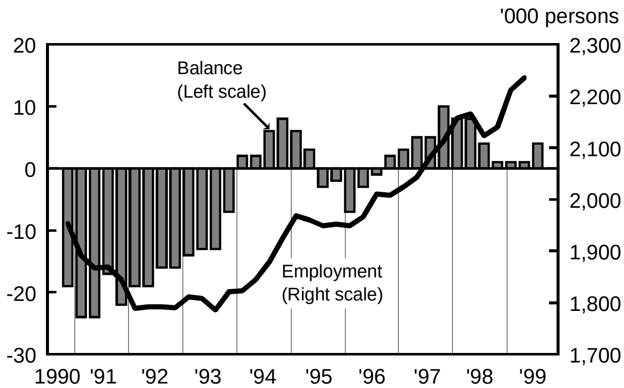
Manufacturers more satisfied with the level of orders received

Manufacturers' balance of opinion concerning the current level of orders received jumped 13 points to +20 in July. Some 30% of manufacturers stated the current level of new orders was rising, compared with only 10% who stated that they were declining. Although the increase in satisfaction was spread out over a number of industries, it was most evident in the transportation equipment, wood, paper and allied products industries.

Manufacturers anticipated little change in employment levels

Some 72% of manufacturers stated that their workforce would be little changed in the coming three months. The balance of opinion concerning employment prospects for the next three months (+4) represented a modest three-point increase from the April survey. The proportion of manufacturers stating they would decrease their workforce was at 12%, while those stating they would increase employment levels remained at 16%. The June Labour Force Survey (LFS) indicated employment in manufacturing had increased more than 108,000 (+5.1%) in the first six months of 1999.

Balance of opinion on employment prospects during the next three months; manufacturing employment (LFS)



The level of finished products inventory not a major concern

In the July survey, some 81% of manufacturers felt that the current level of finished products inventory was about right. Sixteen percent of manufacturers stated that inventories were too high while 3% stated inventories were too low; the current balance of opinion stood at -13, a two-point increase from the April survey. Results from the Monthly Survey of Manufacturing for May indicated manufacturers were holding $16.5 billion in finished-products inventory. The level of this inventory has changed little since January.

Most manufacturers satisfied with current level of unfilled orders

Some 74% of manufacturers indicated that the current level of unfilled orders was about normal in July, down 4% from the April result. With 13% of manufacturers stating the current level of unfilled orders were higher than normal and the same proportion stating that they were lower than normal, the balance of opinion for the current level of unfilled orders stood at zero, a four-point increase over the April balance (-4).

Slight decrease in concern about skilled labour shortages

In July, 82% of manufacturers reported an absence of production impediments. A shortage of skilled labour continued to be a concern for 7% of manufacturers. Four percent of manufacturers reported that a shortage of working capital was a production impediment

Available on CANSIM: matrices 2843-2845.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Claude Robillard (613-951-3507; *robilcg@statcan.ca*), Monthly Survey of Manufacturing Section, Manufacturing, Construction and Energy Division. □

Business Conditions Survey, manufacturing industries
July 1999

	July 1998	October 1998	January 1999	April 1999	July 1999
	seasonally adjusted				
Volume of production during next three months compared with last three months will be:					
About the same	45	44	73	53	53
Higher	22	41	17	32	37
Lower	33	15	10	15	10
Balance	-11	26	7	17	27
Orders received are:					
About the same	72	69	75	73	60
Rising	14	18	12	17	30
Declining	14	13	13	10	10
Balance	0	5	-1	7	20
Present backlog of unfilled orders is:					
About normal	80	74	81	78	74
Higher than normal	7	10	7	9	13
Lower than normal	13	16	12	13	13
Balance	-6	-6	-5	-4	0
Finished product inventory on hand is:					
About right	84	80	79	79	81
Too low	2	2	4	3	3
Too high[1]	14	18	17	18	16
Balance	-12	-16	-13	-15	-13
Employment during the next three months will:					
Change little	70	73	73	69	72
Increase	17	14	14	16	16
Decrease	13	13	13	15	12
Balance	4	1	1	1	4
	unadjusted				
Sources of production difficulties:					
Working capital shortage	4	2	3	2	4
Skilled labour shortage	7	8	5	8	7
Unskilled labour shortage	0	1	0	1	0
Raw material shortage	13	3	2	1	2
Other difficulties	4	4	3	2	4
No difficulties	74	83	86	85	82

[1] *No evident seasonality.*

■

OTHER RELEASES

Government finance: revenue, expenditure, surplus (deficit)

1998/99

After many years of restraint, Canadian governments recorded surpluses in 1997/98 and 1998/99. Total government surplus measured on a Financial Management System (FMS) basis is estimated at $2.5 billion in 1998/99. Government finances have improved considerably over the past six years. The 1998/99 overall result was driven by a $5.3 billion federal government surplus. Provincial and local governments continued to reduce their deficits.

The federal government surplus remained high in 1998/99. In 1997/98 most of the surplus arose from lower government spending coupled with higher revenues. In 1998/99, spending rose but at a lower rate than revenues, translating into a higher surplus.

Higher expenditures on social services and transfer payments to the provinces (equalization payments) explain a large portion of the higher federal government spending.

Most provincial and territorial general governments recorded higher revenues on an FMS basis in 1998/99. Several provinces also increased their expenditures more than revenues, resulting in a smaller surplus (or a higher deficit in some cases).

In 1998/99, nine of the provinces and territories recorded a surplus compared with seven two years previously. The Quebec deficit was marginal while the Ontario deficit fell for the sixth consecutive year.

Overall, the provincial deficits rose in 1998/99 on an FMS basis, the first increase since 1992/93. This is mainly due to a restructuring in British Columbia, where the province has now assumed the debt of school boards, universities and colleges. Without this restructuring, total provincial deficits would have declined again in 1998/99.

Local governments are made up of local general governments (municipal governments) and school boards. The transfer of B.C. school board debt to the provincial government provided a $3.6 billion capital transfer to school boards, resulting in a large local government surplus in 1998/99.

The local general government deficit rose substantially from $168 million to over $1 billion dollars in 1998/99. This deficit reflects increased deficits in Ontario and British Columbia and a reduced surplus in Alberta. Both British Columbia and Alberta exhibited small revenue growth in 1998/99 while Ontario government transfers to the local governments declined $1.3 billion to $2.6 billion.

Historically revised consolidated government revenue and expenditure statistics from 1988/89 to 1996/97 are now available. Revenue and expenditure data are also available for individual levels of governments, universities and colleges, and health and social service institutions for 1988/89 to 1997/98.

Note: The Financial Management System (FMS) standardizes individual governments' accounts to provide consistent and comparable statistics. As a result, FMS statistics may differ from the figures published in government financial statements.

Available on CANSIM: matrices 3315-3318, 3327-3330, 3776-3788, 6345-6364, 7080-7100, 8181-8195 and 8450-8493.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Susan Stobert (613-951-4354; *stobsus@statcan.ca*), Public Institutions Division.

Data are available through custom and special tabulations. For more information, or for general enquiries on the products or services of the Public Institutions Division, contact Viola Jabbour (613-951-0767; *jabbvio@statcan.ca*). □

FMS Government surplus (deficit), by fiscal year

Year	Total government	Federal government	Provincial and territorial governments	Local governments	Provincial and local governments
	$ millions				
1992/93	-66,083	-40,601	-24,520	-962	-25,482
1993/94	-62,431	-40,432	-21,123	-876	-21,999
1994/95	-52,686	-36,736	-15,340	-610	-15,950
1995/96	-43,283	-33,211	-10,270	198	-10,072
1996/97	-19,933	-13,499	-6,337	-97	-6,434
1997/98	444	4,494	-3,993	-53	-4,046
1998/99	2,507	5,339	-6,006	3,174	-2,832

■

Department store sales and stocks
June 1999

Department store sales fell 0.3% in June to $1,482.5 million (seasonally adjusted data). This decline followed two consecutive monthly increases in May (+1.7%) and April (+0.7%). Despite the drop in June, department store sales have generally been increasing since the fall of 1998. This rebound followed flat sales throughout the spring and summer of the same year. Before that, department stores had seen a period of rising sales that began at the start of 1996.

Sales in June were 9.7% higher than in June 1998. This was the largest year-over-year advance since April 1998 (+10.8%). In terms of average sales per location, sales have generally followed an upward movement since the fall of 1998, when the number of locations stabilized following numerous department store closures in the spring and summer of 1998.

Unadjusted for seasonality, department store sales in June advanced in all provinces compared with June 1998. Over the same one-year period, sales rose 15.0% in the Atlantic provinces, 13.8% in Ontario, 10.2% in the Prairie provinces and 10.0% in Quebec. However, in the region that includes British Columbia, Yukon, the Northwest Territories and Nunavut, sales grew only 6.9% in June. Nevertheless, June's increase for this region was the largest since December 1997 (+11.2%). Since the start of 1998, this region has generally shown the lowest rate of year-over-year change in department store sales.

Department store sales including concessions

	June 1998	June 1999	June 1998 to June 1999	Jan. to June 1999	Jan.-June 1998 to Jan.-June 1999
	unadjusted				
	$ millions		% change	$ millions	% change
Canada	**1,263.7**	**1,410.7**	**11.6**	**7,403.8**	**5.6**
Newfoundland and Prince Edward Island[1]	22.7	27.0	19.1	134.2	9.0
Nova Scotia	37.5	43.4	15.7	222.6	6.9
New Brunswick	28.2	31.3	10.9	159.2	3.1
Quebec	237.8	261.6	10.0	1,390.1	5.8
Ontario	537.9	612.4	13.8	3,166.9	7.1
Manitoba	53.5	58.0	8.4	309.3	5.1
Saskatchewan	43.1	47.3	9.7	246.5	6.3
Alberta	144.4	160.2	10.9	861.7	5.4
British Columbia, Yukon, Northwest Territories and Nunavut[1]	158.6	169.6	6.9	913.2	0.5

[1] *For reasons of confidentiality, data for Newfoundland and Prince Edward Island are combined as are data for British Columbia, Yukon, Northwest Territories and Nunavut.*

Available on CANSIM: matrices 111-113.

Accounts receivable data for department stores are now available. For data or general information, contact the Client Services Unit (613-951-3549; 1-877-421-3067; *retailinfo@statcan.ca*). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Clérance Kimanyi (613-951-3592; kimacle@statcan.ca), Retail Trade Section, Distributive Trades Division. ■

Production and disposition of tobacco products

June 1999

Cigarette production by tobacco product manufacturers slowed down in June. While sales gained, the seasonally adjusted figure showed a minor dip. Even though inventories were reduced as sales exceeded production, inventory levels stayed relatively high.

During June, four billion cigarettes were produced, down 13% from May and a 3% decrease from June 1998. Year-to-date production reached 26 billion cigarettes, which was marginally below last year's level.

Manufacturers' shipments of 4.5 billion cigarettes in June increased 13% over the previous month but were 1% below the level in June 1998. Year-to-date shipments, at 23 billion cigarettes, were 1% lower than the level of shipments at the end of June 1998.

Since many plants in the industry have seasonal shutdowns, production was low in June. Inventories were drawn down because of this but they remained at a relatively high level of 6.7 billion cigarettes at the end of June. This was 2% below the closing level in May but still 8% more than in June 1998.

Available on CANSIM: matrix 46.

The June 1999 issue of *Production and disposition of tobacco products* (32-022-XIB, $5/$47) is now available. 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. ■

Railway carloadings

Seven-day period ending July 7, 1999

Non-intermodal traffic loaded during the seven-day period ending July 7, 1999 increased 11.4% to 4.3 million tonnes compared with the same period last year. The number of cars loaded increased 10.0%.

Intermodal traffic tonnage totalled 312 000 tonnes, a 6.3% increase from the same period of last year. The year-to-date figures increased 12.4%.

Total traffic increased 11.1% during the reference period. This brought the year-to-date total to 130.4 million tonnes, a 2.5% decrease from the previous year.

All year-to-date figures have been revised.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009; *laroque@statcan.ca*), Transportation Division. ■

PUBLICATIONS RELEASED

Production and disposition of tobacco products, June 1999
Catalogue number 32-022-XIB
(Canada: $5/$47).

Consumer prices and price indexes, October-December 1998
Catalogue number 62-010-XIB
(Canada: $19/$62).

Consumer prices and price indexes, October-December 1998
Catalogue number 62-010-XPB
(Canada: $25/$83; outside Canada: US$25/US$83).

All prices exclude sales tax.

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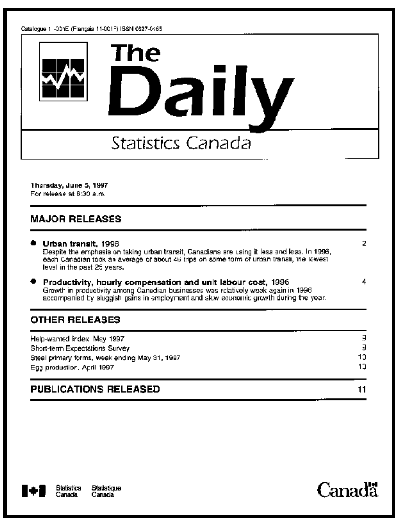

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Thursday, June 5, 1997
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MAJOR RELEASES

- **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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