

# The Daily

Statistics Canada

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## MAJOR RELEASES

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- **Monthly Survey of Manufacturing, November 1999** 2  
Manufacturers' shipments rallied in November, increasing 1.8% to \$42.6 billion. The main contributors to this increase were electrical and electronic products and wood.
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## MAJOR RELEASES

### Monthly Survey of Manufacturing

November 1999

Manufacturers' shipments rallied in November, increasing 1.8% to \$42.6 billion. The main contributors to this increase were electrical and electronic products and wood.

The strong recovery in November surpassed the decline in October, allowing a return to the upward movements observed since the end of the first quarter of 1999. The trend has been positive since August 1998.

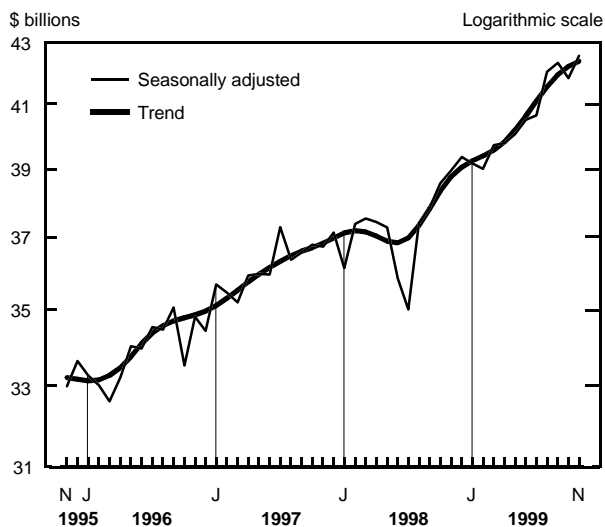
Unfilled orders slipped in November while inventories increased.

According to the Labour Force Survey, there was little change in the number of jobs in the manufacturing sector in December (+8,000).

#### Shipments rally

Manufacturers' shipments increased in 17 of the 22 major groups in November, representing 71.7% of the total value of shipments. The few decreases that were observed were in relatively smaller industries or were negligible, such as the decline witnessed in the transportation equipment industry.

Marked recovery in shipments in November



#### Note to readers

Unfilled orders are a stock of orders, which will contribute to future shipments assuming that the 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.

The main increases in shipments were recorded in the electrical and electronic products industry (+5.8%), which benefited from strong demand, and the wood industry (+5.9%), where a price increase of 0.8% played a small role.

Three other industries worthy of mention for their increases were the refined petroleum and coal products (+4.8%), chemical products (+2.4%) and paper and allied products (+2.1%) industries. The increases in the refined petroleum and coal and paper and allied products were partially attributable to price increases (+3.3% and +0.8% respectively) while the gains observed in the chemicals industry were broad based.

#### Shipments by province and territory

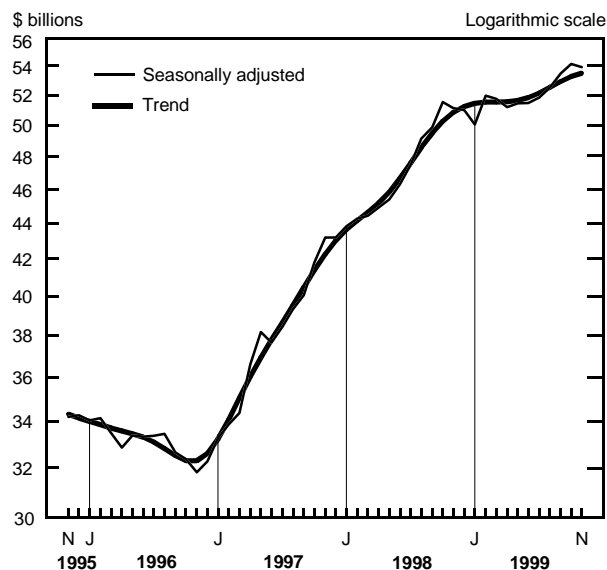
	October 1999	November 1999	October to November 1999
Seasonally adjusted			
	\$ millions		% change
Newfoundland	156	178	14.2
Prince Edward Island	96	101	5.1
Nova Scotia	685	692	1.1
New Brunswick	780	779	-0.1
Quebec	9,674	10,042	3.8
Ontario	22,786	22,953	0.7
Manitoba	860	870	1.2
Saskatchewan	540	550	1.9
Alberta	3,069	3,212	4.7
British Columbia	3,171	3,170	0.0
Yukon, Northwest Territories and Nunavut	4	4	-3.5

Manufacturers' shipments in November rose in nine provinces. Only New Brunswick (-0.1%) and the territories (-3.5%) registered decreases.

## Orders drop slightly

The value of unfilled orders dropped 0.4%, to \$54.0 billion in November. This first decline since April 1999 did not alter the trend, which continued upward.

### Unfilled orders slow down



This decline was mainly attributable to the motor vehicle industry (-5.4%) and the aircraft and parts industry (-1.0%).

The main industry offsetting these declines was the electrical and electronic products industry (+5.0%).

### Manufacturers' inventories rise even further

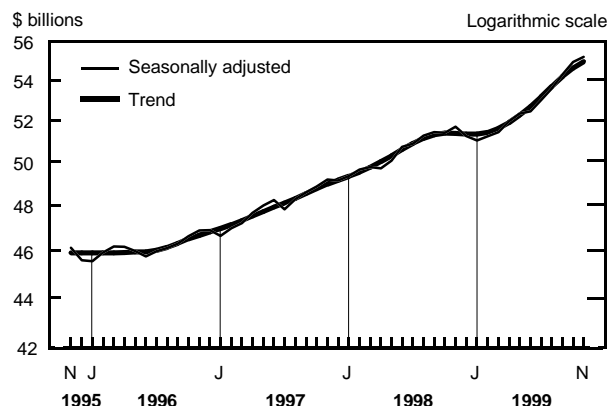
Manufacturers' inventories rose 0.5% in November to \$55.2 billion. The rise in November was chiefly attributable to the electrical and electronic products industry (+4.7%), where the communications and other electronic equipment sub-component was the key player, and the aircraft and parts industry (+2.1%).

The main decrease in inventories offsetting these increases was registered in the railway rolling stock industry (-8.2%).

The November increase maintains the upward series of movements begun early in the year, to continue the positive trend.

With the increase in shipments and inventories in November, the inventory-to-shipments ratio dropped from 1.31 to 1.30.

### Inventories continue to swell



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

The November 1999 issue of the *Monthly Survey of Manufacturing* (31-001-XPB, \$20/\$196) 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 more information, or to enquire about the concepts, methods, and data quality of this release, contact Craig Kuntz (613-951-7092; [kuncrai@statcan.ca](mailto:kuncrai@statcan.ca)), 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	
November 1998	38,938	1.0	51,677	0.6	51,105	-0.8	38,526	-4.2	1.33
December 1998	39,365	1.1	51,229	-0.9	50,978	-0.2	39,238	1.8	1.30
January 1999	39,172	-0.5	51,016	-0.4	50,027	-1.9	38,221	-2.6	1.30
February 1999	38,999	-0.4	51,215	0.4	51,945	3.8	40,917	7.1	1.31
March 1999	39,716	1.8	51,424	0.4	51,736	-0.4	39,506	-3.4	1.29
April 1999	39,779	0.2	51,952	1.0	51,174	-1.1	39,217	-0.7	1.31
May 1999	40,057	0.7	52,331	0.7	51,439	0.5	40,322	2.8	1.31
June 1999	40,501	1.1	52,427	0.2	51,461	0.0	40,523	0.5	1.29
July 1999	40,639	0.3	52,988	1.1	51,825	0.7	41,003	1.2	1.30
August 1999	42,028	3.4	53,574	1.1	52,502	1.3	42,705	4.2	1.27
September 1999	42,322	0.7	54,275	1.3	53,479	1.9	43,300	1.4	1.28
October 1999	41,817	-1.2	54,918	1.2	54,151	1.3	42,489	-1.9	1.31
November 1999	42,551	1.8	55,198	0.5	53,911	-0.4	42,311	-0.4	1.30

## Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	seasonally adjusted							
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
November 1998	30,778	0.8	48,609	0.3	43,296	-0.6	30,513	-4.2
December 1998	31,050	0.9	48,308	-0.6	43,540	0.6	31,294	2.6
January 1999	30,760	-0.9	48,143	-0.3	42,930	-1.4	30,151	-3.7
February 1999	30,664	-0.3	48,419	0.6	44,694	4.1	32,428	7.6
March 1999	31,287	2.0	48,649	0.5	44,822	0.3	31,415	-3.1
April 1999	31,423	0.4	49,158	1.0	44,527	-0.7	31,128	-0.9
May 1999	31,596	0.5	49,509	0.7	45,071	1.2	32,140	3.2
June 1999	31,872	0.9	49,648	0.3	44,948	-0.3	31,749	-1.2
July 1999	32,227	1.1	50,006	0.7	45,344	0.9	32,623	2.8
August 1999	32,693	1.4	50,642	1.3	45,925	1.3	33,274	2.0
September 1999	33,098	1.2	51,324	1.3	46,133	0.5	33,305	0.1
October 1999	33,020	-0.2	51,671	0.7	46,785	1.4	33,672	1.1
November 1999	33,755	2.2	52,062	0.8	46,901	0.2	33,871	0.6

## OTHER RELEASES

### Travel between Canada and other countries

November 1999

In November, foreigners travelled for at least one night to Canada in record numbers, up 4.8% from October to 1.7 million. Visits by overseas residents posted the largest increase. Meanwhile, international overnight travel by Canadians remained virtually unchanged (+0.7%) from the previous month at 1.6 million. (Unless otherwise specified, the data are seasonally adjusted.)

Canadians stayed at least one night in overseas countries on 361,000 occasions in November, up 1.7% from October. Overseas residents, for their part, increased their number of overnight trips to Canada by 8.6% to a record 405,000.

Among travellers from Canada's 10 most important overseas markets, those from Taiwan (+81.7%) and South Korea (+53.7%) made substantially more overnight trips to Canada in November 1999 compared with a year ago. Travellers from Italy (-6.8%) recorded the largest drop in trips to Canada over the same period (unadjusted data).

The number of overnight trips by Americans to Canada reached 1.3 million in November, up 3.7% from October. Meanwhile, overnight travel by Canadians to the United States increased to 1.2 million trips (+0.5%), the highest level since November 1997. The Canadian dollar stood at \$US0.68 in November 1999 compared with \$US0.71 in November 1997.

Same-day cross-border car trips by Americans increased 1.5% from October to 2.3 million, while the number of such trips by Canadians increased 1.0% to 2.3 million.

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

### Travel between Canada and other countries

	Oct. 1999 <sup>r</sup>	Nov. 1999 <sup>p</sup>	Oct. to Nov. 1999	Nov. 1999 <sup>p</sup>	Nov. 1998 to Nov. 1999
	seasonally adjusted			unadjusted	
	'000	% change		'000	% change
<b>Canadian trips abroad<sup>1</sup></b>	<b>3,949</b>	<b>4,015</b>	<b>1.7</b>	<b>3,464</b>	<b>6.6</b>
Same-day car trips to the United States	2,307	2,330	1.0	2,134	6.0
Total trips, one or more nights	1,582	1,594	0.7	1,239	7.0
United States <sup>2</sup>	1,227	1,233	0.5	965	9.0
Car	670	680	1.5	449	10.0
Plane	443	437	-1.3	448	8.0
Other modes of transportation	113	115	1.6	68	16.0
Other countries <sup>3</sup>	355	361	1.7	274	-2.0
<b>Travel to Canada<sup>1</sup></b>	<b>4,085</b>	<b>4,222</b>	<b>3.3</b>	<b>3,106</b>	<b>0.6</b>
Same-day car trips from the United States	2,304	2,339	1.5	2,045	0.0
Total trips, one or more nights	1,650	1,730	4.8	938	3.0
United States <sup>2</sup>	1,277	1,324	3.7	746	-1.0
Car	803	842	4.8	448	0.0
Plane	319	332	4.0	239	3.0
Other modes of transportation	155	151	-2.4	59	-14.0
Other countries <sup>3</sup>	373	405	8.6	192	22.0

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

<sup>1</sup> Totals exceed the sum of same-day car trips and total trips, one or more nights because they include all of the same-day trips.

<sup>2</sup> Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.

<sup>3</sup> Figures for other countries exclude same-day entries by land only, via the United States.

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

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

For data requests, contact Pearl Bellefeuille (613-951-1674; fax: 613-951-2909; [pearl.bellefeuille@statcan.ca](mailto:pearl.bellefeuille@statcan.ca)). For further information or to enquire about the concepts, methods and data quality of this release, contact Sylvie Bonhomme (613-951-5366; fax: 613-951-2909; [sylvie.bonhomme@statcan.ca](mailto:sylvie.bonhomme@statcan.ca)), Tourism Statistics Program. ■

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## Innovation in dynamic service industries 1996

This analytical study released today explores key aspects of innovation in a group of dynamic service industries (communications, financial services and technical business services), and builds on a major analysis of these industries published in *The Daily* on January 18, 1999.

The study revealed high rates of innovation in these dynamic services — as high as rates in many manufacturing industries. Between 1994 and 1996, 62% of firms in financial services introduced a new or improved product, process or form of organization, as did 45% of communications firms and 43% of establishments in technical business services.

Innovation strategies in dynamic services often share a set of common characteristics, such as an emphasis on product innovation, a strong customer orientation, and a commitment to service quality. Beyond these common elements, however, the study found that the innovation strategies pursued by these firms depended largely on the competitive pressures that were shaping their industries.

For example, innovators in communications face rapidly changing production technologies and low liquidation values on machinery and equipment. These firms improved product quality by networking with high quality suppliers, and by purchasing advanced technology. On the other hand, innovative financial services firms compete in a marketplace where consumers can readily substitute between competitive products and where the threat of entry is high. Innovation here is designed to reduce costs, and to offer products that satisfy a diversity of consumer needs. Firms in technical business services face a wide variety of competitive pressures. Accordingly, innovation activities in this industry were also diverse. These firms also placed more emphasis on research and development and on using different forms of intellectual property.

This study shows that the innovation process can differ substantially across industries. Firms in each sector take a different path to innovation, as seen by differences in the relative importance of suppliers, competitors and research and development. In addition, the challenges that innovators have to overcome also differ. For example, financing restrictions and skill shortages are more significant barriers in certain sectors (technical business services) than in others (financial services).

**Note:** Data for this study came from the 1996 Survey of Innovation. The survey included businesses in broadcasting and telecommunications industries, banks, trust companies and life insurers, and businesses in computer and related services, offices of engineers, and other scientific and technical services.

Analytical Studies Branch Research Paper No. 127 "Understanding the innovation process: innovation in dynamic service industries" is now available. To obtain a copy, contact Louise Laurin (613-951-4676), or access the Statistics Canada web site ([www.statcan.ca](http://www.statcan.ca)). A detailed report titled *Innovation in dynamic service industries* (88-516-XPB, \$40) is also available. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Guy Gellatly (613-951-3758), Micro-economic Analysis Division. ■

## Railway carloadings

Seven-day period ending December 21, 1999

Non-intermodal traffic loaded during the seven-day period ending December 21, 1999, increased 4.4% to 4.7 million tonnes compared with the same period last year. The number of cars loaded increased 4.9%.

Intermodal traffic tonnage totalled 402 000 tonnes, a 4.5% increase from the same period last year. The year-to-date figures show an increase of 12.9%.

Total traffic increased 4.4% during the period. This brought the year-to-date total to 251.1 million tonnes, an increase of 0.1% from the previous year.

All year-to-date figures have been revised.

For further information, or to enquire about the concepts, methods or data quality of this release, contact Robert Larocque (613-951-2486, fax: 613-951-0009, [larocque@statcan.ca](mailto:larocque@statcan.ca)), Transportation Division. ■

## Intellectual property management

1999 (preliminary)

Results are now available from the Survey of Intellectual Property Commercialization in the Higher Education Sector.

For further information, or to enquire about the concepts, methods and data quality of this release, contact Cathy Read (613-951-3838; [cathy.read@statcan.ca](mailto:cathy.read@statcan.ca), fax: 613-951-9920), Science, Innovation and Electronic Information Division. ■

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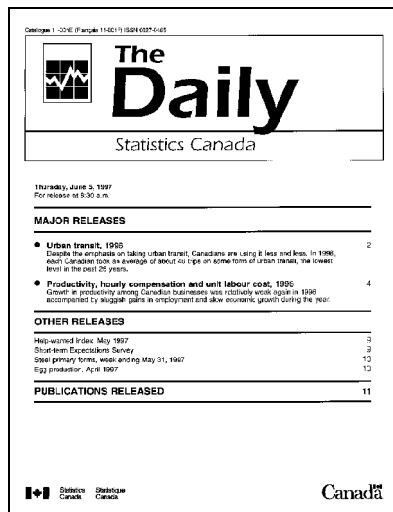
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Editor: Dan Smythe (613-951-1103, [smytdan@statcan.ca](mailto:smytdan@statcan.ca))

Head of Official Release: Chantal Prévost (613-951-1088), [prevcha@statcan.ca](mailto:prevcha@statcan.ca)

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