



The Daily

Statistics Canada

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Releases

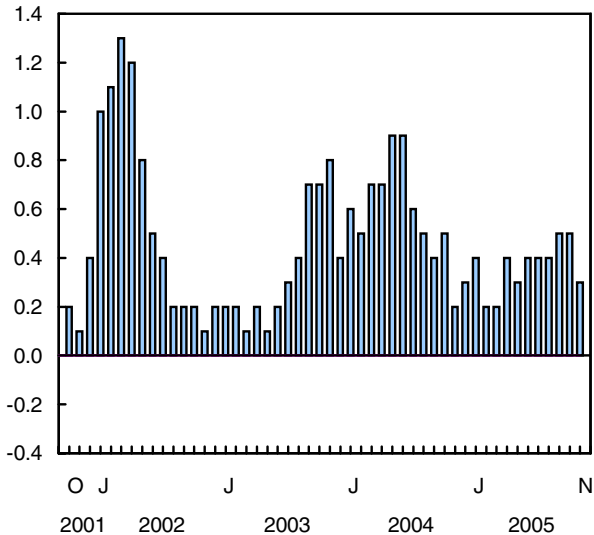
Leading indicators

November 2005

The leading index rose by 0.3% in November, after a solid 0.5% gain in October. Business investment demand remained strong, helping all three manufacturing components rise in unison for the first time since March 2004. However, households were more hesitant to spend, and this accounted for the increase in the number of components falling from one in October to two in November.

Composite leading indicator

Smoothed % change



New orders rose for the third straight month, with machinery and metals again breaking their records set earlier this year. Investment spending in the third quarter

rose 10% in volume from a year earlier, its largest gain since 1998.

Manufacturers also needed more labour inputs. They extended the average workweek for a third straight month, before boosting employment in November for one of the few times this year. Manufacturing demand also was partly met by reducing inventories, which boosted the ratio of shipments to stocks for the first time this year.

Retail sales of durable goods was the weakest sector of household spending, down 1.5%, its first drop in nine months and the largest since January 2004. The trend of auto sales was dampened by higher energy prices. The housing index levelled off after falling in October for the first time in seven months. Furniture and appliance sales eked out a 0.3% increase.

The US leading indicator improved after the passing of hurricane Katrina, improving from no change to a 0.2% gain. As in Canada, the components related to manufacturing and labour markets contributed the most to this gain.

Available on CANSIM: table 377-0003.

Definitions, data sources and methods: survey number 1601.

A more detailed analysis of the components is available on our Web site. From the *Canadian Statistics* page, choose *National Accounts*, then click on the banner ad for *Canadian Economic Observer*. From that page, choose *Issues of CEO*, then *Composite Index*. For more information on the economy, consult the December issue of *Canadian Economic Observer*, Vol. 18, no. 12 (11-010-XIB, \$19/\$182).

For more information, or to enquire about the concepts, methods and data quality of this release, contact Francine Roy (613-951-3627; ceo@statcan.ca), Current Economic Analysis Group. □

Leading indicators

	June 2005	July 2005	August 2005	September 2005	October 2005	November 2005	Last month of data available % change
Composite leading indicator (1992=100)	204.9	205.7	206.6	207.7	208.7	209.4	0.3
Housing index (1992=100) ¹	142.9	145.6	146.0	146.6	145.8	145.8	0.0
Business and personal services employment ('000)	2,625	2,631	2,650	2,659	2,666	2,673	0.3
S&P/TSX stock price index (1975=1,000)	9,632	9,783	9,994	10,323	10,478	10,662	1.8
Money supply, M1 (\$ millions, 1992) ²	138,310	137,792	137,649	137,464	137,520	137,472	-0.0
US Conference Board leading indicator (1992=100) ³	124.6	124.9	125.0	125.3	125.3	125.6	0.2
Manufacturing							
Average workweek (hours)	38.2	38.3	38.3	38.4	38.5	38.6	0.3
New orders, durables (\$ millions, 1992) ⁴	25,444	25,598	25,365	25,528	25,766	25,894	0.5
Shipments/inventories of finished goods ⁴	1.85	1.84	1.83	1.82	1.82	1.83	0.01 ⁵
Retail trade							
Furniture and appliance sales (\$ millions, 1992) ⁴	2,215	2,236	2,247	2,252	2,260	2,266	0.3
Other durable goods sales (\$ millions, 1992) ⁴	7,929	7,995	8,081	8,179	8,229	8,106	-1.5
Unsmoothed composite leading indicator	207.3	206.8	208.8	210.6	209.9	210.8	0.4

1. Composite index of housing starts (units) and house sales (multiple listing service).
2. Deflated by the Consumer Price Index for all items.
3. The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding
4. The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the second preceding month.
5. Difference from previous month.

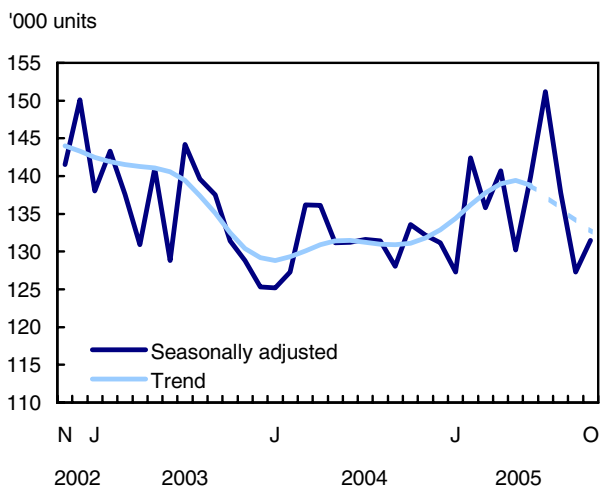


New motor vehicle sales

October 2005

New motor vehicle sales started to recover in October, gaining 3.3% after two months of sharp declines. Dealers saw 131,455 new vehicles roll out of their showrooms in October, an increase of about 4,000 vehicles over the previous month.

New motor vehicles sales start to recover in October



The last few points could be subject to revisions when more data are added. This is indicated by the dashed line.

The number of vehicles sold nation-wide has returned to a level more in line with recent historical trends following the winding down of "employee pricing" and other incentive programs, which had sparked a sizeable upswing in sales over the summer.

The upward trend in new motor vehicle sales since the start of 2005 has faltered in recent months, while exhibiting sizeable volatility. In 2004, new motor vehicle sales remained relatively stable, after a series of increases early in the year.

Although both car and truck sales advanced in October, most of the gain came from an improvement in truck sales. The truck segment (which includes minivans, sport-utility vehicles, light and heavy trucks, vans and buses) has been the main force behind the significant swings in sales observed in the past five months. After two months of sagging sales, truck sales turned a corner, gaining 6.7% in October. However, despite this gain, they remain close to a two-year low.

Based on preliminary figures from the auto industry, the number of new motor vehicles sold rose

Note to readers

All data in this release are seasonally adjusted.

Passenger cars include those used for personal and commercial purposes, such as taxis or rental cars. **Trucks** include minivans, sport-utility vehicles, light and heavy trucks, vans and buses.

North American-built new motor vehicles include vehicles manufactured or assembled in Canada, the United States or Mexico. All other new motor vehicles are considered to have been manufactured overseas.

For reasons of confidentiality, data for Yukon, the Northwest Territories and Nunavut are included with those for British Columbia.

The New Motor Vehicle Sales Survey is compiled on the basis of figures obtained from motor vehicle manufacturers and importers. These results may vary from those obtained directly from auto dealers, due to possible differences in record keeping.

approximately 3% in November, continuing to regain lost ground. The gain was almost entirely attributable to trucks.

Truck sales recover somewhat after end of summer slump

Despite a resurgence in October, truck sales remained about 20% lower than the peak reached in July of 2005. Sales reached 60,756 units in October, about 4,000 vehicles less than an average month in 2005.

With a slight 0.6% uptick in October, car sales reached 70,699 vehicles, very close to an average month of sales in 2005. Although passenger car sales also peaked in July, its fluctuations have not been as pronounced as those of truck sales in recent months. Sales of both North American-built and overseas-built cars increased slightly during the month.

Until this summer, sales of both cars and trucks had maintained an upward trend in 2005, despite major fluctuations. However, in recent months, sales of passenger cars have softened, while truck sales have moved more sharply downwards. In 2004, sales remained relatively stable for cars and trucks after some sizeable increases early in the year.

Weakness out West

In October, provincial results were evenly split with half of the provinces posting gains and the other half declining. The largest percentage sales increase came in Prince Edward Island (+16.3%), while Quebec (+11.2%) accounted for the largest increase in units sold. On the other hand, Saskatchewan had the strongest decline in October, dropping 9.3%.

Sales out West, including the Prairies and the region formed by British Columbia and the territories, continued to slump in recent months. All four of the western provinces had three consecutive months of sales decreases up to and including October.

Available on CANSIM: tables 079-0001 and 079-0002.

Definitions, data sources and methods: survey number 2402.

The October issue of *New Motor Vehicle Sales* (63-007-XIE, \$14/\$133) will be available soon.

Data on new motor vehicle sales for November will be released on January 13, 2006.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Elton Cryderman (613-951-0669), Distributive Trades Division.

New motor vehicle sales

	October 2004	September 2005 ^P	October 2005 ^P	October 2004 to October 2005	September to October 2005
seasonally adjusted					
	number of vehicles			% change	
New motor vehicles	133,589	127,263	131,455	-1.6	3.3
Passenger cars	68,880	70,308	70,699	2.6	0.6
North American ¹	45,178	48,182	48,512	7.4	0.7
Overseas	23,702	22,126	22,186	-6.4	0.3
Trucks, vans and buses	64,709	56,955	60,756	-6.1	6.7
New motor vehicles					
Newfoundland and Labrador	2,203	1,787	1,969	-10.6	10.2
Prince Edward Island	395	325	378	-4.3	16.3
Nova Scotia	4,012	3,812	3,615	-9.9	-5.2
New Brunswick	3,238	2,511	2,800	-13.5	11.5
Quebec	33,794	30,292	33,697	-0.3	11.2
Ontario	50,315	47,531	49,257	-2.1	3.6
Manitoba	3,799	3,602	3,575	-5.9	-0.7
Saskatchewan	3,322	3,149	2,855	-14.1	-9.3
Alberta	17,069	18,561	18,177	6.5	-2.1
British Columbia ²	15,442	15,692	15,131	-2.0	-3.6
	October 2004	September 2005 ^P	October 2005 ^P	October 2004 to October 2005	
unadjusted					
	number of vehicles			% change	
New motor vehicles	123,552	128,431	119,006	-3.7	
Passenger cars	63,898	70,305	64,318	0.7	
North American ¹	41,187	46,500	43,913	6.6	
Overseas	22,711	23,805	20,405	-10.2	
Trucks, vans and buses	59,654	58,126	54,688	-8.3	
New motor vehicles					
Newfoundland and Labrador	1,785	1,779	1,730	-3.1	
Prince Edward Island	372	345	329	-11.6	
Nova Scotia	3,430	3,377	2,885	-15.9	
New Brunswick	2,710	2,487	2,291	-15.5	
Quebec	29,481	30,763	29,331	-0.5	
Ontario	48,196	49,502	46,529	-3.5	
Manitoba	3,555	3,905	3,165	-11.0	
Saskatchewan	3,283	3,249	2,592	-21.0	
Alberta	16,677	18,417	16,987	1.9	
British Columbia ²	14,063	14,607	13,167	-6.4	

^r Revised.

^P Preliminary.

1. Manufactured or assembled in Canada, the United States or Mexico.
2. Includes Yukon, the Northwest Territories and Nunavut.

Study: Divorce and the mental health of children

Even before a marital breakup, young children of parents heading for divorce tend to develop mental health problems, according to a new study originating from the Research Data Centre program and published recently in the *Journal of Marriage and Family*.

The study found that children whose parents eventually divorce show higher levels of depression, as well as higher levels of anti-social behaviour, than children whose parents remain married.

Parental divorce is an increasingly common experience in childhood, with nearly one in two divorces in Canada involving dependent children.

Data from the National Longitudinal Survey of Children and Youth were used to track children aged four to seven who were living with both parents in 1994. The mental health characteristics of children whose parents remained married were compared to those whose parents had divorced by 1998.

Levels of depression and antisocial behaviour were found to be higher in 1994 among the children whose parents eventually divorced.

Parents who divorced by 1998 reported lower levels of marital satisfaction, and higher levels of depression and family dysfunction when first interviewed in 1994. They also tended to be younger than the parents of families that remained intact.

The study found that the same characteristics associated with parental divorce by 1998 were also associated with higher levels of childhood depression and anti-social behaviour.

Once these family characteristics were taken into account, the differences in mental health at the initial interview between children whose parents divorced and children whose parents remained married were no longer detected. This suggests that it may not necessarily be divorce that is potentially damaging to child mental health.

It also found that, over and above these pre-existing differences, children's levels of depression tended to increase in the aftermath of divorce. But, for some children in highly dysfunctional families, their levels of anti-social behaviour tended to decrease after the divorce.

Note: Data for this study came from Cycles 1-3 of the National Longitudinal Survey of Children and Youth. The analysis was conducted at the Toronto Regional Statistics Canada Research Data Centre, located at the University of Toronto. The Research Data Centre program is part of an initiative by Statistics Canada,

the Social Sciences and Humanities Research Council and university consortia to strengthen Canada's social research capacity. There are 16 centres currently operating at various universities.

Definitions, data sources and methods: survey number 4450.

For more information, or to enquire about the concepts, methods or data quality of these articles, contact Dr. Lisa Strohschein, (780-492-0475), Department of Sociology, University of Alberta.

The article "Parental divorce and child mental health trajectories" has been published in the December issue of the *Journal of Marriage and Family*. To obtain a copy of the article, contact Phoebe Dey (780-492-0437), Media Relations at the University of Alberta.

For more information about the Research Data Centre program contact Gustave Goldmann (613-951-1472), Research Data Centre program. ■

Engineering services industry 2004

The engineering services industry bounced back in 2004 after sluggish growth in the preceding couple of years. The rebound can be attributed to renewed strength in the domestic market resulting from increased capital investment, and diminishing economic uncertainties.

Engineering firms recorded operating revenues of \$12.1 billion in 2004. This corresponds to year-over-year growth of 10.0% compared to only 1.6% the previous year. The upturn in the industry boosted profit margins to 11.6%, compared with 10.0% in 2003. The growth was broad based across the spectrum of engineering services and was observed in most provinces.

Alberta, Quebec, and Ontario showed growth rates slightly above the national average. One of the factors that helped Ontario bounce back was the revitalization of investment in automotive plants. British Columbia grew at one-third of the national rate. Newfoundland and Labrador along with Yukon showed a decline, whereas all other provinces and territories recorded small to moderate increases.

Engineering service firms operating in Ontario had a market share of 34%, followed by those in Alberta (24%), Quebec (22%) and British Columbia (13%). All other provinces and territories accounted for the remaining 7%.

In terms of engineering revenues by type of project, the largest category was petroleum and

petrochemicals (17%), followed by buildings and structures (16%), transportation (10%), and municipal utilities (8%). Engineering services accounted for 81% of industry operating revenues, with the remainder mostly generated in related fields such as construction services, project management, and environmental consulting services.

More than half of industry revenues were earned from business sector contracts and less than one-third was generated from the public sector. While household and individuals spending accounted for only 2.0% of the industry, foreign clients were the source of 15.0% of the operating revenues.

Continued growth of foreign fee income outpaced the growth in the domestic market and improved the export intensity of the industry from 13.2% in 2003 to 15.0% in 2004. The geographic distribution of foreign revenues of Canadian engineering firms in recent years reveals a shift from Asia towards Africa. More than one-quarter of foreign revenues in 2004 came from Africa, while the United States remained the largest market absorbing 44% of total exports.

Market share of the 20 largest firms amounted to one-third of industry revenues, comparable with 2003. On the other hand, smaller firms also play an important role in the industry. Two-fifths of the revenues were generated by firms with less than fifty employees.

Salaries, wages and benefits were the largest single expense item, accounting for almost half of operating expenses. This ratio has been consistent in recent years. Salaries and wages exclude the remuneration of owners of unincorporated businesses as well as the dividends of the working owners.

Of the 78,000 people employed by firms in the engineering industry in 2004, three out of four belonged to the professional category including engineers, technicians and technologists, and other professionals. The level of employment increased marginally in 2004. It should be noted that non-salaried business-owners are not included in employment numbers. There was a subtle shift from part-time to full-time employment. Approximately 90% of those employed in the industry were full time.

The engineering services industry contributed nearly \$7 billion to gross domestic product, accounting for 0.5% of the Canadian economy in 2004. This industry

is comprised of establishments primarily engaged in applying principles of engineering in the design, development and utilization of machines, materials, instruments, structures, processes and systems. In 2004, the number of engineering establishments increased by 4.0% to 20,700

Available on CANSIM: table 360-0005.

Definitions, data sources and methods: survey number 2439.

Results from the 2004 Annual Survey of Engineering Services are now available.

Detailed tables at the provincial level for a range of industry characteristics are included in the data release package which is available upon request. To order a copy contact Mario Balerna (613-951-2018; fax: 613-951-6696; Mario.Balerna@statcan.ca), Service Industries Division.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kyoomars Haghandish (613-951-6304; fax: 613-951-6696; kyoomars.haghandish@statcan.ca), Service Industries Division. ■

Dairy statistics

October 2005 (preliminary)

Consumers purchased 268 500 kilolitres of milk and cream in October, virtually unchanged from October 2004. Sales of milk dropped 0.4% compared with the same period a year earlier while sales of cream increased 6.5%.

Definitions, data sources and methods: survey numbers, including related surveys, 3430, 3431 and 3432.

The fourth quarter issue of *The Dairy Review* (23-001-XIB, \$29/\$96) will be available in February 2006.

For more information, contact Anna Michalowska (613-951-2442; 1-800-465-1991; fax: 613-951-3868), Agriculture Division. ■

Steel wire and specified wire products

October 2005

Data on steel wire and specified wire products production are now available for October.

Available on CANSIM: table 303-0047.

Definitions, data sources and methods: survey number 2106.

The October issue of *Steel, Tubular Products and Steel Wire* (41-019-XIE, \$6/\$51) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Steel pipe and tubing

October 2005

Data on the production and shipments of steel pipe and tubing are now available for October.

Available on CANSIM: table 303-0046.

Definitions, data sources and methods: survey number 2105.

The October issue of *Steel, Tubular Products and Steel Wire* (41-019-XIE, \$6/\$51) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian rode an average of about six 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 notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Highered Index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, 1996 ending May 31, 1997** 12
- **Flag production, April 1997** 12

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