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Weekly Bulletin

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Foreign Trade/Automotive

Canada's balance of trade in automotive products with the United States swung to a \$2.85 billion surplus in 1982 from a \$1.73 billion deficit in 1981. This surplus was the first recorded since the \$45 million surplus posted in 1972.

The 1982 automotive trade turnaround stemmed from a \$4.14 billion increase in the surplus on trade in motor vehicles — cars, trucks and other motor vehicles — coupled with a moderate drop (\$305 million) in the deficit on parts. Exports were up 29% and imports down 6.0% despite a 5.0% increase in parts imports.

Trade with Overseas Countries

The deficit on trade with overseas countries increased to \$645 million in 1982 from \$435 million in 1981. The \$210 million rise in the deficit was primarily due to a 50% drop in passenger car exports and an 11% increase in parts imports. Overall imports were down 10% while exports declined 26%.

Trade with the United States by Car Size

On a unit basis, exports to the United States (customs basis) of passenger cars classified by car size based on interior volume (excluding station wagons and passenger cars, n.e.s.) were up 137,000 units, while imports were down 124,000 units. The increase in exports was primarily due to large-size automobiles (up 45% or 69,000 units) and intermediate-size vehicles (up 34% or 64,000 units), while small cars rose only 4% (5,000 units). Car imports were down in all size categories: large cars were the biggest losers, falling 54% (25,000 units), while small cars dropped 34% (85,000 units) and intermediate cars 11% (13,000 units). Exports of station wagons were up 24% (17,000 units), while station wagon imports were down 26% (15,000 units).

Sources of Canadian Passenger Car Imports

Passenger car imports (customs basis) had risen slightly (22,000 units) between 1980 and 1981 before falling 25% (183,000 units) in 1982. This decline had a greater impact on imports from the United States (a drop of 30% — 140,000 units — to 334,000 units) than on those from overseas countries (down 17% — 43,000 units — to 209,000 units). These figures underline the shift in the distribution of imports between the Uni-

(continued on next page)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Dec.*	397.36p	398.84p	9.5
Labour Income (\$ million)	Dec.	16,410.3p	16,563.0p	2.8
Persons with Jobs (million)	Feb.	10.14	10.06	-2.6
Unemployed	Feb.	1,585,000	1,598,000	42.0

INVENTORIES

Department Store (\$ million)	Jan.*	2,724.4	2,939.0	1.5
Manufacturers' Owned (\$ million)	Dec.	31,279.8p	31,775.0r	-6.3

ORDERS

Manufacturers' New Orders (\$ million)	Dec.	13,968.1p	15,401.9r	-4.7
Manufacturers' Unfilled Orders (\$ million)	Dec.	16,448.0p	16,927.0r	-13.3

PRICES

Consumer Price Index (1981=100)	Feb.*	114.6	114.1	7.4
New House Price Index (1976=100)	Jan.	129.5	129.6	-4.5
Raw Materials Price Index (1977=100)	Jan.	206.6p	201.8p	7.0
Excl. coal, crude oil, nat. gas	Jan.	145.8p	143.9p	0.1
Industry Selling Price Index (1971=100)	Jan.	292.5p	292.2p	3.8

CONSTRUCTION

Building Permits (\$ million)	Dec.	1,049.0p	12,788.8p	-31.7
Housing Starts — Urban Centres (units)	Jan.	8,514	8,514	-18.8

ENERGY

Coal Production (thousand tonnes)	Jan.*	3,996	3,996	11.0
Electricity Generation (terawatt hours)	Dec.	35.1	375.4	-0.8
Natural Gas Production (million cubic metres)	Nov.	9,044.6	88,815.1	1.0
Petroleum Refining (million cubic metres)	Jan.	7.2p	7.2p	-12.3

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Jan.	6,464p	6,464p	6.3
Imports — Balance of Payments Basis (\$ million)	Jan.	5,140p	5,140p	6.6

PRODUCTION

Railway Carloadings (million tonnes)	Jan.	13.8p	13.8p	-7.7
Steel (ingots — thousand tonnes)	Jan.	842.4p	842.4p	-30.3

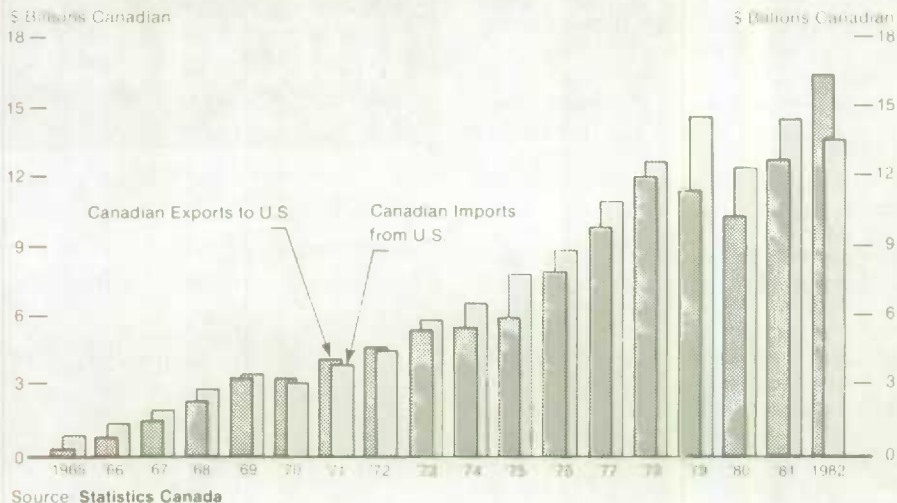
SALES

Department Store Sales (\$ million)	Jan.	623.4	623.4	3.9
Manufacturers' Shipments (\$ million)	Jan.*	13,942.3p	13,942.3p	2.2
New Motor Vehicle Sales (\$ million)	Jan.	580.2	580.2	-0.6
Retail Sales (\$ million)	Jan.	6,965.5p	6,965.5p	4.8

Statistics are in current dollars and are not seasonally adjusted.

p - preliminary. r - revised. * - new this week.

Canada—United States Trade in Automotive Products



Canada

ted States (whose share fell to 62% in 1982 from 65% in 1981) and overseas countries (whose share rose to 39% in 1982 from 35% in 1981). The Japanese share of Canadian passenger car imports rose to 30% in 1982 from 28% in 1981 despite an absolute decline of 40,000 units. Imports of passenger cars from France more than doubled (to 18,000 units) following two consecutive annual reductions in the average price of these units.

For further information, contact Gordon Blaney (613-995-6305), Trade Inquiries Unit, or François Bordé (613-995-6115), Trade Measures and Analysis Section, External Trade Division, Statistics Canada, Ottawa K1A 0Z9.

Manufacturing Activity

Preliminary estimates show the seasonally adjusted value of new orders received in all Canadian manufacturing industries in January 1983 increased 6.3% to \$15,165.6 million from the revised estimate of \$14,261.0 million for December. In durable goods industries, new orders with an estimated value of \$6,241.0 million were up sharply, showing a 14.8% increase over the revised December value of \$5,437.0 million. Most of the increase can be attributed to a gain of \$828.3 million (+58.2%) in the transportation equipment industry group which reflected a large increase in shipments of motor vehicle manufacturers. In non-durable goods industries, new orders received had an estimated value of \$8,924.6 million, up 1.1% from \$8,824.0 million (revised) for December.

The seasonally adjusted preliminary estimate of the value of the unfilled orders backlog at the end of January was \$16,673.5 million, down 1.5% from the revised December estimate of \$16,926.9 million.

Manufacturers' shipments in January totalled \$15,419.0 million, seasonally adjusted, up 4.6% from December's revised value of \$14,740.9 million. Shipments of durable goods industries were up 9.9% to \$6,466.0 million from \$5,883.9 million with a \$596.5 million increase in the transportation equipment group accounting for most of the gain. Shipments in the non-durable goods industries rose 1.1% to \$8,953 million in January from \$8,857 million in December.

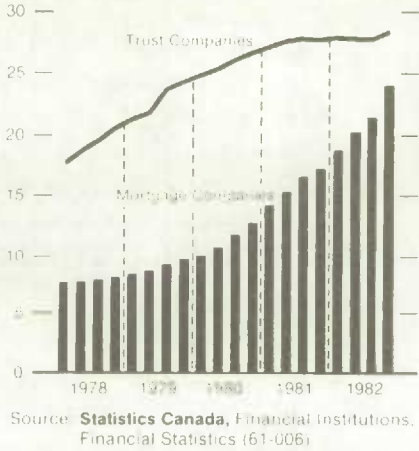
Seasonally adjusted inventory owned by manufacturers at the end of January was \$31,579.6 million, down 0.1% from \$31,615.5 million (revised) in December.

The seasonally adjusted ratio of total inventory owned to shipments at the end of January was 2.05:1, down from 2.14:1 in December (the improvement in this ratio was due mostly to an increase in shipments). The ratio of finished products to shipments declined to 0.70:1 from 0.75:1; this marked the lowest level since October 1981 when it was also at 0.70:1.

Not adjusted for seasonal variation, manufacturers' shipments in January 1983 were estimated at \$13,942.3 million, 2.2% higher than the January 1982 level of \$13,639.7 million.

Trust and Mortgage Companies

Quarterly Statements of Mortgages Outstanding
Billions of Dollars



Port Activity Statistics

International port activity statistics are now available in *International Seaborne Shipping Port Statistics* (54-211, \$21.20 in Canada, \$25.45 elsewhere). Vessel activity by Canadian port and the port-to-port movement of over 500 commodities broken down into containerized and non-containerized cargo are shown. Data are for 1980.

The port of Vancouver handled 21% of the total cargo moved at Canadian ports, 41.2 million tons loaded and 3.2 million tons unloaded. Sixty percent of cargo unloaded at Vancouver came from the United States with the largest commodities being phosphate rock, gravel and rock salt. Seven commodities accounted for 79% of loadings at this same port: coal and peat, wheat, sulphur, potassium chloride, lumber and sawn timber, barley, and woodpulp. Forty-two percent of total cargo loaded in Vancouver was unloaded at Japanese ports. Containerized freight accounted for only 2.5% of the total tonnage handled at Vancouver port.

Consumer Price Index

The Consumer Price Index (CPI) for Canada stood at 114.6 (1981=100) in February 1983, up 0.4% from 114.1 in January. This marked the eighth consecutive month of moderating price change and, as a result, the year-over-year increase stood at 7.4%, down significantly from the 8.3% increase registered between January 1982 and January 1983. The latest monthly increase was largely attributable to the discontinuation of January promotions on certain clothing items and recreational services. Also contributing to the monthly rise were increased food prices and higher housing charges. The impact of these increases was partially dampened by a decline in transportation costs. The all-items-excluding-food index advanced by 0.3% after declining by 0.3% in January. The food index, which advanced by 0.2% in January, increased by 0.6% in February.

Higher prices for certain beef and pork cuts, fresh milk and soft drinks, all of which had been featured on special in the previous month, coupled with increased fresh vegetable prices, were largely responsible for the 0.8% increase in the food-purchased-from-stores index. In February 1983, the index stood 4.2% above its level of February 1982. The food-purchased-from-restaurants index registered no overall change and stood 8.5% above its level of February 1982. As a result, the aggregate food index advanced 5.3% over its level of February 1982.

The increase of 0.3% in the all-items-excluding-food index was largely attributable to the ending of January seasonal promotions for certain goods and services. Clothing prices, which had declined in January largely as a result of post-Christmas sales, advanced by 2.8% in February as these sales ended. Seasonally higher prices were also reported for package holiday trips. Between February 1982 and February 1983, the all-items-excluding-food index advanced 8.1%, down from the 8.7% increase registered between January 1982 and January 1983.

Viewed in terms of goods and services, the price level for goods advanced by 0.4%, while that for services increased by 0.5%. As a result, between February 1982 and February 1983, the price level for goods advanced by 6.5% while that for services increased by 8.8%.

On a seasonally adjusted basis, the all-items index increased 0.3% in February; this comprised a decline of 0.4% in the food index and an increase of 0.4% in the all-items-excluding-food index.

For further information, order the February 1983 issue of *The Consumer Price Index* (62-001, \$2.65/\$26.50), or contact Sandra Stadelock or Suzanne Gratton (613-995-4078).

Coal Production in Canada

Production of coal in Canada increased 11.0% to 3 996 kilotonnes in January 1983 from 3 601 KT a year earlier.

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Current Economic Analysis

There was increased evidence that a recovery of output and employment began to take hold late in 1982, and that these gains were sustained early in the first quarter of 1983. Output increased in November and December, while employment in February resumed the increase initiated in December. These firming trends originate in increases in retail sales, housing construction, and a few sectors of external demand. There are indications, however, that the early stage of recovery may be weak compared to past recoveries due to the pessimistic outlook for business investment and the cautious reaction of firms to the improvement in final demand. Firms have boosted production by less than the upturn in final sales, resulting in an accelerated reduction in inventories late in the fourth quarter. A sustained upturn in demand also will require a further strengthening of external demand, for which the recent strong improvement of the leading indicators and Gross National Product in the United States is encouraging.

The accumulating evidence of a recovery is highlighted by the upturn of consumer demand for retail goods since November, and by a rapid expansion of housing starts between October and January. These improvements appear to have been initiated by the downward trend in interest rates in the autumn. More recently, a firming of real incomes as a result of improved employment and lower inflation has reinforced this interest rate effect. In addition, the downward trend in exports has slowed in response to the recent recovery of demand in the United States.

The effect of the recession in moderating prices continued into January as consumer prices (not seasonally adjusted) and industrial prices fell, after recording only marginal increases in recent months. Uncertainty over the longer-term course of prices, however, may be indicated by the fact that nominal interest rates of most durations have not declined in line with the substantial easing of inflation in recent months.

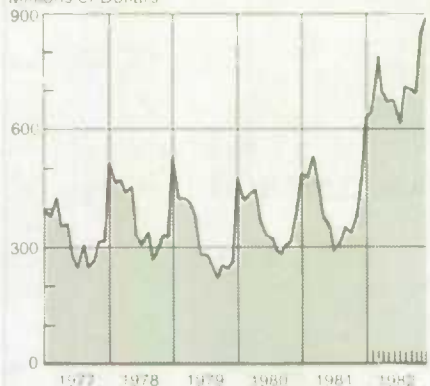
- **Employment** rose 0.3% in February, and has been stable or rising for three consecutive months following 15 straight declines. The firming of employment has encouraged a recovery in labour force participation, which raised the unemployment rate marginally to 12.5% in February.

- Wage increases negotiated in collective bargaining agreements slowed from 8.7% in the third quarter to 6.9% in the fourth, the fourth consecutive quarterly slowdown. Most of this moderation originated in the federal public sector as a result of legislated wage restraints. Average hourly earnings in manufacturing had slowed to a 6% trend rate of increase by December, a more rapid deceleration than is evident in negotiated wage settlements in this sector.

- The indicators of **personal expenditure** on retail goods expanded by 2.8% in December after a 2.0% gain in November. Sharply higher demand for durable goods

Unemployment Insurance Commission Benefit Payments

Millions of Dollars



Source: Statistics Canada, Statistical Report on the Operation of the Unemployment Insurance Act (73-001)

led this recovery, up 15.2% since August, notably for furniture and appliances and passenger cars. Unlike previous months, however, sales in December strengthened in all regions and in virtually all components.

- The indicators of **housing market** activity continued to advance in December and January, implying a strong gain in residential construction in the first quarter of 1983. Housing starts rose 6.4% in January, while building permits gained 10.8% and mortgage loan approvals 4.6% in December.

- **Real domestic product** increased 0.3% in December, following a 0.1% gain in November. These increases slowed the fourth quarter decline in output to 0.9% from 1.6% in the third. An increase for the first quarter of 1983 is indicated by the sustained upturn in employment. If realized, this would mark the first quarterly increase in production since the second quarter of 1981. Industries related to the consumer, housing, and some export sectors account for the improving trend of output.

- Demand for manufactured goods strengthened in November and December as the volume of **shipments** rose 1.5% and 0.5%, while **real new orders** rose 5.7% before declining 6.0%. The large swings in new orders reflect special factors in the transportation equipment industry, and the 0.8% increase excluding this industry in November and December is more reflective of the trend in new orders in a majority of industry groups.

- **Real manufacturing inventories** fell \$242 million in November and \$260 million in December, reflecting the cautious reaction firms have had in adjusting output to the increases in demand. Another reflection of this hesitancy is that production in some industries that primarily sell from stock has not recovered quickly enough to prevent the backlog of unfilled orders from accumulating. The constant dollar ratio of total inventories to shipments has declined from the cyclical high of 2.36 in October to 2.22 in December, although the overhang remains at levels burdensome enough to exert continued dampening pressure on prices in

Department Store Sales

Department store sales were \$623.4 million in January 1983, up 3.9% over January 1982. Sales were higher in 28 of the 40 departments with the largest increases for TV, radio and music (+26.7%), repairs and services (+21.1%) and linens and domestics (+19.5%). The most notable decreases were reported for gasoline, oil, auto accessories, repairs and supplies (-21.2%), hardware, paints, wallpaper, etc. (-16.2%) and piece goods (-10.6%).

All provinces except Alberta (-2.5%) and British Columbia (-1.9%) showed department store sales increases, gains ranging from 4.9% in Manitoba to 23.5% in Prince Edward Island. Of the 10 metropolitan areas covered, the largest sales increase was in Halifax-Dartmouth (+22.6%), while the largest decrease was in Calgary (-9.8%).

Sales by major department store organizations in January 1983 totalled \$416.1 million, up 2.9% from January 1982, while junior department store organizations had sales of \$207.4 million, an increase of 6.0% from a year earlier.

Department stores took 9.0% of the total retail trade market in January 1983, identical to the share recorded in January 1982. In December 1982, department stores had 15.2% of total retail trade as compared to 15.5% for the month of December 1981.

The selling value of stocks held in January 1983 at \$2,724.4 million showed an increase of 1.5% over the same month a year earlier.

For further information, order the January 1983 issue of *Department Store Sales and Stocks* (63-002, \$3.15/\$31.50).

most industries.

- **Nominal merchandise exports** declined 5.0% in January, following the 9.6% increase in December and a stabilization in November. **Imports** have followed a steadier firming trend, as the 3.2% increase in January follows gains in December and November. As a result of these recent gains, the trend-cycle for both exports and imports slowed to -1.7%, as the recovery of industrial activity in North America is just becoming evident in the trend of exports and imports, notably in the motor vehicle and housing sectors as well as some fabricated materials.

- The **Consumer Price Index** and the **Industry Selling Price Index** declined in January, although the reduction in the **Petroleum Compensation Charge** accounts for the absolute declines in the month. Food prices also continued to moderate. Within the manufacturing sector, the number of industries registering higher prices grew for the fourth consecutive month.

The composite leading indicator rose 1.58% in December, the third monthly gain following 15 consecutive declines.

For the detailed analysis as well as a news summary of major domestic and international developments and extensive analytical charts and tables, order *Current Economic Analysis* (13-004E, Canada: \$2.65/\$26.50; Other Countries: \$3.20/\$31.80). For further information contact D. Rhoades (613-992-4441).



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THESE PUBLICATIONS RELEASED MARCH 18 — 24

	Cata- logue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
CANSIM Canadian Statistical Review, February 1983	11-003E	\$3.70/\$37	\$4.45/\$44.40
CONSTRUCTION SERVICE BULLETIN Construction Statistics, Vol. 6, No. 1, Annual Expenditures in Housing, 1981-83	64-003	\$1.55/\$15.50	\$1.85/\$18.60
EXTERNAL TRADE Imports by Countries, January-December 1982	65-006	\$7.95/\$31.80	\$9.55/\$38.15
FINANCIAL FLOWS AND MULTINATIONAL ENTERPRISES Travel between Canada and Other Countries, October-December 1982	66-001	\$7.95/\$31.80	\$9.55/\$38.15
LABOUR Preliminary Unemployment Insurance Statistics, November 1982	73-001P	(N/C)	(N/C)
LABOUR FORCE SURVEY The Labour Force, February 1983	71-001	\$3.70/\$37	\$4.45/\$44.40
MANUFACTURING AND PRIMARY INDUSTRIES Construction Type Plywood, January 1983	35-001	\$1.55/\$15.50	\$1.85/\$18.60
Factory Sales of Electric Storage Batteries, January 1983	43-005	\$1.55/\$15.50	\$1.85/\$18.60
Gas Utilities, December 1982	55-002	\$2.65/\$26.50	\$3.20/\$31.80
Industrial Chemicals and Synthetic Resins, January 1983	46-002	\$1.55/\$15.50	\$1.85/\$18.60
Monthly Production of Soft Drinks, February 1983	32-001	\$1.55/\$15.50	\$1.85/\$18.60
Oils and Fats, January 1983	32-006	\$1.55/\$15.50	\$1.85/\$18.60
Production and Shipments of Floor Tiles, February 1983	47-001	\$1.55/\$15.50	\$1.85/\$18.60
Production and Shipments of Steel Pipe, Tubing and Fittings, January 1983	41-011	\$1.55/\$15.50	\$1.85/\$18.60
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies, December 1982	35-002	\$2.65/\$26.50	\$3.20/\$31.80
Steel Wire and Specified Wire Products, January 1983	41-006	\$1.55/\$15.50	\$1.85/\$18.60
PRICES Construction Price Statistics, February 1983	62-007	\$3.15/\$31.50	\$3.80/\$37.80
Consumer Prices and Price Indexes, October-December 1982	62-010	\$6.35/\$25.40	\$7.60/\$30.50
Industry Price Indexes, January 1983	62-011	\$3.70/\$37	\$4.45/\$44.40
The Consumer Price Index, February 1983	62-001	\$2.65/\$26.50	\$3.20/\$31.80
PUBLIC FINANCE Local Government Employment, October-December 1982	72-009	\$4.20/\$16.95	\$5.05/\$20.35
TRANSPORTATION AND COMMUNICATIONS Canadian National Railways and Canadian Pacific Limited, 1981	52-213	\$4.75	\$5.70
Railway Transport: Part II — Financial Statistics, 1981	52-208	\$4.75	\$5.70
Telephone Statistics, January 1983	56-002	\$1.55/\$15.50	\$1.85/\$18.60