

I·N·F·O·M·A·T

A W E E K L Y R E V I E W

Friday, September 26, 1986

OVERVIEW

■ Manufacturing Shipments Increase in July

Shipments were up 4.2%, following decreases in May and June.

■ Real Gross Domestic Product Declines

In June, real GDP at factor cost decreased for the second consecutive month. An increase in output from the service-producing industries failed to offset a decline of 2.0% in the goods-producing industries.

■ Income Distribution in 1985

Adjusted for inflation, average family income rose by 2.4% in 1985, its first increase since 1980.

■ Unemployment Insurance Payments Increase

Unemployment insurance payments were \$801 million in July, up 3.0% over June and 2.0% over July 1985.

■ Foreign Trade in Automotive Products

From January to June, trade in automotive products produced a deficit for the first time since 1981.

■ Retail Trade Up 2.2%

In July, retail sales registered the strongest monthly advance to date in 1986.

- This issue also includes information on Leading Indicator of Building Construction Activity and Department Store Sales and Stocks.

Manufacturing Shipments Increase in July

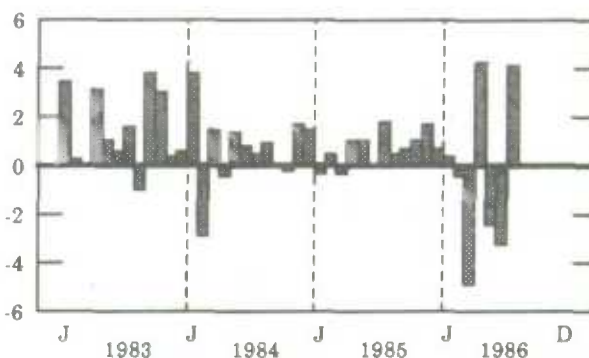
The seasonally adjusted value of shipments by Canadian manufacturers was up 4.2% in July, the largest gain since April. This increase was broadly based as 20 of the 22 major groups reported higher shipments, a reversal from June when 18 of the major groups registered decreases. Shipments of durable goods advanced 6.0%, to \$10.3 billion, while non-durable goods increased by 2.6%. Generally, shipments have been fairly weak in 1986. The average monthly value of \$20.9 billion is 1.5% lower than the average recorded for the last quarter of 1985.

New orders totalled \$20.9 billion, an increase of 4.6% over June. Most of this gain originated in the durable goods industries where orders were up 8.6% in July. The most significant changes were an increase of \$395.6 million in the value of new orders received by the primary metals industry, an advance of \$184.9 million in the electrical and electronic products industry and a decrease of \$154.6 million in the transportation

(continued on page 2)

Shipments

(% change, previous month)



... Manufacturing Shipments Increase in July

equipment industry. New orders for non-durable goods rose a more modest 1.0%. Despite these increases, new orders were still 3.8% lower than the peak in February.

The backlog of unfilled orders stood at \$24.6 billion at the end of July. A series of small monthly fluctuations observed since March has left the level essentially unchanged.

Inventories owned by manufacturers increased for the third consecutive month. However, the ratio of inventories to shipments fell from a 12 month high of 1.70:1 in June, to 1.64:1 in July.

Manufacturing Activity

	Mar.	Apr.	May	June	July
	% change, previous month				
Shipments	-4.9	4.3	-2.5	-3.3	4.2
New orders	-5.9	3.7	-1.8	-4.1	4.6
Unfilled orders	0.3	-0.2	0.4	-0.3	0.0
Inventory to shipments ratio	1.68	1.59	1.64	1.70	1.64

For further information, contact Industry Division (613) 990-9832.

Real Gross Domestic Product Declines

Gross Domestic Product (GDP) at factor cost measures the value of goods and services produced excluding the value of indirect taxes less subsidies. In June, real GDP at factor cost was down 0.3% from May, its second consecutive monthly decrease. Output from the service-producing industries rose 0.7%, but this increase was not large enough to offset a decrease in the goods-producing sector. Production in the goods-producing industries was down 2.0%, following a decline of 2.2% in May.

The advance in the service producing industries was a result of moderate growth in wholesale trade, finance, insurance and real estate, as well as community, business and personal service industries.

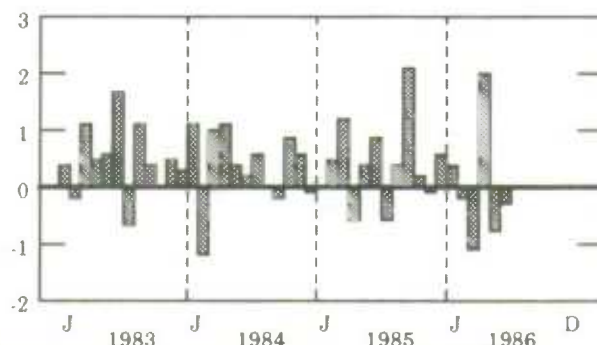
Within the goods-producing sector, the manufacturing, mining and construction industries were down for the second consecutive month, while the forestry industry recorded a substantial decline for the first time in three months. The manufacturing industry accounted for 63% of the total drop in GDP. Output by manufacturers of durable goods fell 1.6%, while output by manufacturers of non-durable goods was off 0.6%. Except for April, output from the manufacturing industries has registered month-to-month declines since the start of the year.

Real Gross Domestic Product

	Feb.	Mar.	Apr.	May	June
	% change, previous month				
Real Gross Domestic Product	0.5	-1.2	1.7	-0.8	-0.3
Goods industries	0.3	-2.4	2.4	-2.2	-2.0
Service industries	-0.5	-0.3	1.7	0.0	0.7
Industrial production	0.0	-2.7	2.9	-1.9	-1.5

Gross Domestic Product

(% change, previous month)



On a quarterly basis, real GDP grew 0.5% in the second quarter, up from 0.2% in the first quarter. Much of this growth was due to an advance of 1.6% among the service-producing industries, as output from the goods-producing industries declined 1.2%.

Note to users: Starting with the current month, estimates of Gross Domestic Product at factor cost incorporated two major statistical changes. Estimates for January 1981 to June 1986 which were previously based on the 1970 Standard Industrial Classification, are now compiled using the 1980 SIC and are measured in 1981 prices.

For further information, contact Industry Measures and Analysis Division (613) 991-3673.

Income Distribution in 1985

In 1985, average family income (estimated at \$38,075) increased 2.4% from 1984 on an inflation-adjusted basis. Real family income has been on a downward trend for four years and was still 3.5% lower than the peak of 1980.

Average family income ranged from approximately \$30,000 in Newfoundland and Prince Edward Island to over \$40,000 in Alberta and Ontario. The average income of unattached individuals ranged from below \$12,000 in Prince Edward Island to over \$18,000 in Ontario and Alberta.

There were an estimated 3.9 million (15.9% of the population) unattached individuals and members of families whose income was below the low income cutoff levels used by Statistics Canada. Down from 4.2 million in 1984 (17.3% of the population). This was the first drop in the low income rate in recent years.

- The proportion of low income families dropped to 13.1% in 1985 from 14.5% in 1984, but was still higher than in 1981.
- By age, young families (head of family under 25 years of age) had the highest proportion with low

income (32%), while elderly families (head of family 65 years or older) had the lowest (9.8%).

- By type of family, non-elderly female lone-parent families had the highest rate of low income at 60.2% in 1985. Unlike most other family types, this group did not show a reduction in their rate from 1984.
- The proportion of unattached individuals who were classified as low income (36.6%) has changed very little since 1981.
- Among elderly unattached individuals (80% of whom were female) the proportion having a low income continued to decline, falling to 46.1%. The rate for all elderly persons was 19.6%.

Preliminary estimates were prepared from data collected as a supplement to the April 1986 Labour Force Survey using two-thirds of the regular sample (approximately 34,900 households). These estimates – which exclude the institutional population and households in the Yukon and Northwest Territories and on Indian reserves – are subject to slight revision upon completion of further processing of the survey data. Final results are expected to be published early in 1987.

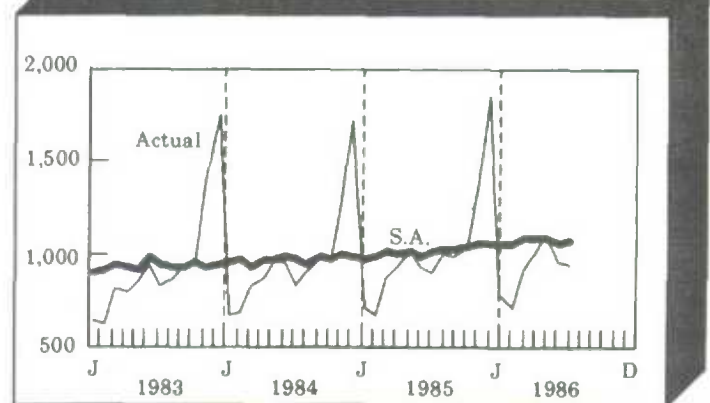
For further information, contact Household Surveys Division at (613) 990-9775.

Department Store Sales Rise

- Seasonally adjusted department store sales totalled \$1.1 billion in July, up 0.8% from the previous month.
- The advance was broadly based as 29 of the 40 departments reported higher sales.
- The increase in July follows a decrease of 1.6% in June.
- Department store sales have risen marginally in the first seven months of 1986, the monthly gain has averaged 0.1%.
- The average monthly increase was 1.2% in the last six months of 1985.
- The inventories to sales ratio stood at 3.86:1 in July, down from the average ratio in the preceding six months of 3.94:1.

Department Store Sales

(millions of dollars)



- In 1985, the average ratio of inventories to sales was 3.49:1.

For more information, contact Industry Division (613) 991-3551.

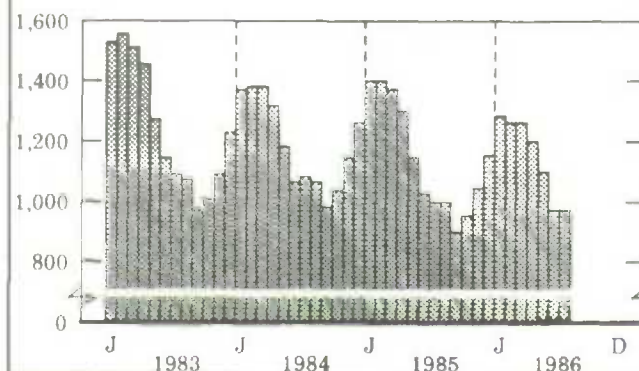
Unemployment Insurance Payments Increase

In July, total unemployment insurance payments were \$801 million, up 3.0% from June and 2.0% from July 1985. On a year-to-date basis, payments totalled \$6.6 billion, a decrease of 0.3% from 1985. An increase of 5.7% in the average weekly benefit has partially offset a decrease (5.6%) in the number of benefit weeks paid.

The number of beneficiaries stood at 966,000, virtually unchanged from the previous month but down 4.2% from July 1985. The number of males receiving benefits dropped 3.4% from the previous month, while the number of female beneficiaries increased by 4.1%.

Beneficiaries

(thousands)



LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	June	429.86	427.58	2.4
Labour Income (\$ million)	June	22,721	22,202	4.9
Persons with Jobs (million)	Aug.	12.08	12.06	2.1
Unemployed	Aug.	1,201,000	1,231,000	-4.2
INVENTORIES				
Department Store (\$ million)	July*	3,937	3,644	16.0
Manufacturers' Owned (\$ million)	July*	33,854	34,058	-0.5
ORDERS				
Manufacturers' New Orders (\$ million)	July*	19,665	21,487	1.9
Manufacturers' Unfilled Orders (\$ million)	July*	24,484	24,529	1.1
PRICES				
Consumer Price Index (1981 = 100)	Aug.*	133.3	132.9	4.3
New House Price Index (1981 = 100)	July	103.9	103.2	8.3
Raw Materials Price Index (1981 = 100)	July	91.0	92.4	-21.1
Excl. coal, crude oil, natural gas	July	104.5	102.9	5.3
Industrial Product Price Index (1981 = 100)	July	118.9	118.8	0.3
CONSTRUCTION				
			Year-to-date	
Building Permits (\$ million)	June	2,095	11,629	29.2
Housing Starts - Urban Centres (units)	July	15,643	93,624	27.6
ENERGY				
Coal Production (thousand tonnes)	June	4,781	29,549	-5.5
Electricity Generation (gigawatt hours)	June	32,724	230,333	2.6
Natural Gas Production (million cubic metres)	May	7,776	45,956	-4.3
Petroleum Refining (thousand cubic metres)	July	7,984	48,498	-0.5
FOREIGN TRADE				
Exports - Balance of Payments Basis (\$ million)	July	9,159	70,138	1.4
Imports - Balance of Payments Basis (\$ million)	July	9,805	66,234	11.4
SALES				
Department Store Sales (\$ million)	July	928	6,286	7.1
Manufacturers' Shipments (\$ million)	July*	19,711	146,125	4.8
New Motor Vehicle Sales (\$ million)	July	1,970	13,241	12.2
Retail Sales (\$ million)	July*	11,887	77,402	8.4

Statistics are in current dollars and are not seasonally adjusted.
* new this week.

Building Construction Activity Continues to Advance

In May, the filtered leading indicator of building construction activity in Canada (1981 = 100) rose 1.0%, its sixth consecutive monthly increase. This increase was entirely attributable to strength in the non-residential sector. The index of residential construction remained unchanged in May.

The index of non-residential construction (excluding engineering projects) recorded a monthly gain of 2.3% in May. The commercial (3.0%) and public (+1.8%) components were primarily responsible for the overall rise. The industrial component was up slightly (+0.1%) for the second consecutive month.

For further information, contact Science, Technology and Capital Division (613) 990-9689.

PUBLICATIONS RELEASED FROM

SEPTEMBER 19 - 25

AGRICULTURE AND NATURAL RESOURCES

Agriculture Economic Statistics. Catalogue number 21-603E (Canada: \$60; Other Countries: \$76)

The Dairy Review, July 1986. Catalogue number 23-001 (Canada: \$10/\$100; Other Countries: \$11/\$110)

Farm Cash Receipts, January-July 1986. Catalogue number 21-001 (Canada: \$7/\$70; Other Countries: \$8/\$80)

Farming Facts, 1986. Catalogue number 21-522E (Canada: \$2; Other Countries: \$3)

Index Numbers of Farm Prices of Agricultural Products, July 1986. Catalogue number 62-003 (Canada: \$6/\$60; Other Countries: \$7/\$70)

CANADIAN CENTRE FOR JUSTICE STATISTICS

Juristat Service Bulletin - Vol. 6, No. 3, Traffic Enforcement Statistics, 1981-1985. Catalogue number 85-002 (Canada: \$2/\$10; Other Countries: \$3/\$15)

HEALTH

Marriages and Divorces - Vital Statistics, Vol. II, 1985. Catalogue number 84-205 (Canada: \$12; Other Countries: \$13)

HOUSEHOLD SURVEYS

Fuel Consumption Survey - Passenger Cars, Light Trucks and Vans, July-September 1985. Catalogue number 53-007 No Charge.

Fuel Consumption Survey - Light Trucks and Vans, October 1983-December 1984. Catalogue number 53-225 No Charge.

Income Distributions by Size in Canada, Preliminary Estimates, 1985. Catalogue number 13-206 (Canada: \$10; Other Countries: \$11)

INDUSTRIAL ORGANIZATION AND FINANCE

Industrial Corporations: Financial Statistics, Second Quarter 1986. Catalogue number 61-003P (Canada: \$15/\$60; Other Countries: \$16/\$64)

INDUSTRY

Asphalt Roofing, July 1986. Catalogue number 45-001 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Coal and Coke Statistics, June 1986. Catalogue number 45-002 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Construction Type Plywood, July 1986. Catalogue number 35-001 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Corrugated Boxes and Wrappers, July 1986. Catalogue number 36-004 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Department Store Monthly Sales, by Province and Metropolitan Area, July 1986. Catalogue number 63-004 (Canada: \$2/\$20; Other Countries: \$3/\$30)

Factory Sales of Electric Storage Batteries, July 1986. Catalogue number 43-005 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Merchandising Inventories, May 1986. Catalogue number 63-014 (Canada: \$12/\$120; Other Countries: \$13/\$130)

Monthly Production of Soft Drinks, August 1986. Catalogue number 32-001 (Canada: \$2/\$20; Other Countries: \$3/\$30)

Oil Pipe Line Transport, June 1986. Catalogue number 55-001 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Particleboard, Waferboard and Hardboard, July 1986. Catalogue number 36-003 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production and Disposition of Tobacco Products, August 1986. Catalogue number 32-022 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production and Sales of Phonograph Records and Pre-recorded Tapes in Canada, July 1986. Catalogue number 47-004 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production and Stocks of Tea, Coffee and Cocoa, Quarter Ended June 1986. Catalogue number 32-025 (Canada: \$5/\$20; Other Countries: \$6/\$24)

Pulpwood and Wood Residue Statistics, July 1986. Catalogue number 25-001 (Canada: \$5/\$50; Other Countries: \$6/\$60)

Quarterly Shipments of Office Furniture Products, Quarter Ended June 30, 1986. Catalogue number 35-006 (Canada: \$5/\$20; Other Countries: \$6/\$24)

Refined Petroleum Products, June 1986. Catalogue number 45-004 (Canada: \$15/\$150; Other Countries: \$16/\$160)

Steel Wire and Specified Wire Products, July 1986. Catalogue number 41-006 (Canada: \$4/\$40; Other Countries: \$5/\$50)

... Publication Released – Concluded

INTERNATIONAL TRADE

Exports by Commodities, July 1986. Catalogue number 65-004 (Canada: \$50/\$500; Other Countries: \$60/\$600)

Summary of Canadian International Trade, July 1986. Catalogue number 65-001 (Canada: \$15/\$150; Other Countries: \$16/\$160)

LABOUR

Employment, Earnings and Hours, June 1986. Catalogue number 72-002 (Canada: \$35/\$350; Other Countries: \$36.50/\$365)

Quarterly Estimates of Trusteed Pension Funds, Fourth Quarter 1985. Catalogue number 74-001 (Canada: \$10/\$40; Other Countries: \$11/\$44)

PRICES

Construction Price Statistics, Second Quarter 1986. Catalogue number 62-007 (Canada: \$15/\$60; Other Countries: \$16/\$64)

Industry Price Indexes, July 1986. Catalogue number 62-011 (Canada: \$15/\$150; Other Countries: \$16/\$160)

SERVICES

Communications Service Bulletin, Vol. 16, No.4: Telephone Statistics, 1985. Catalogue number 56-001 (Canada: \$6.50/\$39; Other Countries: \$7.50/\$45)

Restaurant, Caterer and Tavern Statistics, June 1986. Catalogue number 63-011 (Canada: \$5/\$50; Other Countries: \$6/\$60)

Telephone Statistics, May 1986. Catalogue number 56-002 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85)

TRANSPORTATION

Aviation Statistics Centre Service Bulletin, Vol. 18, No. 8. Catalogue number 51-004 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95)

Passenger Bus and Urban Transit Statistics, July 1986. Catalogue number 53-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75)

Railway Carloadings, 10-day Period Ending August 31, 1986. Catalogue number 52-005 (Canada: \$75; Other Countries: \$100)

Railway Operating Statistics, April 1986. Catalogue number 52-003 (Canada: \$9.50/\$95; Other Countries: \$10.50/\$105)

Retail Trade Up 2.2%

Adjusted for seasonal fluctuations and the number of trading days, retail sales in July were up 2.2% over June. This is the strongest monthly advance to date in 1986. Retail sales have grown an average of 0.5% per month from January to July. In the last half of 1985, the average monthly increase was 1.0%.

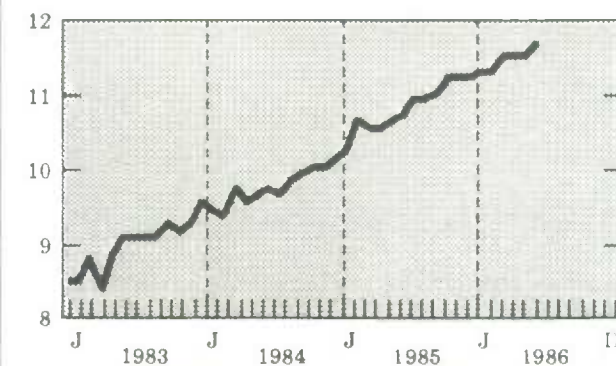
Following two consecutive monthly declines, grocery and meat store sales were up 1.2% over June, to \$2,076.3 million. The food purchased from stores component of the Consumer Price Index rose 1.4% during the same month. Motor vehicle sales increased by \$165 million or 7.1%, the largest monthly increase since January 1985. Excluding new and used motor vehicle dealers, retail trade rose 1.0% in July, after a decrease of 0.4% in June.

Retail Trade

	Mar.	Apr.	May	June	July
	% change, previous month				
Grocery & meat stores	-0.2	2.9	-0.4	-0.6	1.2
Department stores	2.1	-0.2	0.4	-1.6	0.8
Motor vehicle dealers	-5.1	3.8	0.8	-0.8	7.1
All stores	-0.3	1.9	0.1	-0.5	2.2
All stores excl. motor	1.0	1.4	-0.1	-0.4	0.9

Retail Trade

(Billions of dollars, seasonally adjusted)



Unadjusted retail sales for the first seven months of 1986 totalled \$77.4 billion, up 8.4% over the corresponding period of 1985.

For further information, contact Industry Division (613) 990-9682.



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KEY RELEASE CALENDAR: October 1986*

MON.	TUE.	WED.	THUR.	FRI.
		1 <i>Gross Domestic Product, July</i>	2 <i>Housing Starts, August</i>	3 <i>New Housing Price Index, August</i>
6 <i>Inventories, Shipments and Orders, August</i>	7 <i>Labour Income, July</i>	8 <i>Merchandise Trade, August Department Store Sales, August</i>	9 <i>Help-wanted Index, September New Motor Vehicle Sales, August Building Permits, July</i>	10 <i>Labour Force Survey, September International Travel, Aug. Farm Cash Receipts, Aug.</i>
13	14 <i>Composite Leading Indicator, July Security Transactions, August</i>	15 <i>Capacity Utilization Rates, Second quarter</i>	16 <i>Refined Petroleum Products, August</i>	17 <i>Consumer Price Index, September Retail Trade, August</i>
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27	28 <i>Crude Petroleum and Natural Gas Production, July</i>	29 <i>Unemployment Insurance Statistics, August Employment, Earnings and Hours, August</i>	30 <i>Gross Domestic Product, August</i>	31 <i>Industrial Product Price Index, September Raw Materials Price Index, September</i>

* Anticipated dates of release only

Infomat**A Weekly Review**

Published by the Communications Division, Statistics Canada.

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R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario K1A 0T6.

Catalogue: 11-002E. Price: Canada, \$2/\$100; other countries, \$3/\$150. To subscribe: send money order or cheque payable to the Receiver General for Canada to Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6.

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