

# I·N·F·O·M·A·T

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### OVERVIEW

#### ■ Manufacturing Shipments Recover

Shipments fluctuated about a downward trend throughout most of 1986, but sharp improvements in the closing months of the year pushed the value of shipments close to record levels.

#### ■ Composite Leading Index Maintains Growth Rate of 0.5%

Manufacturing indicators improved again in November, while the indicators of household demand lost some of their recent strength.

#### ■ Labour Market Developments in Canada

In 1986, the annual average unemployment rate fell below 10% for the first time since 1981 and employment grew by nearly 3%.

#### ■ Increase in Department Store Sales Slows

Sales in 1986 were up 5.2%, a slight deceleration from the 5.7% growth recorded in 1985.

#### ■ Farm Cash Receipts Rise

Record payments under federal and provincial programs combined with higher livestock and animal product receipts produced a modest increase in total farm cash receipts in 1986.

#### ■ Changing Labour Market Conditions for Postsecondary Graduates

From 1975-1985, job creation effecting graduates was more rapid than for the labour force as a whole, but the 1981-82 recession radically altered employment patterns for graduates from many fields.

### Manufacturing Shipments Recover

In 1986, shipments by the Canadian manufacturing industries totalled \$241.5 billion. The year-over-year increase in the value of shipments was 2.2%, down considerably from the growth of 7.1% registered in 1985.

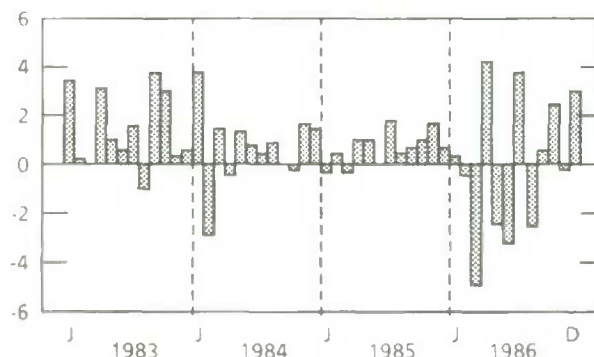
Shipments fluctuated about a generally downward trend throughout most of 1986. But a sharp increase in the value of shipments in December, coupled with increases in two of the three previous months has resulted in a level of shipments which approaches the peak value recorded in January 1986.

Preliminary estimates indicate that the seasonally adjusted value of shipments for all Canadian manufacturing industries rose 3.1% in December, to \$21.5 billion. Following a slight decrease in November, the advance in December was widespread, as 18 of the 22 major industry groups reported higher shipments. The transportation equipment industries and the chemical and chemical products industries led the advance with gains of 6.1% and 4.1%.

(continued on page 2)

#### Shipments

(% change, previous month)


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## ... Manufacturing Shipments Recover

The seasonally adjusted level of new orders, which has displayed a trend similar to that of shipments, also rose in December. New orders were up 4.9% to \$21.8 billion, surpassing the previous peak recorded in February 1986. The backlog of unfilled orders also increased in December, rising 1.2% to \$24.1 billion. This was the first advance in unfilled orders since May 1986.

Inventories owned by manufacturers remained stable for the last nine months at \$34 billion. However, higher shipments in December pushed the ratio of inventories owned to shipments down to 1.59:1, equalling the lowest value for this ratio, which was recorded in January 1986.

### Manufacturing Activity

	Aug.	Sept.	Oct.	Nov.	Dec.
	% change, previous month				
Shipments	-3.2	0.6	2.5	-0.3	3.1
New orders	-5.1	2.8	2.8	-0.6	4.9
Unfilled orders	-1.7	-0.3	-0.4	-0.4	1.2
Inventory to shipments ratio	1.68	1.67	1.63	1.64	1.59

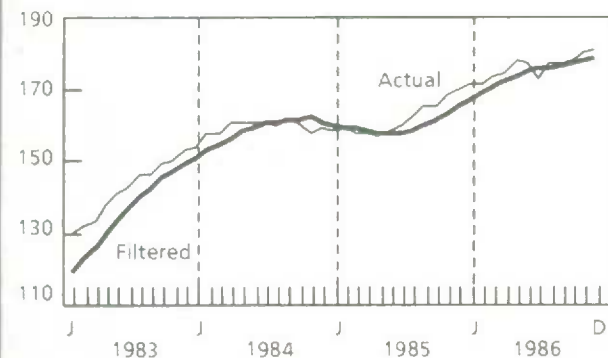
For further information, contact Industry Division at (613) 990-9832.

## Composite Leading Index Maintains Growth Rate of 0.5%

- The filtered composite leading indicator posted an increase of 0.5% in November, equal to the average monthly gain in the previous four months. In the first six months of 1986, the composite leading indicator had risen an average of 0.8% each month.
- Household demand indicators weakened somewhat in the current month, but manufacturing indicators improved for a second month.

### The Canadian Composite Leading Index

(1971 = 100)



- Following four consecutive increases of 1.0% or more, retail trade advanced 0.8% in November.
- The index for residential construction also rose at a more moderate rate, 1.6% in November, compared to 2.5% in September and 2.3% in October.
- The index for new motor vehicle sales decreased (-1.0%) after three monthly advances.
- Large monthly gains for the Toronto Stock Exchange stock price index halted in August. Since then, this index has registered progressively larger decreases. It was down 0.4% in November.
- The money supply increased for the third consecutive month (0.8%), after declining from January to August.
- The United States composite leading indicator has also registered slower growth, beginning in June 1986. In November it rose 0.4%, similar to the average monthly gain in the previous five months.

For further information, contact International and Financial Economics Division at (613) 990-9162.

## Labour Market Developments in Canada

The January issue of the *Labour Force* (71-001) includes a feature article which reviews changes in employment and unemployment over the past year and looks at a wide spectrum of 1986 trends.

Highlights include the following:

- In 1986, employment reached an all-time high of 11.6 million, up 323,000 or 2.9% from 1985. Annual employment growth rates from 2.5% to 2.9% have been recorded for three consecutive years.
- Increased employment raised the employment/population ratio one full percentage point, to 59.4%. This rate, which shows the employed as a proportion of the population aged 15 and over, had peaked at 59.9% in 1981, before the recession.
- Full-time and part-time employment both increased approximately 3% in 1986, following more than a decade of uneven growth: from 1976 to 1985, part-time employment rose on average 5.9% each year, compared to only 1.4% for full-time work.
- At 9.6%, the 1986 unemployment rate is the lowest annual average in five years. The rate jumped from 7.5% in 1981 to 11.0% in 1982, and peaked at 11.9% the following year.
- The number of persons unemployed more than 52 weeks dropped 18.3% (to 109,000) in 1986, although overall unemployment declined only 6.9% (to 1.2 million).
- Women 25 to 44 accounted for 54% of total employment growth last year. Their level of employment rose 6.9%, compared to 3.1% for men of the same age.

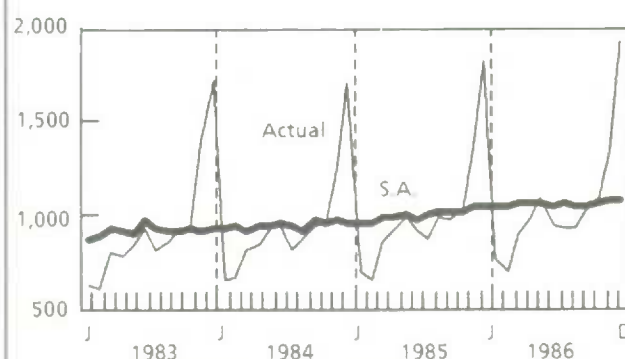
For further information, contact Labour and Household Surveys Analysis Division at (613) 991-6894.

## Increase in Department Store Sales Slows

- In 1986, department store sales totalled \$12.7 billion, an increase of 5.2% over 1985. This marks the fourth consecutive year of growth, but the rate of increase was down slightly from the 5.7% advance in 1985.
- The growth in 1986 was broadly based as 31 of the 40 departments covered by the survey recorded higher sales. The largest increases were in women's and misses' sportswear, repairs and services, and women's, misses' and children's footwear.
- Sales of women's and misses' sportswear were up for the fourth consecutive year, and the increase of 14.1% was the largest recorded since 1981.
- Repair and service sales continue to improve; however, the 13.7% gain in 1986 was lower than the increases registered from 1981 to 1983.
- The 12.5% increase in sales of women's, misses' and children's shoes was the largest advance in seven years.

### Department Store Sales

(millions of dollars)



- Millinery registered growing sales from 1982 to 1984, but the 14.7% drop in 1986 was the second in a row.
- Total department store sales rose in all provinces, with increases ranging from 7.6% in Ontario to 1.4% in Alberta and Manitoba.

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



## Farm Cash Receipts Rise

Farm cash receipts for 1986 were estimated at \$20.6 billion, up 3.3% over 1985 and the second largest advance in five years. Since 1981, farm cash receipts have only risen 10%, with most of the increase occurring in 1984. Higher livestock and animal product receipts combined with higher federal and provincial program payments were responsible for the advance in 1986.

Livestock and animal product receipts rose 4.6%, to \$10.2 billion, on the strength of higher hog, dairy product and poultry prices. Despite a decrease in hog marketings in 1986, a 20% increase in the average price produced the rise in hog receipts. Increased fluid milk marketings, along with overall dairy prices were responsible for the 3% gain in dairy receipts.

Crop receipts, which totalled \$9.4 billion, registered a small drop from 1985, despite record payments under the Western Grain Stabilization Act (\$859 million). This was the second consecutive yearly decrease in crop receipts.

Prices for grains, oilseeds, canola, corn and flaxseed were down sharply from 1985. In the case of most of these products, receipts were down despite an increase in marketings. Barley was an exception as receipts rose 41% on the strength of a 76% increase in marketings.

Tobacco receipts were 184% above the 1985 level. This large increase was due to the fact that virtually all of the 1985 crop was sold in 1986, in addition to the usual portion of the 1986 crop.

*For further information, contact Agriculture/Natural Resources Division at (613) 990-8706.*

## The Changing Labour Market for Postsecondary Graduates

This report reviews labour market changes for postsecondary graduates by examining data from three sources: employment trends during the 1975-1984 period in industries and occupations of importance to graduates, data on the supply of graduates between 1976 and 1983, and follow-up surveys of post-secondary graduates conducted in 1978 and 1984.

Highlights from the publication include:

- Throughout the 1975-1984 period, job creation was more rapid for the types of jobs that graduates enter than for the labour force as a whole. In particular, during and following the 1981-1982 recession (i.e. between 1981 and 1984) employment as a whole did not increase, but jobs in occupations for college graduates rose at an annual rate of 1.5%, while those for university graduates rose 1.2%.
- There was enormous variation in employment growth for different disciplines. Discipline-specific employment indexes showed that for many technology-related disciplines, employment opportunities grew during the 1975-1981 period, declined during 1982-1983, and recovered somewhat in 1984. For other

disciplines, such as health sciences, social services and social sciences, employment opportunities grew continuously through the early and mid-1980s, despite the recession.

- The supply of graduates also influenced labour market conditions. In colleges, the number of graduates grew fastest in business, commerce, and data processing, while the number from health sciences fell by 16% between 1976 and 1983. In universities, social sciences, mathematics and physical sciences showed the most rapid growth in graduates, while education, humanities and biological science numbers fell.
- Variations in graduate supply and employment growth were reflected in two follow-up surveys of graduates two years after graduation. Between 1978 and 1984, unemployment rates more than doubled for engineering, technology and college graduates in data processing. Among the 1976 college graduates surveyed, those in technology and data processing had the lowest unemployment rates in 1978; 1982 graduates in these disciplines however, had the highest unemployment rates in 1984. Over the same period, unemployment declined among humanities, health sciences, mathematics and physical science graduates, despite difficult economic conditions.

*For further information, contact Social and Economic Studies Division at (613) 990-8213.*

## PUBLICATIONS RELEASED FROM FEBRUARY 13 - 19

### INDUSTRY

**Beverage and Tobacco Products Industries - Brewery Products Industry**, 1985 Census of Manufactures. Catalogue number 32-251B 1131 (Canada: \$4; Other Countries: \$5).

**Canned and Frozen Fruits and Vegetables**, October 1986. Catalogue number 32-011 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Cement**, December 1986. Catalogue number 44-001 (Canada: \$4/\$40; Other Countries: \$5/\$50).

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

**Electric Lamps**, December 1986. Catalogue number 43-009 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Gypsum Products**, December 1986. Catalogue number 44-003 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Non-metallic Mineral Products Industries - Asbestos Products Industry**, 1985 Census of Manufactures. Catalogue number 44-250B 3592 (Canada: \$4; Other Countries: \$5).

**Non-metallic Mineral Products Industries - Non-metallic Mineral Insulating Materials Industry**, 1985 Census of Manufactures. Catalogue number 44-250B 3594 (Canada: \$4; Other Countries: \$5).

**Printing, Publishing and Allied Industries - Business Forms Printing Industry**, 1985 Census of Manufactures. Catalogue number 36-251B 2811 (Canada: \$4; Other Countries: \$5).

**Production, Sales and Stocks of Major Appliances**, December 1986. Catalogue number 43-010 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Quarterly Report on Energy Supply-demand in Canada**, 1986-II. Catalogue number 57-003 (Canada: \$25/\$100; Other Countries: \$26.50/\$106).

**Refined Petroleum and Coal Products Industries - Refined Petroleum Products Industry** (Except Lubricating Oil and Grease), 1985 Census of Manufactures. Catalogue Number 45-250B 3611 (Canada: \$4; Other Countries: \$5).

**Rubber and Plastic Products Industries - Foamed and Expanded Plastic Products Industry**, 1985 Census of Manufactures. Catalogue number 33-250B 1611 (Canada: \$4; Other Countries: \$5).

**Specified Domestic Electrical Appliances**, December 1986. Catalogue number 43-003 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Textile Products Industries - Carpet, Mat and Rug Industry**, 1985 Census of Manufactures. Catalogue number 34-251B 1921 (Canada: \$4; Other Countries: \$5).

**Textile Products Industries - Hygiene Products of Textile Materials Industry**, 1985 Census of Manufactures. Catalogue Number 34-251B 1994 (Canada: \$4; Other Countries: \$5).

### INDUSTRY MEASURES AND ANALYSIS

**Gross Domestic Product by Industry**, November 1986. Catalogue number 61-005 (Canada: \$10/\$100; Other Countries: \$11/\$110).

### LABOUR

**The Labour Force**, January 1987. Catalogue number 71-001 (Canada: \$20/\$200; Other Countries: \$21.50/\$215).

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

**Building Permits**, October 1986. Catalogue number 64-001 (Canada: \$20/\$200; Other Countries: \$21/\$210).

### TRANSPORTATION

**Aviation Statistics Centre Service Bulletin**, February 1987. Catalogue number 51-004 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

**Railway Carloadings**, 10-day Period Ending January 31, 1987. Catalogue number 52-005 (Canada: \$75; Other Countries: \$100).



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## LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
<b>EMPLOYMENT, INCOME</b>				
Average Weekly Earnings (\$)	Nov.	433.63	434.03	2.0
Labour Income (\$ million)	Nov.	22,626	22,890	4.6
Persons with Jobs (million)	Jan.	11.33	11.56	1.2
Unemployed (million)	Jan.	1.3	1.2	-0.4
<b>INVENTORIES</b>				
Department Store (\$ million)	Dec.*	4,282	4,749	21.2
Manufacturers' Owned (\$ million)	Dec.*	33,620	33,912	-1.4
<b>ORDERS</b>				
Manufacturers' New Orders (\$ million)	Dec.*	19,897	20,461	2.0
Manufacturers' Unfilled Orders (\$ million)	Dec.*	23,585	23,786	-0.5
<b>PRICES</b>				
Consumer Price Index (1981 = 100)	Dec.	134.9	134.7	4.2
New House Price Index (1981 = 100)	Dec.	110.3	109.7	12.3
Raw Materials Price Index (1981 = 100)	Dec.	95.0	94.5	-19.6
Excl. mineral fuels	Dec.	104.9	105.3	3.2
Industrial Product Price Index (1981 = 100)	Dec.	119.8	119.8	-0.2
<b>CONSTRUCTION</b>				
			Year-to-date	
Building Permits (\$ million)	Oct.	2,166	20,441	24.4
Housing Starts - Urban Centres (units)	Nov.	15,536	156,647	23.3
<b>ENERGY</b>				
Coal Production (thousand tonnes)	Nov.*	5,110	51,514	-7.7
Electricity Generation (gigawatt hours)	Nov.	41,066	411,042	2.3
Natural Gas Production (million cubic metres)	Oct.	8,899	84,670	-2.8
<b>FOREIGN TRADE</b>				
Exports - Balance of Payments Basis (\$ million)	Dec.	10,030	121,079	0.7
Imports - Balance of Payments Basis (\$ million)	Dec.	8,672	111,516	8.5
<b>SALES</b>				
Department Store Sales (\$ million)	Dec.*	1,945	12,668	5.2
Manufacturers' Shipments (\$ million)	Dec.*	20,098	241,541	2.2
New Motor Vehicle Sales (\$ million)	Dec.	1,589	21,792	9.6
Refined Petroleum Products (thousand cubic metres)	Nov.	6,346	70,580	-0.1
Retail Sales (\$ million)	Nov.	12,378	125,400	7.9

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

## Infomat

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