

I·N·F·O·M·A·T

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

Friday, January 22, 1988

OVERVIEW

■ Manufacturing Shipments Continue to Rise

The November increase of 0.6% in shipments by Canadian manufacturers was the eighth consecutive advance and pushed the value of shipments to \$22.9 billion. New orders and unfilled orders were also up from October.

■ Exports and Imports Rise to Record Levels

Imports rose 6.8% in November to \$10.6 billion, while exports rose by a more modest 1.9% and totalled \$11.3 billion.

■ Retail Sales Up 0.6% in November

This increase was the fourth consecutive monthly advance and was in line with the trend of generally rising sales noted to date in 1987.

■ Consumer Prices Register Minor Increase

The CPI only rose 0.1% in December, as several offsetting price movements occurred during the month.

■ The Canadian Economic Observer Launched

This new publication incorporates the best features of four other periodicals. It provides analysis and data on the current economic climate.

■ Help-wanted Index Edges Up

The help-wanted index advanced one point to 140 in December. Ontario was the source of the increase as all other regions registered declines.

This issue also includes information on Deaths in Canada and the Input-output Tables.

Manufacturing Shipments Continue to Rise

Seasonally adjusted shipments by Canadian manufacturers increased for the eighth consecutive month in November. Most of the 22 major industry groups reported moderate gains with paper and allied products industries, and fabricated metal products industries leading the advance.

Preliminary estimates indicate that the value of shipments increased 0.6% to a level of \$22.9 billion. This increase, though more modest than those recorded in the two preceding months, marked a continuation of the gains recorded since April 1987.

New orders posted an increase of 1.7% in November, more than making up for the decrease in October. Monthly changes have been volatile over the last four months, ranging from -0.3% to 4.1%, but new orders have increased an average of about 1% per month since March 1987. The backlog of unfilled orders was \$24.7 billion in November, up 0.3% from October.

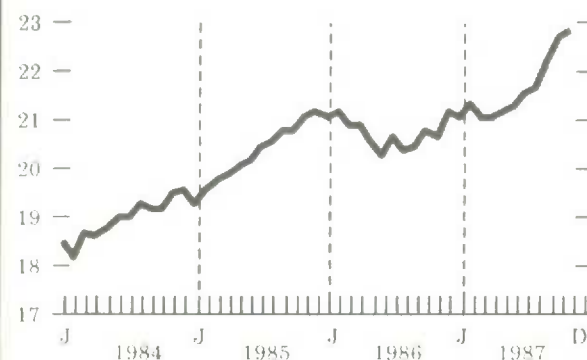
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Manufacturers' Shipments

(billions of dollars, seasonally adjusted)



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... Manufacturing Shipments Continue to Rise

Cumulative shipments for the first 11 months of 1987 have been estimated at \$240 billion, 4.3% higher than the corresponding period in 1986.

For further information, contact Industry Division at (613) 951-9497 or order Inventories, Shipments and Orders in Manufacturing Industries (catalogue number 31-001).

Manufacturing Activity

| | July | Aug. | Sept. | Oct. | Nov. |
|------------------------------|--------------------------|------|-------|------|------|
| | % change, previous month | | | | |
| Shipments | 1.3 | 0.7 | 2.7 | 2.1 | 0.6 |
| New orders | 1.1 | -0.3 | 4.1 | -0.1 | 1.7 |
| Unfilled orders | 0.9 | 0.0 | 1.2 | -0.8 | 0.3 |
| Inventory to shipments ratio | 1.56 | 1.56 | 1.53 | 1.50 | 1.51 |

Exports and Imports Rise to Record Levels

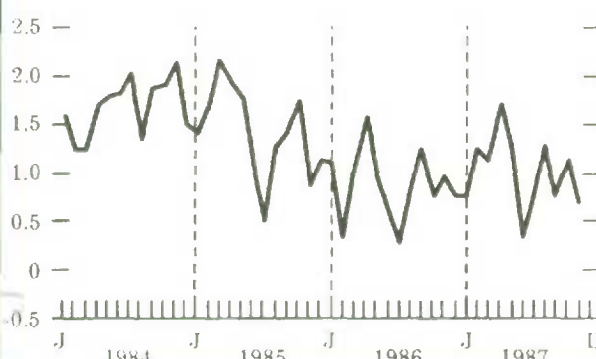
Adjusted on a balance of payments basis and corrected for seasonal fluctuations, the balance of international trade for the first 11 months of 1987 was \$11 billion. This represents a gain of \$1.3 billion from the surplus recorded in the same period of 1986. Exports have grown slightly faster (4.2%) than imports (3.3%) so far this year.

Exports amounted to \$11.3 billion in November, a gain of \$215 million or 1.9% from the level a month earlier. This was the fourth consecutive monthly increase in the value of exports. The largest advances were recorded for exports of aircraft, passenger autos and trucks. Exports of lumber and woodpulp resumed the rising trend which was interrupted by a sharp decline in October. The largest decreases were in exports of coal, motor vehicle parts and wheat.

Imports were up 6.8% over October, the largest monthly increase since June 1987. After three consecutive advances, the value of imports reached a record level of \$10.6 billion in November. The largest increase in the month was for imports of motor vehicle parts. Imports in this category totalled \$1.6 billion, the highest level recorded since July 1986. Over the last six

Merchandise Trade Balance

(billions of dollars, seasonally adjusted)



months, the value of imported motor vehicle parts has risen five times. Imports of aircraft also made a substantial contribution to the November increase in total imports. The short-term trend shows that aircraft imports were down from July to September, but strengthened in October.

The Canadian balance of trade with our major trading partner, the United States, decreased in November. Although exports rose during the month to a new peak of \$8.5 billion, imports were up by \$521 million to total \$7.3 billion. Cumulative totals show that exports to the U.S. were up to \$88.1 billion and accounted for almost 77% of total Canadian exports. Imports for the first 11 months of the year amounted to \$71.2 billion, 68% of total imports.

For further information, contact International Trade Division at (613) 951-1711 or order the Preliminary Statement of Canadian International Trade (catalogue number 65-001P).

Merchandise Trade

| | July | Aug. | Sept. | Oct. | Nov. |
|-----------------------|--------------------------|------|-------|------|------|
| | % change, previous month | | | | |
| Imports | -5.5 | -2.8 | 6.4 | 1.8 | 6.8 |
| Exports | -1.4 | 2.5 | 0.6 | 5.3 | 1.9 |
| | change, previous month | | | | |
| Balance (millions \$) | 408 | 525 | -521 | 387 | -461 |

Retail Sales Up 0.6% in November

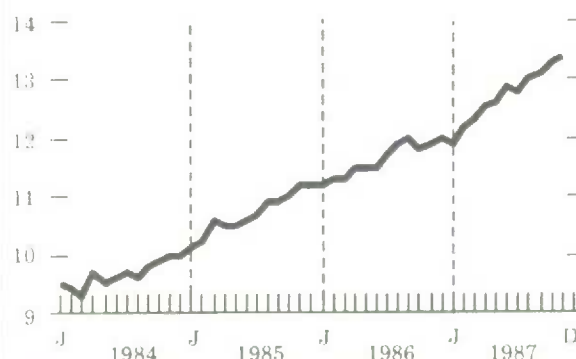
- Adjusted for seasonal fluctuations and the number of trading days, preliminary estimates indicate that retail sales totalled \$13.4 billion in November, up 0.6% from the previous month.
- This was the fourth consecutive monthly advance and was in line with the trend of generally rising sales observed during the year. Retail sales have grown an average of 1.0% a month since January.
- The overall rise in November was primarily attributable to increases reported by grocery, confectionery and sundries stores, combination stores and department stores.
- Grocery and meat stores (combination stores) registered their fourth consecutive advance; sales rose 1.0% over October to total \$2.3 billion.
- In total, nine kinds of business reported a month-over-month decline in sales. Four of these, motor vehicle dealers, used car dealers, garages, and automobile parts and accessories stores accounted for 33% of total retail sales.

Retail Trade

| | July | Aug. | Sept. | Oct. | Nov. |
|--|--------------------------|------|-------|------|------|
| | % change, previous month | | | | |
| Grocery & meat stores | -2.8 | 2.7 | 1.1 | 0.9 | 1.0 |
| Department stores | -2.3 | 2.0 | -2.2 | 1.7 | 1.5 |
| Motor vehicle dealers | -2.4 | 3.1 | -0.9 | 3.4 | -0.6 |
| All stores | -0.6 | 1.5 | 0.7 | 1.7 | 0.6 |
| All stores excl. motor vehicle dealers | -0.1 | 1.1 | 1.1 | 1.3 | 0.9 |

Retail Trade

(billions of dollars, seasonally adjusted)



- Retail sales by motor vehicle dealers, which are the largest sales group by far, continued to fluctuate, dropping 0.6% from October. However, the overall trend in sales remained positive, as year-to-date sales (in dollars) were up 12.3% over the same period of 1986.
- Excluding new motor vehicle dealers, retail sales rose by 0.9%.

For further information contact Industry Division at (613) 951-3549 or order Retail Trade (catalogue number 63-005).

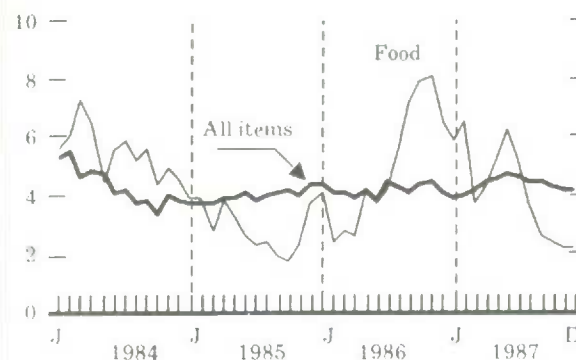
Consumer Prices Register Minor Increase

The Consumer Price Index (1981=100) rose 0.1% in December to reach a level of 140.5. This relatively small increase in the CPI was the net result of several offsetting price movements as two of the major component indexes registered increases, two remained unchanged and three posted declines. Upward influences on the CPI stemmed from increases of 0.5% in the transportation index and 0.2% in the recreation, reading and education index. Declines in the food (-0.2%) and clothing indexes (-0.5%) contributed most of the downward pressure.

The increase in the transportation index was largely due to a rise of 12.3% in the air transportation index. The termination of several "seat sales" in December and higher seasonal air fares to selected holiday destinations boosted air transportation costs. Offsetting part of this upward movement were lower prices for some new automobiles, gasoline and automobile rental.

Consumer Price Index

(% change, previous year)



(continued on page 4)

... Consumer Prices Register Minor Increase

The food index fell in December, a marked contrast to the rise of 0.5% observed in November. Most of the decrease was the result of noticeable reductions in the prices of a wide variety of fresh meat products, selected cured meat products, fresh fruit, soft drinks, low-fat milk, coffee and tea. Increasing supplies of fresh pork and poultry have resulted in lower prices for most meats at the retail level.

A decline in the clothing index exerted a significant downward pressure on the all-items excluding food index. Promotional activities were largely responsible for this decline.

Consumer Price Indexes

| | Aug. | Sept. | Oct. | Nov. | Dec. |
|-----------------------|--------------------------|-------|------|------|------|
| | % change, previous month | | | | |
| All-items | 0.1 | 0.0 | 0.3 | 0.5 | 0.1 |
| Food | -1.0 | -0.5 | 0.2 | 0.5 | -0.2 |
| All-items, excl. food | 0.3 | 0.2 | 0.4 | 0.4 | 0.1 |

For further information, contact Prices Division at (613) 951-9606 or order *The Consumer Price Index* (catalogue number 62-001).

The Canadian Economic Observer Launched

The first issue of the Canadian Economic Observer (CEO), Statistics Canada's new monthly review of economic statistics, is now available.

Each month, the CEO will incorporate the best and most widely used features from the Canadian Statistical Review, Current Economic Indicators, Quarterly Economic Survey and its Supplement. In addition, the CEO is a gateway publication that will keep its readers abreast of developments in Statistics Canada's coverage and analysis of economic statistics.

The first issue features a summary of current economic conditions, highlights of economic and statistical events in December, an overview of the Harmonized System and an article on the growth of services in the Canadian economy. The statistical summary provides tables and graphs on the major economic time series for Canada, the provinces and the major industrialized nations.

The summary from the January issue follows:

"Apprehension over the course of the economy, most evident in the stock market drop in mid-October, has not appeared so far in the data available for October, November and December. Total output continued to grow in October, while employment rose in November and December. Slower growth in the composite leading index was largely due to the stock market; excluding this component, most of the indicators of the future course of demand remained positive.

The growth of aggregate demand and employment accompanied gains in domestic demand and in the United States economy. In Canada, retail sales rose sharply in October, and domestic auto sales advanced further in November. Housing starts, which are usually very sensitive to cyclical fluctuations in demand, rebounded in November from declines in September and October. Manufacturing shipments grew to record high levels, bolstered by business investment and export demand, and in October the ratio of inventories to shipments fell to the lowest level on record. With output and demand rising, employment strengthened by 0.6% in December, led by a sharp gain in the wholesale and retail trade industry.



The United States economy also continued to expand in November. Industrial production rose, supporting demand for Canadian exports of industrial goods, and retail sales grew significantly. Business investment plans for 1988 indicate an increase of 7%, the largest annual gain since 1985; it is worth noting that the survey was taken during and after the stock market crash. The American dollar, however, continued to be weak in currency markets, partly because the merchandise trade deficit widened sharply in October. At year-end, this weakness and continued large trade deficits became the new focal point of concerns about the economy, after the turbulence in stock markets in October."

For further information, contact International Economics and Finance Division at (613) 951-9162 or order the *Canadian Economic Observer* (catalogue number 11-010).

Help-wanted Index Edges Up

In December, the seasonally adjusted Help-wanted Index (1981=100) continued to increase. Edging up to 140, the index registered a record level for the eighth consecutive month. In 1987, the average level of the index (120) was 36% higher than it was in 1986 and showed the strongest advances since the recession in the early 1980s. Generally the demand for labour, as measured by this index has improved in all regions of the country, but Eastern Canada recorded particularly large gains.

Ontario was the source of the increase in December, as it was the only region to register an advance for the month. For the year, the average level of the index was up 41% from 1986. A slight downturn in the first quarter was followed by strong growth which continued to the end of the year.

The index for Quebec retreated slightly in December, following three consecutive advances. This was a repetition of the pattern noted throughout 1987. The average level of the index in this province for 1987 was 132, an improvement of 37.5% over 1986.

For further information, contact Labour Division at (613) 951-4045 or order the Help-wanted Index (71-204) for detailed data.

Help-wanted Index (1981 = 100)

| | Aug. | Sept. | Oct. | Nov. | Dec. |
|------------------|---------------------|------------|------------|------------|------------|
| | seasonally adjusted | | | | |
| Canada | 125 | 132 | 136 | 139 | 140 |
| Atlantic Region | 164 | 171 | 170 | 173 | 164 |
| Quebec | 131 | 146 | 148 | 154 | 150 |
| Ontario | 171 | 177 | 185 | 184 | 189 |
| Prairie Region | 54 | 60 | 55 | 59 | 58 |
| British Columbia | 53 | 50 | 55 | 57 | 55 |

In the Atlantic region, the index dropped to 164 from 173 in November. The 12-month average for this region was 151, up 35% over 1986. The index registered its lowest value (130) for the year in March and then climbed to its peak value in November.

The Prairie Provinces and British Columbia recorded slight declines in December. Generally the help-wanted indexes for these regions have been rising in 1987. Their average levels for the year were 20% higher than 1986. However, the increases were smaller than those registered in Eastern Canada and the overall levels were well below the 1981 reference levels.

Causes of Death in Canada

In 1986, there were 184,224 deaths recorded in Canada. As the number of deaths is influenced by the growth and aging of the population, it has been rising since 1950. However, when the number of deaths is expressed as a rate per 100,000 population, a different pattern emerges. The age-adjusted death rate had declined for more than three decades before increasing slightly in 1986.

Life expectancy has increased since the 1980-82 period for both males and females. Males have gained .32 years more than females, but female life expectancy (80) remains nearly seven years greater than that for males (73).

Cardiovascular disease was the leading cause of death for Canadians, accounting for 43% of all deaths in 1986. Since 1981, the age-adjusted death rate for

cardiovascular disease has fallen 14%, continuing the marked decline which started in the 1960s. It is not clear if preventative measures, reduced severity, improved treatment or a combination of these factors has had the greatest impact on the reduction in the rate.

Cancer was the second leading cause of death in men and women. It was responsible for 25% of all deaths in 1986. Age-adjusted death rates increased slightly, by 4.5% in men and by 4.1% in women between 1981 and 1986. The rate for men has been increasing steadily since 1950, whereas increases in the rate for women are more recent. Occurring in the last decade only, they represent a reversal of the earlier trend of slowly decreasing rates. However, the overall increase was due to higher death rates at older ages; under 65 years old the rates were stable.

For further information, contact Health Division at (613) 951-1769 or order Causes of Death (catalogue number 84-203).

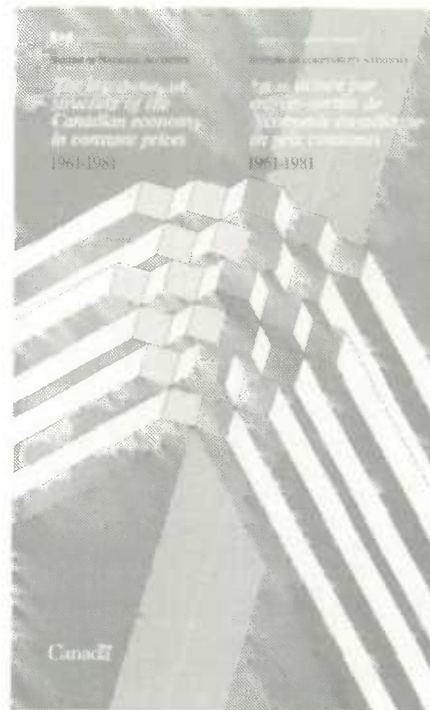
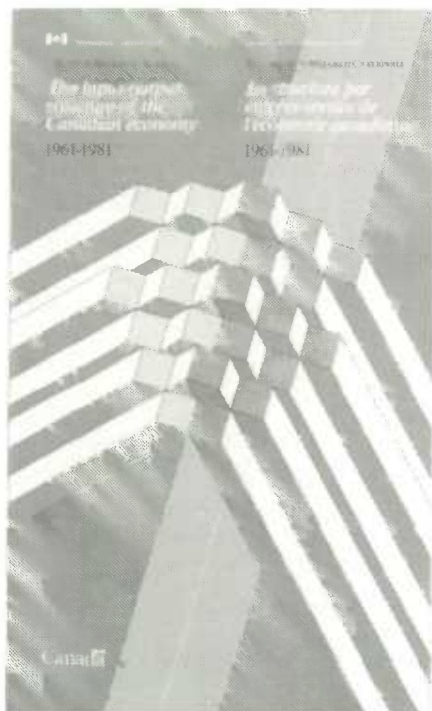
NEW FROM STATISTICS CANADA

Input-Output Publications

Two new publications presenting revised historical data for the period 1961 to 1981 on the input-output structure of the Canadian economy are now available. These publications also include new benchmark estimates of Gross Domestic Product at factor cost by industry.

The input-output tables provide the most complete description available of the structure and interdependence of the economy. They include the commodity detail of industry outputs and inputs, final expenditure, as well as tables of direct and indirect industry requirements of commodity demand.

This long series will be of special interest to researchers, analysts and policy makers as the data are capable of a wide variety of applications such as historical time series, measurement of growth and productivity, cross-section and impact studies and as input into simulation and forecasting models.



*For further information, contact Yusuf Siddiqi at (613) 951-8909 or order *Input-output Structure of the Canadian Economy 1961-1981* (catalogue number 15-510) or *Input-output Structure of the Canadian Economy in Constant Prices, 1961-1981* (catalogue number 15-511).*

PUBLICATIONS RELEASED FROM JANUARY 15 - 21

AGRICULTURE

Apparent Per Capita Food Consumption in Canada - Part II, 1986. Catalogue number 32-230 (Canada: \$25; Other Countries: \$26).

Cereals and Oilseeds Review, October 1987. Catalogue number 22-007 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

Production and Stocks of Eggs and Poultry, October 1987. Catalogue number 23-003 (Canada: \$11/\$110; Other Countries: \$12/\$120).

CANSIM

Canadian Statistical Review, December 1987. Catalogue number 11-003E (Canada: \$20.00/\$200.00; Other Countries: \$21.50/\$215.00). Last issue.

CENSUS

The Nation - Dwellings and Households: Part 1, 1986 Census. Catalogue number 93-104 (Canada: \$33; Other Countries: \$34.50).

Profiles - Census Tracts-Brantford: Part 1, 1986 Census. Catalogue number 95-101 (Canada: \$19; Other Countries: \$20).

EDUCATION, CULTURE AND TOURISM

International Travel - Advance Information, November 1987. Catalogue number 66-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

Salaries and Salary Scales of Full-time Teaching Staff at Canadian Universities, 1987-88. Catalogue number 81-258P (Canada: \$20; Other Countries: \$21).

INDUSTRY

Construction Type Plywood, October 1987. Catalogue number 35-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Gas Utilities, September 1987. Catalogue number 55-002 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

Inventories, Shipments and Orders in Manufacturing Industries, September 1987. Catalogue number 31-001 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

Merchandising Inventories, August 1987. Catalogue number 63-014 (Canada: \$13/\$130; Other Countries: \$14/\$140).

New Motor Vehicle Sales, August 1987. Catalogue number 63-007 (Canada: \$9/\$90; Other Countries: \$10/\$100).

Primary Metal Industries, 1985. Catalogue number 41-250 (Canada: \$30; Other Countries: \$31.50).

Production and Inventories of Process Cheese and Instant Skim Milk Powder, November 1987. Catalogue number 32-024 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

The Construction Industry - Highway, Road, Street and Bridge Contractors, 1985. Catalogue number 64-206 (Canada: \$20; Other Countries: \$21).

The Construction Industry - Non-residential General Contractors and Developers, 1985. Catalogue number 64-207 (Canada: \$20; Other Countries: \$21).

The Construction Industry - Residential General Contractors and Developers, 1985. Catalogue number 64-208 (Canada: \$20; Other Countries: \$21).

The Construction Industry - Heavy Engineering Contractors, 1985. Catalogue number 64-209 (Canada: \$20; Other Countries: \$21).

Wholesale Trade, October 1987. Catalogue number 63-008 (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

INTERNATIONAL AND FINANCIAL ECONOMICS

Canadian Economic Observer, January 1988. Catalogue Number 11-010 (Canada: \$20/\$200.00; Other Countries: \$21.50/\$215.00).

Canadian Economic Observer - Historical Statistical Supplement, 1986. Catalogue number 11-210 (Canada: \$25; Other Countries: \$26).

Security Transactions with Non-residents, October 1987. Catalogue number 67-002 (Canada: \$15/\$150; Other Countries: \$16/\$160).

INTERNATIONAL TRADE

Exports by Commodity, October 1987. Catalogue number 65-004 (Canada: \$50/\$500; Other Countries: \$60/\$600).

Summary of Canadian International Trade, October 1987. Catalogue number 65-001 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

LABOUR

The Labour Force, December 1987. Catalogue number 71-001 (Canada: \$22/\$220; Other Countries: \$24/\$240).

Unemployment Insurance Statistics, September 1987. Catalogue number 73-001 (Canada: \$13/\$130; Other Countries: \$14/\$140).

PRICES

Consumer Price Index, December 1987. Catalogue number 62-001 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

PUBLIC INSTITUTIONS

Provincial Government Finance, Fiscal Year Ended March 31, 1986. Catalogue number 68-209 (Canada: \$30; Other Countries: \$31).

Provincial Government Finance, Revenue and Expenditure 1984, Fiscal Year Ended March 31, 1985. Catalogue number 68-207 (Canada: \$30; Other Countries: \$32).

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Building Permits, September 1987. Catalogue number 64-001 (Canada: \$20/\$200; Other Countries: \$21/\$210).

Capacity Utilization Rates in Canadian Manufacturing, Third Quarter 1987. Catalogue number 31-003 (Canada: \$22/\$88; Other Countries: \$23/\$92).

TRANSPORTATION

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



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LATEST MONTHLY STATISTICS

| | | | Previous Month | % Change From Year Ago |
|--|-------|--------|-------------------|------------------------------|
| EMPLOYMENT, INCOME | | | | |
| Average Weekly Earnings (\$) | Oct. | 450.97 | 447.40 | 4.4 |
| Labour Income (\$ million) | Oct. | 24,855 | 24,870 | 7.0 |
| Persons with Jobs (million) | Dec. | 12.03 | 12.05 | 4.2 |
| Unemployed (thousand) | Dec. | 1,025 | 1,024 | -13.1 |
| INVENTORIES | | | | |
| Department Store (\$ million) | Oct. | 5,185 | 4,764 | 5.5 |
| Manufacturers' Owned (\$ million) | Nov.* | 34,343 | 33,975 | 3.1 |
| ORDERS | | | | |
| Manufacturers' New Orders (\$ million) | Nov.* | 22,977 | 23,440 | 12.4 |
| Manufacturers' Unfilled Orders (\$ million) | Nov.* | 24,496 | 24,631 | 2.9 |
| PRICES | | | | |
| Consumer Price Index (1981=100) | Dec.* | 140.5 | 140.4 | 4.2 |
| New House Price Index (1981=100) | Nov. | 122.9 | 122.5 | 12.0 |
| Raw Materials Price Index (1981=100) | Nov. | 104.4 | 104.5 | 10.6 |
| Excl. minerals fuels | Nov. | 111.8 | 112.0 | 5.7 |
| Industrial Product Price Index (1981=100) | Nov. | 124.9 | 124.4 | 4.2 |
| CONSTRUCTION | | | | |
| Building Permits (\$ million) | Sept. | 2,815 | 23,363 | 27.8 |
| Housing Starts - Urban Centres (units) | Oct. | 16,894 | 183,247 | 29.9 |
| ENERGY | | | | |
| Coal Production (thousand tonnes) | Oct. | 5,823 | 49,496 | 6.6 |
| Electricity Generation (gigawatt hours) | Oct. | 39,156 | 394,285 | 6.6 |
| Natural Gas Production (million cubic metres) | Sept. | 8,537 | 79,720 | 5.0 |
| FOREIGN TRADE | | | | |
| Exports - Balance of Payments Basis (\$ million) | Nov.* | 11,560 | 115,331 | 4.3 |
| Imports - Balance of Payments Basis (\$ million) | Nov.* | 10,624 | 104,931 | 3.2 |
| SALES | | | | |
| Department Store Sales (\$ million) | Oct. | 1,118 | 9,529 | 1.2 |
| Manufacturers' Shipments (\$ million) | Nov.* | 23,112 | 239,708 | 4.3 |
| New Motor Vehicle Sales (\$ million) | Nov. | 1,975 | 22,319 | 10.3 |
| Refined Petroleum Products (thousand cubic metres) | Oct. | 7,127 | 66,270 | 3.0 |
| Retail Sales (\$ million) | Nov.* | 13,546 | 137,573 | 9.5 |

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

I.N.F.O.M.A.T**A Weekly Review**

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