

# I·N·F·O·M·A·T

## A W E E K L Y · R E V I E W

STATISTICS STATISTIQUE

CANADA

CANADA

Friday, February 19, 1988

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### OVERVIEW

#### ■ Merchandise Trade Surplus Slightly Lower in 1987

Preliminary estimates indicate a very slight decrease in Canada's trade surplus in 1987. The value of exports generally increased throughout the year, but gains in the last two quarters were not strong enough to offset the rise in the value of imports and prevent a decrease in the balance of trade.

#### ■ Slowdown in New Housing Price Increases

The new housing price index continued to moderate in December. Rising 0.2% over the previous month, it registered its smallest monthly advance in 1987.

#### ■ Manufacturing Shipments Continue to Rise

In December, the value of Canadian manufacturing shipments rose 1.1%. Continuous increases recorded since April have pushed shipments to a record level of \$23.1 billion.

#### ■ More Canadians Traveling Abroad

Preliminary data show that Canadian residents took 14.9 million overnight trips outside the country in 1987, an increase of 14% over 1986. The number of tourists visiting from countries other than the United States also reached unprecedented levels.

#### ■ This issue also includes articles on the Provincial Income and Expenditure Accounts.

### Merchandise Trade Surplus Slightly Lower in 1987

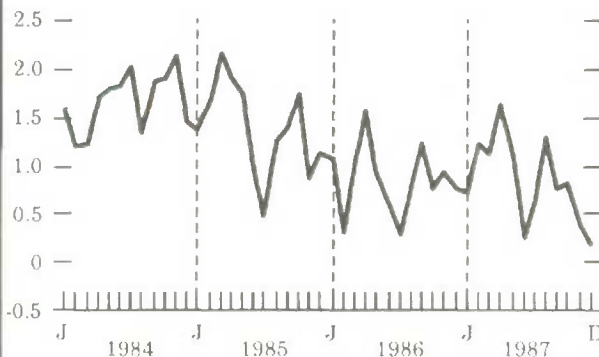
The preliminary estimates of international merchandise trade for 1987 indicate a very slight decrease in Canada's surplus with its trading partners, dropping to \$10.3 billion from \$10.4 billion in 1986. These estimates are expressed in current dollars on a balance-of-payments basis and are not adjusted for inflation. The 1987 data show that Canada's monthly trade performance was better in the first half of the year than in the second. The average monthly surplus was \$1.0 billion from January to June and \$697 million from July to December. Exports continued to advance in the last two quarters, but the gains were not strong enough to offset the increases in imports and prevent the balance of trade from dropping.

Overall, exports grew 4.1% in 1987, rising to \$125.8 billion. This increase was mainly the result of a \$3.2 billion rise in exports of forest products, \$1.4 billion of which was registered by wood pulp and other wood products. Exports of industrial goods and materials, and energy products also posted increases (\$1.6 billion and \$1.1 billion respectively). An advance in exports of

(continued on page 2)

### Merchandise Trade Balance

(billions of dollars, seasonally adjusted)



Statistics  
Canada

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Canada

Canada

## ... Merchandise Trade

crude petroleum contributed most of the overall increase in energy products, with natural gas and other products remaining very close to their 1986 levels. Exports of automotive products declined \$2.2 billion, to \$32.2 billion.

Imports rose 4.7% in 1987, to reach \$115.4 billion. Nearly all of the main merchandise groups posted increases, except for automotive products which fell slightly. Imports of machinery and equipment increased by \$2.1 billion with office machines accounting for just under half of this total. Imports of industrial goods and materials climbed \$1.3 billion, while energy products rose \$801 million.

The change in Canada's trade figures in December was typical of the three preceding months; exports continued to expand, but the gain failed to offset the rise in imports and resulted in a further decline in the trade surplus. Exports reached a new peak during the month of \$11.4 billion. This growth was entirely attributable to the automotive products sector. Imports rose 5.8% to \$11.2 billion, which was also a new peak. The advance from November was the fourth consecutive increase in the value of imports. Imports of machinery and equipment from the U.S. were mainly responsible for this growth.

*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

	Aug.	Sept.	Oct.	Nov.	Dec.
% change, previous month					
Imports	-3.1	6.5	1.8	7.3	5.8
Exports	3.7	0.6	2.1	2.7	3.8
change, previous month					
Balance (millions \$)	669	-532	48	-429	-194

Following reconciliation of the statistics for international merchandise trade between Canada and the United States, the cumulative value of Canadian exports to the U.S. totalled \$96.3 billion for the year. This was an increase of 0.6% over 1986. Imports totalled \$79.3 billion for a gain of 2.6% over the previous year. Consequently, the reconciled balance of international trade between the two trading partners, as recognized by Statistics Canada and the U.S. Bureau of the Census, was a surplus of \$17 billion in Canadian dollars for Canada, a decrease of \$1.4 billion from 1986. It is important to note that the reconciled figures differ from the monthly totals on a customs basis owing to the adjustments for rates of non-response, transportation charges, definitions of "trade" and valuation.

## Slowdown in New Housing Price Increases

The new housing price index, which measures changes in prices for particular models of new residential houses, continued to moderate in December. It rose 0.2% over the previous month, the smallest advance posted in 1987. This moderating trend was first apparent in June. In Southwestern Ontario cities and Montreal, monthly increases were down sharply from the advances registered earlier in the year.

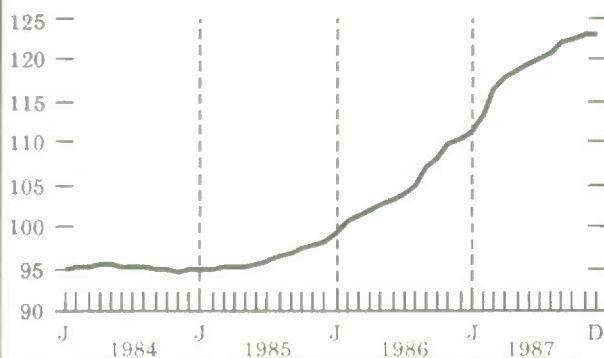
Among the cities surveyed, St. Catharines-Niagara showed the largest monthly increase (0.6%), followed closely by Hamilton and Montreal. Toronto registered an advance of only 0.2%, but continued to show the largest year-over-year change (17.6%) of all cities.

## Housing Price Indexes

	Aug.	Sept.	Oct.	Nov.	Dec.
% change, previous month					
New Housing	0.6	1.0	0.4	0.3	0.2
land only	0.7	2.7	0.5	0.5	0.4
house only	0.5	0.3	0.3	0.2	0.2

## New Housing Price Index

(1981 = 100)



However, this increase was well below the city's peak increase of 33.6% recorded in April.

*For further information, contact Prices Division at (613) 951-9601 or order Construction Price Statistics (catalogue number 62-007).*



## Manufacturing Shipments Continue to Rise

Seasonally adjusted shipments by Canadian manufacturers increased for the ninth consecutive month in December. Over half of the 22 major industry groups reported higher shipments for the month. In addition, new orders and inventories both increased.

Preliminary estimates indicate that the value of shipments increased 1.1% to a level of \$23.1 billion. Continuous increases recorded since April have pushed shipments to a new high. The advance moderated somewhat in November following two large increases in September and October.

Cumulative shipments for 1987 have been estimated at \$261.7 billion, 4.7% higher than the corresponding period in 1986. Shipments declined in the first quarter then grew at a moderate rate until September when the rising trend strengthened.

New orders also reached a record level with the 0.8% advance in November. The value of new orders has been volatile in recent months; changes have ranged from

### Manufacturing Activity

	Aug.	Sept.	Oct.	Nov.	Dec.
	% change, previous month				
Shipments	0.7	2.7	2.1	0.5	1.1
New orders	-0.3	4.1	-0.1	2.0	0.8
Unfilled orders	0.0	1.2	-0.8	0.6	0.4
Inventory to shipments ratio	1.56	1.53	1.50	1.51	1.50

## Provincial Income and Expenditure Accounts

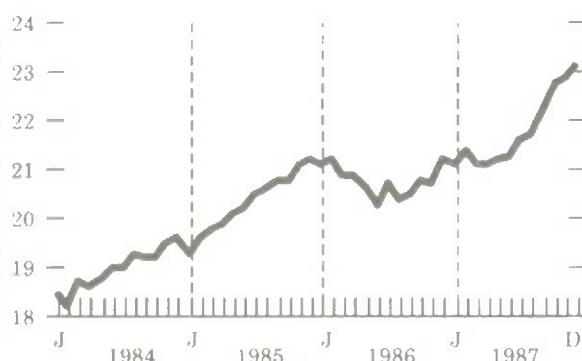
Canada's gross domestic product at market prices grew 6.4% in 1986. The rate of increase varied substantially among the provinces and territories. Prince Edward Island, New Brunswick, Quebec, Ontario and both Yukon and the Northwest Territories recorded growth rates well above the national average. In the West, due primarily to the sharp drop in commodity prices, Saskatchewan and Alberta each experienced economic declines. British Columbia continued to expand at a rate somewhat below the national average.

Central Canada saw its share of total domestic production grow from 61.7% in 1985 to 63.8% in 1986, with corresponding declines in the shares of the Western provinces. The Atlantic provinces and Central Canada grew more rapidly than the Western provinces (except for the territories) for the fourth consecutive year, a reversal of the general trend through the 1970s.

The Provincial Income and Expenditure Accounts estimates are measured in current dollars. Constant dollar estimates of provincial gross domestic product are not available at the present time. Although the broad

### Manufacturers' Shipments

(billions of dollars, seasonally adjusted)



-0.3% to 4.1%. However, new orders have increased an average of about 1% per month since March 1987.

Inventories owned by manufacturers have been creeping up since the end of the first quarter. The increase of 1.0% in December was the eighth rise in nine months and pushed the level of inventories to \$34.8 billion, a record level. Despite this rising trend, the ratio of inventories to shipments fell to a record low of 1.50:1 for the second time in three months.

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

trends in price levels are expected to be similar among the different provinces and territories over long periods of time, this may not be so in short periods. The preliminary estimates for 1986 must be interpreted with particular caution since the year was marked by large relative price changes. The overall increase of 3.0% in the GDP implicit price index for Canada was the net result of a 2.4% decline in the implicit price index for exports and a 3.9% increase in the implicit price index for final domestic demand. Sharp price decreases were recorded for petroleum and gas products and a number of agricultural commodities. It seems likely that the Western provinces, being major exporters of these commodities, experienced much smaller average price increases. For this reason, the disparity in real growth rates between the Western provinces and the rest of Canada was probably less in 1986 than the current dollar estimates seem to imply.

Personal expenditure on consumer goods and services grew at rates similar to those of 1985 in all regions. Slower growth in purchases of goods was offset by a pickup in spending on services. Ontario and British

(continued on page 4)

### ... Provincial Income

Columbia registered the strongest increases in consumer expenditure on services (12.0%). In the case of British Columbia, a major factor in the increase was Expo'86.

In terms of business investment, growth was concentrated in four provinces: Prince Edward Island, Quebec, Ontario and Manitoba. Elsewhere, investment outlays weakened with the largest declines, of 20-30%, in non-residential construction activity. On the other hand, residential construction expenditure rose strongly for the second consecutive year. Ontario and Prince Edward Island experienced the strongest growth in this area and only Alberta and Saskatchewan did not participate in the building boom. Finally, Newfoundland led the way in the machinery and equipment investment category with an increase of 44%, compared to the national average of 11%.

On the income side of the accounts, the decreases in current dollar gross domestic product in Saskatchewan (0.7%) and Alberta (7.9%) were largely attributable to corporation profits before taxes. Profits contracted by \$5.8 billion in Alberta and \$0.9 billion in Saskatchewan, record amounts in both cases. The drop in oil and gas prices also had a negative effect on corporation profits in Newfoundland and Nova Scotia, although of smaller

magnitude. On the other hand, profits grew substantially in New Brunswick, Quebec and Ontario.

Ontario had the most rapid growth in labour income at 8.4%. The smallest increases were recorded in Alberta (1.8%) and British Columbia (2.9%). Farm incomes were up significantly in Prince Edward Island, Saskatchewan and Alberta, reflecting good harvests and large production subsidies.

Personal disposable income, slowed by an increase in personal income taxes, grew less rapidly than personal income in all provinces except Prince Edward Island and Ontario. The personal savings rate declined in most provinces.

Revised Provincial Income and Expenditure Accounts estimates for previous years are being released at the same time as the preliminary data for 1986. These statistics are consistent with the revised estimates of the National Income and Expenditure Accounts that were released in July 1987. Most of the revisions are confined to the 1982-1985 period. However, in the case of Yukon and the Northwest Territories, separate estimates are being released for the first time, back to 1977. The new breakdown has been developed over the past three years with considerable support from the two territorial governments and will be updated annually henceforth.

*For further information, contact Income and Expenditure Accounts Division at (613) 951-3835.*

## More Canadians Traveling Abroad

Preliminary estimates show that Canadian residents took over 12.2 million trips of one or more nights to the United States during 1987, an increase of over 13% compared to the previous year. This increase was the largest recorded since 1983. The volume of trips exceeded 12 million for the first time since 1972 when present statistical methodologies were introduced. Compared to its U.S. counterpart, a slightly stronger Canadian dollar (up 6%) may have played a part in the record number of overnight visits to the United States this year.

In addition to travel to the U.S., a record 2.6 million overnight trips were taken to overseas countries, a 16% increase over 1986. Except for a slight decline in 1986, overseas travel by Canadians has grown at a similar rate each year since 1983.

This increase in overseas travel by Canadians has occurred at a time when the dollar has depreciated against most currencies. However, continued competition among airlines coupled with changes in certain trip characteristics (such as length of stay, accommodation and local transportation) may have offset the impact of exchange rate fluctuations.

During 1987, residents from countries other than the United States entered Canada in unprecedented numbers. They made 2.3 million overnight trips, up 12% over the previous record set in 1986. The number of

### International Travel

	1984	1985	1986	1987
	% change, previous year			
Foreign visitors from				
United States	3.5	2.3	17.7	-6.4
Other countries	6.2	-3.9	24.7	12.1
All countries	3.8	1.5	18.6	-4.0
Canadian re-entries from				
United States	-7.8	-1.7	0.7	13.5
Other countries	14.8	14.3	-0.7	15.9
All countries	-4.9	0.9	0.4	13.9

overseas tourists has now risen for two consecutive years.

Among Canada's top five overseas markets, Japan has replaced West Germany as the second most important tourist-generating country. The United Kingdom continues to be first, with France and Australia remaining in the fourth and fifth positions.

United States residents made a total of 12.7 million overnight trips to Canada during the year. This total represents a decrease of 6% from 1986, but it was 10% higher than 1985. The continued strength in American visitation to Canada was particularly encouraging as it comes at a time when U.S. residents are returning to European destinations in increasing numbers, and the U.S. currency has depreciated by approximately 6% against the Canadian dollar.

*For further information, contact Education, Culture and Tourism Division at (613) 951-8933 or order International Travel - Advance Information (catalogue number 66-001P).*



## PUBLICATIONS RELEASED FROM FEBRUARY 12 - 18

### AGRICULTURE

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

### CENSUS

**Profiles - Census Tracts - Edmonton: Part 1**, 1986 Census. Catalogue number 95-107 (Canada: \$26; Other Countries: \$27).

**Profiles - Census Tracts, Winnipeg: Part 1**, 1986 Census. Catalogue number 99-173 (Canada: \$26; Other Countries: \$27).

### GENERAL

**Reference - Products and Services**, 1986 Census - Final Edition. Catalogue number 99-103E (Canada: \$15; Other Countries: \$16.50).

### INDUSTRY

**Asphalt Roofing**, December 1987. Catalogue number 45-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Corrugated Boxes and Wrappers**, December 1987. Catalogue number 36-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Electric Lamps**, December 1987. Catalogue number 43-009 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Industrial Chemicals and Synthetic Resins**, November 1987. Catalogue number 46-002 (Canada: \$5/\$50; Other Countries: \$6/\$60).

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

**Mineral Wool Including Fibrous Glass Insulation**, November 1987. Catalogue number 44-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Mineral Wool Including Fibrous Glass Insulation**, December 1987. Catalogue number 44-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Other Manufacturing Industries - Precious Metal Secondary Refining Industry**, 1986 Census of Manufactures. Catalogue number 47-250B 3922 (Canada: \$4; Other Countries: \$5).

**Particleboard, Waferboard and Hardboard**, November 1987. Catalogue number 36-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Primary Metal Industries - Primary Steel Industries**, 1986 Census of Manufactures. Catalogue number 41-250B 2910 (Canada: \$4; Other Countries: \$5).

**Production and Shipments of Steel Pipe and Tubing**, October 1987. Catalogue number 41-011 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Production and Shipments of Steel Pipe and Tubing**, November 1987. Catalogue number 41-011 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Production, Shipments and Stocks on Hand of Sawmills East of the Rockies**, November 1987. Catalogue number 35-002 (Canada: \$9/\$90; Other Countries: \$10/\$100).

**Rigid Insulating Board**, December 1987. Catalogue number 36-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Rubber and Plastic Products Industries**. Catalogue Number 33-250. (Canada: \$30.00; Other Countries: \$31.50).

**Stocks of Frozen Meat Products**, January 1988. Catalogue number 32-012 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

### INTERNATIONAL AND FINANCIAL ECONOMICS

**Canadian Economic Observer**, February 1988. Catalogue number 11-010 (Canada: \$20.00/\$200.00; Other Countries: \$22.50/\$225.00).

### PRICES

**The Consumer Price Index**, January 1988. Catalogue number 62-001 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

### SERVICES

**Restaurant, Caterer and Tavern Statistics**, October 1987. Catalogue number 63-011 (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

### TRANSPORTATION

**Aviation Statistics Centre Service Bulletin**, 1986. 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
<b>EMPLOYMENT, INCOME</b>				
Average Weekly Earnings (\$)	Nov.	450.89	451.80	4.5
Labour Income (\$ million)	Nov.	24,618	24,907	6.9
Persons with Jobs (million)	Jan.	11.82	12.03	4.3
Unemployed (thousand)	Jan.	1,161	1,025	-13.5
<b>INVENTORIES</b>				
Department Store (\$ million)	Nov.	5,133	5,185	-1.2
Manufacturers' Owned (\$ million)	Dec.*	34,374	34,278	4.4
<b>ORDERS</b>				
Manufacturers' New Orders (\$ million)	Dec.*	21,644	23,039	9.2
Manufacturers' Unfilled Orders (\$ million)	Dec.*	24,221	24,573	2.9
<b>PRICES</b>				
Consumer Price Index (1981=100)	Dec.	140.5	140.4	4.2
New House Price Index (1981=100)	Dec.*	123.2	122.9	14.1
Raw Materials Price Index (1981=100)	Dec.	104.4	104.5	9.2
Excl. minerals fuels	Dec.	92.9	112.0	12.2
Industrial Product Price Index (1981=100)	Dec.	124.9	125.0	4.3
<b>CONSTRUCTION</b>				
Building Permits (\$ million)	Oct.	2,390	25,755	23.8
Housing Starts - Urban Centres (units)	Nov.	18,004	201,725	28.8
<b>ENERGY</b>				
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)	Oct.	10,341	90,061	5.9
<b>FOREIGN TRADE</b>				
Exports - Balance of Payments Basis (\$ million)	Dec.*	11,263	125,765	4.3
Imports - Balance of Payments Basis (\$ million)	Dec.*	10,301	115,424	4.7
<b>SALES</b>				
Department Store Sales (\$ million)	Nov.	1,352	10,882	3.2
Manufacturers' Shipments (\$ million)	Dec.*	21,996	261,700	4.7
New Motor Vehicle Sales (\$ million)	Dec.	1,718	24,037	10.0
Refined Petroleum Products (thousand cubic metres)	Oct.	6,863	73,090	3.4
Retail Sales (\$ million)	Nov.	13,546	137,573	9.5

Statistics are in current dollars and are not seasonally adjusted.

\* new this week.

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