

# I·N·F·O·M·A·T

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

Friday, March 25, 1988

### OVERVIEW

#### ■ Manufacturing Shipments Still Recording Strong Growth

In January, the value of shipments rose 1.5% over its level a month earlier, continuing the trend of strong growth noted since April.

#### ■ Deceleration in Consumer Prices Continues

In February, the year-over-year increase in the consumer price index was 4.0%, continuing the deceleration noted since June 1987.

#### ■ More Older Patients Receiving Dialysis

In 1986, the number of patients entering dialysis treatment was 1,683. One-third of these new patients were 65 years of age or older.

#### ■ Wholesalers of Motor Vehicles Show Significant Improvement

Motor vehicle and accessories merchants reported the most significant change in year-over-year sales in January. They reported an increase of 14.6%, compared to a decrease of 8.4% in December.

#### ■ Retail Sales Level Off in January

Retail sales totalled \$13.5 billion in January, virtually unchanged from December. Lower sales by department stores and grocery stores offset sales increases in many other kinds of business.

#### ■ Department Store Sales Fall Sharply

The January decline in department store sales (-5.4%) contrasts sharply with the generally rising trend observed in the last three months of 1987.

### Manufacturing Shipments Still Recording Strong Growth

Seasonally adjusted shipments and inventories of Canadian manufacturers continued to establish record highs in January. New orders remained at the same level as in December and the ratio of inventories to shipments declined to a new low.

The value of shipments rose 1.5% over its level a month earlier, continuing the trend of strong growth noted since April 1987. The average increase in shipments has been 1% a month for the last ten months. The January advance was mainly the result of a rebound in the transportation equipment industries and in fabricated metal products industries.

Manufacturers of durable goods, which include the two industries mainly responsible for the January increase in shipments, have shown some marked improvements since August. In particular, the transportation equipment industries registered significant improvements in August and September.

The transportation equipment industries have seen a steady decline in unfilled orders since mid-1986. There was a slight recovery in the second quarter of

(continued on page 2)

### Manufacturers' Shipments

(billions of dollars)



Statistics  
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Canada

## ... Manufacturing Shipments Still Recording Strong Growth

1987, when capacity utilization fell 4.4%. Since September, the downturn in unfilled orders has continued.

As the accompanying chart shows, manufacturers of durable goods have been the main support of several large advances in the total value of shipments since August. Manufacturers of non-durable goods have registered month-over-month increases for ten consecutive months, but the growth has been steadier.

Inventories owned increased 0.3% in January, continuing the growth noted in the previous six months. Three-quarters of the build-up has occurred in the inventories of durable goods manufacturers, which account for slightly more than half of total inventories owned. The rising trend in inventories of durable goods began in June 1987. Inventories of non-durable goods jumped sharply in April and May, but have remained stable since then.

*For further information, contact Industry Division at (613) 951-9832 or order Inventories, Shipments and Orders in Manufacturing Industries (catalogue number 31-001).*

## Manufacturing Activity

	Sept.	Oct.	Nov.	Dec.	Jan.
	% change, previous month				
Shipments	2.7	2.1	0.6	0.9	1.5
New orders	4.1	-0.1	1.7	1.2	0.0
Unfilled orders	1.2	-0.8	0.6	0.9	-0.5
Inventory to shipments ratio	1.53	1.50	1.51	1.50	1.49

Since shipments have outpaced the growth in inventories, the inventories to shipments ratio dropped to a new low in January of 1.49:1.

The value of new orders was \$23.3 billion, unchanged from December. In three of the preceding four months, new orders posted substantial monthly advances.

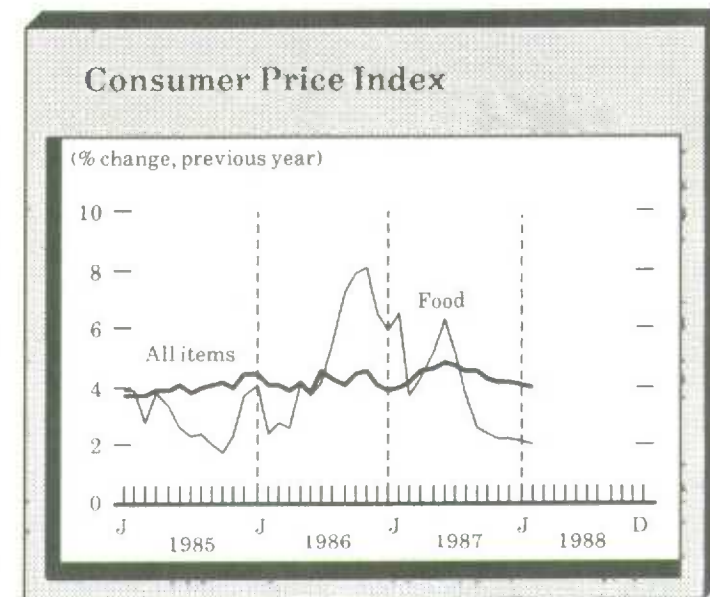
## Deceleration in Consumer Price Index Continues

In February, the year-over-year increase in the Consumer Price Index (1981=100) was 4.0%, down slightly from 4.1% in January. The magnitude of year-over-year increases in the CPI have been getting progressively smaller since June of 1987. This latest increase was the lowest recorded since February of last year.

The index for food prices has been an important component of the trend to more moderate increases in the CPI. The year-over-year increase in the food index was only 2.0% in February. Down slightly from 2.1% in January, this change represents a continuation of the downward trend noted in the food index since June 1987.

On a month-over-month basis, the CPI rose 0.4% in February. The monthly increase had slowed in December and January, registering changes of 0.1% and 0.2%.

Five of the major component indexes rose in February. Most of the upward pressure came from an increase of 2.1% in the clothing index, an increase of



1.2% in the recreation, reading and education index and an advance of 1.3% in the tobacco and alcoholic beverages index.

The food index was down 0.1% in February, following an increase of 1.1% in January. A large part of this drop was a result of decreases in fresh vegetable and beef prices. Improved weather conditions in the growing areas of the United States helped to push down vegetable prices (-6.8%). Beef prices fell (-3.0%) in apparent response to increasing supplies and continued competition from poultry and pork.

## Consumer Price Index

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
All-items	0.3	0.5	0.1	0.2	0.4
Food	0.2	0.5	-0.2	1.1	-0.1
All-items, excl. food	0.4	0.4	0.1	0.1	0.5

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



## More Older Patients Receiving Dialysis

- The number of new patients receiving renal dialysis has grown each year. In 1986, 1,683 new patients entered treatment, compared to 1,189 in 1981.
- A large part of the increase is due to greater acceptance of older patients (65 and over), who represented almost one-third of all new patients in 1986. Concomitant large increases occurred in the number of new diabetic patients (80%) and patients with renal vascular disease (52%). These trends, combined with the aging of the Canadian population, suggest that the number of Canadians requiring treatment for chronic renal failure will continue to grow in future years.
- At year-end 1986, a total of 8,636 Canadians were under care for the life-sustaining treatment of dialysis or a kidney transplant.
- Due to increasing numbers of transplants performed each year, there was a large rise in the number of patients with a functioning transplant. In 1986, there were 4,174 patients with a functioning transplant, compared to 2,362 patients in 1981.

These patients represented almost one-half of all patients under treatment in 1986, up from 41% in 1981.

- Despite the continuous increase in transplant operations, the number of dialysis patients grew by 33% between 1981 and 1986. This increase can be attributed to a shortage of kidneys available for transplant as well as to the acceptance for treatment of increasing numbers of older patients and patients with renal vascular disease. Patients suffering from renal vascular disease are not good candidates for a successful kidney transplant and are thus primarily treated by dialysis.
- Of the 4,462 patients on dialysis at year-end 1986, almost two out of three were on haemodialysis (using an artificial kidney machine) and one in three were treated by peritoneal dialysis (which uses the patient's own abdomen as a filter system).
- Since 1981, there has been an increase of 50% in the number of patients on peritoneal dialysis and a smaller increase, 25% in the number of patients on haemodialysis.

*For further information, contact Health Division at (613) 951-1769 or order the Canadian Renal Failure Register.*

## Wholesalers of Motor Vehicles Show Significant Improvement

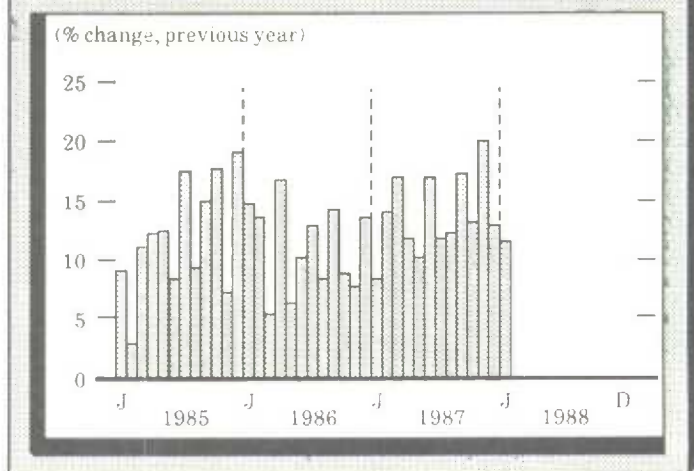
Preliminary estimates for January indicate that wholesale merchant's sales were up 11.7% over the same month a year earlier. This increase was smaller than those recorded in the preceding two months. However, all of the major trade groups registered increases for the month, except for farm machinery, equipment and supplies.

The most significant change was for wholesalers of motor vehicles and accessories whose sales were 14.6% higher than in January 1987. In December 1987, their sales were down 8.4% from a year earlier.

Wholesalers of lumber and building materials reported sales that were 16.3% higher than in January 1987.

Increases were posted in all regions. Ontario wholesale trade recorded the largest increase (12.3%) and British Columbia the smallest (9.8%). The increases in the Atlantic and Prairie provinces were significantly smaller than those reported in recent months, but were still very close to the overall advance at the national level.

### Wholesale Merchants' Sales



*For further information, contact Industry Division at (613) 951-3541 or order Wholesale Trade (catalogue number 63-008).*

## PUBLICATIONS RELEASED FROM MARCH 18 TO 24

### AGRICULTURE

**Field Crop Reporting Series**, No. 2, March Intentions of Principal Field Crops Area, Canada. Catalogue number 22-002 (Canada: \$7.50/\$52; Other Countries: \$8.50/\$58).

### DEMOGRAPHY

**Quarterly Demographic Statistics**, April-June 1987. Catalogue number 91-002 (Canada: \$7/\$28; Other Countries: \$8/\$32).

### EDUCATION, CULTURE AND TOURISM

**Culture Communiqué Service Bulletin**, Vol. 11, No. 1, Periodical Publishing, 1985-86. Catalogue number 87-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

### INDUSTRY

**Crude Petroleum and Natural Gas Production**, November 1987. Catalogue number 26-006 (Canada: \$9/\$90; Other Countries: \$10/\$100).

**Factory Sales of Electric Storage Batteries**, December 1987. Catalogue number 43-005 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Fruit and Vegetable Preservation Service Bulletin**, Vol. 16, No. 2, Pack of Processed Raspberries, 1986 and 1987. Catalogue number 32-023 (Canada: \$7/\$115; Other Countries: \$8/\$125).

**Fruit and Vegetable Preservation**, Vol. 16, No. 16, March 1988. Catalogue number 32-023 (Canada: \$7/\$115; Other Countries: \$8/\$125).

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

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

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

**Non-metallic Mineral Products Industries**, 1986 Census of Manufactures. Catalogue number 44-250B 3521 (Canada: \$4; Other Countries: \$5).

### INDUSTRY - Continued

**Oils and Fats**, November 1987. Catalogue number 32-006 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

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

**Production and Disposition of Tobacco Products**, January 1988. Catalogue number 32-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Pulpwood and Wood Residue Statistics**, December 1987. Catalogue number 25-001 (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

**Retail Trade**, December 1987. Catalogue number 63-005 (Canada: \$16/\$160; Other Countries: \$17/\$170).

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

### INTERNATIONAL AND FINANCIAL ECONOMICS

**Canadian Economic Observer**, March 1987. Catalogue number 11-010 (Canada: \$20/\$200; Other Countries: \$22.50/\$225).

### LABOUR

**The Labour Force**, February 1988. Catalogue number 71-001 (Canada: \$22/\$220; Other Countries: \$24/\$240).

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

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

### TRANSPORTATION

**Fuel Consumption Survey - Passenger Cars, Light Trucks and Vans**, July-September 1986. Catalogue number 53-007 Free.

**Fuel Consumption Survey - Passenger Cars, Light Trucks and Vans**, October-December 1986. Catalogue number 53-007 Free.

## Retail Sales Level Off in January

Preliminary estimates indicate that retail sales, adjusted for seasonal fluctuations and the number of trading days, totalled \$13.5 billion in January, virtually unchanged from the previous month.

Of the twenty-eight store-types surveyed, seventeen showed increases in the month. The most significant increases in dollar terms were recorded by automotive parts and accessories stores(+6.1%); grocery, confectionery and sundries stores(+1.2%); and pharmacies, patent medicine and cosmetic stores(+1.5%). Offsetting these increases were declines by department stores(-5.4%); combination stores(-1.6%) and general merchandise stores(-7.8%).

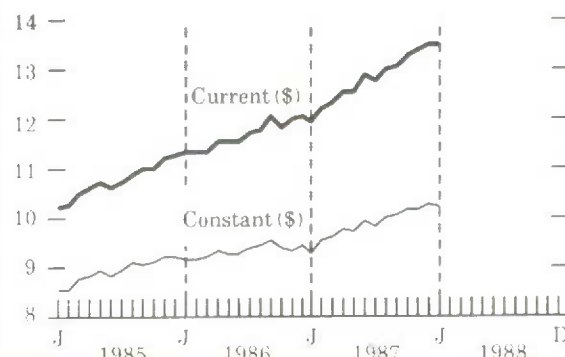
Expressed in terms of 1981 prices, retail sales declined by 0.4%, the first decline since July 1987.

Provincial growth rates continued to vary, with relatively strong retail sales growth recorded in Newfoundland(+3.3%); Prince Edward Island(+6.1%); Quebec(+3.6%) and the Territories(+4.9%). The only notable decline was in Saskatchewan(-2.1%).

Independent stores continued to outpace chain stores in sales growth, registering growth rates on a year-over-year basis for January of 15.4% compared to 1.4%.

### Retail Trade

(billions of dollars, seasonally adjusted)



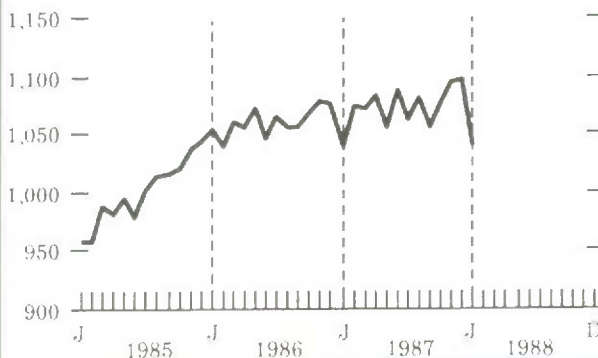
For further information, contact Industry Division at (613) 951-3549 or order Retail Trade (catalogue number 63-005)

## Department Store Sales Fall Sharply

- Adjusted for seasonal fluctuations and the number of trading days, department store sales in January 1988 totalled \$1,038 million, a substantial decrease of 5.4% from the previous month.
- The January decline contrasts with the generally upward trend observed in the last three months of 1987, when sales showed an average monthly growth of 1.2%.
- The share of department store sales to total retail sales continued to decline in January, falling to 7.7% from an average of 8.4% in 1987.
- Department store stocks (at selling value) totalled \$4,240 million, down 1.8% from December 1987. This constituted the fourth consecutive monthly decrease and leaves stocks at virtually the same level as in January 1987.
- The ratio of inventories to sales stood at 4.08:1 in January, down from the average ratio of 4.15:1 observed in 1987.

### Department Store Sales

(millions of dollars, seasonally adjusted)



For further information, contact Industry Division at (613) 951-3549 or order Department Store Sales and Stocks (catalogue number 63-002)





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## LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
<b>EMPLOYMENT, INCOME</b>				
Average Weekly Earnings (\$)	Dec.	451.69	451.05	4.3
Labour Income (\$ million)	Dec.	24,433	24,663	6.7
Persons with Jobs (million)	Feb.*	11.94	11.82	4.5
Unemployed (thousand)	Feb.*	1,126	1,161	-15.7
<b>INVENTORIES</b>				
Department Store (\$ million)	Jan.*	3,749	4,031	-0.2
Manufacturers' Owned (\$ million)	Jan.*	34,845	34,252	4.4
<b>ORDERS</b>				
Manufacturers' New Orders (\$ million)	Jan.*	21,620	21,706	10.1
Manufacturers' Unfilled Orders (\$ million)	Jan.*	24,687	24,348	4.7
<b>PRICES</b>				
Consumer Price Index (1981=100)	Feb.*	141.3	140.8	4.0
New House Price Index (1981=100)	Jan.	123.6	123.2	11.1
Raw Materials Price Index (1981=100)	Jan.	101.7	104.5	5.0
Excl. minerals fuels	Jan.	113.9	114.2	8.5
Industrial Product Price Index (1981=100)	Jan.	126.4	125.4	5.0
<b>CONSTRUCTION</b>				
			<b>Year-to-date</b>	
Building Permits (\$ million)	Nov.	1,992	28,047	22.6
Housing Starts - Urban Centres (units)	Dec.	14,089	215,814	26.3
<b>ENERGY</b>				
Coal Production (thousand tonnes)	Nov.	5,976	55,472	7.7
Electricity Generation (gigawatt hours)	Nov.	41,974	436,223	6.1
Natural Gas Production (million cubic metres)	Nov.	10,862	100,916	6.2
<b>FOREIGN TRADE</b>				
Exports - Balance of Payments Basis (\$ million)	Jan.	10,005	10,005	9.2
Imports - Balance of Payments Basis (\$ million)	Jan.	11,899	11,899	35.3
<b>SALES</b>				
Department Store Sales (\$ million)	Jan.*	730	730	-0.5
Manufacturers' Shipments (\$ million)	Jan.	21,279	21,279	8.7
New Motor Vehicle Sales (\$ million)	Jan.	1,494	1,494	16.9
Refined Petroleum Products (thousand cubic metres)	Jan.	6,579	6,579	8.7
Retail Sales (\$ million)	Jan.*	11,313	11,313	9.6

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

## I.N.F.O.M.A.T

## 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/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6 or telephone Publication Sales at 1-800-267-6677.

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