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I·N·F·O·M·A·T

A WEEKLY REVIEW

Friday, April 22, 1988

OVERVIEW

Trade Surplus Climbs

In February, the merchandise trade surplus rose to $1.3 billion, its highest level since April 1987. Exports rose slightly, while imports fell for the second consecutive month.

Manufacturing Shipments Decline

In February, shipments by Canadian manufacturers decreased by 3.0%, interrupting the trend of strong growth noted since March 1987.

Retail Sales Down 0.9%

In February, retail sales decreased 0.9% from January. This represents the second consecutive monthly decline following six months of generally rising sales.

Consumer Price Index Rises

In March, the all-items CPI increased 0.5%. Six of the seven major component indexes posted increases.

- This issue **also** includes articles on **Developing a Longitudinal Database on Businesses in the Canadian Economy** and the final release of data from the 1986 Census.

Trade Surplus Climbs

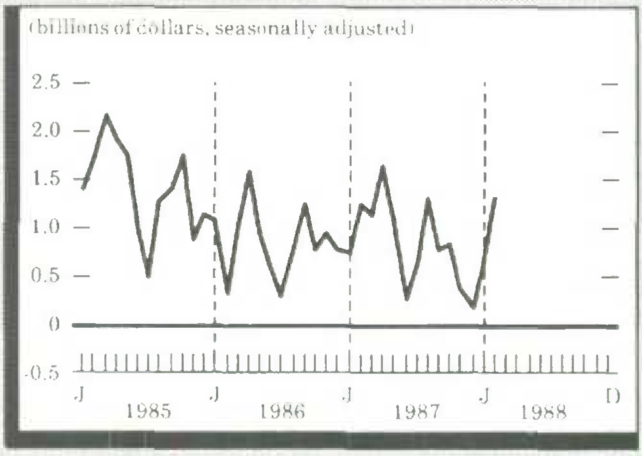
In February, the seasonally adjusted merchandise trade surplus rose to $1.3 billion, its highest level since April 1987. After dropping in December to its lowest level during 1987, the trade surplus has grown for two consecutive months. Exports rose slightly in February, while imports continued to fall.

In February, exports totalled $11.3 billion. With the exception of a drop in January, total exports have recorded monthly increases since August 1987. The 1.0% advance in February was mainly due to strong growth in exports of precious metals to Japan and automotive products to the United States.

Overall, exports of precious metals were up $140 million. Exports of precious metals have been rising over the last four months. The short-term trend shows that exports of cars rose by more than 5% each month from October to January. In addition, the value of cars exported increased $56 million in February.

(continued on page 2)

Merchandise Trade Balance



... Trade Surplus Climbs

Imports continued to fall, dropping 4.9% below their level in January. This was the second consecutive decline, following four months of strong advances. Even though a majority of Canada's trading partners registered decreases, the drop in total imports was primarily the result of lower imports from the United States. In February, imports from the U.S. dropped to the lowest level in six months ($6.7 billion).

Imports of motor vehicle parts were down for the second consecutive month. However, the value of total automotive imports was up as imports of cars rose for the first time in four months. In January, imports of cars had registered one of its lowest levels in three years. Declining prices helped to push the value of imported crude petroleum to its lowest level in nine months. Also of note in February was the considerable gain recorded for imports of office machines and equipment, which is consistent with the expected increase in expenditures on capital assets in 1988.

Merchandise Trade

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
Imports	1.7	7.2	5.7	-7.1	-4.9
Exports	2.1	2.7	3.7	-2.7	1.0
	change, previous month				
Balance (millions $)	47	-429	-193	496	638

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

Manufacturing Shipments Decline

Seasonally adjusted shipments by Canadian manufacturers decreased in February, following ten consecutive monthly increases. The backlog of unfilled orders edged down for the second month in a row, while the level of new orders also dropped for a second month. The drop in shipments combined with a slight rise in the level of inventories produced an increase in the inventories to shipments ratio.

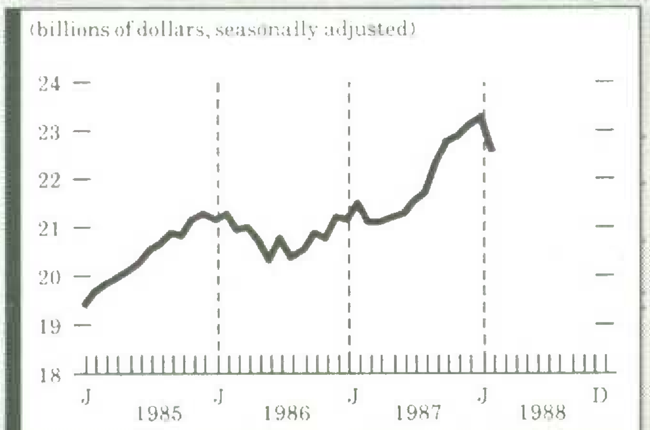
The value of shipments was down 3.0% from its level a month earlier, interrupting the trend of strong growth noted since March 1987. The average increase in shipments was 1% a month from March to January. Seventeen of the twenty-two major industry groups reported decreases in February. The largest declines in value were noted for manufacturers of transportation equipment, food, and refined petroleum and coal products.

The backlog of unfilled orders was down slightly in January and February. Prior to January, unfilled orders had increased an average of 0.6% a month for nine months.

Manufacturing Activity

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
Shipments	2.1	0.5	0.9	0.6	-3.0
New orders	-0.1	2.0	1.2	-0.5	-2.8
Unfilled orders	-0.8	0.6	1.0	-0.2	-0.1
Inventory to shipments ratio	1.50	1.51	1.50	1.50	1.55

Manufacturers' Shipments



The value of new orders was $22.5 billion, down 2.8% from January. This was the second consecutive decrease in new orders, but over the last six months substantial monthly advances have been mixed with slight declines. The drop in the current month was the largest recorded since January 1987.

Inventories increased 0.4% in February, extending the build-up noted in the previous seven months. Three-quarters of the run-up has occurred in the inventories of durable-goods manufacturers, which account for slightly more than half of total inventories owned. This rising trend 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).

Retail Sales Down 0.9%

Retail sales, adjusted for seasonal variations and the number of trading days, totalled $13.3 billion in February, a decrease of 0.9% from January. This represents the second consecutive monthly decline, following the generally rising trend in sales observed during the preceding six months.

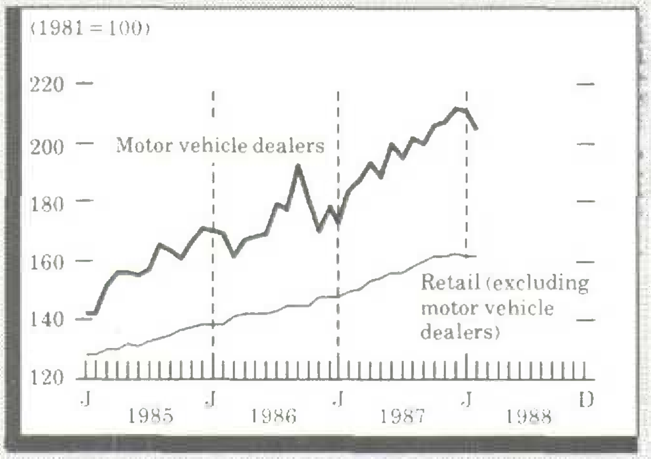
The February decline in sales can be largely attributed to the 3.1% drop in new motor vehicle sales. Excluding new and used motor vehicle dealers, retail sales declined a modest 0.2% in February.

Store-types reporting decreases in February included sporting goods stores, where February's decline of 6.7% represented the third consecutive monthly decline. Gasoline service stations decreased 1.4%. Clothing store sales were down 0.8%, extending the downturn noted since January 1988. These declines were partially offset by a 0.5% gain in combination store sales, a 4.7% increase in furniture store sales (following two monthly declines) and a rise of 2.9% in general merchandise store sales (after a sharp decline in January).

Contrasting with the two consecutive monthly declines at the national level, Saskatchewan was the only province to report declines in both January and February. Notable declines during February were recorded in Quebec (-1.7%), Saskatchewan (-1.4%) and Prince Edward Island (-1.2%). Manitoba showed signs of improvement, with retail sales rising 1.0% after three monthly decreases.

For further information contact Industry Division at (613) 951-3552, or order Retail Trade (catalogue number 63-005).

Retail Trade Indexes



Developing a Longitudinal Database on Businesses

The role of small business in the creation of new jobs has generated considerable public interest in the 1980s. In particular, there is a widespread perception that small business accounted for most of the jobs created in the economy in recent years. These assertions often cite a recently created Statistics Canada database on employment by size of firm. **Developing a Longitudinal Database on Businesses in the Canadian Economy: An Approach to the Study of Employment** outlines how the longitudinal database was created, discusses its current status and potential, and analyses the problems encountered when using it to make assertions about the role of small business in job creation.

The longitudinal database identifies businesses and tracks them over time as they cross size boundaries. Created by linking data from survey and administrative sources, the database is presented in the publication as a set of tables for 1978 and 1984. The tables focus on the labour used by businesses. The labour used is measured by payroll data and a derived measure of employment known as average labour units or ALUs. The data include the number of businesses, total payroll, ALUs and the change in ALUs disaggregated by country of control, size and life status of the business. The data are also tabulated by industry and province.

Ultimately, the database will be used to examine the contribution of various sized businesses to employment change. However, because of the manner in which the database is constructed, changes in employment currently reflect a wide variety of factors such as mergers, acquisitions, and reorganizations as well as labour requirements related to the expansion or contraction of a business. Each situation is useful to study for its own purposes, but analysis of any one of these factors involves isolating it from other factors. Future development of the database will be directed towards isolating employment changes related to a business's economic activity and thereby identifying the contribution to net employment change made by businesses in particular size categories.

For further information, contact J. McMechan (613) 951-1854 or J. McVey at (613) 951-3610 or order Developing a Longitudinal Database on Businesses in the Canadian Economy: An Approach to the Study of Employment (catalogue number 18-501E).

PUBLICATIONS RELEASED FROM APRIL 15 – 21

CENSUS

Changes to Municipal Boundaries, Status and Names, 1986. Catalogue number 12-201 (Canada: $24; Other Countries: $25).

Profiles – Census Tracts – Kelowna: Part 1, 1986 Census. Catalogue number 95-117 (Canada: $20; Other Countries: $21).

EDUCATION, CULTURE AND TOURISM

Community Colleges and Related Institutions: Postsecondary Enrolment and Graduates, 1985. Catalogue number 81-222 (Canada: $25; Other Countries: $26).

International Travel Advance Information, February 1988. Catalogue number 66-001P (Canada: $5.50/$55; Other Countries: $6.50/$65).

GENERAL

Index to the Inventory of Statistics Canada Questionnaires on Microfiche, 1987. Catalogue number 12-205S (Canada: $20; Other Countries: $21).

INDUSTRIAL ORGANIZATION AND FINANCE

Industrial Corporations Financial Statistics, Fourth Quarter 1987. Catalogue number 61-003P (Canada: $15/$60; Other Countries: $16/$64).

INDUSTRY

Asphalt Roofing, January 1988. Catalogue number 45-001 (Canada: $4.50/$45; Other Countries: $5.50/$55).

Cement, January 1988. Catalogue number 44-001 (Canada: $4.50/$45; Other Countries: $5.50/$55).

Contruction Type Plywood, January 1988. Catalogue number 35-001 (Canada: $4.50/$45; Other Countries: $5.50/$55).

Consumption of Containers and Other Packaging Supplies by the Manufacturing Industries, 1985. Catalogue number 31-212 (Canada: $24; Other Countries: $25).

Corrugated Boxes and Wrappers, January 1988. Catalogue number 36-004 (Canada: $4.50/$45; Other Countries: $5.50/$55).

Fruit and Vegetable Preservation Service Bulletin, Vol.16, No. 1, **Pack of Processed Asparagus**, 1986-87. Catalogue number 32-023 (Canada: $7/$115; Other Countries: $8/$125).

Fruit and Vegetable Preservation Service Bulletin, Vol. 16, No.5, **Pack of Processed Cherries**, 1987. Catalogue number 32-023 (Canada: $7/$115; Other Countries: $8/$125).

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

Industrial Chemicals and Synthetic Resins, January 1988. Catalogue number 46-002 (Canada: $5/$50; Other Countries: $6/$60).

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

Pack of Processed Plums, 1987. Catalogue number 32-023 (Canada: $7/$115; Other Countries: $8/$125).

Production and Inventories of Process Cheese and Instant Skim Milk Powder, January 1988. Catalogue number 32-024 (Canada: $4.50/$45; Other Countries: $5.50/$55).

Production and Sales of Phonograph Records and Pre-recorded Tapes in Canada, January 1988. Catalogue number 47-004 (Canada: $4.50/$45; Other Countries: $5.50/$55).

Production and Shipments of Blow-moulded Plastic Bottles, Quarter Ended December 31, 1987. Catalgue number 47-006 (Canada: $6.25/$25; Other Countries: $7.25/$29).

Refined Petroleum Products, December 1987. Catalogue number 45-004 (Canada: 16.50/$165; Other Countries: $17.50/$175).

Specified Domestic Electrical Appliances, December 1987. Catalogue number 43-003 (Canada: $4.50/$45; Other Countries: $5.50/$55)

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

Wholesale Trade, January 1988. Catalogue number 63-008 (Canada: $5.50/$55; Other Countries: $6.50/$65).

INTERNATIONAL AND FINANCIAL ECONOMICS

Canadian Economic Observer, April 1988. Catalogue number 11-010 (Canada: $20; Other Countries: $22.50).

Security Transactions with Non-residents, January 1988. Catalogue number 67-002 (Canada: $15/$150; Other Countries: $16/$160).

INTERNATIONAL TRADE

Preliminary Statement of Canadian International Trade, February 1988. Catalogue nubmer 65-001P (Canada: $5.50/$55; Other Countries: $6.50/$65).

Summary of Canadian International Trade (H.S. Based), January 1988. Catalogue number 65-001 (Canada: $16.50/$165; Other Countries: $17.50/$175).

LABOUR

Help-wanted Index, 1987. Catalogue number 71-204 (Canada: $15; Other Countries: $16).

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

PUBLIC INSTITUTIONS

Federal Government Enterprise Finance, 1986. Catalogue number 61-203 (Canada: $25; Other Countries: $25).

List of Canadian Hospitals, 1987. Catalogue number 83-201 (Canada: $23; Other Countries: $24).

Provincial and Territorial Government Employment, April-June 1987. Catalogue number 72-007 (Canada: $16.50/$66; Other Countries: $17.50/$70).

SERVICE

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

TRANSPORT

Air Carrier Traffic at Canadian Airports, Second Quarter 1987. Catalogue number 51-005 (Canada: $27.50/$110; Other Countries: $28.50/$114).

Passenger Bus and Urban Transit Statistics, December 1987. Catalogue number 53-003 (Canada: $6.50/$65; Other Countries: $7.50/$75).

Consumer Price Index Rises

The all-items consumer price index for Canada rose 0.5% in March to a level of 142.0 (1981 = 100). The seasonally adjusted all-items index increased 0.5% in March, accelerating over the 0.2% increase registered in each of the two previous months. The year-over-year increase in the CPI was 4.1%, up slightly from the 4.0% observed in the 12-month period ending in February.

The goods index was only up 0.1% in March, slowing from increases of 0.2% in February and 0.6% in January. The services index, on the other hand, grew by 1.0% in March, compared to 0.6% in February and -0.2% in January. On a year-over-year basis, the decreasing trend in the goods index (largely reflecting decelerating retail food prices) contrasts with a stable to slightly increasing trend in the services index.

Six of the seven major component indexes posted increases in March. The food index fell 0.3%, following a decline of 0.1% in February. The drop in the index for food purchased from stores resulted largely from a fall of 11% in the price of fresh vegetables. This continuing decline in the fresh vegetables index has been due to increased foreign supplies and to the appreciation of the Canadian dollar vis-a-vis the U.S. dollar. Food purchased from restaurants rose 0.4% in the month. The overall food index was up 1.8% for the 12-month period ending in March, compared to the 2.0% increase registered in February.

The all-items excluding food index advanced 0.7% in March compared to the 0.5% increase reported in February. Most of the latest increase was attributable to advances in the indexes for transportation and housing. The 1.5% advance in the transportation index resulted from a sharp rise in the air transportation index, reflecting both seasonal fare increases and reduced availability of "seat sale" prices. Other advances were observed in automobile insurance premiums and passenger fares for local travel. "Price wars" in some provinces resulted in a 1.7% decline in the price index for gasoline.

The housing index rose 0.5%, reflecting higher charges for shelter, household operation and household furnishings and equipment. The recreation, reading and education index was up 0.6%, largely due to a seasonal increase of 5.6% in travel tour quotations. The 0.5% increase in the clothing index reflected higher prices associated with the introduction of spring lines, offset partly by promotional prices. The health and personal care index edged up by 0.2%, reflecting higher prices, mostly for prescribed and non-prescribed medicines. Higher manufacturers' charges moved the tobacco products and alcoholic beverages index up 0.1%.

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

Canadians by Choice

This week, Statistics Canada completed the final release of 1986 Census data. The topics include immigration and citizenship among others. It is appropriate, in National Citizenship Week, to look at census information about those Canadians who became citizens by choice rather than by birth.

Census data show that the share of immigrants in the total population has been relatively steady at about 16% for the last 35 years. Intense public debate around the issue of immigration in recent years has perhaps left the impression that the share of immigrants in the population has grown – in fact, from 1981 to 1986, the proportion of immigrants declined very slightly.

If the proportion of immigrants in the total population has been relatively stable, the origins of immigrants in the 1980s are very different from the origins of those who arrived in the 1950s, the 1960s and the early 1970s. While European-born represented a declining proportion of the immigrants in each decade since the 1950s, they nonetheless were the majority of all immigrants who arrived in the 1950s and 1960s.

Among the immigrants of the 1970s, the majority were of non-European birth and the Asian-born were the largest single group who have arrived since 1976. This shift in the source of immigrants from European to non-European, particularly Asian countries, continued in the 1980s with the proportion of European immigrants falling to less than 30% of those who arrived between 1981 and 1986.

Other characteristics of the immigrant population show that immigrants continue to exhibit a strong preference for Ontario as their place of residence, with over half living in that province in 1986. British Columbia also attracted a disproportionately large share. In other provinces, the share of immigrants was equal to or less than the national average of 15.6%. A high degree of urbanization also continued to characterize the immigrant population in 1986 Census data.

For further information, contact Housing, Family and Social Statistics Division at (613) 951-2574 or the nearest regional reference centre.

LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings ($)	Jan.	453.76	451.46	4.2
Labour Income ($ million)	Jan.	24,221	24,433	6.8
Persons with Jobs (million)	Mar.	12.00	11.94	4.3
Unemployed (thousand)	Mar.	1,181	1,126	-15.5
INVENTORIES				
Department Store ($ million)	Jan.	3,749	4,031	-0.2
Manufacturers' Owned ($ million)	Feb.*	35,371	34,911	5.2
ORDERS				
Manufacturers' New Orders ($ million)	Feb.*	22,408	21,518	9.2
Manufacturers' Unfilled Orders ($ million)	Feb.*	25,013	24,747	4.7
PRICES				
Consumer Price Index (1981=100)	Mar.*	142.0	141.3	4.1
New House Price Index (1981=100)	Feb.	124.9	123.6	10.3
Raw Materials Price Index (1981=100)	Feb.	98.9	101.7	0.5
Excl. minerals fuels	Feb.	112.1	114.1	7.2
Industrial Product Price Index (1981=100)	Feb.	125.5	126.3	4.3
CONSTRUCTION			**Year-to-date**	
Building Permits ($ million)	Dec.	2,409	**30,437**	**23.3**
Housing Starts – Urban Centres (units)	Jan.	11,687	**11,687**	**-18.3**
ENERGY				
Coal Production (thousand tonnes)	Jan.	6,192	**6,192**	**27.0**
Electricity Generation (gigawatt hours)	Jan.	48,949	**48,949**	**4.2**
Natural Gas Production (million cubic metres)	Dec.	12,083	**113,087**	**6.9**
FOREIGN TRADE				
Exports – Balance of Payments Basis ($ million)	Feb.*	10,951	**21,260**	**9.4**
Imports – Balance of Payments Basis ($ million)	Feb.*	10,140	**19,844**	**12.9**
SALES				
Department Store Sales ($ million)	Jan.	730	**730**	**-0.5**
Manufacturers' Shipments ($ million)	Feb.*	22,143	**43,300**	**8.5**
New Motor Vehicle Sales ($ million)	Feb.	1,730	**3,223**	**13.9**
Refined Petroleum Products (thousand cubic metres)	Feb.	6,638	**13,217**	**6.2**
Retail Sales ($ million)	Feb.*	11,100	**22,300**	**9.9**

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

I•N•F•O•M•A•T

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