

I·N·F·O·M·A·T

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

Friday, August 18, 1989

OVERVIEW

■ Exports Drop Sharply

In June, merchandise exports dropped 11%. This decline represents the fourth decrease in five months and contrasts with the major gains reported in May.

■ Exports of Automotive Products Increase

Exports of automotive products increased by 5.3% in the first quarter of 1989; imports fell by 9.0%.

■ Slight Decrease in Farm Product Price Index

In June, the farm product price index declined slightly (0.1%) from May. Despite the decrease, prices remained 6.8% higher than the June 1988 level.

■ Canadian Residents Travel More

In June, the seasonally adjusted volume of international trips by Canadian residents rose slightly (0.2%) above May's figure, marking the third consecutive monthly increase this year.

■ Federal Government Employment Rises

In March 1989, total federal government employment rebounded to the March 1986 level after decreasing in March 1987 and March 1988. While permanent staff have decreased each year, term employment of less than six months has increased steadily.

■ This issue also includes information on sales of alcoholic beverages and police personnel in Canada.

Exports Drop Sharply

In June, exports fell 11% to \$11.1 billion. This represents the lowest level recorded since July 1988, when exports dropped sharply as a result of several temporary plant closures in the automotive manufacturing sector. The drop reinforces the decreasing short-term trend recorded for the last three months.

Exports to the United States fell \$984 million, losing ground gained in May, when they rose \$978 million. As a result, exports to the United States fell to their lowest level of the past six months. Exports of forestry products and automotive products fell by \$185 million.

Imports were down \$914 million from their May level. This decline contrasted with the \$532 million increase noted in May. Imports in June totalled \$11.0 billion, the lowest level of the past six months and the

(continued on page 2)

Merchandise Trade

(billions of dollars, short-term trend)



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... Exports Drop Sharply

first substantial drop in imports since September 1988. Imports of automotive products were down \$23 million.

Imports from the United States posted the largest drop in value, losing \$646 million. Imports from Japan recorded the largest percentage drop, falling 15%.

Canada's trade surplus fell to \$127 million in June from the revised May level of \$543 million, following a larger decrease in exports than imports.

For further information, order Preliminary Statement of Canadian International Trade (H.S. Based) (catalogue number 65-001P) or contact the International Trade Division at (613) 951-9647.

Exports of Automotive Products Increase

Data for Canada's foreign trade in automotive products are available for the first quarter of 1989. Exports of all automotive products totalled \$9.8 billion, up 5.3% from the first three months of 1988. During the first quarter of 1989, imports fell 9.0% to \$9.9 billion. The largest decrease was recorded for imports of parts, which were down \$1.1 billion or 16.5%.

The 1988 data for Canada's foreign trade in automotive products have been subjected to a thorough review on the basis of the Harmonized System classes and the annex codes used to identify automotive product imports.

For further information, contact the International Trade Division at (613) 951-9790.

Slight Decrease in Farm Product Price Index

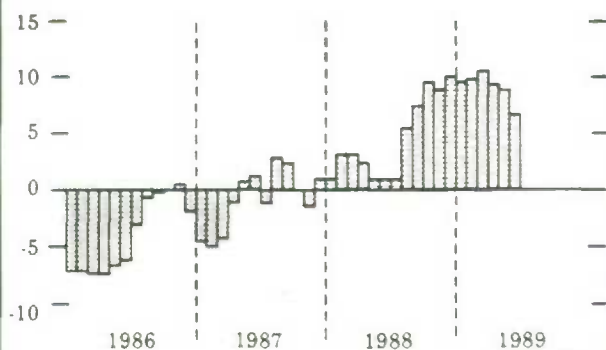
In June, the farm product price index (1981=100) declined slightly (0.1%) from May. Despite the decrease, prices remained 6.8% higher than the June 1988 level. The index has fluctuated for the past several months.

The crops index decreased 1.6%, mainly as a result of a drop in oilseeds prices; this index has fluctuated for the past six months. Oilseeds prices fell for the third consecutive month, led by declines in canola, flaxseed and soybeans. Favorable growing conditions in North America have improved prospects for an increase in 1989-90 oilseeds supplies compared to the previous year. Cereals prices also fell, reflecting lower prices for feed oats, feed barley and rye. Overall, the crops index stood 16.3% higher than a year earlier.

Mainly a result of higher hog prices, the livestock and animal products index rose for the second consecutive month to 112.2, a 0.9% increase. Hog prices have risen sharply in the months of May and June in each of the last four years. Prices for eggs also increased, while those for cattle, poultry and dairy products declined. Contributing to the fall in cattle prices was an increase in slaughter for June; this decrease followed four consecutive monthly rises. Overall, the livestock and animal products index stands 0.5% higher than a year earlier.

Farm Product Price Index

(% change from previous year)



For further information, order Farm Product Price Index (catalogue number 62-003) or contact the Agriculture Division at (613) 951-2437.

Canadian Residents Travel More

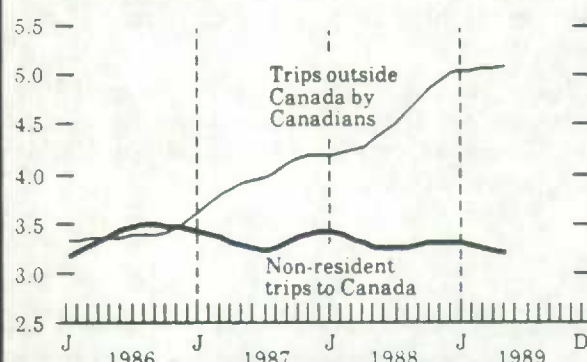
In June, the seasonally adjusted volume of international trips by Canadian residents rose slightly (0.2%) above May's figure, the third consecutive monthly increase this year. Travel by Canadian residents to the U.S. has been steadily increasing since March. Trips to other destinations have fluctuated.

The seasonally adjusted volume of foreign travellers to Canada rose by 0.6%, continuing an 18-month trend of fluctuations set by the volume of travellers from the U.S. The number of other foreign travellers visiting Canada, by contrast, has increased steadily since February.

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

International Travel

(millions of trips, short-term trend)



Federal Government Employment Rises

In March 1989, total federal general government employment rebounded to the March 1986 level after decreasing in March 1987 and March 1988. While permanent staff have decreased each year, term employment of less than six months has increased steadily. The number of permanent employees decreased 0.3% to 329,800. In contrast, the number of employees hired for a term less than six months increased by 3,300 or 12.7%. Term employees hired for a period over six months increased at a lower rate (7.8%).

Significant year-over-year variations in general government employment were noted in the following departments: National Revenue-Taxation (4.2%), Employment and Immigration (2.1%), and National Defence (1.2%).

The increase at National Revenue-Taxation was due to the additional person-years provided for the administration of new tax legislation and to the increased number of term employees hired to process tax returns.

The increase in the Department of Employment and Immigration was primarily due to the hiring of extra personnel to clear up the backlog of refugee claims and for the refugee determination program.

The increase in the Department of National Defence was partially attributed to new recruitment at the entry level and the transfer of operations for the Goose Bay airport from the Department of Transport.

For further information, contact the Public Institutions Division at (613) 951-1851.

Coolers, Beer Boost Sales of Alcoholic Beverages

The volume of alcoholic beverages sold in 1987-88 totalled 2.6 billion litres. The rise of 66 million litres (3%) from 1986-87 succeeded three years of no growth. Volume increases were recorded simultaneously for all three types of alcoholic beverages, namely: spirits, wines and beer.

After five years of uninterrupted decline, the volume of spirits sold in Canada during 1987-88 reached 161.4 million litres, a slight increase of 1% from 1986-87. This growth was attributable to the increase in the sale of spirit-based coolers, which totalled 6.8 million litres in 1987-88, up from a volume of 2.2 million litres in the previous year.

Sales of wine totalled 264.3 million litres in 1987-88, up 11.5 million litres (5%) from 1986-87. The increase is partially attributable to the sale of wine-based coolers, which increased from 18.2 million litres in 1986-87 to 24.7 million litres in 1987-88.

Sales of beer reached 2.1 billion litres in 1987-88, an increase of 54 million litres (3%) from the previous year. This rise represented the largest annual increase since 1981-82.

For further information, contact the Public Institutions Division at (613) 951-1829.

Numbers of Police Personnel in Canada

Canadian police departments employed 72,297 personnel in 1988, an increase of 0.9% from 1987. This rise represents a fifth consecutive annual increase. Other highlights from *Police Personnel in Canada* include:

- There was one police officer for every 486 people in Canada in 1988. The lowest police-to-population ratio was reported in Prince Edward Island; the highest was in Quebec.

- Between 1987 and 1988, Ontario experienced the largest growth in the number of police officers (3.9%), followed by Quebec (2.9%).
- Female personnel represented 18.8% of total personnel, comprising over half the non-police personnel and 5.1% of police officers.
- The percentage of police officers dedicated to drug enforcement (3%) declined slightly from 1987.

For further information, order *Police Personnel in Canada, 1988* (catalogue number 85-002) or contact the Canadian Centre for Justice Statistics at (613) 951-0152.

PUBLICATIONS RELEASED FROM AUGUST 11 TO 17

CANADIAN CENTRE FOR JUSTICE STATISTICS

Juristat Service Bulletin, Vol. 9, No. 3, Police Personnel in Canada, 1988. Catalogue number 85-002 (Canada: \$3.70/\$37; Other Countries: \$4.40/\$44).

EDUCATION, CULTURE AND TOURISM

Salaries and Salary Scales of Full-time Teaching Staff at Canadian Universities, 1988-1989 Supplementary. Catalogue number 81-258S (Canada: \$21; Other Countries: \$25).

Touriscope - International Travel, June 1989. Catalogue number 66-001P (Canada: \$5.80/\$58; Other Countries: \$6.40/\$64).

INDUSTRIAL ORGANIZATION AND FINANCE

Corporation Taxation Statistics, 1986. Catalogue number 61-208 (Canada: \$63; Other Countries: \$76).

INDUSTRY

Construction Type Plywood, June 1989. Catalogue number 35-001 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Department Store Monthly Sales, by Province and Metropolitan Area, May 1989. Catalogue number 63-004 (Canada: \$2.60/\$26; Other Countries: \$3.10/\$31).

Factory Sales of Electric Storage Batteries, June 1989. Catalogue number 43-005 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Footwear Statistics, June 1989. Catalogue number 33-002 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Gypsum Products, June 1989. Catalogue number 44-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Industrial Chemicals and Synthetic Resins, June 1989. Catalogue number 46-002 (Canada: \$5.30/\$53; Other Countries: \$6.40/\$64).

Oil Pipe Line Transport, April 1989. Catalogue number 55-001 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Oil Pipe Line Transport, May 1989. Catalogue number 55-001 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Production and Shipments of Steel Pipe and Tubing, June 1989. Catalogue number 41-011 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Pulpwood and Wood Residue Statistics, June 1989. Catalogue number 25-001 (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

Shipments of Plastic Film and Bags Manufactured from Resin, Quarter Ended June 30, 1989. Catalogue number 47-007 (Canada: \$6.50/\$26; Other Countries: \$7.75/\$31).

Shipments of Solid Fuel Burning Heating Products, Quarter Ended June 1989. Catalogue number 25-002 (Canada: \$4.50/\$18; Other Countries: \$5.50/\$22).

Specified Domestic Electrical Appliances, June 1989. Catalogue number 43-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Steel Wire and Specified Wire Products, June 1989. Catalogue number 41-006 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

INTERNATIONAL AND FINANCIAL ECONOMICS

Imports by Commodity (H.S. Based), May 1989. Catalogue number 65-007 (Canada: \$52.50/\$525; Other Countries: \$63/\$630).

Preliminary Statement of Canadian International Trade (H.S. Based), June 1989. Catalogue number 65-001P (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

LABOUR

Employment, Earnings and Hours, May 1989. Catalogue number 72-002 (Canada: \$38.50/\$385; Other Countries: \$46.20/\$462).

The Labour Force, July 1989. Catalogue number 71-001 (Canada: \$17/\$170; Other Countries: \$20.40/\$204).

TRANSPORT

Aviation Statistics Centre Service Bulletin, Vol. 21, No. 8. Catalogue number 51-004 (Canada: \$8.90/\$89; Other Countries: \$10.70/\$107).

Passenger Bus and Urban Transit Statistics, June 1989. Catalogue number 53-003 (Canada: \$6.80/\$68; Other Countries: \$8.20/\$82).

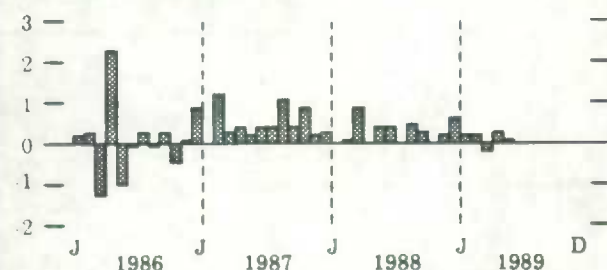
Railway Operations Statistics, May 1989. Catalogue number 52-003 (Canada: \$10/\$100; Other Countries: \$12/\$120).

Surface and Marine Transport Service Bulletin, Vol. 5, No. 6. **Marine Transport Financial and Operating Statistics, 1987.** Catalogue number 50-002 (Canada: \$8.90/\$71; Other Countries: \$10.60/\$85).

CURRENT TRENDS*

Gross Domestic Product

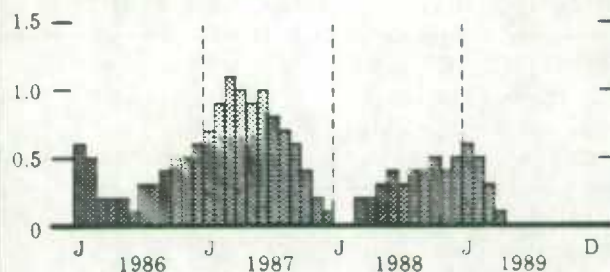
(% change, previous month)



Real gross domestic product rose 0.1% in May, in line with the average monthly growth rate for 1989.

Composite Leading Indicator

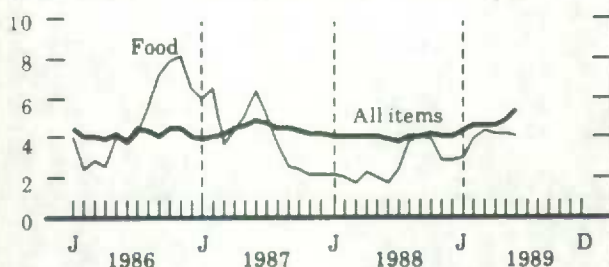
(% change, previous month)



The leading indicator was unchanged in May, after posting marginal growth in March and April.

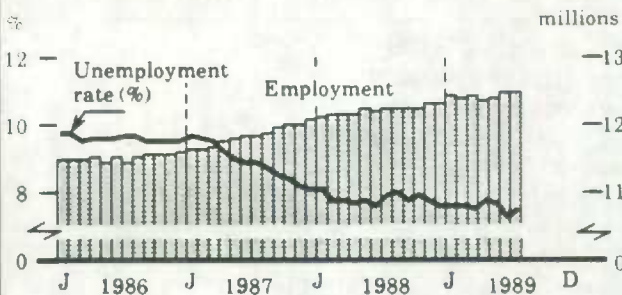
Consumer Price Index

(% change, previous year)



The consumer price index rose 0.5% in June, down from the substantial increase posted in May.

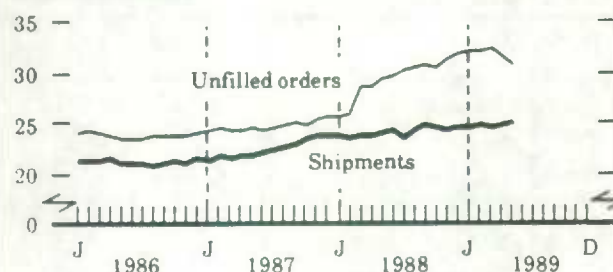
Unemployment Rate and Employment



Employment declined slightly in July, continuing the pattern of fluctuating growth evident since January.

Manufacturing

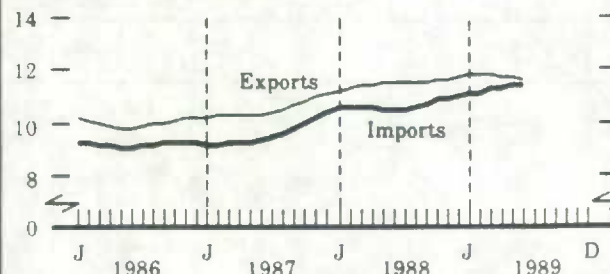
(billions of dollars)



The value of manufacturing shipments rose for the second consecutive month in May.

Merchandise Trade

(billions of dollars, short-term trend)



A greater decline in merchandise exports than in imports reduced the trade balance in June.

* All series are seasonally adjusted except the consumer price index.



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LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1981)	May	405	0.1%	2.6%
Composite Leading Indicator (1981 = 100)	May	145.3	0.0%	4.8%
Profits of Industrial Corporations (\$ billion)	1st Q	9.5	2.7%	3.3%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	May	14.5	0.4%	6.3%
New Motor Vehicle Sales ('000 units)	June	122	-7.0%	0.0%
Housing Starts ('000, annual rates)	June	206	-2.0%	-5.5%
LABOUR				
Employment (millions)	July	12.5	-0.1%	1.9%
Unemployment Rate (%)	July	7.5	0.2	-0.3
Participation Rate (%)	July	67.0	0.0	0.2
Labour Income (\$ billion)	May	28.9	0.2%	7.9%
Average Weekly Earnings (\$)	May	481.70	0.2%	4.2%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	June*	11.1	11%	-0.1%
Merchandise Imports (\$ billion)	June*	11.0	8%	0.1%
Merchandise Trade Balance (\$ billion)	June*	0.1	0.4	-1.3
MANUFACTURING				
Shipments (\$ billion)	May	24.9	0.5%	4.0%
New Orders (\$ billion)	May	24.3	2.0%	-1.6%
Unfilled Orders (\$ billion)	May	30.8	-2.0%	5.0%
Inventory/ Shipments Ratio	May	1.55	0.0%	0.01
Capacity Utilization (%)	1st Q	83.7	-0.4	-1.6
PRICES				
Consumer Price Index (1981 = 100)	June	151.3	0.5%	5.4%
Industrial Product Price Index (1981 = 100)	June	131.1	0.0%	2.3%
Raw Materials Price Index (1981 = 100)	June	101.4	-1.6%	2.4%
New Housing Price Index (1981 = 100)	June	150.0	0.5%	13.9%

Note: All series are seasonally adjusted with the exception of average weekly earnings and the price indexes.

* New this week.

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