

I·N·F·O·M·A·T

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

Friday, January 26, 1990

OVERVIEW

■ Shipments Resume Rising Trend in November

Following a decline in October, manufacturing shipments were up 0.5% in November, the third increase in four months.

■ Unusual Decline in Consumer Price Index

The consumer price index was down slightly in December for the first time in nearly seven years.

■ Downturn in Wholesale Trade Continues

In November, wholesale merchants' sales dropped on a year-over-year basis for the second time in three months, continuing the slowing trend evident for the last two years.

■ Marginal Growth in Retail Trade

Retail sales rose 0.8% in November, in line with the generally weak growth recorded since June.

■ General Social Survey Data Available

The general social survey collected data on the work, education and retirement patterns of Canadians in 1989.

Shipments Resume Rising Trend in November

In November, manufacturing shipments were up 0.5% over the previous month to total \$24.9 billion. Shipments had dropped in October, but the trend in the last four months has been modest gains. The durable goods industries, which were responsible for most of the decline in October, also accounted for most of the increase in November.

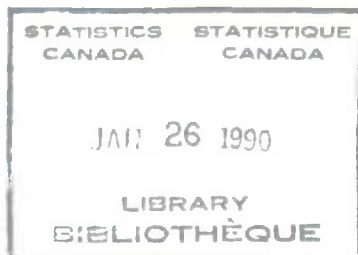
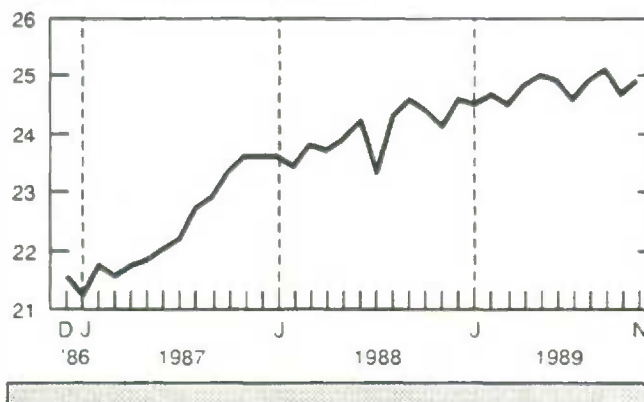
Inventory levels were down for the third time in four months, decreasing by 0.4% to \$38.3 billion. Since August, any increases in shipment levels have been accompanied by reductions in inventories. In November, both durable and non-durable goods contributed to the inventory decline, as 12 out of 22 major groups recorded decreases.

The inventory to shipment ratio dropped to 1.54 in November from 1.56 as manufacturers continued to control inventories closely.

(continued on page 2)

Manufacturers' Shipments

Billions of dollars, seasonally adjusted



Statistics Canada
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Canada

... Shipments Resume Rising Trend in November

Unfilled orders rose for the second consecutive month, following a five-month downturn. The gain in November of 0.5% was significantly lower than the advance of 2.8% posted in October. Overall, the backlog of unfilled orders is essentially unchanged from the level registered in November 1988.

The value of new orders amounted to \$25.0 billion, a notable decline from October. New orders have fluctuated sharply throughout most of 1989, but show marginal growth from the start of the year.

Manufacturing Activity

	July	Aug.	Sept.	Oct.	Nov.
	% change, previous month				
Shipments	-0.9	1.1	0.8	-1.5	0.5
New orders	3.4	-1.6	-0.2	3.6	-2.2
Unfilled orders	1.7	-0.6	-1.4	2.8	0.5
Inventory to shipments ratio	1.57	1.55	1.53	1.56	1.54

For further information, order *Monthly Survey of Manufacturing* (catalogue number 31-001) or contact *Industry Division* at (613) 951-9497.

Unusual Decline in Consumer Price Index

The consumer price index (1981 = 100) dropped 0.1% in December, the first monthly decline in seven years. This decrease contrasted with the moderate growth posted in the preceding four months. Three of the seven major components rose, but declines in the food and clothing components more than offset the increases.

Consumer Price Index

	Aug.	Sept.	Oct.	Nov.	Dec.
	% change, previous month				
All-items	0.1	0.1	0.4	0.3	-0.1
Food	-0.6	-0.4	0.4	-0.1	-0.6
Clothing	0.7	0.3	0.1	-0.4	-0.8
Transportation	-0.4	0.0	-0.2	1.3	0.0

The food component dropped 0.6% below the level posted in November. This was the fourth decrease in the last five months. The large decline in December was mainly attributable to fresh vegetables as improved availability pushed down prices.

Widespread promotional activity in December resulted in a decline in prices of men's and women's clothing. The decrease of 0.8% in the clothing component was the second decline posted in as many months.

The transportation component was unchanged. Except for the notable gain registered in November, this component has been flat since August.

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

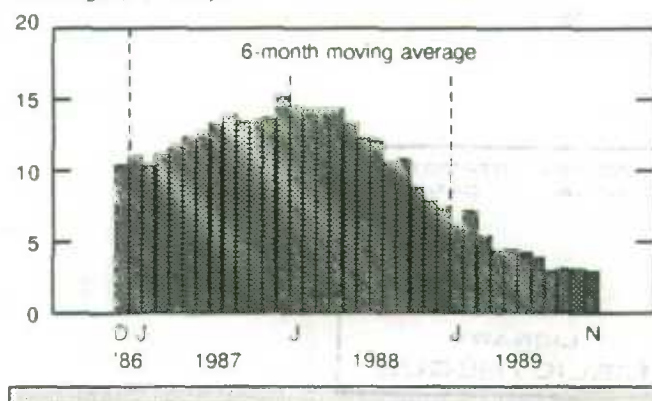
Downturn in Wholesale Trade Continues

In November, wholesale merchants' sales were down (1.8%) on a year-over-year basis for the second time in three months. Sales growth has been decelerating for two years. Five of the nine major trade groups registered decreases in November. Cumulative sales for the first 11 months of the year were marginally higher (2.1%) than in the corresponding period of 1988.

Wholesalers of farm machinery and equipment continued to report weaker sales, extending the trend downturn evident since March 1988. Sales of hardware, plumbing and heating equipment were down for a fourth month. Wholesalers of apparel and dry goods reported a drop in year-over-year sales for the sixth month in a row. Motor vehicle dealers also registered lower sales, their third month of weakening performance.

Wholesale Merchants' Sales

% change, previous year



For further information, order *Wholesale Trade* (catalogue number 63-008) or contact *Industry Division* at (613) 951-3540.

Marginal Growth in Retail Trade

- Retail sales amounted to \$14.6 billion in November, up 0.8% from the previous month. Sales had dropped sharply in October. The partial recovery in November was in line with the generally weak growth in retail sales since June.

Retail Trade

	July	Aug.	Sept.	Oct.	Nov.
	% change, previous month				
Grocery & meat stores	0.6	-1.2	1.1	0.1	-0.1
Department stores	-1.0	1.4	-1.4	2.0	-0.6
Motor vehicle dealers	-2.3	0.6	7.9	-5.5	1.2
All stores	-0.5	-0.1	1.9	-1.5	0.8

- Cumulative sales for the first 11 months of the year totalled \$154.8 billion, an increase of 5.0% over the same period in 1988.
- Motor vehicle dealers posted a gain of 1.2%, after registering a substantial decline in October. Sales have shown some growth in recent months, but generally they have been edging down in 1989.
- Department store sales were down 0.6%, further extending the fluctuating trend evident since May.
- Sales by food stores registered a marginal decline, continuing the pattern of little growth noted since July.

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

General Social Survey Data Available

The 1989 General Social Survey collected data on the work, education and retirement patterns of Canadians. Conducted in February 1989, the survey sampled 9,338 individuals 15 years of age and older from the 10 provinces.

Highlights include:

- Of those employed in 1988, 43% reported plans to retire before age 65, 14% at age 65 and only 1% after age 65. An additional 7% indicated they did not plan to retire and 34% did not know when they would retire.
- Retirement plans differ considerably by age. Baby boomers (persons age 25 to 44 years) were most likely to indicate plans for an early retirement, with about half of this age group choosing this option.
- The survey showed that about 62% of Canadians (12.6 million) do not support mandatory retirement.
- Among Canadians who were employed at the time of the survey, one-third (4.3 million) reported using computers in their job and more than half (58%) used the computer an average of 10 or more hours per week.

- An estimated 9.6 million adult Canadians (47%) reported being able to use a computer for some purpose, with little difference between males (48%) and females (46%). About 74% of the population age 15 to 24 years reported having this ability, compared with 58% of 25 to 44 year olds and only 22% of individuals age 45 or older.
- In 1989, 3.3 million (16%) Canadians age 15 years and older reported working towards a diploma or degree.
- Close to one in four (4.9 million) adult Canadians intend to start an educational program in the next five years. Almost one in four Canadians who reported employment as their main activity in 1988 were planning for further education.
- Nearly one in three Canadians (6.4 million) reported having taken a course on how to use computers. About 58% of persons 15 to 24 years old had taken a computer course, compared with only 14% of individuals 45 years of age or older.

For further information, contact Housing, Family and Social Statistics Division at (613) 951-2572.

PUBLICATIONS RELEASED FROM JANUARY 19 TO 25

AGRICULTURE

The Dairy Review, October 1989. Catalogue number 23-001 (Canada: \$11.60/\$116; Other Countries: \$13.90/\$139).

CENSUS

Focus on Canada: Canada - A Linguistic Profile, 1986 Census. Catalogue number 98-131 (Canada: \$10; Other Countries: \$11).

INDUSTRY

Canned and Frozen Fruits and Vegetables, October 1989. Catalogue number 32-011 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Coal and Coke Statistics, October 1989. Catalogue number 45-002 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

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

Crude Petroleum and Natural Gas Production, September 1989. Catalogue number 26-006 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Department Store Monthly Sales, by Province and Metropolitan Area, October 1989. Catalogue number 63-004 (Canada: \$2.50/\$25; Other Countries: \$3.50/\$35).

Department Store Sales and Stocks, June 1989. Catalogue number 63-002 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

Electric Lamps (Light Bulbs and Tubes), December 1989. Catalogue number 43-009 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No. 5: **Pack of Processed Cherries**, 1989. (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

Gas Utilities, September 1989. Catalogue number 55-002 (Canada: \$12.10/\$121; Other Countries: \$14.50/\$145).

Gas Utilities - Transport and Distribution Systems, 1988. Catalogue number 57-205 (Canada: \$26; Other Countries: \$31).

Monthly Production of Soft Drinks, December 1989. Catalogue number 32-001 (Canada: \$2.60/\$26; Other Countries: \$3.10/\$31).

Monthly Survey of Manufacturing, November 1989. Catalogue number 31-001 (Canada: \$17.30/\$173; Other Countries: \$20.80/\$208).

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

Oils and Fats, November 1989. Catalogue number 32-006 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Particleboard, Waferboard and Hardboard, November 1989. Catalogue number 36-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Primary Iron and Steel, November 1989. Catalogue number 41-001 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Production and Disposition of Tobacco Products, December 1989. Catalogue number 32-022 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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

INTERNATIONAL AND FINANCIAL ECONOMICS

Canadian Economic Observer, January 1990. Catalogue number 11-010 (Canada: \$21/\$210; Other Countries: \$25.20/\$252).

INTERNATIONAL TRADE

Summary of Canadian International Trade (H.S. Based), November 1989. Catalogue number 65-001 (Canada: \$17.30/\$173; Other Countries: \$20.80/\$208).

LABOUR

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

Unemployment Insurance Statistics, October 1989. Catalogue number 73-001 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Capacity Utilization Rates in Canadian Manufacturing, Third Quarter 1989. Catalogue number 31-003 (Canada: \$10.50/\$42; Other Countries: \$12.50/\$50).

Housing Starts and Completions, November 1989. Catalogue number 64-002 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

Indicators of Science and Technology, 1989. Catalogue number 88-002 (Canada: \$17.25/\$69; Other Countries: \$20.70/\$83).

SERVICES

Communications Service Bulletin, Vol. 20, No 2: **Telecommunication Statistics**, Third Quarter, 1989. Catalogue number 56-001 (Canada: \$7.80/\$47; Other Countries: \$9.30/\$56).

Restaurant, Caterer and Tavern Statistics, October 1989. Catalogue number 63-011 (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

TRANSPORTATION

Aviation Service Bulletin, January 1990. Catalogue number 51-004 (Canada: \$38.90/\$89; Other Countries: \$10.70/\$107).

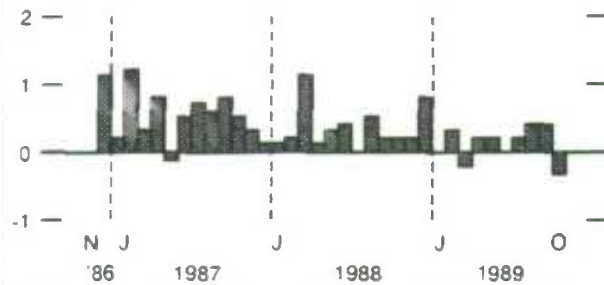
Passenger Bus and Urban Transit Statistics, November 1989. Catalogue number 53-003 (Canada: \$6.80/\$68; Other Countries: \$8.20/\$82).

Railway Carloadings, November 1989. Catalogue number 52-001 (Canada: \$7.90/\$79; Other Countries: \$9.50/\$95).

CURRENT TRENDS*

Gross Domestic Product

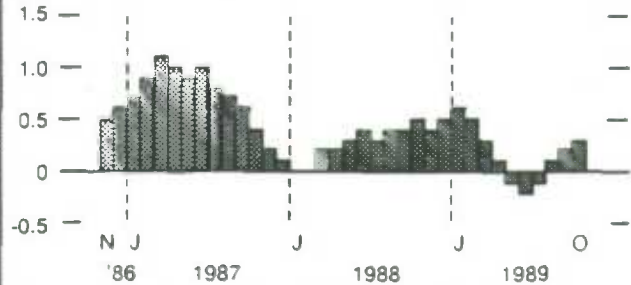
% change, previous month



Real gross domestic product eased by 0.3% in October, the first month-to-month decline recorded since March.

Composite Leading Indicator

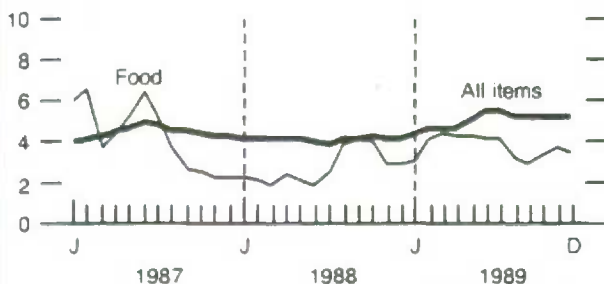
% change, previous month



The composite leading indicator in October indicated continued slow growth in the short-term.

Consumer Price Index

% change, previous year



The year-over-year increase in the CPI was 5.1% in December, down slightly from the advance registered in November.

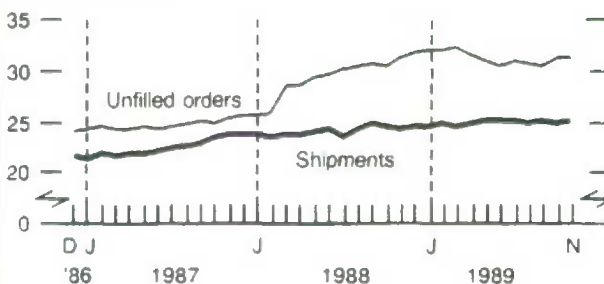
Unemployment Rate and Employment



The unemployment rate posted a slight increase for the third consecutive month in December.

Manufacturing

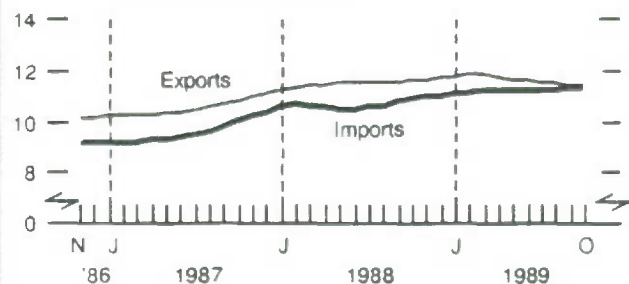
Billions of dollars



Following a decline in October, manufacturing shipments were up 0.5% in November, the third increase in four months.

Merchandise Trade

Billions of dollars, short-term trend



As a result of a marked drop in imports and a slight increase in exports, the trade balance showed a surplus of \$679 million in November.

* 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)	Oct.	412	-0.3%	2.0%
Composite Leading Indicator (1981 = 100)	Oct.	145.1	0.3%	2.6%
Profits of Industrial Corporations (\$ billion)	3rd Q	7.4	-11.1%	-21.4%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Nov.*	14.6	0.8%	4.2%
New Motor Vehicle Sales ('000 units)	Nov.	121	-2.2%	-4.9%
Housing Starts ('000, annual rates)	Nov.	210	-5.0%	-7.5%
LABOUR				
Employment (millions)	Dec.	12.5	-0.2%	1.6%
Unemployment Rate (%)	Dec.	7.7	0.1	0.1
Participation Rate (%)	Dec.	67.1	-0.1	0.2
Labour Income (\$ billion)	Oct.	29.8	0.9%	8.3%
Average Weekly Earnings (\$)	Oct.	497.90	0.5%	6.2%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	Nov.	11.5	0.5%	-2.2%
Merchandise Imports (\$ billion)	Nov.	10.8	-8.3%	-0.8%
Merchandise Trade Balance (\$ billion)	Nov.	0.7	1.0	-0.1
MANUFACTURING				
Shipments (\$ billion)	Nov.*	24.9	0.5%	3.0%
New Orders (\$ billion)	Nov.*	25.0	-2.2%	0.7%
Unfilled Orders (\$ billion)	Nov.*	31.3	0.5%	0.2%
Inventory/ Shipments Ratio	Nov.*	1.54	-0.02	-0.03
Capacity Utilization (%)	3rd Q	81.7	-0.7	-2.0
PRICES				
Consumer Price Index (1981 = 100)	Dec.*	153.6	-0.1%	5.1%
Industrial Product Price Index (1981 = 100)	Nov.	130.4	-0.2%	0.5%
Raw Materials Price Index (1981 = 100)	Nov.	100.0	-0.2%	7.2%
New Housing Price Index (1981 = 100)	Nov.	152.2	0.6%	10.3%

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

* New this week.

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